

# The Child Support Program's Response to the Pandemic and Economic Assistance

A Look at Three Sites in the Procedural Justice-Informed Alternatives to Contempt Demonstration

Semhar Gebrekristos  
Danielle Cummings



August 2024

This report was prepared as part of the Procedural Justice-Informed Alternatives to Contempt (PJAC) demonstration and evaluation, funded by the Office of Child Support Services, Administration for Children and Families, U.S. Department of Health and Human Services. MDRC and its subcontractors—MEF Associates and the Center for Court Innovation—are under contract with the Georgia Department of Human Services, Division of Child Support Services to evaluate the PJAC demonstration project.

Dissemination of MDRC publications is supported by the following organizations and individuals that help finance MDRC's public policy outreach and expanding efforts to communicate the results and implications of our work to policymakers, practitioners, and others: The Annie E. Casey Foundation, Arnold Ventures, Charles and Lynn Schusterman Family Foundation, The Edna McConnell Clark Foundation, Ford Foundation, The George Gund Foundation, Daniel and Corinne Goldman, The Harry and Jeanette Weinberg Foundation, Inc., The JPB Foundation, The Joyce Foundation, The Kresge Foundation, and Sandler Foundation.

In addition, earnings from the MDRC Endowment help sustain our dissemination efforts. Contributors to the MDRC Endowment include Alcoa Foundation, The Ambrose Monell Foundation, Anheuser-Busch Foundation, Bristol-Myers Squibb Foundation, Charles Stewart Mott Foundation, Ford Foundation, The George Gund Foundation, The Grable Foundation, The Lizabeth and Frank Newman Charitable Foundation, The New York Times Company Foundation, Jan Nicholson, Paul H. O'Neill Charitable Foundation, John S. Reed, Sandler Foundation, and The Stupski Family Fund, as well as other individual contributors.

The findings and conclusions in this report do not necessarily represent the official positions or policies of the funders.

For information about MDRC and copies of our publications, see our website: [www.mdrc.org](http://www.mdrc.org).

# The Child Support Program's Response to the Pandemic and Economic Assistance

A Look at Three Sites in the Procedural Justice-  
Informed Alternatives to Contempt Demonstration

**Semhar Gebrekristos**  
**Danielle Cummings**

**August 2024**





# OVERVIEW

**W**hen a child does not live with both parents, the parent who does not live with the child, called the noncustodial parent, may be responsible for a share of the costs associated with raising the child. Child support agencies help families obtain this support by locating parents, establishing paternity, setting financial obligations, and enforcing those obligations, aiming to secure payments from noncustodial parents to support the well-being of their children.

The COVID-19 pandemic began during the Procedural Justice-Informed Alternatives to Contempt (PJAC) demonstration project, which tested a new approach to child support service delivery. The PJAC demonstration project integrated principles of procedural justice (the idea of fairness in processes) into enforcement practices in six child support agencies across the United States. This report uses data collected during the public health emergency to examine how three child support agencies experienced the COVID-19 pandemic. It focuses on how employment, earnings, and unemployment insurance patterns changed for members of the PJAC sample after the onset of the pandemic.

Findings include:

- Noncustodial parents faced employment challenges during the pandemic but received unemployment benefits and federal pandemic economic assistance. Child support agencies withheld and intercepted some benefits and directed them toward parents' child support obligations (as is standard practice with tax refunds and unemployment insurance), which contributed to increased child support payments. Yet noncustodial parents did not, on average, reduce their child support debt. Their steady debt levels, even during a period of high collections, reveal how difficult it can be for parents to pay down child support debt, possibly due in part to policies such as high interest rates on that debt and high order amounts that noncustodial parents who earn low incomes may find it difficult to pay in full.
- The pandemic underscored the tension between the dual goals of the public child support program: supporting families and recovering the government's costs when custodial parents receive public assistance to help support their children. While pandemic benefits were intended to help parents replace lost earnings, child support interception and withholding policies meant that those funds were sometimes directed toward the government rather than families. Child support agencies had limited ability to change collection policies in response to the pandemic and pandemic benefits, but, when possible, they made it a priority to direct funds to families. For example, an executive order in

California required stimulus interceptions to go toward child support debts owed to custodial parents before debts owed to the state.

- Pandemic benefits highlighted the need for child support programs to improve systems meant to capture employment information and collect payments. The systems child support programs use to capture that information typically do not reflect independent employment or gig work. During the pandemic, people were able to receive unemployment insurance for that sort of work, and staff members reported that pandemic unemployment benefit withholding produced payments on cases with very few to no past payments or no record of past employment. This pattern points toward a reality that child support staff members have long suspected: The existing automated systems used to withhold child support payments may not be entirely effective. As independent work has become more common, child support programs will face an increasing need to develop new approaches to collect support from independent workers.



# CONTENTS

<b>Overview</b>	<b>iii</b>
<b>List of Exhibits</b>	<b>vii</b>
<b>Acknowledgments</b>	<b>ix</b>

## Report

<b>Introduction</b>	<b>1</b>
<b>Data Sources and Methods</b>	<b>4</b>
<b>Background on National Changes in Employment, Earnings, and Unemployment Insurance Receipt at the Onset of the Pandemic and the Introduction of Economic Relief</b>	<b>6</b>
<b>PJAC Sample Members' Earnings and Unemployment Insurance Receipt During the Pandemic</b>	<b>8</b>
<b>Child Support Enforcement Tools: Prepandemic and Pandemic Withholding and Interception Policies</b>	<b>11</b>
<b>Shifts in Child Support Payments and Debt</b>	<b>15</b>
<b>Findings from Interviews: Staff and Parent Perspectives</b>	<b>19</b>
<b>Conclusion</b>	<b>25</b>

## References

27

## Earlier MDRC Publications on PJAC

29





# EXHIBITS

## Tables

<b>1</b>	Interviews by Child Support Agency and Respondent	6
<b>2</b>	Prepandemic Withholding and Interception Policy and Distribution	13
<b>3</b>	Pandemic Benefit Withholding and Interception Policies and Distribution	14
<b>4</b>	Sample Interest or Surcharge Accumulation, by State	19

## Figures

<b>1</b>	Timing of Federal Pandemic Economic Assistance	7
<b>2</b>	Average Earnings from Formal Employment and Average Unemployment Insurance Benefit Payment, by Site	9
<b>3</b>	Average Combined Earnings and Unemployment Insurance Benefits, by Site	10
<b>4</b>	Average Monthly Child Support Payments, by Site	16
<b>5</b>	Average Debt Amounts, by Payee and Site	18

## Boxes

<b>1</b>	<b>PJAC Demonstration Overview</b>	<b>2</b>
<b>2</b>	<b>Child Support Agencies Participating in Data Collection for This Report</b>	<b>4</b>
<b>3</b>	<b>Parent Perspectives on Difficulty Receiving Pandemic Benefits</b>	<b>21</b>
<b>4</b>	<b>Staff Perspectives on the Pandemic Benefits</b>	<b>22</b>
<b>5</b>	<b>Parent Perspectives on Child Support Interceptions and Withholdings of Pandemic Benefits</b>	<b>23</b>
<b>6</b>	<b>Staff Perspectives on Capturing Earnings Information for Noncustodial Parents</b>	<b>24</b>



# ACKNOWLEDGMENTS

**T**his report would not have been possible without the support of many individuals and organizations. We thank staff members at the U.S. Department of Health and Human Services, Administration for Children and Families, for their helpful comments on previous drafts and their review of the analysis design, including Michael Hayes, Tanya Johnson, and Melody Morales at the Office of Child Support Services, and Megan Reid, Nicole Constance, and Elaine Sorensen at the Office of Planning, Research, and Evaluation.


We thank the many MDRC and MEF staff members, past and present, who made this report possible. Kyla Wasserman served as an invaluable mentor and guide throughout the report process, providing technical guidance and supporting the planning of the analysis and writing. Asaph Glosser, Melanie Skemer, Louisa Treskon, and Kyla Wasserman provided comments on the analysis design and expert consultation on the PJAC demonstration and the child support program. Claire McMahon Fishman and Sofia Torres assisted with qualitative data analysis. Melanie Skemer, Jennifer Hausler, and Miguel Garza Casado planned and supported the quantitative analysis. Jennifer Hausler, Cassandra T-Pederson, Ethan Feldman, Sally Dai, and Jared Smith analyzed the quantitative data. Ethan Feldman and Audrey Yu prepared graphics to display the quantitative data.

This report benefited greatly from review by Asaph Glosser, Joshua Malbin, Melanie Skemer, Elizabeth Saldana, Louisa Treskon, Kyla Wasserman, and Sofia Torres, who provided insightful comments. We thank Joshua Malbin, who edited the report; Ann Kottner, who designed it, formatted it, and prepared it for publication; and Madelyne Lynam, who fact-checked it and coordinated its production.

Last, we would like to extend our gratitude to the staff and parents at the California, Michigan, and Virginia PJAC demonstration sites who shared their experiences with us for this report. Their voices are invaluable to this study, and we are deeply appreciative of their contributions.

The Authors





**W**hen a child does not live with both parents, the parent who does not live with the child, called the noncustodial parent, may be responsible for a share of the costs associated with raising the child.<sup>1</sup> Child support agencies help families obtain this support by locating parents, establishing paternity, setting financial obligations, and enforcing those obligations, aiming to secure payments from noncustodial parents to support the well-being of their children.

## Introduction

The COVID-19 pandemic posed unexpected challenges to social service agencies and their customers. Child support programs, like other government programs, experienced disruptions to normal operations, including office and court closures, increased service demands, and technological hurdles.<sup>2</sup> At the same time, customers faced economic hardship due to job loss and health concerns. In response to the pandemic and significant job loss, the federal government provided temporary economic assistance to individuals and families in multiple ways, including direct payments to families and increased and extended unemployment benefits.

---

<sup>1</sup> The noncustodial parent is the parent who has been ordered to pay child support and is generally the parent who does not live with the child. The other parent is referred to as the custodial parent.

<sup>2</sup> For more information on the initial disruptions due to the pandemic, see Baird, Hayes, Henderson, and Johnson (2020).

The COVID-19 pandemic began during the Procedural Justice-Informed Alternatives to Contempt (PJAC) demonstration project. Box 1 provides an overview of the PJAC demonstration, which aimed to test a new approach to child support service delivery. The PJAC demonstration enrolled participants across six child support agencies from February 2018 through September 2020 and served participants through September 2021. The PJAC sample differs from the full child support population in important ways—noncustodial parents who were eligible for PJAC were behind on their child support payments and at the point of being referred to civil contempt. They typically had long histories with the child support program, including multiple enforcement actions, and tended to have low earnings.

### BOX 1 PJAC Demonstration Overview

The Procedural Justice-Informed Alternatives to Contempt (PJAC) demonstration project integrated principles of procedural justice into enforcement practices in six child support agencies across the United States. The PJAC demonstration was developed by the federal Office of Child Support Services. In the demonstration, parents were randomly assigned to one of two research groups:

- PJAC services group: offered PJAC services
- Business-as-usual group: not eligible to receive PJAC services, proceeded with the standard contempt process

PJAC intended to address noncustodial parents' reasons for nonpayment, promote their positive engagement with the other parent and the child support program, and improve the consistency of their payments.

## Purpose

This report uses data collected during the public health emergency to examine how three of those child support agencies—in Riverside and San Bernadino Counties in California; Muskegon County, Michigan; and Newport News and Richmond, Virginia, hereafter called “sites”—experienced the COVID-19 pandemic. It focuses on how employment, earnings, and unemployment insurance patterns changed for members of the PJAC sample after the onset of the pandemic. Additionally, the report examines how the payments and debt balances of parents in the PJAC sample changed during the pandemic.<sup>3</sup>

The report also outlines child support program income withholding policies and documents how the child support agencies in this study responded to the economic assistance offered by the government to support individuals and families. Finally, the report examines staff and parent experiences and perspectives on economic assistance and child support during the pandemic.

The report addresses the following research questions:

- How did patterns of employment, earnings, receipt of unemployment insurance, child support payments, and child support debt levels compare in the periods before and after the onset of COVID-19? How did they vary by agency?

<sup>3</sup> See Wurmfeld (2022) for more information on the PJAC demonstration, model, and principles.



- How did child support agencies respond to COVID-19 pandemic economic assistance? How did responses vary by site?
- How did staff members and parents perceive child support agency responses to the COVID-19 pandemic and access to pandemic economic assistance? How did perspectives vary by site?

## Summary of Findings

This analysis found that noncustodial parents faced employment challenges during the pandemic, but they gained access to unemployment insurance benefits that, on average, helped them recover their lost earnings. Noncustodial parents also received federal pandemic economic assistance (that is, stimulus payments), which was intended to help them get through a challenging and unpredictable financial period. Child support agencies withheld a portion of noncustodial parents' unemployment insurance benefits, intercepted one stimulus payment, and intercepted additional taxable income from both of those sources, contributing to increased child support payments. Despite these increased collections, noncustodial parents did not, on average, reduce their child support debt during the analysis period. The lack of debt reduction during a period of increased collections highlights the challenges noncustodial parents face in reducing their child support debt, possibly due in part to policies such as interest charges, which cause debt balances to grow over time.

Through interviews with child support staff members and parents, the research team found that staff members faced difficulty providing accurate and timely information about pandemic economic assistance to parents. Custodial and noncustodial parent perspectives on child support agency communication and responses to the pandemic varied by site. Some parents shared that they faced barriers to receiving unemployment benefits, making it difficult for noncustodial parents to pay child support.

Child support staff members, custodial parents, and noncustodial parents had varying perceptions of the interception of pandemic economic assistance for child support payments. Staff members across sites said that while child support payments were being made more consistently, they recognized that the purpose of the pandemic assistance was to support individuals who were unemployed, not to pay child support. Some custodial parents expressed frustration that only the first stimulus payment was intercepted and, in some cases, applied to child support that was owed to the state before being applied to payments toward the custodial parent.<sup>4</sup> While staff members said that many noncustodial parents were frustrated by the first stimulus check interception, some noncustodial parents interviewed by the research team seemed indifferent toward child support's interception of pandemic economic assistance.

The pandemic was a time of great uncertainty and upheaval. Looking at this period illuminated underlying challenges faced by the child support program in a more typical operating environment:

---

<sup>4</sup> If child support payments are not received from the noncustodial parent while the custodial parent is on public assistance (such as Temporary Assistance for Needy Families, or TANF), the unpaid support accrues as debt to the state. Debt to the state may also be accrued from fees associated with child support actions (processing fees for payments) that go unpaid. Additionally, in some states child support debt is subject to interest, which increases the debt amount further.

- Noncustodial parents' steady debt levels, even during a period of high collections, show how difficult it is for them to pay down child support debt.
- A combination of case manager reports and tax intercept trends highlights challenges case managers face in tracking independent employment or gig work.
- Tax offset policies—particularly the interception of stimulus payments intended to help individuals and families weather a difficult financial period—reveal how families experience the interaction between child support policies and other federal policies.

The findings in this report offer insights into how child support administrators may help overcome these underlying challenges moving forward.

## Data Sources and Methods

This report uses quantitative and qualitative data collected from three child support agencies that participated in the PJAC demonstration. The report refers to these sites as “California,” “Michigan,” and “Virginia” for simplicity, but the data reflect the samples described in Box 2.

**BOX 2**  
**Child Support Agencies Participating in Data Collection for This Report**

The **quantitative** sample covers:

- **California:** California Department of Child Support Services (Riverside and San Bernardino Counties)
- **Michigan:** Michigan Office of Child Support (Muskegon County)
- **Virginia:** Virginia Division of Child Support Enforcement (Richmond and Newport News District Offices)

The **qualitative** research team spoke with staff members and parents in San Bernardino County, California; Muskegon County, Michigan; and Newport News, Virginia.

## Quantitative Analysis

The quantitative analysis examines patterns of employment, earnings, unemployment insurance compensation, child support payments, and debts during the period before COVID-19 was declared a global pandemic (February 2018 through March 2020) compared with the period after COVID-19's onset (April 2020 through September 2021).<sup>5</sup> The analysis assesses measures on a monthly or quarterly basis, depending on the level of data collection. The report presents results by site because the structure of each site's child support

<sup>5</sup> COVID-19 was declared a public health emergency on January 31, 2020, and declared a national emergency by the White House on March 13, 2020. The World Health Organization declared COVID-19 a global pandemic on March 11, 2020. Because data are measured monthly or quarterly, this analysis considers April 2020 the first full month of the pandemic.





program and economic landscape, state and local policies, and populations differs from the others in meaningful ways. The analysis combines the PJAC services and control groups at each site because both research groups experienced the effects of COVID-19 similarly with respect to the measures assessed in this analysis. Combining research groups makes it possible to compare the prepandemic and pandemic periods more clearly for each site and to discern patterns across sites.

The quantitative data sources used for this analysis are:

- **Child support administrative data** collected for the full sample for the California, Michigan, and Virginia sites from January 2019 through September 2021.<sup>6</sup>
- **Formal employment and earnings records** from the National Directory of New Hires—a federal database that includes all W2-covered employment and unemployment insurance claims in the United States—for the full sample for the California, Michigan, and Virginia sites from Quarter 1 2018 through Quarter 2 2021.

## Qualitative Analysis

The research team collected the qualitative data presented in this report in late 2022 and early 2023. The research team conducted in-person and virtual interviews with PJAC and non-PJAC custodial and noncustodial parents from the California, Michigan, and Virginia sites, gathering information on staff and parent experiences throughout the pandemic and as the public health emergency ended. The experiences and opinions of the staff members and parents presented in this report are not intended to be representative of all child support staff members or custodial and noncustodial parents. The data collected from child support staff and parent interviews were professionally transcribed and coded in Dedoose, a mixed-methods analysis program. The coded excerpts were exported into Excel, and the research team conducted thematic analysis to identify common themes, trends, and topics and examine differences among sites.<sup>7</sup>

Table 1 presents a breakdown of interviewees by child support agency and respondent. The qualitative data sources cover:

- **35 child support staff interviews:** A combination of virtual and in-person interviews with staff members in varying roles—caseworkers, operations managers, enforcement staff members, legal staff members, and agency leaders—conducted between December 2022 and March 2023.
- **15 parent interviews:** A combination of virtual and in-person interviews with custodial and noncustodial parents conducted between December 2022 and April 2023. The custodial and noncustodial parents were a mix of PJAC and non-PJAC participants.

---

<sup>6</sup> Administrative data are data collected in the course of administering a program or public service.

<sup>7</sup> This report presents the findings as proportions of staff members or parents who described an experience: “few” (20 percent or fewer), “some” (between 21 and 50 percent), and “many” (51 percent or greater). Since the interview sample is small, in some cases, experiences shared by two respondents are included in the “few” category. There are also some cases where the research team presents the perspective of one respondent and specifies that the perspective is from a single respondent.

**TABLE 1.** Interviews by Child Support Agency and Respondent

Interviewees	Michigan	Virginia	California	Total
Total staff members	12	11	12	35
Total parents	6	8	1	15
Custodial parents	3	5	1	9
Noncustodial parents	3	3	0	6
Total interviewees	18	19	13	50

## Background on National Changes in Employment, Earnings, and Unemployment Insurance Receipt at the Onset of the Pandemic and the Introduction of Economic Relief

The COVID-19 pandemic triggered significant job loss across the United States:

- The national unemployment rate rose from 4.4 percent in March 2020 to 14.8 percent in April 2020—the highest unemployment rate since data collection began in 1948.<sup>8</sup> The national unemployment rate remained higher than prepandemic levels until October 2021.<sup>9</sup>
- Unemployment rates varied by state, influenced by factors such as the prevailing industries in the state, local COVID-19 infection rates, and state and local government orders.
- Michigan’s unemployment rate increased by 18.4 percentage points between March and April 2020, the third-largest change among all states and the District of Columbia.<sup>10</sup> In comparison, California’s unemployment rate rose 10 percentage points, and Virginia’s unemployment rate rose 12.5 percentage points during the same period. For all three states, these changes marked the highest one-month increase in unemployment since state-level unemployment data collection began in 1976.<sup>11</sup>

Congress responded to the unprecedented circumstances in the early weeks of the pandemic by passing the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) in late March 2020, which comprised several programs that offered temporary economic assistance for individuals, families, and businesses.<sup>12</sup> The CARES Act provided two types of financial assistance to most families served by the child support program:

<sup>8</sup> Falk, Romero, Nicchitta, and Nyhof (2021).

<sup>9</sup> U.S. Bureau of Labor Statistics (2024).

<sup>10</sup> U.S. Bureau of Labor Statistics (2020).

<sup>11</sup> U.S. Bureau of Labor Statistics (2020).

<sup>12</sup> CARES Act (2020).



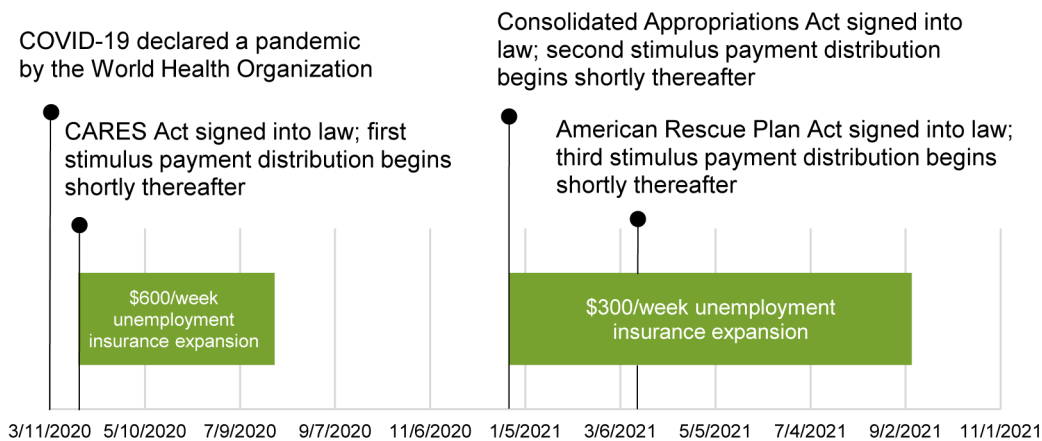
- **One-time stimulus payments** of \$1,200 per adult and \$500 per qualifying child under age 17 in each household.<sup>13</sup>
- **Enhanced unemployment compensation programs**, including the Pandemic Unemployment Assistance (PUA) program, which extended unemployment insurance compensation to individuals who are typically ineligible for it (for example, independent contractors, gig workers, and people with insufficient work history), and Federal Pandemic Unemployment Compensation (FPUC), which offered an additional \$600 per week on top of regular unemployment compensation through July 31, 2020.<sup>14</sup>

Congress passed two additional acts that provided more economic support for individuals and families as the pandemic progressed:

- The December 2020 Consolidated Appropriations Act provided a second stimulus of \$600 per adult and qualifying child under age 17 and an additional eight months of expanded unemployment insurance but at a lower level of \$300 per week.
- The March 2021 American Rescue Plan Act provided a third stimulus of \$1,400 per adult and eligible dependent.<sup>15</sup>

Figure 1 shows the timing of the pandemic economic assistance. Overall, these benefits were intended to offer individuals and families a temporary financial safety net as they weathered a period of financial uncertainty.

**FIGURE 1. Timing of Federal Pandemic Economic Assistance**



<sup>13</sup> U.S. Department of the Treasury (n.d.)

<sup>14</sup> U.S. Department of Labor (2020a, 2020b).

<sup>15</sup> The American Rescue Plan also made temporary changes to the Child Tax Credit, including increased credit amounts and advance payments for the 2021 tax year. The child tax credit was not intercepted for child support obligations.

# PJAC Sample Members' Earnings and Unemployment Insurance Receipt During the Pandemic

Using formal employment data from the National Directory of New Hires, this analysis examines how PJAC sample members' formal employment, earnings, and unemployment insurance benefit receipt patterns changed after the COVID-19 pandemic began.

- **On average, noncustodial parents at each site faced a drop in earnings from formal employment and a subsequent increase in unemployment insurance payments at the onset of the pandemic.**

In line with national employment trends, all sites in this analysis experienced a drop in formal employment among noncustodial parents between Quarter 1 2020 and Quarter 2 2020 (not shown). Figure 2 shows that this drop in employment corresponds to a drop in earnings from formal employment at the onset of COVID-19. However, average formal earnings approached or exceeded prepandemic levels by Quarter 4 2020. The drop in earnings was most pronounced at the Michigan site, which aligns with the much larger increase in unemployment experienced in that state compared with California and Virginia. The drop was least pronounced at the California site.

As shown in Figure 2, there does not appear to be a strong relationship between the magnitude of the decrease in employment and earnings in each state and the average amount of unemployment insurance payments in those states. The Michigan site experienced the largest drop in employment and earnings among the sites included in this analysis, yet noncustodial parents at this site received the lowest unemployment insurance payments.

There are many reasons why unemployment insurance amounts might vary by state—for example, each state's standard unemployment insurance program is different, with different maximum amounts and eligibility periods. California's maximum amount is \$450 for 26 weeks, Michigan's is \$362 for 20 weeks, and Virginia's is \$378 for 26 weeks.<sup>16</sup> Various factors affect whether individuals manage to receive benefits, including workers' knowledge of the unemployment insurance program, application accessibility, state differences in unemployment insurance administration, immigration status, and discrimination.<sup>17</sup>

- **The enhanced unemployment insurance benefits appeared to help noncustodial parents replace or exceed earnings from formal employment that were lost during the pandemic.**

Figure 3 offers a different perspective on the same data, stacking earnings and unemployment insurance income to better depict noncustodial parents' average income from both sources over time.

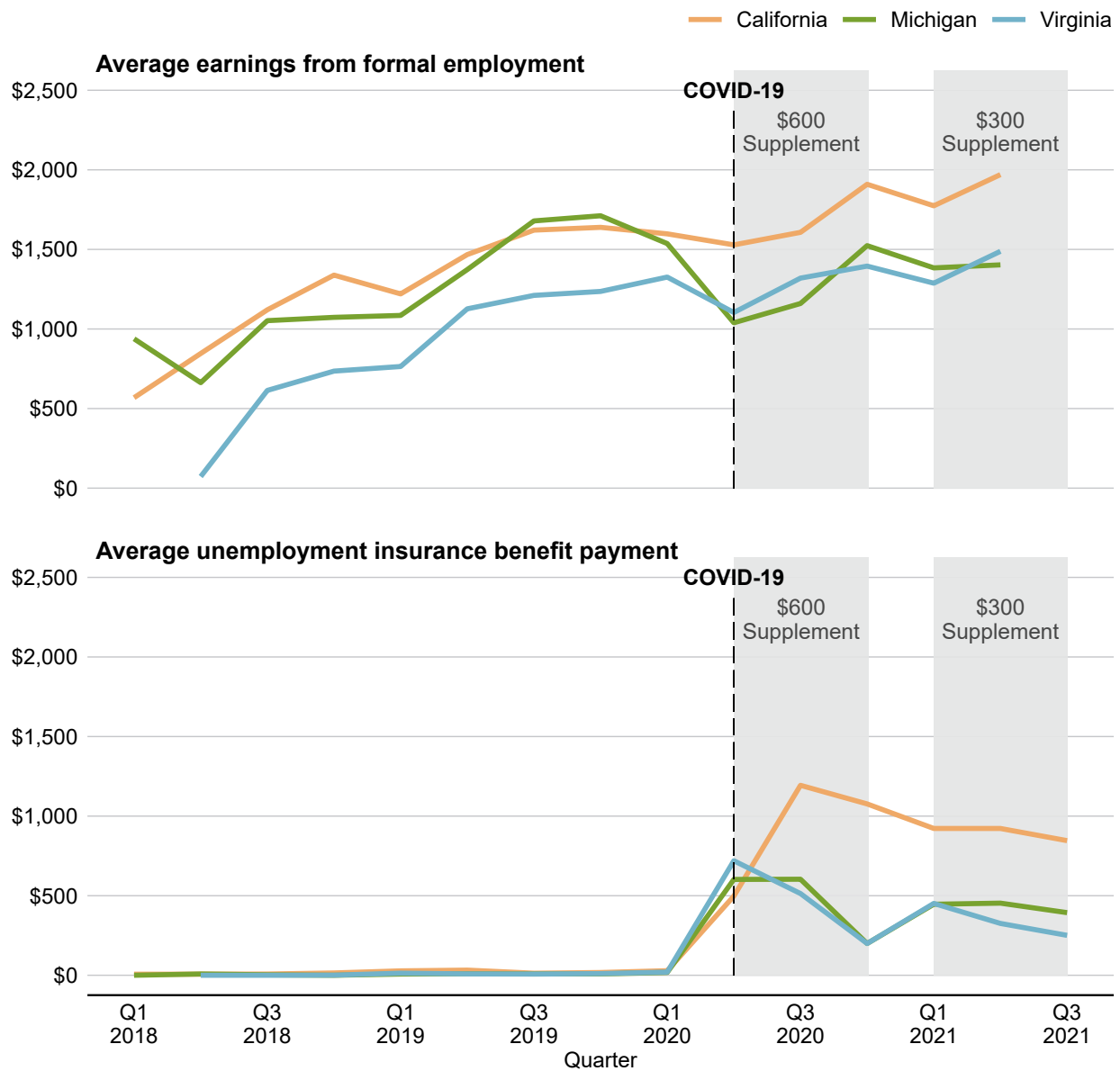
---

<sup>16</sup> Employment Development Department, State of California (2024); Michigan Department of Labor and Economic Opportunity (2024); Virginia Employment Commission (2024).

<sup>17</sup> Mar, Ong, Larson, and Peoples (2022).



**FIGURE 2.** Average Earnings from Formal Employment and Average Unemployment Insurance Benefit Payment, by Site

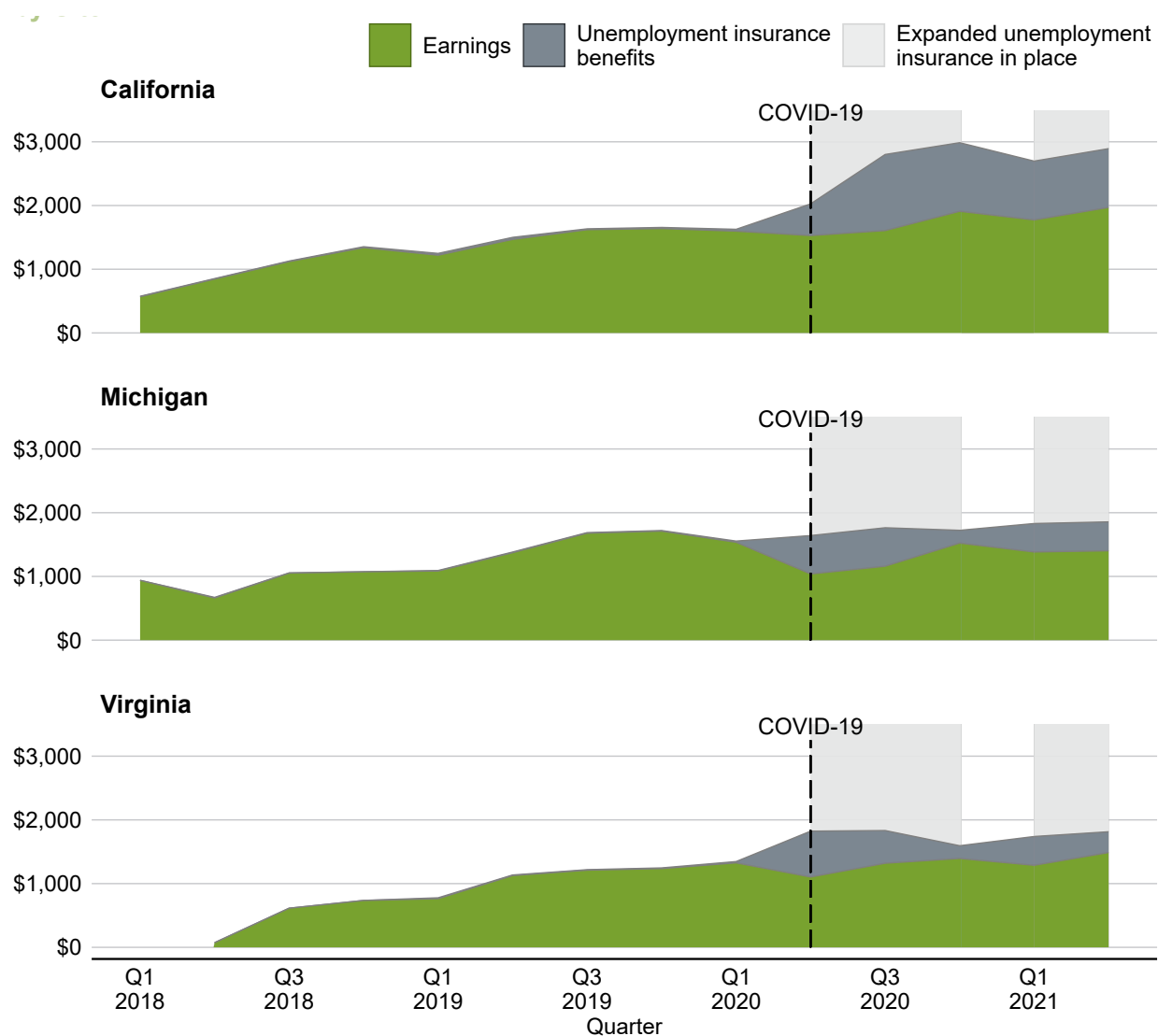


SOURCE: MDRC calculations based on quarterly employment and earnings data from the National Directory of New Hires.

NOTES: Earnings from formal employment are not available for Q3 2021 due to missing data. The increase in earnings from Q1 2018 to Q3 2019 is a function of sample buildup: As the sample grew, average earnings grew. Enrollment in California and Michigan began in Q1 2018, and enrollment in Virginia began in Q2 2018.

Figure 3 shows that, on average, the enhanced unemployment insurance benefits helped noncustodial parents mostly replace or exceed their prepandemic earnings from formal employment at all sites, potentially leaving some noncustodial parents with more money to put toward child support payments. However, the earnings data do not account for independent contracting or gig work, and the gig economy experienced a wide range of demand changes during the pandemic. For example,

**FIGURE 3. Average Combined Formal Earnings and Unemployment Insurance Benefits, by Site**



SOURCE: MDRC calculations based on quarterly employment and earnings data from the National Directory of New Hires.

NOTES: Earnings from formal employment are not available for Q3 2021 due to missing data. The increase in earnings from Q1 2018 to Q3 2019 is a function of sample buildup: As the sample grew, average earnings grew. Enrollment in California and Michigan began in Q1 2018, and enrollment in Virginia began in Q2 2018.

gig-worker demand increased for grocery-shopping and restaurant-delivery services, while work dried up completely for many construction workers, ride-share drivers, and hairdressers.<sup>18</sup> Thus, the available data cannot provide a full picture of sample members' employment and earnings experience.

<sup>18</sup> Smith (2020).

# Child Support Enforcement Tools: Prepandemic and Pandemic Withholding and Interception Policies

## Background on Child Support Enforcement

At its inception in 1975, the Child Support Enforcement program's primary purpose was to recover the cost of cash assistance given to single parents who, in theory, would not have needed public assistance if they were part of a two-parent household. The public child support program has expanded into a multifaceted one that, while still pursuing public-assistance-cost recovery, provides a variety of services and promotes self-sufficiency and parental responsibility.<sup>19</sup> To reflect these shifting priorities, the federal agency that oversees the national child support program changed its name from the Office of Child Support Enforcement to the Office of Child Support Services in 2023.<sup>20</sup>

Child support agencies can use a range of tools to collect current support and debt payments from noncustodial parents. Current support refers to the amount payable to the custodial parent each month. Debts are owed to the state or to the custodial parent largely depending on whether the debt accrued while the custodial parent was receiving governmental cash assistance.

## Child Support Enforcement Tools

Two of the child support program's enforcement tools are commonly used to withhold money that would otherwise go to noncustodial parents through earned income or tax refunds:

- **Income withholding.** The most common collection method is income withholding, which represented 72 percent of all collections in 2022.<sup>21</sup> Income withholding may also be applied to noncustodial parents' unemployment insurance benefits. Child support agencies can locate noncustodial parents in the National Directory of New Hires (NDNH) and use that employment information to initiate income withholding orders to collect child support payments directly from employers. However, some workers, such as independent contractors and gig workers, do not usually appear in the NDNH, which makes it difficult for child support agencies to initiate income withholding orders in those cases.

Child support distribution policies are dictated by a mix of federal laws and state-level policies. Child support collections are typically first distributed to custodial parents before being used to pay any support owed to the state. The primary exception is when the custodi-

---

<sup>19</sup> Tollestrup (2023).

<sup>20</sup> The name change reflects the OCSS program's "commitment to serve the whole family and provide services that promote family self-sufficiency, so children receive reliable support from both parents." See Office of Child Support Services (2023).

<sup>21</sup> Office of Child Support Services (2022).

al parent is currently receiving benefits under the Temporary Assistance for Needy Families program. In these cases, states have the option to retain this collection to offset the cost of public assistance payments to the custodial parent.<sup>22</sup>

- **Tax offsets.** Child support agencies can intercept state and federal income tax refunds for child support obligations. These interceptions are known as tax offsets. Tax offsets allow child support agencies, in partnership with the Department of the Treasury, to intercept a noncustodial parent's federal and state tax refunds to collect past-due support.

Payments received through tax offsets typically satisfy state-owed debt first; any remaining funds go to the custodial parent. For custodial parents who formerly received cash assistance, states can opt to use the offset collections to pay support owed to the family first; this practice is known as “family-first distribution.”<sup>23</sup>

## Prepandemic Withholding and Interception Policy and Distribution

The policies on income and unemployment insurance withholding and tax interception vary among the three study sites profiled here (see Table 2). At all three sites, wages are subject to withholding, although rates differ. Unemployment insurance withholding and tax-intercept policies and distribution hierarchies also vary by site.

## Pandemic Economic Assistance Withholding and Interception Policies and Distribution

The treatment of pandemic economic assistance (expanded unemployment insurance and stimulus payments) also varied among the three sites (see Table 3). At all three sites, child support programs withheld expanded unemployment insurance using the same policy and distribution hierarchy as their standard unemployment insurance withholding rules.<sup>24</sup>

All three sites intercepted only the first stimulus payment, but there were differences in how the sites applied these funds to support owed to custodial parents or to the state.<sup>25</sup> Each site applied its existing tax-intercept policy to the first stimulus interception. In Michigan and Virginia, the stimulus distribution hierarchy mirrored that of tax offsets, while in California, it did not. In April 2020, California's Department of Child Support Services worked with the governor to create an executive

---

<sup>22</sup> As of 2022, 28 states pass through to custodial parents at least some portion of collections made on their behalf. See Azevedo-McCaffrey (2022).

<sup>23</sup> Turetsky and Azevedo-McCaffrey (2024).

<sup>24</sup> In Virginia, staff members reported that child support could withhold Federal Pandemic Unemployment Compensation (FPUC) but could not withhold Pandemic Unemployment Assistance (PUA).

<sup>25</sup> Congress did not allow child support programs to intercept the second and third payments. See Crandall-Hollick (2021).





**TABLE 2. Prepandemic Withholding and Interception Policy and Distribution**

		California	Michigan	Virginia
Wage withholding	Amount	Up to 50%	Up to 50%	Up to 65%
	Distribution hierarchy	1. Current support 2. Debt owed to the state 3. Debt owed to custodial parents	1. Current support 2. Debt owed to custodial parents 3. Debt owed to the state	1. Current support 2. Debt owed to custodial parents 3. Debt owed to the state
Unemployment insurance withholding	Policy	Up to 25%	Up to 50%	Up to 65%
	Distribution hierarchy	1. Current support 2. Debt owed to the state 3. Debt owed to custodial parents	1. Current support 2. Debt owed to custodial parents 3. Debt owed to the state	1. Current support 2. Debt owed to custodial parents 3. Debt owed to the state
Tax intercepts <sup>a</sup>	Policy	No minimum debt amount required for interception of TANF or non-TANF cases	TANF cases: minimum debt of \$150 Non-TANF cases: minimum debt of \$500	TANF cases: minimum debt of \$150 Non-TANF cases: minimum debt of \$500
	Distribution hierarchy	1. Current support 2. Debt owed to the state 3. Debt owed to custodial parents	1. Debt owed to the state 2. Debt owed to custodial parents (Does not apply to current support)	1. Debt owed to the state 2. Debt owed to custodial parents (Does not apply to current support)

NOTE: <sup>a</sup>At all three sites, any excess funds from tax intercepts are returned to the noncustodial parent.

order that required federal stimulus intercepts to be applied first to debt owed to custodial parents rather than debt owed to the state.<sup>26</sup> That is, intercepted stimulus funds were first applied to current support, then applied to debt owed to custodial parents, and last debt owed to the state.

A California staff member reported that in some PJAC cases, custodial parents asked that the intercepted stimulus funds that went toward current support be returned to the noncustodial parent. In a number of these cases, PJAC staff had the flexibility to go into their systems and redirect those current support funds to the noncustodial parent.

## Changes to Withholding and Interception Policies and Distribution

California made a permanent change to the distribution hierarchy of child support withholdings and interceptions during the pandemic. Starting in May 2020, if the custodial parent is not actively receiving state aid, any funds intercepted or withheld from the noncustodial parent go toward current support, then debt owed the custodial parent, and last, debt owed the state. California’s prepandemic

<sup>26</sup> Office of Governor Gavin Newsom (2020).

**TABLE 3. Pandemic Benefit Withholding and Interception Policies and Distribution**

		California	Michigan	Virginia
Expanded unemployment insurance <sup>a</sup>	Policy	Up to 25%	Up to 50%	Up to 65%
	Distribution hierarchy	1. Current support 2. Debt owed to custodial parents 3. Debt owed to the state	1. Current support 2. Debt owed to custodial parents 3. Debt owed to the state	1. Current support 2. Debt owed to custodial parents 3. Debt owed to the state
First stimulus payment	Policy	No minimum debt amount required for interception of TANF or non-TANF cases	TANF cases: minimum debt of \$150 Non-TANF cases: minimum debt of \$500	TANF cases: minimum debt of \$150 Non-TANF cases: minimum debt of \$500
	Distribution hierarchy	1. Current support 2. Debt owed to custodial parents 3. Debt owed to the state	1. Debt owed to the state 2. Debt owed to custodial parents (Did not apply to current support)	1. Debt owed to the state 2. Debt owed to custodial parents (Did not apply to current support)

NOTE: <sup>a</sup>Virginia staff members reported that only the Federal Pandemic Unemployment Compensation (FPUC) was withheld. The Pandemic Unemployment Assistance (PUA) was not withheld.

distribution hierarchy (current support, then debt owed the state, then debt owed the custodial parent) remains in effect for cases where the custodial parent is currently receiving aid.

Site staff members in Virginia and Michigan did not report any changes to their wage, unemployment insurance withholding, or tax-offset policies.

➤ **Uncertainty made it difficult for staff members to communicate with parents about pandemic benefits.**

As pandemic benefits became available, child support agency staff members faced uncertainty about the eligibility requirements and distribution of these benefits. This uncertainty made it difficult to predict and communicate to families whether these benefits would be intercepted for child support obligations, leading to confusion among both custodial and noncustodial parents (see the section below on “Findings from Interviews: Staff and Parent Perspectives”). Staff members at the three agencies communicated with families in various ways.

Michigan staff members reported that while they did not communicate directly to families about pandemic benefits, they used social media to share information. As information and guidance changed rapidly, they said they often did not know what to share with parents. As one staff member said, “We didn’t really know what was happening until it happened.”

At the California site, staff members made parents aware of various benefits and encouraged them to apply so that the child support office and parents could potentially receive payment. A staff member shared that one of her previously self-employed parents began receiving unemployment insurance and was able to make payments after the staff member made the parent aware of the unemployment



insurance eligibility expansion. Staff members at the California site also shared that the intercepts and withholdings caused hard-to-reach noncustodial parents to engage with child support temporarily, to ask questions about the benefits and withholdings.

At the Virginia site, the child support office gave staff members a bulleted list to explain pandemic benefits to parents. The list included information about the various benefits and what might be withheld by child support. Staff members stressed the importance of reaching out to and communicating with both custodial and noncustodial parents when benefits became available, to ensure they were receiving checks in the mail or deposits in checking accounts for benefits that could be coming in automatically. Doing so was particularly important for custodial parents who had not gotten payments in several years and might have moved or closed the deposit accounts where the payments would go.

## Shifts in Child Support Payments and Debt

The economic conditions, pandemic economic relief, and child support policies discussed above interacted and appeared to change the dynamics of child support payments and debt accrual during the COVID-19 pandemic. Child support programs saw an increase in collections across all three sites, but noncustodial parents did not see a decrease in debt balances.

- **Child support payments increased at all sites over prepandemic levels in 2020 and 2021, spiking after the initial stimulus payments were intercepted and remaining at relatively high levels throughout the analysis period for two of the three sites.**

Figure 4 shows monthly child support payments during the analysis period. Monthly child support payments increased dramatically in May 2020, the month after the government began disbursing stimulus payments as part of the CARES Act. As discussed above, the CARES Act stimulus payment was intercepted by the child support agency at all three sites for individuals with debt, so it is likely that the spike in payments is due in part to that interception. Child support agencies did not intercept the second and third stimulus payments, so it is unsurprising that there was not as extreme of an increase in payments in January or March 2021 as there was after the first stimulus payment.<sup>27</sup>

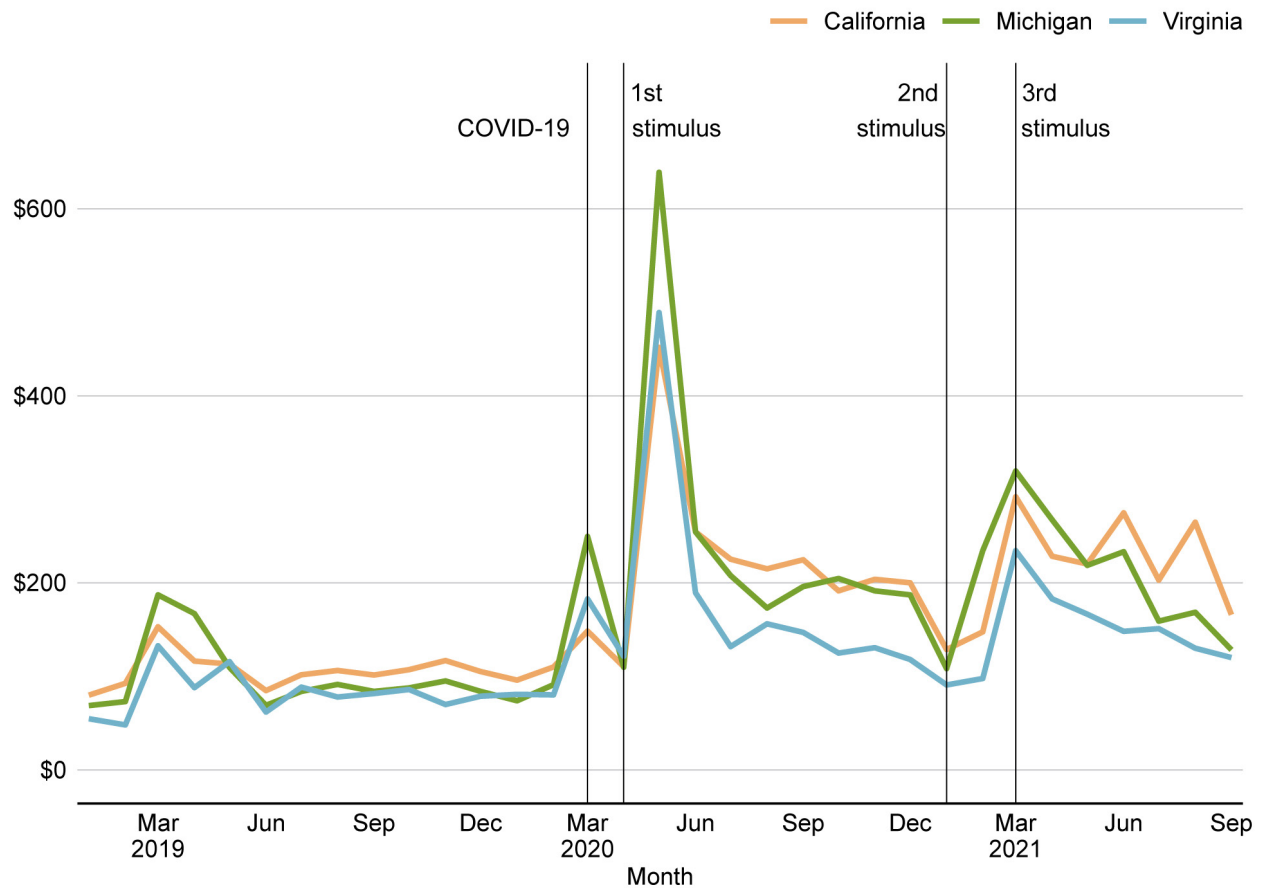
- **Site-level differences in child support payment patterns may reflect differences in child support agencies' unemployment insurance withholding policies.**

The CARES Act began the unemployment insurance expansion programs described above at the end of March 2020. If noncustodial parents received unemployment insurance payments, those payments would have been partially withheld by the child support program according to the rules discussed above. Figure 4 shows that child support payment levels stayed consistent with or higher than prepandemic levels in the months after COVID-19's onset at all sites, despite a one-quarter decline in noncustodial parents' overall earnings and employment. There are small differences in the magnitude

---

<sup>27</sup> While there was an increase in payments at all three sites in the same month as the third stimulus payment, March 2021, the figure shows a similar increase in payments in both March 2019 and March 2020. The data do not indicate the source of payments, but it is possible that these annual March increases are related to state and federal tax intercepts.

**FIGURE 4.** Average Monthly Child Support Payments, by Site



SOURCE: MDRC calculations based on child support administrative data.

NOTE: Observations before 2019 are not presented due to low sample sizes.

and consistency of payment increases, which probably reflect the states' unemployment insurance withholding policies. For example, California and Michigan withheld all enhanced unemployment insurance payments, while Virginia was not able to intercept unemployment insurance payments made under the PUA program, which allowed independent contractors and gig workers to receive unemployment benefits. This difference may help explain why payments at the California and Michigan sites continue tracking each other after COVID-19's onset, while the Virginia site's average payments were a bit lower.

The PUA program may have played an additional, indirect role in increased collections. As noted earlier, the NDNH database includes all W2-covered employment and unemployment insurance claims in the United States; independent contractors and gig workers do not always appear in the NDNH. The PUA program required independent contractors to apply to their state's unemployment insurance program to receive unemployment compensation. Assuming these individuals appeared in the NDNH, child support programs could then withhold a portion of this enhanced unemployment compensation. These facts align with reports from some of the child support staff members interviewed, who noted that they were collecting on some cases for the first time during the pandemic.



The increased collections the sites experienced in this analysis when economic impact support was in place reflect national trends: In 2020, collections increased 9.2 percent over 2019 levels. In 2021, when less economic support was available and stimulus payments were not subject to interception, collections decreased by 6 percentage points from 2020 levels, though they were still higher than 2019 collections.<sup>28</sup> For context, the increase in collections in 2020 was the largest year-over-year increase since 2000. These collection increases occurred even though, as noted earlier, the national unemployment rate did not return to prepandemic levels until October 2021. The sustained increase in collections in the months after COVID-19's onset at the California and Michigan sites suggests that the federal economic support may have helped the child support program collect money from noncustodial parents.

➤ **Despite increased collections, debt balances increased at the California site while remaining steady or slightly declining at the Michigan and Virginia sites.**

As shown in Figure 5, the amount of child support debt noncustodial parents owed to custodial parents and the state combined ranged from over \$15,000 at the Michigan site to nearly \$40,000 at the California site in March 2020, and most of that debt was owed to custodial parents. The average amount of debt noncustodial parents owed to the state and custodial parents decreased slightly at the Michigan site after the pandemic began and through the end of the analysis period. The amount noncustodial parents owed the state decreased at the Virginia site over the same period, though the amount they owed custodial parents climbed slightly. The amount noncustodial parents owed the state remained consistent at the California site throughout the study period. However, the amount they owed custodial parents began increasing at the onset of the pandemic and continued increasing throughout the remainder of the study period.

The declining or stagnating debt balances described above may be due in part to increased state and federal tax intercepts after the onset of the pandemic. These increased intercepts may have occurred because (1) individuals filed federal income taxes to receive economic impact payments who otherwise might not have or (2) unemployment compensation increased and was counted as taxable income.<sup>29</sup>

It is unclear what is responsible for the increase in debt owed to custodial parents at the California site. The state of California redirected the first intercepted stimulus payment toward current support owed to custodial parents, which may have left less money to go toward debt balances.<sup>30</sup> Still, there was a slight decline in debt amounts owed to custodial parents in the month of the stimulus intercept. However, this change was only temporary: Debt amounts owed to custodial parents began climbing steadily beginning in May 2020 and continuing through the end of the analysis period. Three factors may have played a role:

**Higher interest rates.** California charges a relatively high interest rate of 10 percent on child support debt. In comparison, Virginia charges only 6 percent interest, while Michigan levies a biannual sur-

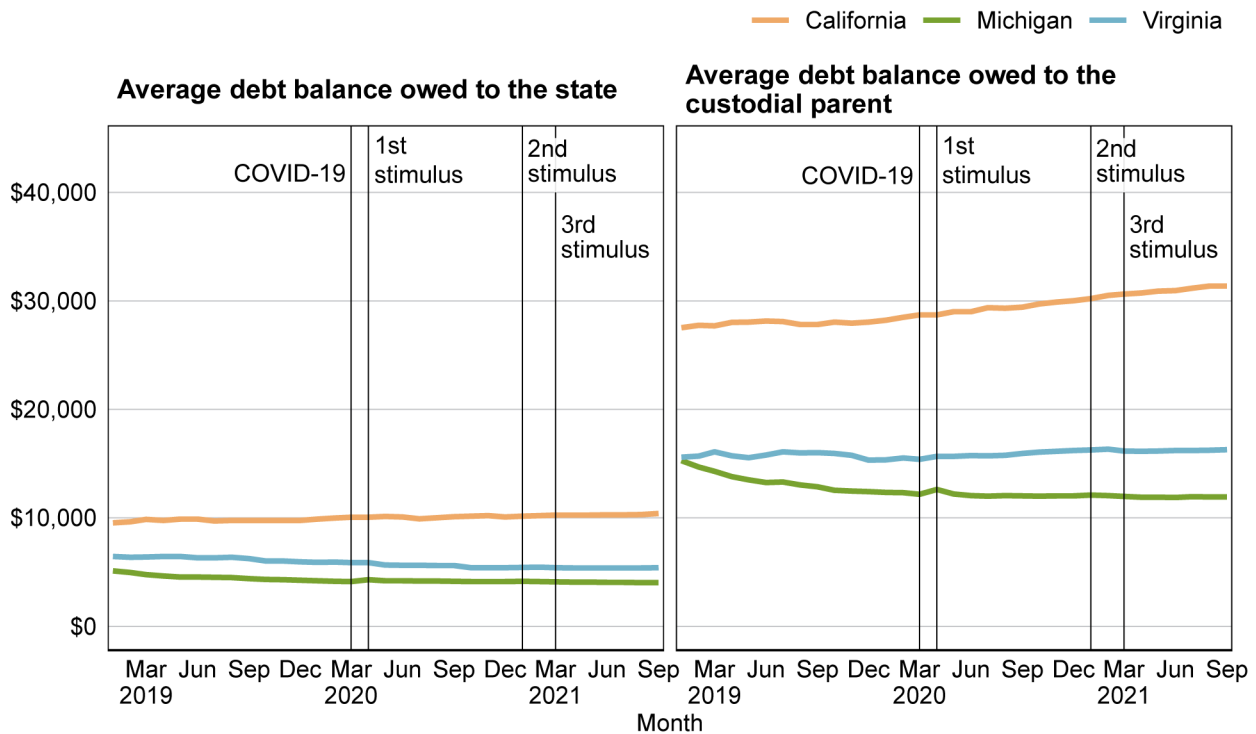
---

<sup>28</sup> Office of Child Support Enforcement (2022).

<sup>29</sup> Internal Revenue Service (2023, 2024).

<sup>30</sup> Office of Governor Gavin Newsom (2020).

**FIGURE 5. Average Debt Amounts, by Payee and Site**



SOURCE: MDRC calculations based on child support administrative data.

NOTE: Observations before 2019 are not presented due to low sample sizes.

charge with a variable rate based on the Michigan Department of the Treasury’s T-note rate.<sup>31</sup> (The surcharge rate was under 4 percent during the analysis period.)<sup>32</sup> These differences mean that, all else being equal, debts owed to both custodial parents and the state would grow faster in California than in the other two states. Table 4 shows how each state’s interest or surcharge policy would have affected the same amount of debt in 2019.

- **Higher debt balances.** Average debt balances at the California site were much higher than those at the Virginia and Michigan sites, so the higher interest rate discussed above was applied to a higher debt balance, further increasing the rate of debt accumulation.
- **Higher current support obligations.** The average monthly order amount for the California site’s study sample was higher than those of the study samples at both the Michigan and Virginia sites, which means that the unemployment insurance benefits intercepted by the child support program might not have covered as large a proportion of ongoing support orders. That difference in turn may have contributed to greater debt accumulation at the California site during this period.

<sup>31</sup> National Conference of State Legislatures (2021); Michigan Department of Health and Human Services (2010).

<sup>32</sup> Michigan Department of the Treasury (2024).

**TABLE 4.** Sample Interest or Surcharge Accumulation, by State

In 2019, noncustodial parents with \$40,000 of debt in:	Would pay this much in interest (or surcharge) in 2019 if they did not accumulate further debt in 2019:	Resulting in a debt balance of:
California	\$4,000	\$44,000
Michigan <sup>a</sup>	\$1,155.77	\$41,155.77
Virginia	\$2,400	\$42,400

NOTE: <sup>a</sup>The average T-note rate was 2.235 percent in the six months preceding 7/1/2019 and 1.617 percent in the six months preceding 1/1/2020. Assuming the debt balance remained the same for the full year and a noncustodial parent had a monthly child support obligation of \$500, the surcharge would be calculated as  $((40,000 - 500) * (0.01 + 0.02235) / 2) + ((40,000 - 500) * (0.01 + 0.01617) / 2)$ .

Overall, the child support agencies in this analysis collected more money from noncustodial parents in the PJAC demonstration sample than they did in the period before the pandemic began, but those increased collections did not generally result in lower debt balances for these noncustodial parents. This finding highlights the challenge noncustodial parents with large debt balances face in reducing their child support debt.

## Findings from Interviews: Staff and Parent Perspectives

In the interviews across sites, child support staff members and parents shared their perspectives on how child support agencies responded to pandemic benefits, on families' access to benefits, and on communication and engagement between child support agencies and families.

➤ **Parents at different sites reported different levels of communication from child support agencies.**

At all three sites, parents said that the level of communication they received from child support did not change much after the onset of the pandemic.

A few custodial parents in Virginia noted that they would have liked more consistent contact from their caseworkers during the pandemic about changes to their cases. Other custodial parents said that the level of communication from their caseworkers was good before and throughout the pandemic, and that child support staff members had been consistent in providing information. As mentioned earlier, staff members in Virginia reported that they reached out to parents and provided information that explained the pandemic-related economic benefits and how they might be used for child support payments. This communication may have contributed to custodial parents' positive perspectives on the subject.

Many custodial parents in California and Michigan said that they did not receive updates about pandemic benefits and how they might be used for child support. The parents reported that this lack of communication was present before the pandemic.

Some noncustodial parents in Virginia reported receiving direct contact from caseworkers about making payments during the pandemic. One noncustodial parent said that a caseworker called about payments and also provided information about pandemic benefits. The parent reported applying for unemployment because a caseworker reached out and suggested it. In Michigan, some noncustodial parents reported not hearing from their caseworkers during the pandemic. Others reported hearing from their caseworkers; however, the research team found that the information they reported receiving from caseworkers did not align with withholding policies. For example, a Michigan noncustodial parent indicated that a caseworker said the parent would not be receiving any of the three stimulus payments because the agency would apply them to child support debt. However, as noted earlier, child support could not intercept the second and third stimulus payments. This discrepancy could reflect inaccurate communication from child support agency staff members or inaccurate recollections by the noncustodial parents. It may also reflect the overall uncertainty and confusion staff members and parents experienced during this time.<sup>33</sup>

► **Some parents faced difficulty receiving pandemic unemployment benefits and thus paying child support.**

The sudden influx of unemployment claims during the pandemic overwhelmed unemployment programs, causing delays in applicants' receipt of the benefits.<sup>34</sup> Staff shortages, outdated systems, and the need to implement the pandemic unemployment benefits swiftly made the unemployment program susceptible to fraud and overpayments.<sup>35</sup> Many child support staff members shared that while they collected more consistent payments during the pandemic, some parents did not receive their unemployment benefits in a timely manner or reported that someone else had applied for unemployment using their information, which affected their ability to make child support payments.

Custodial and noncustodial parents reported issues or concerns with applying for unemployment benefits and significant delays in receiving unemployment benefits (see Box 3 for examples). Some noncustodial parents reported not applying for unemployment because of issues with the application or concerns about child support withholding their unemployment benefits.

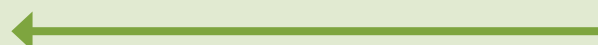
Child support staff members across sites said that they were hesitant to use punitive enforcement measures for nonpayment during the pandemic as they recognized that many noncustodial parents were out of work and might have applied for, but not yet received, their unemployment insurance. For more information on changes in enforcement during the pandemic, see "Child Support Amidst

---

<sup>33</sup> Note that the research team did not interview any noncustodial parents at the San Bernardino, California, site.

<sup>34</sup> Pandemic Response Accountability Committee (2021).

<sup>35</sup> Gwyn (2023).





### BOX 3

#### Parent Perspectives on Difficulty Receiving Pandemic Benefits

*It was almost a year [later]. By the time I did receive that one lump sum, because I only did receive it that one time, I was already in the medical field ... and then I had [my unemployment benefits] discontinued.*

—Custodial parent in Virginia

*Oh, my goodness. Unemployment benefits. I kept getting the runaround ... then it was just exhausting. It was just like, forget it.*

—Custodial parent in Virginia

*Before the pandemic ... [child support] had messed up my unemployment [withholding]. For a minute, they said I was in debt ... owed thousands of dollars ... then they said they made a mistake. I had been thinking about [applying for unemployment benefits], but I don't wanna do it because I don't wanna go through that.*

—Noncustodial parent in Michigan

the Pandemic: Changes to Service Delivery at Three Sites in the Procedural Justice-Informed Alternatives to Contempt Demonstration.”<sup>36</sup>

#### ➤ **Staff, custodial parent, and noncustodial parent perspectives on interceptions and withholdings varied.**

Child support programs often grapple with the tension of setting orders to meet the needs of the child while not impoverishing the noncustodial parent. The pandemic accentuated this tension as many families were dealing with income fluctuations and job loss. In line with the findings in earlier sections, child support staff members across sites reported that payments were being made more consistently on dormant cases due to the pandemic benefits, and, in some instances, debts were being paid off completely. However, they recognized that paying off child support debts was not the purpose of the stimulus payments. As some saw it, the intention of the stimulus payments was to support individuals who were not working because they had been laid off or their businesses had closed. Box 4 shares some child support staff perspectives on the stimulus payment interceptions.

Across sites, many custodial parents could not recall whether they received any portion of the noncustodial parent’s stimulus toward child support payments, and many noncustodial parents could not recall whether they had received stimulus payments, or if so, how many—and thus could not comment on their reactions to the payments. However, some custodial parents in Michigan and Virginia

<sup>36</sup> Torres and Cummings (2024).

## BOX 4

### Staff Perspectives on the Pandemic Benefits

*From the [noncustodial parent] perspective of how am I going to pay my rent now that child support has taken my only income ... [the interception of pandemic-related benefits] was not so great.... When you lose your home and you get evicted because you can't pay rent, where do your children go for parenting time?*

—Child support staff member in Michigan

*Although a child needs money, there should be ... a child's direct home should [have] access to those funds as well because every person is getting them.... The noncustodial parent also needs this to not lose a home, which then makes them homeless, which then leads to further problems getting employment. When you look at the big picture, it was hard to know [intercepts] were taking all of the money and not being able to leave the noncustodial parent with anything.*

—Child support staff member in Virginia

*Well, and then the stimulus where we intercepted it, and if there was TANF debt, it was applied to that TANF debt first. How messed up is it that here is federal money to help you during this pandemic, but over here, child support's gonna take it, they're gonna apply it to TANF debt, which goes right back to the state, to the federal government. So, that was kind of screwy and having custodial parents question [me] like, "Why is this going on the TANF debt first, you know, I need this."*

—Child support staff member in Virginia

reported not receiving any portion of the noncustodial parent's intercepted stimulus check toward child support payments, perhaps because stimulus payments were applied to debts owed to the state first in both states. A few custodial parents expressed frustration about the child support agency applying the payments to debts owed to the state first. Some staff members sympathized with this frustration and reported receiving calls from several custodial parents about this subject.

Staff members across sites also reported that many custodial parents voiced frustration that the second and third stimulus checks were not intercepted for child support payments. A few staff members reported that complaints from custodial parents decreased once child support payments began to come in from unemployment withholding. In California, a few staff members reported that during the pandemic, they observed less contentiousness between the custodial parent and noncustodial parent in some PJAC cases. As mentioned earlier, some staff members reported that custodial parents would call the child support office and request that they send the intercepted stimulus payments to the noncustodial parent.

Many staff members across sites reported that noncustodial parents were frustrated that the first stimulus check was intercepted for child support obligations but that noncustodial parents were less bothered by pandemic unemployment withholding, since they were used to this type of withholding.



As noted above, many noncustodial parents could not recall or had incorrect information about their stimulus payments. Contrary to staff perceptions, a few other noncustodial parents seemed indifferent toward the first stimulus interception, saying they understood that this is how the child support system works. For example, a Michigan noncustodial parent did not express any frustration with child support withholding from unemployment and intercepting the first stimulus check. This parent reported using the extra funds to make additional payments during the pandemic, beyond what was obligated. See Box 5 for custodial and noncustodial parent perspectives on the pandemic assistance interceptions and withholdings.

## BOX 5

### Parent Perspectives on Child Support Interceptions and Withholdings of Pandemic Benefits

*[Noncustodial parent] used [the other stimulus checks] for himself. That's my assumption. I mean, he didn't have my child, so I don't know what he did with it. But I don't even know why he got it. I still don't know to this day, like, why did they get it? I didn't understand that. It should have went to [back-owed] child support.*

—Custodial parent in California

*It's from what my back pay I owe probably. So, either way it's good with me as long as it's paid up. At first, I was pissed. I needed the money so I could do what I needed to do for my family that I'm with now and then the rest would go to her. But, obviously, it ain't work like that. It just went straight to her.*

—Noncustodial parent in Michigan

*I caught up like with a lot of the extra [pandemic benefits] money, I'm like, "Okay, I can throw like an extra, you know, like 200 on it." All of that, like to get the balance back down. Because ... I was almost \$5,000 ... [in debt] to where it's down to like \$2,500.... I was paying extra on top of what, you know, they were doing monthly payments, you know, the regular payments. And then I would just throw extra money on it.*

—Noncustodial parent in Michigan

*The stimulus interception is just like when I file taxes, I will never get taxes because they're gonna take it. So, I just file just so they can take it.... I'm not mad at [the child support program] for what they do, that's just the way the system works. It sucks, but that's just how it is.*

—Noncustodial parent in Virginia

➤ **The pandemic highlighted inadequacies in systems that are meant to capture parent employment information.**

Staff members in California and Michigan reported that withholding on pandemic unemployment benefits produced payments on cases with very few to no payments or no record of past employment. They questioned whether the automated systems they typically used were adequately equipped to capture information on parent earnings (see Box 6).

### BOX 6

#### Staff Perspectives on Capturing Earnings Information for Noncustodial Parents

*[Once] unemployment stopped.... Are [noncustodial parents] going to go to work? Or are they going to go back [into] hiding? How did they get unemployment? And how did they have a job and we didn't know it? So are we doing the best work that we could possibly do in child support to locate these customers? Do we have the best enforcement remedies in place?*

—Child support staff member in California

*There was this influx of unemployment, so a lot of our cases we saw were receiving unemployment... And it's still a baffling world of I don't know how some of these people, because I can see back in their histories that they haven't [had] employment for years, but they receive unemployment.*

—Child support staff member in Michigan

As mentioned earlier, the PUA program expanded unemployment insurance eligibility to independent contractors or gig workers whose employment is not typically reported in the National Directory of New Hires. Noncustodial parents who may have been self-employed, gig workers, or freelance workers were eligible for pandemic unemployment benefits, but the income from these jobs is not captured by child support systems. The inability to accurately capture income from independent workers underscores the reality that child support staff have long suspected: The existing automated systems used to withhold child support payments may not be entirely effective. As independent work continues to become more common, child support programs will face an increasing need to develop new approaches to collect support from independent workers.<sup>37</sup>

<sup>37</sup> Glosser and Germain (2019).



## Conclusion

The COVID-19 pandemic highlighted many challenges noncustodial parents, custodial parents, and case managers face in the child support program. The experiences of the three child support agencies during the pandemic, their responses to the pandemic and pandemic economic assistance, and the history of their communications with families offer insights into how child support agencies may help overcome similar challenges moving forward.

- **Stagnant or growing debt balances during a period of increased collections highlight the difficulty noncustodial parents face in reducing their child support debt.** Child support collections generally increased during the pandemic, but noncustodial parents' debt balances remained stagnant or grew. The increased collections appear to be associated with pandemic benefits, such as stimulus payments and enhanced unemployment insurance. The increased collections were most pronounced at the California and Michigan sites, whose policies allowed the child support program to withhold all enhanced unemployment insurance benefits, in contrast to Virginia's policies. Despite these increased collections, noncustodial parents did not see their debt balances decline meaningfully, on average, and in California, debt amounts owed to custodial parents climbed throughout the pandemic period. The stagnation or growth in debt balances may reflect several child support agency policies that make it difficult for noncustodial parents to climb out of debt, such as high interest rates and high order amounts that noncustodial parents who earn low incomes may find it difficult to pay in full.
- **State and federal child support policies show the tension between the dual goals of the public child support program: supporting families and government cost recovery.** Pandemic benefits helped noncustodial parents in the PJAC sample replace or even exceed lost earnings, on average, and appeared to contribute to increased collections, but child support interception and withholding policies meant that those extra funds were sometimes directed toward the government rather than families. Child support agencies had limited ability to change collection policies in response to the pandemic and pandemic benefits, but, when possible, child support programs made it a priority to direct funds to families. For example, an executive order in California required stimulus interceptions to go toward debts owed to custodial parents first rather than debts owed to the state.

Congress exempted the second and third stimulus payments from being intercepted to repay child support debt. This decision aligned with the perspective of many child support staff members, who acknowledged that while it was great that child support payments were being made, noncustodial parents needed the money for their own financial hardships.

- **Direct communication from child support programs was beneficial during this time of uncertainty.** Parents reported varying levels of communication from their child support agencies during the pandemic. Many parents also shared information with the research team that contradicted their agency's withholding and interception policies. While the rea-

sons for the discrepancies cannot be confirmed, they illustrate the need for clear and direct communication from child support programs to parents.

In Virginia, custodial parents said that the level of communication from their caseworker was good throughout the pandemic, and noncustodial parents reported hearing directly from the child support program about applying for benefits and making child support payments. One of the contributing factors could be that Virginia child support staff members reached out directly to custodial and noncustodial parents throughout the pandemic and had a formal list of responses to questions about pandemic benefits.

- **Pandemic benefits highlighted the need for child support programs to improve systems meant to capture employment information and collect payments.** The PUA program—which allowed independent contractors and gig workers to receive unemployment insurance—led to collections through unemployment withholding on many cases that had seen few or no payments previously. The collections on these cases reinforced the long-standing sentiment among child support workers that child support programs’ employment-tracking systems are not well equipped to gather information on self-employed workers. As noted, child support agencies use the National Directory of New Hires (NDNH) to initiate income withholding orders; however, the NDNH does not usually include information on independent workers. While some states require that employers report independent workers’ income to the state’s New Hire Directory, there are challenges with employer compliance and calculating income withholding amounts due to the often unpredictable and inconsistent nature of independent work.<sup>38</sup> These challenges underscore the need for child support programs to improve systems meant to capture employment information and develop new approaches to collect payments, especially as workers increasingly shift toward independent work. One such approach to collect payments could be to introduce new self-pay options to make paying orders more accessible for parents. Some states have expanded self-pay options, allowing parents to use apps such as Apple Pay, Google Pay, Venmo, and PayPal to make child support payments.<sup>39</sup>

---

<sup>38</sup> Glosser and Germain (2019).

<sup>39</sup> Missouri Department of Social Services (2020); North Carolina Department of Health and Human Services (2022).



# REFERENCES

- Azevedo-McCaffrey, Diana. 2022. "States Should Take Steps Needed to Direct Child Support Payments Deducted from Tax Refunds to Children: Payments Should Go to the Children They're Intended For." Washington, DC: Center on Budget and Policy Priorities.
- Baird, Peter, Michael Hayes, Sharon Henderson, and Tanya Johnson. 2020. "Procedural Justice Principles in the Midst of a Major Disruption: What Several Months of COVID-19 Revealed in the Procedural Justice-Informed Alternatives to Contempt (PJAC) Demonstration." New York: MDRC.
- CARES Act, S.3548, 116th Congress. 2020. Available at: <https://www.congress.gov/bill/116th-congress/senate-bill/3548/text>.
- Crandall-Hollick, Margot L. 2021. "COVID-19 and Direct Payments: Comparison of First and Second Round of 'Stimulus Checks' to the Third Round in the American Rescue Plan Act of 2021 (ARPA; P.L. 117-2)." Washington, DC: Congressional Research Service.
- Employment Development Department, State of California. 2024. "Eligibility Requirements." Website: <https://edd.ca.gov/en/unemployment/eligibility/>.
- Falk, Gene, Paul D. Romero, Isaac A. Nicchitta, and Emma C. Nyhof. 2021. *Unemployment Rates During the COVID-19 Pandemic*. Washington, DC: Congressional Research Service.
- Glosser, Asaph, and Justin Germain. 2019. "Independent Contractors and Nontraditional Workers: Implications for the Child Support Program." Washington, DC: Office of the Assistant Secretary for Planning and Evaluation, U.S. Department of Health and Human Services.
- Gwyn, Nick. 2023. "Pandemic Unemployment Programs Saved Millions from Severe Hardship, but Permanent UI Needs Reform." *Off the Charts* (blog), January. <https://www.cbpp.org/blog/pandemic-unemployment-programs-saved-millions-from-severe-hardship-but-permanent-ui-needs>.
- Internal Revenue Service. 2023. "Economic Impact Payments." Website: <https://www.irs.gov/coronavirus/economic-impact-payments>.
- Internal Revenue Service. 2024. "Unemployment Compensation." Website: <https://www.irs.gov/individuals/employees/unemployment-compensation>.
- Mar, Don, Paul Ong, Tom Larson, and James Peoples. 2022. "Racial and Ethnic Disparities in Who Receives Unemployment Benefits During COVID-19." *SN Business and Economics* 2, 8: 102.
- Michigan Department of Health and Human Services. 2010. *Michigan IV-D Child Support Manual*. Lansing, MI: Michigan Department of Health and Human Services.
- Michigan Department of Labor and Economic Opportunity. 2024. "Eligibility Requirements." Website: <https://www.michigan.gov/leo/bureaus-agencies/uia/tools/publications/eligibility-requirements>.
- Michigan Department of Treasury. 2024. "Interest Rates for Money Judgments." Website: <https://www.michigan.gov/taxes/interest-rates-for-money-judgments>.
- Missouri Department of Social Services. 2020. "Missouri Expands Child Support Payment Options." Press release (July 14). Available at: <https://dss.mo.gov/press/07-14-2020-mo-expands-child-support-payment-options.htm>.
- National Conference of State Legislatures. 2021. "Interest on Child Support Arrears." Website: <https://www.ncsl.org/human-services/interest-on-child-support-arrears>.
- North Carolina Department of Health and Human Services. 2022. "NCDHHS Announces New Options for Child Support Payments." Press release (October 5). Available at: <https://www.ncdhhs.gov/news/press-releases/2022/10/05/ncdhhs-announces-new-options-child-support-payments>.
- Office of Child Support Enforcement. 2022. *FY 2022 Child Support Enforcement Preliminary Report*. Washington, DC: Office of Child Support Enforcement.
- Office of Child Support Services. 2022. "Child Support: More Money for Families." Infographic. Washington, DC: Office of Child Support Services. [https://www.acf.hhs.gov/sites/default/files/documents/ocse/2022\\_infographic\\_national.pdf](https://www.acf.hhs.gov/sites/default/files/documents/ocse/2022_infographic_national.pdf).
- Office of Child Support Services. 2023. "Name Change to Office of Child Support Services (OCSS)." Memorandum (June 5). <https://www.acf.hhs.gov/css/policy-guidance/name-change-office-child-support-services-ocss>.
- Office of Governor Gavin Newsom. 2020. "Governor Newsom Signs Executive Order on Actions in Response to COVID-19." Website: <https://www.gov.ca.gov/2020/04/16/governor-newsom-signs-executive-order-on-actions-in-response-to-covid-19/>.
- Pandemic Response Accountability Committee. 2021. *Key Insights: State Pandemic Unemployment Insurance Programs*. Washington, DC: Pandemic Response Accountability Committee.
- Smith, Rebecca. 2020. "Independent Contractors and COVID-19: Working Without Protections." New York: National Employment Law Project.
- Tollestrup, Jessica. 2023. *Child Support Enforcement: Program Basics*. Washington, DC: Congressional Research Service.
- Torres, Sofia, and Danielle Cummings. 2024. "Child Support Amidst the Pandemic: Changes to Service Delivery at Three Sites in the Procedural Justice-Informed Alternatives to Contempt Demonstration." New York: MDRC.

- Turetsky, Vicki, and Diana Azevedo-McCaffrey. 2024. *Understanding TANF Cost Recovery in the Child Support Program*. Washington, DC: Center on Budget and Policy Priorities.
- U.S. Bureau of Labor Statistics. 2020. "State Employment and Unemployment—April 2020." Press Release (May 22). Available at: [https://www.bls.gov/news.release/archives/laus\\_05222020.pdf](https://www.bls.gov/news.release/archives/laus_05222020.pdf).
- U.S. Bureau of Labor Statistics. 2024. "Labor Force Statistics from the Current Population Survey." Website: <https://data.bls.gov/timeseries/LNS14000000>.
- U.S. Department of Labor. 2020a. "Advisory: Unemployment Insurance Program Letter No. 16-20." Washington, DC: U.S. Department of Labor. Available at: [https://www.dol.gov/sites/dolgov/files/ETA/advisories/UIPL/2020/UIPL\\_16-20.pdf](https://www.dol.gov/sites/dolgov/files/ETA/advisories/UIPL/2020/UIPL_16-20.pdf).
- U.S. Department of Labor. 2020b. "Implementing and Operating Instructions for the Federal Pandemic Unemployment Compensation (FPUC) Program." Washington, DC: U.S. Department of Labor. Available at: [https://www.dol.gov/sites/dolgov/files/ETA/advisories/UIPL/2020/UIPL\\_15-20\\_Attachment\\_1.pdf](https://www.dol.gov/sites/dolgov/files/ETA/advisories/UIPL/2020/UIPL_15-20_Attachment_1.pdf).
- U.S. Department of the Treasury. n.d. "Economic Impact Payments." Website: <https://home.treasury.gov/policy-issues/coronavirus/assistance-for-american-families-and-workers/economic-impact-payments>. Accessed on May 27, 2024.
- Virginia Employment Commission. 2024. "FAQs - General Unemployment Insurance." Website: <https://www.vec.virginia.gov/faqs/general-unemployment-insurance-questions>.
- Wurmfeld, Kate. 2022. *Procedural Justice in the Child Support Process: An Implementation Guide*. New York: MDRC.





*Child Support Amidst the Pandemic: Changes to Service Delivery at Three Sites in the Procedural Justice-Informed Alternatives to Contempt Demonstration*  
2024. Sofia Torres and Danielle Cummings.

*Who Benefits Most from Procedural Justice-Informed Alternatives to Contempt in the Child Support Program?*  
2024. Jennifer Hausler and Charles Michalopoulos.

*Comparing the Costs and Benefits of Two Approaches to Addressing Nonpayment of Child Support: Results from the Benefit-Cost Analysis in the Procedural Justice-Informed Alternatives to Contempt Demonstration*  
2023. Louisa Treskon.

*From Grant-Funded Study to Enduring Practice: How Agencies in the Procedural Justice-Informed Alternatives to Contempt Demonstration Continued Their Work After Research Ended*  
2023. Keri West.

*Testing a New Approach to Addressing Nonpayment of Child Support: Effects of the Procedural Justice-Informed Alternatives to Contempt Demonstration*  
2023. Melanie Skemer.

*Parents' Reflections on Their Experiences with the Child Support Program in the Procedural Justice-Informed Alternatives to Contempt Demonstration*  
2022. Louisa Treskon and Jacqueline Groskaufmanis.

*A Comparison of Approaches Informed by Procedural Justice and Traditional Enforcement in the Procedural Justice-Informed Alternatives to Contempt Demonstration*  
2022. Melanie Skemer, Jennifer Hausler, Olivia Williams, Louisa Treskon, and Jacqueline Groskaufmanis.

*Procedural Justice in the Child Support Process: An Implementation Guide*  
2022. Kate Wurmfeld.

*Procedural Justice in Child Support Enforcement: Lessons from an Implementation Study of the Procedural Justice-Informed Alternatives to Contempt Demonstration*  
2022. Louisa Treskon, Douglas Phillips, Jacqueline Groskaufmanis, and Melanie Skemer.

*Integrating Procedural Justice Principles into Child Support Case Management: How Staff Members Experienced the Procedural Justice-Informed Alternatives to Contempt (PJAC) Demonstration*  
2021. Jacqueline Groskaufmanis.

*Reducing Child Support Debt in the Procedural Justice-Informed Alternatives to Contempt (PJAC) Demonstration*  
2021. Douglas Phillips.

*Civil Contempt of Court for Child Support Noncompliance at the PJAC Demonstration Sites*  
2021. Louisa Treskon and Melanie Skemer.

*Procedural Justice Principles in the Midst of a Major Disruption: What Several Months of COVID-19 Revealed in the Procedural Justice-Informed Alternatives to Contempt (PJAC) Demonstration*  
2020. Peter Baird, Michael Hayes, Sharon Henderson, and Tanya Johnson.

*Working Toward a Resolution: Facilitating Dialogue Between Parents Using Principles of Procedural Justice*  
2020. Riley Webster.

*Who Is at Risk of Contempt of Court for Child Support Noncompliance? Characteristics of Parents Enrolled in the Procedural Justice-Informed Alternatives to Contempt Demonstration*  
2020. Danielle Cummings.

*Using Principles of Procedural Justice to Engage Disconnected Parents*  
2020. Yana Kusayeva.

*Incorporating Strategies Informed by Procedural Justice into Child Support Services: Training Approaches Applied in the Procedural Justice-Informed Alternatives to Contempt (PJAC) Demonstration*  
2019. Zaina Rodney.

*A New Response to Child Support Noncompliance: Introducing the Procedural Justice-Informed Alternatives to Contempt Project*  
2019. Caroline Mage, Peter Baird, and Cynthia Miller.

