

MULTIPLE INTERVENTION GRANT

LONGER TERM EVALUATION OF COLORADO'S DRIVER'S LICENSE SUSPENSION

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EVALUATION OF COLORADO'S DRIVER'S LICENSE SUSPENSION INITIATIVE

This report explores the short- and long-term impact of driver's license suspension on child support collections. Specifically, we consider the following research questions:

- H Did receiving notice about the possible suspension of their driver's license motivate delinquent obligors to take action?
- H Did the actual notice of suspension motivate action?
- H Did either the notice or actual suspension of licenses prompt payments?

The report begins with a brief history of driver's license suspension as a tool for child support enforcement in Colorado and the nation. The report then describes the methods used to generate data for this evaluation. The profile of cases describes both the child support status of the obligors and their driving histories. The outcomes section provides analysis related to each of the research questions outlined above, and extrapolates the findings to the state as a whole. The report concludes with a qualitative assessment by county child support administrators of driver's license suspension as an enforcement tool.

Introduction

Driver's License Suspension (DLS) in the state of Colorado became a tool for the State Division of Child Support Enforcement in 1995, when House Bill 95-1093 was signed into law.¹ This intervention allows the state Child Support Enforcement agency to suspend by administrative process the privilege of a Colorado driver's license of an obligor, when any of certain criteria are met. Unlike some states that suspend professional, business, trade, and occupational licenses for non-payment of child support, at the time of this study,

¹Colorado Revised Statutes, Sections 26-13-123; 42-2-127.5; and Volume 6, Sections 6.101.2 and 6.803.1.

Colorado limited the license suspension program to driver's licenses.² In 1997, the Colorado program was changed to include suspension of commercial driver's licenses.

The goal of the DLS initiative is the same as for other child support initiatives recently enacted by the Colorado legislature: to persuade delinquent noncustodial parents to begin regular payment of child support. License suspension programs are "final resort" instruments for child support agencies, designed to instigate paying behavior. At first glance, removing a driver's license from a delinquent obligor may seem wrong-headed, since license suspension quite possibly closes off avenues for earning income needed to pay child support. This applies to professional and business licenses, which are also sometimes subject to suspension. Child support officials and state legislators understand the link between a driver's or professional license, income, and child support payments, but also believe that in some cases, a delinquent obligor needs an incentive to face his or her financial responsibilities. This is particularly true when an obligor is not paying the monthly support obligation and child support arrearages are building.

The Colorado DLS program is designed to encourage delinquent obligors to establish contact with the county child support unit and either pay off the arrearages with a lump sum, or enter into an ongoing repayment plan, in order to retire child support arrearages and at the same time meet the current monthly support obligations. Once the DLS process is set in motion for an obligor, he or she is given a notice of due process and then several opportunities, each with a 30-day time frame, to stop the progression toward driver's license suspension. Does this approach work with recalcitrant obligors? Have child support workers observed any changes brought about by DLS? According to federal child support officials, license suspension and revocation is proving to be an effective enforcement mechanism for moving delinquent obligors into compliance. As of January 1997, 43 states and jurisdictions had enacted some form of license suspension legislation to address noncompliance with child support orders. Statistics from the State of Maine are

² For a brief description of each state's license restriction program, see "State Licensing Restrictions & Revocations," printed in 1997 and distributed by OCSE, Department of Health and Human Services.

often cited to document the effectiveness of DLS (although they do not separate the effects of DLS from other enforcement activities during the same time period). In a four and one-half year period, Maine collected more than \$82 million in child support from 18,007 delinquent obligors targeted for license suspension. Of the 1,070 individuals whose driver's or professional licenses were suspended during the same time, more than 600 have come into compliance.³ In Massachusetts, delinquent obligors are notified that their driver's licenses will not be renewed unless they attend a meeting to work out a repayment schedule. Massachusetts officials report having received over \$1 million as a result of this notice and \$75,000 through repayment plans.⁴ In a Department of Health and Human Services press release issued in March 1995, the threat of license suspension was credited with raising nearly \$35 million in just nine states with collections statistics.⁵

When DLS was initiated in Colorado, legislative analysts projected the impact on collections to be approximately \$3.6 million per year. The Colorado DLS program is managed by the State Enforcement Unit (SEU), although county child support units have a role in the monthly selection of obligors for DLS action. The program has been gradually incorporated into the state's computerized system for child support, known as ACSES (Automated Child Support Enforcement System). DLS is linked closely to the Credit Reporting Agency (CRA) initiative, which eliminates duplication of the work involved in selecting obligors.

The criteria by which an obligor becomes eligible for DLS noticing include non-compliance with a child support order or an arrearage balance of \$500 or more accrued and at least 60 days past due. In order to be eligible for DLS, an obligor must first be referred for CRA.

³State of Maine, Department of Human Services, Division of Support Enforcement and Recovery. 1998. Highlights of License Revocation Initiative.

⁴ State of Massachusetts, Department of Revenue, Division of Support Enforcement and Recovery. 1998. Highlights of License Revocation Initiative.

⁵ Office of Inspector General, "Review of States' License Suspension Processes." July 1997 (A-01-96-02502).

The DLS action begins when the obligor is sent a "Notice of Noncompliance." This is a notice of due process. He or she has a 30-day deadline for settling the arrearage or debt by paying it in full, entering a repayment agreement, or arranging for an administrative review. If there is no response to this notice and the obligor is still reported delinquent to CRAs, ACSES electronically sends an "Initial Notice of Failure to Comply" to the Division of Motor Vehicles (DMV), with a paper copy to the obligor. DMV produces an "Order of Suspension" within three days of the electronic notice. The Order notifies the obligor that his or her license will be suspended in 30 days unless DMV receives a Notice of Compliance from child support. The Order further urges the individual to arrange a repayment plan with the county child support agency. As soon as an obligor enters into a repayment agreement, ACSES electronically sends out a Notice of Compliance, with a paper copy to the obligor, notifying DMV that the obligor is now in compliance with the child support agency. If this occurs prior to the effective date of the suspension, the suspension process halts. If it occurs after the suspension has occurred, it allows the obligor to reinstate the suspended license.

The Notice of Compliance is issued the day after the agreement and DMV receives it at 6:00 p.m. the same day. If an obligor does not abide by the repayment agreement and again becomes delinquent, ACSES issues a "Subsequent Notice of Failure to Comply." This, too, is conveyed to the DMV and the obligor. The DMV sends out an "Order of Suspension" within three days, which triggers a suspension in 30 days. The obligor can come into compliance in one of two ways. He or she can enter into a repayment agreement and comply for at least 90 days, at which time a Notice of Compliance will be automatically generated to DMV. Or the technician may intervene at the request of the obligor and ask the SEU to generate a Notice of Compliance before the suspension becomes effective or before 90 days has elapsed. Often, counties can negotiate a significant lump-sum payment at this stage.

Each notice includes an informational section that lists the total amount in arrears, the enforcing county agency phone numbers, and the options by which an obligor may address

the impending license suspension. Thus, the process of DLS combines ample warnings and concrete information with clearly defined time frames.

Method

The quantitative data for this evaluation comes from 2,704 cases that qualified for driver's license suspension. They are divided into the following groups:

Control Group (No treatment):

These 1,702 cases qualified for credit bureau reporting on August 15, 1995. In other words, the obligor was delinquent by at least \$500 on a court order. After six months passed, on March 15, 1996, the obligor qualified for driver's license suspension if the obligor resided in Colorado and was still delinquent by at least \$500 on a court order. For evaluation purposes, these 1,702 cases were not reported to the credit bureau, nor were they reported for driver's license suspension.

Credit Bureau Reporting Only:

These 436 cases qualified for, and were reported to, the credit bureau on August 15, 1995: the obligor was delinquent by at least \$500 on a court order. After six months passed, on March 15, 1996, the obligor qualified for driver's license suspension because the obligor was still delinquent by at least \$500 on a court order and had a Colorado address. For evaluation purposes, these 436 cases were reported to the credit bureau, but were not reported for driver's license suspension.

Driver's License and Credit Bureau:

These 566 cases qualified for and were reported to the credit bureau on August 15, 1995: the obligor was delinquent by at least \$500 on a court order. After six months passed, on March 15, 1996, the obligor qualified for, and was reported for, driver's license suspension if the obligor had a Colorado address and was still delinquent by at least \$500 on a court order.

Data on these three groups were drawn from the Department of Motor Vehicles and from the Automated Child Support Enforcement System.

The qualitative component of this evaluation involved phone interviews with child support personnel in seven counties and at the state level in February and March 1998. They were questioned about the impact of DLS on collections for the county, and on the payment patterns of obligors. Respondents were asked also to reflect on how the initiative has altered the work of the agency. Finally, they were asked to compare the initiative with other programs, such as credit bureau reporting, in terms of effectiveness.

Impact of Driver's License Revocation

Profile of the Sample

Our baseline snapshot of all court cases eligible for driver's license suspension was taken immediately prior to the mailing of notices in the treatment group, warning that the Department of Motor Vehicles would be suspending driver's licenses unless the obligor took immediate action.

From ACSES, we found that about two-thirds of the court cases involved only a single child, about a quarter involved two children, and the remaining 10 percent involved three or more children. Only four percent of the obligors were female, and the average age of the obligor was 37 years.

About 60 percent of the court cases that qualified for DLS reporting were in enforcement category three at baseline, indicating that the obligor could not be located. Approximately 24 percent of the cases involved the collection of arrears for former TANF cases (AF). Another 17 percent were non-TANF cases (NC), and the remaining 59 percent were primarily current TANF cases with both current and past due support.

	Neither Credit Bureau nor DLS	Both Credit Bureau and DLS	Credit Bureau Only	Total
Arrears on former TANF	22%	24%	35%	24%
Non-TANF cases	18%	15%	11%	17%
All others	60%	60%	54%	59%

From the DMV, we found that most obligors were in its system. About two-thirds of the obligors had been issued a regular adult license by the DMV. About 8 percent had been issued temporary licenses, provisional permits (the license issued to drivers between 18 to 21 years of age), or minor's permits. Approximately 6 percent had been issued commercial licenses. Approximately 20 percent had never been issued a license, although some of these obligors (8%) were in the DMV system because they had applied for an adult identification card.

Type of License	Control Group not reported to credit bureaus or driver's license	Reported to credit bureaus only	Reported to credit bureau and driver's license	Total
Regular adult	67%	66%	67%	66%
Provisional, minor's, temporary	8%	5%	7%	7%
Commercial	7%	7%	5%	6%
Probationary	1%	1%	1%	1%
None, but ID card	10%	6%	10%	8%
No record at DMV	8%	16%	11%	12%

Knowing whether an obligor had ever been issued a license, however, did little to predict who had a valid license when the notification of suspension was sent. As Table 3 indicates, only about 35 percent had a valid license on the eve of reporting to the DMV.

Thirty-eight percent had a license that had been suspended or revoked, and 23 percent did not have licenses but were eligible to apply.

Table 3 Current License Status Among Those Eligible for DLS Reporting				
	Reported to DMV and credit bureaus	Credit Bureau only	Neither DMV nor credit bureaus	Total
Valid	35%	37%	33%	35%
Valid commercial	3%	7%	---	4%
Suspended or revoked	39%	32%	44%	38%
Expired, may apply	23%	24%	23%	23%

We also extracted information on the total number of citations received by obligors who had been issued licenses. Only 11 percent of the obligors had never been ticketed. Overall, each obligor received an average of 10 violations, and the median was seven. Forty percent had been ticketed most recently in either 1996 and/or 1997.

Approximately 40 percent of the obligors who had been issued licenses had violations, actions, or judgments related to alcohol; 55 percent had violations related to lack of proper insurance; and 39 percent had been cited for driving without a valid license.

Table 4 Of Those Qualified for Reporting, Percent Cited for Various Offenses				
	Reported to DMV and Credit Bureaus	Credit Bureau Only	Neither Credit Bureau nor DMV	Total
Alcohol-related offenses	39%	47%	47%	43%
Improper insurance	61%	46%	53%	55%
Driving without valid license	42%	40%	30%	39%

We reported in Table 3 that 38 percent of all obligors who qualified for DLS reporting had a revoked or suspended license at the time DLS notification went out and 35 percent had a valid license. But even among many of those with a valid license, their license had expired. Two-thirds of the obligors eligible for DLS notification (66%) had been the subject of a license revocation or suspension at some time in the past. The two most common reasons for the revocations were lack of insurance (25%) and alcohol-related violations (23%). Other common reasons included excessive points (17%) or habitual offender status (16%).

The profile of obligors eligible for suspension from the DMV data would lead us to expect that notification of driver's license suspension would prompt action by only a small percentage. Less than half of those notified had a valid non-commercial driver's license at the time of the DLS reporting, about two-thirds had had a license suspended in the past, and well over a third had been cited in the past for driving without a valid license.

Outcomes⁶

Taking Action

A review of ACSES reveals that notices of license suspension stimulate very few obligors to pursue an administrative review hearing to deal with the problem. Of all cases sent notices of suspension, only one percent proceeded to a review hearing. All requests for administrative hearings occur immediately after obligors receive notice of their suspension.

Following the warning letter, at the time they are noticed of their pending suspension, 11 percent of the obligors have made an appointment to negotiate a repayment plan. This figure increases slightly during the subsequent year, to a high of 18 percent. None of the

⁶ The analysis on outcomes is based on data from one to 24 months following the DLS notification to obligors. In all of these analyses, 833 cases (668 control, 74 DLS, and 91 Credit Bureau Only) have been eliminated. These are cases in which the obligor moved out of Colorado at some point during the follow-up period.

obligors in this sample contacted the child support agency to negotiate a repayment plan after the first 12 months of their suspensions.

Developing a repayment plan does correlate with improved payment behavior. The 88 obligors who made a repayment plan paid a total of \$492,588 over the next 24 months (for an average of \$233 per month per case). Only 4 percent of those who developed a repayment plan paid nothing during the following 24 months, compared to 54 percent of those who did not develop a plan.

Obligor's Response	Immediately after notice of non-compliance	Immediately after notice of suspension	6 mos after notice of suspension	12 mos after notice of suspension	24 mos after notice of suspension
Scheduled administrative hearing	0	1%	1%	1%	1%
Arranged repayment of MAD	10%	11%	14%	18%	18%

When we compare obligors who respond to the notice by developing repayment plans with those who do not, we find several significant differences. First, as Table 6 indicates, repayment plans are more likely to be established in non-TANF cases. Twenty-eight percent of the non-TANF cases with DLS notification result in a repayment plan. In all other class and status groups, only 14 to 15 percent of the cases with DLS notification develop repayment plans.

	Arrears in Former TANF Case	Non-TANF Cases	All Other Class and Status Cases	Total
Established Repayment Plan	14%	28%	15%	17%

*Differences across the groups are statistically significant at .01 or better

Second, obligors who develop repayment plans when warned about license suspension have something to lose. In general, they are not better drivers. Compared to those obligors who do not respond, those who develop repayment plans are just as likely to have significant numbers of prior violations, alcohol-related violations, and prior suspensions. They are nearly as likely to have violations for driving without proper insurance or driving without a valid license (see Table 7).

Table 7 Comparison of Cases that Develop Repayment Plan and Those Which Do Not on Prior Offenses		
	Do Not Develop Repayment Plan	Develop Repayment Plan
Average prior offenses	10.7	8.9
Alcohol-related offenses	39%	40%
Driving without insurance	63%	51%
Driving without valid license	45%	31%
Prior license revocations	70%	63%

However, those who work out repayment plans are twice as likely as those who do not to have a valid license at the time they are notified. Although they are not flawless drivers, and many have learned in the past what it means to have a license revoked, those who respond have valid licenses and therefore have something to lose by not responding (see Table 8).

Table 8 Development of Repayment Plan by License Status at Notification				
	Valid License	Valid Commercial License	Suspended/ Revoked	No License, May Apply
Did not develop repayment plan	73%	94%	93%	89%
Developed repayment plan	27%	6%	7%	11%

Paying Support

To get a sense of the effects of driver's license suspension on payment of child support, we compared payment levels at several different time points. Figure 1 shows that obligors respond to the notice of driver's license suspension with a dramatic sharp increase in their child support payments — in the form of a lump-sum payment or increased payments on the monthly amount due. However, following this brief burst of payment activity, obligors who have been reported for license suspension rapidly return to their earlier payment patterns.

Twenty-four months prior to initial notification of license suspension (at Notice of Non-Compliance), and 24 months later, both the experimental and control group obligors are making payments that would average \$65 to \$70 a month.

Estimating Collections Statewide

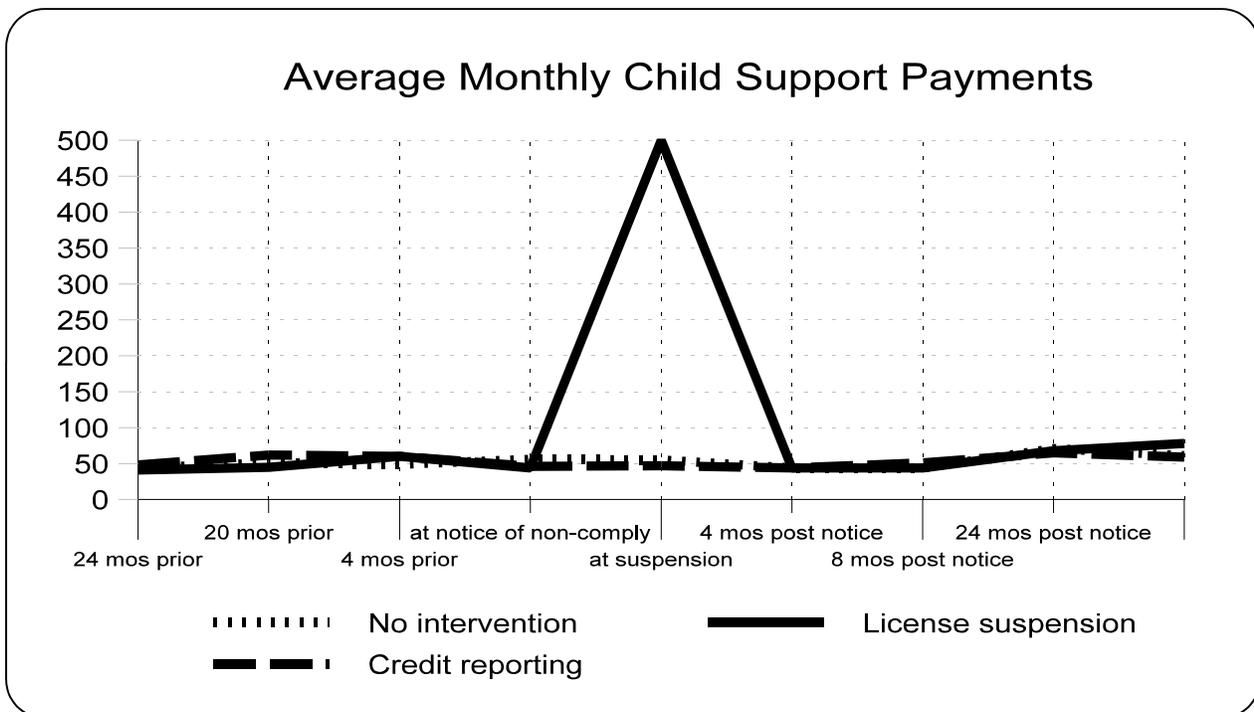


Figure 1

If the patterns outlined above hold for the state, what additional child support collections might we expect to see as a result of driver’s license suspension? Table 11 shows the amount of additional child support that might be expected from each obligor subjected to driver’s license suspension during the first year of the intervention. The monthly payments for the pre-suspension period and for various blocks of time post-suspension are based on actual average payments in the two groups⁷ according to extracts from ACSES. The results show only a modest change for the control group. During the 12-month pre-test period, this group paid an average of \$618. This figure declined (but not significantly) to \$548 during the 12 months immediately following license suspension. For obligors in the experimental group, the average amount paid during the 12-month pre-test period was \$514. During the 12-month post-test period, the average rose significantly to \$958. Thus, the amount of change attributable to the DLS intervention would be \$444, plus an offsetting of the \$70 decline experienced by the control group, for a total of \$514.

Table 11		
Estimated Differences in Payments Prior to and One Year Following Notification by Treatment Group		
	No Treatment (n=1,005)	Driver’s License Suspension (n=490)
Average amount paid in the 12 mos prior to DLSH	\$618	\$514
Average amount paid in the first year post DLSH	\$548	\$958
Difference 12 mos pre to 12 mos postH	-\$70	\$444
Average annual payment in second year post DLS	\$854	\$813
Increase due to DLS = \$514 for each obligor subjected to DLS		
H T-test differences of means between the treatment and control groups are statistically significant at .05.		

Reactions to the DLS Initiative

⁷ We restricted this component of the analysis to a consideration of two groups: those receiving no treatment and those receiving both the credit bureau and driver’s license interventions.

The overall reaction of county child support administrators to the initiative is very positive; it was described by several people as "one of the best tools we've had in years." Some counties have seen a sizeable increase in collections; other counties are pleased that DLS is generating more interaction with previously delinquent obligors. Respondents believe DLS to be much more effective than Credit Bureau Reporting, because for many people the loss of a driver's license will have a broader impact on their life than will a poor credit rating. One administrator explained that the DLS notification process reaches people who are not traditional wage earners, and therefore are not paying child support through wage assignments. Thus, people who are self-employed or who could not retain their jobs without a driver's license are responding to the threat of losing their license: "People are coming out of the woodwork. Men who we would never have heard from before, are now coming in to set up a repayment plan."

Even though the notification process gives the obligor many opportunities to respond, in some counties there is a pattern of obligors not contacting the local child support office until after their license has been suspended. Sometimes the notices are mailed to an old address, or for other reasons the obligor does not receive his or her mail. These obligors tend to be angry. One respondent thought that DLS tends to "bring out the worst in people," particularly those people who have had their license suspended and are stopped by the police for driving without a license. She described having to call the guards to restrain a man who was furious about having his license suspended. On the other hand, since child support workers routinely field irate phone calls, respondents generally downplayed this effect of the intervention.

The option of allowing obligors to negotiate repayment plans to settle back debt, instead of requiring payment of lump sums, has several benefits. From the perspective of the obligor, it allows him or her to move gradually toward a position of good financial standing. And it has been helpful to county agencies that serve primarily low-income populations. Thus, some child support agencies focus primarily on developing manageable repayment plans. According to one county administrator, "Too many men (in this county)

don't have the money to pay off the debt in a lump sum, and it is better to get some money than no money." But for other counties, lump-sum settlements are encouraged. One county emphasizes, and in most cases requires, lump-sum payments to discharge an arrearage. "We tell them to give a lump sum to show good faith," explained the respondent.

Given Colorado's state-supervised but county-administered structure, it is not surprising that license suspension has had workload impacts. Nevertheless, most county administrators found the implementation of DLS to be difficult, but manageable. Only one respondent suggested that the increased workload is far greater than is reflected by the collections received from this intervention. The State Enforcement Unit (SEU) has been helpful and responsive when the county technicians have encountered problems with the program. Most respondents stated that technicians would have benefitted from formal training, and in many cases, workers were unprepared for the heavy impact DLS has had on their daily work routine. In part, the increased workload in the first year of the program reflected the fact that it was handled manually. Even though it is now fully automated, workers must update ledger balances and make manual adjustments to child support accounts.

Additionally, workers have been wary of unknowingly suspending the licenses of obligors who are in compliance, and have worked hard to avoid making mistakes. Respondents reported that the overall rate of error has been very low, despite the problems of making the program operational. One concrete suggestion for minimizing improper notifications is that the SEU should release a month ahead of time the names of the obligors whose licenses will be suspended, giving the county workers the opportunity to review and update these cases.

In general, respondents felt that the publicity for the initiative was adequate. In one county, the CSE unit reported that advertising the program through posters placed on public buses garnered a great deal of attention. People interviewed stated that the most

powerful messages regarding DLS are being given by word of mouth, since "the obligors really talk amongst themselves."

Some state and county CSE administrators view the intervention as being too harsh in certain circumstances. They point out that the goal of the DLS program is to persuade noncustodial parents to make regular payments of child support or to pay back child support arrearage. Ideally, the suspension of an obligor's driver's license should serve as a productive threat. Despite the program being designed to lead obligors into payment action, 12,000 obligors had their Colorado driver's licenses suspended in the first 18 months of the intervention. Although SEU personnel expected some suspensions with the initiation of the program, the reports they are receiving indicate there are complications built into the automated system that can work against obligors genuinely trying to comply. For example, obligors may be making payments regularly, but their cases have been flagged in ACSES as delinquent because ledger adjustments have not been made. Such flagging is in line with the rules for credit reporting agencies, but sometimes sets in motion a process of license suspension that can cause havoc for an obligor who is in compliance.

According to one state CSE administrator, the program needs to be refined. Committees are at work now developing a new set of business rules for CRA and DLS, in order to accommodate how the two programs can address and utilize the payment histories of obligors. Meanwhile, CSE technicians scrutinize with caution selected cases for DLS noticing to prevent the inappropriate initiation of the process against obligors who are in compliance.

Conclusions

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 requires that states establish the authority to withhold or suspend driver's, professional, occupational, and recreational licenses as a child support compliance remedy (PRWORA § 369). Of the 43 states and jurisdictions with license suspension legislation in early 1997, 33 programs were administratively based or used a combination of administrative and judicial processes.

Like other initiatives created to incorporate mass case processing, license revocation programs require that a variety of state agencies cooperate and develop compatible automated database systems.

The Colorado DLS intervention is popular with county child support administrators; it is perceived to be a useful tool in many cases. Although there were problems incorporating the program into the workload of county technicians during the first year, administrators believe their staffs have adjusted to the changes. County agencies find DLS to be successful because in some instances, the notification process results in the arrangement of repayment plans or lump sum payments of arrears. State administrators, however, are mindful of the hardships that license suspension can impose and believe the program needs to be modified to allow for various contingencies.

This analysis of Colorado's DLS program segregates the effects of this intervention from other enforcement activities initiated by the child support agency during the same period of time. We compare analogous, random samples of obligors exposed to DLS and credit bureau reporting, credit bureau reporting only, and neither intervention. The analysis shows that DLS generates an extra \$514 for every selected case. In the 36 months since DLS was initiated on a statewide basis, approximately 30,000 obligors have been sent notices of non-compliance. This translates into an estimated 10,000 obligors per year. Based on the additional \$514 collected per case, this means an additional \$5.14 million per year, and exceeds the fiscal impact of \$3.6 million per year projected by program architects. Looked at somewhat differently, additional revenues due to the driver's license suspension remedy comprises approximately 2 percent of the \$200 million in child support that Colorado collects each year. Naturally, we have no way of knowing the preventive effects of the DLS intervention and the extent to which it prompts obligors to pay who might otherwise become delinquent.

As previously noted, there are little comparative data on the effects of license suspension in other state settings. An Office of the Inspector General report attributes Maine's

collection of \$9.7 million in overdue support from 17,069 eligible driver's, occupational, and professional licenses. This translates into \$568 per case, as compared with Colorado's \$514 for driver's license suspension only. The same report determined that \$306,299 had been collected from 1,041 targeted drivers in Virginia in the preliminary phases of a collection effort. This translates to \$294 per case. Arizona collected \$11,366 for 50 cases, or \$227 per case.⁸

Most of the evaluation data that is available supports the use of administrative processes rather than judicial ones, claiming that the former targets more cases, takes less time to achieve suspensions, and produces more collections.

The analysis of randomly selected delinquent obligors who were notified of impending license suspension indicates that as an incentive, DLS works for people who have a valid license and presumably would be disadvantaged without it. For a certain percentage of delinquent obligors, however, the threat of DLS does not appear to be an effective tool to prompt child support payments. As the research detailed above indicates, obligors in approximately 18 percent of the cases in the sample who were subjected to DLS treatment arranged a repayment plan following notification of impending license suspension. The profile of the cases sampled for this study uncovered surprising patterns of lapsed, revoked, or suspended licenses, and significant numbers of violations related to alcohol and lack of proper insurance. Of the obligors who had ever held a license, less than half had a valid driver's license at the time DLS notification was initiated.

A study on uninsured motorists conducted in Oregon in 1986 uncovered similar patterns (Jones, 1986). The State of Oregon has a mandatory insurance requirement, with additional financial responsibility requirements that apply to drivers falling within a high risk group for driving uninsured. A comparison of insured and uninsured motorists found that drivers in the *uninsured* group tended to be younger, were more likely to have had a

⁸ Office of the Inspector General, Department of Health and Human Services. "Review of States' License Suspension Processes" (A-01-96-02502). July 1997.

criminal record, were prone to have poor credit ratings, and tended to have more prior traffic convictions and accidents than did insured motorists.

Together, the Oregon statistical profile and the Colorado DLS evaluation suggest a definable group of individuals that could be characterized as "standing outside the law" in terms of adhering to state laws and meeting financial obligations. This group does not include all obligors, of course. The sample used for the Colorado DLS research was composed of obligors who had already qualified for credit bureau reporting and thus were in arrears on monthly payments for more than 60 days. It represents only delinquent obligors meeting strict criteria for purposes of analysis. But the collective profile uncovered by the research reveals there is a portion of obligors that will not be responsive to DLS because suspension of a license carries little impact for them.

The Driver's License Suspension initiative will not solve all of the problems created by delinquent obligors. But it appears to be a tool that can enhance other agency remedies. It is particularly effective in non-TANF cases. It may also be effective in cases involving obligors who only owe past due support, a group not currently included in the process. Finally, the effects of license suspension may also be greater as Colorado fully implements its program to include professional and occupational licenses, a procedure that was just initiated on a pilot basis in two counties. It makes sense to expect significant increases in repayment arrangements and lump-sum settlements when the obligor has much more to lose than a suspended license. This appears to be the case, based on preliminary findings on the effects of occupational and professional license suspension in California and Oregon.⁹ In California, 50 percent of eligible non-custodial parents either paid overdue support or agreed to a repayment plan following a notice of suspension. This was the case for 42 percent of delinquent obligors in Oregon. Occupational and professional license suspension may hold great promise for legislatures looking to motivate delinquent obligors

⁹ Office of the Inspector General, Department of Health and Human Services. "Review of States' License Suspension Processes" (A-01-96-02502). July 1997.

who are not traditionally employed and whose wages cannot be attached by income assignment.

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