



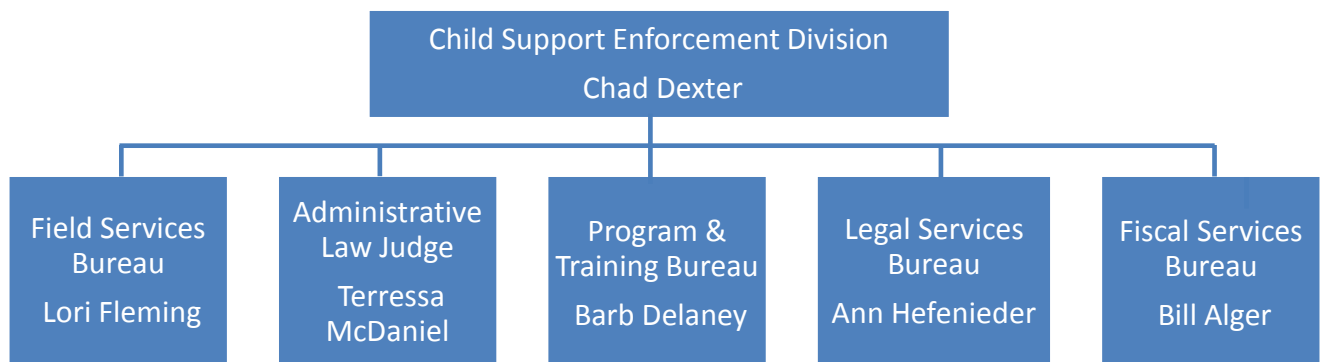
Presentation to the 2017 Health and Human Services
Joint Appropriation Subcommittee

CHILD SUPPORT ENFORCEMENT DIVISION Economic Security Services Branch

DPHHS Mission: To improve and protect the health, well-being, and self-reliance of all Montanans.

Division Mission: To diligently pursue and ultimately achieve financial and medical support of children by establishing, enforcing, and increasing public awareness of parental obligations.

Organizational Chart:



Title	Name	Phone Number	E-mail address
Administrator	Chad Dexter	406-444-1846	cdexter@mt.gov
Bureau Chief-Fiscal Services	Bill Alger	406-444-0565	balger@mt.gov
Bureau Chief-Field Services	Lori Fleming	406-444-3338	lfleming@mt.gov
Bureau Chief-Administrative Law Judge	Terressa McDaniel	406-444-9370	tmcdaniel@mt.gov
Bureau Chief-Program & Training Services	Barb Delaney	406-444-1957	bdelaney@mt.gov
Bureau Chief – Legal	Ann Hefenieder	406-655-5507	ahefenieder@mt.gov

Division Overview:

Title IV-D of the federal Social Security Act requires each state to provide child support services in exchange for federal funding of the services and the state Temporary Assistance for Needy Families (TANF) program. The Child Support Enforcement Division (CSED) is the state Title IV-D agency for Montana. It currently offers the following services to over 37,000 families.

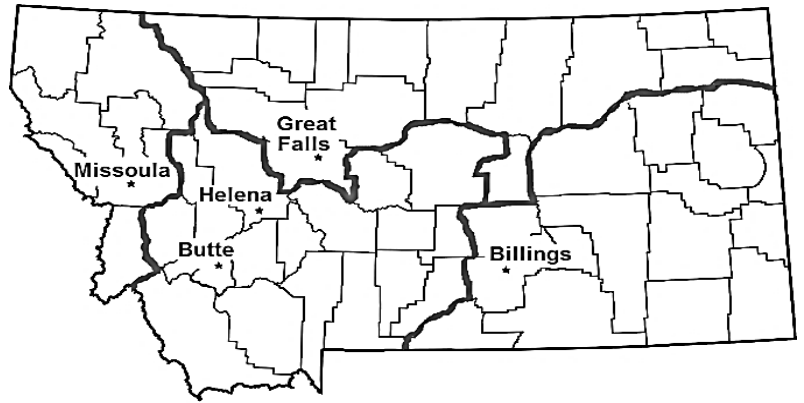
- Collection of monetary child support.
- Location of non-custodial parents.
- Paternity establishment.
- Establishment of child support obligations.
- Modification of child support obligations.
- Establishment and enforcement of medical support obligations.

The CSED plays an important role in the DPHHS overarching goal of giving Montanans the tools and support to be self-sufficient. Although thousands of Montana parents put their children first by responsibly providing for their emotional and financial support, some parents need help collecting child support payments owed. These payments are often critical to the well-being of the child. The importance of the work the division does is evident from the comments staff receive. Below are excerpts from some of this feedback:

- “Thank you for all your help over the years. If I’ve ever had a problem, concern or issue, you have always been extremely helpful. You always go above and beyond. You are a true professional.”
- “...thank you again for helping me out. You’ve been nothing but respectful and you have answered all my questions.”
- “Thank you so much. You help us out more than you know – we really appreciate you.”

The CSED is part of the DPHHS Economic Security Services branch. The division serves the public through the following five bureaus: Field Services, Legal Services, Program & Training, Fiscal Services, and the Office of the Administrative Law Judge (OALJ). Central Operations, the Interstate Responding Regional Office, and the OALJ are located in Helena. Four additional regional offices are located in Great Falls, Billings, Butte and Missoula.

Child Support Enforcement Division

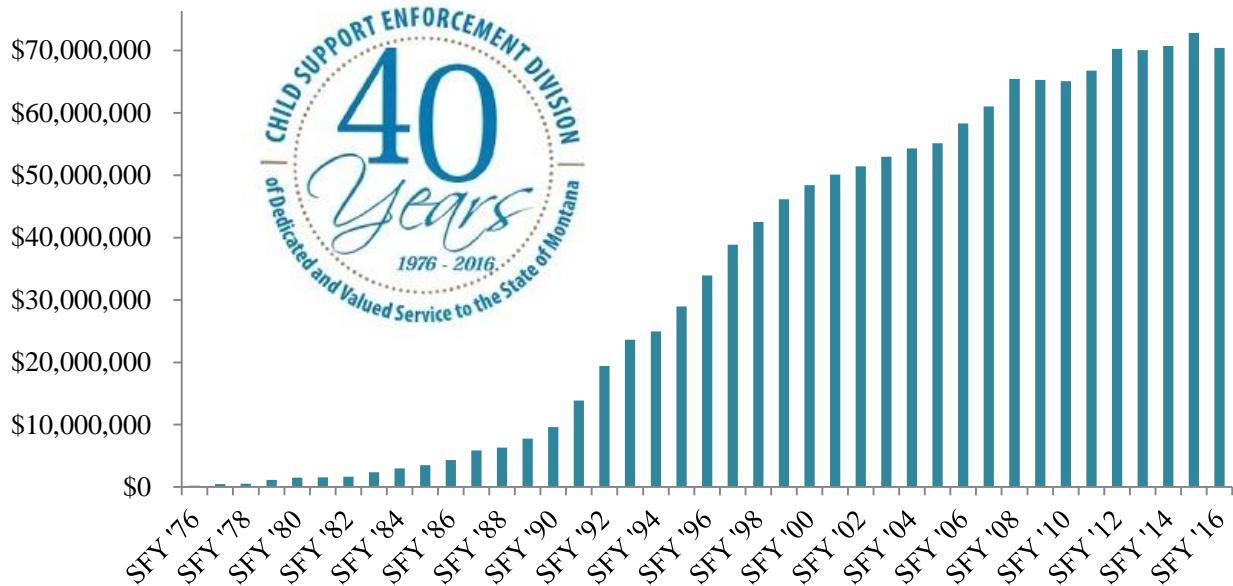


Allocated Staffing		FTE			
Central Operations					
-Administrator, Field Services					
Bureau Chief & Attorney		3			
-Fiscal & Payment Processing		15.81			
-Program & Training		11			
Office of Administrative Law Judge		6			
Regional Offices			Open Cases	Support Orders Enforced	Minor Children Served
-Great Falls CSED		22	7,695	5,680	7,268
-Billings CSED		29	8,991	7,268	9,382
-Butte CSED		22	6,518	5,642	7,470
-Missoula CSED		25.5	7,229	6,220	8,339
-Helena-Interstate CSED		23	6,911	6,656	6,312
Total		157.31	37,344	31,466	38,771

Updated: Sept. 30, 2016

40 Year Anniversary

The CSED was recognized in 2016 for its 40th year as Montana's IV-D child support program. Over the past four decades this division has collected over \$1.4 billion dollars in child support.



Major Functions:

Child Support Services Available to All Families

In its open caseload of 37,344 the CSED is providing child support services to over 113,000 adults and children. Any parent or nonparent caregiver with custody of a child who needs help to establish, modify, or enforce a child support order may apply to CSED for child support services.

Historically, CSED has received most of its cases from the TANF program and its predecessor program, Aid to Families with Dependent Children (AFDC). 63% of the CSED caseload originates from these public assistance referrals, with 14% of that comprised of individuals currently receiving public assistance and 49% formerly receiving public assistance. Families receiving TANF benefits, foster care payments under Title IV-E, or Medicaid coverage automatically qualify for CSED services free of charge. Individuals referred from these programs are required to cooperate with CSED to continue receiving benefits. Families receiving cash public assistance benefits are also required to assign their child support rights to the state. CSED collections on behalf of families on public assistance are used to reimburse the federal government (66%) and the state government (34%) for the cost of the cash benefits paid to the family.

Increasingly, families seeking child support services have never utilized a public assistance program before. CSED non-public assistance applications are available online and at local regional offices. Applicants are charged an application processing fee not to exceed \$25. In SFY 2016, CSED processed 1,264 new non-public assistance child support applications. 37% of the CSED caseload contains families that have never been on public assistance.

The following table shows the CSED open caseload for the previous five years.

	Open Caseload	Currently on Public Assistance	Formerly on Public Assistance	Never on Public Assistance
FY '16	37,344 (100%)	5,235 (14%)	18,266 (49%)	13,843 (37%)
FY '15	37,321 (100%)	4,631 (12%)	19,058 (51%)	13,632 (37%)
FY '14	39,068 (100%)	4,911 (13%)	20,525 (52%)	13,632 (35%)
FY '13	39,987 (100%)	5,078 (13%)	21,437 (53%)	13,472 (34%)
FY '12	40,019 (100%)	4,532 (11%)	22,725 (57%)	12,762 (32%)

Updated: Sept. 30, 2016

Child Support Collections

Over the previous five years, the CSED has collected over \$70 million annually in child support. Collection methods used by CSED include income withholding, intercept of federal and state tax refunds, intercept of unemployment and workers' compensation, liens against property, credit reporting, intercept of lottery winnings, state-issued license suspension, and seizure of funds held in financial institutions.

In SFY 2016 the CSED collected \$70,433,723 in child support. 94.1% of these collections were distributed directly to families. The remaining 5.9% was split (66/34) between the federal government and Montana. Montana's portion is used to offset CSED operational costs. The below table shows CSED collections for the previous five years and the amounts paid directly to the families served.

CSED	Total Collections	Paid to Families	%
FY '16	\$70,433,723	\$66,243,297	94.1%
FY '15	\$72,816,814	\$68,410,395	93.9%
FY '14	\$70,745,131	\$66,521,804	94.0%
FY '13	\$70,081,874	\$65,591,833	93.6%
FY '12	\$70,255,970	\$65,049,547	92.6%

Location of Non-Custodial Parents

If the CSED cannot locate the noncustodial parent with the information provided by the custodial parent, the State Parent Locator Service (SPLS) assists in the effort to find the missing parent. The SPLS uses various sources such as the internet, motor vehicle registries and state employment and unemployment records. The CSED also can ask the Federal Parent Locator Service (FPLS) to locate the noncustodial parent. The FPLS can access data from the Social Security Administration, the Federal Bureau of Investigation and other state employment security agencies. These tools assist in maintaining a CSED caseload in which no more than 10% of noncustodial parents are in a location status at any given time.

Establishment of Paternity

Providing paternity establishment services legally identifies fathers of children. Resolving the issue of paternity is a necessary "first step" toward obtaining a child support obligation. Genetic DNA testing provides the most conclusive determination as to whether a man is the biological father of a child. It is the preferred method by which the CSED reaches a legal determination of paternity for children. In addition to child support, resolving the issue of paternity may provide the child one or more of the following benefits:

- Access to Social Security benefits;
- Medical insurance and biological information;
- Verification of tribal enrollment status; and
- Important interactions and relationships with both parents.

In SFY 2016, the CSED resolved 823 cases in which the paternity of children was previously unknown. On an annual basis, the CSED caseload of children with paternity resolved regularly exceeds the federal Paternity Establishment Percentage (PEP) standard of 90%.

Establishing and Modifying Child Support Obligations

The CSED establishes new child support obligations and, when appropriate, modifies current support obligations. Monthly obligations are set through a calculation consistent with the Montana Uniform Child Support Guidelines. Guidelines recognize the following primary goals:

- Meet the basic needs of children and prevent or reduce child poverty;
- Allow parents to meet their own basic needs so they can maintain employment;
- If income is available, provide additional resources to allow the child a higher standard of living, allowing interests to be pursued, and skills and abilities developed;
- Recognize that a separated family cannot live as economically in two households as in one, due to lost economies of scale and duplication of household expenses; and
- Recognize costs incurred for parenting/visitation with the children in a state with the geographic size of Montana.

In SFY 2016, the CSED established 2,156 new child support obligations for case participants. In addition, it reviewed 1,638 previously established support orders for modification. 89% of the CSED caseload has a child support order in place.

Ensuring Health Insurance for Children

Provisions for health insurance coverage must also be included in any established or modified order of support. Along with establishing a medical insurance provision in the order, the CSED also seeks to enforce the provision of health insurance when it is reasonably available to parents. At the end of SFY 2016, the CSED successfully enforced medical support obligations for 15,833 children in its caseload. These efforts contribute to the goal of Montana’s children being healthy and having access to quality health care. Enforcing health insurance obligations for children provides healthcare stability for families and saves state healthcare dollars.

New Hire Reporting Program

Since 1997, employers have contributed toward the success of child support collection and recovery through participation in the New Hire Reporting Program. The New Hire Reporting Program has reduced the time it takes to generate Income Withholding Orders for case participants from months to days. Employers are the key to this success, and the commitment of the business community to timely report newly hired, or re-hired, employees is recognized and appreciated.

CSED	Income Withholding Orders Generated
FY ‘16	23,111
FY ‘15	23,721
FY ‘14	23,156
FY ‘13	22,572
FY ‘12	22,433

Since 2007, on-line technology has given employers the option of submitting new-hire information through the internet. This service is free to employers, and is a quick and efficient way to meet the reporting requirement. While employers still have the option to provide updates by fax, phone or mail, the CSED continues to encourage the electronic option. In 2016, 70% of all new-hire reporting was received through electronic filing.

In 2015, the CSED began offering employers the option of receiving Orders to Withhold Income electronically. The Electronic Income Withholding Orders (e-IWO) service is a tool that saves time and money. To advertise and promote the benefits of conducting business electronically, the CSED partnered with the Montana Department of Labor and Industry in its annual Assistance for Business Clinics (ABC). Last year, this statewide program offered clinics to employers, accountants and bookkeepers in 14 Montana cities. CSED participation in this program was very well received in the employer community. Below are excerpts from some of this feedback:

- “Super stoked to have DPHHS & CSED here. Very important info.”
- “Gave information I was unaware of, gave a better understanding of support enforcement.”
- “Great presentation. Glad they are here!”
- “Good information and a push towards electronic, which was good to know.”

Partnering With Tribal IV-D Child Support Programs

In 2001, the federal government began approving applications from tribal governments to start their own child support agencies under the same program that the CSED participates in. Today, more than 60 tribes around the country operate their own child support programs, providing services to Native American families consistent with tribal values and cultures. In Montana, there are four tribal child support programs currently in operation.

- Chippewa Cree Child Support Program
- Blackfeet Child Support Program
- Confederated Salish and Kootenai Tribal Child Support Enforcement Program
- Fort Belknap Child Support Program

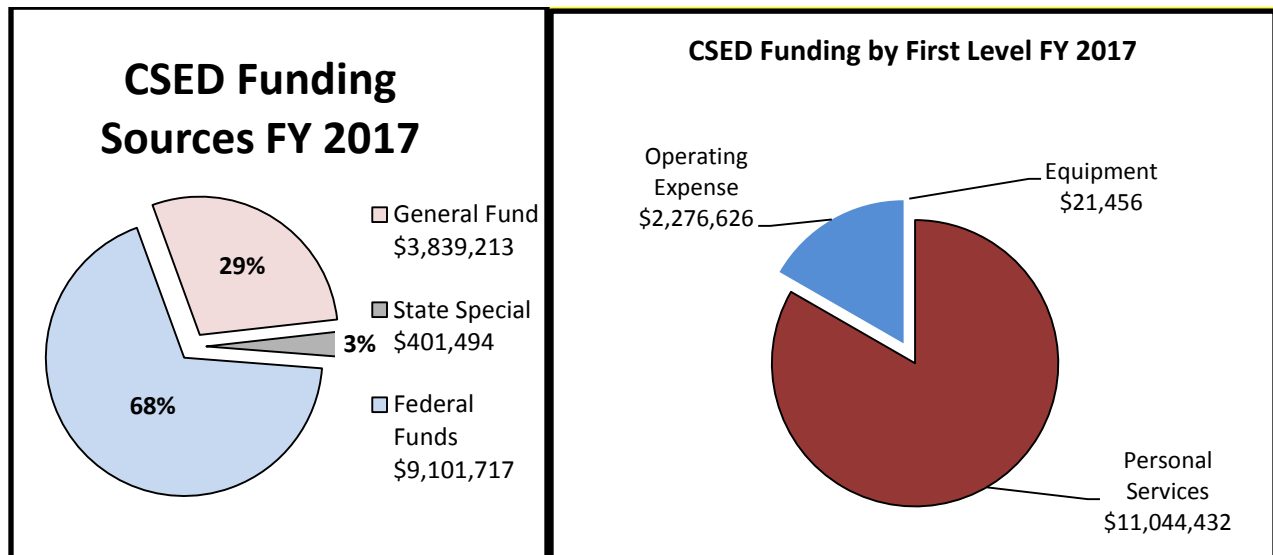
CSED is committed to strong and respectful government-to-government partnerships with each of the tribal child support programs in Indian Country. As part of this commitment, CSED participates in biannual tribal-state summits. These meetings provide an opportunity to expand, throughout the state, the quality of child support services available to families.

Current Budget/Expenditures:

FUNDING AND FTE INFORMATION

	2017 Budget	FY 2018 Request	FY 2019 Request
Child Support Enforcement			
FTE	157.31	157.31	157.31
Personal Services	11,044,342	10,878,182	10,914,917
Operating	2,276,626	2,262,650	2,262,749
Equipment	21,456	21,456	21,456
Total Request	13,342,424	13,162,288	13,199,122
General Fund			
General Fund	3,839,213	3,782,718	3,795,208
State Special Fund	401,494	396,743	396,775
Federal Fund	9,101,717	8,982,827	9,007,139
Total Request	13,342,424	13,162,288	13,199,122

THE FOLLOWING FIGURES PROVIDE FUNDING INFORMATION FOR FY 2017 FOR CHILD SUPPORT ENFORCEMENT



Goals and Objectives:

Department of Public Health and Human Services Child Support Enforcement Division	
Goals and Objectives for the 2019 Biennium	
Goal: Diligently pursue and ultimately achieve financial and medical support of children	
Objective	Measures
Obtain support for children by maintaining our ratings on federal child support performance standards.	The CSED will review and analyze whether: <ul style="list-style-type: none"> • Child support collections have been maintained. • The IV-D paternity establishment percentage has been maintained. • The percentage of cases with child support orders has been maintained. • The percentage of cases with current child support collections has been maintained. • The percentage of cases with child support collections in arrears has been maintained. • The cost effectiveness ratio has been maintained. • The number of children with medical support has been maintained.

Present Law Adjustments:

No present law adjustments specific to the division.

New Proposals:

NP - 555 - Appropriation Rebase

The Executive Budget includes targeted budget reductions across most agencies. The Executive proposes Child Support Enforcement Division Appropriation Rebase totaling \$332,427 per year be included in the agency reduction plan submitted in compliance with 17-7-111, MCA.

Fiscal Year	General Fund	State Special	Federal Funds	Total Request
FY 2018	\$ (113,025)	\$ 0	\$ (219,402)	\$ (332,427)
FY 2019	\$ (113,025)	\$ 0	\$ (219,402)	\$ (332,427)
Biennium Total	\$ (226,050)	\$ 0	\$ (438,804)	\$ (664,854)

Proposed Legislation:

No legislation proposed.