

***Presentation to the 2019 Health and Human Services
Joint Appropriation Subcommittee***

**Child Support Enforcement Division
Economic Security Services Branch
Department of Public Health and Human Services**

The following topics are covered in this report:

- Overview
- Summary of Major Functions
- Highlights and Accomplishments during the 2019 Biennium
- Funding and FTE Information
- Change Packages

Overview

The Child Support Enforcement Division (CSED) helps parents collect child support payments owed to them. Child support services are available to all families. 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. With a total open caseload of more than 35,000, child support services in CSED directly impact over 112,000 minor children and parents.

The CSED offers the following services to 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 division serves the public through the following three bureaus: Field Services, Fiscal Services, and Program & Training Services. Central Operations and the Interstate Responding Regional Offices are located in Helena. Four additional regional offices are located in Great Falls, Billings, Butte, and Missoula.

Our clients' own words demonstrate the importance of this division's work:

- "I just wanted to thank you for all you do. I could be wrong in comparing and assuming there's a similarity to the work you do, but after this many years in the medical care field, it can sometimes feel like a thankless job. I know you often have to work with difficult cases. I just want you to know there are many people out there like myself who greatly appreciate all the time and effort you put in. You are truly amazing."
- "Thank you for always having the best interest of [my daughter] and working hours and hours on our case. I truly could not have done this without you all these years."
- "My sincere thanks and appreciation for your diligence in seeing our case through 14 years. My daughter recently graduated and [with the money collected] was able to purchase a car."

Summary of Major Functions

Child Support Collections

Over the previous seven years, the CSED collected over \$70 million annually in child support. Collection methods used by CSED include:

- Income withholding;
- Offsets against federal and state tax refunds;
- Unemployment and workers' compensation;
- Liens against property;
- Credit reporting collection of lottery winnings;
- State-issued license suspension; and
- Garnishment of funds held in financial institutions.

In FY 2018, the CSED collected \$71,484,196 in child support. This table shows CSED collections for the previous seven years.

CSED	Collections
2018	\$71,484,196
2017	\$70,442,533
2016	\$70,433,723
2015	\$72,816,814
2014	\$70,745,131
2013	\$70,255,970
2012	\$70,081,874

Establishment of Paternity

Resolving the issue of paternity is a necessary “first step” toward obtaining a child support obligation. CSED offers paternity establishment services to identify legal fathers of children. Genetic DNA testing is the preferred method for reaching 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 that have long-term benefits to the well-being and development of the child.

In FY 2018, the CSED resolved 881 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 in order to:

- Meet the basic needs of children and to 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 grant the child a higher standard of living—allowing interests to be pursued, and skills and abilities to be developed;
- Recognize costs incurred for parenting/visitation with the children in a state with the geographic size of Montana.

In FY 2018, the CSED established 2,172 new child support obligations for case participants. In addition, it reviewed 1,395 previously established support orders for modification. Eighty-nine percent of the CSED caseload has a child support order in place. These numbers represent a slight increase from the previous year’s 88%.

Ensuring Health Coverage for Children

The CSED also seeks to enforce the provision of health coverage when it is reasonably available to parents. Any established or modified order of support must include provisions for health coverage. At the end of FY 2018, the CSED successfully enforced medical support obligations for 14,699 children in its caseload. Enforcing health coverage obligations for children provides healthcare stability for families. Through its child support program, Montana is a strong leader nationally in ensuring health coverage for children.

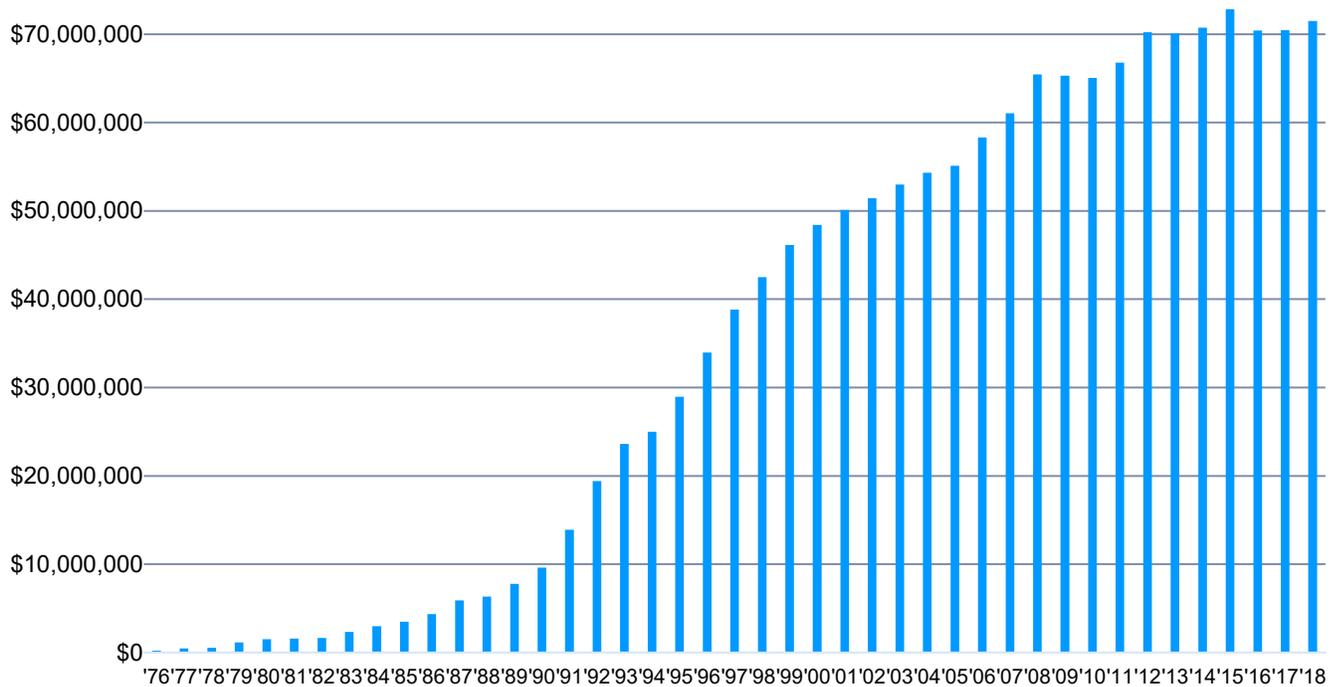
CSED	2014	2015	2016	2017	2018
Cases with Insurance Ordered	22,643	21,913	21,609	21,192	20,844
Cases with Insurance Provided	11,240	10,797	10,438	10,098	9,892
%	49.6%	49.3%	48.3%	47.7%	47.6%
National %	32.3%	32.5%	32.4%	32.6%	tba

Highlights and Accomplishments During the 2019 Biennium

Increased Collections

Financial support through the collection of monthly child support payments, along with the recovery of past due support amounts, contributes toward family self-sufficiency in communities. The total amount of support collected annually is one of the most important indicators of CSED commitment to helping families reach the goal of economic security. In FY 2018, the \$71,484,196 in child support was the second highest amount ever collected. For a seventh straight year, the CSED exceeded a threshold of at least \$70 million dollars in annual collections. In the forty-two years the division has been providing services, CSED has collected over \$1.5 billion dollars in child support.

**Child Support Enforcement Division
Annual Collections**



Employer Outreach

Since 1997, employers have contributed toward the success of child support collection and recovery thanks to their 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, which results in more collections for families. Employers are the key to this success, and the commitment of the business community to report newly hired or re-hired employees is recognized and appreciated.

Since 2007, online 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, CSED continues to encourage the electronic option. In 2018, 73% of all new hire reporting was received through electronic filing, resulting in improved efficiencies, and increased collections.

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. The CSED partnered with the Montana Department of Labor and Industry on its annual Assistance for Business Clinics (ABC) in an effort to advertise and promote the benefits of conducting business electronically. Last year, this statewide program provided educational clinics to employers, accountants, and bookkeepers in 15 Montana cities. CSED participation in this program was very well received in the employer community. Below are excerpts from some of this feedback:

- “Thank you for the step by step instructions, very helpful.”
- “Did not know about making payments online. We have a few child support orders for employers, this would be a helpful tool. Great info!”
- “Very informative about reporting and processing electronically. I’ve been faxing, and I need to get going electronic.”

In addition to participating in the Assistance for Business Clinics, the CSED updated the Employer Services section of the DPHHS/CSED website. The updated information site makes it easier for employers to get answers to their questions and to learn about the electronic services offered by CSED. In 2018, 622 employers took advantage of the option to receive and process CSED Income Withholding Orders electronically. For these employers, this eliminates postage costs and saves time. For CSED, this saves on both postage and paper costs. For families, it results in quicker receipt of their child support.

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 as the CSED. Today, more than 60 tribes around the country operate their own child support programs to provide services to Native American families that remain 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

As a result of these programs, tribal families now have more access to services than ever before. CSED is committed to strong and respectful government-to-government partnerships with each of the tribal child support programs. As part of this commitment, CSED participates in biannual tribal-state summits. These meetings provide an opportunity to expand the quality of child support services available to families throughout the state. Recently, these efforts have resulted in a pilot project to begin transferring appropriate CSED cases to the jurisdiction of the tribal child support programs for services.

Partnering with Fish, Wildlife and Parks

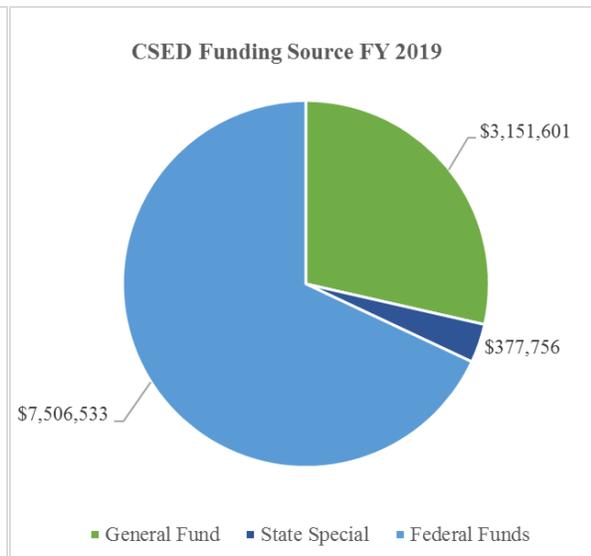
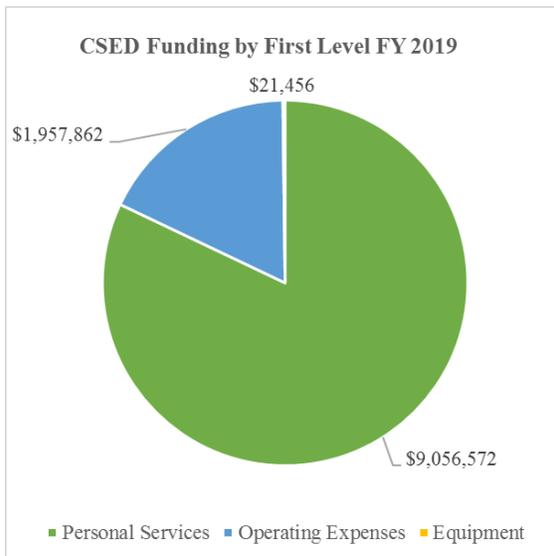
SB 172, passed during the 2017 legislative session, expanded the ability of the CSED to suspend state-issued licenses to include a wildlife conservation license. Previously, only specific hunting, fishing, and trapping licenses were subject to suspension for the non-payment of child support. The CSED partnered with Montana Fish, Wildlife and Parks (FWP) to implement this legislation. Effective July 3, 2017, CSED began suspending conservation licenses where appropriate and in 2018, CSED notified FWP of the ineligibility of 126 case participants.

Not all case participants identified by CSED for conservation license suspension ultimately had their licenses suspended. In 14 CSED cases, the parent opted to enter into a monthly pay plan agreement after being notified of agency intent to seek a suspension of their conservation license, demonstrating the potential effectiveness of this method. The resultant distribution total from these agreements is over \$27,000.00.

Funding & FTE Information

The following figures provide funding information for FY 2019 for Child Support Enforcement

Child Support Enforcement	FY 2019 Budget	FY 2020 Request	FY 2021 Request
FTE	140.31	140.31	140.31
Personal Services	\$9,056,572	\$9,973,017	\$9,971,377
Operating Expenses	\$1,957,862	\$1,957,862	\$1,957,862
Equipment	\$21,456	\$21,456	\$21,456
TOTAL COSTS	\$11,035,890	\$ 11,952,335	\$ 11,950,695
	FY 2019 Budget	FY 2020 Request	FY 2021 Request
General Fund	\$3,151,601	\$3,463,193	\$3,462,635
State Special	\$377,756	\$377,756	\$377,756
Federal Funds	\$7,506,533	\$8,111,386	\$8,110,304
TOTAL FUNDS	\$11,035,890	\$11,952,335	\$11,950,695



Change Packages

Present Law Adjustments:

SWPL – 1 Personal Services

The budget includes \$916,445 in FY 2020 and \$914,805 in FY 2021 to annualize various personal services costs including FY 2019 statewide pay plan, benefit rate adjustments, longevity adjustments related to incumbents in each position at the time of the snapshot, and vacancy savings.

Fiscal Year	General Fund	State Special	Federal Funds	Total Request
FY 2020	\$311,592	\$0	\$604,853	\$916,445
FY 2021	\$311,034	\$0	\$603,771	\$914,805
Biennium Total	\$622,626	\$0	\$1,208,624	\$1,831,250