

***Presentation to the 2021 Health and Human Services
Joint Appropriation Subcommittee
Child Support Services 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 2021 Biennium**
- **Funding and FTE Information**
- **Change Packages**

Overview

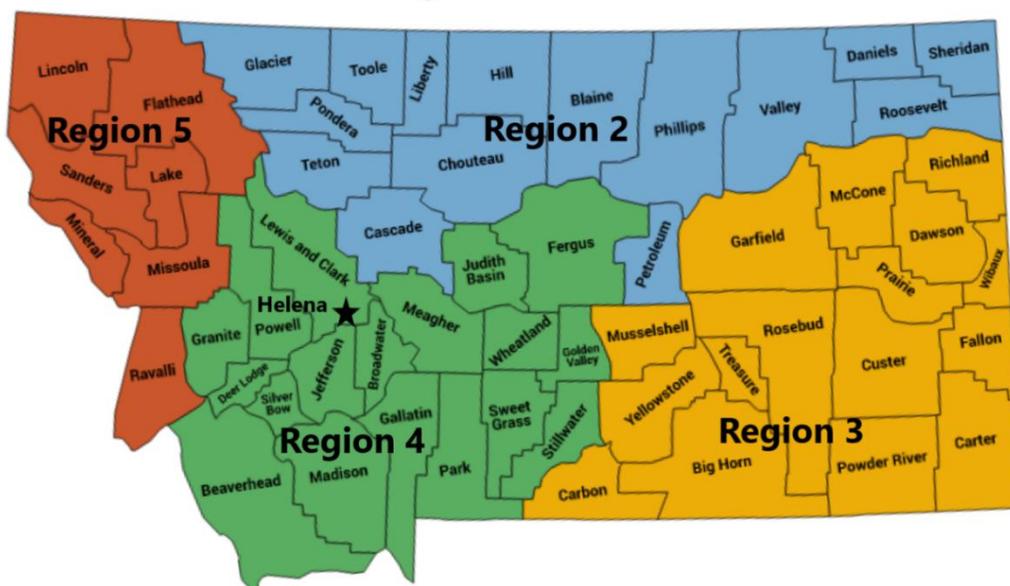
The Child Support Services Division (CSSD) helps parents collect child support payments owed to them. Child support services are available to all families. Any parent or nonparent caregiver with custody of a child who needs help to establish, modify, or enforce a child support order may apply to CSSD for child support services. With a total open caseload of more than 32,000 cases, child support services in CSSD directly impact over 116,000 minor children and parents. Additional information about CSSD is available online at <https://dphhs.mt.gov/csed>.

CSSD offers the following services:

- 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 Systems, Policy & 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.

Child Support Services Division Regional Offices



Summary of Major Functions

Child Support Collections

Over the previous nine years, CSSD collected and distributed more than \$70 million annually in child support. CSSD utilizes the following types of collection:

- Income withholding
- Offsets against U.S. Treasury payments (including federal tax refunds)
- Offsets through the Department of Revenue offset program (including state tax refunds)
- Unemployment and workers' compensation
- Liens against property
- Credit reporting
- State-issued license suspension
- Garnishment of funds held in financial institutions
- Collection of lottery winnings

In FY 2020, CSSD collected \$79,391,180 in child support. This table shows CSSD collections for the previous nine years.

CSSD	Collections
2020	\$79,391,180
2019	\$71,979,428
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

CSSD offers paternity establishment services to identify legal fathers of children as a first step to obtaining a child support obligation. Genetic DNA testing is the preferred method for reaching a legal determination of paternity for children, which 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
- Important interactions and relationships with both parents that have long-term benefits to the well-being and development of the child.

In FY 2020, CSSD resolved 499 paternity cases and established child support obligations for those children. On an annual basis, the CSSD caseload of children with paternity resolved regularly exceeds the federal Paternity Establishment Percentage (PEP) standard of 90%.

Establishing and Modifying Child Support Obligations

CSSD 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
- Provide additional resources to grant the child a higher standard of living by developing skills, abilities, and interests.
- Recognize costs incurred for parenting/visitation with the children in a state with the geographic size of Montana

In FY 2020, CSSD established 1,557 new child support obligations. In addition, staff reviewed 1,446 previously-established support orders for modification. Eighty-nine percent of the CSSD caseload has a child support order in place. On an annual basis, the CSSD caseload regularly exceeds the federal Support Order performance standard of 75%.

Ensuring Health Coverage for Children

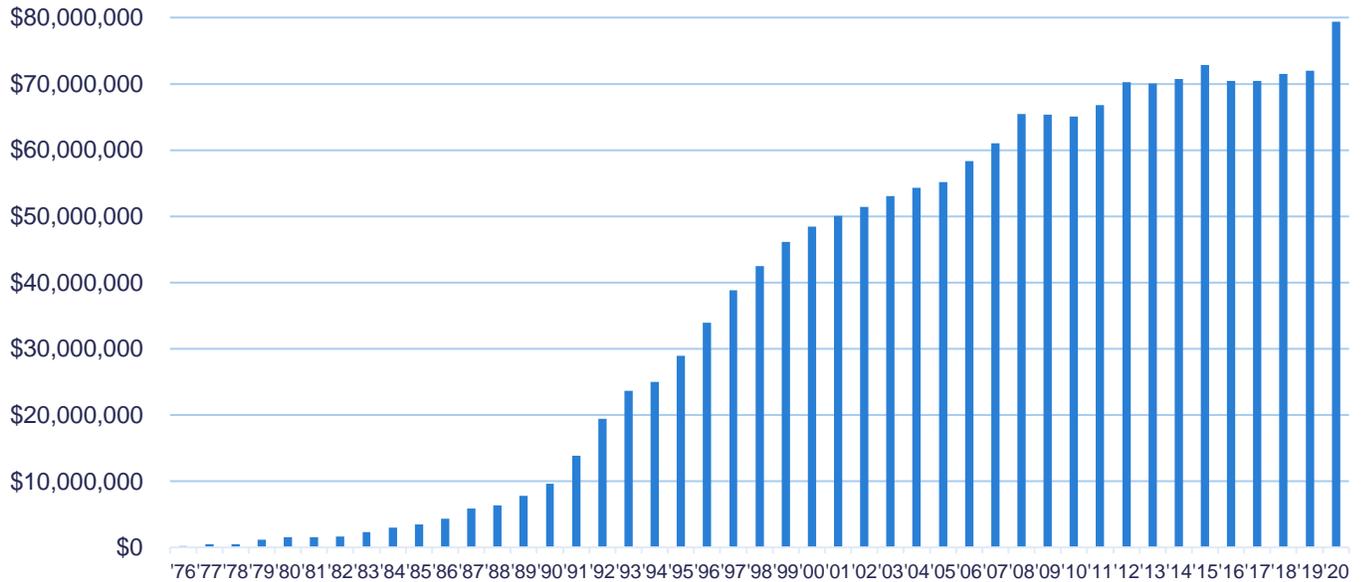
Any established or modified order of support must include provisions for health coverage. Enforcing health insurance obligations for children provides healthcare stability for families and saves state healthcare dollars. At the end of FY 2020, CSSD successfully verified medical support obligations for 13,686 children.

Highlights and Accomplishments During the 2021 Biennium

Increased Collections

In FY 2020, the \$79,391,180 in child support was the highest amount ever collected by Montana's child support program. 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. For a ninth straight year, CSSD exceeded a threshold of at least \$70 million dollars in annual collections. In the forty-four years the division has been providing services, CSSD has collected more than \$1.7 billion dollars in child support.

**Child Support Services Division
Annual Collections**



Employer Outreach

Since 1997, employers have contributed to 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, CSSD continues to encourage the electronic option. In 2020, 79% of all new hire reporting was received through electronic filing, resulting in improved efficiencies and increased collections.

In 2015, CSSD 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. CSSD partners with the Montana Department of Labor and Industry on its annual Assistance for Business Clinics to advertise and promote the benefits of conducting business electronically. In addition to this employer outreach, CSSD regularly updates the Employer Services section of the DPHHS/CSSD website. This informational site makes it easier for employers to get answers to their questions and to learn about the electronic services offered by CSSD. In 2020, 2,464 employers took advantage of the option to receive and process CSSD Income Withholding Orders electronically. For these employers, this eliminates postage costs and saves time. For CSSD, this saves on both postage and paper costs. For families, it results in quicker receipt of their child support.

Partnering with Tribal Child Support Programs

In 2001, the federal government began approving applications from tribal governments to start their own sovereign child support agencies under the same program as CSSD. Today, more than 60 tribes around the country operate their own child support programs to provide 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

As a result of these programs, tribal families now have more access to services than ever before. CSSD is committed to strong and respectful government-to-government partnerships with each of the tribal child support programs. As part of this commitment, CSSD participates in periodic tribal-state summits with its tribal child support partners. These meetings provide an opportunity to expand the quality of child support services available to families throughout the state.

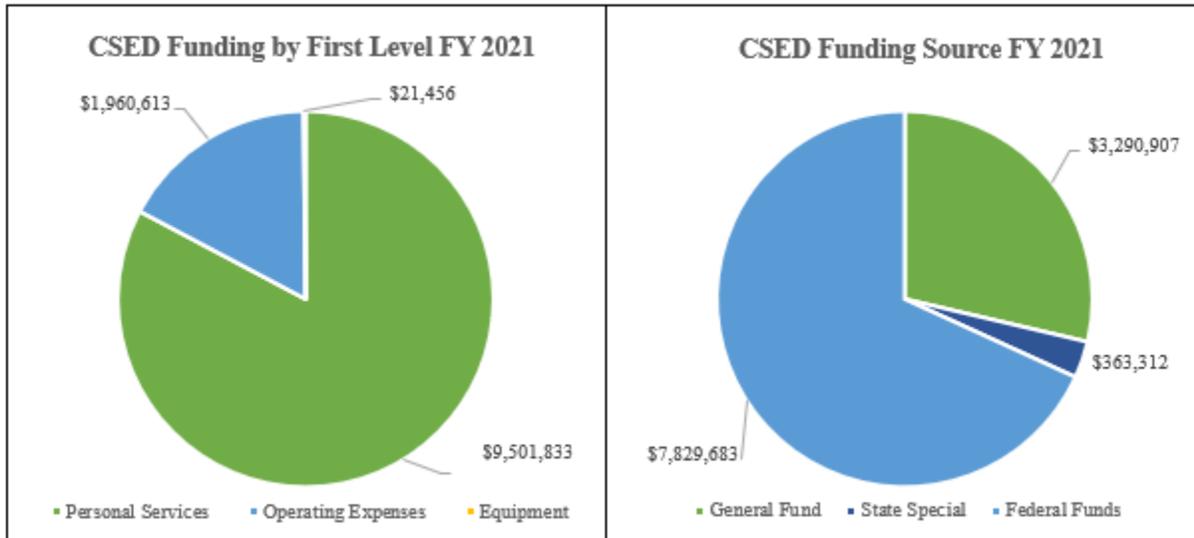
When federal child support regulations were updated in 2016, more flexibility was given for the transfer of cases between state and tribal child support agencies. With this flexibility, the CSSD worked collaboratively with its tribal child support partners to establish a formal process for the transfer of appropriate CSSD cases, which resulted in the successful transfer of 175 cases to the jurisdiction of tribal child support programs for on-going services.

Expanded Online Services

In December of 2019, CSSD expanded its services to include the capability to initiate a child support case online. Parents seeking to open a child support case in Montana can do so through the Services We Provide section of the DPHHS/CSSD website. Since introduction of this online feature, 1,935 parents have opened their child support case electronically. For these customers, this eliminates postage costs and saves time, and results in quicker receipt and initiation of their application for services. An application sent through the mail can take up to 20 days to be received, processed, and opened. Currently, it takes CSSD an average of two business days to open a child support case.

Funding & FTE Information

Child Support Enforcement FTE	FY 2021 Budget	FY 2022 Request	FY 2023 Request
	129.81	129.81	129.81
Personal Services	\$ 9,501,833	\$ 9,524,116	\$ 9,646,719
Operating Expenses	\$ 1,960,613	\$ 1,960,613	\$ 1,960,613
Equipment	\$ 21,456	\$ 21,456	\$ 21,456
TOTAL COSTS	\$ 11,483,902	\$ 11,506,185	\$ 11,628,788
	FY 2021 Budget	FY 2022 Request	FY 2023 Request
General Fund	\$ 3,290,907	\$ 3,237,875	\$ 3,340,168
State Special	\$ 363,312	\$ 363,312	\$ 363,312
Federal Funds	\$ 7,829,683	\$ 7,904,998	\$ 7,925,308
TOTAL FUNDS	\$ 11,483,902	\$ 11,506,185	\$ 11,628,788



Change Packages

Present Law Adjustments:

SWPL 1 – Personal Services

The budget includes an increase of \$114,114 total funds in FY 2022 and \$144,886 total funds in FY 2023 to annualize various personal services costs including FY 2021 statewide pay plan, benefit rate adjustments, longevity adjustments related to incumbents in each position at the time of the snapshot, and vacancy savings.

	General Fund	State Special	Federal Funds	Total Request
FY 2022	\$38,799	\$0	\$75,315	\$114,114
FY 2023	\$49,261	\$0	\$95,625	\$144,886
Biennium Total	\$88,060	\$0	\$170,940	\$259,000

New Proposals:

NP – 5555 – Reduce GF Budget for State Share Holiday

Governor Gianforte has proposed legislation to impose a two-month state share holiday for employer contributions into the state health insurance fund. This change package removes the general fund portion of the savings generated by the contribution holiday. Savings from other funding sources will remain in the agency to be able to address ongoing functions of the agency. This change package is contingent on passage and approval of the proposed legislation.

	General Fund	State Special	Federal Funds	Total Request
FY 2022	(\$91,831)	\$0	\$0	(\$91,831)
FY 2023	\$0	\$0	\$0	\$0
Biennium Total	(\$91,831)	\$0	\$0	(\$91,831)