**NATIONAL COUNCIL OF CHILD SUPPORT DIRECTORS**

**November 2013 Executive Committee Meeting**

November 21, 2013

Present:

Laurie McGrath – President

Sharon Santilli – Vice President

Jim Fleming – Treasurer

Carol Eaton – Secretary

Benidia Rice – Past President

Region 1 – Jerry Joy

Region 3 – Craig Burshem

Region 5 - Jackie Scharping

Region 7 – Trisha Thomas

Region 8 – Liesa Stockdale

Region 9 – Kathleen Hrepich

Region 10 – Kate Richardson

Committee Chairs:

Alisha Griffin, Medical Support

Ann Coffin, IRS Fraud

President McGrath welcomed the directors and called the meeting to order at 3:30PM ET.

**APPROVAL OF MINUTES**

The first order of business was the approval of the October 2013 minutes. Several corrections were made before all approved the minutes as amended.

**TREASURER’S REPORT**

Jim Fleming reported the balance as of the end of October was $77,598.27. In addition, there are a few pending expenses that are necessary for the Annual Conference in 2014. There were no comments or changes and all approved the Treasurer’s report as submitted.

See copy of the October 1, 2013 – October 31, 2013 Treasurer’s Report at the end of this document.

**MONTHLY CALL WITH OCSE**

President McGrath advised there was not a call with OCSE this month.

**COMMITTEE REPORTS**

**Medical Support** – Alisha Griffin advised the committee has compiled a document of questions, issues, concerns with respect to the Affordable Care Act and the Title IV-D Child Support Program. The document will be shared with all directors for comment before submitting to OCSE.

**NCCSD Website** – Carol Eaton advised that the domain name has expired and we will need to try and get it reinstated. Carol will work with Jim Fleming to get the domain name reset. There was also discussion regarding the difficulties experienced in the past with getting changes made to the listserve. Since Alicia Key was the individual who was responsible for maintaining in the past, and she is no longer a IV-D Director, Carol Eaton agreed to work with Jeff Cohen to explore whether there are any other types of listserve that are easier to update and maintain.

**Finance Committee** - Jim Fleming advised the bank account has been set-up in North Dakota to facilitate the transfer of funds between Sharon Santilli and Jim. He is planning to hold a Finance Committee meeting in December to discuss the possibility of getting liability insurance to cover the NCCSD Officers as well as the IRS penalty letter that the NCCSD has received.

Jim stated they also purchased insurance to cover the dinner cruise that will be part of the 2014 Annual Meeting.

**IRS Fraud** – Ann Coffin advised she will be chairing the IRS Fraud Committee going forward. She thanked the directors for completing the recent survey that was sent out on how states are dealing with the fraud issue. She indicated there were numerous states who indicated a willingness to participate in the conversations with the IRS and OCSE going forward. Ann asked for feedback on how to determine which states should participate as it would be too large of a group if all who expressed an interest were on the committee. .

Ann indicated we could set up a committee that had a representative from each region or ask those states who have had the largest impact on collections to participate? Carol Eaton stated if we went to regional representatives, we would want to make sure that those states that have had a significant impact were able to participate as well.

Ann also asked what the Executive Committee would like to see as an end product from the IRS Fraud Committee? Jim Fleming indicated he would like to know if the IRS has the authority to refrain from making the negative adjustments to child support collections as has been suggested in the past? Ann stated she could take the lead in preparing a legal opinion or drafting talking points that the states could use in their discussions? Jim suggested that potentially gathering the legal opinions and letters that have already been prepared by the various states could be used as a resource as well to the committee.

Laurie indicated that Texas, Florida and Michigan are very interested in being part of the Committee. Ann asked if there would be a need to consolidate best practices on how states are dealing with the fraud issue and whether that would be helpful to states? Jim responded that it would be helpful, particularly if common characteristics of the fraudulent cases have been identified.

Laurie also stated that some states have seen reversals on prior decisions by the IRS and would be interested in knowing whether there is an opportunity to appeal those decisions? She is aware of states that are having issues as a result of reaching out to payors who make compelling cases that the money should be released, only to find that the IRS later identifies the refund as fraudulent.

Ann advised that Florida has estimated they lost $5M in refunds where the customer presented a tax document only to later find out it was fraudulent. Florida is now requiring taxpayers to bring supporting documentation to their offices, including 1099s, so a thorough investigation can be done before releasing tax refunds.

Ann also stated they are starting to see an increase in “special” fraud in which the state reports of potential fraud are giving the IRS an opportunity to investigate and determine the tax return was not completed accurately, therefore, resulting in a determination by the IRS that the refund should not have been issued.

Ann stated the criteria that states are using to determine if a tax return is fraudulent is not something that you would want to share very widely as that makes it more likely that those filing the fraudulent returns will be able to find a way around the criteria.

Ann indicated she will work with Scott Hale to coordinate the calls between OCSE, IRS and Directors going forward.

**OLD BUSINESS**

Laurie advised she reported at the last meeting that there will not likely be monthly calls with OCSE during her term as President; however, they would like to do quarterly calls with the Executive Committee or all directors. Since there are a number of issues that need to be dealt with at this time, they have decided that monthly calls will be held with OCSE as well.

Laurie indicated that Jennifer Burnszynski has asked Kathy Sokolik from CA to provide assistance with addressing the medical support issues in the child support program as a result of the implementation of the Affordable Care Act. OCSE is planning to have calls with all directors in mid-December to discuss the impact of the ACA on the child support program.

Laurie stated there will be new director training attached to the NCSEA policy forum. The training will cover technical issues, such as the APD process, modernization, certification guide, and future of states systems. There are a lot of directors interested in these topics so hope since the training is being coordinated with the NCSEA policy forum that directors will be able to attend.

Laurie reminded the directors that an announcement went out today about the webinars to be held on the strategic planning process. She indicated it is necessary to register for the sessions.

**NEW BUSINESS**

**Mid-Year Meeting –** Laurie indicated that the Executive Committee previously agreed a dinner meeting with all directors in attendance would be useful at the NCSEA policy forum. She asked if anyone thought there should be more than a dinner meeting for directors? The director’s felt the dinner meeting would be sufficient. Sharon responded they had difficulty finding a location for a dinner meeting last year so had a lunch instead. Laurie will check to see if a dinner meeting would be possible again this year.

**Honorarium -** Jim Fleming made a motion to approve an expense up to a specified sum on an honorarium on behalf of NCCSD. Trisha Thomas seconded the motion and was unanimously carried.

**Efficiency Ideas** – Laurie advised she received an email from Dan Richard with a couple of suggestions that he would like to be raised with OCSE, including whether the breakdown of UDC is still a necessary attachment to the 34A, why should the initiating state have to report performance when the responding state is responsible as well, and review case closure rules with respect to uncooperative TANF and Medicaid-only cases. Alisha indicated that she believes the change for both states to report was done at the request of states who wanted both states to get credit for the work being done. There was discussion about whether we should wait for the NPRM to come out since some of the suggestions that were proposed are to be addressed in the NRPM.

Laurie indicated she will follow-up with Dan Richards and indicate there may be some controversy with the suggestions, however, we think best to wait until after the NPRM is released to start seeking additional efficiency ideas from directors.

Jim Fleming indicated he has a concern with the audits being done on paternity establishment and the increasing demands from responding states for documentation in order to ensure they are not penalized during their paternity audits for not having the necessary documentation.

Laurie stated she will talk with OCSE during their next call to obtain a status of when the NPRM is expected to be released. Carol Eaton indicated she would forward the previous workgroup recommendations to all of the Executive Committee so they can be shared with all states.

We will discuss whether the timing is right to form a new workgroup at the next Executive Committee meeting.

**OCSE Security Agreement** – Laurie indicated the FPLS Security Agreement is to be signed by all states no later than December 31. A number of states have submitted comments regarding the extensive requirements of this agreement and concerns as to whether a state could meet these requirements.

Laurie suggested we set up a call to discuss the concerns states have and then the Executive Committee will decide next steps. Alisha Griffin expressed concern with the language in the agreement that says it is “applicable to all CSE program information, which includes the state CSE program information”. There was also concern as to whether we could get our IT partners to sign off on the agreement in this short of a timeframe.

Laurie advised she will contact Donna Bonar to see if an extension is possible, as well as what will happen if a state does not sign the agreement prior to the due date?

**Other Items –** Kate Richardson stated she recently became aware of work being done by the Uniform Law Commission regarding starting to draft a model act for wage garnishment. She asked if anyone was aware of this effort being undertaken? Kate asked if anyone was aware of what responsibility this organization has to consult with colleagues in the drafting of a model act?

Alisha Griffin responded that historically there are 1-2 child support experts that are consulted during the drafting of the Act. She suggested we may want to raise the question with OCSE in terms of whether or not they have been involved in this issue? Kate indicated she has the roster of participants and final report that was sent to the drafting committee. She will forward to Jim Fleming and he will follow-up to gather more information on this issue.

**Meeting adjourned.**

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| **NATIONAL COUNCIL OF CHILD SUPPORT DIRECTORS** | | |
| **TREASURER'S REPORT** | | |
| **Activity October 1, 2013-October 31, 2013** |  |  |
|  |  |  |
| Checking Account Balance as of 9 /30/13 $81,841.05 |  |  |

**Deposits (electronic and check)**

Total Deposits 0

**Checks Written & Electronic Debit**

Merchant Services 10/2/13 $ 20.00

10/3/13 Check # 1037 Deposit Omni Park Hotel $ 1,000.00

10/10/13 Check #1033 Joyful Noise $ 200.00

10/24/13 Check #1040 Fed Ex $ 22.78

10/28/13 Debit Deposit Omni Parker House $ 1,500.00

10/30/13 Check # 1041 Deposit Omni Park Hotel $ 1,500.00

Total Debits $ 4,242.78

Bank of America Balance as of October 31, 2013 $ 77,598.27

**Pending Items:**

Check # 1042 NCCSD (to open new account) $ 300.00

Omni Parker House Hotel Debit- November 28 $1,500.00

Omni Parker House Hotel Debit -December 30 $1,300.00