Annual Meeting

of the

National Council of Child Support Directors

Washington, D.C.

July 1, 2013

President Benidia Rice called the meeting to order at 8:30 a.m. and welcomed all those present.

Secretary Carol Eaton took the roll call (attendance list attached) . There were 36 states present, including 1 that was conferenced in.

**President’s Report**

President Rice indicated she would be doing a brief overview of the various workgroups that have been in place this past year, however, there has not been a lot of movement on issues over the past year.

* TANF Reauthorization – activities of the workgroup have been suspended until Congress begins working on this issue.
* Verification of Employment Workgroup (VOE) – a position paper will be sent to OCSE soon regarding the NCCSD position that VOE’s should not be subject to the Fair Credit Reporting requirements.
* NCCSD Website – there is a lot of useful information on the site for new directors. Everyone is encouraged to keep their contact information updated on the website. Any suggestions for changes should be sent to Jeff Cohen. Benidia indicated there were some directors who had been left off of the listserve. If Director’s are not receiving contacts through the listserve, they should let Benidia know. Benidia indicated a new contact list will be sent out soon.
* Medical Support Workgroup – the workgroup is trying to figure out how to structure the impact of the Affordable Care Act (ACA) on the child support program since states will make different decisions related to the options that are available and the impact to each state will be different. They are working to identify key issues. Alisha Griffin indicated that some states who are not concerned about cost recovery today may be more concerned in the future due to tax implications. Alisha distributed a chart that shows the portion of each state’s caseload that is attributable to Medicaid referrals.

Benidia advised we need direction related to exchange of information with Medicaid, however, OCSE has been reluctant to provide a response, but rather shared information from what is currently in the law.

Alisha advised she has a copy of the current federal application and questionnaire if anyone is interested in reviewing. She advised the application has been streamlined and there are no questions that will give child support the identity of the absent parent. There will be questions raised by states related to who will be responsible for gathering the additional information that is needed in order to process a Medicaid referral? Sharon Santilli pointed out that these same issues could be present for states using a state exchange. Laurie McGrath indicated it will become necessary for Director’s to make decisions that are best for their state.

Benidia indicated she will forward a copy of the letter that was sent to the Commissioner related to this topic.

States indicated there are various ways to deal with the unknown related to Medicaid referrals including defaulting all Medicaid related cases to good cause, determining that none of the Medicaid referrals are appropriate, etc. Several states indicated they would use the uncertainty around Medicaid referrals as an opportunity to reach out to these customers to make application for child support services.

Alisha indicated it would be helpful to develop a matrix listing what every state has done to date related to Medicaid referrals. Alisha indicated it will be critical to get access to data in order for the child support program to do their work. Benidia stated it would be helpful to think about training needs from the perspective of states that have chosen similar options.

Alyson Campbell indicated we still need an answer to the most basic question of “what authority do we have to enforce orders under the Affordable Care Act (ACA)”. Alisha responded the IRS enforcement tool will only be relevant to a small percentage of the cases. Wally stated the authority to enforce comes from the language in the order. It should be up to the courts to establish the order and then the child support program will enforce the order as established by the courts.

* IRS Fraud - President Rice indicated there is still work being done on putting together a position paper for the NCCSD related to IRS fraud. Ann Coffin and Dan McDonald are preparing a resolution on this topic but were hoping to be able to hear from the IRS during the NCCSD meeting with Commissioner Turetsky later this week. We have since learned that the IRS representative is unable to attend the meeting

**Secretary’s report**

Secretary Carol Eaton asked whether there were any corrections or comments on the minutes from the June 2012 Annual Meeting which had been distributed in advance. Carol noted that the attendance list would be updated to reflect Iowa did not attend. There were no other changes or comments made. Alisha Griffin moved to accept the 2012 minutes and Paulette St. James seconded the motion. Minutes were approved unanimously.

**Treasurer’s report**

Treasurer Sharon Santilli indicated the Financial Committee has had a busy year. She advised that switching bank accounts as the treasurer role changes is a difficult process. The NCCSD funds are currently with Bank of America, they are now processing on-line with OCSE which should make it easier for them to pay registration fees, and an accountant has been secured to provide guidance going forward.

The accountant met with the Committee in May and advised there needs to be three levels of review. He recommended NCCSD purchase Quick Books to report expenses and income. It was also suggested that the NCCSD purchase liability insurance. There are proposed by-law changes as a result of the recommendations from the accountant, including a suggestion to establish a budget for the annual conference.

Sharon advised the total income for the conference was $60,175 and expenses (to date) are $49,000 leaving a net profit of approximately $11,525. The current balance in the account (as of the end of May) is $106,779.70. There are still a few conference expenses to deduct for June.

Alicia Key asked what had been decided in regard to use of the excess funds? Sharon indicated there is a recommendation in the by-laws to use the funds for the operation, promotion and well-being of the organization. Benidia suggested the funds could possibly be used to bring in an “outside” expert to a future conference on a topic that would be beneficial to all directors. Alisha Griffin suggested a small group of directors could look at a survey of training needs and then hold a webinar on some of the topics suggested. Sharon indicated there is not a concern from the accountant in regard to the amount of excess funds in the account.

Jim Fleming suggested possibly funding a portion of a partnership meeting between NCCSD and employers, or could also accept funding proposals from Director’s for use of the money that would be reviewed and approved by the NCCSD. Benidia asked if the Financial Committee could come up with a proposal related to possible use of the excess funds. Benidia asked if anyone else was interested in serving on the committee. Alicia Key, Benidia Rice and Louise Bush volunteered to be part of the committee.

Sharon Santilli made a motion to purchase the quick books software. She indicated the software costs less than $200 and could be moved from Treasurer to Treasurer as officer’s change. Craig Burshem seconded the motion. Motion unanimously carried.

Sharon indicated she is also looking into liability insurance for the NCCSD officers but she does not have a cost at this time. She will gather more information and discuss at an upcoming NCCSD Executive Committee meeting.

**Proposed Changes to the By-Laws**

Treasurer Sharon Santilli reviewed the proposed changes to the by-laws that were sent to the directors for review prior to the Annual Meeting (in accordance with the by-laws). Sharon indicated for Article VIII, she reviewed the income and expenses back to 2008 to come up with the suggested by-laws change. She indicated details are available for the previous conferences in regard to income and expenses if anyone was interested in reviewing.

Alisha Griffin made a motion to approve the by-law changes and Jim Fleming seconded the motion. The motion unanimously carried.

**Request for Support of FPLS Expansion**

Jerry Sweet, Tribal IV-D Director, indicated Tribes do not currently have direct access to FPLS, federal tax offset and passport sanctions. They are currently meeting with Congressional members to get support for direct access to federal tax offsets and FPLS. They would appreciate the support of the NCCSD on this request. Alisha Griffin indicated there is currently language in the House and Senate that would grant this access.

Jim Fleming made a motion to send a letter of support to the National Tribal Child Support Association indicating the NCCSD supports their request for access to the FPLS and federal tax offsets. Wally McClure seconded the motion. Discussion occurred related to whether there is a down-side to supporting this request? Various directors indicated direct access would simplify the process for the states that are currently providing access through their own state systems. There is not a concern in terms of priority of offsets as the state program will be ahead in priority of offset over the Tribes.

Motion unanimously carried.

Jim Fleming volunteered to help draft the letter that will be sent to the National Tribal Child Support Association on behalf of the NCCSD.

**Prioritizing Items for OCSE Meeting**

Laurie McGrath reviewed the list of suggested topics/questions that was previously sent to Commissioner Turetsky to determine which of the topics were of most interest/importance to get in front of Commissioner Turetsky during the meeting on Wednesday. The questions are sorted into several categories, including changes to federal regulations, impact of the ACA on the IV-D program, president’s budget/legislation, IV-D program input, and data analytics. There were also a set of questions for the IRS representative, including Federal Tax Fraud, IRS Audits, and Affordable Care Act as it relates to the IRS.

Benidia indicated the Commissioner was hoping to have the proposed regulations out prior to the meeting; however, they have not yet been released. Carol Eaton advised she would share the recommendations of the NCCSD Cost Savings Workgroup which were the basis for some of the changes being made.

It was suggested that the NCCSD needs to push for clarification regarding the exchange of data with the Medicaid program related to implementation of the ACA and the role of the IV-D program. In regard to the president’s budget, it was suggested we request clarification on 100% pass-through and retro-active modifications that are in the president’s budget, as well as the issue of parenting time and the shifting of this responsibility to the IV-D program.

On the IRS issues, the director’s wanted to find a way for the IRS to stop reversing fraudulent offsets. Alisha Griffin stated the IRS has recommended that states compare the 2010 offsets to 2013 to get an idea of what the collections should be in your state.

It was suggested that we focus on those things that we can have some impact on, such as payee access to FTI, and potentially ask to meet personally with IRS representatives regarding the concerns from the IV-D perspective.

Alisha Griffin advised she also requested that the FCR be a topic of discussion with the Commissioner later this week. She has concerns regarding the quality of the data in the FCR and believes that better filtering needs to occur in order to clean up the data. The FCR does not currently accept updated information back from the states which is creating problems as well. Eileen Stack indicated that these data issues cause a lot of extra work for employers, as well as having the correct addresses for financial institutions in order to ensure service is sent to the correct location. Eileen Stack and Cynthia Longest volunteered to participate in discussions to get this issue to the attention of those individuals who can make the changes happen.

Craig Burshem asked if any of the director’s were concerned about the direction of the Commissioner in regard to the IV-D program getting out of the cost recovery business. He suggested that maybe a workgroup would be helpful to talk through funding the program going forward. Benidia advised there is a large advocacy group that is pushing the issue of passing through 100% of the child support collections to families.

**Nominations/Elections**

President Rice appointed Gary Dart, David Sanchez and Louise Bush to the Nominating Committee for next year’s officers. The following recommendations were presented:

President Laurie McGrath

Vice President Sharon Santilli

Secretary Carol Eaton

Treasurer Jim Fleming

Jeff Cohen made a motion to accept the recommendations which was seconded by Wally McClure and agreed to unanimously. The group then broke into regions to elect representatives to the Executive Committee.

The following directors were elected by their Regions:

Region 1 Jerry Joy Region 6 Alicia Key

Region 2 Eileen Stack Region 7 Trisha Thomas

Region 3 Craig Burshem Region 8 Liesa Stockdale

Region 4 David Sanchez Region 9 Louise Bush

Region 5 Jackie Scharping Region 10 Kate Richardson

Following this discussion, the meeting adjourned.

Attendance List

NCCSD Annual Meeting

July 1, 2013

Washington, D.C.

Roll Call

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| **States Present** | **States Absent** |
| Arkansas, Ruth Ann Jefferies | Alabama |
| Arizona, Scott Lekan | Alaska |
| California, Vickie Contreras | Connecticut |
| Colorado, Paulette St. James | Delaware |
| District of Columbia, Benidia Rice | Florida |
| Idaho, Kandace Yearsley | Georgia |
| Indiana, Cynthia Longest | Guam |
| Illinois, Mary Bartolomucci | Hawaii |
| Iowa, Carol Eaton | Maryland |
| Kansas, Trisha Thomas | Mississippi |
| Kentucky, Steve Veno | Montana |
| Louisiana, Lisa Andry (by phone) | Nebraska |
| Maine, Jerry Joy | New Hampshire |
| Massachusetts, Laurie McGrath | New Mexico |
| Michigan, Erin Frisch | North Carolina |
| Minnesota, Jeff Jorgenson | Pennsylvania |
| Missouri, Alyson Campbell | Puerto Rico |
| Nevada, Louise Bush | Virgin Islands |
| New Jersey, Alisha Griffin |  |
| New York, Eileen Stack |  |
| North Dakota, James Fleming |  |
| Ohio, Jeffrey Aldridge |  |
| Oklahoma, Gary Dart |  |
| Oregon, Kate Richardson |  |
| Rhode Island, Sharon Santilli |  |
| South Carolina, Kate Morgan |  |
| South Dakota, Gail Stoltenburg |  |
| Tennessee, David Sanchez |  |
| Texas, Alicia Key |  |
| Utah, Liesa Stockdale |  |
| Vermont, Jeff Cohen |  |
| Virginia, Craig Burshem |  |
| Washington, Wally McClure |  |
| West Virginia, David Welker |  |
| Wisconsin, Jackie Scharping |  |
| Wyoming, Kristie Langley |  |

NCCSD/OCSE Meeting

July 3, 2013

Washington, D.C.

NCCSD President Benidia Rice welcomed Commissioner Turetsky and her staff to the meeting.

**Commissioner’s Overview**:

Commissioner Turetsky advised the Treasury Department has decided to push back the implementation of the ACA requirements by employers to January 1, 2015. She stated if OCSE is going to put anything in writing related to the ACA, it must be cleared first. For now, she sees OCSE’s role as an entity that can share official responses that have been released in an easy to understand format. OCSE will start issuing Fact Sheets on the ACA as information becomes available. She encouraged director’s to continue working to identify issues and after the ACA enrollment launch occurs on October 1, 2013, OCSE will start initiating regional calls with director’s to address the issues as they are identified. Jennifer Burnszynski is working with NCCSD and NCSEA informally to identify the issues in order to be ready for the discussions that start with directors later this fall.

A Dear Colleague Letter on the FPLS security agreement is in development. OCSE will also be providing a draft of the OCSE annual report for director’s to review. There will be a state-by-state template that OCSE is asking directors to provide feedback on. Commissioner Turetsky stated she would also like input on the process used to share information as there will be limited opportunity to travel during the next federal fiscal year. She indicated they are looking at software that may be available that would allow states to communicate with OCSE electronically in a way that you can see each other, work together on documents, and more. Commissioner Turetsky indicated there are numerous issues coming up that will need discussion, including strategic planning, federal and state systems, IRS, and more.

**Update on Release of NPRM – Yvette Riddick**

Yvette Riddick advised they are still waiting for the final clearance on the 150-page NPRM (Notice of Proposed Rule Making). She indicated the process can take anywhere from two to six years to complete. There are several different entities that are part of the federal review process, some of which have specific timeframes in order to complete the review. She indicated once the NPRM is published, there will be a 60 day comment period. Yvette advised that often comments are received on things that are not liked; however, they would also appreciate feedback on those items that states do like as well as there will be comments from partners outside of the child support community as well. The preferred method to provide comments is electronically. The Division of Policy will sort the comments to determine if any changes are needed, and then review the comments with OCSE, and if revisions are made, the NPRM goes through the clearance process again.

Jim Fleming asked if OCSE has the authority to extend the 60-day comment period? Yvette responded that the timeframes are set by the Office of Management and Budget (OMB) and does not believe they are flexible.

Yvette advised there was a struggle to determine an effective date on this NPRM due to the many different sections involved so OCSE is asking states to provide comments on possible effective dates. She also asked that state’s try to coordinate the comments that come from the various locations within the same state. Often times the various comments from within a state are conflicting.

The NPRM is divided into three areas:

1. Updates to account for technology advances, such as, exchange phrases like “in writing” or “on paper” with “record.” This will allow for electronic replacements of paper documentation.
2. Technical changes, for instance, cited Part 75 but should be Part 92, agency names changed, etc.
3. Limited services, option to use (rather than today, when apply for services it is all or nothing).

Yvette indicated the NPRM will address problems that states have experienced in the past related to the following areas:

* directing payments to private collection agencies,
* changes to guidelines as a result of the Turner decision,
* enforcement changes due to Turner,
* federal benefits excluded from garnishment (SSI),
* changes in review and adjustment because of incarcerated parents,
* case closure changes (accepted the majority of the recommendations from the NCCSD workgroup), including reducing the length of time it takes to close a case,
* payment processing related to employer concerns on issues such as redirection of payments, using SDU for non IV-D payments and using the OMB approved form without making changes,
* what states can charge for FFP is spelled out, and
* two sections that impact the tribes, including providing guidance on case transfer from states, and how to treat Indian health insurance.

Yvette indicated there is a section on parenting time within the guidelines section. Commissioner Turetsky clarified the president’s legislative proposal requires the establishment of parenting plans. This NPRM cannot require the establishment of a parenting plan without action by Congress first

Commissioner Turetsky indicated the president’s budget also proposes retroactive modifications. She stated there is not an intention to unravel any policies that states currently have in place, but rather deal with a set of concerns/interests related to having arrears but not being able to retroactively modify the order. President Rice indicated there is a fiscal impact on state’s who collected and passed through the money to the family. Would hope the states would not be responsible for the fiscal impact of such a change.

There was a question raised regarding the possible enforcement changes because of the Turner decision, and whether OCSE is going to impose a burden on the state when bringing an enforcement action? Commissioner Turetsky responded the provision is narrowly drawn and OCSE has already provided guidance on how to apply the Turner decision. She indicated what OCSE is saying is that agency screening of a case before bringing a contempt action would be recommended.

**IRS Audits/Fraud Issues – Scott Hale**

Scott Hale reviewed the IRS disclosure matrix that was prepared by the IRS, including comments received from Director’s. Scott indicated he is aware there were a lot of inconsistencies in the IRS audits from state to state. There were comments from 21 states on the IRS disclosure matrix. He indicated there is agreement between OCSE and the IRS on providing IRS information to contractors/tribes. Since there is disagreement in the code, the information can be provided as long as there is an agreement in place between the parties.

Scott stated the IRS is concerned about advising a custodial parent of how long a federal tax offset will be held since that will give them an indicator as to whether the offset was single or joint. In regard to sharing information between states, the IRS believes this can only occur if there is a way to limit access to only cases that the states have in common.

Deputy Commissioner Donna Bonar advised the state’s need to have these discussions with the IRS so there is an opportunity to share the operational issues that are created as a result of these various IRS findings. Donna indicated she will arrange a conference call with IRS representatives and director’s to discuss the disclosure matrix. Commissioner Turetsky indicated there is a question in congress in regard to where the IRS sits in relation to inter-operability. Jim Fleming indicated the time may be appropriate now to re-visit these issues in Congress. President Rice commented it may also be a sensitive time to address these issues due to the breaches that have occurred recently.

In regard to providing information to state auditor’s, the director’s were concerned regarding the difficult position this will put state’s in who are required to be audited by state auditors. Scott indicated the IRS has stated that publication 1075 is incorrect and they plan to update in the next issuance of the publication. There was discussion related to who employs the state auditor, having an agreement related to the role of the auditor, etc.

Commissioner Turetsky indicated it may be possible to get clearance to host a meeting with OCSE, IRS and directors. Scott indicated, for now, he will try to arrange a conference call with IRS and directors later this month.

Donna indicated she has been communicating with Florida and Texas directors related to fraudulent tax offsets since they had significantly high levels of fraud in those states. She stated the good news is the number of cases being referred to the IRS for fraud is lower than last year. Donna indicated they are still discussing the possibility of setting a timeframe for the IRS to review potentially fraudulent tax refunds, and if the review isn’t completed within a certain timeframe, then the IRS would not be able to adjust the refund from the state. She indicated the IRS is also seeking legislative authority to gain access to the national directory of new hire since they do not currently have access to current wage information. Until the IRS receives access to additional information, the likelihood of fraud will exist. She is hoping to be able to hold the state’s harmless in these situations.

The question was raised as to whether states should stop referring potentially fraudulent returns to the IRS? Commissioner Turetsky responded it was up to each state to make that decision.

**Affordable Care Act – Jennifer Burnszynski**

Jennifer indicated she has been focusing on the immediate needs of the child support program in regard to questions that have been asked regarding the impact of the Affordable Care Act (ACA). She is aware that there are concerns regarding the amount of information that will be gathered regarding the payor on the federal application and the ability to continue making Medicaid referrals. She stated concerns have also been raised regarding the authority to share data with other entities related to implementation of the ACA. Jennifer encouraged directors to ask questions as the implementation of the ACA evolves. Commissioner Turetsky stated she is interested in any ideas the director’s have for moving forward and will be scheduling calls with directors later this year to start the discussions.

Alisha Griffin indicated she is in the process of updating the chart on percent of each state’s caseload that is Medicaid. She stated that states with more than 30% of their caseload being Medicaid related will take a hit in 2014 due to the implementation of the ACA. Their ability to maintain the establishment and enforcement performance rates will be significantly impacted. Jennifer responded there will still be a significant number of Medicaid cases that will come through the TANF caseload.

Commissioner Turetsky advised there have been lots of discussions with CMS on assignment, cooperation and referral of Medicaid cases. Jennifer indicated they are also discussing the issue of good cause with their domestic violence partners. Jennifer stated OCSE is trying to get information out to the states as Medicaid rules are released that may impact the child support program. She asked what the best method of communication would be? President Rice stated she would send the information via the NCCSD listserve. Each state would have to comment separately though as every state will be different in how they respond to the changes. Jennifer indicated it is also helpful to just indicate in a comment that there could be an impact to the child support program or that it would be beneficial to consult with the child support program.

**General Questions and Answers**

There was a question as to whether OCSE was still working on veterans benefit data? Jennifer responded yes.

Another director asked whether the OCSE Fact Sheet on parenting time was being shared with the National Council of State Legislators (NCSL) and the courts? Jennifer responded that the document would be shared once it is finalized. Commissioner Turetsky indicated that OCSE still has a contract with NCSL and they could be drawn on to work on initiatives that the directors would like to see outreach on as well. She advised OCSE did have a robust judicial and attorney outreach effort going on but will need to re-think this effort due to the funding issues they are facing.

President Rice indicated over the last few years the directors have mentioned the need for training in systems, feasibility studies, and recertification and asked what the status was in regard to developing training in these areas? Yvette Riddick responded they are working on leadership training and an update to the attorney guide along with attorney training. She stated the last time the guide was updated was in 2001. Commissioner Turetsky commented there needs to be discussion and training on where the states and OCSE is going with systems. Linda Diemecke responded they are currently looking at ways to start the discussion.

A question was asked related to more states moving to IT consolidation and it may be helpful for OCSE to require a service level agreement (SLA)? Commissioner Turetsky responded all but seven states have moved to a centralized structure. Joe Bodner stated it would be useful to get some directors together who have been doing SLAs with their contractors and use some of those same matrixes to craft a generic SLA. Commissioner Turetsky indicated the FPLS security agreement is a first step in that direction. She indicated they did hear the comments from the directors but didn’t feel they have the flexibility to make many changes. In at least one situation, the data center did not let the child support program know there had been a potential breach. She stated it would be helpful to educate the state’s data centers about the relationship with child support and OCSE.

Joe indicated they will be reaching out to sates for input on updating the certification guide later this year. Commissioner Turetsky stated they will also be requesting feedback on the OCSE strategic plan and training in the future. She indicated they will be looking for feedback in terms of how they deliver the training, given the reduced budgets, and not lose sight of what has been the most valuable to the child support program in the past, which is the relationship that has been built between OCSE and the directors. She asked directors to think about what has worked in the past in regard at the federal and state level as they will be looking for feedback going forward.

Following this discussion, the meeting adjourned.