

# National Council of Child Support Directors

**2017 Annual Meeting & Conference**  
**May 7 – 10, 2017**

*“Winning our way upstream for families”*

# TANF Caseloads/Funding Challenges

How does it affect your program?

- Laura Galindo, Moderator / NM IV-D Director
- Trisha Thomas, KS IV-D Director
- Jeffrey Jorgenson, MN IV-D Director
- Babs Roberts, WA IV-A Director
- Larry Desbien, CO IV-D Director

# Kansas Approach

Budgeting - In Kansas, the child support program does not get an appropriation from the legislature, we use the “fee fund”, fees, and incentives to cover program costs.

Fee Fund – The fee fund includes TANF, Foster Care, and Juvenile cases we enforce, as well as the 4% we charge on non-public assistance cases.

# Kansas Approach

## Fee Fund In Kansas

CSS State Collections - Fee Fund Revenue									
Revenue Source	2008	2009	2010	2011	2012	2013	2014	2015	2016
TANF	8,637,909.44	9,628,925.95	8,809,926.78	8,034,346.59	8,630,546.75	7,070,195.85	6,044,676.45	5,427,763.99	5,016,475.49
Foster Care	320,589.87	587,132.63	555,286.40	575,502.71	652,906.25	670,302.32	616,680.39	608,966.33	684,771.66
FC and Juv	4,713,502.00	5,524,930.00	5,775,854.00	5,426,712.00	5,591,970.00	5,787,079.00	5,111,179.00	4,263,602.00	4,475,640.00
Fees	1,010,609.60	1,053,368.82	1,032,444.07	973,252.73	952,381.62	904,578.45	876,244.83	847,570.65	855,388.82
Medical Unit Expenditures	0.00	0.00	59,024.70	81,091.04	85,830.95	27,389.09	4,598.11	0.00	0.00
Total	14,682,610.91	16,794,357.40	16,232,535.95	15,090,905.07	15,913,635.57	14,459,544.71	12,653,378.78	11,147,902.97	11,032,275.97

*“Winning our way upstream for families”*

# Kansas Approach

Long Term – We will need a legislative appropriation for at least some funds and have asked for the \$800,000 to replace the 4% fee this year. This is still pending along with much of the Kansas budget. We will not have enough funds to cover costs in 2020 without an appropriation.

Pilot Project – Looking at replicating pilot to see the impact of ordering child support when families are still working on reunification in foster care and how this impacts the time the children are in foster care.

# Kansas Approach

## Kansas Cases

Open Cases - Summary														
Year	Open TANF	Arrears	NA w/ St Debt	NA w/o St Debt	Open FC	Open GA-FC	Open Juv	NA Only	Interstate	Int - St Arrears	Int-St KS Arrears	Int Arrears Only	Int Other St Arr Only	Total
2003	20,082	6,222	31,497	33,882	2,156	2,695	1,572	31,378	4,205	3,681	205	769	498	138,841
2004	21,125	4,432	32,167	31,537	2,042	2,364	1,787	30,026	3,807	3,410	170	716	515	134,096
2005	22,344	3,599	33,044	29,989	1,930	2,506	1,778	29,186	3,579	3,029	165	264	203	131,616
2006	22,241	2,890	33,972	29,877	2,065	2,761	1,728	29,052	3,772	2,931	164	135	106	131,694
2007	19,879	2,389	35,584	29,377	2,319	3,090	1,616	29,045	3,815	2,900	175	98	80	130,367
2008	16,755	2,033	37,080	29,316	2,324	3,528	1,453	29,426	3,808	2,952	172	84	71	129,002
2009	15,651	1,703	36,273	29,403	2,238	3,253	1,480	29,980	4,033	2,887	147	96	72	127,217
2010	17,086	1,391	35,904	27,653	2,226	3,024	1,508	30,565	4,695	2,663	134	181	104	127,132
2011	17,956	1,159	36,380	27,998	2,324	3,062	1,539	32,336	5,035	2,429	131	203	123	130,674
2012	15,049	960	38,285	28,837	2,417	3,095	1,580	34,404	5,307	2,356	151	139	101	132,680
2013	11,044	817	40,103	28,711	2,705	3,270	1,517	36,324	5,191	2,275	152	206	140	132,454
2014	9,297	761	39,954	30,320	2,911	3,572	1,411	39,260	5,348	2,181	139	582	235	135,971
2015	8,128	712	40,010	31,718	3,052	3,955	1,310	40,541	5,883	2,175	153	524	214	138,375
2016	6,881	667	39,583	31,578	3,212	3,797	1,110	41,753	6,112	2,096	160	411	202	137,562
2017	6,279	624	39,066	32,547	3,053	3,564	767	46,029	6,175	1,959	148	525	197	140,932

*"Winning our way upstream for families"*

# Kansas Approach

System Limitations – To change our current system from collecting the 4<sup>0</sup>% fee to collect the \$25 fee would cost millions when we are finalizing a feasibility study for a new system – so not an option.

Policy Discussion – Given our funding and current budget crisis in Kansas, it hasn't been the right time to have a policy discussion on pass through and effect on families. Also, the foster care program has had priority. TANF timeframes in Kansas have impacted TANF collections.

Future Change – Because this is the way the Kansas program has always been funded, it will take a while (and little steps – like replacing the 4<sup>0</sup>% fee or new system costs) to fund it by appropriation.

# Minnesota Passthrough and Disregard

- In response to PRWORA, the Minnesota State Legislature passed a child support passthrough law, which was implemented in January 2001
  - All current child support and spousal maintenance passed through to custodial parent
  - All collections must reduce dollar for dollar the amount of cash assistance received under TANF



# Minnesota Passthrough and Disregard

- Initial 2000 legislative proposal included a 50% disregard provision
- Some members of the legislature opposed the disregard provisions because of concerns about equity among similar TANF families and cost to the state
- In final negotiations the disregard provision was removed

# Minnesota Passthrough and Disregard

- Fast forward to 2015 – Minnesota passes a disregard law
- Effective October 1, 2015, the following will be excluded as income for purposes of determining ongoing MFIP eligibility and calculating the amount of the assistance payments for participants: child support payments of \$100 for an assistance unit with one child and \$200 for an assistance unit of two or more children.

# Minnesota Passthrough and Disregard

- Laws of Minnesota 2015, chapter 71, article 1, sections 41 and 43
- Laws of Minnesota 2015, chapter 71, article 5, sections 1-4, 6, 8-9, 11-12, 25, and 31-32
- Minnesota Statutes, sections 256J.21 and 256J.33

# Minnesota Passthrough and Disregard

- Minnesota goals for Passthrough and Disregard
  - Increase family income
    - Help transition families off public assistance sooner than they would without child support
  - Increase parental involvement
    - Establish a stronger link between noncustodial parent's financial resources and his/her children

# Minnesota Passthrough and Disregard

- Key Success Factors
  - Requires extensive cooperation between public assistance and child support programs
  - Child support and public assistance – there is a long-standing positive working relationship between child support and TANF staff members
  - Work with legislators to keep policies simple

# Minnesota Passthrough and Disregard

- Challenges

- Minnesota has a State-supervised, county-administered system for delivering human services
- Many of the major challenges are related to the overall complexity of the child support and TANF programs and their respective information systems, PRISM and MAXIS
- Public Awareness – how to educate parents?

# Minnesota Passthrough and Disregard

- Lessons Learned

- It is important to involve other public assistance programs early in the policy development process
- Having a clear, compelling reason for enacting the policy helps garner staff support for the policy change
- Commitment of necessary resources by top-level Department staff is needed early in the development process

# Minnesota Passthrough and Disregard

- Further Evaluation Needed – Is anyone better off?
  - Child Support outcomes
    - Parent involvement, cooperation, increased payment, etc.
  - TANF outcomes
    - Are parents leaving TANF sooner?
  - Costs
    - 2001 States costs related to passthrough were about \$15.2 million



# Washington State Department of Social and Health Services

## Washington Policy – Past and Present

- October 2008:
  - Implements Child Support pass through / disregard - \$100 1 child / \$200 2 or more children
  - Implements \$25 fee for “Never Assistance” cases
  - Change to Federal Tax Refund Offset to distribute first to current support

## **Funding implications of implementing these policies**

- If smaller amounts of support were assigned to the state, then there were smaller amounts of collections which could be counted as retained support
- Essentially “give up” retained support collections of up to \$100/mo or up to \$200/mo on a case where we actually collected those amounts

## Washington State Department of Social and Health Services

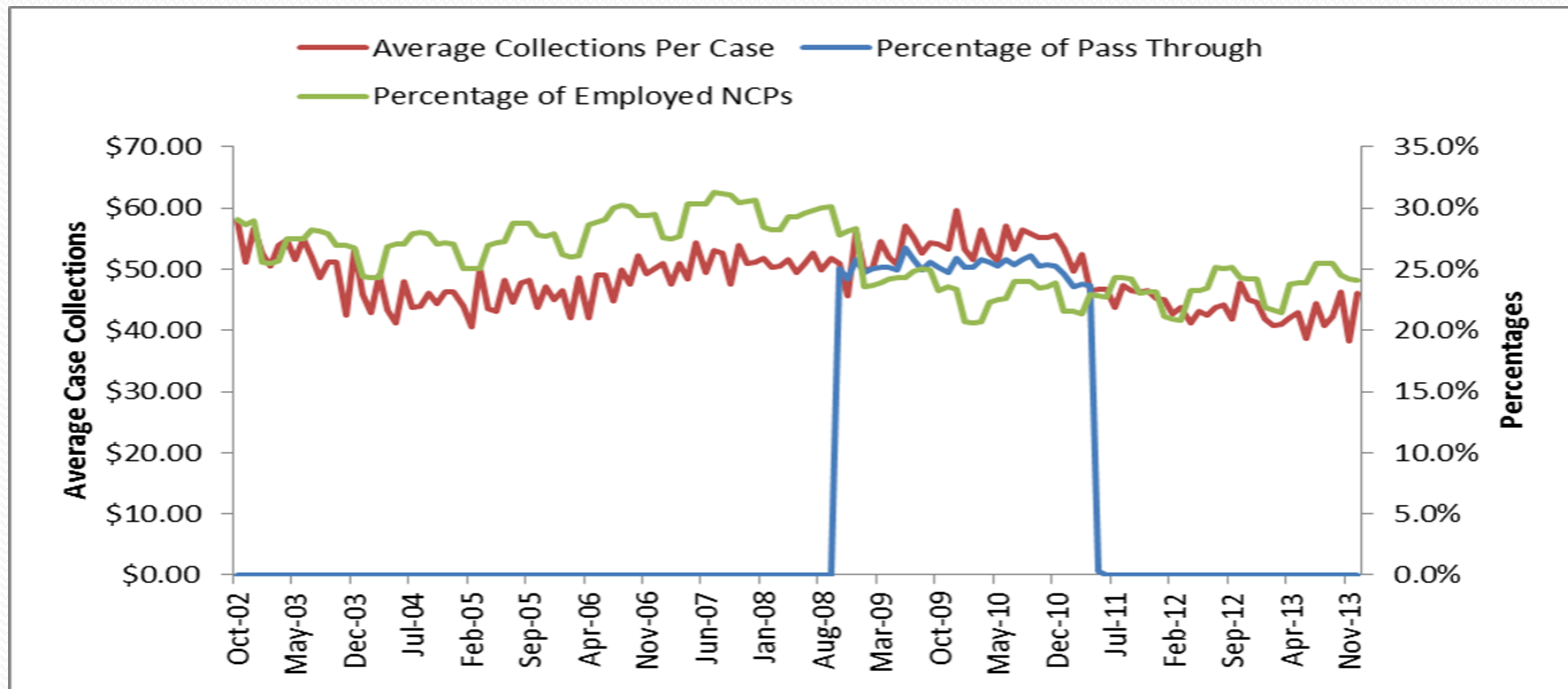
- Pass through costs were between \$12.5 million and \$18.8 million
- Pass through repealed in May 2011 due to budget reductions
- Fees for Never Assistance continue to bring in about \$1.5 mil annually

# Washington State Department of Social and Health Services

## Data on Washington's Pass-Through

- Pass-through payment added to an increase of child support payments

**Table: Distribution of Average Case Collections, Percentage of Pass-through Cases and Employed NCPs from October 2002 to December 2013**



Source: Support Enforcement Management System (SEMS) and Employment Security Dept. Unemployment Insurance

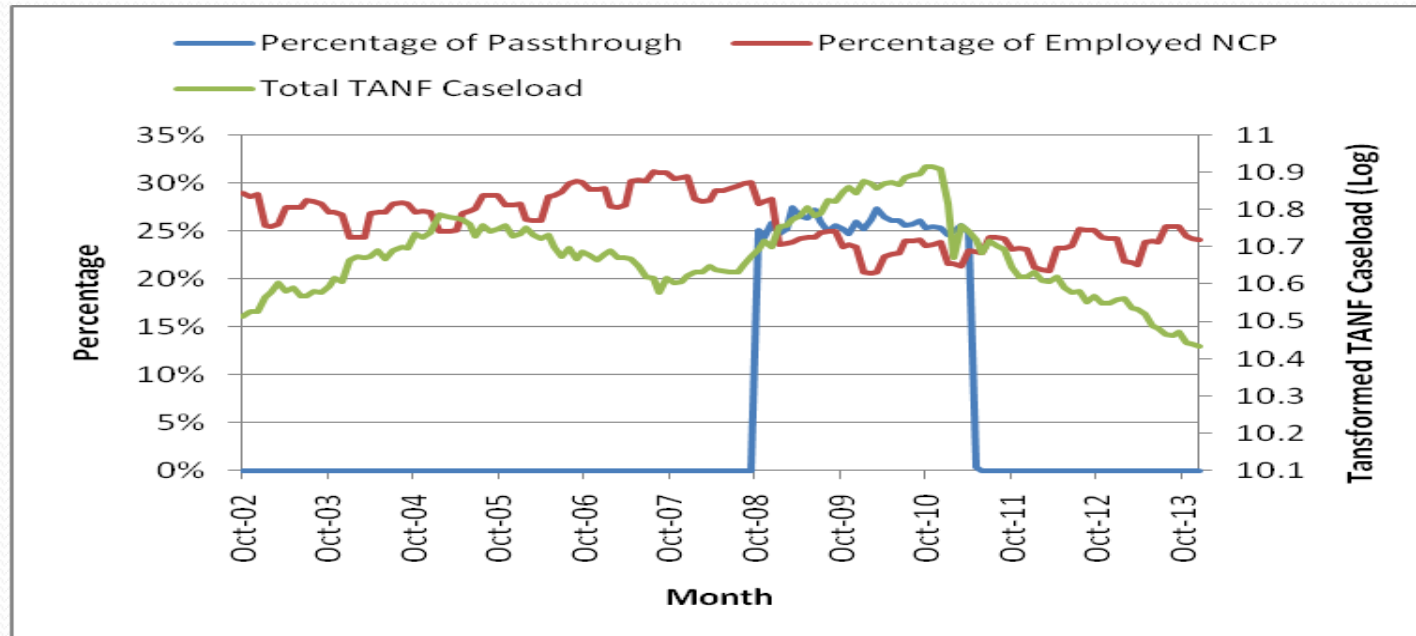
*“Winning our way upstream for families”*

# Washington State Department of Social and Health Services

## Data on Washington's Pass-Through

- The sudden drop of employed NCPs and the pass-through payments worked together to create a historically high TANF caseload

**Table: Distribution of TANF Caseload, Percentage of Pass-through Cases and Employed NCPs from October 2002 to December 2013**



Source: Support Enforcement Management System (SEMS) and Employment Security Dept. Unemployment Insurance

*"Winning our way upstream for families"*

# Washington State Department of Social and Health Services

## Return on Investment

- Increased participation with the children lead to better outcomes for those children
- Increased income to low-income families can reduce financial stresses
- Potential to connect a disconnected population to employment and training opportunities



Colorado's Direct Support For Children (aka  
Pass Through) implemented on April 1, 2017  
Senate Bill 15-012



*"Winning our way upstream for families"*

# Colorado - Senate Bill 15-012

- Sponsors developed and worked with a strong advocacy coalition, it was not a Department bill
- Full amount of monthly current support will be passed through
- Included a provision to keep the Counties, State and Feds whole from a revenue standpoint
- Estimated to pass through \$4.3 million to 7,500 families annually
- Funding to cover OIT, contract program staff and training for counties, public outreach and education
- In any year where there aren't funds appropriated, Pass Through will be "Turned Off"

*"Winning our way upstream for families"*



# *Investing in Families*



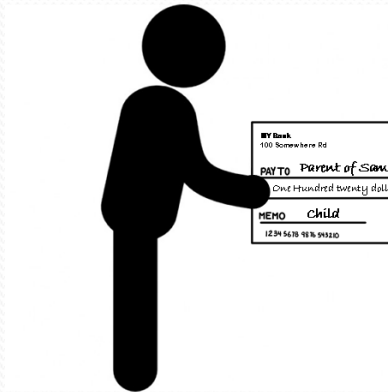
*“Winning our way upstream for families”*

# Pass Through Payment Flow

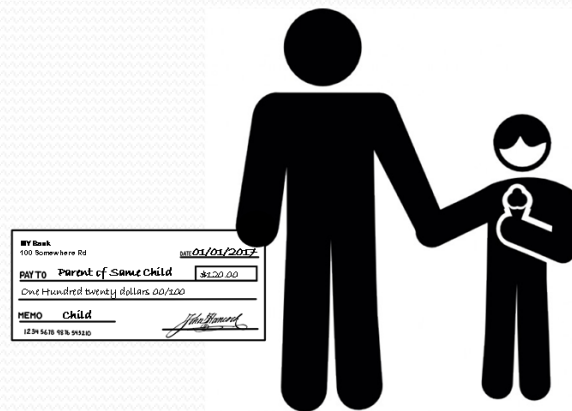
**Parent**  
Pays Support

Pass Through

**Department of  
Human Services**  
Receives the Money



BY Bank 100 Somewhere Rd	DATE 01/01/2017
PAY TO Parent of Same Child	\$3,200.00
One Hundred twenty dollars 00/100	
MEMO Child	<i>John Howard</i>
1234 5678 9101 99320	



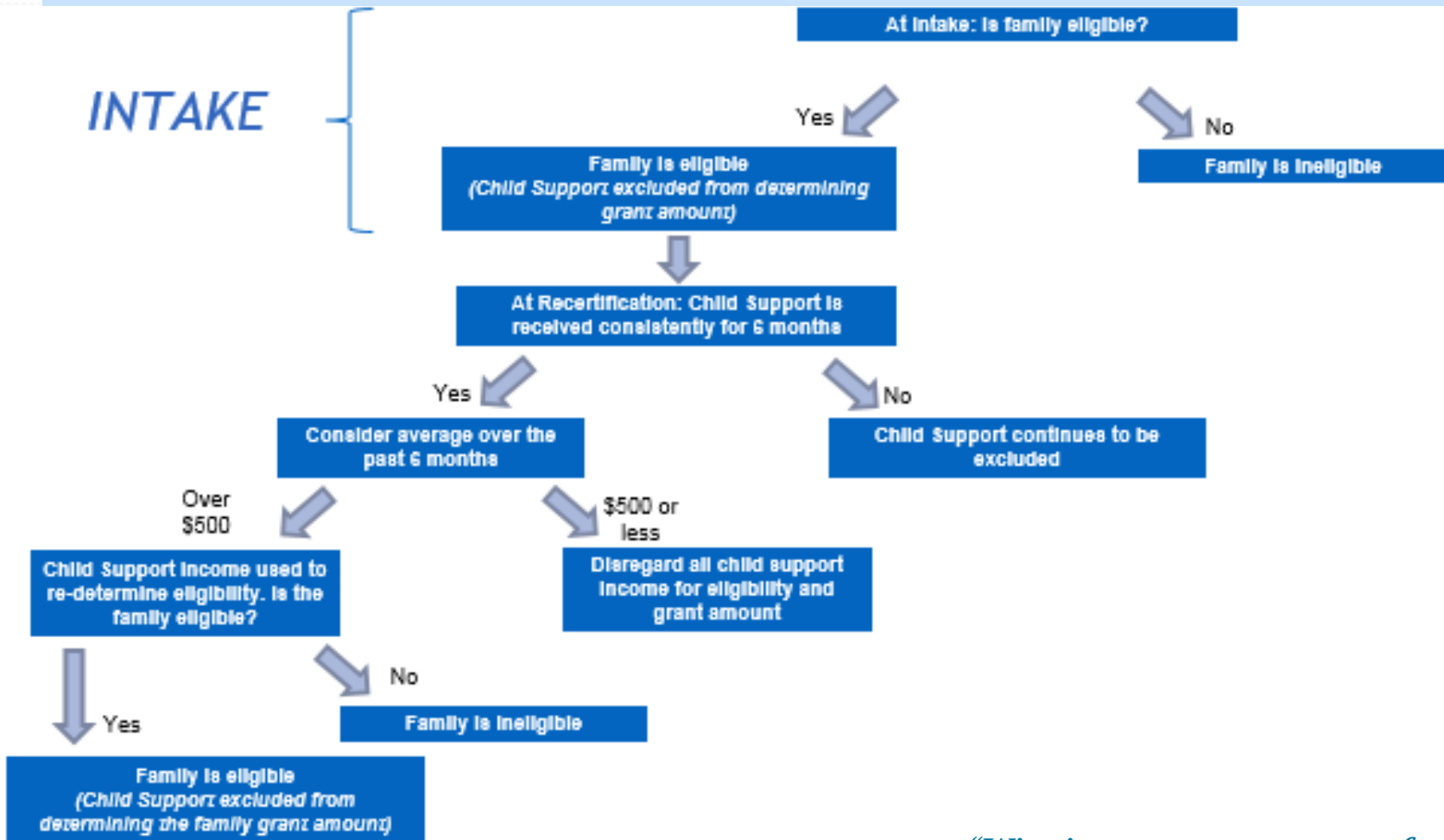
**Parent of Same Child**  
Receives Child Support and  
COWorks BCA Grant

*"Winning our way upstream for families"*

# Key steps in the project

- Legislation required a full time Project Manager to oversee all aspects of the project
- We used our senior system developers and testers to work on the project
- The project was divided into sub-groups (system development, financial, communication and training) and each group was represented by county, state and community partners
- Upper level Executives at the Department of Human Services and Office of Information Technology were kept updated with status and involved to exert influence as needed

# Colorado Works (TANF program) Automated Decision Points



*“Winning our way upstream for families”*

# Direct Support for Children Communication Plan

- Statewide Training that included TANF and Child Support professionals that focused on changed messaging
- Post cards sent to caretakers who had received TANF in the last 6 months and parents with child support obligations
- Hotline #'s for parents to call with questions
- News Flash bursts every two weeks to provide updates to stakeholders





## DIRECT SUPPORT FOR CHILDREN

Starting in April 2017, your child has the opportunity to benefit from more financial support thanks to a new policy! If your child receives Colorado Works basic cash assistance, he/she will start getting any current child support payments you make through the Family Support Registry.

Before, families who received Colorado Works basic cash assistance did not get child support payments from the paying parent. This was because government agencies used these payments to administer programs.

If you are currently making child support payments, the change will happen automatically. If you would like to start making payments, contact Child Support Services at 303-866-5211 or email: [CDHS\\_CSECustomerService@state.co.us](mailto:CDHS_CSECustomerService@state.co.us)

**You play an essential role in supporting your child and we know you take pride in doing it.**

\*This policy will not have any impact on past due child support.  
Abra para ver la información en español.



**COLORADO**  
Office of Economic Security  
Division of Child Support Services

*“Winning our way upstream for families”*

# Results

- Fully implemented on April 1, 2017 with no system down time from the changes
- In the first month 2,495 low income families on TANF received \$321,650 in current child support payments
- Our system developers and testers retained what was left of their sanity

# Questions?

**Trisha Thomas**

**[Theresa.Thomas@ks.gov](mailto:Theresa.Thomas@ks.gov)**

**(785) 296-4188**

**Jeff Jorgenson**

**[Jeffrey.J.Jorgenson@state.mn.us](mailto:Jeffrey.J.Jorgenson@state.mn.us)**

**(651)431-4276**

**Babs Roberts**

**[roberba@dshs.wa.gov](mailto:roberba@dshs.wa.gov)**

**(360)725-4888**

**Larry Desbien**

**[Larry.desbien@state.co.us](mailto:Larry.desbien@state.co.us)**

**(303) 866-4460**

*“Winning our way upstream for families”*