

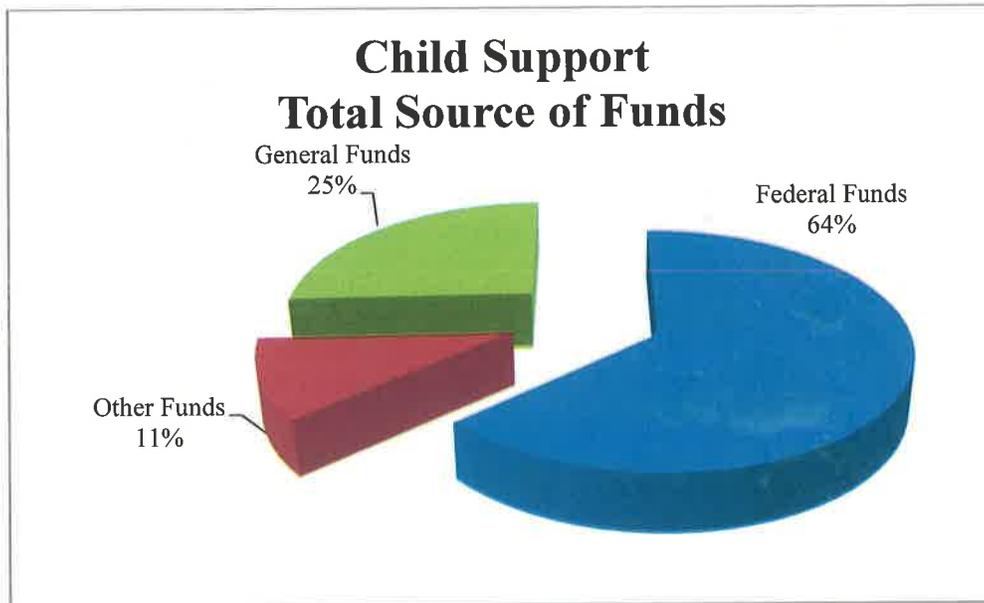
Department of Health & Human Services

427010 Division of Child Support Services

Senate Presentation

Agency Overview:

The Child Support program promotes parental responsibility so that children receive support from both parents, even when they live in separate households. Child Support is one of the largest income support programs for families, collecting and distributing private, not government funds to family budgets to help pay for the basics – shelter, food, child care, transportation and school clothes. Child support makes a big difference to children. For example, a custodial family of three earning \$18,530 per year might receive \$3,500 in child support payments – depending on whether the non-custodial parent is working or not. Research shows that a dollar of child support has a greater effect on how well a child does in school than any other source of family income. The NH Child Support program collected and distributed more than \$87 million in FFY 2014 at a State General Fund cost of \$3.4 million.



	FY 2014	FY 2015	FY 2016	FY 2017	FY 2016	FY 2017	FY 2016	FY 2017
	Actual	Adj Auth	Agency	Agency	Governor	Governor	House	House
Total Funds	13,259,152	15,837,098	16,525,105	16,827,756	15,178,534	15,415,118	15,178,534	15,415,118
General Funds	3,397,582	3,881,435	4,324,014	4,416,805	3,881,604	3,526,603	3,881,604	3,526,603

	14-15 Biennium	16-17 Biennium (per House)	Dollar Change	% Change
General Funds	\$ 7,279	\$ 7,409	\$ 130	1.79%
Total Funds	\$ 29,096	\$ 30,594	\$ 1,498	5.15%

Department of Health & Human Services

427010 Division of Child Support Services

Senate Presentation

Caseloads (Clients Served):

Child Support services are provided to any individual who files an application with the Division of Child Support Services (DCSS). This includes recipients of Temporary Assistance to Needy Families (TANF), IV-E Foster Care, and Medicaid services who, by federal regulation, are required to participate in the Child Support program as a condition of eligibility for these programs. For federal reporting purposes, there are three categories of child support cases: Current Assistance = 3,598; Former Assistance = 17,831 and Never Assistance = 13,755.

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2016	FY 2017	FY 2016	FY 2017
	Actual	Adj Auth	Maint	Maint	Governor	Governor	House	House
Total Funds	13,259,152	15,837,098	16,525,105	16,827,756	15,178,534	15,415,118	15,178,534	15,415,118
Number	35,149	35,184	35,219	35,255	35,219	35,255	35,219	35,255
Ave Cost/Case	\$ 377	\$ 450	\$ 469	\$ 477	\$ 431	\$ 437	\$ 431	\$ 437

Caseload Assumptions:

In the past 10 years, caseload has been relatively unchanged.

State of New Hampshire
Senate Presentation
Budget Reconciliation Worksheets for Budget Fiscal Years 2016 and 2017

05 HEALTH AND SOCIAL SERVICES
00095 HEALTH AND HUMAN SVCS DEPT OF
042 HHS: HUMAN SERVICES
4270 DIVISION OF CHILD SUPPORT SERVICES

Acc't Unit	SFY16				SFY17			
	Federal	General	Other	Total	Federal	General	Other	Total
4270-7929 CHILD SUPPORT ENFORCEMENT	\$ 7,970,633	\$ 3,668,965	\$ 536,642	\$ 12,176,240	\$ 8,142,563	\$ 3,747,907	\$ 547,689	\$ 12,438,159
4270-7930 CHILD SUPPORT LEGAL	\$ 1,271,563	\$ 655,049	\$ -	\$ 1,926,612	\$ 1,298,446	\$ 668,898	\$ -	\$ 1,967,344
4270-7931 STATE DISTRIBUTION UNIT	\$ 132,359	\$ -	\$ 1,153,596	\$ 1,285,955	\$ 132,359	\$ -	\$ 1,153,596	\$ 1,285,955
4270-7933 ACCESS & VISITATION	\$ 100,000	\$ -	\$ -	\$ 100,000	\$ 100,000	\$ -	\$ -	\$ 100,000
4270-7934 EXPEDITED IV-D SERVICES	\$ 1,036,298	\$ -	\$ -	\$ 1,036,298	\$ 1,036,298	\$ -	\$ -	\$ 1,036,298
Maintenance Request	\$ 10,510,853	\$ 4,324,014	\$ 1,690,238	\$ 16,525,105	\$ 10,709,666	\$ 4,416,805	\$ 1,701,285	\$ 16,827,756
Change Budget								
Change Request	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Agency Request	\$ 10,510,853	\$ 4,324,014	\$ 1,690,238	\$ 16,525,105	\$ 10,709,666	\$ 4,416,805	\$ 1,701,285	\$ 16,827,756
Governor's Changes	\$ (64,266)	\$ (33,056)	\$ (45,267)	\$ (142,589)	\$ (67,519)	\$ (33,440)	\$ (56,315)	\$ (157,274)
Reduced Funding to SFY 15 Adj Auth	\$ (794,628)	\$ (409,354)	\$ -	\$ (1,203,982)	\$ (828,541)	\$ (426,823)	\$ -	\$ (1,255,364)
Unfunded 13 and 1 abolished position	\$ -	\$ -	\$ -	\$ -	\$ (9,698)	\$ (429,939)	\$ 439,637	\$ -
Non-TANF monthly fee								
Governor Recommend	\$ 9,651,959	\$ 3,881,604	\$ 1,644,971	\$ 15,178,534	\$ 9,803,908	\$ 3,526,603	\$ 2,084,607	\$ 15,415,118
House Changes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
No Change								
House Final	\$ 9,651,959	\$ 3,881,604	\$ 1,644,971	\$ 15,178,534	\$ 9,803,908	\$ 3,526,603	\$ 2,084,607	\$ 15,415,118
Senate Changes								
Senate Final	\$ 9,651,959	\$ 3,881,604	\$ 1,644,971	\$ 15,178,534	\$ 9,803,908	\$ 3,526,603	\$ 2,084,607	\$ 15,415,120
Committee of Conference Changes								
Final Approved Budget	\$ 9,651,959	\$ 3,881,604	\$ 1,644,971	\$ 15,178,534	\$ 9,803,908	\$ 3,526,603	\$ 2,084,607	\$ 15,415,120

State of New Hampshire
 Senate Presentation
 Fee Scenarios for Budget Fiscal Year 2017

05 HEALTH AND SOCIAL SERVICES
 00095 HEALTH AND HUMAN SVCS DEPT OF
 042 HHS: HUMAN SERVICES
 4270 DIVISION OF CHILD SUPPORT SERVICES

NON-TANF			
Total Cases	15,212	Total Cases with Receipts >\$50	12,706
		\$10 (month) Fee	127,060
		12 months	1,524,720
		DCSS share @34%	518,405

Note:

The total caseload could be closer to 13,000 when IV-E, and non IV-D are included.

Costs:

NECSES 2.0 development, cost of coding for Non-TANF \$10.00 monthly fee is estimated at \$100K minimum.

Other requirements:

Rule and State Plan amendments to be filed (current authority is for a \$3.00 fee for each payment over \$20.00); variation in payment frequency a concern
 Fees must be reported as program income on quarterly OCSE 396A
 Administrative expenditure claims for FFP at 66% will be reduced accordingly
 \$25 annual fee for never-TANF collections cannot be commingled with this fee, for reporting purposes
 Cost recovery requirements under 45CFR 302.33(d) must be followed
 Notice to both non-custodial and custodial parents, and other state child support agencies

State of New Hampshire
Senate Presentation
Budget Adjustments Worksheets for Budget Fiscal Years 2016 and 2017

05 HEALTH AND SOCIAL SERVICES
00095 HEALTH AND HUMAN SVCS DEPT OF
042 HHS: HUMAN SERVICES
4270 DIVISION OF CHILD SUPPORT SERVICES

Class	Description	FY 2014 Actual	FY 2015 Adj Auth	FY 2015 \$ change	FY 2014-15 % change	FY 2016 Governor	FY 2016 House	FY 2016 \$ change	FY 2015-16 % change	FY 2016 Governor	FY 2016 House	FY 2016 \$ change	FY 2015-16 % change	FY 2017 Governor	FY 2017 House	FY 2017 \$ change	FY 2016-17 % change
010	Personal Services-Perm. Classi	7,243,641	7,987,258	743,617	10.3%	7,268,462	7,268,462	(718,796)	-9.0%	7,348,369	7,348,369	79,907	1.1%	7,348,369	7,348,369	79,907	1.1%
012	Personal Services-Unclassified.2	86,578	89,392	2,814	3.3%	90,551	90,551	1,159	1.3%	90,552	90,552	1	0.0%	90,552	90,552	1	0.0%
018	Overtime	0	1	1	0.0%	0	0	(1)	-100.0%	2	2	2	0.0%	2	2	2	0.0%
020	Current Expenses	111,244	144,016	32,772	29.5%	145,420	145,420	1,404	1.0%	146,897	146,897	1,477	1.0%	146,897	146,897	1,477	1.0%
022	Rents-Leases Other Than State	9,290	12,382	3,092	33.3%	12,424	12,424	42	0.3%	12,467	12,467	43	0.3%	12,467	12,467	43	0.3%
024	Maint.Other Than Build.- Grnds	0	1,040	1,040	0.0%	1	1	(1,039)	-99.9%	1	1	-	0.0%	1	1	-	0.0%
026	Organizational Dues	1,275	1,500	225	17.6%	1,500	1,500	-	0.0%	1,500	1,500	-	0.0%	1,500	1,500	-	0.0%
030	Equipment New/Replacement	1,688	7,303	5,615	332.6%	5,000	5,000	(2,303)	-31.5%	5,000	5,000	-	0.0%	5,000	5,000	-	0.0%
037	Technology - Hardware	0	1	1	0.0%	1	1	-	0.0%	1	1	-	0.0%	1	1	-	0.0%
038	Technology - Software	0	1	1	0.0%	1	1	-	0.0%	1	1	-	0.0%	1	1	-	0.0%
039	Telecommunications	62,186	82,389	20,203	32.5%	72,034	72,034	(10,355)	-12.6%	73,074	73,074	1,040	1.4%	73,074	73,074	1,040	1.4%
040	Indirect Costs	90,019	125,000	34,981	38.9%	125,000	125,000	-	0.0%	125,000	125,000	-	0.0%	125,000	125,000	-	0.0%
041	Audit Fund Set Aside	9,646	8,189	(1,457)	-15.1%	7,905	7,905	(284)	-3.5%	8,073	8,073	168	2.1%	8,073	8,073	168	2.1%
042	Additional Fringe Benefits	336,420	748,602	412,182	122.5%	715,533	715,533	(33,069)	-4.4%	731,545	731,545	16,012	2.2%	731,545	731,545	16,012	2.2%
049	Transfer to Other State Agenci	284,263	657,914	373,651	131.4%	1,198,298	1,198,298	540,384	82.1%	1,198,298	1,198,298	-	0.0%	1,198,298	1,198,298	-	0.0%
050	Personal Service-Temp/Appointe	61,590	100,657	39,067	63.4%	100,658	100,658	1	0.0%	100,657	100,657	(1)	0.0%	100,657	100,657	(1)	0.0%
057	Books, Periodicals, Subscripti	0	0	-	0.0%	1	1	1	0.0%	1	1	-	0.0%	1	1	-	0.0%
060	Benefits	3,728,857	4,308,237	579,380	15.5%	3,695,022	3,695,022	(613,215)	-14.2%	3,831,364	3,831,364	136,342	3.7%	3,831,364	3,831,364	136,342	3.7%
066	Employee training	0	0	-	0.0%	1	1	1	0.0%	1	1	-	0.0%	1	1	-	0.0%
070	In-State Travel Reimbursement	80,827	84,876	4,049	5.0%	86,393	86,393	1,517	1.8%	87,987	87,987	1,594	1.8%	87,987	87,987	1,594	1.8%
072	Grants-Federal	37,805	100,000	62,195	164.5%	100,000	100,000	-	0.0%	100,000	100,000	-	0.0%	100,000	100,000	-	0.0%
080	Out-Of State Travel	3,984	5,500	1,516	38.1%	5,000	5,000	(500)	-9.1%	5,000	5,000	-	0.0%	5,000	5,000	-	0.0%
102	Contracts for program services	1,056,359	1,317,649	261,290	24.7%	1,494,140	1,494,140	176,491	13.4%	1,494,140	1,494,140	-	0.0%	1,494,140	1,494,140	-	0.0%
502	Payments To Providers	53,480	55,188	1,708	3.2%	55,188	55,188	0	0.0%	55,188	55,188	(1)	0.0%	55,188	55,188	(1)	0.0%
	Total Expenditures	13,259,152	15,837,096	2,577,944	19.4%	15,178,534	15,178,534	(658,562)	-184.3%	15,415,118	15,415,118	236,584	13.8%	15,415,118	15,415,118	236,584	13.8%
000	Federal Funds	8,479,215	10,788,903	2,309,688	27.2%	9,651,959	9,651,959	(1,136,944)	-10.5%	9,803,908	9,803,908	151,949	1.6%	9,803,908	9,803,908	151,949	1.6%
009	Agency Income	1,382,355	1,166,759	(215,596)	-15.6%	1,644,971	1,644,971	478,212	41.0%	2,084,607	2,084,607	439,636	26.7%	2,084,607	2,084,607	439,636	26.7%
GF	General Fund	3,397,582	3,881,434	483,852	14.2%	3,881,604	3,881,604	-	0.0%	3,526,603	3,526,603	(355,001)	-9.1%	3,526,603	3,526,603	(355,001)	-9.1%
	Total Revenue	13,259,152	15,837,096	2,577,944	19.4%	15,178,534	15,178,534	(658,562)	30.5%	15,415,118	15,415,118	236,584	19.2%	15,415,118	15,415,118	236,584	19.2%

Department of Health & Human Services

4270, Division of Child Support Services

Senate Presentation

Narrative:

4270-7929/30/31: Child Support Services

Budget HB1 Page 622 - 625

PURPOSE:

The Child Support program promotes parental responsibility so that children receive support from both parents, even when they live in separate households. Child Support is one of the largest income support programs for families, collecting and distributing private, not government funds to family budgets to help pay for the basics – shelter, food, child care, transportation and school clothes. Child support makes a big difference to children. For example, a custodial family of three earning \$18,530 per year might receive \$3,500 in child support payments – depending on whether the non-custodial parent is working or not. Research shows that a dollar of child support has a greater effect on how well a child does in school than any other source of family income. The NH Child Support program collected and distributed more than \$87 million in FFY 2014 at a State General Fund cost of \$3.4 million.

CLIENT PROFILE:

Child Support services are provided to any individual who files an application with the Division of Child Support Services (DCSS). This includes recipients of Temporary Assistance to Needy Families (TANF), IV-E Foster Care, and Medicaid services who, by federal regulation, are required to participate in the Child Support program as a condition of eligibility for these programs. For federal reporting purposes, there are three categories of child support cases: Current Assistance = 3,598; Former Assistance = 17,831 and Never Assistance = 13,755.

<u>Financial History</u>								
Rounded to \$000 except cost per case	SFY14	SFY15	SFY16	SFY17	SFY16	SFY17	SFY16	SFY17
	Actual	Adj Auth	Agency	Agency	Gov	Gov	House	House
TOTAL FUNDS	\$ 13,259	\$ 15,837	\$ 16,525	\$ 16,828	\$ 15,179	\$ 15,415	\$ 15,179	\$ 15,415
GENERAL FUNDS	\$ 3,398	\$ 3,881	\$ 4,324	\$ 4,417	\$ 3,882	\$ 3,527	\$ 3,882	\$ 3,527
ANNUAL COST PER CASE-TOTAL	\$ 377	\$ 450	\$ 469	\$ 477	\$ 431	\$ 437	\$ 431	\$ 437
CLIENT/CASELOAD	35,149	35,184	35,219	35,255	35,219	35,255	35,219	35,255

Funding Source:

Title IV –D Child Support Enforcement Program: Requires 34% General/66% Federal and Other income

To provide greater assistance to States in establishing paternity and support orders through the courts, enforcing legal orders both administratively and judicially, collecting and disbursing payments through the State Disbursement Unit (SDU), as mandated by federal regulations.

Incentive Funds (Other income): Funding ranges between \$1.4 M to \$1.8M based on the State collection base, data reliability, and performance measures in five areas: number of paternities established in the year, collections on current obligations due, number of cases with payments on arrears, support orders established, and cost effectiveness.

Source of Funds For SFY 2014/2015:		
Federal Fund	Support Enforcement - Title IV D	66.00%
General/Other	General Funds, Incentive and Fee Revenues	34.00%
	Total:	100.00%

Maintenance of Effort Required: \$3.2 M. This represents a base level of program general fund expenditures needed to ensure reinvestment of incentives in the Child Support program. The amount was calculated based on 1998 program expenditures, per 45 CFR Section 305.35(d).

SERVICE PROVIDED:

Services are mandated pursuant to Title IV-D of the Social Security Act (42 USC Section 651-669). All states are required to have a State Plan for the delivery of child support services under a single and separate organizational entity. These services include:

- Locating parents
- Establishing legal fatherhood (paternity)
- Establishing and enforcing fair support orders
- Increasing health care coverage for children
- Referring parents to employment services, helping to build healthy family relationships, supporting responsible parenthood and helping to prevent and reduce family violence

SERVICE DELIVERY SYSTEM

Services are provided in 12 district field offices. There are a total of 156 FTEs in DCSS, 22 of which are located in a centralized legal unit comprised of paralegals, attorneys and clerical staff responsible for establishing orders in NH courts. Also included as part of the 156 FTEs are 19 Interstate specialists

responsible for managing cases where the person responsible for providing support resides in another state.

The State's Disbursement Unit (SDU), a lockbox operation contracted with Xerox, Inc. is located in Manchester and is responsible for distributing over \$87 million per year. The State is required by law to distribute all child support payments made payable to the IV-D agency through a single SDU. The state is also required by law to process all child support wage garnishments through the same SDU. The contractor is required to distribute and disburse all child support payments within 48 hours of receipt.

EXPECTED OUTCOMES:

DCSS contributes to the strength and independence of families by collecting and disbursing child support that is owed to them. As illustrated below, the largest population served, Former Assistance has remained the highest caseload, even during challenging economic times. This demonstrates the program's effectiveness and cost avoidance in keeping families off public assistance.

	<u>Current Assistance</u>	<u>Former Assistance</u>	<u>Never Assistance</u>
FY'14	3,598	17,831	13,755
FY'13	3,772	17,913	13,183
FY'12	4,038	17,721	12,826

NEW HAMPSHIRE CHILD SUPPORT 2013

MORE MONEY FOR FAMILIES

COLLECTIONS

\$83 Million

in child support collected



93%

went to families



6% reimbursed public assistance dollars

76%

collected through income withholding from the employee's paycheck



CASELOAD

Number of children served

38,000 statewide

17 Million nationwide

Nearly 1 in 4 children in the U.S.

National Statistics*

Custodial parents eligible for child support

82% are women

79% are 30 or older

57% have just one eligible child



68% White

25% Black

21% Hispanic (any race)

Families eligible for child support

29% of custodial families have income below the federal poverty level

Child support represents **45%** of family income for poor custodial families that receive it

COST-EFFECTIVENESS

One of the most cost-effective government programs



For every **\$1.00** spent ...

... the New Hampshire child support program collects **\$4.79**

