

Kansas Department of Social and Rehabilitation Services
Don Jordan, Secretary

Child Support Enforcement Background

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The Kansas Child Support Enforcement Program, operating under Title IV-D of the federal social security act, has two purposes: (1) to promote genuine financial stability for households with children, and (2) to ease the taxpayers' burden for public assistance provided on behalf of children not supported by both parents. By pursuing these twin goals CSE helps families become and remain independent of public assistance, which in turn allows the State to manage public resources more effectively on behalf of all Kansans. The work of CSE also enables custodial parents to take the initiative in expanding their children's opportunities to learn, grow up healthy, and develop young talents and abilities to the fullest—a vital investment in Kansas' future.

The Kansas CSE Program. The Department of Social and Rehabilitation Services is the designated Title IV-D (CSE) agency for the State of Kansas. CSE operates within the Integrated Service Delivery Division of SRS.

The Kansas CSE Program is a multifaceted operation that combines state, county, judicial, and private resources to meet detailed federal requirements concerning all phases of operation. CSE services include:

- Locating noncustodial parents and their assets;
- Establishing parentage, as needed;
- Establishing support orders, including medical coverage;
- Ensuring regular payment of support through income withholding orders;
- Enforcing support through administrative actions, such as passport denial or interception of tax refunds, lottery winnings, and unemployment benefits;
- Enforcing past due support through court actions, such as garnishment of bank accounts;
- Modifying ongoing support orders, as needed, to reflect the child's current needs and the parents' ability to provide support; and
- Receiving and disbursing support payments through a statewide unit, the Kansas Payment Center.

Outsourcing CSE Functions. Instead of relying solely upon state staff to provide all CSE services and functions, CSE balances the use of in-house operations with outsourcing efforts. Strategic use of outsourcing allows CSE to remain compliant with ever-increasing federal requirements, to compete more effectively with other States for federal incentives, and to tap expertise and specialized services that are not readily available within the public sector. Competitive procurement allows the State to obtain good value by balancing high standards for performance with competitive pricing.

The many CSE services listed above are provided across Kansas by full and part-time SRS staff and by contractors selected through competitive procurement. CSE private contractors include the vendors operating the Kansas Payment Center and the CSE Customer Service Center, a paternity testing laboratory, credit bureaus, and process servers. As of October 2007, CSE's enforcement contractors included a county prosecutor, several district court trustees, and an assortment of private sector providers.

The Kansas Payment Center (KPC). An important outsourced function that CSE administers is the Kansas Payment Center (KPC), a joint venture of CSE and the Office of Judicial Administration. The KPC is Kansas' central unit for receiving and disbursing all support payments—in both CSE and non-CSE (i.e., private) cases—ensuring that an accurate history of payments is available to the courts and all interested parties. Before the KPC was created in 2000, this function was performed in local district courts. The district courts continue to provide certified payment records upon request, and they enter or update data in the KPC database for new and modified orders as they are issued.

The KPC offers a number of customer-friendly functions statewide, including 24-hour access to payment and disbursement information by telephone or via the Internet, toll free customer assistance for parents and employers, and direct deposit of support disbursements. Taken together, these elements have enabled families to monitor support payments independently and to use up-to-date information for planning and managing their household finances.

The CSE Customer Service Center (CCSC). SRS recently established a CSE customer service center to:

- Improve CSE customer satisfaction overall,
- Increase the productivity of CSE professional staff, and
- Support economic development in a smaller Kansas community.

The CSE customer service center is located in Halstead, a Harvey County community east of Hutchinson. It is the product of a unique competitive procurement, modeled in part on a successful unit established in Nebraska. CSE's request for proposals invited experienced, qualified vendors to partner with qualified Kansas communities to develop and submit proposals for the new CSE customer service center. The Department of Commerce assisted SRS materially during the planning process and helped disseminate information about the project to communities across the State.

By having the CCSC in a town that has not had a significant State presence, CSE seeks to draw upon a reservoir of community strengths and resources too often overlooked or

inaccessible in the past. The community, in turn, will benefit from a multi year source of quality employment and revenue, a key to further community growth and development.

Rollout of the CSE customer service center is occurring in phases, to insure that CCSC staff are able to provide high quality services as the volume of calls increases. By March 1, 2008, the CSE customer service center will be handling calls for SRS locations statewide. When fully implemented the CSE customer service center will allow any CSE customer to speak by phone, toll free, with a trained CSE service representative without the annoyance of "phone tag," even at times when government offices are not normally open for business.

The CSE Caseload. The CSE caseload consists of approximately 130,000 cases serving over a quarter million people. CSE cases fall into two broad categories:

- *Temporary Assistance to Families (TAF).* When a child's custodian applies for Temporary Assistance to Families, that child's support rights are assigned to the State. If CSE collects support in a TAF case, it is used to reimburse the state and federal governments for public assistance provided to the child's family. Any collections beyond the claim for reimbursement are passed on to the family. If the TAF eligibility worker determines that monthly child support collections regularly exceed the monthly TAF grant, the TAF cash grant may be ended. When that happens, appropriate transitional services and supports for the family continue, including CSE services.
- *Non-TAF.* Federal law requires the CSE Program to provide services to any family, regardless of income, that applies for support enforcement services. CSE is also required to provide Non-TAF services when a family stops receiving cash TAF benefits, at the custodial parent's discretion. The idea is to prevent the need for TAF and other forms of public assistance by encouraging regular payment of child support, and to provide equal treatment under the law for all children. It is important to note that over two-thirds of Kansas Non-TAF families formerly received public assistance.

The CSE Non-TAF caseload also includes families that are receiving only Child Care Assistance, Food Assistance, or Medical Assistance. When CSE successfully collects support in such a case, current support (and any past due support that is not subject to an SRS claim for reimbursement) goes directly to the family. For a family receiving Child Care Assistance, child support income can be used to meet expenses such as child care co-payments and, when Child Care Assistance ends, to pay independently for child care services from their provider of choice. In similar

fashion, child support income that goes to families receiving Food or Medical Assistance helps them to transition more smoothly to financial independence.

Although SRS normally deducts a 4% cost recovery fee from Non-TAF collections, families receiving Child Care Assistance, Medicaid, or Food Assistance are all exempt from the fee. Also, all of SRS' CSE cases are automatically exempt from any district court trustee fee that might otherwise apply.

CSE funding streams. Kansas currently funds the CSE Program from five sources:

- *Title IV-D federal financial participation (FFP).* The current FFP rate for eligible CSE administrative costs is 66%. To qualify for IV-D federal funds, the Kansas CSE Program must be in compliance with IV-D state plan requirements.
- *Title IV-D federal incentive payments based on performance.* Since 1997, incentive payments have been allocated to the States from a capped pool of federal funds; in effect, the States compete with each other for those funds. Allocations are based upon a complex formula that factors in the size of the State's program (Kansas represents 1% of the national caseload) and the State's performance in five areas: collection of current support, collection of past due support, paternity establishment, establishment of support orders, and cost-effectiveness. To qualify for IV-D federal funds, the CSE Program must be in compliance with IV-D state plan requirements.

As of October 2007, States are no longer allowed to use incentives earned for CSE performance as the State match for IV-D FFP. Federal law continues to require CSE incentives to be reinvested in the State IV-D program, however.

- *The State's share of retained support collections (i.e., reimbursement).* For cases in the TAF or federally-funded foster care programs, Kansas keeps 40% of any collections that are retained under federal law for reimbursement of assistance; the other 60% goes to the federal government. For cases in state-funded assistance programs, Kansas retains 100% of such collections because there is no federal share to be paid. The State's share of collections for both categories represents only 10% of all CSE collections during the year.

Not later than October 1, 2009, the federal rules defining which collections may be retained for reimbursement will change, requiring more collections to be disbursed to families. Although this change will be very beneficial to families, it will erode the ability of the Kansas CSE Program to pay for itself.

- *IV-D cost recovery fees.* Currently, a 4% cost recovery fee is charged on all collections for cases not currently open for TAF, Medical Assistance, Food Assistance, or Child Care Assistance. Under federal law, 66% of this IV-D program income from fees must go to the federal government.

- *State general funds.* State general funds are only required for any portion of CSE Program costs that exceed CSE's total revenue from federal funding, the State's share of support collected and retained, and IV-D fees. Until recently, state general funds have not been needed to fund the CSE program. However, the cap on federal incentives that may be earned, the prohibition against using incentive payments as the state match, and the tighter limits on State-retained collections all make it more likely that state general funds will be needed in the future to fund CSE services at their present level and to maintain compliance with federal requirements.

As the changes in federal law begin to affect these CSE funding streams, an ongoing challenge will be to maintain and improve CSE services for families while appropriately allocating responsibility for program costs.

Performance and other features of the Kansas CSE Program.

- In state fiscal year 2007, CSE's annual support collections reached nearly \$173 million, about 75% of which was sent directly to families.

- In state fiscal year 2007, CSE established over 11,000 child support obligations. The Child Support Guidelines, established by the Kansas Supreme Court, are used to calculate all current support orders in Kansas. The Kansas Guidelines call for work-related child care expenses and the child's health insurance premiums to be factored into the monthly support award, so that the parent who actually pays for child care and/or health coverage will receive a fair contribution toward that expense from the other parent. When appropriate, CSE also establishes a medical support order that specifically requires group health coverage for the child.

- Paternity establishments by CSE play a vital role in the SRS mission. Children benefit from having their parentage established because it opens an avenue to cash and medical support from the second parent, assures legal access to complete family medical information, and paves the way for potential inheritance and other rights. It also gives the child certainty about his or her family background, so important to the child's emotional development and confidence.

- Federal rules permit TAF cash assistance to be ended when current support payments regularly exceed the cash grant. Such closures allow scarce public assistance resources to be focused on the families most in need. CSE services to former TAF families continue automatically, providing a safety net that reduces the risk of the family returning to dependence on public assistance. This is especially important for people affected by the five-year lifetime limit on TAF eligibility.
- Whenever CSE secures regular child support income for a household receiving Child Care Assistance, Kansas has the opportunity to stretch its limited child care funds a bit further and help additional working families. Dependable income from child support gives a working parent greater confidence that he or she will be able to purchase the child care services that the family needs.
- Historic information about the Kansas CSE Program:

	State FY 2004	State FY 2005	State FY 2006	State FY 2007
CSE cases*	134,115	131,616	131,729	130,367
Total collections	\$151.7 million	\$156.3 million	\$161.0 million	\$172.9 million
Collections paid out to KS families	\$112.8 million	\$116.6 million	\$120.6 million	\$129.1 million
Collections paid out to federal gov't and other states	\$21.7 million	\$22.9 million	\$24.4 million	\$25.9 million
State's share	\$17.2 million	\$16.8 million	\$16.0 million	\$17.9 million

* The decline in total CSE cases reflects many factors, such as fluctuations in TAF or other public assistance openings, "arrearage only" cases paid in full, custodial parents who move and request closure, and routine clean-up of cases that are no longer viable.

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