

DEPARTMENT OF
PUBLIC HEALTH AND HUMAN SERVICES

EXHIBIT 32
DATE 2-5-09
HB 2



Brian Schweitzer
GOVERNOR

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STATE OF MONTANA

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To: Health and Human Services Subcommittee
Representative Teresa Henry, Chair

From: Child Support Enforcement Division

Date: January 23, 2009

Re: Questions from the Subcommittee on vacancy savings and retirement

Question #1 How many positions are vacant now (January 2009) and what do they do? Why are they open? Which of these positions are held open to meet vacancy savings?

This table provides the answers to all of the questions. This data is as of January 15, 2009

CSED	Advertised	Adjuster	1.00
		Administrative Assistant	2.00
		Paralegal Assistant	1.00
	Interviewing	CSED Team Leader	1.00
CSED Total			5.00

Question #2 How many positions would have to be held open to make the 4 percent vacancy savings? (Annual number) What groups of positions are most likely to be open and what do they do? See LFD Analysis, page B-90.

FY09

168.25 FTE X 4% = 6.73 FTE (Based on the assumption that all FTE are funded proportionally)

(Page B-90) – The vacancy report states that there is high turnover in administrative assistant and support positions. Of the 5.00 positions that are currently vacant, these positions make up 60% of the current vacancies.

Question #3 What is the division's total 7 percent vacancy savings and how many positions would have to be held open to make the 7 percent vacancy savings? What additional positions (by group) are most likely to be open and what do they do? List only the additions to the 4 percent list.

FY09

168.25 FTE X 7% = 11.78 FTE (Based on the assumption that all FTE are funded proportionally)

Additional open positions needed to achieve the 7% vacancy savings will likely be similar or the same types of positions as those listed in response to Question #2 above.

Question #4 Of the division's anticipated retirements, what positions do the retirees hold? Is the estimated payout still in line with the estimates on page B-4 of the LFD Analysis?

The division's employees eligible for retirement benefits based on projections using the data provided by DOA are 103 FTE for the biennium. The anticipated compensated absence liability of \$24,444 is still in line with the estimates on page B-4 of the LFD analysis. The following table shows the retirements that have occurred in the past two fiscal years in general job categories.

Professional/Program Pay Bands (5,6,7) 100%

Question #5 Would the division make cuts in the operating budget to meet vacancy savings? Please identify.

If needed to achieve the target amount of vacancy savings, the division can consider reductions in travel, training, equipment purchases and other discretionary operating costs. All operating budget reductions for this purpose will be subject to the review and approval of the agency senior management team in light of overall agency priorities.

The division has already submitted a 5% Reduction Plan to the OBPP in preparation for the 2009 session which will be used to guide the initial division fiscal reductions if it becomes necessary.

Question #6 If the division should have to make cuts to services, which services would be reduced first? Does the division have the authority to eliminate any programs during the interim? Please list the programs.

Elimination of programs and services is not at the discretion of the division. If program or services reductions are required, the DPHHS senior management team will assess the agency priorities, critical service needs, federal and state mandates, as well as fiscal targets, and make recommendations to the Governor for his consideration.

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Presentation to the 2009 Health and Human Services
Joint Appropriation Subcommittee

CHILD SUPPORT ENFORCEMENT DIVISION

Department of Public Health and Human Services
Legislative Fiscal Division Budget Analysis, Volume 4, Page B-84

CONTACT INFORMATION

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Funding and FTE Information

CHILD SUPPORT ENFORCEMENT	2009 Biennium	2011 Biennium	% of Total	Difference	% of Difference
FTE	168.25	168.25		0.00	
Personal Services	14,200,934	17,390,154	76.9%	3,189,220	77.4%
Operating	4,153,789	5,093,247	22.5%	939,458	22.8%
Equipment	5,700	0	0.0%	(5,700)	-0.1%
Debt Service	118,030	118,030	0.5%	0	0.0%
	18,478,453	22,601,431	100.0%	4,122,978	100.0%
General Fund	4,418,238	7,519,080	33.3%	3,100,842	75.2%
State Special Fund	3,313,391	3,298,869	14.6%	(14,522)	-0.4%
Federal Fund	10,746,824	11,783,482	52.1%	1,036,658	25.1%
	18,478,453	22,601,431	100.0%	4,122,978	100.0%

Overview

The purpose of the Child Support Enforcement Division (CSED) is to pursue and obtain financial and medical support for children by establishing, enforcing, and collecting financial support owed by obligated parents. Program staff locates absent parents, identifies assets, establishes paternity, and ensures obligated parents maintain medical health insurance coverage for their dependent children. Child support payments are collected for families receiving public assistance and those not on assistance. Services are available to any applicant regardless of income level.

The division has six bureaus. The bureaus are Budget, Field Services, Administrative Services, Legal Services, Program & Training and the Office of the Administrative Law Judge. Field Services Bureau offices are located in Billings, Butte, Great Falls, Missoula and Helena.

SUMMARY OF MAJOR FUNCTIONS

- Establish paternity
- Establish and enforce child support obligations
- Establish and enforce medical support orders
- Collect and distribute child support payments

2009 BIENNIUM GOALS AND OBJECTIVES

2009 goals and objectives tracked by the interim finance committee:

1. **Goal:** Meet federal child support performance standards
 - a. **Objective/Measurement:** As a condition to receiving federal funding, the federal government has established performance measures which the division must meet. These performance measures and our corresponding goals are:
 1. Increase Child Support Collections from \$59.2 million
 2. Maintain the IV-D Paternity Establishment Percentage at 90%
 3. Maintain the Percentage of Cases with Support Orders at 80%
 4. Increase the Percentage of cases with current child support collections to 63%
 5. Increase the percentage of cases with arrears child support collections to 67%
 - b. **Status:** The results of our performance in each these measures is determined at the end of the federal fiscal year (September 30). As shown below, as of September 30, 2008; the division did meet or exceed all of the goals.
 1. Child Support Collections - \$66.9 million
 2. Paternity Establishment percentage – 106.6%
 3. Percentage of cases with Support Orders - 88.2%
 4. Percentage of cases with current support collections - 64.2%
 5. Percentage of cases with arrears support collections – 69.9%
2. **Goal:** Enhance customer service.
 - a. **Objective/Measurement:**
 1. Offer an online method of paying child support electronically to parents and employers. The CSED will track the number of payments, as well as the dollar amount, received through this online payment method.
 2. Provide prompt, courteous and impartial responses to customer inquiries and concerns about CSED services. The CSED will track the number of customer inquiries received and responded to.
 3. At the request of a tribal entity, provide training, support & guidance on creating a child support program.

b. Status:

1. From its inception on 8/14/2007 through 8/29/2008, the online payment system received 3,910 payments from 2,263 employers and 1,647 individuals. Total online collections during this period were \$952,109.49.
2. Customer inquiries from 10/1/2007 through 8/29/2008 totaled 191, which averages to 47 per quarter. This is the same number per quarter as reported in our last report to the committee.
3. Regarding tribal child support programs, CSED will continue to respond to tribal requests as they are received. Currently, Rocky Boy is the only tribe set to begin their own child support program, with an estimated start date of 10/1/2008. We have met with them for training and discussion of common issues.

ACCOMPLISHMENTS AND BARRIERS ENCOUNTERED DURING THE 2009 BIENNIUM:

Accomplishments:

- (1) On August 14, 2007; the CSED began accepting child support payments on-line from obligors and employers. One year later, as of August 29, 2008; \$952 thousand dollars had been collected using this website. The website was developed in conjunction with the Department of Administration with Montana Interactive.
- (2) During SFY 2008 (7/1/2007 to 6/30/2008), the CSED reached \$65.4 million in collections, which is a 7% increase over SFY 2007.
- (3) As of November, 2008 CSED enforced medical insurance for 16,175 children in our cases, compared to 15,896 in November, 2007. Also, during SFY 2008, Medicaid cost savings as a result of child support enforcement efforts was just over \$2.4 million.

Barriers:

The division did not have enough staff hours available to keep up with the demand for child support modifications.

2011 BIENNIUM GOALS AND OBJECTIVES

Department of Public Health and Human Services Division	
Goals and Objectives for the 2011 Biennium Submitted September 15, 2008	
Goal #1: Meet federal child support performance standards	
Objectives	Measures
Obtain support for children by continuously improving our ratings on federal child support performance standards.	<ul style="list-style-type: none">• Continuously increase child support collections.• Maintain the IV-D paternity establishment percentage.• Maintain the percentage of cases with child support orders.• Continuously increase the percentage of cases with current child support collections.• Continuously increase the percentage of cases with arrears child support collections.• Continuously increase the number of children with medical support.

Goal #2:

Enhance customer service.

Objectives	Measures
Establish an online guidelines website so people can calculate their own child support payments	<ul style="list-style-type: none"> • Once website is established, track its usage
Increase customer knowledge of the online payment system	<ul style="list-style-type: none"> • Track the number and dollar amount of payments made on this system
Provide training , support and guidance to tribes establishing their own child support systems	<ul style="list-style-type: none"> • Continue to respond to requests as they are received

DECISION PACKAGES (including a cross reference to LFD comments by page number)

DP50002 – Child Support Enforcement Rent Increase - CSED has a present law adjustment for inflationary rent increases for the biennium. Included in this decision package are expenses for the South Pointe building for rent and moving expenses (phones and office equipment). (see LFD book, page B-91)

DP7101 – Fuel Inflation Reduction - This request reduces funding for gasoline and diesel by the amount that these two expenditure categories were increased in the statewide present law adjustment for inflation. The effect is to apply no inflation adjustment to these two expenditure categories. This adjustment was made for all divisions within the department. (See LFD 2011 Addendum to the Budget Book, page 2 of the Child Support Enforcement adjustments.)

DP8101 – Increasing 4% Vacancy Savings to 7% - This request adds an additional 3 percent per year to the 4 percent personal services vacancy savings reduction contained in the statewide present law adjustment. Child Support Enforcement Division vacancy savings are discussed in the LFD book on page B-90. (See LFD Addendum to the Budget Book, page 3 of the Child Support Enforcement adjustments.)

SIGNIFICANT ISSUES

A brief list of issues may present obstacles or challenges to ensuring achievement of the performance measurements for the 2011 goals outlined above.

- The current economic conditions may have an adverse affect on the Division’s ability to collect child support if more parents become unemployed.
- The current economic conditions may cause an increase in modification requests to adjust monthly child support payments downward in cases where people are forced into lower paying jobs.

Legislation

HB133, Streamline Child Support Enforcement, is an omnibus bill with several small statutory changes. Section 1 allows the CSED to use the debt offset process to collect from parties previously distributed amounts they were not entitled to retain. Section 2 allows the CSED to modify temporary support orders issued by the agency. Section 3 clarifies deductions from income before the deduction to honor a child support withholding order and also provides a definition for “financial institution” as necessary for Section 4 of the bill. Section 4 allows an obligor to arrange withholding of child support from a financial institution to satisfy the

requirement for income withholding. Section 5 amends an error in the listed defenses to contempt for failure to pay child support. Section 6 allows penalty notices for failure to obtain or maintain health insurance to be served by certified mail and provides that no hearing is required if none is requested. Section 7 amends MCA 40-5-907 concerning the central case registry to provide that the abstract of the support order include whether the child is covered by health insurance ONLY IF the information is available from the court in an electronic format. Section 8 clarifies that payments to the CSED marked "paid in full" are not paid in full unless the department signs a written agreement that the payment is accepted as payment in full. Section 9 removes from debt assigned to the State in exchange for public assistance the portion that accrued before the recipient received public assistance. Sections 10-12 are codification instruction, saving clause and effective date provisions.

LIST OF SIGNIFICANT DEPARTMENT INITIATIVES

The significant initiatives that will be tracked and reported on from a Department-wide point of view are:

- **Home and Community Based Services Expansion**
 - Senior and Long Term Care Division
- **Healthy Montana Kids**
 - Health Resources Division
 - Human and Community Services Division
- **Family Economic Security Grant**
 - Human and Community Services Division
- **Autism Waiver**
 - Disability Services Division
- **Medicaid for Workers with Disabilities**
 - Health Resources Division
 - Disability Services Division
- **Goal 189 for Montana State Hospital Census**
 - Addictive and Mental Disorders Division
- **Immunization**
 - Public and Health and Services Division
- **Family Planning**
 - Health Resources Division
 - Public and Health and Services Division

ROLE OF DIVISION IN SIGNIFICANT DEPARTMENT INITIATIVES

The Child Support Enforcement Division helps provide insurance for children and provides cost savings for Medicaid by making sure children are insured. The division also helps keep families off of TANF by collecting child support and disbursing it to custodial parents.