

### Program Budget Comparison

The following table summarizes the total executive budget for the program by year, type of expenditure, and source of funding.

Program Budget Comparison								
Budget Item	Base Fiscal 2012	Approp. Fiscal 2013	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 12-13	Biennium Fiscal 14-15	Biennium Change	Biennium % Change
FTE	163.75	163.75	163.75	163.75	163.75	163.75	0.00	0.00%
Personal Services	8,591,298	8,896,798	9,500,208	9,521,307	17,488,096	19,021,515	1,533,419	8.77%
Operating Expenses	1,969,176	1,839,211	2,000,757	2,021,785	3,808,387	4,022,542	214,155	5.62%
Equipment & Intangible Assets	22,694	0	22,694	22,694	22,694	45,388	22,694	100.00%
Debt Service	0	59,014	0	0	59,014	0	(59,014)	(100.00%)
<b>Total Costs</b>	<b>\$10,583,168</b>	<b>\$10,795,023</b>	<b>\$11,523,659</b>	<b>\$11,565,786</b>	<b>\$21,378,191</b>	<b>\$23,089,445</b>	<b>\$1,711,254</b>	<b>8.00%</b>
General Fund	2,599,009	4,085,189	2,846,378	2,853,471	6,684,198	5,699,849	(984,349)	(14.73%)
State Special	745,938	1,613,380	818,346	825,577	2,359,318	1,643,923	(715,395)	(30.32%)
Federal Special	7,238,221	5,096,454	7,858,935	7,886,738	12,334,675	15,745,673	3,410,998	27.65%
<b>Total Funds</b>	<b>\$10,583,168</b>	<b>\$10,795,023</b>	<b>\$11,523,659</b>	<b>\$11,565,786</b>	<b>\$21,378,191</b>	<b>\$23,089,445</b>	<b>\$1,711,254</b>	<b>8.00%</b>

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.

### Program Highlights

<b>Child Support Enforcement Major Budget Highlights</b>
<ul style="list-style-type: none"> <li>◆ The executive requests a total fund increase over the 2013 biennium of over \$1.8 million for present law adjustments that primarily include: <ul style="list-style-type: none"> <li>• About \$2.6 million for personal services increases that are offset by vacancy savings reductions of about \$0.8 million</li> <li>• Adjustments of about \$84,000 for inflation and a request for a private lease increase</li> </ul> </li> </ul>

### Program Discussion

#### *FY 2012 through FY 2014 Funding Changes*

As shown in the introductory budget comparison table, there are substantial changes in general fund, state special revenue, and federal funds between FY 2012 and FY 2014. This is primarily due to a legislative audit finding, and a change at the federal level.

CSED receives federal incentive funds for meeting or exceeding the federal incentive performance measures and related benchmarks. During the interim legislative auditors noted that a change in accounting was necessary to allow CSED to spend its federal incentive awards in the federal funds category rather than state special revenue. CSED also received federal approval to use federal funds to match some general fund expenses.

*Staffing*

During the base year the division had a vacancy rate of about 4.8% compared to the legislatively imposed 4%, and as of November 2012 listed 11 vacant positions on the state's human resource system. Two were listed as vacant for over a year, two vacant for over half a year, and the balance vacant five months or less.

*Federal Benchmarks*

As mentioned, CSED receives federal incentive funds for meeting or exceeding the federal incentive performance measures and related benchmarks. The required federal benchmarks are listed in the table. The collections and benchmarks are based on the federal fiscal year, October through September.

Child Support Enforcement Division Achievement of Federal Benchmarks Federal Fiscal Years			
	Federal Yr. Ending 9/10	Federal Yr. Ending 9/11	Federal Yr. Ending 9/12
Child Support Collections	\$ 65,552,485	\$ 67,845,561	\$ 70,035,872
Maintain the IV-D paternity establishment percentage at 90 percent*	108.30	107.05	107.64
Maintain the percentage of cases with support orders at 80 percent	87.60	88.77	88.79
Increase the percentage of cases with current support collections	60.80	62.31	63.07
Increase the percentage of cases with arrears child support collections	65.90	65.94	66.58

\* Can exceed 100 percent due to federal definitions of the denominator

**Funding**

The following table shows program funding, by source for the 2015 biennium as recommended by the Governor.

Total Economic Security Services Branch Funding by Source of Authority 2015 Biennium Budget - Child Support Enforcement							
Funds	HB 2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	MCA Reference	Statutory Category
General Fund	\$5,699,849	\$0	\$0	\$5,699,849	24.7%		
State Special Total	\$1,643,923	\$0	\$0	\$1,643,923	7.1%		
02187 Child Support State Share	\$1,643,923	\$0	\$0	\$1,643,923	7.1%		
Federal Special Total	\$15,745,673	\$0	\$0	\$15,745,673	68.2%		
03269 Child Support Incentive	\$2,263,632	\$0	\$0	\$2,263,632	9.8%		
03570 93.563 - Child Support Ivd 66	\$13,482,041	\$0	\$0	\$13,482,041	58.4%		
Total All Funds	\$23,089,445	\$0	\$0	\$23,089,445	100.0%		
<b>Percent - Total All Sources</b>	<b>100.0%</b>	<b>0.0%</b>	<b>0.0%</b>				

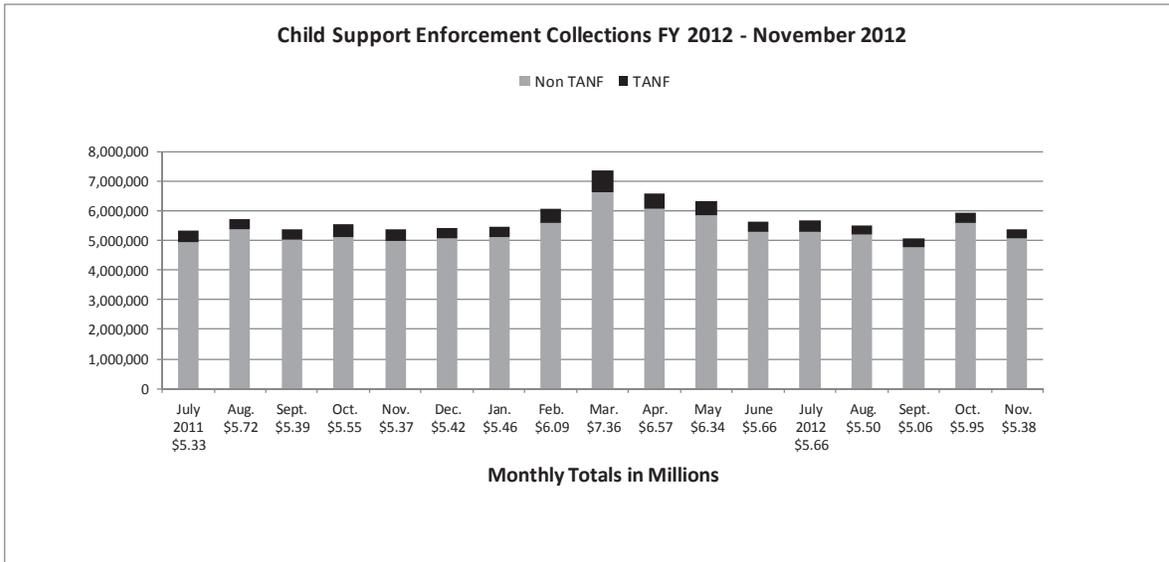
Child support activities are funded with a combination of about 25% general fund, 7% state special revenue, and 68% federal funds. The federal Title IV-D eligible expenditures are funded 66% with federal IV-D funds and the remaining expenditures are funded at 34% by a combination of general fund and state special revenues.

*State Special Revenue*

State special revenue is generated primarily from the retention of collections made on behalf of TANF participants and small amounts from applications, genetic testing, and federal tax offset fees. The funds recovered on behalf of TANF recipients are retained by the state at the state share of the federal FMAP rate (about 33.7% in FY 2014). There is no retained revenue from non-TANF collections, which is simply collected and sent on to the custodial parent.

In FY 2012, CSED collected over \$70.3 million on behalf of both TANF and non TANF children and their custodial parents or nearly \$5.9 million per month. CSED retained just over \$1.6 million as its share of the TANF collections, as reflected in the funding table state special revenue.

The figure reflects state efforts related to TANF and non-TANF collections. It shows collections by month for the FY 2012 base year and the first five months of FY 2013. The amounts from which CSED received a share of TANF collections are shown in black.



Collections on behalf of TANF participants directly relate to the statewide TANF caseloads but may not correlate on a month by month basis. For example, the early spring collections increased following a long period of higher caseloads driven by the economic downturn. Caseloads declined as summer progressed and by September were 393 lower than December. There is further TANF caseload discussion in the Human and Community Services Division in this volume.

*Federal Funds*

Federal revenue reflects the 66% federal match for eligible CFSD expenditures and the incentive funds that are received for meeting or exceeding the federal incentive performance measures and related benchmarks. The federal benchmarks are tied to state achievements for establishing paternity and support orders, collections on current and arrears support, and the cost effectiveness of the program.

**Present Law Adjustments**

The “Present Law Adjustments” table shows the changes to the adjusted base budget proposed by the executive. “Statewide Present Law” adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments	-----Fiscal 2014-----					-----Fiscal 2015-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					1,304,737					1,326,731
Vacancy Savings					(395,827)					(396,722)
Inflation/Deflation					6,818					12,546
<b>Total Statewide Present Law Adjustments</b>		<b>\$247,369</b>	<b>\$63,988</b>	<b>\$604,371</b>	<b>\$915,728</b>		<b>\$254,462</b>	<b>\$66,018</b>	<b>\$622,075</b>	<b>\$942,555</b>
DP 50001 - Private Lease Adjustment	0.00	0	8,420	16,343	24,763	0.00	0	13,621	26,442	40,063
<b>Total Other Present Law Adjustments</b>	<b>0.00</b>	<b>\$0</b>	<b>\$8,420</b>	<b>\$16,343</b>	<b>\$24,763</b>	<b>0.00</b>	<b>\$0</b>	<b>\$13,621</b>	<b>\$26,442</b>	<b>\$40,063</b>
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$247,369</b>	<b>\$72,408</b>	<b>\$620,714</b>	<b>\$940,491</b>	<b>0.00</b>	<b>\$254,462</b>	<b>\$79,639</b>	<b>\$648,517</b>	<b>\$982,618</b>

DP 50001 - Private Lease Adjustment - This present law adjustment requests \$64,826 in total funds for the 2015 biennium, including \$22,041 in state special revenue funds and \$42,785 in federal funds to pay the cost associated with lease adjustments in non-state owned buildings throughout the state.