



## Funding Model — Section 1115 Waiver

Child support agencies may request a section 1115 demonstration waiver to fund employment programs for noncustodial parents. Under section 1115 of the Social Security Act, the Office of Child Support Services (OCSS), in certain circumstances, can waive specific program and funding requirements when agreeing to allow a state or tribal child support agency to conduct activities that would not otherwise be allowable. When pursuing this funding model, states and tribes provide their share of funding for section 1115 waivers. They must invest new funds and not redirect from the existing operating budget for the pilot activities. Tribal Section 1115 Waivers are fully funded with federal dollars. With OCSS's approval of the waiver project, the agency's share of funds is eligible for federal financial participation not to exceed \$2 million. Section 1115 waivers are a cost-effective method to continue building evidence for the efficacy of child support-led employment programs for noncustodial parents. Child support-led employment programs for noncustodial parents may result in cost savings through increased child support collections and reduced expenditures for other means-tested programs. To maximize the effectiveness, efficiency, and cost-effectiveness, OCSS provides technical assistance throughout the waiver request and approval process, and then throughout the project for assessment, design, development, or transfer of best practices from model state programs.

Key elements include:

- Child support agency considers a waiver request and attends an exploratory call with OCSS.
- Child support agency opts to submit a waiver request while following the guidance from OCSS during the exploratory call.
- Child support agency submits a detailed application for waiver authority under section 1115 to the OCSS commissioner, explaining the goals and objectives, program requirements to be waived, services that are currently not funded, project description, implementation plan, evaluation plan, budget, and population to be served, among other elements.
- OCSS evaluates the application and notifies the applicant whether approved or denied.
- Upon approval, OCSS works with the agency to establish clear terms and conditions, including reporting requirements, evaluating the project, and monitoring procedures.
- OCSS provides technical assistance throughout the request, approval, assessment, design, and development of child support-led employment services.

### Things to consider about this model include:

- Waivers are only granted to states and tribes, not to county or other government agencies.
- Waiver projects are time limited, with an anticipated duration of 2-5 years.
- Agency must invest new funds to pay their share.
- Total federal funding is not to exceed \$2 million for the duration of the project.
- Project must be evaluated to measure child support outcomes.
- Expenditures will be considered when calculating cost effectiveness.
- Agency share of funding must be from a public source.
- Private funding may be used as agency share, if approved to waive public funding requirement.

Read [IM-24-05](#) for official policy guidance on the availability of section 1115 waivers to fund noncustodial parent work activities and [IM-24-03](#) for updated information regarding section 1115 waivers.