

Child Support Report

Vol. 38 No. 2 February/March 2016

COMMISSIONER'S VOICE



VOICE BLOG

How the President's FY 2017 Budget Strengthens Child Support

I am pleased to describe the child support-related legislative proposals included in the Administration's FY 2017 Budget. We are renewing a number of prior proposals for efforts to ensure that children benefit when support is paid, promote access and visitation, improve program efficiency, and for dedicated research funding. We're adding new proposals to further strengthen enforcement. And, this year, we're proposing a Child Support

Technology Fund to promote the replacement of aging child support systems.

Below are the six areas of legislative proposals related to child support. These summaries offer a quick read on the proposals; for more details, see our [FY 2017 Budget fact sheet](#).

- **Child Support Technology Fund** — to promote the replacement of aging child support systems to increase system security, efficiency, and integrity
- **Child Support Research Fund** — to spark research, build the child support evidence base, and tailor the appropriate child support enforcement tools for each family
- **Strengthening Establishment and Enforcement** — to increase collections and program efficiency
- **Child Support and Fatherhood Initiative** — to encourage noncustodial parents to support their children and play an active role in their lives; to build on the family distribution reforms included in the 1996 and 2006 statutes; to encourage states to pass through child support collections to TANF families so that when parents pay child support, their children benefit; to support safe increased access and visitation services and integrating these services into the core child support program to improve collections and parent-child relationships and outcomes for children
- **Medicaid and Child Support Proposals** — to allow states to eliminate Medicaid's requirement to assign the right to cash medical child support to the state as a condition of eligibility to reduce barriers to health care access and increase resources for the poorest families
- **NDNH Access Proposals** — to allow certain additional programs and agencies authority to access NDNH data for program integrity, implementation, and research purposes

As we focus on the budget, in this issue Washington and Nebraska child support offices share their insights on another important planning tool — the strategic plan. Washington shares its story on the systematic steps staff members took to develop their plan, including using a visual management tool to display progress. Nebraska staff and leaders used a roadmap analogy to describe their process in developing their strategic operations plan. We'll continue the discussion on strategic planning in next month's issue. Stay tuned.

Vicki Turetsky

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Administration's FY 2017 BUDGET

See the [FY 2017 Budget & Child Support supplement](#) starting on page 10

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Washington State — the future through strategic planning

Jeannie Bowen, Strategic Initiatives Manager, Washington State Division of Child Support (DCS)

In 2013, Washington State DCS launched our current five-year strategic planning cycle to help us improve services, increase collections, and provide better value to the public. This article outlines the systematic steps we took. Our crucial first step was defining a mission and vision that would unite and inspire staff. Then we identified values that would guide our actions and direct our decision making to help us transform our mission and vision into reality.

An inclusive process

Approximately one-third of our 1,100 staff provided input into our mission, vision, and values statements and described what areas they thought the division should focus on over the next five years. We offered a variety of ways for staff to contribute including filling out surveys, participating in conversation cafés, joining workgroups, and helping analyze our Division’s strengths, weaknesses, opportunities, and threats. We also solicited input from key partners and stakeholders including county prosecutors and tribes.

We included staff and stakeholder input because we felt it was critical to help us understand our current strengths and challenges. It also allowed us to plan strategies to avoid gaps that could prevent us from meeting future goals. Involving staff throughout our organization helped us achieve buy-in, increase collaborative efforts between our leaders and staff, and connect employees to the strategic plan.

Prioritization then implementation

By using continuous improvement and facilitation techniques such as root-cause analysis, we organized and prioritized everyone’s input into 5 goals, 10 objectives, and nearly 40 strategies. DCS ranked each strategy. The ones at the top of the list had the most potential for making a positive change and greatest chance of being implemented using existing staff resources and funding. We implemented the top five strategies immediately.

Each strategy had a sponsor, a charter, and a set of SMART goals (see graphic). Line staff, leaders, and subject matter experts collaborated to develop action plans and implement the strategies. By focusing on a small set of desirable, clearly articulated strategies, we were able to produce results. Once DCS accomplished a strategy, we worked with leaders and staff to prioritize the next selection.

DCS Strategic Plan Kanban

To Do	In Progress	Pending	Done
To be determined at April 2016 retreat	Goal 2 Increase CFS to 67%	Goal 4 Today's news redesign	Goal 2 Improve handbook search options
	Goal 2 Increase suspense accuracy		Goal 1 Accept more payment options
	Goal 5 Improve employee satisfaction		Goal 2 Create a Plan-Do-Check-Act (PDCA) process
			Goal 5 Develop a succession plan

Communication ensures continued success

DCS connects our staff to the strategic plan by showing how their daily work contributes to, and supports our goals. This requires deliberate communication using a variety of methods. Posters in each office provide a visual reminder of our [mission, vision, values, and goals](#). They also show which [strategies](#) are in progress and which have been completed.

Through emails, we publicize opportunities for employees to become involved in the processes. Our internal website gives staff access to the plan, as well as links to charters, workgroup membership lists, and articles about status updates. We also use a continuous improvement visual management tool called a Kanban to provide progress updates.

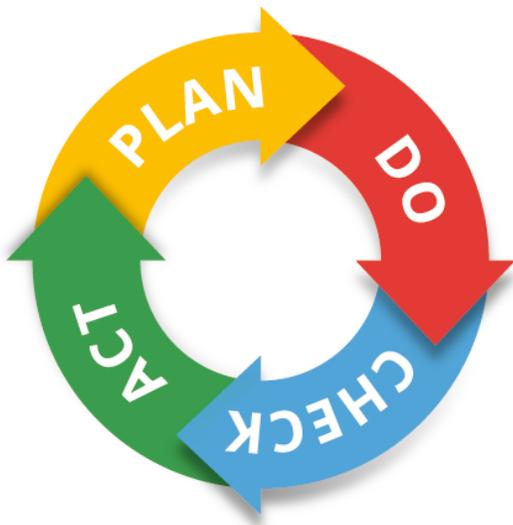


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Aligning strategies and keeping the plan alive

As is true of most child support organizations, we must align our work and efforts to the larger mission and vision of our parent organizations. We use posters and website updates to show how our efforts coordinate with, and contribute to, the Washington State Department of Social and Health Services' mission of transforming the lives of our citizens by providing critical services.

Creating this five-year plan and deploying our strategies represents a substantial body of work, but the task is not complete. We are diligently focusing on our goals and working to keep the plan alive and relevant in a rapidly changing business world. To meet this need, we created a [strategic planning cycle](#) that uses a plan, do, check, and act methodology. The cycle ensures we rotate our monthly discussions on each goal's progress, and provide the status on active strategies.



Starting this year, DCS will dedicate one full day to the review of our strategic plan. Leaders and staff will use this day to affirm our mission, vision, and values, review accomplishments, celebrate successes, and re-prioritize strategies within our overall plan.

Through this process, we strive to be nimble and adaptive to changes in legislation, policy, and customer and employee needs. We can also support an evolving culture that focuses on family-centered services and partnerships. With regular and systematic reviews of our goals and progress, we will be in a better position to continue making a positive impact in the lives of those we serve.

To learn more about how Washington State's strategic plan and cycle are transforming lives, please contact Jeannie Bowen at jean.bowen@dshs.wa.gov or 360-664-5040.

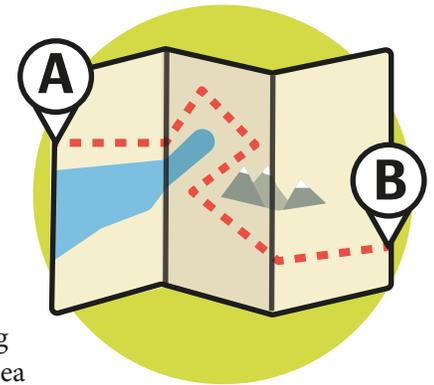
Nebraska's bottom line on strategic planning

Byron Van Patten, Administrator,
Nebraska Child Support Program
Ike Anyanike, OCSE

In the Nebraska child support office, we wanted to develop a new state operations plan so we viewed the process as if we were planning a road trip. We had the starting point, the destination, and the time we wanted to arrive. We knew that we could not account for every detour or breakdown, but we had the most important item for the planned trip — the road map.

The road map

No matter how much preplanning you do to create a state-level, strategic operations plan, you have to build some flexibility into the implementation. As in a road trip, sometimes it takes longer to get to the destination than anticipated. Occasionally, intervening priorities — such as new federal or even state legislation — require operators to shift gears or put the plan on hold. There are even occasions far down the road on a strategic planning initiative when something that looked like a good idea three or four years ago is no longer feasible.



A tried and true method

Nebraska has been creating operations plans in some form or another for over 20 years. While the format may have changed, the average plan runs for a five-year period. In many ways, it mirrors the goals set out in the federal strategic plan while infusing the state's specific vision for its child support program.

We learned over the years that goals are very critical from the outset. Without goals, it is very difficult to measure



success and determine course corrections when we have veered far from our expected target. Every operations plan we developed has helped sharpen our focus and given Nebraska child support a set plan of actions that guides the program and helps us achieve positive results.

Current planning process

Almost every strategic plan in Nebraska started with the IV-D Director who brought in a selection of child support team members to begin development. The current group began work on our 2015-2019 operations plan in 2014 using the common format provided by our parent agency, the Nebraska Department of Health and Human Services.

Then we assembled a small workgroup of child support administrators and policy specialists to review the current federal strategic plan draft for overall goals. We also sourced ideas from supervisors, administrators, caseworkers, and field and central staff members, including program and policy experts. While the broad initiatives may be set by the administration, each work unit must have its own plan so it can meet the overall goal. This approach makes the plan organic and presents a unified focus.

We spent a significant amount of time brainstorming ideas to move the program in line with the established agency goals. Some involved knocking off low hanging fruit, like developing new training curricula, but others involved changing the child support guidelines, making computer system modifications, updating the state statute, or proposing new legislation.

Over the course of several months, the workgroup collaboratively aligned the ideas with the appropriate goals. We dropped some ideas and enhanced others. As our framework came together, we set tentative dates to start the work on the strategy. We included a target completion date and assigned staff to flesh-out the ideas. At that point, we shared the plan with the agency administration and line supervisors so they could provide input.

Destination and implementation

When we ended our long hours of work, Nebraska's child support program had a 2015-2019 Operations Plan that spelled out a clear vision and commitment for the next five years. These are our focus areas:

- Respect children and their families, performance and outcomes, and the use of data and research to support and guide actions;
- Maintain responsible, innovative, and accountable leadership and place high value on the work of the entire support staff;
- Implement the goal statements and the measuring parameters around the core mission of the child support program; and

- Pursue cost efficiency and continued enhancement and improvement of technology because it remains an invaluable tool for successful program operations.

In the months since we finalized the plan, child support administrators have met with assigned staff every four to six weeks to assess the status of the action steps and make adjustments to start and completion dates as needed.

Take away

Our experience proves that organizations can take various approaches to create a strategic operations plan, but the one constant feature is that effective plans are achieved by involving multiple levels of staff and partners. And just like a successful road trip, every little aspect matters, from the broad picture to the minor details that actualize the plan. Bottom line, Nebraska is convinced that any plan is better than no plan. It is easier to course correct than to not have an idea where you are headed.

IN MEMORIAM

Dan Richard, PA child support director



Retired Commonwealth of Pennsylvania Child Support Director Daniel Richard passed away on Jan. 5, 2016. Dan served the Commonwealth for 36 years, but we knew him best for the 30 successful years he spent in the Department of Public Welfare (now Department of Human Services) child support program.

Under Dan's very productive management from 1998 to 2014, Pennsylvania received national recognition as a leader in program performance. By 2011, we saw direct evidence of Dan's leadership when he wrote [Pennsylvania NEON program marks \\$10 million milestone](#) for the *Child Support Report*. Pennsylvania has consistently ranked first among the largest states in overall performance outcomes, exceeding all federal performance standards including collection of child support obligations, cost effectiveness, and establishment of paternity and court orders for child support. Dan updated us on his program's accomplishments in an April 2013 story called [Innovation fosters success in Pennsylvania](#).

Pennsylvania's performance is a direct result of the meticulous and consistent efforts Dan put forth through his visionary leadership over many years. According to Geraldine M. Redic, deputy administrator of Allegheny County's Family Division, "Dan's legacy to the Pennsylvania child support program will live on ... and his child support colleagues at the county, state and federal levels will not soon forget him."

Do healthy families initiatives conflict with performance measures?

Gary W. Dart, retired Director, *Oklahoma Child Support Services*

Editor's Note: This is the third article adapted from a four-part Change Management series that explores the impact of "Healthy Families" principles on the five federal child support program performance indicators. Guest author Gary Dart wrote the original series for the Oklahoma Child Support Services newsletter before his retirement.



My last two articles shared how Oklahoma got the title and topic for this series. The idea began when some of my staff expressed concern that spending time on "Healthy Families" initiatives would hurt our federal performance measures. This series of articles explores that issue.

Both the national child support strategic plan and our own state plan specify the goals that we want to achieve for the families we serve. OCSE administers the incentives that we earn for doing well on the five federal performance measures. The office has also elaborated on the family-focused initiatives payable with federal child support funds and explained how we can work through community partners to accomplish things that our customers may need to succeed (Policy Interpretation Question 12-02, [Partnering with other programs, including outreach, referral, and case management activities](#), provides details). So are these competing or complementary goals? What about the notion that we are hurting our performance measures by spending time on "Healthy Families" concerns?

In Oklahoma, we use the term "Healthy Families" to describe the whole body of ideas that will hopefully help increase customer understanding of the program, get their buy-in, make support more dependable, and give children the best chance of growing up with more of their needs met even if they do not live in a two-parent home.

If we focus on doing things that give the children in our caseload the best long-term outcomes instead of just paying attention to our federal performance measures, will we be hurting ourselves and our program in the process? In my two previous articles, we explored the impact of "Healthy Families" principles on the measurements for Current Support and Support Order Establishment. In this issue, we look at Paternity Establishment.

Part 3 — Paternity Establishment

My first article explained how getting current support right is the heart and soul of creating good outcomes for the children in our caseload. Establishing paternity is often the first step toward establishing a child support order. For incentive and penalty purposes, states have the choice of being evaluated on a paternity establishment percentage (PEP) that includes all the children in their caseload (IV-D PEP) or all the children in their state (the Statewide PEP, which favors Oklahoma). The [Annual Report to Congress FY 2013](#), Table 1 on page 17, has an example of the two measures.

Oklahoma usually reports the statewide measure because it is so favorable to us, but increasingly we are asking our offices to focus on the IV-D measure because it really tells us more about how we are doing as a program. Like the support order establishment measure, the IV-D paternity measure counts the number of families or cases with orders (paternities) determined as compared to those families or cases that do not have them. In that sense, as with support orders, you might be tempted to say that the important thing for paternity establishment is to just increase the numbers no matter how you do it — one paternity is just as good as another. For the Paternity Establishment measure, though, we have more at stake than just numbers.

Changing face of child support

In Oklahoma, as in other parts of the U.S., paternity establishment is a moving target. Not only is this measure a challenge for us because our state is one that more people are moving to, but also because of how society has changed.

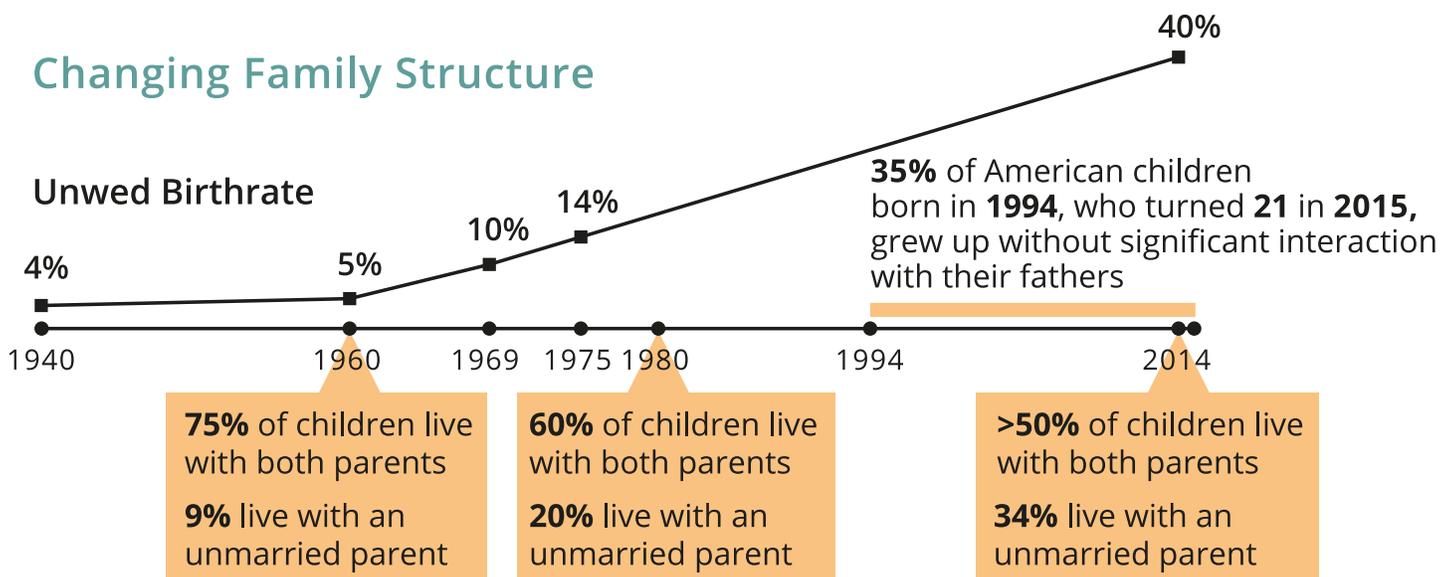
Consider this. In 1940, the rate of out-of-wedlock births in this country was just under 4 percent, with a huge majority of children being raised in a traditional family setting.

By 1960, the unwed birth rate was still barely over 5 percent. Almost 75 percent of all children lived with both of their parents; only 9 percent lived with an unmarried parent. Then things began to change. In 1969, the out-of-wedlock birth rate had risen to 10 percent, and only six years later, it was over 14 percent.

By 1980, only 60 percent of children lived with both parents; almost 20 percent lived with one unmarried parent alone. Today, less than half of all American children live in a traditional family setting with both of their parents and 34 percent live with just one. What is most striking is that fully 36 percent of all American children who turned 21 in 2015 grew up without significant interaction with their fathers.

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Changing Family Structure



Why should we care? Today the rate of unwed births in Oklahoma is around 42 percent and a great many of these families will end up in our caseload. The choices we make when we establish paternity may impact our program performance and the future of the families we serve. If we focus on getting “hash-marks” for cases with paternity established without caring how it was done, we may contribute to increased caseloads instead of decreased ones. Most out-of-wedlock births today are to single mothers living at or near poverty level. Even unmarried couples who plan to stay together usually go their separate ways within a couple of years. Although we all know of single parents who do a good job at raising their children, the fact is that they have a much tougher time; their children are much more likely to live in poverty, experience instability in their lives, and have problems in school.

Including both parents

What we do may help or it may hurt their situation. Not all men who are the biological parent of a child want to be involved, but recent studies show that many do, even though they do not live under the same roof. When we establish paternities, we can choose whether we approach each case as though we were adversaries with a likely “deadbeat father” or we can try to get the best long-term outcome for everybody. In my mind, our approach should be to let each parent know that we want them both to be successful parents.

Studies show that noncustodial parents who feel like they are a part of their child’s life are much more willing to pay support and to do so regularly. Whether we value that to help us make our own caseloads easier to manage or because we want the child to gain the long-term benefits of reliable support, everybody will be better off. A study out of Boston College now shows that delinquent behavior among low-income inner city youth decreases when there is increased involvement by their noncustodial parent, while

a University of Colorado study has determined that living in a single parent home without significant interaction with their noncustodial fathers was the second strongest predictor of sexual activity by teenage girls. Research has shown that children who grow up with involved parents and dependable support have higher self-esteem, do better in school, form stronger relationships with others, and even have a lower rate of out-of-wedlock births when they become adults.

We try to approach every paternity establishment as an opportunity to create a lifeline for a child.

Paternity establishment — A lifeline for children

We try to approach every paternity establishment as an opportunity to create a lifeline for a child. It will not work in every situation; but when it does, it can improve the child’s life forever.

Whatever we can do to “demystify” our work and let parents know that we want them to succeed will engender more cooperation with us as well as with each other. No smoke, no mirrors. Like other things that we do, if we establish paternity in ways that encourage understanding and buy-in from those we serve, both our performance measures and our state’s children will benefit in the long term.

Here are several steps your state can consider adopting:

- Work with birthing hospitals. Make sure their staffs understand the Acknowledgment of Paternity process and can answer questions from couples who may want to establish parentage in that way.

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- Offer informational packets. When families go through our court procedures, we send a packet of informational materials to the potential father before the hearing so that he can understand the process better. Customers who go through paternity and order establishment proceedings also get a packet of materials after the hearing as well as a phone call from our office in case they have questions.
- Provide quick resolution options. Some of our offices are experimenting with offering free genetic testing to those potential fathers who want to voluntarily appear and get the matter resolved. Other offices are offering the parties settlement conferences so they can try to reach mutually agreeable terms and feel involved in the process.
- Develop a referral process. Our offices refer families to our contracted non-profit organizations around the state. These agencies facilitate parenting time arrangements or help the parties work out a shared parenting schedule.
- Review your outreach tools. Our Pro Se Workgroup is developing a self-help kit for families who ask district courts to help them establish parenting time arrangements or utilize state court forms to seek enforcement of existing orders. Our Ambassadors group has been developing community outreach presentations to educate the public and potential customers about paternity establishment and other child support topics.

The next edition will feature my thoughts on applying healthy families principles to Arrears Collections and Cost Effectiveness.

For more information on this series, contact Jeff Wagner, OK Child Support Services Communications Director, jeff.wagner@okdhs.org.

Child support programs must be able to adapt to and manage change effectively. OCSE is dedicated to providing articles like the one above to help offices manage change so they can meet the needs of families. Readers will find links to Gary Dart's previous articles on the [Managing Change in the Child Support Program](#) webpage under the 'Improve customer service' section.

COMMUNITY CONNECTIONS

A one-stop shop in Los Angeles County

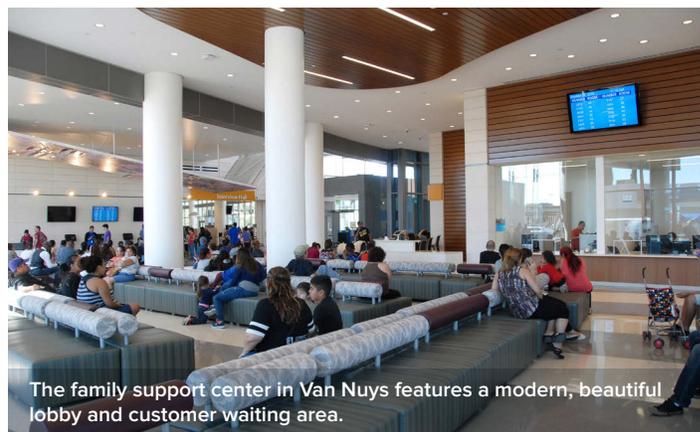
Al Reyes, Outreach Services Division Chief, Los Angeles County Child Support Services Department

In 2015, the Los Angeles County Child Support Services Department (CSSD) joined an innovative effort that provides multiple county services through one new center.

On Oct. 26, CSSD's Van Nuys Division joined six other county departments in the new L.A. County Zev Yaroslavsky Family Support Center. The five-story, multi-program facility aims to improve county services to the local community.

The Van Nuys Division handles 42,000 cases every year and collects \$80 million in child support for local families. "We are thrilled at this opportunity to better serve the public by collaborating with other county departments at this beautiful, new facility," said CSSD Director Dr. Steven Golightly at the dedication ceremony. "Our Van Nuys Division is now part of this one-of-a-kind facility where we will join hands with other departments to provide multiple services in one place."

The one-stop facility, which opened Oct. 8, houses the Los Angeles Department of Public Social Services, the Department of Children and Family Services, and several health and probation services offices. About 1,000 employees share a newly designed customer check-in system, interview booths, classrooms, and conference rooms. The seven divisions serve approximately 1,000 county citizens daily.



The family support center in Van Nuys features a modern, beautiful lobby and customer waiting area.



L.A. County CSSD Director Steven Golightly (center) and Deputy Director Elizabeth Pak (right) visited the Van Nuys division on opening day.

Earned Income Tax Credit

Jonathan Stanley, OCSE

The Earned Income Tax Credit (EITC) and the refundable portion of the [Child Tax Credit](#) are significant tools for reducing poverty and encouraging people to enter the workforce. According to the [March 2014 Economic Report of the President](#), the two programs helped lift 1.4 million Americans out of poverty.

Research has consistently found that EITC boosts incomes by [increasing employment](#). One recent study found that about 1 in 10 parents enter the labor force because employment helped them qualify for the credit. Today, 32 million working families receive support in this way. Additional research links EITC to an improvement in children's [health](#), [academic performance](#), and future earnings. Altogether, EITC and the refundable Child Tax Credit have lifted more than 10 million people out of poverty, including 5.3 million children.

Research reveals that as many as 25 percent of eligible tax filers fail to file a claim for EITC

Lack of awareness

Millions of workers will qualify for EITC for the first time this year thanks to an increase in the eligibility window. Some could receive more than [\\$6,000 in federal benefits](#) depending on income levels, marital status, and number of children. In addition, 26 states and the District of Columbia offer supplemental credit for workers.

OCSE, the Temporary Assistance for Needy Families program, and the Internal Revenue Service (IRS) encourage eligible taxpayers to file for EITC because it helps families with children pull themselves out of poverty. Unfortunately, many will not know they are eligible. Research reveals that as many as 25 percent of eligible tax filers fail to file a claim for EITC.

Help spread the word

Connect parents with EITC and other federal and state tax credits. Tell parents they can check their 2015 tax year eligibility by answering questions and providing basic income information using the [IRS EITC Assistant](#) that is available in English and Spanish. The tool determines filing status and the number of qualifying children a parent may have, and then estimates the amount that the EITC filer could expect. They can also print out a summary of their results.

Once parents determine their eligibility, they can file and claim the EITC for free:

- The [Volunteer Income Tax Assistance program](#) offers free tax return preparation service through more than 13,000 community sites for people earning \$54,000 a year or less.
- The IRS offers brand name software products through the [Free File website](#). The IRS works with national partners, community-based coalitions and thousands of local partners and governments. These partnerships provide free EITC tax return preparation and tax education and help.

Workers at risk of overlooking the Earned Income Tax Credit include those who:

- Live in non-traditional homes, such as a grandparent raising a grandchild;
- Have earnings that have declined;
- Have a marital or parental status change;
- Have limited English skills;
- Live in rural areas and Native American communities;
- Receive earnings that fall below the filing requirement; and
- Have disabilities or are raising children with disabilities.

Paycheck Plus: Exploring the impact of an expanded tax credit for noncustodial parents in New York City

Currently, individuals who live in NYC and do not have direct dependents, which includes noncustodial parents, are eligible to receive a small EITC benefit with a maximum of just over \$500. President Obama and many members of Congress have pushed to expand EITC eligibility to filers without dependents. To test the impacts of expanding the eligibility and benefit amount for workers without dependent children, New York's Division of Child Support Enforcement has partnered with OCSE, New York City's Center for Economic Opportunity and research firm MDRC under a federal 1115 funding waiver from OCSE. The study, which includes a number of noncustodial parents, will examine the expanded bonus' effect on child support payments along with other measurements including work rates, poverty, and family involvement.

For more information, visit the [MDRC website](#).

Additional Resources

[EITC Partner Toolkit](#) provides promotional and marketing materials.

The National Women's Law Center website offers [Federal, State and local tax credit information](#) in an interactive map format.

The IRS has more information on its EITC [Questions and Answers](#) webpage.



My Congressional District

The Census Bureau has updated its [My Congressional District](#) database with the latest data from the American Community Survey and County Business Patterns reports. The site provides visitors with quick statistical data about their local area.

Successful 2016 ACA enrollment

Health and Human Services Secretary Sylvia Burwell recently declared the 2016 Affordable Care Act Open Enrollment period a success.

During the enrollment, 12.7 million Americans selected affordable, quality health plans for 2016 coverage through the Marketplace. Thanks to the work of navigators and many other members of our team, millions of new people enrolled, and more came back to the Marketplace and selected a new plan relative to last year. The Affordable Care Act has become a crucial part of health care in America, and families across our country have the health and financial security that health coverage provides.

For information about this year's enrollment, watch this [HHS YouTube video](#), [Success By the Numbers: 2016 Open Enrollment](#).

Child Support Report

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Mark Greenberg
Acting Assistant Secretary for Children and Families

Vicki Turetsky
Commissioner, OCSE

Shawyn Drain
Acting Director, Division of Customer Communications

Kim Danek
Editor
kim.danek@acf.hhs.gov



Free books for children

The United Way of Greater Dayton and the child support office started the FirstBooks initiative to provide one free book a month for a year to all families participating in its PTOC program. In January 2016, they mailed a free, age-appropriate book to each parent's home so children would have the same book in both places. The groups believe the complimentary books will provide opportunities for parents to engage their children during visits and help build bridges in their co-parenting relationship.



Staff members at the Montgomery County, Ohio, Child Support Enforcement Agency prepare to mail their initial shipment of books to children participating in the local Parenting Time Opportunities for Children (PTOC) program.

Planning guide video series introduction

In March 2015, ACF published [Building Financial Capability: A Planning Guide for Integrated Services](#). The Guide is an interactive resource to help community-based organizations develop a plan for integrating financial capability services into existing programs such as housing, job training, or Head Start.

In January 2016, ACF produced a series of five short training videos that provide instructions, tips, and examples for using the tools and resources in the Guide to begin integrating financial capability services or to improve or expand existing efforts. [In this first video](#), Jeannie Chaffin, the director of the Office of Community Services, and Kate Griffin, the vice president for programs at the Corporation for Enterprise Development, describe the importance of financial capability integration and introduce the Guide.

If you have any questions or feedback, please email PlanningGuide@cfed.org.

FY 2017 Budget & Child Support

The FY 2017 Budget proposes increased funding and program authority around six areas that would benefit the children and their families who participate in the child support program.

Child Support Technology Fund

The FY 2017 Budget includes a new proposal to create a Child Support Technology Fund to promote the replacement of aging child support systems to increase system security, efficiency, and integrity. The aim of this proposal is to develop certifiable model systems and leverage reusable technology to create cost efficiencies and provide better services to child support customers. There is great need for state child support systems replacement. Old legacy systems cannot effectively use or deploy most modern technologies, and some of the older systems are at risk of failure. The fund would also be available for OCSE to develop technology for state and tribal use. This fund would provide \$164 million over 10 years. In addition, the proposal includes an enhanced federal financial match for state systems development before the model systems are available to allow states to modernize more quickly and avoid system failure.

Child Support Research Fund

The Budget is again proposing the creation of a Child Support Research Fund of \$1 billion over 10 years to spark research, build the child support evidence base, and tailor the appropriate child support enforcement tools for each family. Family-centered strategies are especially needed to increase labor market attachment and child support payments to poor and low-income families. Traditional enforcement remedies applied in cases with noncustodial parents who face multiple barriers to supporting their children are often counterproductive because they can create disincentives to work and payment, negatively affect family ties, and contribute to a cycle of crime, incarceration, and recidivism. The first part of the Research Fund would provide \$50 million per year in competitive grant program funding, open to state child support agencies, to test and evaluate family-centered strategies to improve program effectiveness. The second part would provide a \$50 million mandatory formula grant component per year, to be divided among 54 state child support agencies on an ongoing basis.

Strengthening Establishment and Enforcement

This year's Budget includes several proposals aimed at increasing collections and program efficiency. It includes five new enforcement tools, including:

- Requiring a business or government entity that receives services from an independent contractor to report specific information about those individuals to State Directories of New Hires;
- Allowing single-state financial institutions to participate in OCSE's multistate financial institution data match program;
- Requiring states to adopt OCSE-developed tools to promote interstate cooperation, as directed, such as Query Interstate Cases for Kids (QUICK) and the electronic document exchange system, two applications within OCSE's State Services Portal;
- Compelling state workers' compensation agencies to adhere to the same rules and processes as those workers' compensation agencies who have elected to participate in OCSE's insurance match program; and
- Requiring state child support programs to have and use laws to intercept gaming winnings to satisfy past-due support.

The request also includes proposals included in prior Budget requests:

- Providing tribal programs with access to the same enforcement tools that are available to states;
- Mandating data comparisons with insurance claims, payments, settlements, and awards;
- Requiring employers to report lump sum payments for intercepts;
- Closing a loophole to allow garnishment of longshoremen's benefits;
- Improving the processes for freezing and seizing assets in multistate financial institutions;
- Modifying the threshold at which states become subject to performance penalties based upon their paternity establishment percentage to better reflect state performance;
- Requiring each state's use of procedures to review and adjust child support debt owed to the state, and to discourage accumulation of unpaid child support debt during incarceration;
- Improving coordination between child support and Social Security benefits received by families;
- Increasing state flexibility to retroactively modify child support orders;
- Limiting interest charged on child support arrears;
- Increasing state flexibility to determine when to report child support arrears to credit bureaus; and

(continued)

- Revising Title IV-D to consolidate and clarify various data matching, safeguarding, and disclosure authorities, including National Directory of New Hires (NDNH) access principles.

Child Support and Fatherhood Initiative

The child support program plays an important role in facilitating family self-sufficiency and promoting responsible fatherhood. Building on this role, the FY 2017 Budget request includes a Child Support and Fatherhood Initiative included in prior budgets to encourage noncustodial parents to support their children and play an active role in their lives. The proposed initiative builds on the family distribution reforms included in the 1996 and 2006 statutes. It invests \$1.3 billion over 10 years to encourage states to pass through child support collections to TANF families, so that when parents pay child support, their children benefit. Families would receive an additional \$1.9 billion in child support payments, reducing their reliance on other social services programs. Specifically:

- States would no longer be required to reimburse the federal government for any part of current child support payments that the state distributes to the family.
- States would be allowed to discontinue assigning child support payments to the state when a family is receiving TANF assistance.
- To encourage states to take up family distribution options, the proposal includes short-term funding to offset a significant share of state costs in implementing this policy.
- The proposal also provides limited resources to help states make necessary improvements to their systems technology to support the distribution changes.
- The proposal requires child support payments made on behalf of children in foster care to be used in the best interest of the child, rather than as general revenue for the state.

The Budget also provides \$448 million over 10 years to support safe increased access and visitation services and integrating these services into the core child support program to improve collections and parent-child relationships and outcomes for children. Research shows that when parents are engaged in the lives of their children, they are more likely to meet their financial obligations. This creates a double win for children — an engaged parent and financial security. The proposal would:

- Make federal resources available to states that choose to include parenting time opportunities in initial child support orders beginning in FY 2017.
- Require all states to include parenting time opportunities in all new child support orders beginning in FY 2022, just as custody arrangements are typically settled at the same time divorces are finalized.

- Require strong family violence safeguards as part of this process, including an approved plan developed in collaboration with local victim service providers.
- Encourage states to undertake activities that support access and visitation services that will not only improve parent-child relationships and outcomes for children, but also result in improved collections.
- Update the statutory purposes of the child support program to recognize the program's evolving mission and activities that help parents cooperate and support their children.

Medicaid and Child Support Proposals

A joint proposal with the Centers for Medicare & Medicaid Services (CMS) would allow states to eliminate Medicaid's requirement to assign the right to cash medical child support to the state as a condition of eligibility to reduce barriers to health care access and increase resources for the poorest families. Allowing the child support program to require low-income noncustodial parents to use their limited resources in their best interest of their child, rather than to repay Medicaid, will make more cash support available to help meet the child's needs — food, clothing, shelter, school supplies, and out-of-pocket medical expenses. In addition, the Budget prohibits recovery of Medicaid birthing costs from noncustodial parents, so that when they do the right thing and pay child support, their children will benefit.

NDNH Access Proposals

The FY 2017 Budget proposes to build on OCSE's strong history of data stewardship and protection to include a package of proposals to allow certain additional programs and agencies authority to access NDNH data for program integrity, implementation, and research purposes. These agencies include: Treasury/Do Not Pay system; CMS; Department of Agriculture Rural Housing Service; Railroad Retirement Board; Department of Labor; and statistical and evaluation agencies.

Our full budget request can be found at <http://www.acf.hhs.gov/programs/olab>.

FY 2013 statistics published

The FY 2013 Annual Report to Congress has recently been posted on the OCSE Researchers webpage. The report includes individual state and tribal pages as well as information on collections, expenditures, paternities, orders established, and other program statistics from 2013.

OCSE FY 2017 Budget Proposals and Treasury Proposal to Improve Disclosure for Child Support Enforcement

New Proposals in FY 2017

	Proposal Title	Description	Budget Impact (in millions)	
			5-year	10-year
Child Support Technology Fund	Child Support Technology Fund	Create a Child Support Technology Fund to promote the replacement of aging child support systems to increase system security, efficiency, and integrity. The aim of the proposal is to maximize reusable technology to create savings and cost efficiencies for the states and federal government and provide better service delivery to child support customers.	-\$438	-\$467
New Child Support Enforcement Proposals	Independent Contractors	Require a business or government entity that receives services from an independent contractor to report specific information about those individuals to State Directories of New Hire (SDNH).	-\$102	-\$269
	Single-State Financial Institutions	Allow single-state financial institutions to participate in OCSE's multistate financial institution match program.	-\$11	-\$30
	Require OCSE-developed Tools to Promote Interstate Cooperation	Require states to adopt OCSE-developed tools to promote interstate cooperation, as directed, such as Query Interstate Cases for Kids (QUICK) and Electronic Data Exchange (EDE), two applications within OCSE's State Services Portal.	-\$2	-\$6
	Workers' Compensation Agencies	Compel state workers' compensation agencies to adhere to the same rules and process as those workers' compensation agencies who have elected to participate in OCSE's insurance match program.	-\$2	-\$4
	Gaming	Require state child support programs to have and use laws to intercept gaming winnings to satisfy past-due support.	-\$8	-\$30
New Child Support-Related Treasury Proposal in FY 17	Improve Disclosure for Child Support Enforcement	The proposal would amend Title 26 of the U.S. Code to: (1) consolidate the child support enforcement disclosure rules into a single provision; (2) define key terms for purposes of this proposal such as "child support enforcement agency" and "agent;" (3) permit disclosure to Tribal child support enforcement agencies and other critical entities; and (4) update and streamline the items of tax return information that may be disclosed to each party depending on the purpose and need for the disclosure.		
NDNH Access Proposals	Treasury/DNP	Allow Treasury's Do Not Pay (DNP) to serve as a pass-through between NDNH and programs authorized NDNH access for improper payment purposes.		
	HHS/CMS	Assist with income and employer verification and improve the ACA advance premium tax credit payment accuracy to reduce improper payments.		
	USDA/Rural Housing	Verify eligibility and validate income source information provided by single family housing loan applicants and multifamily housing project-based tenants.		
	Railroad Retirement	Establish eligibility for processing disability benefits in a more efficient manner.		
	DOL/UI	Require (rather than permit) states to cross-match with NDNH to identify improper payments.		
	Multi/Statistical and Evaluation Access	Access to NDNH for specified federal statistical agencies for statistical, research, evaluation, and performance measurement purposes.		
	Workforce Programs	Provide access to Workforce Programs for program administration and authorize data exchanges between state child support and workforce agencies.		

Prior Year OCSE Proposals

	Proposal Title	Description	Budget Impact (in millions)	
			5-year	10-year
Child Support Research Fund	Child Support Research Fund	Encourage state IV-D programs to implement family-centered services to support parents in their efforts to support their children, and tailor the appropriate child support enforcement tools for each family.	\$500	\$1,000
Family Distribution Reforms	Allow States to Increase Distribution and Discontinue TANF Assignment	States would no longer be required to reimburse the federal government for any part of current child support payments that the state distributes to the family and states would be allowed to discontinue assigning child support payments to the state when a family is receiving TANF assistance.	\$113	\$507
	Encourage Distribution Options	Encourage states to pass through current child support collections to TANF families, rather than retaining payments for cost recovery purposes, so that when parents pay child support, their children benefit.	\$188	\$713
	Provide Distribution Systems Funding	Provides limited resources to help states make necessary improvements to their systems technology to support the distribution changes.	\$100	\$100
	IV-E – In the Best Interest of The Child	Requires child support payments made on behalf of children in Foster Care to be used in the best interest of the child, rather than as general revenue for the state.	\$238	\$492
Medicaid Cost Recovery	Eliminate Cash Medical Support Assignment	Allow states to eliminate Medicaid’s requirement to assign the right to cash medical child support to the state as a condition of Medicaid eligibility.	\$28	\$125
	Birthing Costs	Prohibit birthing costs reimbursement.		
Update Child Support Purpose and Promote Parenting Time Opportunities	Update Child Support Purpose	Update the statutory purposes of the Child Support Program to recognize the program’s evolving mission and activities that help parents cooperate and support their children.		
	Promote Parenting Time Opportunities	Support safe increased access and visitation services and integrating these services into the core child support program.	\$116	\$448
Strengthen Efficient Establishment and Enforcement	Data Comparisons with Insurance Claims and Lump Sum Payments	Mandate data comparisons with insurance claims, payments, settlements, and awards. Requiring employers to report lump sum payments for intercept.	-\$113	-\$309
	Garnish Longshoremens’ Benefits	Close a loophole to allow garnishment of longshoremens’ benefits.	-\$14	-\$32
	Freeze and Seize Assets	Improve the processes for freezing and seizing assets in multistate financial institutions.	-\$8	-\$18
	Modify PEP	Modify the threshold at which states become subject to performance penalty based upon their paternity establishment percentage to better reflect state performance.		
	Tribal Child Support Programs	Providing tribal child support programs with access to enforcement tools currently available to state child support programs, as well as sustained support for model tribal computer systems.		
	Review and Adjust Child Support Debt Owed to the State	Require each state’s use of procedures to review and adjust child support debt owed to the state, and to discourage accumulation of unpaid child support debt during incarceration.		
	Data Matching, Safeguarding, and Disclosure Authorities	Revise Title IV-D to consolidate and clarify various data matching, safeguarding, and disclosure authorities, including NDNH access principles.		
	Social Security Benefits	Improve coordination between Social Security benefits and child support.		
	Modify Orders Retroactively	Increase state flexibility to modify child support orders retroactively.		
	Interest on Arrears	Limit interest on child support arrears.		
	Credit Bureau Reporting	Increase state flexibility to determine when to report child support arrears to credit bureaus.		