

N00H00
Child Support Enforcement Administration
 Department of Human Resources

Operating Budget Data

(\$ in Thousands)

	<u>FY 16</u> <u>Actual</u>	<u>FY 17</u> <u>Working</u>	<u>FY 18</u> <u>Allowance</u>	<u>FY 17-18</u> <u>Change</u>	<u>% Change</u> <u>Prior Year</u>
General Fund	\$18,800	\$19,156	\$19,278	\$121	0.6%
Adjustments	0	0	-57	-57	
Adjusted General Fund	\$18,800	\$19,156	\$19,221	\$64	0.3%
Special Fund	9,905	10,272	10,530	257	2.5%
Adjustments	0	0	-3	-3	
Adjusted Special Fund	\$9,905	\$10,272	\$10,527	\$255	2.5%
Federal Fund	61,487	63,077	62,367	-710	-1.1%
Adjustments	0	0	-113	-113	
Adjusted Federal Fund	\$61,487	\$63,077	\$62,254	-\$823	-1.3%
Adjusted Grand Total	\$90,191	\$92,506	\$92,002	-\$504	-0.5%

Note: Includes targeted reversions, deficiencies, and contingent reductions.

- After accounting for a statewide contingent reduction in pension costs, the adjusted fiscal 2018 allowance of the Department of Human Resources (DHR) Child Support Enforcement Administration (CSEA) decreases by \$503,670, or 0.5%, compared to the fiscal 2017 adjusted working appropriation.
- The decrease in federal funds is driven by a drop of \$817,502 in cooperative reimbursement agreements with local State's Attorney's Offices.

Note: Numbers may not sum to total due to rounding.

For further information contact: Jared S. Sussman

Phone: (410) 946-5530

Personnel Data

	<u>FY 16 Actual</u>	<u>FY 17 Working</u>	<u>FY 18 Allowance</u>	<u>FY 17-18 Change</u>
Regular Positions	664.90	658.40	658.40	0.00
Contractual FTEs	<u>14.06</u>	<u>1.00</u>	<u>1.00</u>	<u>0.00</u>
Total Personnel	678.96	659.40	659.40	0.00

Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding New Positions	46.55	7.07%
Positions and Percentage Vacant as of 12/31/16	71.60	10.87%

- There is no position change in the fiscal 2018 allowance.
- Turnover expectancy in CSEA decreases from 8.83% to 7.07% in fiscal 2018.
- As of December 31, 2016, DHR Administration has a vacancy rate of 10.87%, or 71.6 positions. To meet the turnover expectancy of 7.07%, CSEA needs to maintain 46.55 vacant positions.

Analysis in Brief

Major Trends

Total Child Support Collections Increase: Child support collections continued to increase in federal fiscal 2016. However, the pace of growth slowed, with an increase of only 0.3%.

CSEA Performance Improves in Three Federal Performance Measures and Other Key Activities: The percent of current support paid, the percent of cases with arrears for which a payment is received, and the percent of cases with a support order all improved in fiscal 2016.

Cumulative Arrearages Decrease: After a slight increase in federal fiscal 2014, the cumulative arrearages decreased in federal fiscal 2015 and 2016. The decrease in federal fiscal 2016 was due to a number of factors, including the right-sizing initiative, which bases obligations on the ability to pay.

Caseload Declines Slowly: Case closure activity resulted in relatively large declines in the child support caseload in recent years (with a decrease of 7.6% in federal fiscal 2012). The child support caseload has continued to decrease since that time but at a much slower pace.

Issues

Federal Rule Changes Affecting CSEA: The Flexibility, Efficiency, and Modernization (FEM) in Child Support Enforcement Programs rule went into effect on January 19, 2017. The goals of the FEM rule are to increase flexibility; improve effectiveness, efficiency, and innovation; improve customer service, and remove barriers to efficient and timely support payments.

Recommended Actions

1. Adopt committee narrative requesting a report on enhancements to the Baltimore City Child Support Enforcement Office.

Updates

State Agencies Are in Compliance with Professional License Suspension Program: On September 27, 2016, the Public Service Commission (PSC) submitted a letter to the budget committees detailing the license suspension process at PSC and the Motor Vehicle Administration and the number of licenses suspended at both agencies. Both agencies are now in compliance with the program.

N00H00 – DHR – Child Support Enforcement Administration

Enhancements to the Baltimore City Child Support Enforcement Office: DHR is including enhancements identified in a recent cost-benefit analysis of the Baltimore City Child Support Enforcement Office privatization in its recent Request for Proposal.

N00H00
Child Support Enforcement Administration
Department of Human Resources

Operating Budget Analysis

Program Description

Child support services involve the establishment of paternity when children are born to unmarried parents, establishment of child support orders, and the collection and distribution of current and arrears child support payments. The Department of Human Resources (DHR) Child Support Enforcement Administration (CSEA) administers and monitors child support services provided by the local departments of social services and other offices, provides technical assistance, formulates policy, develops and implements new programs, and ensures compliance with regulations and policy. CSEA also operates several centralized programs related to:

- locating noncustodial parents;
- collecting and disbursing payments;
- processing interstate cases; and
- enforcing support orders.

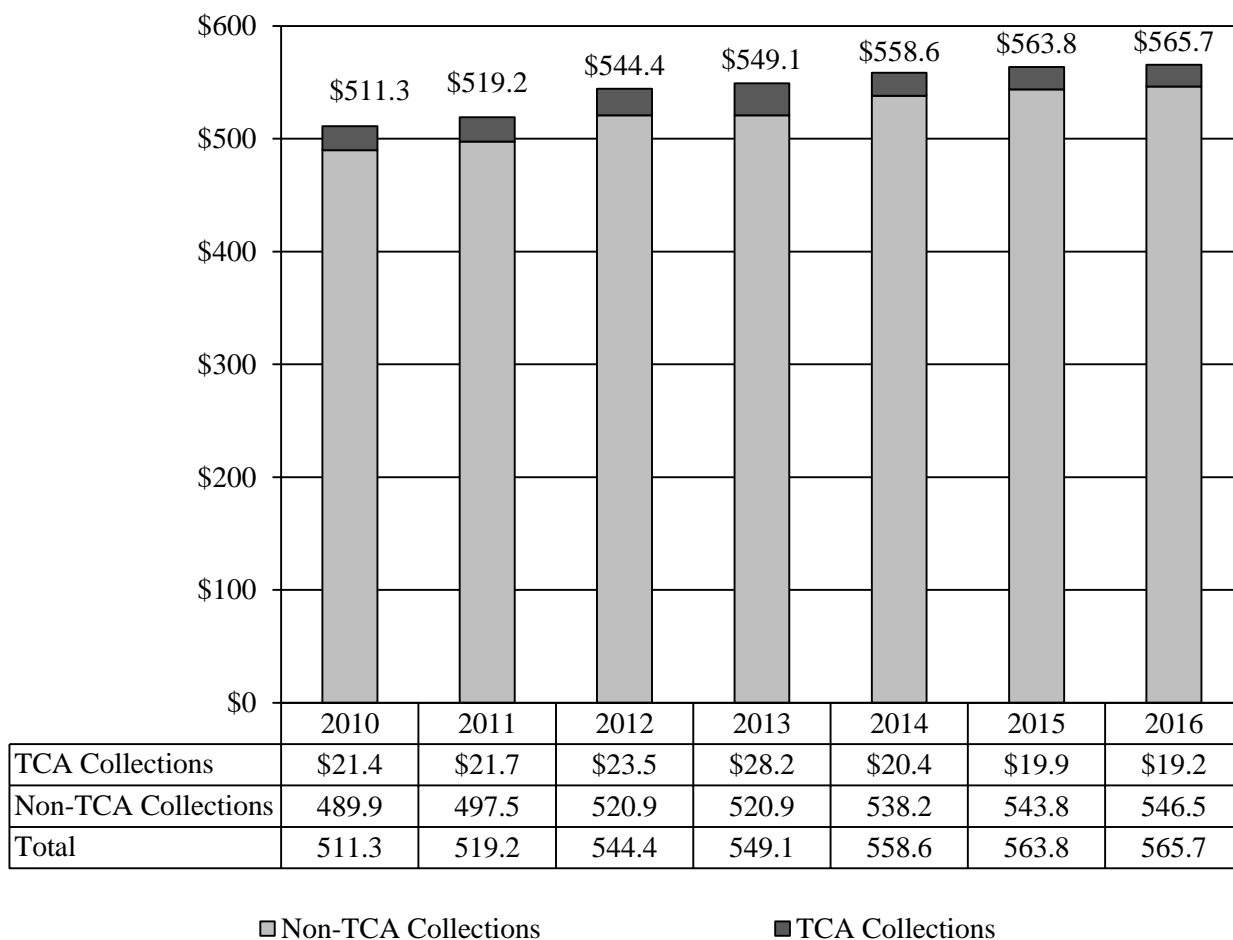
The key goal of CSEA is to enable, encourage, and enforce parental responsibility.

Performance Analysis: Managing for Results

1. Total Child Support Collections Increase

As shown in **Exhibit 1**, total collections have increased in all recent years. After a substantial increase in collections in federal fiscal 2012 (\$25.2 million, or 4.8%), the rate of growth has slowed. Federal fiscal 2016 collections increased by \$1.9 million, or 0.3%, compared to federal fiscal 2015. This trend in total collections is due to improvements in wage attachments and initiating interstate collections. CSEA has improved collections from wage attachments by revising language in letters sent to employers and noncustodial parents, doing outreach to employers failing to report new hires, and using a look-up table to identify the correct address for businesses for mailing wage withholding orders.

**Exhibit 1
Total Collections
Federal Fiscal 2010-2016
(\$ in Millions)**



TCA: Temporary Cash Assistance

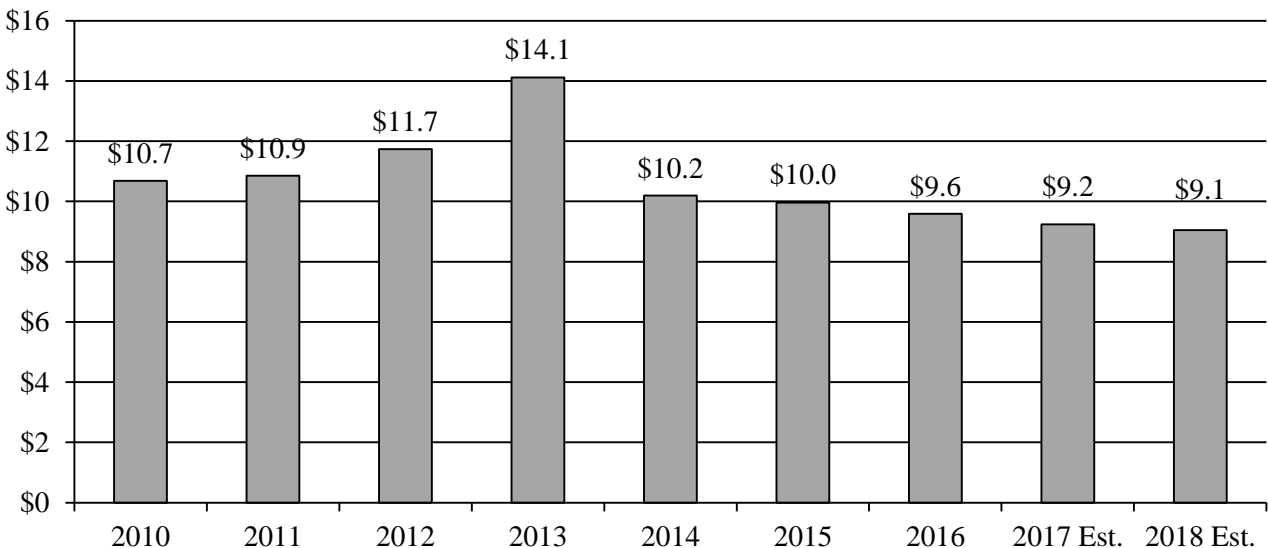
Source: Department of Human Resources

In federal fiscal 2016, collections increased in 14 of 24 jurisdictions. The largest increases in collections in federal fiscal 2016 occurred in Baltimore County (\$1.6 million) and Anne Arundel County (\$1.3 million). The largest percentage increase in collections occurred in Anne Arundel and St. Mary’s counties (2.9%). Collections decreased by 1.0% or more in Caroline, Charles, Frederick, Kent, and Queen Anne’s counties. The largest dollar and percentage decreases in collections occurred in Prince George’s County (\$752,559) and Kent County (5.0%), respectively.

Collections by Source

While total collections increased between federal fiscal 2015 and 2016, the increase occurred in non-Temporary Cash Assistance (TCA) related cases (an increase of \$2.6 million, or 0.5%). Collections in TCA-related cases decreased by \$0.7 million, or 0.3%, between those years. Collections for TCA-related cases in federal fiscal 2016 of \$19.2 million were at the lowest level since federal fiscal 2007. Half of the TCA collections are provided to the federal government, the State retaining the other half. The State share is used in DHR’s budget in the Assistance Payments Program and in CSEA as a special fund (via the Child Support Offset Fund). As such, lower collections in TCA-related cases have a budgetary impact. As shown in **Exhibit 2**, the State share of collections has decreased slightly in federal fiscal 2016. DHR anticipates the upward trend in non-TCA collections and the downward trend in TCA collections to continue in federal fiscal 2017 and 2018.

Exhibit 2
State’s Share of Temporary Cash Assistance-related Collections
Federal Fiscal 2010-2018 Est.
(\$ in Millions)



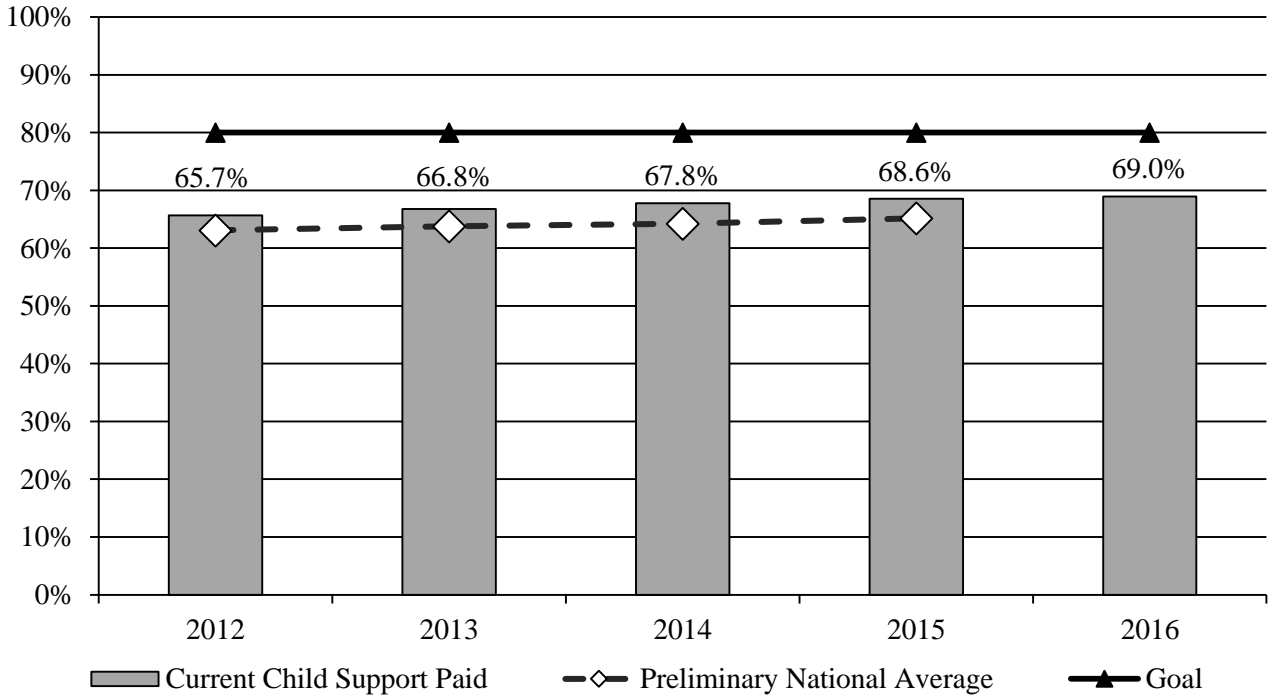
Source: Department of Human Resources

2. CSEA Performance Improves in Three Federal Performance Measures and Other Key Activities

Performance in three measures used by the federal Office of Child Support Enforcement to determine federal incentive payments (percent of current support paid, percent of cases with arrears for which a payment is received, and percent of cases with support orders established) continued to improve

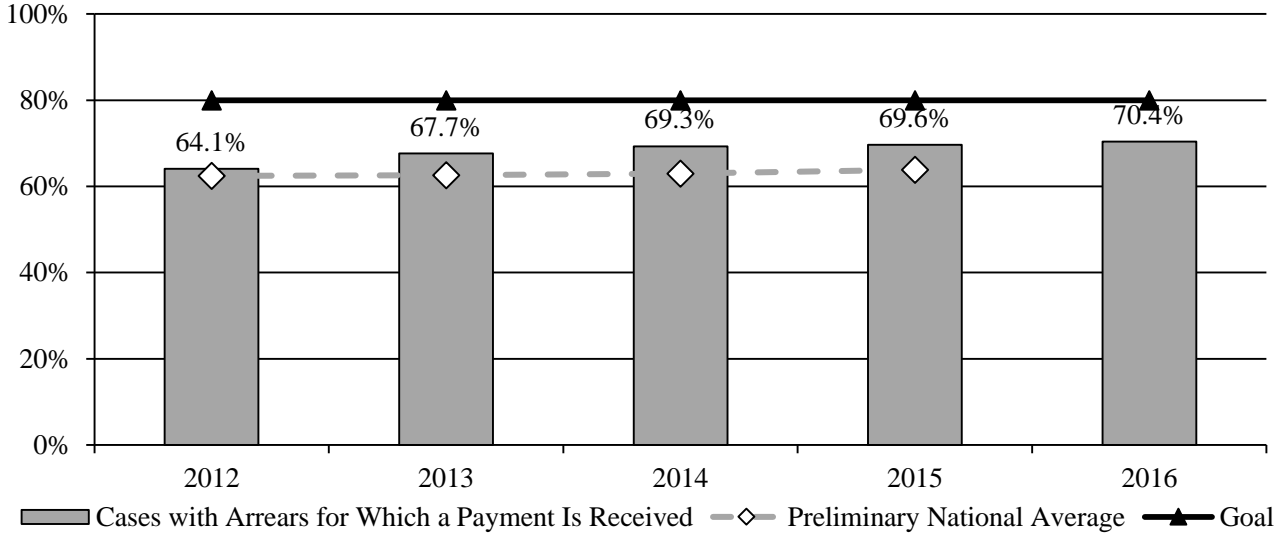
in federal fiscal 2016, as shown in **Exhibits 3, 4, and 5**. Despite improving in federal fiscal 2016, the percent of current support paid and percent of cases with arrears for which a payment is received remained below the federal goal of 80%.

Exhibit 3
Current Child Support Paid
Federal Fiscal 2012-2016



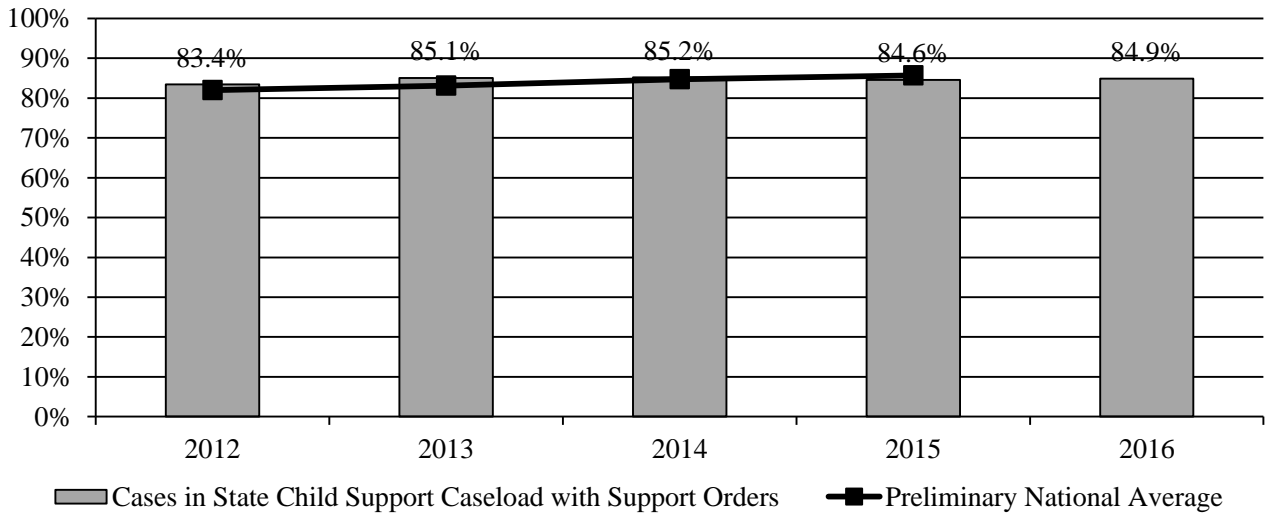
Source: Department of Human Resources

Exhibit 4
Cases with Arrears for Which a Payment Is Received
Federal Fiscal 2012-2016



Source: Department of Human Resources

Exhibit 5
State Child Support Caseload with Support Orders
Federal Fiscal 2012-2016

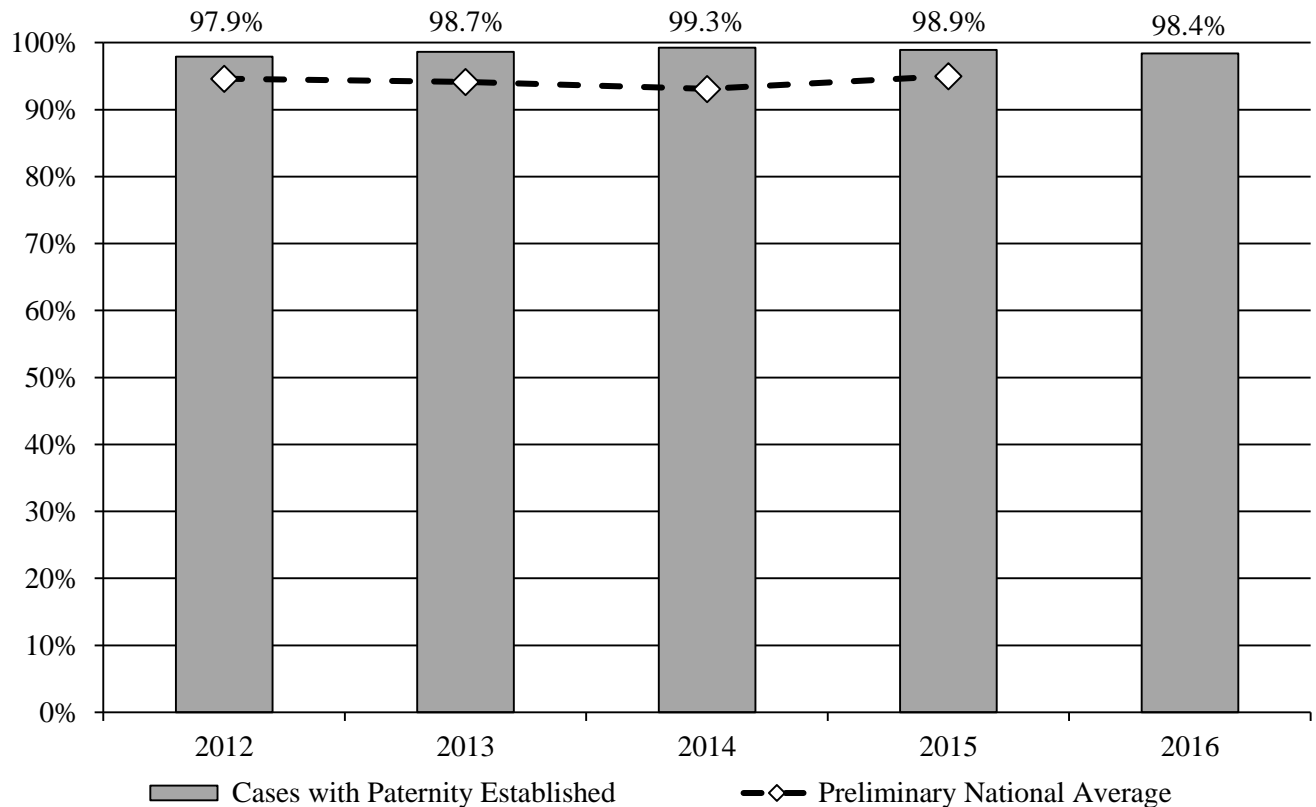


Source: Department of Human Resources

DHR has a goal for Maryland to be in the top 10 of state child support performance in each of the federal measures. In federal fiscal 2015, the most recent year with available data, CSEA was ranked ninth in cases with arrears for which payment is received and was nearing the top 10 in the percent of current support paid (ranked eleventh). In support order establishment, CSEA’s performance was ranked thirty-fourth.

For purposes of the Managing for Results (MFR) submission, DHR reports on the paternity establishment for the State child support caseload. This is different from the measure that DHR reports on for purposes of its federal performance measure (paternity establishment statewide). **Exhibit 6** presents the data using the MFR measure for the State caseload rather than the federal performance measure (the statewide performance). Performance in this measure decreased in federal fiscal 2016 for the second year. However, CSEA’s performance in this measure remains above the federal goal of 90%.

Exhibit 6
State Child Support Caseload with Paternity Established
Federal Fiscal 2012-2016

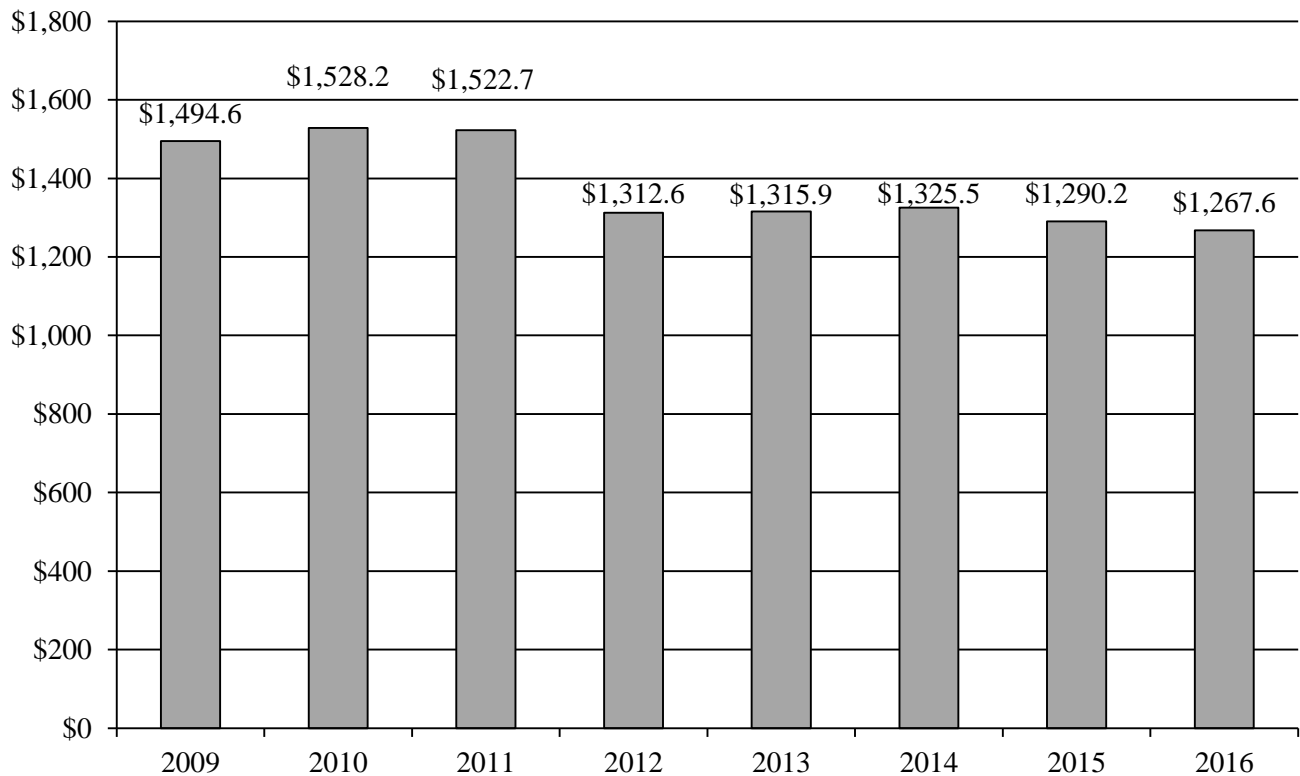


Source: Department of Human Resources

3. Cumulative Arrearages Decrease

In recent years, CSEA has enhanced its case closure process while staying in compliance with federal case closure rules. As a result, as shown in **Exhibit 7**, cumulative arrearages fell significantly between the last day of federal fiscal 2011 and 2012, \$210.1 million, or 13.8%. Between the last day of federal fiscal 2015 and 2016 cumulative arrearages fell \$22.7 million, or 1.8%. CSEA attributes decreases since the significant drop in 2012 to increases in current support paid and the right-sizing initiative. The right-sizing initiative bases obligations on an obligor’s ability to pay, which prevents arrears based on unrealistic obligations from accruing.

Exhibit 7
Cumulative Arrearages
Federal Fiscal 2009-2016
(\$ in Millions)

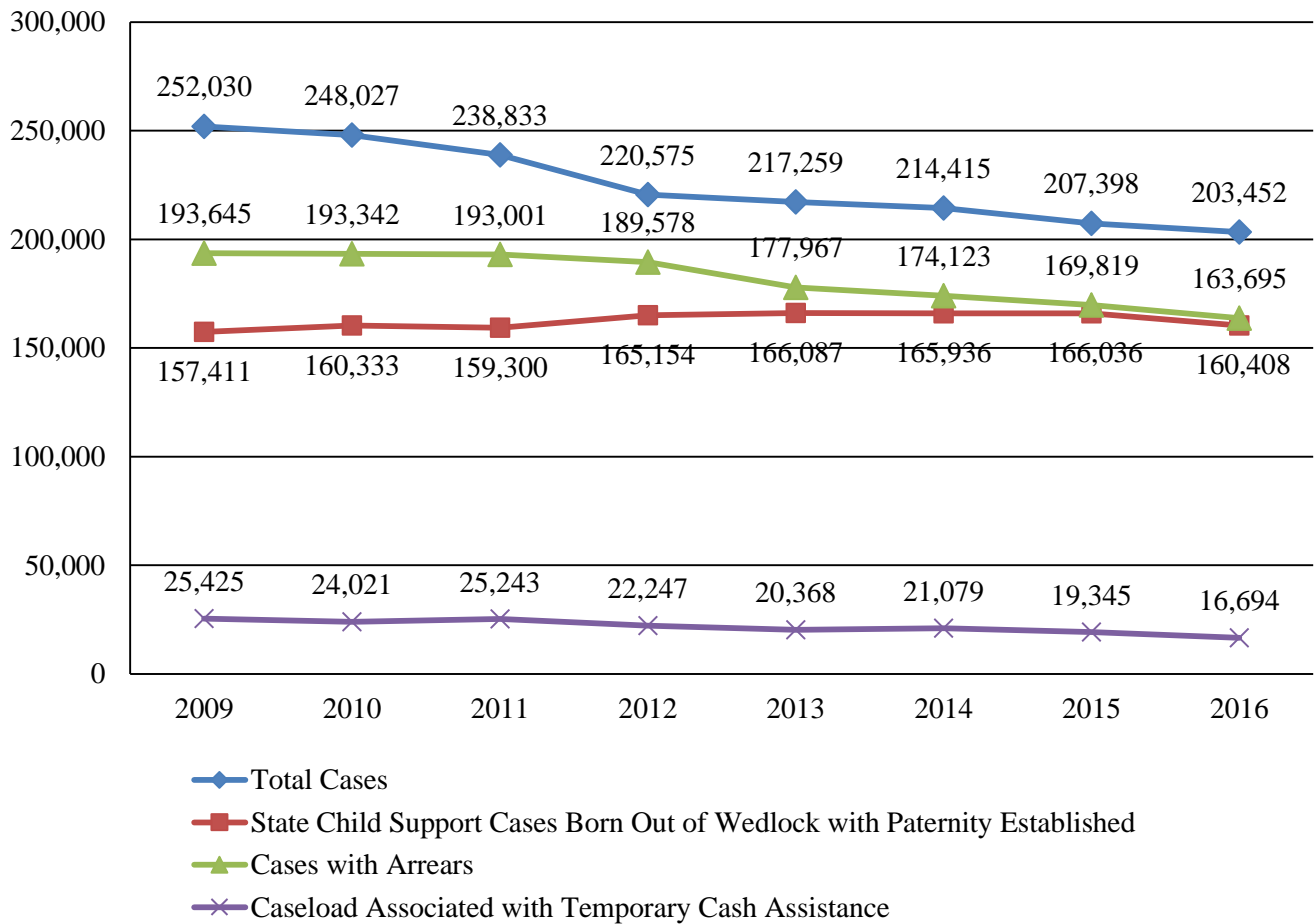


Source: Department of Human Resources

4. Caseload Declines Slowly

As shown in **Exhibit 8**, the number of child support cases has continued to decline since the substantial drop in the number of child support cases in federal fiscal 2012 (7.6%), but at a much slower pace. In federal fiscal 2016, the number of child support cases decreased 1.9%, which is comparable to recent years. Caseloads have declined in most years since the Department of Legislative Services (DLS) began tracking annual caseload totals in fiscal 2004. Between fiscal 2004 and 2016, caseloads decreased by 27.3%.

Exhibit 8
Child Support Caseload
Federal Fiscal 2009-2016



Source: Department of Human Resources

N00H00 – DHR – Child Support Enforcement Administration

As with the total number of child support cases, the number of cases with arrears has also decreased in recent years. In federal fiscal 2016, the number of cases with arrears decreased by 3.6%. The share of cases with arrears was lower in federal fiscal 2016 (80.5%) than in federal fiscal 2015 (81.9%).

The number of cases associated with TCA decreased by 13.7% between federal fiscal 2015 and 2016. In federal fiscal 2016, the share of cases associated with TCA was 8.2%. Historically, this is the lowest share of cases associated with TCA.

Fiscal 2017 Actions

Section 20 Position Abolitions

Section 20 of the fiscal 2017 budget bill required 657 vacant positions to be abolished throughout State government, and \$20 million in general funds and \$5 million in special funds to be cut. In total, 72 positions were abolished in DHR, of which 5 were in CSEA. None of the positions abolished from CSEA were caseworkers.

In total, in DHR, \$2.2 million in general funds were reduced as part of Section 20, slightly more than the General Fund share of the salaries and fringe benefits for the positions that were abolished. However, the difference was less than \$100,000 and should be absorbed within the overall DHR budget.

Proposed Budget

As shown in **Exhibit 9**, the fiscal 2018 adjusted allowance of CSEA decreases by \$503,670, or 0.5%, compared to the fiscal 2017 adjusted working appropriation.

Federal fund decreases are driven by cooperative reimbursement agreements (CRA), down \$0.8 million, primarily due to the elimination of the Charles and Carroll counties' CRAs. Under CRAs, the agency undertaking the child support function (including State's Attorney's offices (SAO), sheriffs, and the clerk of the courts) pays 34% of the cost and receives the typical federal financial participation (66%) for expenses it incurs for completing the function. The federal funds are budgeted within CSEA as the State child support agency.

Exhibit 9
Proposed Budget
DHR – Child Support Enforcement
(\$ in Thousands)

How Much It Grows:	General Fund	Special Fund	Federal Fund	Total
Fiscal 2016 Actual	\$18,800	\$9,905	\$61,487	\$90,191
Fiscal 2017 Working Appropriation	19,156	10,272	63,077	92,506
Fiscal 2018 Allowance	<u>19,221</u>	<u>10,527</u>	<u>62,254</u>	<u>92,002</u>
Fiscal 2017-2018 Amount Change	\$64	\$255	-\$823	-\$504
Fiscal 2017-2018 Percent Change	0.3%	2.5%	-1.3%	-0.5%
 Where It Goes:				
Personnel Expenses				
Turnover adjustment to allow CSEA to accommodate employees transferred from SAOs.....				\$736
Reclassification				107
Workers’ compensation premium assessment				17
Social Security contributions				-57
Other fringe benefit adjustments.....				-72
Retirement.....				-180
Regular earnings (impact of Section 20 position reduction).....				-201
Employee and retiree health insurance				-384
 Administrative Expenses				
Technical and research contract with University of Maryland School of Social Work omitted from fiscal 2017 budget				200
Contractual employee health insurance				53
Telephones and telecommunications				35
Financial institution data match administrative services				32
Interpreter fees in Prince George’s and Montgomery counties				20
Banking services contracts.....				14
Armored courier services due to increase in electronic transactions				-12
Cooperative reimbursement agreements largely due to the elimination of SAO contracts				-818
Other				6
Total				-\$504

CSEA: Child Support Enforcement Administration

DHR: Department of Human Resources

SAO: State’s Attorney’s Office

Note: Numbers may not sum to total due to rounding.

Personnel

Personnel costs in the allowance decrease by \$33,699 compared to the fiscal 2017 working appropriation. Decreases in regular earnings (\$200,576), employee health insurance (\$384,281), and retirement (\$179,924) are offset by a large increase in turnover (\$735,733). Budgeted turnover increases, in part, to recognize the transfer of positions from SAOs into regular positions that are currently vacant, which is discussed further in this analysis.

Across-the-board Reductions

The fiscal 2018 budget bill includes a \$54.5 million (all funds) across-the-board contingent reduction for a supplemental pension payment. Annual payments are mandated for fiscal 2017 through 2020 if the Unassigned General Fund balance exceeds a certain amount at the close of the fiscal year. This agency's share of these reductions is \$57,177 in general funds, \$2,561 in special funds, and \$113,082 in federal funds. This action is tied to a provision in the Budget Reconciliation and Financing Act of 2017.

Technical Support and Research Contract

The fiscal 2018 allowance includes \$200,000 for technical support and a research contract with the University of Maryland, School of Social Work. The services provided under the contract include maintaining, updating, and improving the Affidavit of Parentage database and statistical reporting. The database is used to track information from manual reviews of Affidavit of Parentage forms signed by fathers to children born out of wedlock.

The costs of the contract were omitted from the fiscal 2017 budget. DHR indicates that the department will cover the costs using the fund balance in the Child Support Reinvestment Funds.

Ending CRA with Charles County SAO

Cooperative reimbursement agreements decrease by \$817,502 in the allowance. This decrease is due to the elimination of CRAs with the Carroll County SAO (\$640,874) in fiscal 2017 (funding for which is still in the fiscal 2017 working appropriation) and the Charles County SAO (\$611,293) in fiscal 2018, which are partly offset by increases in the remaining CRAs for salary costs.

Under CRAs, the agency undertaking the child support function (including SAOs, sheriffs, and the clerk of the court) receives the federal match for expenses it incurs for completing this function. The federal funds are budgeted within CSEA as the State child support agency.

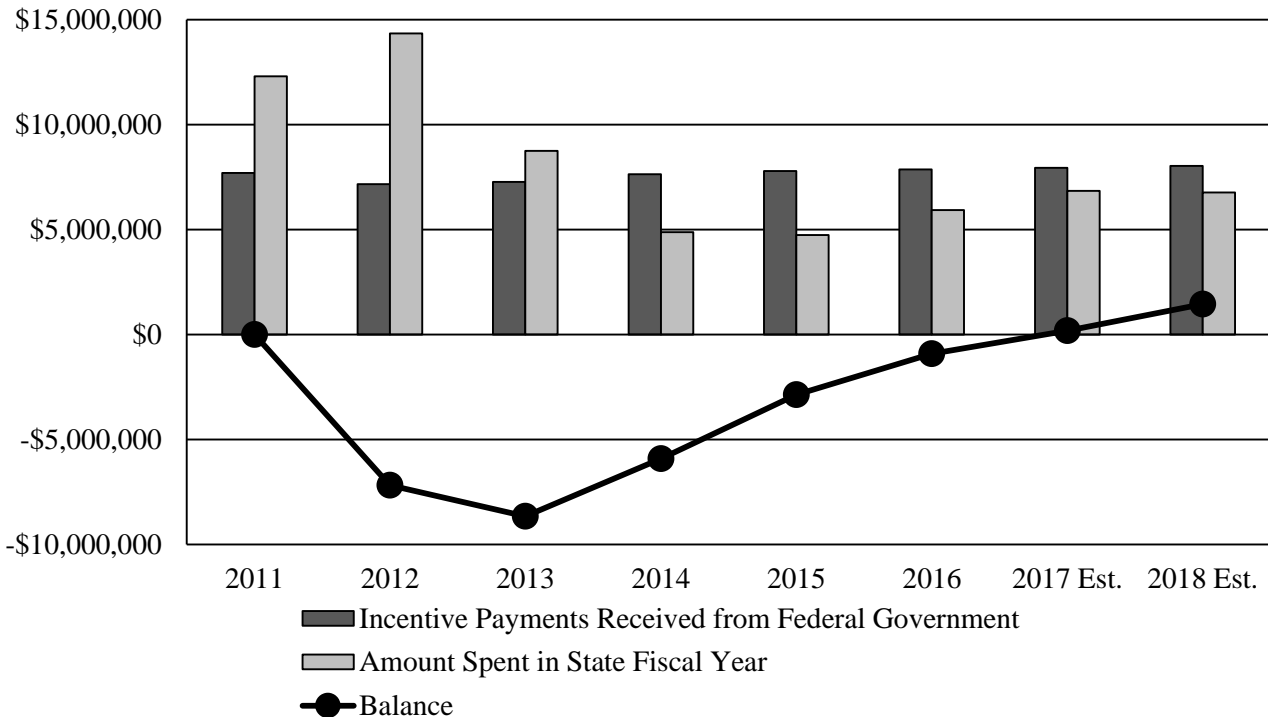
Under State law, SAOs involved in a CRA to provide legal support for a local office of CSEA are to complete the written agreement for the following year by September 1 of the year before the agreement. Charles County's SAO will no longer be providing this service in fiscal 2018. SB 347 and HB 457 authorize the transfer of personnel at Charles County's SAO to CSEA. DHR indicates that the transfer represents 10.0 positions. The new positions are not reflected in the allowance. However, CSEA currently has 25.05 vacant regular positions over budgeted turnover expectancy. Some of CSEA's current vacancies can be reclassified and used to meet the budgetary needs of the transfer.

Child Support Reinvestment Fund

The Child Support Reinvestment Fund holds the federal incentive payments received by CSEA for performance. These payments are received based on performance in the second preceding year. For example, incentive payments received in federal fiscal 2017 would reflect federal fiscal 2015 performance. DHR anticipates receiving money into this fund each year but recently has had no fund balance. As a result, it would be expected that only the funds received by the department each year could be used to support expenditures. Unlike most fund sources used for child support expenses, DHR cannot use the Child Support Reinvestment Funds to draw down the typical 66% federal participation.

As shown in **Exhibit 10**, in fiscal 2012, DHR spent \$7.2 million more of Child Support Reinvestment Funds than it received, by essentially borrowing this amount from the amount it expected to receive in federal fiscal 2013. In fiscal 2013, DHR again borrowed from its anticipated receipts in federal fiscal 2014 and spent more Child Support Reinvestment Funds than it received. After these two years, DHR had overspent its Child Support Reinvestment Fund receipts by \$8.7 million.

Exhibit 10
Over/Under Spending in Child Support Reinvestment Fund
Federal Fiscal 2011-2018 Est.



Source: Department of Human Resources; Governor’s Budget Books

N00H00 – DHR – Child Support Enforcement Administration

In fiscal 2014, DHR underspent the amount of Child Support Reinvestment Funds it received by approximately \$2.8 million to allow the agency to reduce the amount it was borrowing from the next year. DHR continued underspending the amount it received in fiscal 2015 and 2016. At the current rate of spending, DHR is on track to eliminate borrowed funds in fiscal 2017 and have a balance of nearly \$1.5 million at the end of fiscal 2018. If DHR uses the balance of the Child Support Reinvestment Fund to cover the costs of the technical support and research contract, as indicated, the balance will be \$1.3 million at the end of fiscal 2018.

Issues

1. Federal Rule Changes Affecting CSEA

A new federal rule, Flexibility, Efficiency, and Modernization (FEM) in Child Support Enforcement Programs (81 FR 93492), went into effect on January 19, 2017. The goals of the FEM rule are to increase flexibility; improve effectiveness, efficiency, and innovation; improve customer service, and remove barriers to efficient and timely support payments. There are four main components to the rule that may affect CSEA:

- changes to guideline requirements;
- case closure criteria;
- modifications for incarcerated parents; and
- due process protections in civil contempt proceedings.

Changes to Guidelines Requirements

The goal of the FEM revisions is to set child support orders based on the noncustodial parent's income, earnings, and ability to pay. This will increase the likelihood that noncustodial parents will be able to meet their child support obligations, which improves compliance and reduces arrearages that are ultimately uncollectable. Implementation of this portion of the rule is not required until 2021.

DHR indicates that, although CSEA is still in the assessment phase, it is believed that Maryland is already in compliance with the updated requirements under the FEM rule. DHR has noted that it implemented a right-sizing initiative to address the same issue.

Case Closure Criteria

The FEM rule permits case closure when there is no current support order and all arrearages are owed to the State, there is an intact two parent household, limited services are provided, or there is an inappropriate referral. This portion of the rule is optional. CSEA is still assessing whether implementation is advantageous for Maryland.

Modification for Incarcerated Parents

This provision of the FEM rule provides guidelines that states may not treat incarceration as voluntary unemployment when establishing or modifying support orders. In addition, states may not bar modification of obligations during incarceration, and standards developed by states cannot treat incarceration as a bar for petitioning and receiving adjustments to support orders. Implementation of this portion of the rule is not required until 2021.

The provision requires that noncustodial parents incarcerated for more than six months must be advised of their right to request a review of their case for modification. CSEA indicates that assessment of the most efficient way to notify parents is underway.

DHR should comment on its timeline for implementation and whether it will implement this provision sooner than the implementation deadline.

Due Process Protections in Civil Contempt Proceedings

This provision of the FEM rule requires states to establish procedures for the use of civil contempt proceedings. It requires states to ensure that a noncustodial parent has the “actual and present” ability to pay or comply with an order before filing an action that may result in incarceration. The federal Office of Child Support Enforcement notes that states that have reduced reliance on civil contempt proceedings have seen an increase in collections and reduced costs.

CSEA is currently developing a template to comply with the requirement that noncustodial parents must be notified that ability to pay will be critical in civil contempt proceedings.

Recommended Actions

1. Adopt the following narrative:

Baltimore Child Support Office Enhancements Report: The Department of Human Resources (DHR) is implementing enhancements to the Baltimore City Child Support Office (office) in its current Request for Proposal, as identified in a recent cost-benefit analysis. DHR should provide a report that details all modifications and enhancements to the office. The report should include any additional performance goals and incentives that are required of the contractor and any additional budgetary impacts that result from the modifications and enhancements.

Information Request	Author	Due Date
Report on Enhancements to Baltimore City Child Support Enforcement Office	DHR	December 1, 2017

Updates

1. State Agencies Are in Compliance with Professional License Suspension Program

The fiscal 2017 budget bill included language withholding \$100,000 in special funds from both the Public Service Commission (PSC) and the Motor Vehicle Administration (MVA) pending an update on the status of implementation of procedures to comply with DHR – CSEA’s professional license suspension program. The most recent legislative audit of CSEA found that PSC and MVA were not in compliance with the program.

On September 27, 2016, PSC submitted a letter to the budget committees detailing the license suspension process at PSC and MVA and the number of licenses suspended at both agencies. In fiscal 2016, PSC took action on all 84 CSEA notices for suspension that were eligible for suspension. Actions taken by PSC resulted in 72 license suspensions and CSEA compliance from the remaining 12 licensees. In fiscal 2016, MVA took action on all 60 CSEA notices for suspension that were eligible for suspension. Actions taken by MVA resulted in 44 license suspensions and CSEA compliance from the remaining 16 licensees. Both agencies continue to comply with the CSEA professional license suspension program in fiscal 2017. On October 6, 2016, the budget committees authorized release of the funds that were withheld for this purpose.

2. Enhancements to the Baltimore City Child Support Enforcement Office

The Baltimore City Child Support Enforcement Office is currently operated by a private contractor. Committee narrative in the 2015 *Joint Chairmen’s Report* required DHR to conduct a cost-benefit analysis (CBA) to determine whether it would be more beneficial to return this function to the State or to remain with a private contractor.

The CBA examined proposed enhancements that could be applied to both outsourcing and insourcing scenarios. The enhancements are as follows:

- enhanced performance metrics;
- workflow changes;
- floor plan changes; and
- location changes.

The CBA found that the performance measures in the current contract were not producing all of the desired outcomes. According to the analysis, enhanced performance metrics could be built into the “pay-for-performance” clauses of the contract, which make them easier to implement in the

outsourced scenario than in the insourced scenario. The other three enhancements could be implemented in the same manner regardless of the composition of the office. The analysis identified issues with the workflow at the Baltimore office, which are exacerbated by the floor plan. The analysis suggested an open floor plan with case management teams. Through an analysis of zip codes for Baltimore City cases, the CBA concludes that three locations running concurrently in shopping centers with public transportation could provide better coverage than the current downtown location and would not cause a significant increase in lease costs.

DHR indicated that it planned to continue outsourcing the office but with some version of the proposed enhancements. A Request for Proposal (RFP) was issued on December 22, 2016, which requires the contractor to:

- identify two field office locations based on zip codes with the highest number of noncustodial parents receiving child support services;
- provide a detailed training plan and describe how it will minimize the use of temporary staffing to ensure optimal work performance; and
- describe a work plan that includes best practices and operational procedures that will maximize performance for each service and performance measure identified in the RFP.

In addition to those requirements, the performance incentive for achieving performance goals is increased, and a liquidated damages disincentive was added to the RFP.

DLS recommends committee narrative requesting a report on modifications and enhancements to the Baltimore City Child Support Office.

Appendix 1
Current and Prior Year Budgets
DHR – Child Support Enforcement Administration
(\$ in Thousands)

	<u>General Fund</u>	<u>Special Fund</u>	<u>Federal Fund</u>	<u>Reimb. Fund</u>	<u>Total</u>
Fiscal 2016					
Legislative Appropriation	\$18,225	\$10,175	\$61,274	\$0	\$89,673
Deficiency Appropriation	0	0	0	0	0
Budget Amendments	575	134	1,074	0	1,783
Reversions and Cancellations	0	-403	-862	0	-1,265
Actual Expenditures	\$18,800	\$9,905	\$61,487	\$0	\$90,191
Fiscal 2017					
Legislative Appropriation	\$18,876	\$10,264	\$62,582	\$0	\$91,721
Cost Containment	0	0	0	0	0
Budget Amendments	281	9	495	0	784
Working Appropriation	\$19,156	\$10,272	\$63,077	\$0	\$92,506

DHR: Department of Human Resources

Note: Does not include targeted reversions, deficiencies, and contingent reductions. Numbers may not sum to total due to rounding.

Fiscal 2016

The fiscal 2016 legislative appropriation for the Child Support Enforcement Administration (CSEA) was increased by \$518,191.

The appropriation increased by \$1,782,966 through budget amendments. Of this amount, \$745,465 (\$212,764 in general funds, \$11,106 in special funds, and \$521,595 in federal funds) was added to restore a 2% cut to employee salaries. Additionally, the realignment of the fiscal 2016 across-the-board 2% cost containment within the Department of Human Resources, as a whole, resulted in CSEA's appropriation increasing by \$361,978 in general funds.

In addition to those amendments, a closeout amendment included an increase of \$122,661 in special funds for Local Child Support Enforcement for salaries, wages, and fringe benefits, and an increase of \$552,862 in federal funds in the State Child Support Enforcement to cover the costs related to cooperative reimbursement agreements and State disbursement unit services.

CSEA canceled \$861,785 in federal funds due to less than anticipated salaries and wages. Special funds amounting to \$402,969 were canceled due to funding of the State disbursement unit contract with child support offset and Title IV-D funds.

Fiscal 2017

To date, CSEA's fiscal 2017 budget has increased by \$784,437 (\$280,541 in general funds, \$8,739 in special funds, and \$495,157 in federal funds) through an amendment which allocated centrally budgeted salary increments across State agencies.

**Appendix 2
Object/Fund Difference Report
DHR – Child Support Enforcement**

<u>Object/Fund</u>	<u>FY 16 Actual</u>	<u>FY 17 Working Appropriation</u>	<u>FY 18 Allowance</u>	<u>FY 17 - FY 18 Amount Change</u>	<u>Percent Change</u>
Positions					
01 Regular	664.90	658.40	658.40	0.00	0%
02 Contractual	14.06	1.00	1.00	0.00	0%
Total Positions	678.96	659.40	659.40	0.00	0%
Objects					
01 Salaries and Wages	\$ 47,339,465	\$ 49,152,477	\$ 49,291,598	\$ 139,121	0.3%
02 Technical and Spec. Fees	664,985	172,304	247,638	75,334	43.7%
03 Communication	453,777	418,245	453,639	35,394	8.5%
04 Travel	79,699	83,897	86,814	2,917	3.5%
06 Fuel and Utilities	130,714	141,102	142,256	1,154	0.8%
07 Motor Vehicles	44,494	82,691	93,431	10,740	13.0%
08 Contractual Services	36,894,659	37,621,784	36,991,174	-630,610	-1.7%
09 Supplies and Materials	425,682	511,334	521,366	10,032	2.0%
10 Equipment – Replacement	76,989	0	0	0	0.0%
11 Equipment – Additional	19,709	0	0	0	0.0%
12 Grants, Subsidies, and Contributions	310	299	308	9	3.0%
13 Fixed Charges	4,060,924	4,321,383	4,346,442	25,059	0.6%
Total Objects	\$ 90,191,407	\$ 92,505,516	\$ 92,174,666	-\$ 330,850	-0.4%
Funds					
01 General Fund	\$ 18,799,565	\$ 19,156,274	\$ 19,277,697	\$ 121,423	0.6%
03 Special Fund	9,905,323	10,272,289	10,529,633	257,344	2.5%
05 Federal Fund	61,486,519	63,076,953	62,367,336	-709,617	-1.1%
Total Funds	\$ 90,191,407	\$ 92,505,516	\$ 92,174,666	-\$ 330,850	-0.4%

DHR: Department of Human Resources

Note: Does not include targeted reversions, deficiencies, and contingent reductions.

**Appendix 3
Fiscal Summary
DHR – Child Support Enforcement**

<u>Program/Unit</u>	<u>FY 16 Actual</u>	<u>FY 17 Wrk Approp</u>	<u>FY 18 Allowance</u>	<u>Change</u>	<u>FY 17 - FY 18 % Change</u>
06 Local Child Support Enforcement Administration	\$ 48,198,778	\$ 49,840,678	\$ 50,098,247	\$ 257,569	0.5%
08 Support Enforcement – State	41,992,629	42,664,838	42,076,419	-588,419	-1.4%
Total Expenditures	\$ 90,191,407	\$ 92,505,516	\$ 92,174,666	-\$ 330,850	-0.4%
General Fund	\$ 18,799,565	\$ 19,156,274	\$ 19,277,697	\$ 121,423	0.6%
Special Fund	9,905,323	10,272,289	10,529,633	257,344	2.5%
Federal Fund	61,486,519	63,076,953	62,367,336	-709,617	-1.1%
Total Appropriations	\$ 90,191,407	\$ 92,505,516	\$ 92,174,666	-\$ 330,850	-0.4%

DHR: Department of Human Resources

Note: Does not include targeted reversions, deficiencies, and contingent reductions.