

**N00H00**  
**Child Support Administration**  
 Department of Human Services

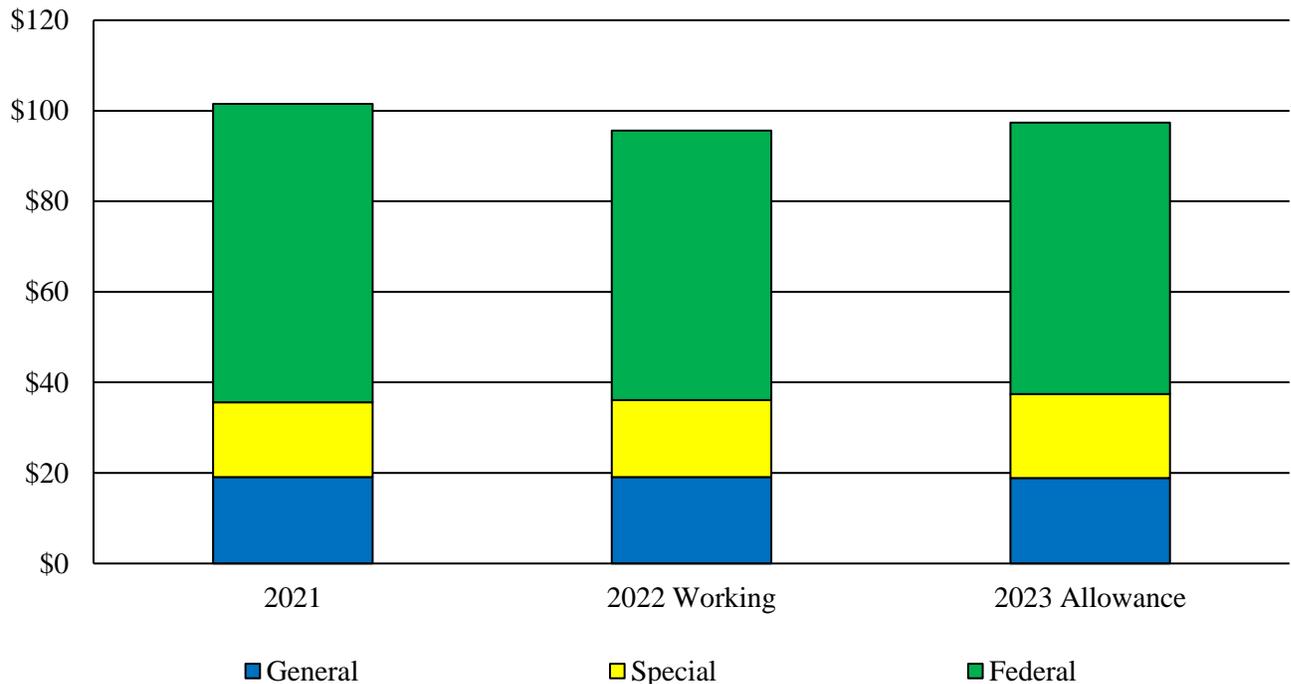
**Program Description**

Child support services involve the establishment of paternity when children are born to unmarried parents, the establishment of child support orders, and the collection and distribution of current child support payments and arrearages. The Child Support Administration (CSA) 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. CSA 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 CSA is to enable, encourage, and enforce parental responsibility.

***Operating Budget Summary***

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**Fiscal 2023 Budget Increases \$1.8 Million, or 1.9%, to \$97.4 Million**  
 (\$ in Millions)



Note: The fiscal 2022 working appropriation and fiscal 2023 allowance do not reflect funding for statewide personnel actions budgeted in the Department of Budget and Management, which include cost-of-living adjustments, increments, bonuses, and may include annual salary review adjustments.

For further information contact: Grace M. Pedersen

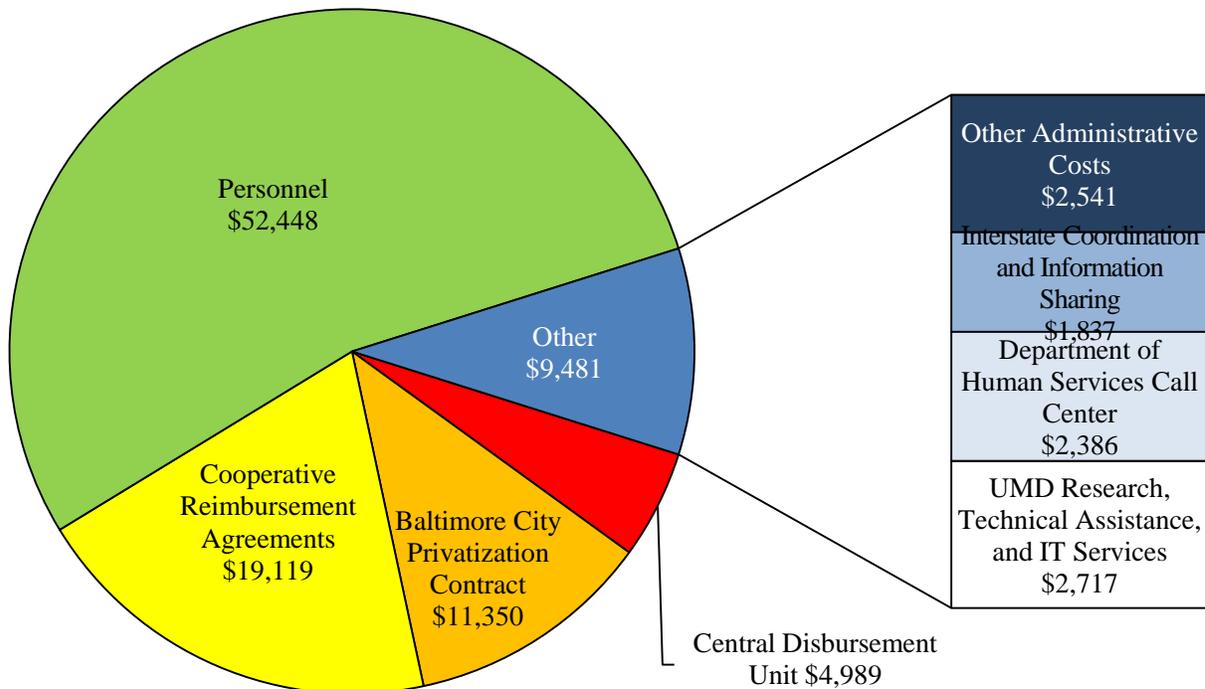
Phone: (410) 946-5530

- The increase in the fiscal 2023 allowance is largely driven by special fund expenditures, which increase by \$1.5 million, or 9%, due to increased utilization of Child Support Reinvestment funds for personnel.

### Fiscal 2023 Overview of Agency Spending

As shown in **Exhibit 1**, State and local child support administration personnel expenditures comprise slightly more than half the allowance. The next largest shares of the allowance support cooperative reimbursement agreements (CRA) with local governments to carry out child support functions such as State’s Attorney’s offices and the local sheriffs’ offices (20%); the Baltimore City Privatization Contract, which includes the vendor’s personnel expenditures (12%); and the State Central Disbursement Unit responsible for managing and distributing collections (5%).

**Exhibit 1**  
**Overview of Agency Spending**  
**Fiscal 2023 Allowance**  
 (\$ in Thousands)



UMD: University of Maryland

Note: The fiscal 2023 allowance does not reflect funding for statewide personnel actions budgeted in the Department of Budget and Management, which include cost-of-living adjustments, increments, bonuses, and may include annual salary review adjustments.

Source: Governor’s Fiscal 2023 Budget Books

**Proposed Budget Change**

As shown in **Exhibit 2**, the fiscal 2023 allowance for CSA increases by \$1.8 million compared to the fiscal 2022 working appropriation. The largest increase occurs in CRA expenditures (\$1.1 million). CRAs are funded with federal funds, which drives the net increase in federal fund expenditures; however, this increase is partially offset by a reduction in federal fund expenditures on personnel. The federal fund decrease in personnel reflects the decision to replace some general funds for personnel expenditures with Child Support Reinvestment special funds, which has the impact of reducing federal funds because these funds are not eligible for federal participation. The Child Support Reinvestment Fund, which contains federal revenue allocated based on performance, is the primary source of CSA’s special fund increase.

**Exhibit 2**  
**Proposed Budget**  
**Department of Human Services – Child Support Administration**  
**(\$ in Thousands)**

<b>How Much It Grows:</b>	<b>General Fund</b>	<b>Special Fund</b>	<b>Federal Fund</b>	<b>Total</b>
Fiscal 2021 Actual	\$19,102	\$16,468	\$65,991	\$101,561
Fiscal 2022 Working Appropriation	19,102	16,997	59,511	95,610
Fiscal 2023 Allowance	<u>18,898</u>	<u>18,522</u>	<u>59,967</u>	<u>97,387</u>
Fiscal 2022-2023 Amount Change	-\$204	\$1,525	\$456	\$1,777
Fiscal 2022-2023 Percent Change	-1.1%	9.0%	0.8%	1.9%

<b>Where It Goes:</b>	<b>Change</b>
<b>Personnel Expenses</b>	
Employee and retiree health insurance.....	\$618
Increase turnover rate from 6.93% to 6.97% .....	25
Workers compensation premium assessment.....	24
Unemployment compensation.....	-2
Social Security contributions .....	-25
Employees’ retirement system .....	-46
Regular earnings due to vacant positions being budgeted at base salary levels.....	-526
<b>Other Changes</b>	
Cooperative reimbursement agreements .....	\$1,103
Central Disbursement Unit.....	420
Division of Vital Records data collection services to support paternity establishment .....	161
Other.....	26
<b>Total</b>	<b>\$1,777</b>

Note: Numbers may not sum to total due to rounding. The fiscal 2022 working appropriation and fiscal 2023 allowance do not reflect funding for statewide personnel actions budgeted in the Department of Budget and Management, which include cost-of-living adjustments, increments, bonuses, and may include annual salary review adjustments.

***Personnel Data***

	<b><u>FY 21</u></b> <b><u>Actual</u></b>	<b><u>FY 22</u></b> <b><u>Working</u></b>	<b><u>FY 23</u></b> <b><u>Allowance</u></b>	<b><u>FY 22-23</u></b> <b><u>Change</u></b>
Regular Positions	664.20	652.20	652.20	0.00
Contractual FTEs	<u>23.30</u>	<u>1.00</u>	<u>1.00</u>	<u>0.00</u>
<b>Total Personnel</b>	<b>687.50</b>	<b>653.20</b>	<b>653.20</b>	<b>0.00</b>

***Vacancy Data: Regular Positions***

Turnover and Necessary Vacancies, Excluding New Positions	45.46	6.97%
Positions and Percentage Vacant as of 12/31/21	91.00	13.95%
Vacancies Above Turnover	45.54	

- As of January 2022, the number of vacant positions were double the number needed to meet the budgeted turnover rate. Of the vacant positions, 29 have been vacant for more than one year, including 25 that have been vacant since calendar 2020 and 1 that has been vacant since 2019. Departmentwide, the Department of Human Services (DHS) has 256.23 positions that have been vacant for one year or more. Of these, 20 positions are abolished in the allowance. Additional discussion of DHS’ vacant positions will be included in the analysis for DHS Administration.

## ***Key Observations***

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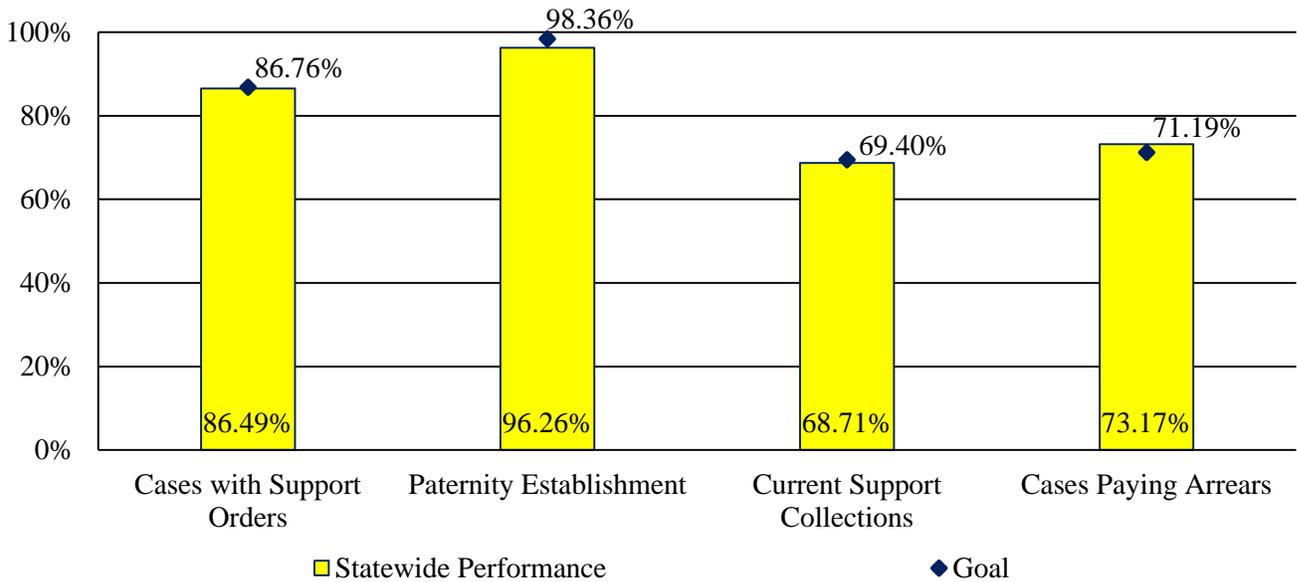
### **1. Child Support Performance**

The federal government evaluates states' performance against five measures to determine federal incentive payments: paternity establishment; support order establishment; collections on current support; cases paying toward arrears; and cost effectiveness. As discussed earlier, federal incentive payment revenue supports the State's Child Support Reinvestment Fund. Child Support Reinvestment funds can be used in place of general and federal funds for child support administrative expenditures. In fiscal 2023, DHS expects to receive and spend \$15 million in Child Support Reinvestment funds, representing a \$1.6 million increase from the working appropriation and \$4.2 million more than was expended in fiscal 2021. As incentive payments are distributed on a two-year lag, federal incentive payments received in fiscal 2023 are actually reflective of performance in fiscal 2021.

#### **Statewide Performance**

As shown in **Exhibit 3**, CSA's performance in federal fiscal 2021 exceeded one performance goal, with 73% of cases paying toward arrears. Despite exceeding the goal, this level of cases paying on arrears represents a 2.43 percentage point decline from the unusually high level of collections on arrearages in federal fiscal 2020. Pandemic-driven factors affecting collections on arrears is further discussed in Key Observation 2 of this analysis. Two of the remaining three performance measures were less than 1 percentage point from achieving the goal in federal fiscal 2021. Although some pandemic-related restrictions to court access remained in federal fiscal 2021, support order establishment slightly improved from federal fiscal 2020, when temporary court closures had impeded the ability to establish, modify, and enforce orders. The percent of current support paid remained approximately level with federal fiscal 2020 performance. In the remaining measures, statewide paternity establishment performance was the furthest from the goal, which DHS indicates may have been impacted by fathers' restricted access to hospitals for the birth of a child during the pandemic.

**Exhibit 3  
Statewide Performance  
Federal Fiscal 2021**



Source: Department of Human Services

**Baltimore City Privatization**

Serving the largest share of the child support caseload, Baltimore City’s performance directly impacts the State’s overall performance, and thus the State’s performance-based federal incentive payment. Baltimore City child support services are administered through a privatized vendor. Structured to mimic the federal government’s incentive payment model, the vendor is eligible to receive a \$100,000 incentive payment for each incentive performance goal achieved, if all minimum service levels are met. If the minimum service level is not met, a \$100,000 penalty is assessed to the vendor. In federal fiscal 2021, the vendor met three of the minimum services levels. As the vendor did not achieve the minimum service level for current support collections in federal fiscal 2021, liquidated damages were assessed and no incentive payments were provided.

**Local Performance**

The 2021 *Joint Chairmen’s Report* (JCR) included committee narrative requesting periodic updates of child support performance data by county. As of the most recent data submission, in September 2021, most jurisdictions were able to achieve the performance goals for each measure. Jurisdictions underperforming goals in that month are shown in **Exhibit 4**. In that month, Cecil County’s performance did not reach any of the four goals. Prince George’s and Wicomico

counties did not achieve three of the four performance goals. The current support collections’ goal was the least attainable for jurisdictions, with 13 jurisdictions failing to meet it. The goal related to cases paying toward arrears was the most attainable for jurisdictions, as 19 met it. Six counties, (Allegany, Calvert, Carroll, Frederick, Harford, and Queen Anne’s) achieved all four performance goals. The one month scope of available data limits the understanding of longer-term regional trends in compliance. **The Department of Legislative Services (DLS) recommends adopting committee narrative requesting periodic reports on each jurisdiction’s performance against the five performance measures affecting the State’s federal incentive payment.**

**Exhibit 4**  
**Jurisdictions with Performance under State Goals**  
**September 2021**

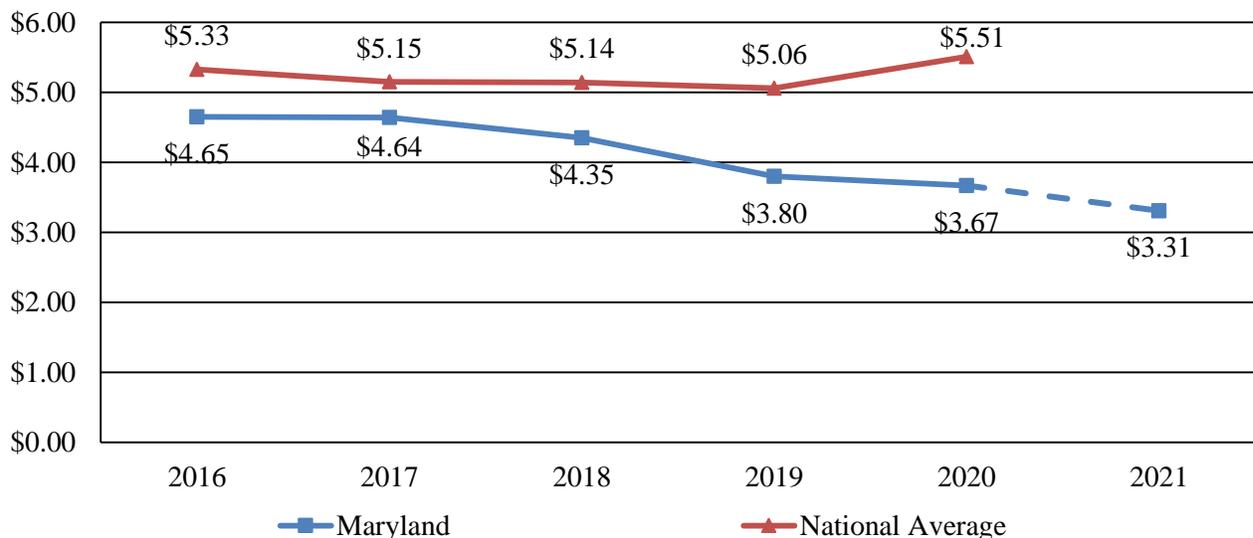
<u>Cases with Support Orders</u> (86.76% Goal)		<u>Paternity Establishment</u> (98.36% Goal)		<u>Current Support Collections</u> (69.40% Goal)		<u>Cases Paying Arrears</u> (71.19% Goal)	
Prince George’s	85.96%	Howard	97.31%	Anne Arundel	68.67%	Baltimore City	70.44%
Howard	85.55%	Baltimore County	96.74%	St. Mary’s	68.47%	Garrett	69.51%
Anne Arundel	85.36%	Dorchester	96.50%	Prince George’s	68.40%	Cecil	69.37%
Wicomico	84.54%	Cecil	95.93%	Montgomery	67.34%	St. Mary’s	69.22%
Washington	83.47%	Montgomery	94.99%	Caroline	67.03%	Somerset	67.56%
Baltimore County	80.47%	Prince George’s	94.46%	Cecil	65.84%		
Charles	79.73%	Wicomico	94.09%	Dorchester	65.68%		
Cecil	71.60%	Baltimore City	92.52%	Garrett	64.89%		
		Charles	90.98%	Kent	64.47%		
				Wicomico	63.93%		
				Baltimore City	62.83%		
				Somerset	61.45%		
				Worcester	60.14%		

Source: Department of Human Services; Department of Legislative Services

## Cost Effectiveness

In federal fiscal 2020, states collected an average of \$5.51 for each \$1 spent on child support administration. The federal Office of Child Support Enforcement indicates that this ratio makes child support one of the most cost effective government programs. Federal incentive payments include states’ cost effectiveness among the five measures indicative of states’ child support administration performance. As shown in **Exhibit 5**, while the average cost effectiveness ratio dipped 8 cents from federal fiscal 2018 to 2019, it subsequently increased by 45 cents in federal fiscal 2020, likely due to the substantially higher collections on arrears in early pandemic months. Over the same period, Maryland’s cost effectiveness ratio has decreased each year. DHS indicates the cost effectiveness ratio further declines in federal fiscal 2021 to \$3.31 for each \$1 in support collected.

**Exhibit 5**  
**Cost Effectiveness of Child Support Administration**  
**Federal Fiscal 2016-2021**



Note: Federal fiscal 2016 to 2020 data is taken from the federal Office of Child Support Enforcement’s *Fiscal 2020 Preliminary Data Report*. Federal fiscal 2021 data is reported by the Department of Human Services. National federal fiscal 2021 data was not available at the time of this writing.

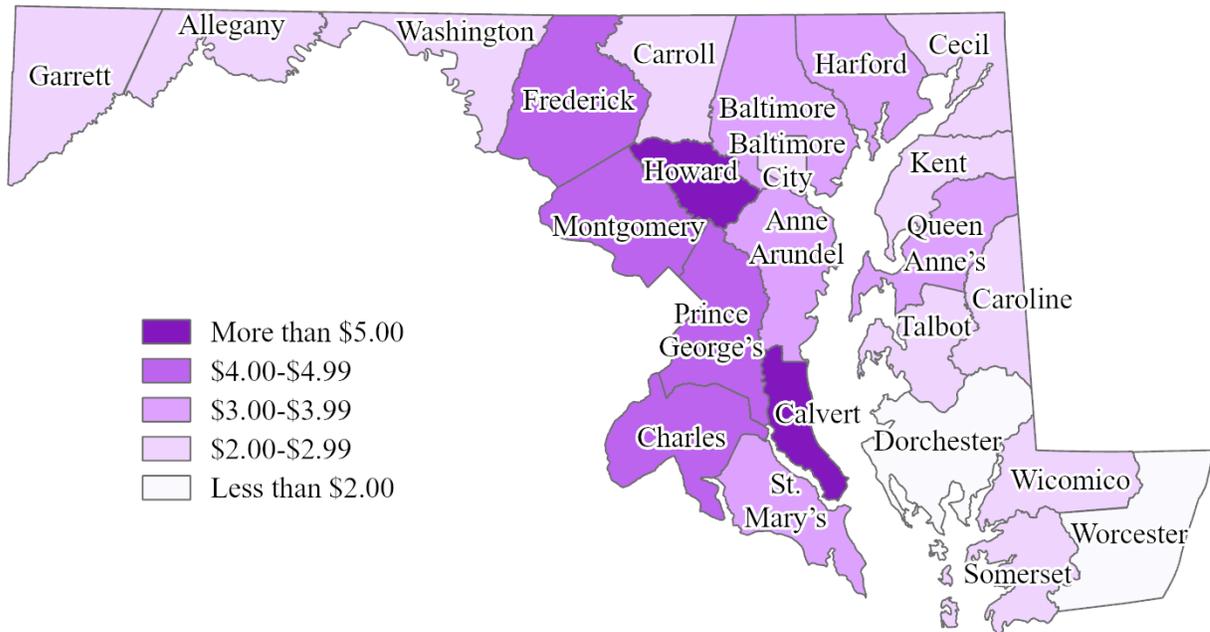
Source: U.S. Department Of Health and Human Services Office of Child Support Enforcement; Department of Human Services

During the 2021 session, DHS attributed its declining cost effectiveness ratio through fiscal 2020 to the cost of administering child support services growing at a faster rate than increases in collections. DHS indicated child support administration costs increased due to cost-of-living adjustments for staff and the cost of the supporting information technology (IT) systems. Through the

end of fiscal 2022, the department will incur dual IT expenses for the agile deployment of developing and maintaining the new child support management system, while also operating the legacy system until it can be phased out. **As the new child support management system is set to be complete by the end of fiscal 2022, DHS should comment on the anticipated impact on child support administration cost effectiveness.**

In addition to the State’s administrative expenditures impacting cost effectiveness, there is also substantial variation among counties in cost effectiveness. As shown in **Exhibit 6**, Calvert and Howard counties both see more than \$5 in collections for each \$1 spent on child support administration. Dorchester and Worcester counties see the least, with less than \$2 in collections for every \$1 spent on administration. Some categories of expenditure do not exactly vary in proportion with each additional child support case, likely resulting in jurisdictions with larger child support caseloads being able to achieve a higher level of cost effectiveness for certain types of costs than jurisdictions with lower caseloads. **DHS should comment on whether any regional factors also impact cost effectiveness and describe its approach to holistically optimize cost effectiveness among counties.**

**Exhibit 6**  
**Cost Effectiveness by County**  
**Federal Fiscal 2021**



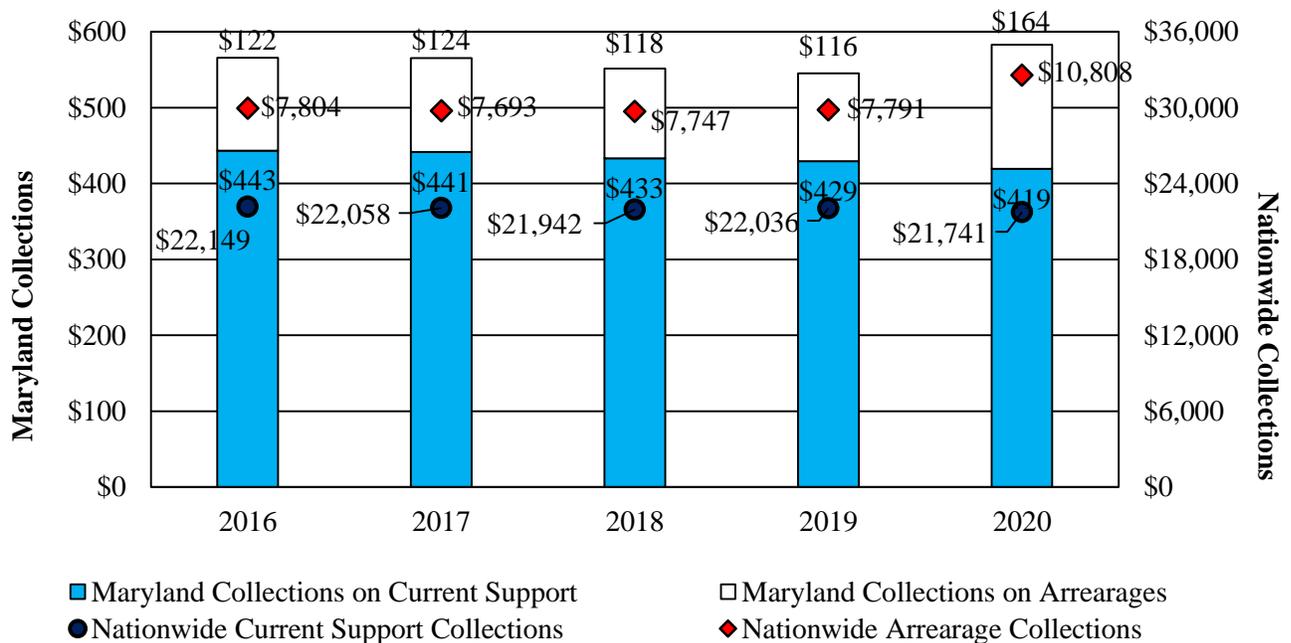
Source: Department of Human Services; Department of Legislative Services

## 2. Child Support Collections during the Pandemic

Pandemic-driven factors and the intersection of available enforcement actions led federal fiscal 2020 to be a landmark year for collections on arrearages both nationally and within Maryland. The first round of economic impact (stimulus) payments, provided for in the Coronavirus Aid, Relief, and Economic Security (CARES) Act, could be intercepted for overdue support; in addition enhanced unemployment insurance benefits and expanded unemployment insurance benefits (notably to independent contractors, for which enforcement actions do not easily reach) were able to be intercepted for collections on overdue support.

In federal fiscal 2020, Maryland collected \$163.5 million in arrearages, exceeding the next highest level within the prior five years by almost \$40 million. As shown in **Exhibit 7**, the State’s collections on arrears in federal fiscal 2020 grew 41% from the previous year, mirroring the nationwide increase of 38% in that period. Although unemployment insurance benefits could also be intercepted for current support, the increase was likely offset by a decline in collections from wage withholdings as employers faced sudden unexpected closures during this time.

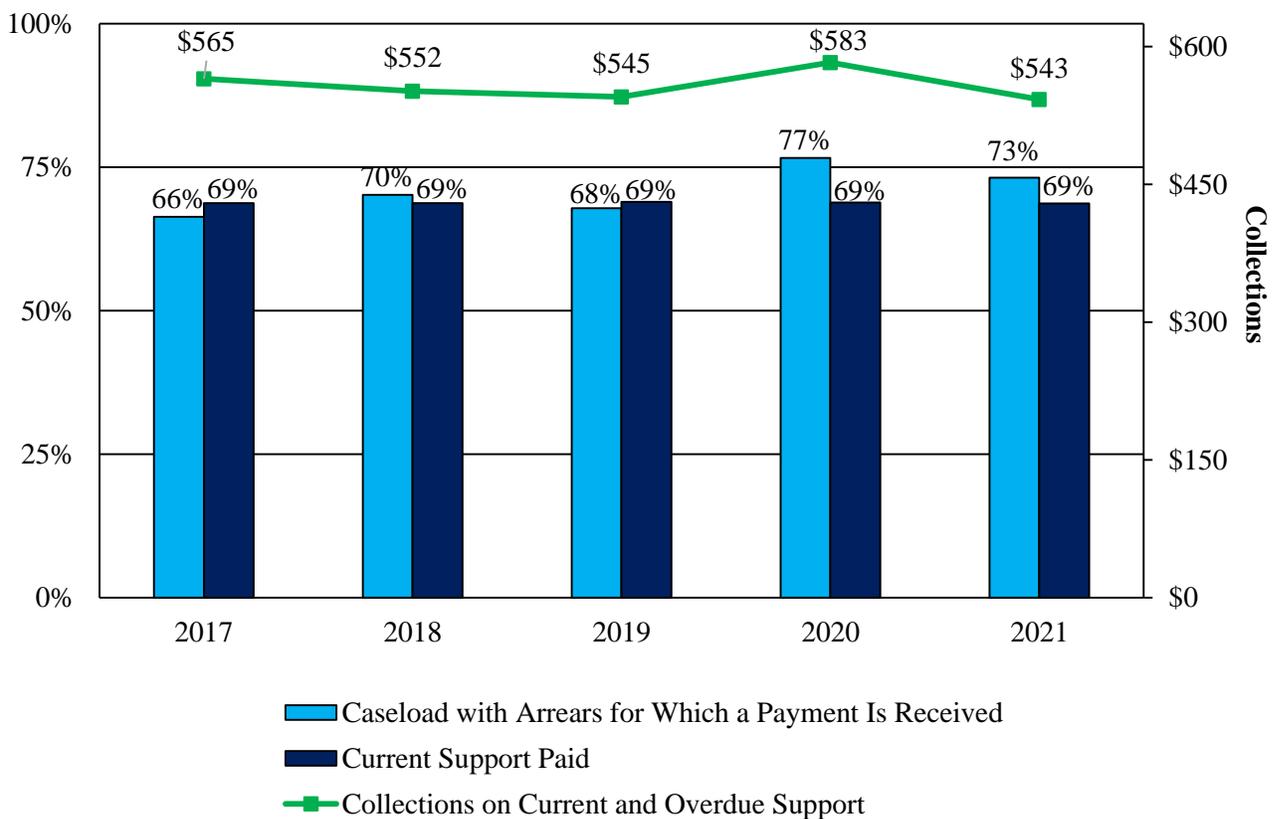
**Exhibit 7**  
**Maryland and U.S. Collections on Arrearages**  
**Federal Fiscal 2016-2020**  
**(\$ in Millions)**



Source: U.S. Department of Health and Human Services Office of Child Support Enforcement

As shown in **Exhibit 8**, total collections on current and overdue support declined from federal fiscal 2020 and returned to approximately federal fiscal 2019 levels. The ratio of the caseload with collections on arrearages in federal fiscal 2021 remains relatively elevated compared to prepandemic years, although not as high as federal fiscal 2020 rates. Unlike the first round of economic impact payments provided in the CARES Act, the second and third rounds of economic impact payments (provided through the federal COVID-related Tax Relief Act of 2020 and the American Rescue Plan Act, respectively) could not be intercepted for child support arrearages, likely contributing to the decline in those collections in federal fiscal 2021. Economic impact payments did not affect current support collections, and the proportion of current support paid has remained level with prepandemic rates. Nationwide federal fiscal 2021 collections data is not yet available.

**Exhibit 8**  
**Maryland Collections on Current Support and Arrearages**  
**Federal Fiscal 2017-2021**  
**(\$ in Millions)**



Source: Department of Budget and Management; Governor’s Fiscal 2023 Budget Books

### **3. Child Support Enforcement Activities**

DHS indicates that most child support obligations are collected through wage withholdings. Required by both the federal government and the State, immediately upon notification of employment, a wage withholding order is issued to the employer to garnish support. While wage withholdings are one of the most common enforcement actions, other enforcement actions can be triggered when a noncustodial parent is hired, receives certain employment-related benefits, has unpaid support above certain thresholds, or is subject to a judicial intervention, as shown in **Exhibit 9**.

**Exhibit 9**  
**State and Federally Required Enforcement Activities, by Trigger Threshold**

Threshold	State Required Enforcement Action	Federally Required Enforcement Action	State and Federally Required Enforcement Action
<b>No Minimum Amount</b>	<i>Abandoned/ Unclaimed Property Intercept</i>	Office of Child Support Enforcement Insurance Match	Electronic Income Withholding
			Federal Vendor Payment Intercept
	<b>\$150</b>	Casino Winnings Intercept	State Income Tax Refund Offset (and arrears equal to twice the monthly support order)
		State Lottery Intercept	
<b>Fixed Amount</b>	<b>\$500</b>		Administrative Liens (if real property is identified)
			Federal Income Tax Refund Offset (if not paid to TCA case and arrears are equivalent to 60 days of unpaid support)
<b>\$2,500</b>			Financial Institution Data Match (if no payment made within last 60 days)
			Multistate Financial Institution Data Match (if no payment made within last 60 days)
<b>Variable Relative to Support Order</b>	<b>Equivalent to 60 Days Unpaid Support</b>		Credit Bureau Reporting
			Drivers' License Suspension
<b>Equivalent to 120 Days Unpaid Support</b>			Professional/Occupational License Suspension
		<i>Passport Denial</i>	

Past Due Support

	<b>Threshold</b>	<b>State Required Enforcement Action</b>	<b>Federally Required Enforcement Action</b>	<b>State and Federally Required Enforcement Action</b>
<b>Employment Activity</b>	<b>New Hire</b>		New Hire Reporting Registry	Wage Withholding Order
	<b>Participation in Service</b>	Workers' Compensation Intercept	Thrift Savings Plan Garnishment	Unemployment Insurance Intercept
<b>Judicial Intervention</b>	<b>Court Order</b>	Application of Work Requirements and Participation in Employment Assistance Program	Posting Security, Bond or Guarantee to Secure Payment of Overdue Support	
	<b>At Court's Discretion</b>	Civil Contempt <i>Criminal Contempt</i>		
	<b>Meets Criteria for Prosecution</b>		<i>Project: Save Our Children</i>	
<b>Other</b>	<b>Requested by Another State</b>		<i>Administrative Enforcement in Interstate Cases</i>	
	<b>Not Used in Maryland</b>			<i>Report to Newspaper or Other Publication</i>

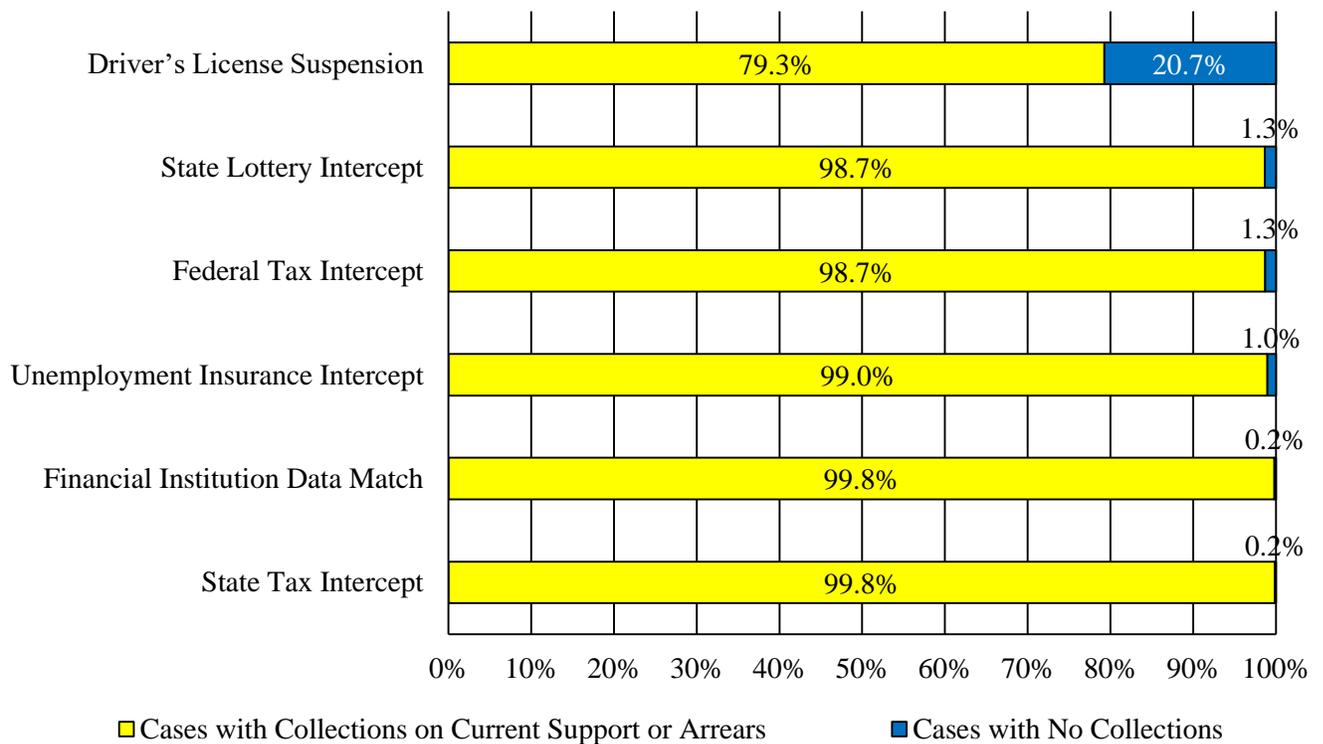
TCA: Temporary Cash Assistance

Note: Italics indicate rarely applied enforcement activities.

Source: Department of Human Services

In response to committee narrative in the 2021 JCR, DHS submitted information on the number of cases with an enforcement action and whether those cases had collections. The six actions described in **Exhibit 10** are automatically triggered by DHS’ legacy Child Support Enforcement System (CSES). In federal fiscal 2021, nearly all cases with automated enforcement actions had some collections except cases with driver’s license suspension. More than 20% of cases with driver’s license suspension had no collections in federal fiscal 2021. Although there are caveats to comparing the rate of collections by enforcement activity, such as cases with multiple enforcement actions, it is notable that driver’s license suspension actions were less likely to be associated with collections than other enforcement activities.

**Exhibit 10**  
**Proportion of Collections Receipt among Cases with an Enforcement Action**  
**Federal Fiscal 2021**



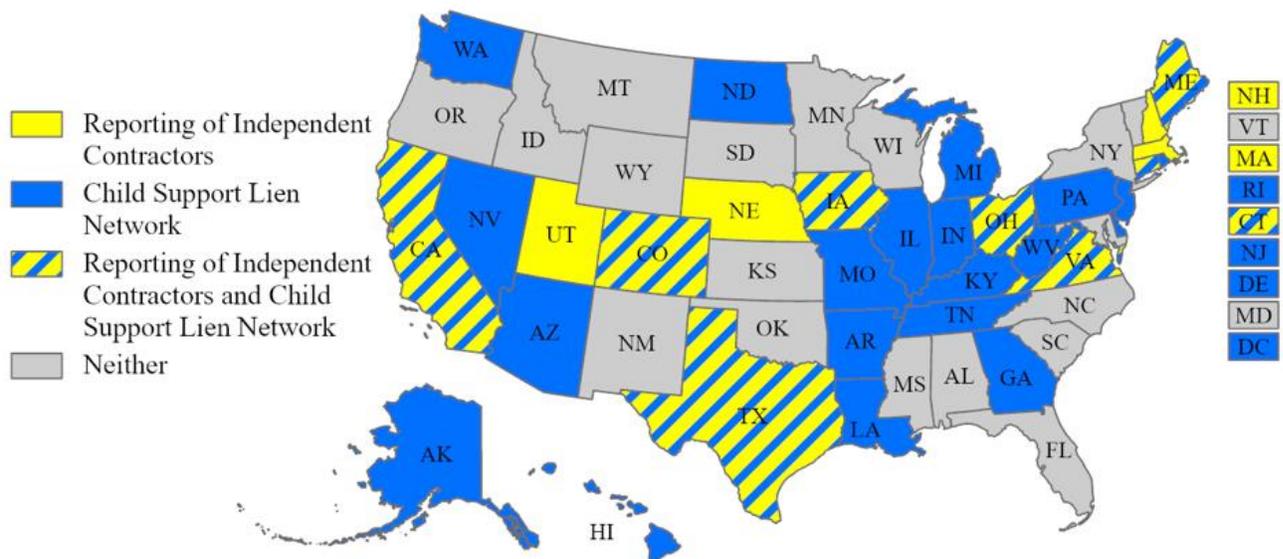
Source: Department of Human Services

Data was not available about collections for cases with enforcement actions that are not automatically triggered by CSES. **As the Maryland Total Human-services Integrated Network Information Technology Development Project is expected to conclude in fiscal 2022, DLS recommends adopting committee narrative requesting updated data on collections among both automated and manual actions.**

## Enforcement Options Adopted in Other States

In the JCR response, DHS also provided information on enforcement actions that other states utilize but which are not implemented in Maryland. The two most common approaches include utilization of the Child Support Lien Network (CSLN) and required reporting of independent contractors to the states’ New Hire registries. As shown in **Exhibit 11**, 28 states and the District of Columbia utilize CSLN and 12 states require reporting of independent contractors.

**Exhibit 11**  
**States’ Utilization of the Child Support Lien Network and Independent Contractors’ New Hire Data**



Source: Department of Human Services; Department of Legislative Services

## Required Reporting of Independent Contractors

When independent contractors are reported to the child support agency, this information can be used to identify individuals with support orders. DHS’ response highlighted the policies of California, Virginia, and Texas, which have adopted laws to capture the earnings of independent contractors, including gig economy independent contractors, through reporting to the states’ New Hire registries. These contractors include those employed with app-based delivery services and ride-sharing companies. Maryland currently has no statutory requirement mandating reporting of independent contractors to the New Hire Registry but indicated that such a change would increase child support collections for Maryland families and did not identify any potential drawbacks. As shown in **Exhibit 12**, DHS submitted a departmental bill during the 2020 session to address independent contractors, however this bill did not pass. During the 2021 session, and thus far in the 2022 session, the bill has not been reintroduced.

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**Exhibit 12**  
**Child Support Enforcement Policies to Capture Earnings from Independent Contractors**

<u>California</u>	<u>Virginia</u>	<u>Texas</u>	<u>Maryland HB 647 of 2020</u>
Requires all independent contractors making \$600 or more per year be reported to the child support agency	Requires all independent contractors, regardless of earnings, be reported to the child support agency	Includes independent contractors in the definition of employee for the purpose of child support enforcement	Would have defined earnings as monies received by an independent contractor as reported on the Internal Revenue Service Form 1099

Source: Department of Human Services

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**Child Support Lien Network**

Each of Maryland’s bordering states utilize CSLN. Originally created by the state of Rhode Island, CSLN is a public-private partnership that works to identify insurance claimants with overdue unpaid support. CSLN utilizes ISO ClaimSearch, a comprehensive database where participating insurers and other organizations submit reports on individual insurance claims. Using ISO ClaimSearch, states establish an automatic lien for overdue unpaid child support against 25% of the net recovery of a lump sum award or a monetary award or settlement for sickness, accident, injury, or death, by matching delinquent child support cases with personal injury and workers’ compensation claims. As of November 2019, CSLN estimates that insurance interceptions collect an average of \$2,100 per case.

In its response, DHS indicated that participating in CSLN would increase the collection of overdue child support payments from noncustodial parents who are awarded settlements and thereby increase the amount of money available to be distributed for the care and support of Maryland’s children. DHS identified that a potential drawback of participating in CSLN would be the minor administrative burden created for insurance companies. CSLN describes that insurance companies have had concerns about claimants’ privacy, potential litigation from claimants, needing to report information pertaining to settlements in states that the companies do not frequently operate in, and increased operational costs. To ameliorate some of these concerns, there is no cost to insurers to join CSLN, the network assumes all ISO ClaimSearch database fees, and CSLN indicates there are anecdotal reports insurers have had positive experiences through participation in the CSLN and increased interaction with state governments.

**Given the potential to increase collections and that no major implementation costs to the State were identified, DHS should comment on whether it intends to prioritize becoming a participating state in CSLN.**

## Operating Budget Recommended Actions

1. Adopt the following narrative:

**Report on State Enforcement Measures:** As the new Child Support Management System (CSMS) was still being developed and implemented in fiscal 2022, data on enforcement actions that were not automatically triggered in the legacy child support enforcement system has been unavailable. With the completion of the new CSMS, the committees are interested in data on enforcement activity including both automated enforcement actions and enforcement actions manually applied by Department of Human Services (DHS) staff. The committees request that the DHS submit a report that provides:

- the number of cases for which an automated enforcement measure was applied during federal fiscal 2022, by type of enforcement activity;
- the number of cases for which a manually applied enforcement measure was applied during federal fiscal 2022, by type of enforcement activity;
- the number of cases for which an enforcement measure was applied in federal fiscal 2022, by reason for applying the enforcement measure; and
- the number of cases with an automated or manually applied enforcement action (excluding wage withholdings), by type of enforcement measure, that reports separately the number of cases for which no collections were received in federal fiscal 2022, the number of cases that received collections on current support in federal fiscal 2022, and the number of cases that received collections on arrears in federal fiscal 2022.

<b>Information Request</b>	<b>Author</b>	<b>Due Date</b>
Report on State enforcement measures	DHS	December 1, 2022

2. Adopt the following narrative:

**Child Support Services Performance Reports:** The federal government evaluates states' performance against five measures to determine federal incentive payments: paternity establishment; support order establishment; collections on current support; cases paying toward arrears; and cost effectiveness. Baltimore City, the only privatized jurisdiction in the State, comprises the greatest share of the State's child support caseload. The committees request that the Department of Human Services (DHS) submit three reports on performance. The report submitted November 1, 2022, should include data for the period July 1, 2022, through September 30, 2022, and state whether any incentives or liquidated damages were assessed to the Baltimore City Office of Child Support Services (BCOCSS) vendor at the conclusion of the

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federal fiscal year and also state the cost effectiveness achieved for Baltimore City, each county, and the State overall in federal fiscal 2022. The report submitted February 1, 2023, should include data for the period October 1, 2022, through December 31, 2022. The report submitted May 1, 2023, should include data for the period January 1, 2023, through March 31, 2023. Each report should include the following:

- a discussion of factors affecting performance in the quarter;
- the State’s aggregate performance set against four performance measures used to determine federal incentive payments (paternity establishment, support order establishment, collections on current support, and cases paying toward arrears);
- each county’s performance set against four performance measures used to determine federal incentive payments (paternity establishment, support order establishment, collections on current support, and cases paying toward arrears);
- the number of cases in each jurisdiction in the quarter;
- the BCOCSS performance set against four performance measures used to determine federal incentive payments (paternity establishment, support order establishment, collections on current support, and cases paying toward arrears);
- a statement of the BCOCSS privatization contract’s minimum service levels, incentive payment goals, and BCOCSS average year-to-date performance; and
- a discussion of any changes to BCOCSS’ privatization contract and the method used to make the change.

<b>Information Request</b>	<b>Author</b>	<b>Due Date</b>
Child Support Services performance reports	DHS	November 1, 2022 February 1, 2023 May 1, 2023

## ***Updates***

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- ***Performance Measures for Temporary Cash Assistance (TCA)-related Child Support Cases:***  
As requested, DHS submitted the second full year of data available for TCA-related cases after implementation of the pass-through of a portion of child support payments collected on behalf of TCA recipients as part of its annual Managing for Results (MFR) submission. In federal fiscal 2021, 5,674 families and 11,962 children received passed-through collections. The average monthly collection for TCA-related cases was \$314.80. Collections on arrears totaled \$10.8 million, a \$3.4 million decrease from federal fiscal 2020. Only 49.4% of TCA-related cases had a support order.

**Appendix 1**  
**2021 Joint Chairmen’s Report Responses from Agency**

The 2021 JCR requested that DHS CSA prepare four reports and MFR data. Electronic copies of the full JCR responses can be found on the DLS Library website.

- ***Child Support Services Performance Reports:*** Three periodic updates were requested, of which, one has been submitted and the remaining reports are due on February 1, 2022, and May 1, 2022. Further discussion of the submitted data can be found in Key Observation 1 of this analysis.
- ***Performance Measures for TCA-related Child Support Cases:*** Further discussion of this data can be found in the Updates section of this analysis.
- ***Report on State Enforcement Measures:*** Further discussion of this information can be found in Key Observation 3 of this analysis.

**Appendix 2  
Audit Findings**

Audit Period for Last Audit:	July 18, 2017 – August 31, 2020
Issue Date:	May 13, 2021
Number of Findings:	2
Number of Repeat Findings:	0
% of Repeat Findings:	0%
Rating: (if applicable)	n/a

**Finding 1:** CSA did not obtain and investigate driver’s license suspension referrals rejected by the Motor Vehicle Administration.

**Finding 2:** CSA did not obtain adequate assurance that the vendor responsible for distributing child support payments had sufficient security over its information system to protect sensitive data such as personally identifiable information for custodial and noncustodial parents.

\*Bold denotes item repeated in full or part from preceding audit report.

**Appendix 3  
Object/Fund Difference Report  
DHS Child Support Administration**

<u>Object/Fund</u>	<u>FY 21 Actual</u>	<u>FY 22 Working Appropriation</u>	<u>FY 23 Allowance</u>	<u>FY 22 - FY 23 Amount Change</u>	<u>Percent Change</u>
<b>Positions</b>					
01 Regular	664.20	652.20	652.20	0.00	0%
02 Contractual	23.30	1.00	1.00	0.00	0%
<b>Total Positions</b>	<b>687.50</b>	<b>653.20</b>	<b>653.20</b>	<b>0.00</b>	<b>0%</b>
<b>Objects</b>					
01 Salaries and Wages	\$ 51,530,849	\$ 52,317,572	\$ 52,385,045	\$ 67,473	0.1%
02 Technical and Special Fees	925,105	63,107	63,150	43	0.1%
03 Communication	412,941	359,383	370,912	11,529	3.2%
04 Travel	8,965	96,293	93,831	-2,462	-2.6%
06 Fuel and Utilities	67,872	83,342	77,859	-5,483	-6.6%
07 Motor Vehicles	37,195	33,616	33,616	0	0%
08 Contractual Services	43,390,574	38,510,341	40,193,518	1,683,177	4.4%
09 Supplies and Materials	383,257	441,303	456,266	14,963	3.4%
10 Equipment – Replacement	12,800	0	0	0	0.0%
11 Equipment – Additional	21,294	0	0	0	0.0%
12 Grants, Subsidies, and Contributions	7,779	1,147	1,140	-7	-0.6%
13 Fixed Charges	4,762,633	3,703,717	3,711,687	7,970	0.2%
<b>Total Objects</b>	<b>\$ 101,561,264</b>	<b>\$ 95,609,821</b>	<b>\$ 97,387,024</b>	<b>\$ 1,777,203</b>	<b>1.9%</b>
<b>Funds</b>					
01 General Fund	\$ 19,101,924	\$ 19,101,541	\$ 18,898,018	-\$ 203,523	-1.1%
03 Special Fund	16,468,344	16,996,903	18,521,663	1,524,760	9.0%
05 Federal Fund	65,990,996	59,511,377	59,967,343	455,966	0.8%
<b>Total Funds</b>	<b>\$ 101,561,264</b>	<b>\$ 95,609,821</b>	<b>\$ 97,387,024</b>	<b>\$ 1,777,203</b>	<b>1.9%</b>

Note: The fiscal 2022 working appropriation and fiscal 2023 allowance do not reflect funding for statewide personnel actions budgeted in the Department of Budget and Management, which include cost-of-living adjustments, increments, bonuses, and may include annual salary review adjustments.