

Child Support Report

OFFICE OF CHILD SUPPORT ENFORCEMENT



Vol. 33 No. 2 February 2011

National 'Insurance Match' Collections Quadruple, Adding to Totals for Families and Kids

By Kathy Miller
OCSE

The OCSE Insurance Match program has reached a new high: Collections voluntarily reported by 21 states and the District of Columbia have exceeded \$4 million, quadrupling from 2009 to 2010.

In partnership with states and the insurance industry, OCSE designed, developed and implemented this efficient, cost effective and centralized program to compare information about individuals owing past-due support with information maintained by workers' compensation agencies and insurers (or their agents) concerning insurance claims, settlements, awards and payments.

As of the end of 2010, 53 of the 54 states and territories, 12 state workers' compensation agencies, close to 500 insurers, and the U.S. Department of Labor are participating in the program.

Florida has been the front-runner in frequency and value of collections reported. State staff believe OCSE's insurance match program provides vital information about insurance claims that have been or will be paid to noncustodial parents—information that the state may not have received from other sources.

In federal fiscal year 2010, Florida's insurance matches increased nearly 30 percent and collections increased over 300 percent from the previous year. In the fourth quarter of 2010, collections from this program were up 90 percent



over the same period in the previous year.

Florida's startup costs to receive the matches were minimal, and since there is no monthly fee for matches, the state was able to implement the program without a financial impact to the agency.

Indiana received a collection of over \$72,000 from a personal injury claim for an obligor who rarely made payments while the children were growing up. The custodial parent was elated to receive the child support, which paid the arrears in full and resulted in closure of the case.

Texas staff put a new twist on the insurance match program when they projected that insurance match has become the new FIDM (Financial Institution Data Match)—another rich resource for collections! Texas staff notified OCSE that so far in fiscal year 2011, insurance collections (from all sources) have exceeded FIDM collections by almost \$2 million.

As OCSE continues its outreach and assistance to states to increase reporting and improve the delivery of claims data, it anticipates even greater results for families with children in 2011.

Inside This Issue

Commissioner's Voice: We Depend on Evidence-Based Research	2
Hispanic Outreach Toolkit on the Web	3
New Info on EITC	3
Arkansas Makes a Case for New Interactive Website	4
The Event: Advanced Planning Document Reform	5
Winning Equation: Passport Denial + Employers = \$\$\$	6
Clipping (Paternity) Coupons	6
Cuyahoga County Assists 1,000 Customers at Event	7
Reflections on the Child Support Program:	8
35 Years of Payments	8
Perspectives from Two Angles - Attorney and Judge	9



Child Support Blog
Share Your Thoughts!



U.S. Department of Health and Human Services
Administration for Children and Families
Office of Child Support Enforcement



We Depend on Evidence-Based Research

Data and research are engines that drive the national child support program. Data help us know whether we are on track to meet our performance goals. They help us identify the best case strategies to pursue. Research and data help us gain public support for our program and develop policies and initiatives that can effectively respond to trends in our caseload.

For example, the U.S. Census Bureau's "[Current Population Survey](#)" shows us that the child support program's caseload reflects societal trends in poverty, nonmarital childbearing, divorce, and families who receive public assistance. The "[Fragile Families and Child Wellbeing](#)" national survey of 5,000 newborns in hospitals, conducted by a team of researchers at Columbia and Princeton Universities, helps us understand the causes and consequences of nonmarital childbearing. This research helps us to better understand the living situations of our customers.

Research helped us understand why noncustodial parents' arrears accumulate—and as a result of that research, child support professionals have developed projects to better manage these arrears. Research also taught us that we can increase support payments if we can help unwed parents negotiate access and visitation arrangements. And child support professionals have developed mediation projects that help parents put together parenting plans. Our research about undistributed collections has led to ways to reduce those amounts.



In the last 15 years, research has helped to spur the program's shift to a broader set of family-centered strategies. We now know that the more involved the dad is

emotionally, the more likely he will pay child support. We know that many fathers need services to help them understand the importance of their role as a dad. And we have learned that the child support program is uniquely positioned to reach out to low-income men through services that lead to employment and through access and visitation services.

At OCSE, we are thinking hard about ways to increase our data analysis and research opportunities to identify evidence-based practices that we should incorporate into our program. At the federal level, OCSE is developing a data warehouse to help us analyze our FPLS and administrative data. We are partnering with our Department's research and evaluation offices, the Office of Family Assistance (which administers the TANF program), and the U.S. Department of Labor to obtain research evidence about certain workforce program models. And, through a small number of grants, we have been encouraging state child support agencies to develop partnerships with their state universities to use research to learn about more effective ways of doing business.

I look forward to further research as OCSE strengthens its partnerships—and creates new ones—with agencies at every level of government. We have the latest results about our partnership that drives the insurance match program (see page 1) and the passport denial program's partnership with employers (page 6).

I also look forward to seeing research evidence and other data from your states, counties, and tribal agencies. Despite tight budgets, you continue to innovate and test problem-solving solutions, for example, interactive websites to better communicate with customers (see page 4)—perhaps one of the most important opportunities to connect with our diverse customer caseload.

Vicki Turetsky

Hispanic Outreach Toolkit Now on the Web

The OCSE online [Hispanic Resource Center](#) now gives you access to the [Hispanic Outreach Toolkit](#) (previously available on DVD only). The toolkit offers posters, brochures, public service announcements, and other outreach materials to help child support professionals and community-based organizations communicate with clients. Many are available in Spanish and all are free!

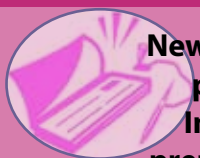
The toolkit materials can be customized to include your organization's name, address, and phone number by simply typing your information directly on the blank space on the PDF document. The materials are easy to access—select the appropriate tab for the kind of outreach material you need and click on the highlighted link to download the media file.



Screen shots from the [Hispanic Outreach Toolkit](#)



New Info on EITC



New information on the OCSE website may help child support agencies increase participation in the [Earned Income Tax Credit](#) (EITC). Learn about the IRS Voluntary Income Tax Assistance Centers (VITA) located across the country that can help people prepare their tax returns free of charge.

See the Commissioner's Voice [blog](#) titled "A New Year for Opportunities to Help Families" for more ways that child support professionals can promote awareness about EITC.

Arkansas Makes a Case for New Interactive Website

By Jeff Moritz

Arkansas Office of Child Support Enforcement

In fall 2009, Arkansas OCSE began to use funds from the American Recovery and Reinvestment Act of 2009 to improve customer service throughout the state. One project addressed the need for web access by improving a website to enable customers to interact more efficiently and effectively with staff.

Its previous website was limited, though customers could view recent payment information and make child support payments online. Given the vision to deliver interactive services to the customer, the office committed to replacing its website with the more robust [MyCase website \(www.ark.org/mycase\)](http://www.ark.org/mycase).

To help meet all customer needs, the office enlisted a user group of about 25 field staff who became a pivotal element in the final design. The group worked closely with the information systems development team, comprised of both state employees and contract staff, to define the features that would most benefit customers and staff.

The [MyCase](http://www.ark.org/mycase) website maintains the ability to make child support payments online, expands the payment history option, and adds new capabilities for the customer, such as: access to individual case information; ability to request direct deposits; ability to view and respond to forms electronically; ability to update personal information (children's names, dates of birth, graduation dates, address information); and access to a secure messaging service that allows the customer to communicate electronically with caseworkers and customer service staff.

And, just as important, the new website is highly



Photos from the MyCase website

intuitive—easy to use and visually appealing. The site includes a tour as well.

Arkansas OCSE Director Dan McDonald says, “In our business, reasonable and responsible casework is at the core of delivering effective customer service. However, customers are demanding more and more that we stay in touch with them. Innovations, such as our interactive customer service website, not only make it possible to do just that, it also allows our customers to be a productive part of the child support process.”

For more information on the new [MyCase](http://www.ark.org/mycase) website, contact Dan McDonald at 501-682-6169 or dan.mcdonald@ocse.arkansas.gov, or Jeff Moritz at 501-324-8537 or jeff.moritz@ocse.arkansas.gov.



The Event: Advanced Planning Document Reform

By Joe Bodmer
OCSE

On October 28, 2010, staff in the OCSE Division of State and Tribal Systems experienced what I like to euphemistically call *The Event*. Not to be confused with the new television show of the same name, our Event actually took nine years in the making. Our Event affects every single state, every child support project, and every operational child support system nationwide. So what is our Event? It's publication of the final rule at 45 CFR Part 95, also known as APD reform.

The federal regulations at 45 CFR Part 95 govern how states and localities get reimbursed in their acquisitions of automated computer systems and services. These regulations apply to human services entitlement programs and their federal funds that fall under the purview of the U.S. Department of Health and Human Services; simply put, this means the federal dollars for the child support, child welfare, and Medicaid programs.

Advance Planning Document, or APD, reform is a far-reaching redirection of the federal government's oversight and involvement in determining how states and localities spend federal matching funds on computer systems and their support functions. In fact, it is so far reaching that, in the area of maintenance and operations (M&O), federal oversight responsibility is now limited to identifying and approving the use of federal dollars in support of M&O, which includes acquisitions.

Let me describe a couple of the more significant changes under APD reform. For one, state procurement laws will now be the primary factor ensuring fair and competitive acquisitions. And did you know that the requirement to include an updated "cost benefit analysis" in your annual APD update is gone? That's right. With the exception of still having to conduct a cost-benefit analysis on each alternative system solution analyzed in your feasibility study, they are otherwise no longer required to be updated in your annual APDs.

For another change, APD reform brings a demarcation

line of sorts to the federal process for funding state projects; one that separates projects and procurements into low- and high-risk categories. The differentiation dictates how much a state needs to plan for and concern itself with federal review and approval of its procurements and automation projects.



For example, procurements of computer hardware and operating system software, even in quantities up to \$20 million, are no longer subject to prior federal review and approval before executing the purchase. Indeed, most procurement outside of those involving software development-

related efforts exceeding \$6 million in value, as long as they are identified in your annual APD update, will normally no longer require any further federal review for funding approval. In other words, once identified in an APD, low-risk procurements are considered federally approved from the day the respective APD they're identified in gets approved.

Of course there are some nuances and some policy calls to make in the future, but this is the case with most significant regulations impacting state funding. There's always something, some twist no one saw coming. For example, how risk will be defined in procurements that include both hardware purchases and some significant software development component; where the federal partners will see that demarcation line between the low-risk hardware buy and the higher-risk software development acquisition; the line that determines the level of prior federal review for approval in, or distinct from, the APD process.

In the coming weeks and months, our OCSE analysts who work on state IT funding requests will be reaching out to their state counterparts to step through the ramifications of APD reform, and specifically how it impacts you and your APD, your current and upcoming acquisition efforts, and the funding and federal oversight of your software development and new system acquisition projects.

Need answers sooner? You can reach me at joseph.bodmer@acf.hhs.gov or 202-690-1234.

Winning Equation: Passport Denial + Employers = \$\$\$ for Children

By Rebecca Hamil
OCSE

The Passport Denial Program has found an ally in its collection efforts: employers. Much like passport denial, employers are a significant source of funds for the 17.4 million children served by the national child support program.

In 2009, employers were responsible for nearly 70 percent of all child support collections, with \$21.4 billion collected through income withholding. In addition to withholding child support, employers are paying large amounts of past-due child support on behalf of their employees who have been certified for the passport denial program so the “hold” on their passport can be released.

In most cases, employers make the payments so their employees can travel for work purposes. For example, one employer paid over \$29,000 so his employee could travel to the Middle East for an assignment. Another employer paid nearly \$12,000 on behalf of the employee. One noncustodial parent, who had not made a single payment since the case opened in 2006, convinced his employer to pay nearly \$14,000 for an assignment in Europe. Another noncustodial parent needed his employer’s assistance in

paying \$15,000 so he could travel to several countries for his job.



There are some instances in which employers paid a noncustodial parent’s past-due support so they could travel for reasons other than employment. In one case, a noncustodial parent’s mother needed surgery in another country. Out of compassion, the employer paid \$10,000 so the parent employee could accompany his mother. Another paid over \$5,000 so the parent could vacation in Mexico.

Some of the families that benefit from employers paying support on the noncustodial parent’s behalf have not received payments in many years. One employer recently paid \$75,000 on behalf of a noncustodial parent who had paid almost no child support over the past 25 years. The custodial parent was extremely grateful and said she was certain the arrearage would have never been paid, if not for the passport denial program and the employer’s good will.

Regardless of the reasons that these companies are making payments on behalf of their employees, families benefit.

For information about the passport denial program or to report a success in your state, please contact Rebecca Hamil at rebecca.hamilton@acf.hhs.gov.

Clipping (Paternity) Coupons

The Montgomery County, PA, Domestic Relations Section offers a way for noncustodial parents to save money, to legally establish paternity, and to expedite order establishment—by issuing paternity coupons.

Jennifer Brown, Assistant Director for the intake division, explains the process:

“Mailing free genetic-testing coupons to alleged fathers immediately after the complaint for support has been filed positively impacts [the Domestic Relations Section] and our clients in a few ways. If the alleged father wants genetic testing, both parties appear on their

own at least 10 days prior to their preliminary conference. Therefore, the paternity results are known before the scheduled conference, which reduces the need for continuances based upon paternity testing requests and the additional build-up of support arrears caused by a retroactive support order. We are also able to verify demographic information and employment status, which leads to a completed earning subpoena.”

In Montgomery County, everyone benefits from paternity coupons, including the child who may know daddy sooner.



Cuyahoga County Assists 1,000 Customers at 'Safe Surrender' Event

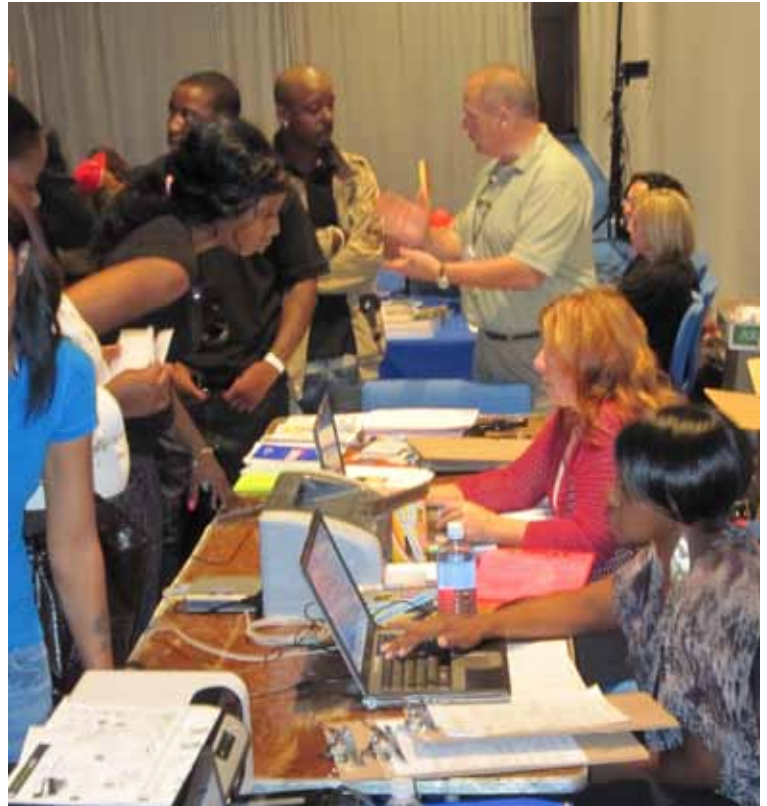
By Mark Chimo
*Child Support Enforcement Agency
Cuyahoga County, Ohio*

The Cuyahoga (Ohio) Child Support Enforcement Agency joined more than 40 other community agencies and organizations and the United States Marshal's Office to take part in Northeast Ohio's second Fugitive Safe Surrender Program. Last fall's broad [Fugitive Safe Surrender](#) event originated in Cleveland in 2005 and was created to allow those with outstanding warrants to voluntarily surrender to authorities.

During the four-day event, Cuyahoga child support representatives assisted nearly 1,000 child support clients. The workers could access the statewide computer system and update case information on the spot. Many obligors took advantage of the county's driver's license amnesty program to reinstate their driving privileges by paying one month's obligation plus an additional \$50—and provide the agency with a valid address, income source and bank account. Employees also assisted clients in requesting modifications, updating demographic information, and other case actions.

Since the initial event in 2005, more than 30,000 individuals have surrendered nationwide at events in 18 cities across the country. At this year's event in Cleveland, 7,431 individuals surrendered, breaking the national record set last year in Detroit.

The event has turned into a one-stop shop of justice, with representatives from state, county, and local agencies, as well as sheriff's personnel, prosecutors, judges, public



Cuyahoga child support staff participated in Northeast Ohio's Fugitive Safe Surrender Program event.

defenders, and court employees—all there to dispose of cases on the spot if possible. The collaboration of all of these entities enabled this year's event to be the most successful, with lines on the last day stretching for a quarter of a mile. Many individuals were able to have charges dismissed, fines reduced, or new court dates set.

Child Support Report **Put Your Program on the Map**

Share stories about your state, county, or tribal child support agency with readers of the *Child Support Report*. Send your ideas to the editor:

elaine.blackman@acf.hhs.gov



National Child Support Program
Celebrating Our Past, Charting Our Future

Reflections on the Child Support Program



35 Years of Payments

By Nancy Benner
OCSE

June 2010 brought the 35th anniversary of OCSE. Since then, the *Child Support Report* has published articles from federal, state and county staff members, child support directors, and judges who reminisced about their many years working to improve the lives of families.

On our trip down memory lane, we also remember the changes in technology and administrative structures that have taken us from paper checks arriving by mail, to employers sending electronic payments, and those payments posting automatically and disbursing electronically to custodial parents by direct deposit and debit card. After consulting several state disbursement units (SDUs) we were able to get a sense of the evolution of payment processing and some interesting things that happened along the way.

Alaska: Cash Lives!

Alaska still receives many payments in cold, hard cash. The SDU accepts walk-in payments from employers and noncustodial and custodial parents (when repaying an overpayment). Every month Alaska receives about 100 walk-in payments, a third of these in cash.

Iowa: No Burned Checks, Please

The Iowa SDU experienced a fire in 2006, from paint catching fire in a warehouse behind the office. It moved to downtown Des Moines into the Iowa child support agency's central office, and within a day began opening the mail (mostly payments) by hand. Staff was able to retrieve the scanner from the area affected by the fire and move it to the new location, which meant they were back in business. In 2008, it had to evacuate again, this time because of potential flooding. And again it was able to process payments within a day.

Tribes: The Color of Payments Isn't Always Green

The Model Tribal System supports in-kind payments to satisfy child support obligations. In-kind payments are defined as non-monetary recompense made directly to the custodial parent. Payments are considered "non-cash"

support collections that can only be applied to certain debts and cannot be used to satisfy assigned debts. The participant must have an existing obligation that allows for the in-kind payment to be posted or collected and processed by the Model Tribal System. The payments will be marked as an alternative payment method in the system during posting to credit current debt and isolate them from standard distribution and disbursement. Examples of in-kind payments include fish and firewood.

Missouri: Pay it Forward with In-Kind Payments

Missouri also accepts in-kind payments for child support. A custodial parent may give a noncustodial parent credit for buying something for the children, for example a car, or for taking the children for the summer. The custodial parent may go to any courthouse, field office, or the state office to show a receipt or make affidavit of credit for joint custody. The state child support agency takes the "payment" and forwards it to the SDU, which credits the noncustodial parent with the amount.

Louisiana: Pony Express Reactivated

Following Hurricane Katrina in August 2005, mail delivery was delayed for several weeks. The Louisiana and Texas child support agencies formed a unique collaboration. Texas set up mini SDUs in the Houston Astrodome and on the military base in San Antonio to distribute payments and gather new address information for custodial parents who were evacuated from Louisiana.

Meanwhile, in New Orleans and elsewhere in Louisiana, child support staff set up their own version of the pony express, traveling to many small shelters to deliver child support payments. They set up a major route between Baton Rouge and the St. Tammany Parish area near Lake Pontchartrain to distribute payments to areas heavily impacted by Katrina and that had little or no mail delivery. Child support staff would hand off "mailbags" at designated meeting points to get the checks out quickly. Several district attorneys' offices in affected parishes assisted, moving quickly to disburse payments. Needless to say, this experience led to Louisiana implementing the electronic payment card for child support!

Nebraska: Financial Wizardry in the Heartland

Nebraska's SDU began processing payments in 2001, and immediately began a program to disburse payments to custodial parents via direct deposit and to allow individual noncustodial parents and employers to set up debits to a checking or savings account. Employers use the Nebraska Child Support Payment Center's website to set up payments on behalf of its employees, a free service to all employers remitting payments to the center. Individuals making payments can use the website for one-time or recurring payments.

In April 2003, the center made its first interstate payment to another SDU (Georgia). Nebraska has attempted to stay at the forefront on processing payments electronically and has been recognized as one of the first states to participate in both the MasterCard's Remote Payment and Presentment Service and the Visa's ePay programs. These programs allow the Nebraska Child Support Payment Center to receive a large number of payments electronically from individuals via their personal bank's website or other online payment service.

Virginia: Around the World

The Virginia SDU is one of the few to send international child support payments electronically, through an agreement with its bank. It is also one of the few SDUs to be able to receive payments by mobile phone.

Washington State: First E-Payment?

Washington received its first EFT (electronic funds transfer) payment from OCSE in 1987, a wire transfer of IRS tax-refund intercepted payments. This prompted the state's interest in EFT and eventual leadership role in e-payments. Also, its SDU is one of the only to receive Financial Institution Data Match payments electronically.

For more information about State Disbursement Units, contact Nancy Benner at nancy.benner@acf.hhs.gov.

Payment Factoids

70 percent of collections come from employers withholding child support from employees' paychecks.

52.8 percent of collections are now electronic.

13 states have mandated electronic funds transfer (EFT): California, Florida, Illinois, Indiana, Iowa, Massachusetts, Nebraska, Nevada, Ohio, Oregon, Pennsylvania, Texas, and Virginia.

36 states accept online payments through their websites.



Perspectives from Two Angles—Attorney and Judge

In my 30 years in the child support world, I have had the benefit of viewing child support proceedings from two different angles—as a practicing attorney litigating the proceedings, and from the bench establishing and enforcing child support obligations. These experiences give me a unique perspective on how this world has changed.

I started as a lawyer and practitioner in child support in New York State in 1978, a time before much federal involvement. Child support proceedings were largely in the purview of the states. Into the mid-'80s, though, the federal government realized that mandated child support regulations would increase child support awards, make them more consistent, raise children and custodial



John Aman
Deputy Chief Support Magistrate
Buffalo, New York



parents out of poverty, and reduce public assistance benefits paid on their behalf.

In New York, the federally mandated Child Support Standards Act was passed in 1989. In fact, each state was obligated to develop a formulaic approach to child support. Before the act, in my experience, child support was awarded somewhat vaguely, based on ability to pay

and the needs of the child. There were no real rules, and thus no predictability and no consistency. Child support hearings at that time were long and tedious and focused on the cost of sneakers and a quart of milk. Proceedings initiated by the Department of Social Services to recoup public assistance funds did not do much of that. In fact, \$5 per week obligations worked out in a back room was the rule rather than the exception.

The 1989 legislation forced percentage-driven awards of support. And the results were just as advertised: Custodial parents and children were being lifted out of poverty; obligations began to achieve consistency; appropriate levels of support became the norm.

In 1992, I became a Support Magistrate. (New York is quasi-judicial in its approach to child support; Support Magistrates hear and determine these proceedings.) I began my new child support life on the opposite side of the bench. In this position I have seen the Child Support Standards Act grow and mature. Certainly, we still occasionally conduct hearings and hear about the cost of sneakers and a quart of milk. However, the hearings have become more sophisticated. We focus more now on income. We struggle with self-employed individuals. We endeavor to find an appropriate level of imputed income for the underemployed or the voluntarily unemployed. We try to determine if there is a limit to support in high-income cases. And, we struggle with more sophisticated concepts that the statute did not envision or define with much specificity, such as joint custody, split custody, which cases are appropriate to vary from the presumptive percentages, and very complicated medical insurance issues, to mention a few.

There have been many changes in New York and across the country since I began to practice. For instance, the agency today is very sophisticated in its collection activities. Income executions are the rule; drivers' license suspensions, income tax interceptions, passport denials, bank account and property seizures occur every day.

But I suggest that the most dramatic change I have seen over time is with the culture. Custodial parents now appear in court aware that the courts have a responsibility to award support so that their children might have an appropriate standard of living, and they advocate for that.

Noncustodial parents now appear in court conceding that they should pay their appropriate percentage of income to support their child, but understand that the court must leave them with sufficient income, after payment of their support obligation, to sustain themselves. All are better educated customers!

The world of paternity, in which I also have practiced,



has likewise been turned upside down in the past 30 years. In the '80s and early '90s, we actually conducted paternity trials. That is, we litigated about access, we drew bills of particular (explanation of claims), we considered chain of evidence (authentication of) issues, and took testimony about the science of a less-than-exact HLA blood testing. I am told that shortly before my time it was not uncommon to exhibit the child in court and to make findings regarding the physical similarities between child and putative father.

Now paternity trials generally do not exist. Genetic marker testing by way of DNA matching is easy, inexpensive, and reliable. Putative fathers only want to "see the paper" that will say that their probability of paternity is 99.99 percent, and they will admit. Any paternity litigation that we do focuses on the complex issues, such as equitable estoppels (avoiding a contradictory statement by the father), legal presumptions (marriage) and their continued efficacy, paternity disestablishment, and the changing definition of the words *parent* and *family*.

I suggest that the 21st-century way of establishing paternity makes parents better parents and better providers for their children. Thirty years is a short time in law. But the last 30 years has produced a great many changes in the child support world. The coming 30 years, I suspect, will prove to be equally exciting.

Child Support Report



Child Support Report is published monthly by the Office of Child Support Enforcement, Division of Consumer Services. We welcome articles and high-quality digital photos. We reserve the right to edit for style, content, and length. Contents are for informational purposes only; no official endorsement of any practice, publication, or individual by the Department of Health and Human Services or the Office of Child Support Enforcement is intended. Use of this material is welcomed; please identify *Child Support Report* as the source.

David A. Hansell
Acting Assistant Secretary for Children and Families

Vicki Turetsky
Commissioner, OCSE

Gabrielle Pagin
Director, Division of Consumer Services

Elaine Blackman
Editor
202-401-5353
elaine.blackman@acf.hhs.gov