

WISCONSIN DEPARTMENT OF CHILDREN AND FAMILIES
Division of Family and Economic Security
Bureau of Child Support

**CHILD SUPPORT
BULLETIN**

**To: Child Support Directors
Child Support Supervisors or Lead Workers
Child Support Attorneys**

No.: 09-20

Date: 07/20/2009

**From: Director
Bureau of Child Support**

Subject: Biennial Budget ~ Wisconsin State Statute Changes

Purpose

This bulletin informs child support agencies of changes to Wisconsin state statute as a result of the passage of the 2009 -2011 biennial budget. This is intended to be an overview of changes. More detail about specific changes will be published once further analysis is completed.

Background

On June 29, 2009, Governor Doyle signed the State biennial budget into law under 2009 Wisconsin Act 28. This bill establishes the Wisconsin state biennial budget for the period from July 1, 2009 through June 30, 2011. The bill made several changes that affect Wisconsin's child support program.

Increased County Funding

2009 Wisconsin Act 28 creates a continuing General Purpose Revenue (GPR) appropriation to fund the child support program. This will make whole the funding loss resulting from the passage of the Deficit Reduction Act (DRA).

Under the budget bill, counties will receive increased funding of \$4,250,000 GPR for January through June, 2011, and another \$4,250,000 GPR in July through December, 2011 to offset the reduction in federal funds when ARRA incentive matching is discontinued.

The budget bill specifies that if Congress reinstates the ability to match federal child support incentive payments at a rate of 66% or more, then the Department of Children and Families would **not** provide the GPR to county child support agencies beginning on the effective date of the federal legislation.

Medical Support Incentive

The newly created Wis. Stats. § 49.25 provides an additional \$300,000 in GPR, which may be used as an incentive for child support agencies for identifying health insurance coverage for children who are receiving medical assistance benefits. This amount is eligible for 66% federal matching funds.

On/Off Assignment of Support

In preparation for federally-required On/Off assignment changes effective October 1, 2009, assignment language has been changed for cash W-2, Kinship Care, and Caretaker Supplement families ([§. 49.145\(2\)\(s\)](#), [§. 48.57\(3n\)\(b\)2](#), and [§. 49.775\(2\)\(bm\)](#)) to no longer require that previously-accrued family arrears is assigned when the family goes on assistance.

Effective October 1, 2009, Wisconsin will assign the right to child support or maintenance *only* for the time that cash assistance is received. Language in the budget also allows for the release of assignment on existing temporarily and conditionally assigned arrears (CNA and WNW subaccounts). These changes provide the statutory authority to implement On/Off assignment on October 1 of this year, as planned.

This change does not apply to Foster Care assignments. State and federal laws still require the assignment of pre-assistance arrears in Foster Care cases.

Expanded Passthrough for IV-A Assistance Cases

Under the DRA, the federal government will participate (waive the federal share) for more child support that is passed through to IV-A assistance families. Under current state law, the state must pay the federal government its share (approximately 60%) of all assigned child support collected, and the state passes through the state share (approximately 40%) of all child support collected to W-2 or caretaker supplement recipients and former recipients. Therefore, these families currently receive approximately 40% of all assigned child support collected.

75% to Current Assistance Cases Effective October 1, 2010

Effective October 1, 2010, W-2 cash assistance or Caretaker Supplement families will receive 75% of any support collected, rather than 40% under current law.

100% to Former Assistance Cases (Date to be determined)

Former W-2 or Caretaker Supplement families will receive 100% of any state-assigned arrears collected, rather than the 40% under current law.

This change does not apply to Kinship Care or foster care cases.

Kinship Care Benefit Increase

Starting January 1, 2010, Kinship Care providers will receive an increase in benefits from \$215 to \$220 per month.

Child Support Income for Child Care Eligibility

Currently child support is not counted as income for child care eligibility. The budget bill will require counting child support as income for Child Care benefits if the child support exceeds \$1,250 per month

Financial Statement Without Charge

As a reaction to debit card fee increases, Wis. Stat. §., 767.57 (1) (d), was created to require the Department of Children and Families or its designee to offer to every individual to whom child support or family support payments are disbursed the option to receive a paper statement of account that will be sent to the individual whenever money is received on behalf of or disbursed to the individual under this section. The department or its designee may not charge an individual a fee for providing the statements of account.

Action

No action is necessary at this time. Further information and instructions will be published as the budget bill provisions are implemented.