

DEPARTMENT OF CHILDREN AND FAMILIES X ACTION
DIVISION OF FAMILY AND ECONOMIC SECURITY NOTICE
ADMINISTRATOR'S MEMO SERIES

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 AS FM ML TR
 CC FL NA W-2
 X CS IT RA WIA
 CF JC TC
 CR LM TA

DATE: August 26, 2016

TO: Child Support Agency Directors

FROM: Kris Randal
 Division Administrator

RE: CALENDAR YEAR 2017 PRELIMINARY CHILD SUPPORT ALLOCATIONS

PURPOSE:

This Administrator's Memo notifies county child support agencies of the preliminary funding allocation information for Calendar Year 2017 (CY2017).

BACKGROUND:

Wisconsin expects to earn approximately \$12.9 million in child support incentives based on Federal Fiscal Year 2015 (FFY 2015) performance in five areas: court order establishment, paternity establishment, collection of current support, arrears collection, and cost effectiveness. The desired performance level for court order and paternity establishment, current support collections, and arrears collections is 80%. The goal for cost effectiveness is to collect at least \$5.00 for every \$1.00 expended.

Under state law, the first \$12.34 million of the federal incentive funds is distributed to county child support agencies. Federal law requires that all child support incentives be spent on the child support program, and the incentives may not be used to supplant state and local funding for the program. The department is distributing an estimated \$12.93 million in federal incentive funds, \$8.5 million in General Purpose Revenue (GPR) appropriated in 2013 Act 20, and additional funds associated with the GPR, which are matched by the federal government. While the actual federal incentives award Wisconsin will receive is unknown until announced by OCSE in the first quarter of 2017, the total anticipated funding from federal and state sources is estimated to be approximately \$37,938,683. The availability of GPR funding after June 30, 2017, is implicit for purposes of these calculations, however it is dependent on the appropriation of at least \$4.25 million for the first six months of CY2017. If a GPR appropriation is not approved, all planned distributions to the counties for CY2017 will be subject to recalculation.

Consistent with recommendations from the WCSEA County Contract Committee, the Department of Children and Families has modified the allocation methodology that will be used for the distribution of state and estimated federal incentive funds to the counties in CY 2017. The goal of these modifications is to provide greater stability in the funding allocations, while continuing to reward performance that meets or exceeds federal performance standards. In addition, a portion of the funding will be distributed to counties to acknowledge the creation of strong partnerships with employment organizations.

See the attached [CY17 Preliminary Funding Allocation](#) spreadsheet for the estimated funding amounts. There is a separate spreadsheet for each measure. Also included for reference are the [CY17 Preliminary Funding by Type](#) and [Tables and Formulas](#) documents, which further clarify the funding totals and calculations.

REVISED ALLOCATION OF CHILD SUPPORT FUNDS:

The 2017 allocations will divide funding as follows:

20% for Measure 1 - Court Order Establishment - \$7,587,737;
25% for Measure 2 - Paternity Establishment - \$9,484,671;
20% for Measure 3 - Child Support Case with Collections - \$7,587,737;
15% for Measure 4 - Arrears Cases with Collections - \$5,690,802; and
20% for Measure 5 - Adjusted Caseload - \$7,587,737.

Each county will receive funding based on these performance measures as of September 30, 2015. The measures mirror those used for federal performance with one exception; the department uses a fifth measure which awards a pro rata share of funding based on each county's adjusted caseload. In 2017, the adjusted caseload is the number of open cases with activity in the last two years. Each county will use the pro rata share of its adjusted caseload to allocate funding for court order and paternity establishment. Because all agencies have met the federal performance standards for court order and paternity establishment, each agency will receive 100% of its pro rata share. Reports showing cases without activity in the last two years are available on the Child Support Partner Resource Page under Program Performance.

The allocation methodology for Measure 3 and 4 is very similar, and strives to reduce differences due to fluctuations not related to program performance.

The allocation for Measure 3 is based on cases with current support collections. The KIDS EOS "PAMT" report dated 9/30/2015 was used to identify cases with current support collections. The amount awarded to each county is a "per dollar" rate. For CY 2017 the rate is \$44.76 per case; based on the total funding allocation divided by the statewide cases with current support collections. The county's cases with current support collections are multiplied by the "per dollar" rate, and then the allocation amount is multiplied by the federal performance current collections rate for each county to determine the amount earned for Measure 3.

The allocation for Measure 4 is based on cases with arrears collections. The amount awarded to each county is a "per dollar" rate based on the total funding allocation

divided by the statewide cases with arrears collections. For CY 2017, the “per dollar” rate is \$21.43 per case. The county’s cases with arrears collections are multiplied by the “per dollar” rate and then the allocation amount is multiplied by the federal performance arrearage collections rate for each county to determine the amount earned for Measure 4.

The distributions in Measures 3 and 4 do not distribute all funds available. Remaining funds from Measures 3 and 4 allocations will be split among county agencies as follows:

Ninety percent (90%) of these unallocated funds will be prorated for each county based upon the counties earnings for all five measures.

The remaining ten percent (10%), approximately \$217,000, will be distributed to counties that have created robust partnerships with employment organizations that are an integrated part of the agency’s child support services. DCF will provide detailed information on the process and criteria to be used for this funding distribution later this year.

In the 2015-2017 Biennial Budget, \$300,000 in GPR was awarded for identifying children who are receiving medical assistance benefits and have health insurance coverage or access to health insurance coverage. Allocations and performance requirements related to the CY2017 Medical Support Performance funds will be issued under a separate Administrator’s Memo.

FUTURE YEARS:

DCF will continue to meet with the WCSEA Contract Committee to review the results of the funding allocations to assure they are achieving the intended goals. Future funding plans are subject to discussion and consultation with the counties pursuant to § 153.06, Wis. Adm. Code, and may be modified based on those discussions.

CONTACT: BRO CS Regional Coordinators

Attachments:

[CY17 Preliminary Funding Allocations](#)
[CY17 Court Order/Paternity Establishment](#)
[CY17 CSUP Cases with Collections](#)
[CY17 Arrears Cases with Collections](#)
[CY17 Adjusted Caseload](#)
[CY17 Preliminary Funding by Type](#)
[Tables & Formulas](#)
[Federal Applicable % Tables](#)