

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

ACTION
 NOTICE

DFES 18-04

ISSUE DATE: 09/18/2018
DISPOSAL DATE: 12/31/2019

*PROGRAM CATEGORIES:

<input type="checkbox"/> AS	<input type="checkbox"/> FM	<input type="checkbox"/> ML	<input type="checkbox"/> TR
<input type="checkbox"/> CC	<input type="checkbox"/> FL	<input type="checkbox"/> NA	<input type="checkbox"/> W-2
<input checked="" type="checkbox"/> CS	<input type="checkbox"/> IT	<input type="checkbox"/> RA	<input type="checkbox"/> WIA
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TO: Child Support Agency Directors

FROM: John Chapin
Division Administrator

RE: Calendar Year 2019 Preliminary Child Support Allocations

PURPOSE

This Administrator's Memo notifies county child support agencies of the preliminary funding allocation information for Calendar Year 2019 (CY2019).

BACKGROUND

Wisconsin expects to earn approximately \$12.92 million in child support incentives based on Federal Fiscal Year 2017 (FFY 2017) 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 must be expended 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 \$12.92 million in federal incentive funds, \$8.5 million in General Purpose Revenue (GPR) appropriated in the 2013 Act 20, and funds of \$16.5 million associated with the GPR that are matched by the federal government. The current federal matching rate, also known as federal financial participation (FFP), is 66%. While the actual federal incentives award Wisconsin will receive is unknown until announced by OCSE sometime in 2019, BCS is estimating those incentives will be approximately \$12.92 million. Therefore, the total funding from federal and state sources is approximately \$37,928,546 for CY2019. The availability of GPR funding for July 1, 2019 through December 31, 2019 is included for purposes of these calculations, however the funding is dependent on the appropriation of at least \$4.25 million for the last six months of

CY2019. If the GPR appropriation is not approved, all planned distributions to the counties for CY2019 will be subject to recalculation.

Consistent with recommendations from the WCSEA Contract Committee, the Department of Children and Families (DCF) has decided to use the same allocation methodology that was used in CY2018 for the distribution of state and estimated federal incentive funds to the counties in CY2019. This allocation approach provides greater stability in the funding allocations, while continuing to reward performance that meets or exceeds federal performance standards. As in CY2018, the entire unearned pool will be prorated based upon the county's "Total Amount Earned." There will be no funding for Employment Referrals in CY2019. The decision to award Employment Referral funds is delayed to allow additional planning time to ensure that the resources are available for CSAs supporting this endeavor for NCPs. The child support agencies should continue to develop relationships with local employment services and non-custodial parents in their vicinity.

See the attached [CY19 Preliminary Funding Allocation](#) spreadsheet for the estimated funding amounts for each county. There is a separate spreadsheet for each measure. Also included for reference are the [CY19 Preliminary Funding by Type](#) and [CY19 Tables and Formulas](#) documents, which further clarify the funding totals and calculations.

ALLOCATION OF CHILD SUPPORT FUNDS

The 2019 allocations will divide funding as follows:

20% for Measure 1 - Court Order Establishment - \$7,585,710;
25% for Measure 2 - Paternity Establishment - \$9,482,137;
20% for Measure 3 - Cases with Current Support Ordered- \$7,585,710;
15% for Measure 4 - Cases with Arrears Balances - \$5,689,282; and
20% for Measure 5 - Adjusted Caseload - \$7,585,710.

Each county will receive funding based on these performance measures as of September 30, 2017 using data provided on the KIDS PERF report. 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 2019, 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 most agencies, if not all, 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 Measures 3 and 4 is very similar and strives to reduce differences due to fluctuations not related to program performance. The "per case" amounts have been removed for simplification. The methodology remains the same because the allocations are still being prorated as in prior years.

The allocation for Measure 3 is based on cases with current support ordered. The column titled "Court Cases with Current Support Ordered" from KIDS PAMT report dated 9/30/2017 was used to identify county cases with current support ordered. The amount allocated is prorated based upon each county's Cases w/CSUP Ordered. The allocation amount calculation for each county is the county's cases with current support ordered divided by the total cases with current support

ordered, multiplied by the total allocation for Cases with Current Support Ordered. The Measure 3 earned amount calculation for each county is the allocation amount multiplied by the federal applicable percentage that corresponds to the agency's current support collections performance rate.

The allocation for Measure 4 is based on cases with arrears balances. The amount allocated is prorated based upon each county's Cases with Arrears per the September 30, 2017 KIDS PERF report. The allocation amount calculation for each county is the county's cases with arrears divided by the total cases with arrears, multiplied by the total allocation for Cases with Arrears. The Measure 4 earned amount calculation for each county is the allocation amount multiplied by the federal applicable percentage that corresponds to the agency's arrears performance rate.

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

One-hundred percent (100%) of the unearned funds will be prorated for each county based upon the county's earnings for all five measures.

MEDICAL SUPPORT PERFORMANCE FUNDS

In the current Biennial Budget, \$300,000 in GPR will be allocated to child support agencies 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 CY2019 Medical Support Performance funds will be issued under a separate Administrator's Memo.

OTHER CHANGES AFFECTING CHILD SUPPORT FUNDING

In addition, county and tribal child support agencies will no longer be charged for Federal Parent Location Services (FPLS) starting in CY2019. This change is part of the many expenditures paid by the State for the child support program. Other expenditures paid by the state are the contracts for the state disbursement unit and financial institution data matching, unemployment intercepts, birth certificate fees, birth queries, and KIDS operations.

Child support agencies will be expected to cover the costs of background checks for new employees as stated in CSL 18-03 Background Investigation Fees beginning October 1, 2018.

Also, agencies will be responsible for the full costs related to the managed router service provided by the Wisconsin Department of Administration in CY2019 per CSL 18-02 Print Router and Server Reimbursement Process.

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 §DCF 153.06, Wis. Adm. Code, and may be modified based on those discussions.

CONTACT: BRO CS Regional Coordinators

ATTACHMENTS

- [CY19 Preliminary Funding Allocations](#)
- [CY19 Court Order-Paternity Establishment](#)
- [CY19 Cases with Current Support Ordered](#)
- [CY19 Cases with Arrears Balances](#)
- [CY19 Adjusted Caseload](#)
- [CY19 Preliminary Funding by Type](#)
- [CY19 Tables & Formulas](#)
- [CY19 Federal Applicable % Tables](#)

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