



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

**DFES 19-06**

ISSUE DATE: 8/21/2019  
DISPOSAL DATE: 12/31/2020

- ACTION
- NOTICE

PROGRAM CATEGORIES:

- W-2 - Wisconsin Works
- RA - Refugee Assistance
- CS - Child Support
- CF - Children First
- TJ - Transitional Jobs
- TMJ - Transform Milwaukee Jobs

**TO:** Child Support Agency Directors

**FROM:** Connie Chesnik  
Division Administrator

**RE:** Calendar Year 2020 Preliminary Child Support Allocations

**PURPOSE:** This Administrator's Memo notifies county child support agencies of the preliminary funding allocation information for Calendar Year 2020 (CY20).

**BACKGROUND:** Wisconsin expects to earn approximately \$12.97 million in child support incentives based on Federal Fiscal Year 2018 (FFY18) performance in five areas: court order establishment, paternity establishment, collection of current support, arrears collection, and cost effectiveness. The targeted federal 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.

The actual federal performance incentives award Wisconsin will receive is unknown until announced by the federal Office of Child Support Enforcement (OCSE) sometime in CY20. Under state law, the first \$12.34 million of the federal incentive funds are 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.

**FUNDING:**

The WI Department of Children and Families (DCF) will be allocating \$39,839,067 in funding for CY20. The funding will consist of an estimated \$12.97 million in federal incentive funds, \$9.01 million in General Purpose Revenue (GPR), which includes \$8.5 million that was first appropriated in the 2013 Act 20, and an additional \$510,000 that is proposed in the 2019-2021 biennial budget, \$17.49 million in federal matching funds, and \$366,6667 in federal Post-ARRA incentive funds. The current federal matching rate, also known as federal

financial participation (FFP), is 66%.

The availability of GPR funding for July 1, 2020 through December 31, 2020, is included for purposes of these calculations, however, the funding is dependent on the appropriation of at least \$4.505 million for the last six months of CY20. If the GPR funding changes, all planned distributions to the counties for CY20 will be subject to recalculation.

Consistent with recommendations from the WI Child Support Enforcement Association (WCSEA) Contract Committee, DCF has decided to use the same allocation methodology from CY19 for the distribution of state and estimated federal incentive funds to the counties in CY20, except for the change to the adjusted caseload. The current allocation approach provides greater stability in the funding allocations, while continuing to reward performance that meets or exceeds federal performance standards. As in CY20, the entire unearned pool will be pro-rated based upon the county's "Total Amount Earned."

The attached [CY20 Preliminary Funding Allocations](#) spreadsheet provides the estimated funding amounts for each county; separate spreadsheets for each performance measure are also provided. Also, included for reference are the [CY20 Preliminary Contract Funding by Type](#) and [CY20 Tables and Formulas](#) documents, which further clarify the funding totals and calculations.

#### **ADJUSTED CASELOAD MEASURE CHANGES:**

The adjusted caseload measure is an agency's IV-D caseload as of the end of the prior fiscal year less IV-D cases in the following seven (7) reports:

- CONS;
- CUL1;
- CUL3;
- No Court Order Established;
- No Paternity Established;
- No Payments & No Worker Activity in Past Year; and
- Only Non-Financial Orders in Cases (LEGS/LOTH) with Current Support Case Type.

The adjusted caseload measure is also used to allocate funding for Measures 1 & 2, court order and paternity establishment.

The WCSEA Contract Committee and DCF have agreed to reduce the reports used for the adjusted caseload measure from seven (7) to three (3).

The remaining three reports are:

- CONS,
- CUL1, and
- CUL3 (which will eventually become CUL2).

The No Court Order Established, No Paternity Established, and Only Non-Financial Orders in Cases with Current Support Case Type (LEGS/LOTH) reports that were published on the Child Support Partner Resource (CSPR) site under Program Performance will no longer be published. However, since many agencies use the No Payments & No Worker Activity in Past

Year report, DCF will keep publishing that report until there is a way to create a WEBI report in the Child Support Data Warehouse.

Adjusted Caseload Formula

Adjusted Caseload = IVD Caseload (as of 9/30/XX) – CONS – CUL1 – CUL3 (changing to CUL2)

$$\text{Allocation \& Amount Earned} = \frac{\text{County's Adjusted Caseload}}{\text{Total Adjusted Caseload}} \times \text{Total Adjusted Caseload Allocation}$$

**ALLOCATION OF CHILD SUPPORT FUNDS:**

The CY20 allocations will divide the GPR, federal match, and federal performance incentives as follows:

- 20% for Measure 1 - Court Order Establishment - \$7,894,480;
- 25% for Measure 2 - Paternity Establishment - \$9,868,100;
- 20% for Measure 3 - Cases with Current Support Ordered- \$7,894,480;
- 15% for Measure 4 - Cases with Arrears Balances - \$5,920,860; and
- 20% for Measure 5 - Adjusted Caseload - \$7,894,480.

Each county will receive funding based on these performance measures as of September 30, 2018 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.

The pro rata share of the adjusted caseload is used for each county to allocate funding for Measures 1 and 2, 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 even if the agency falls below the federal standard.

Court Order Formulas

$$\text{County Allocation} = \frac{\text{County's Adjusted Caseload}}{\text{Total Adjusted Caseload}} \times \text{Total Court Order Allocation}$$

Amount Earned = County's Allocation x Federal Applicable %

Paternity Established Formulas

$$\text{County Allocation} = \frac{\text{County's Adjusted Caseload}}{\text{Total Adjusted Caseload}} \times \text{Total Paternity Allocation}$$

Amount Earned = County's Allocation x Federal Applicable %

The allocation methodology for Measures 3 and 4, cases with current support ordered and cases with arrears balances, is very similar and strives to reduce differences due to fluctuations

not related to program performance.

Cases with CSUP Ordered Formulas (from KIDS Report "PAMT")

The allocation for Measure 3 is based on cases with current support (CSUP) ordered. The column titled "Court Cases with Current Support Ordered" from KIDS PAMT report dated September 30, 2018 was used to identify county cases with current support ordered. The amount allocated is pro-rated based upon each county's Cases w/CSUP Ordered. Each county's allocation amount is the county's cases with current support ordered divided by the total cases with current support ordered, then multiplied by the total allocation for Cases with Current Support Ordered. Each county's earned amount is the allocation amount multiplied by the federal applicable percentage that corresponds to the agency's current support collections performance rate to determine the amount earned for Measure 3.

$$\text{CSUP Allocation} = \frac{\text{County's Cases w/ CSUP Ordered}}{\text{Total Cases w/ CSUP Ordered}} \times \text{Total CSUP Allocation}$$

$$\text{Amount Earned} = \text{County's CSUP Allocation} \times \text{Federal Applicable \%}$$

Cases with Arrears Balances Formulas (from KIDS Report "PERF")

The allocation for Measure 4 is based on cases with arrears balances. The amount allocated is pro-rated based upon each county's Cases with Arrears per the September 30, 2018 KIDS PERF report. Each county's allocation amount is the county's cases with arrears divided by the total cases with arrears then multiplied by the total allocation for Cases with Arrears. Each county's earned amount is the allocation amount multiplied by the federal applicable percentage that corresponds to the agency's arrears performance rate to determine the amount earned for Measure 4.

$$\text{Arrears Allocation} = \frac{\text{County's Cases w/ Arrears}}{\text{Total Cases w/ Arrears}} \times \text{Total Arrears Allocation}$$

$$\text{Amount Earned} = \text{County's Arrears Allocation} \times \text{Federal Applicable \%}$$

The allocations for Measures 3 and 4 do not distribute all funds available. The remaining unearned funds from Measures 3 and 4 will be prorated for each county based upon the county's earnings for all five measures.

**MEDICAL SUPPORT PERFORMANCE FUNDS:**

In a continuing appropriation from the Wisconsin's Department of Health Services, \$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 CY20 Medical Support Performance funds will be issued under a separate Administrator's Memo.

## **MEDICAL SUPPORT LIABILITY INCENTIVES FUNDING CHANGES FOR CY2020:**

Per [PIQ-19-01](#) - State Medicaid Agency Incentive Payments for Assigned Medical Support Collection, the 15% medical support liability (MSL) incentives paid to child support agencies are to be reported on the OCSE-396 by states as program revenue. This means that MSL incentives are no longer subject to federal match, so child support agencies will not receive additional funding from this funding source. For example, a MSL incentive of \$15 will be worth only \$15 instead of \$45 (MSL incentive of \$15 plus federal match of \$30).

The WI Bureau of Child Support (BCS) is working with OCSE to determine when to begin reporting the Medical Support Liability (MSL) incentives as program revenue. In the meantime, the WI Department of Children and Families has agreed to make the counties that receive MSL incentives whole for CY2020 and CY2021. The amounts used to fill the gap for the CY2020 contract year are the CY2018 MSL Incentives, as agreed upon by the WCSEA Contract Committee. Because the State is still investigating the funding sources that will be used for this funding gap, another administrative memo will be issued with more details.

## **OTHER COUNTY COST AFFECTING CHILD SUPPORT FUNDING:**

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

## **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:** WI Bureau of Regional Operations (BRO) Child Support Coordinators

## **ATTACHMENTS:**

[CY20 Preliminary Funding Allocations](#)  
[CY20 Court Order-Paternity Establishment](#)  
[CY20 Cases with Current Support Ordered](#)  
[CY20 Cases with Arrears Balances](#)  
[CY20 Adjusted Caseload](#)  
[CY20 Preliminary Contract Funding by Type](#)  
[CY20 Tables & Formulas](#)  
[CY20 Federal Applicable % Tables](#)