

**COUNTY EXECUTIVE'S 2009 BUDGET**

**DEPT:** CHILD SUPPORT ENFORCEMENT

**UNIT NO.** 2430

**FUND:** General - 0001

**OPERATING AUTHORITY & PURPOSE**

The Department of Child Support implements and administers the Child Support Enforcement Act pursuant to Title IV-D of the Federal Social Security Act and Sections 49.22 and 59.53(5) of the Wisconsin Statutes, under contract with the State Department of Workforce Development. Title IV-D of the Federal Social Security Act applies to custodial parents receiving public assistance. Cases are referred by the Department of Health and Human Services, W-2 agencies and the Milwaukee Bureau of Child Welfare when a custodial parent or child is eligible for any one of a variety of benefits.

The Department of Child Support works cooperatively with other County departments to comply with the IV-D program mandates. Title IV-D legislation requires the Department to provide services to locate parents, establish paternity, enforce and establish child support and medical support orders. Non-W-2 custodial parents may also apply to receive the Child Support Services that are provided to IV-D eligible custodial parents.

<b>BUDGET SUMMARY</b>				
<b>Account Summary</b>	<b>2007 Actual</b>	<b>2008 Budget</b>	<b>2009 Budget</b>	<b>2008/2009 Change</b>
Personal Services (w/o EFB)	\$ 7,282,716	\$ 7,171,334	\$ 6,424,416	\$ (746,918)
Employee Fringe Benefits (EFB)	5,634,395	5,039,192	4,901,685	(137,507)
Services	1,204,797	1,492,456	1,252,111	(240,345)
Commodities	85,593	112,741	89,141	(23,600)
Other Charges	0	0	0	0
Debt & Depreciation	0	0	0	0
Capital Outlay	1	0	0	0
Capital Contra	0	0	0	0
County Service Charges	5,970,198	5,920,109	6,054,970	134,861
Abatements	(1,803,179)	0	(1,466,311)	(1,466,311)
<b>Total Expenditures</b>	<b>\$ 18,374,521</b>	<b>\$ 19,735,832</b>	<b>\$ 17,256,012</b>	<b>\$ (2,479,820)</b>
Direct Revenue	1,386,078	1,571,943	1,099,600	(472,343)
State & Federal Revenue	16,542,526	15,608,754	15,144,146	(464,608)
Indirect Revenue	1,256,658	1,340,126	0	(1,340,126)
<b>Total Revenue</b>	<b>\$ 19,185,262</b>	<b>\$ 18,520,823</b>	<b>\$ 16,243,746</b>	<b>\$ (2,277,077)</b>
<b>Direct Total Tax Levy</b>	<b>(810,741)</b>	<b>1,215,009</b>	<b>1,012,266</b>	<b>(202,743)</b>

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<b>ADDITIONAL COSTS NOT INCLUDED IN TAX LEVY*</b>				
<b>Account Summary</b>	<b>2007 Actual</b>	<b>2008 Budget</b>	<b>2009 Budget</b>	<b>2008/2009 Change</b>
Central Service Allocation	\$ 202,043	\$ 0	\$ 0	\$ 0
Courthouse Space Rental	393,132	0	0	0
Tech Support & Infrastructure	599,161	0	0	0
Distribution Services	103,905	0	0	0
Telecommunications	53,954	0	0	0
Record Center	32,592	0	0	0
Radio	0	0	0	0
Computer Charges	64,795	0	0	0
Applications Charges	295,978	0	0	0
Apps Charges - Network	0	0	0	0
Apps Charges - Mainframe	0	0	0	0
HRIS Allocation	57,625	0	0	0
<b>Total Charges</b>	<b>\$ 1,803,185</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>Direct Property Tax Levy</b>	<b>\$ (810,741)</b>	<b>\$ 1,215,009</b>	<b>\$ 1,012,266</b>	<b>\$ (202,743)</b>
<b>Total Property Tax Levy</b>	<b>\$ 992,444</b>	<b>\$ 1,215,009</b>	<b>\$ 1,012,266</b>	<b>\$ (202,743)</b>

\* In 2007, these costs were included in other charging departmental and non-departmental budgets. They were reflected here to show the "total" amount of tax levy support for this Department. In 2008 and 2009, these costs are budgeted within the receiving department to show the tax levy cost in the department.

<b>PERSONNEL SUMMARY</b>				
	<b>2007 Actual</b>	<b>2008 Budget</b>	<b>2009 Budget</b>	<b>2008/2009 Change</b>
Personal Services (w/o EFB)	\$ 7,282,716	\$ 7,171,334	\$ 6,424,416	\$ (746,918)
Employee Fringe Benefits (EFB)	\$ 5,634,395	\$ 5,039,192	\$ 4,901,685	\$ (137,507)
Position Equivalent (Funded)*	190.8	138.6	125.0	(13.6)
% of Gross Wages Funded	99.6	97.4	96.5	(0.9)
Overtime (Dollars)**	\$ 0	\$ 0	\$ 0	\$ 0
Overtime (Equivalent to Position)	0.0	0.0	0.0	0.0

\* For 2007 Actuals, the Position Equivalent is the budgeted amount.

\*\* Delineated for information. (Also included in personal services.)

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<b>PERSONNEL CHANGES</b>				
<b>Job Title/Classification</b>	<b>Action</b>	<b>Number of Positions/ Total FTE</b>	<b>Division</b>	<b>Cost of Positions (Excluding Social Security and Fringe)</b>
Clerical Asst. 1	Fund	1/1.0	Child Support	\$ 34,481
Office Support Assistant 2	Unfund	1/1.0	Child Support	(33,023)
Child Support Supervisor	Unfund	1/1.0	Child Support	(53,474)
Child Support Specialist	Unfund	2/1.5	Child Support	(61,948)
Child Support Specialist B/L	Unfund	1/1.0	Child Support	(41,218)
Legal Couns Chld Supp1	Unfund	2/1.5	Child Support	(138,244)
Paralegal Child Support B/L	Unfund	1/1.0	Child Support	(49,549)
Paralegal CS	Unfund	7/7.0	Child Support	(361,473)
			<b>TOTAL</b>	<b>\$ (704,448)</b>

**MISSION**

The Department of Child Support Enforcement, through the utilization of community resources, promotes family stability by creating a better quality of life for the children of Milwaukee County.

information and to avoid spending time processing paper.

**OBJECTIVES**

- Promote family self-sufficiency by the administration of Wisconsin's Child Support Enforcement Program in Milwaukee County using available judicial and administrative tools.
- Efficiently and effectively adapt to the changing Federal funding landscape and the uncertainty of the State budget.
- Maintain performance levels in all four federal performance measures. The four performance areas are: Paternity Establishment, Order Establishment, Collection of Current Support, and Collection on Arrears. Baseline for measurement is established after the close of the Federal Fiscal Year in September 2008.
- Create and maintain a partnership with the State of Wisconsin to develop realistic policy and procedures to implement medical support order enforcement following federal guidelines.
- Scan incoming mail such as postmaster letter responses for increased access to the

- Ensure that everyone who contacts the Department receives quality customer service, including high levels of accuracy, and short wait times.
- Actively pursue all administrative remedies for non-payment.
- Continue to cultivate relationships with community-based organizations to better serve program participants and educate the general public about Child Support services.

**DEPARTMENT DESCRIPTION**

The Department has four divisions: Case Management (Establishment and Enforcement), Financial, Legal and Operations.

The **Case Management Division** includes the Establishment and Enforcement areas and monitors approximately 141,000 cases annually for establishment and enforcement of child support obligations. This division responds to customer service inquiries from case participants via the telephone, e-mail, or walk-in services. In addition, the division also handles medical support orders and works with other states and tribes to establish paternity and support orders as well as enforce existing orders.

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Establishment consists of multiple functions including: initiation of cases, establishment of paternity, and establishment of case support orders. This area receives referrals from W-2 agencies, the Department of Health and Human Services (DHHS), individuals applying for services, Foster Care and Kinship Care providers. Initiation reviews data and schedules establishment interview appointments. Interviewing mothers and potential fathers to determine whether court action is appropriate is the primary responsibility of establishment paralegals. Interviews take place at the Courthouse, W-2 sites and DHHS.

The Enforcement section monitors cases to ensure timely payment of child support orders and, if necessary, takes administrative and/or legal action to enforce payment. Staff locates parents who are delinquent in support and identifies income and assets that may be used to satisfy support orders. This area also monitors automated delinquency reports, sends enforcement warning letters to delinquent payers, and sends income withholding notices to employers when employment is reported by the payer, the payee, or through the Federal or State new-hire directories. Applicants for child support services automatically receive tax intercept services. The Internal Revenue Service (IRS) and the State Department of Revenue (DOR) intercept tax refunds due to support payers who have outstanding support debts. Personnel utilize all enforcement tools to collect child support arrears including: Financial Institution Data Match (FIDM), Lien Docket, and License Suspension.

The **Financial Division** is responsible for maintaining Milwaukee County family court orders on KIDS, the statewide support computer system. Personnel are charged with entering all court orders on KIDS ensuring that support payments properly pay out to the custodian as ordered.

Additionally, staff monitors reports allowing payments to flow through the case accounts and pay out in an accurate, timely manner. Staff are responsible for manually allocating payments to cases which cannot be processed automatically by pulling files and printing payment records for the courts, participants, agencies and co-workers. The division completes financial record reviews for cases that are placed upon the State Support Lien Docket.

The **Legal Division** is responsible for representing the Department of Child Support Enforcement in Family Court hearings in Milwaukee County. The division's attorneys represent the Department and the State of Wisconsin before the County's Family Court judges and Family Court commissioners. They also appear, as needed, in probate and bankruptcy proceedings affecting the Department's cases.

The **Operations Division** provides support services to department managers, including budget preparation and payroll services.

### BUDGET HIGHLIGHTS

- Personal Services expenditures without fringe benefits decrease \$746,918, from \$7,171,334 to \$6,424,416.
- Federal incentive revenue awarded to Milwaukee County and federal matching funds continue to be the major source of funding for child support enforcement operations. In 2009, the State will continue to contribute general-purpose revenue (GPR) to maintain these operations and offset a significant loss of federal matching funds that came out of the Federal Deficit Reduction Act of 2005. The following bullets provide the basis of these supports and the 2009 budgeted levels.
- Federal Incentive Payments: The Federal Government allocates money to the State for Child Support Enforcement based upon the following measures:
  - Paternity establishment
  - Establishment of support orders
  - Collection of current support obligations
  - Collection of child support arrears
  - Cost effectiveness
- All of the first \$12.69 million of the State's allocation is passed through to the county child support agencies plus 30 percent of any additional remaining balance. Milwaukee has nearly 39 percent of the state's cases and its estimated allocation for 2009 of \$3,874,343 represents approximately 31 percent of the total distribution.

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- The 2009 Budget is based on the performance funds allocated by the State to county child support agencies. The Department expects to earn incentive revenue of \$3,874,343 under the terms of the State/County contract. The performance revenue in 2009 is based on the following levels of performance standards and begins with a baseline approximately established on September 30, 2008:
  - Maintain paternity performance.
  - Maintain current support and arrears collections.
  - Maintain order establishment rate.
- Resolution 07-332, adopted by the Milwaukee County Board of Supervisors on July 26, 2007 expressed Milwaukee County's support for the passage of Federal legislation to rescind the devastating cuts to child support enforcement activities due to the passage of the Federal Deficit Reduction Act of 2005. The Wisconsin Counties Association (WCA) and National Association of Counties (NACo) have passed similar resolutions in support of restored funding for child support enforcement operations.
- Federal Matching Funds: Most administrative and enforcement costs incurred by child support enforcement agencies are eligible for reimbursement by the federal government at a 66 percent matching rate. In past years, all federal incentive revenue expended on the child support program could draw down additional federal dollars based upon the 66 percent match. Under the terms of the Federal Deficit Reduction Act of 2005, beginning on October 1, 2007, the Department no longer receives federal match for the expenditure of federal incentive revenue.
- Supplemental Incentive Revenue (GPR): During Calendar Year 2009, the State proposes to allocate \$5.5 million in GPR to county child support agencies for child support services. Milwaukee's estimated allocation of these funds for 2009 is \$1,748,757. This amount is eligible for federal match in the amount of \$ 3,394,645.
- County Board Resolution 1A-013, file number 07-379 permitted early access to 2008 performance funds in the amount of \$217,882 and required the Department to carry forward an equivalent level of local property tax levy funding to 2008. This allowed the County to draw an additional \$422,947 in federal matching dollars. This method to match advance performance funds in exchange for tax levy was exhausted in 2008, resulting in a total funding reduction of \$640,829.
- If during 2009 the amount of actual performance revenue exceeds the amount of budgeted revenue, the surplus is to be recorded in a special revenue account, titled Revenue from Other Governmental Units. These funds can only be expended via an appropriation transfer requiring approval of the County Executive and County Board.
- The Federal Office of Child Support (ACF-OCSE) reviewed and modified the State of Wisconsin's distribution methodology for Federal Tax Offset. Revenue on Patient Services decreases by \$205,000, from \$805,000 to \$600,000. This adjustment results in a total funding reduction of \$602,941.
- The 2009 Budget restores funding for 1.0 FTE Clerical Assistant 1 position at a salary and active fringe cost of \$55,976.
- Due to the previously mentioned revenue reductions, the following 14.0 FTE are being unfunded in 2008 for a salary and active fringe savings of \$1,096,715: 1.0 FTE Office Support Assistant 2 position, 1.0 FTE Child Support Supervisor position, 1.5 FTE Child Support Specialist positions, 1.0 FTE Child Support Specialist Bilingual position, 1.5 FTE Legal Counsel Child Support 1 positions, 1.0 FTE Paralegal Child Support Bilingual position, and 7.0 FTE Paralegal Child Support positions.
- In addition to unfunding positions, the department reduces contractual services by 16 percent and commodities by 21 percent.

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- GPR from the Wisconsin Department of Workforce Development (DWD) is budgeted at \$1,748,757. If this revenue is not realized in 2009, Child Support Enforcement would need to reduce expenditures by the amount of the unrealized revenue plus the federal match to achieve the department budget. This includes the possibility of additional personnel reductions beyond the unfunding of 14.0 FTE already included in the 2009 Budget.
- The cross-charges to the Child Support program from the Family Court Commissioner, District Attorney and Clerk of Circuit Court are limited to the 66 percent federal revenue offset. The remaining 34 percent is charged back to Combined Court Related Operations in the amount of \$ 1,436,122.

The following table details the crosscharges Child Support receives from the serving departments in 2009:

<b>CROSSCHARGES FROM OTHER COUNTY AGENCIES</b>			
	<u>2008</u> <u>Budget</u>	<u>2009</u> <u>Budget</u>	<u>2008/2009</u> <u>Change</u>
Family Court			
Commissioner	\$2,502,139	\$2,532,149	\$ 30,010
Clerk of Court	1,460,646	1,529,027	68,381
District Attorney	<u>157,825</u>	<u>162,478</u>	<u>4,653</u>
<b>TOTAL</b>	<b>\$4,120,610</b>	<b>\$4,223,654</b>	<b>\$ 103,044</b>

- The Department anticipates revenue in the amount of \$35,000 in 2009 from its participation in the County's Tax Refund Intercept Program (TRIP). Fees and costs owed to the County on non-IVD cases will be submitted for collection.
- The Department will begin charging a \$25 fee to fax satisfactions for Real Estate or Financing transactions. Anticipated revenue from these fees is \$1,500 for 2009.
- The Department will continue the cooperative agreement to provide telephone customer service for child support in Racine County. The

Call Center program began in 2006 as a pilot project and has been successful. For 2009, revenue remains budgeted at \$65,000. In addition, the department is currently marketing this service to other counties.

- The three-year Section 1115 Demonstration grant ended in July 2008, a loss of \$333,537. This federal grant supported the Legal Advocacy Program. Appropriations previously supported by this grant have been eliminated.
- The cost of 1.0 FTE Economic Support Specialist (ESS) position is again cross-charged to Child Support from DHHS to reflect the role of a dedicated ESS worker on cases in which Income Maintenance and Child Support issues intersect. Through this initiative, both departments can improve their performance standards by enhancing the accuracy of the data maintained in the KIDS database.
- All departments are required to operate within their expenditure appropriations and their overall budgets. Pursuant to Section 59.60(12), Wisconsin Statutes, "No payment may be authorized or made and no obligation incurred against the county unless the county has sufficient appropriations for payment. No payment may be made or obligation incurred against an appropriation unless the director first certifies that a sufficient unencumbered balance is or will be available in the appropriation to make the payment or to meet the obligation when it becomes due and payable. An obligation incurred and an authorization of payment in violation of this subsection is void. A county officer who knowingly violates this subsection is jointly and severally liable to the county for the full amount paid. A county employee who knowingly violates this subsection may be removed for cause."