

Child Support Recovery Unit



Purpose

The Child Support Recovery Unit assists custodial parents to receive court-ordered child support payments. Recoveries also reimburse taxpayers for the cost of public assistance (welfare).

Who Is Helped

Eligibility for services:

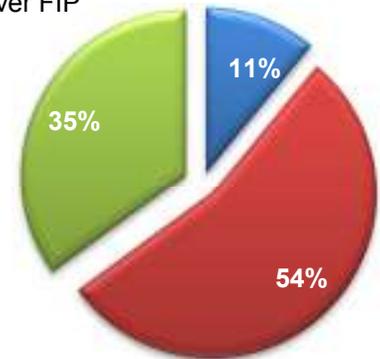
- All people who receive public cash assistance (Family Investment Program). Recoveries reimburse government benefits.
- All people who pay a one-time fee (\$25) for help in recovering court-ordered support.

Number served:

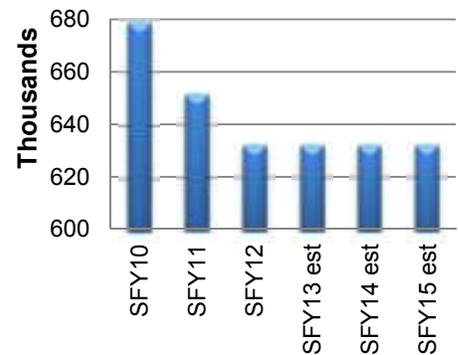
- In SFY12, CSRU served 631,773 parents and children on 179,481 cases. Of these:
 - 11 percent receive FIP.
 - 54 percent formerly received FIP.
 - 35 percent never received FIP. These people asked for the state's help in collecting child support and paid a one-time \$25 fee.
- Caseloads are projected to remain level through SFY15.
- During SFY12, in cases where support had been established or modified by CSRU, the average annual income of a custodial parent served by CSRU was \$11,412. For noncustodial parents served by CSRU, the average annual income was \$14,952.

Who Receives Child Support SFY12

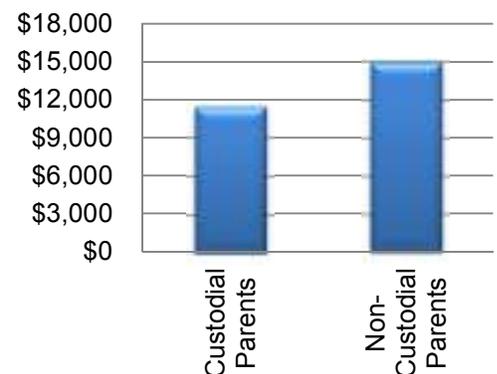
- Now Receiving FIP
- Former FIP
- Never FIP



Number of Parents and Children Served



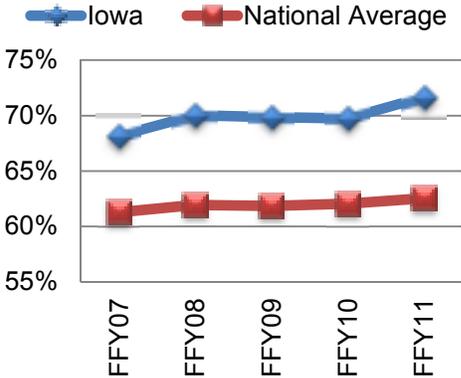
Average Annual Income for CSRU Families in SFY12



	<ul style="list-style-type: none"> ✓ <i>In SFY12, \$25.3 million in collections went to state and federal governments to offset the cost of public assistance.</i> ✓ <i>9 percent of custodial parents served by CSRU are male.</i> 																										
<p>Services</p>	<ul style="list-style-type: none"> • The CSRU helps parents establish paternity and support orders and enforces orders for support. Child support collections help families with children become self-sufficient. • Customers are served by 22 field offices, a centralized employer call center, the Collection Services Center, and a central operations unit. • CSRU sent 137,614 income-withholding notices to employers in SFY12. Seventy-four percent of collections come from employer withholdings. • Trend: There has been an increase in withholdings from employers but the increase has not kept pace with the decline of benefits collected from unemployment benefits. • In SFY12, the Collection Services Center (CSC) processed 2,976,005 child support payments, totaling \$332.4 million. • In SFY12, the CSRU filed 8,446 affidavits establishing paternity, 6,210 orders establishing paternity and support, and 6,044 modifications of support orders. <div style="text-align: right;"> <h3>Child Support Collections SFY12</h3> <table border="1"> <caption>Child Support Collections SFY12</caption> <thead> <tr> <th>Category</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Income withholding</td> <td>74%</td> </tr> <tr> <td>Other</td> <td>12%</td> </tr> <tr> <td>License Sanctions</td> <td>9%</td> </tr> <tr> <td>Unemployment Benefits</td> <td>4%</td> </tr> <tr> <td>Tax Offsets</td> <td>1%</td> </tr> </tbody> </table> <h3>Total Child Support Collections</h3> <table border="1"> <caption>Total Child Support Collections (Millions)</caption> <thead> <tr> <th>SFY</th> <th>Value (Millions)</th> </tr> </thead> <tbody> <tr> <td>SFY10 *</td> <td>337</td> </tr> <tr> <td>SFY11</td> <td>334</td> </tr> <tr> <td>SFY12</td> <td>332</td> </tr> <tr> <td>SFY13 est</td> <td>330</td> </tr> <tr> <td>SFY14 est</td> <td>330</td> </tr> <tr> <td>SFY15 est</td> <td>330</td> </tr> </tbody> </table> </div>	Category	Percentage	Income withholding	74%	Other	12%	License Sanctions	9%	Unemployment Benefits	4%	Tax Offsets	1%	SFY	Value (Millions)	SFY10 *	337	SFY11	334	SFY12	332	SFY13 est	330	SFY14 est	330	SFY15 est	330
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	<ul style="list-style-type: none"> ✓ <i>The average child support collected during SFY12 was \$174.17 a month.</i> ✓ <i>Child support helps address part of the estimated \$900 per month it costs to raise a child.</i> ✓ <i>In SFY13, 62.9 percent of the Child Support Recovery Unit operating budget is for staffing costs and 37.1 percent is for the support costs. As a percent of the overall operating budget, these support costs have increased in the past year.</i> 																										
<p>Goals & Strategies</p>	<p>Goal: Secure financial and emotional support for children from both parents.</p> <p>Strategies:</p> <ul style="list-style-type: none"> • Collect child support in the month it is due. Timely support is essential to family self-sufficiency. • Make it easy for employers to deduct child support from wages. <p>Results:</p> <ul style="list-style-type: none"> • In SFY12, CSRU collected 73 percent of current support in the month due. Iowa routinely exceeds the national average. 																										



Support Collected in the Month Due



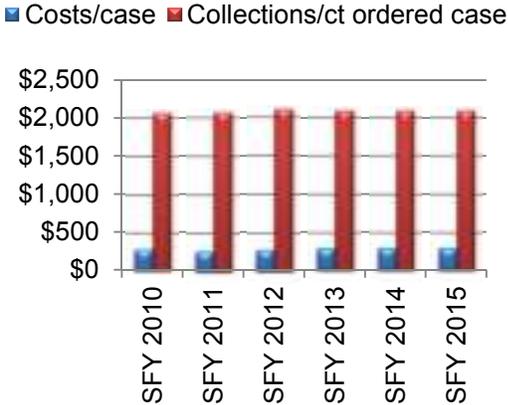
- CSRU collected \$246.6 million from employers in SFY12. Iowa is the only state to operate one-stop service center for employers.

Cost of Services

The average cost for CSRU to provide services is \$297 per case.

The CSRU collects an average of \$2,090 per court-ordered case.

Annual Costs and Collections per Case



- ✓ During SFY14 & SFY15, each CSRU employee will collect an estimated \$619,137 in child support.
- ✓ During SFY 2012, the state cost per full-time equivalent employee of \$23,600 was nearly cost-neutral with \$22,200 returned in public assistance collections per FTE used to reimburse the FIP program.
- ✓ For every \$1 spent in collecting child support, \$6.24 was collected for children, families, and to reimburse taxpayers for the cost of public assistance (welfare).

Funding Sources

The Child Support Recovery Unit is funded by state dollars and federal funds, including a match via federal financial participation and federal incentives based on key performance areas.

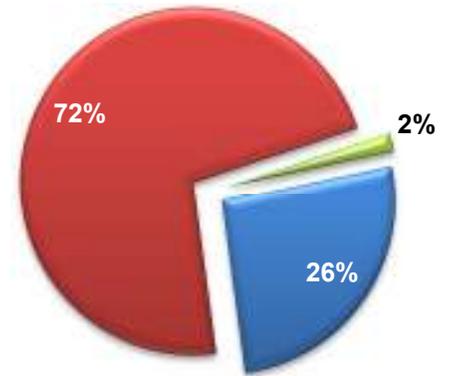
The total budget for SFY14 is \$54,129,060:

- \$39,020,290 (72.1 percent) is federal funding.
- \$14,173,770 (26.2 percent) is state general fund.
- \$935,000 (1.7 percent) is other funding.

CSRU receives federal incentives based on performance in five key areas. We are expecting a decline of approximately 8 percent in receipt of incentive funding compared to FFY09. Overall performance has improved but Iowa is still experiencing a decline in total collections, which impacts incentives.

SFY14 Funding

■ State General Fund ■ Federal Funds ■ Other Funding



- ✓ *In SFY14 & SFY15, CSRU will reimburse the FIP (welfare) program \$9 million (state share) in public assistance collections.*
- ✓ *CSRU collections reimburse the FIP program for public assistance benefits. Thus without full funding for CSRU, decreased public assistance collections will become an additional funding need for the FIP program.*

SFY 2014 & 2015 Budget Drivers

The total SFY14 Child Support Recovery Unit budget reflects a 7.8 percent increase from SFY13. The SFY15 budget reflects a 4.9 percent increase from SFY14.

The key budget drivers of the SFY14 increase are:

- Loss of federal incentives and one-time funding.
- Increased cost of services.

In SFY14, without this funding, impacts will include an estimated loss of:

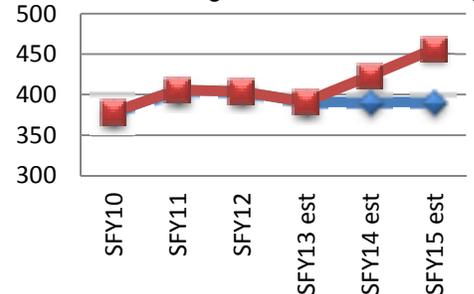
- 40 FTEs.
- \$24.7 million total collections.
- \$776,000 state share of public assistance collections.

In SFY15, without this funding, impacts will include an estimated loss of:

- 26 FTEs
- \$16.1 million total collections
- \$516,000 state share of public assistance collections

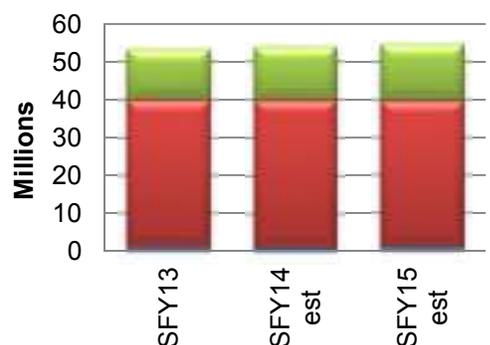
Cases per Worker

◆ With Funding ◆ Without Funding



Total Budget Funding Mix

■ State General Fund ■ Federal Funding ■ Other Funding



	<ul style="list-style-type: none"> ✓ <i>Incentives are expected to decline by approximately 8 percent from FFY09 to FFY15.</i> ✓ <i>There is a growing need to work with CSRU customers on a more individual basis during these difficult economic times in order to ensure their needs are met.</i>
<p>Legal Basis</p>	<p>Federal:</p> <ul style="list-style-type: none"> • 42 U.S.C. §602(a)(2) Additionally, in accordance with TANF Maintenance of Effort (MOE) requirements at 42 U.S.C. §609(a)(8) and §652(g) <p>State:</p> <ul style="list-style-type: none"> • Iowa Code, Chapters 252B, 252C, 252D, 252E, 252F, 252H, 252I, 252J, 252K • Iowa Administrative Code, 441 IAC 95, 96, 97, 98 and 99