

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:

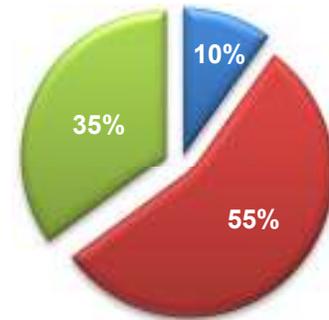
- All people who receive public cash assistance from the Family Investment Program (FIP). Recoveries reimburse government benefits.
- All people who pay a one-time fee (\$25) for help in recovering court-ordered support.

Number served:

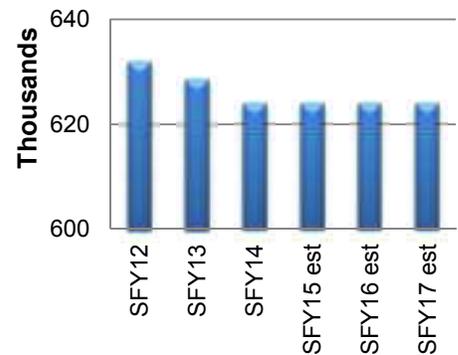
- In SFY14, CSRU served 623,843 parents and children on 177,228 cases. Of these:
 - 10 percent receive FIP.
 - 55 percent formerly received FIP.
 - 35 percent never received FIP. These people asked for the state's help in collecting child support and paid a one-time \$25 fee.
- Caseloads are projected to remain level through SFY16 & SFY17.
- During SFY14, in cases where support had been established or modified by CSRU, the median annual income of a custodial parent served by CSRU was \$13,284. For noncustodial parents served by CSRU, the median annual income was \$17,976.

Who Receives Child Support SFY14

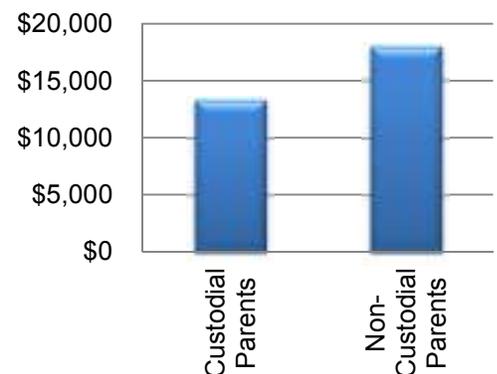
- Now Receiving FIP (10%)
- Former FIP (55%)
- Never FIP (35%)



Number of Parents and Children Served



Median Annual Income for CSRU Families in SFY14



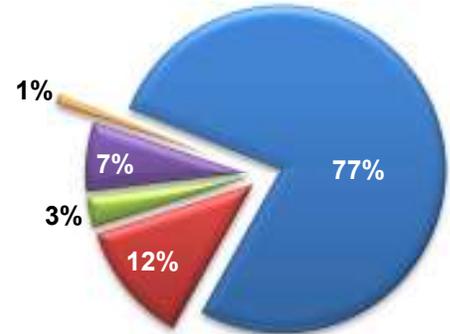
- ✓ *In SFY14, \$20.9 million in collections went to state and federal governments to offset the cost of public assistance.*
- ✓ *9 percent of custodial parents served by CSRU are male.*

Services

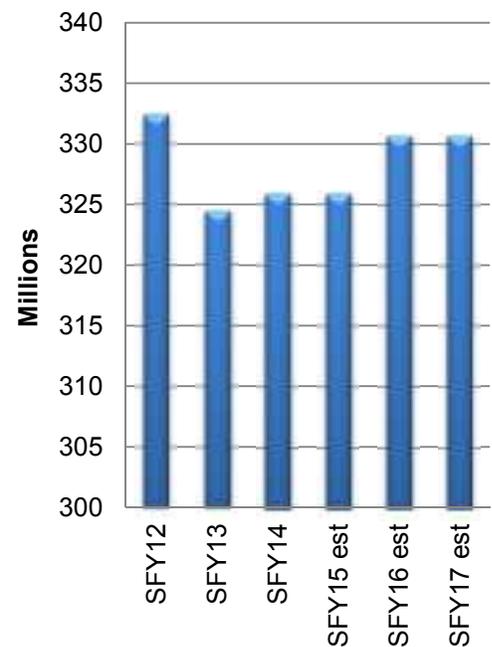
- The CSRU helps parents establish paternity and support orders and enforces orders for support. Child support collections help families with children become self-sufficient.
- Customers are served by 22 field offices, a centralized employer call center, the Collection Services Center, and a central operations unit.
- CSRU sent 174,494 income-withholding notices to employers in SFY14. Seventy-seven percent of collections come from employer withholdings.
- Trend: There has been an increase in withholdings from employers and the benefits collected from unemployment benefits appears to have leveled off to pre-recession amounts.
- In SFY14, the Collection Services Center (CSC) processed 2,928,036 child support payments, totaling \$325.8 million.
- In SFY14, the CSRU filed 9,655 affidavits establishing paternity, 5,852 orders establishing paternity and support, and 5,038 modifications of support orders.

Child Support Collections SFY14

- Income Withholding (77%)
- Other (12%)
- Unemployment Benefits (3%)
- Tax Offsets (7%)
- License Sanctions (1%)



Total Child Support Collections



- ✓ *The average child support collected during SFY14 was \$170.99 a month.*
- ✓ *Child support helps address part of the estimated \$937 per month it costs to raise a child.*
- ✓ *In SFY15, 62.2 percent of the Child Support Recovery Unit operating budget is for staffing costs and 37.8 percent is for the support costs.*

Goals & Strategies

Goal: Secure financial and emotional support for children from both parents.

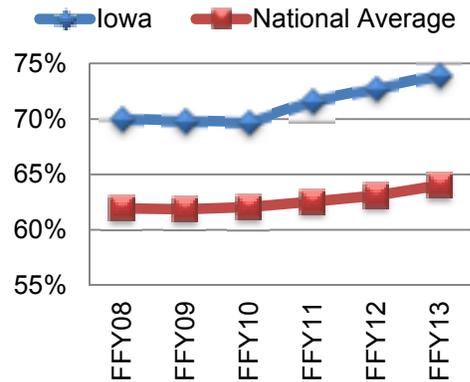
Strategies:

- 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.

Results:

- In SFY14, CSRU collected 74 percent of current support in the month due. Iowa routinely exceeds the national average.

Support Collected in the Month Due



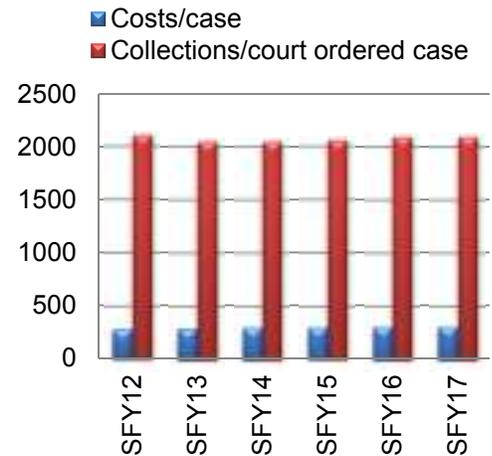
- CSRU collected \$251.6 million from employers in SFY14. Iowa was the first state to operate one-stop service center for employers.

Cost of Services

The average annual cost for CSRU to provide services is \$305 per case.

The CSRU collects an average of \$2,060 annually per court-ordered case.

Annual Costs & Collections per Case



- ✓ During SFY16 & SFY17, each CSRU employee will collect an estimated \$649,478 in child support.
- ✓ During SFY14, the state cost per full-time equivalent employee of \$25,060 was nearly cost-neutral with \$19,544 returned in public assistance collections per FTE used to reimburse the FIP program.
- ✓ For every \$1 spent to collect child support, \$5.91 was collected for children, families, and to reimburse taxpayers for the cost of public assistance (welfare).

Funding Sources

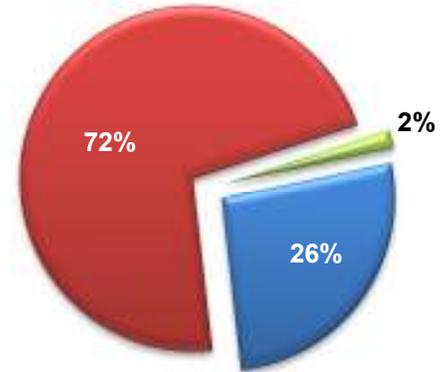
The Child Support Recovery Unit is funded by state dollars and federal funds, including a match via federal financial participation and federal incentives based on key performance areas.

The total budget for SFY16 is \$55,260,915:

- \$39,662,542 (71.8 percent) is federal funding.
- \$14,663,373 (26.5 percent) is state general fund.
- \$935,000 (1.7 percent) is other funding.

SFY16 Funding

- State General Fund (26%)
- Federal Funds (72%)
- Other Funding (2%)



- ✓ In SFY16 & SFY17, CSRU will reimburse the FIP (welfare) program \$8.4 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.

SFY16 & SFY17 Budget Drivers

The total SFY16 CSRU budget request reflects a \$247,857 (1.7 percent) general fund decrease from the SFY15 Enacted Appropriation.

The key budget drivers of the SFY16 decrease are:

- Reallocate State Employee Retirement Incentive Program (SERIP) funds to Medical Assistance.
- Increased cost of services.

In SFY16, without funding for increased costs of service, impacts will include an estimated loss of:

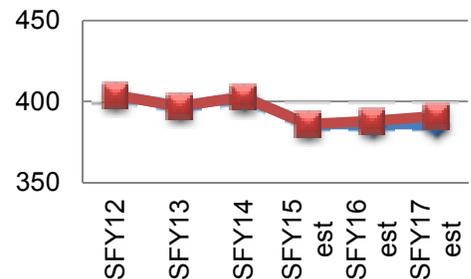
- 2 FTEs
- \$1.3 million total collections
- \$41,235 state share of public assistance collections

In SFY17, without funding for increased costs of service, impacts will include an estimated loss of:

- 6 FTEs
- \$3.9 million total collections
- \$125,588 state share of public assistance collections

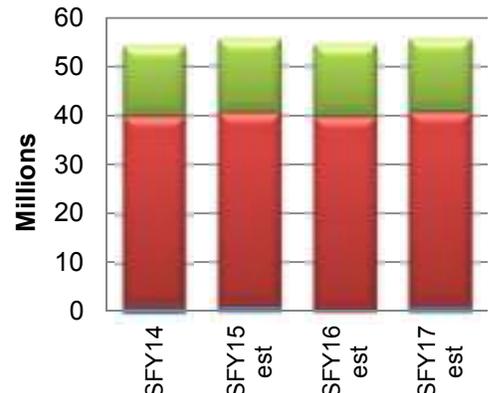
Cases per Worker

— With Funding — Without Funding



Total Budget Funding Mix

■ State General Fund ■ Federal Funding ■ Other Funding



Legal Basis

Federal:

- 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)

State:

- Iowa Code, Chapters 252B, 252C, 252D, 252E, 252F, 252H, 252I, 252J, 252K
- Iowa Administrative Code, 441 IAC 95, 96, 97, 98 and 99