

MFSRC Conference Speech
2009

Good Morning, everyone. Although attendance is down this year because of the economy and our collective need at the state and counties to conserve resources, the 2009 conference should be extremely worthwhile. I'm happy you all could attend. This year's theme of Embracing the Challenge is especially apropos. This past year has been a tough one for all of us. We have seen adversity and come through. I'm confident we will come through again.

[Strategic Plan] This past year we continued our ongoing efforts related to the Strategic plan, specifically our efforts to implement an action plan to target activities we can do to meet the five priority objectives.

I'll first read the action item and then the result.

- 1. Assess state Policy and systems applications to assure that they are meeting the needs of families and children.* We conducted the Policy Business Process Redesign study and completed it in July of this year. Work will continue to identify recommendations that can simplify our program.
- 2. Implement Additional Web based applications.* We are exploring options for training and distance communication; an example is the software that was used for the Policy BPR webinar.
- 3. Develop program performance improvement action plans.* The majority of counties have set and implemented their action plans, and regional performance advisors provide support and monitor progress.
- 4. Lobby, Educate, and collaborate with county, state, and Federal officials in order to maintain current funding and improve funding source.* State and county, but primarily county, resources—in addition to lots of other people--have worked on this effort and federal incentives have been temporarily restored.

The Strategic plan and our detailed action plan for the 5 priority objectives can be found on DHS-SIR.

[Unallotment and state budget woes] The past year was not a good one from a state budget perspective. Unable to reach an agreement with the legislature on spending and cuts, the governor used the unallotment process to resolve the state budget crisis. How does this affect the child support program? This resulted in the state losing the grant it uses to pay the counties state incentives and guidelines payments. That went into effect on July 1, 2009 and will continue through June 30, 2011. Because the state uses the non-federal share of fee revenue from the 1% cost recovery and the \$25 annual fees to augment the state incentive pot, we will have some money to pay out. Our plan is to pay for paternity establishment and order modification.

[Modification Grant] We are nearing the end of the first year of the 1115 order modification grant and are on target to accomplish a streamlining and simplification of the modification process for both pro-se litigants and for IV-D agency initiated actions. We have gathered best practices from other states and MN counties and continue to use two steering committees made up of county representatives as well as community partners. We have surveyed county attorneys, magistrates, and participants to guide our work.

We are also working on a short term project to increase the number of modifications that we can accomplish for those NCPs who have been, and are still, impacted by the economic downturn. You will soon get a list of cases we want you to focus on doing county initiated modifications. We need to do what we can to meet these individuals part way while they go through this difficult time. That way we hope that they will again be good voluntary payors when we come out of this situation and they are fully employed again.

[Performance] Although Minnesota historically performs better than most states on 4 of the 5 federal performance measures, our performance growth has remained relatively flat over the past three federal fiscal years. In addition, the cost of supporting the MN Child Support Program has continued to rise over the past five years. These rising costs coupled with the reality that Minnesota child support collections are relatively stagnant means that the cost of collecting each dollar of child support is rising.

[SHLIF] SHLIF and other arrears management activities have started to turn the tide on statewide arrears growth. During the last state fiscal year, our statewide arrears balance was reduced by \$9 million. The number of cases receiving unemployment has more than doubled from about 6,600 cases in January 2008 to about 13,000 in July 2009. We continue to make strides in implementing SHLIF strategies for early intervention, preventing and managing arrears and it is showing.

[Voluntary Paternity Establishment] In the past year CSED has been working to improve processing and the administration of voluntary paternity establishments. Hospitals across the state are improving the accuracy of completed Recognition of Parentage forms and they are reaching more parents than ever. In fact in 2008, nearly 65% of the parents who had children outside of marriage signed ROPs before they brought their child home from the hospital. In addition, CSED, in partnership with the Dept. of Health, is focused on increasing accuracy and reducing ROP filing time.

[Self-Assessment Re-Design] The decision to redesign the self-assessment process was in part due to concerns raised by counties. As a result, in FFY09 the Minnesota Self-Assessment process will be based on a statewide sample, rather than a summary of individual reviews of 25 counties. The guiding principles that were used in the redesign include:

- Measure only compliance with federal self-assessment requirements

- Automate compliance determination where possible
- Limit the number of case files or case information that needs to be sent to the state office

This is important: please continue to treat data reliability and accuracy as an important matter. This will no longer be part of a self-assessment review, but our continued receipt of federal incentives is contingent on our data being 95% reliable.

[Tribal Program Development Project] Phase I of the Tribal Program Development Project included our collaboration with, and assistance to, the White Earth Band of Ojibwe, the Leech Lake Band of Ojibwe, and the Red Lake Band of Chippewa as they developed their Tribal IV-D agencies and/or Tribal IV-E Foster Care agencies. The objectives of this project were reached in 2008 when all these tribal programs became operational. Our CSED Tribal Liaison continues to work with all of these agencies to ensure the most efficient service to families.

Phase II of the Tribal Program Development Project is currently underway and includes state collaboration with, and assistance to, the Leech Lake Band of Ojibwe and the Mille Lacs Band of Ojibwe as they develop tribal IV-D agencies. Initial planning meetings have taken place with both tribes. At present, Leech Lake plans to have an operational IV-D program in April 2011. Mille Lacs, although originally thought to be operational in 2009, is not yet ready to announce an operational date. The goal of the Tribal Program Development Project is to effectively collaborate with these IV-D agencies so that tribal families receive the most efficient and effective services possible.

[MN-WI Shared Access] We have entered into an agreement with Wisconsin which provides for an exchange of access to each other's automated systems to order to expedite handling of interstate child support cases between the two states. To begin with, 12 Wisconsin county child support caseworkers will be granted online access to PRISM and 12 Minnesota CSOs will be granted similar access to KIDS, Wisconsin's automated system. We have about 10,000 shared cases.

[Training] Our Training Unit continues to build in as much distance learning to the offerings as we can in order to provide for the appropriate training for staff and to reduce travel costs for the state and for counties. You should expect to see a continuing focus on distance learning and use of technology like the recent webinar about the Policy BPR.

[New Receipting Process at CSPC] We have signed a new contract with Informatix, our current vendor for the child support receipting process, to move to a new technology for receipting child support payments starting in December. We will be using a digital process rather than the paper intense process in use now. This should be a pretty seamless change for county staff and participants but it should help with research and problem resolution.

[DEFRA update (eff. 10/1/09)] On October 1, 2009, CSED will be implementing changes to the assignment of public assistance arrears and distribution for both current support and arrears obligations.

The impetus for these changes is the Deficit Reduction Act of 2005. DEFRA requires states to end the assignment of pre-assistance arrears by October 1, 2009. CSED will also be removing the assignment of conditionally assigned arrears retroactively to October 1, 1997.

In addition to the DEFRA changes and in order to simplify the distribution process, the use of the statutory receipt date functionality will be removed from the distribution process.

In addition to the county messages already received, counties will be notified when the system changes are migrated and updated user documentation is published. Training will address these changes through online materials, which will be published concurrently.

Overall, we expect these changes to benefit families and provide a cost savings to the program.

[BPRs] The largest efforts in our office this past year involved two studies that could have a profound effect on the future of the Minnesota child support program. One study was conducted to identify policies and procedures that make the program and PRISM inefficient and cumbersome. The other study investigated whether child support services were being delivered in both an effective and efficient manner. We contracted with Deloitte Consulting for both studies. The study of our policy and procedures is for all practical purposes complete. The study of service delivery is not as far along. We expect to receive a deliverable in a few weeks that will contain Deloitte's recommended service delivery options for Minnesota. We have yet to make a decision about a course to follow on either study. Those discussions have just begun. There is a lot of work ahead regardless of what happens.

I am going to give you a very brief thumbnail sketch of both studies including a few remarks about the service delivery options that Deloitte will be recommending. If you want more detail or have questions, there will be a breakout session this afternoon where more information will be provided.

The conclusions we have so far are Deloitte's. We asked them to produce conclusions that were data based and supported by Deloitte's the analysis of Minnesota's program, what could be learned from other states, and Deloitte's expertise both in the child support field and in doing business process redesigns. Starting with the Service Delivery Study...

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Wayland MFSRC
combined ASDM BPR.

[Legislative agenda] We have a large list of legislative proposals we would like to enact. You have heard the first three before because we have tried to enact these for several years now. The remaining proposals are a response to Deloitte’s findings. All the proposals support simplification and streamlining of program functions.

KEY WORDS	SHORT DESCRIPTION
Redirection §518A.46	Ability to redirect child support payments administratively when child’s caretaker changes.
Judgment Renewal §§541.04, 548.09, 550.01, 548.091 subd. 3b	Child support judgments would not expire until paid in full.
Income Withholding §§ 518A.53, 518A.61	Eliminate the additional 20% income withholding towards arrears when the court has ordered a specific payback amount.
Centralized Child Support Lien Registry	Establish a centralized statewide child support lien registry that would provide an online record of child support judgments and judgments liens against real property located anywhere in the State that would require a search to clear title. Child Support liens would be effective statewide.
Enforcement of Unreimbursed Medical Expenses § 518A.41, subd. 17	Enforce only unreimbursed medical expenses that have been reduced to judgment by either the CP or NCP.
Recreation License Suspension § 518A.68	Make the recreation license suspension process automated and administrative.
DRA Optional Change §256.741	Change payment distribution federal tax offset collections so that payments would flow to current support, family arrears, and then state arrears. This would result in federal tax offset payments being treated the same as all other child support payments.
1% Cost Recovery Fee §518A.51(d)	Replace the 1% cost recovery fee with a budget neutral, flat annual fee and possibly charge the fee to the NCP.
Interest Accrual §§ 548.091, 549.09	Discontinue interest accrual on child support judgments.
Expand Locate capabilities §§ 256.978, 518A.46,	Expand the Locate statute to include cell phone, cable and satellite companies, requiring these companies to respond to reasonable requests for information necessary to establish and collect support.

subd.5(a)(8) and (c)(e)	
Revenue recapture § 270A.03, subd. 7	Resolve revenue recapture injured spouse claims by following the federal return percentage.
Payment agreements § 518A.69	Develop a specific formula that will be used in crafting all payment agreements for DL, FIDM, Student Grant Hold and Occupational License Suspension. Make one payment agreement applicable to all 4 enforcement remedies.
Mandatory Electronic Remittance of Child Support Collections § 518A.56	Require electronic remittance of child support collections for all employers.
Child Support Application Fee §518A.51(b)	Reduce the child support application fee to \$1.00. Pay the fee from state funds and reimburse the federal government for the federal share of the fee.

These legislative proposals have not yet been approved by DHS. They are the ideas of CSED. Because of the state’s budget situation, they may not see the light of day.

[Assertiveness policy] Lastly, to prepare ourselves for the future we are going to take what I am going to call a more assertive approach to policy development. This means if there is a best way to do something, that is what the policy will say. We will not be offering alternatives or multiple ways of doing things unless alternatives or choices are necessary to put the policy into effect. We will not stifle discretion when that is needed but will not cater to preferences that are not required. The reason for taking this different approach to policy development is that if we are to create an automated system that contains the business rules for taking the next action without manual worker intervention—and we want to do that where it makes sense--the policy upon which the system is based needs to be simple.

Thanks to everyone who helped with the two BPR studies. Those studies took a lot of everyone’s time. Thanks to those of you who helped us with our other initiatives. Thank you for all you do on behalf of Minnesota’s children and families. I hope you all have a great conference.