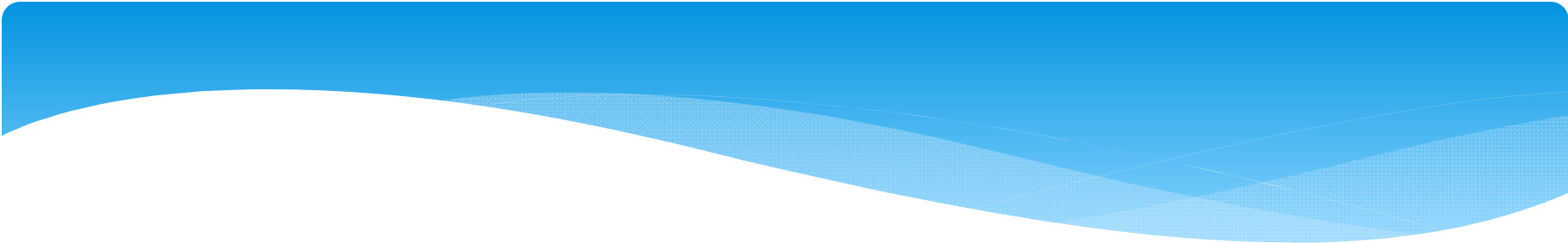


Arrears Management & Prevention
Policy in 2014: Sharing successful case
strategies and streamlined processes

**Ramsey and Washington
Counties**

Introductions and Questions

- * Presenter Introductions
- * Creating a “parking lot” – What questions about doing arrears managements do you have or what do you want to hear about most?



From November 2012 to April 2013, CSED, with 34 representatives from 25 counties met regularly as the Arrears Management and Prevention Policy (AMPP) Workgroup. Together they created the statewide arrears policy that establishes a uniform arrears management statewide policy.

This policy was introduced by the State in August 2013.

Identifying Cases

- * Child Support staff Initiated Review
- * County Attorney Initiated Review
- * Obligor or Obligee Initiated Review
- * Review Initiated by Data Warehouse Reports
 - *F11 – Cases with Arrears w/12 Months of Payments
 - *F12 -- Cases with Active JPB Obligations
 - *F17 -- Cases w/o Arrears Payment
- * Review Initiated by Info Pac Reports

Info Pac Reports

- * Potential Arrears Management Case Identification Report (highest arrears w/both PA & NPA) (QW450501)
- * Potential Arrears Management Cases for PA (top 20 cases per caseworker with highest PA arrears) (QW450502)
- * Paying Cases with Increasing Arrears (cases per county worker where arrears are increasing even when payments are coming in on a monthly basis) (QW450503)
- * Recurring AMPP Report (provides a monthly summary of cases per county worker that has an active arrears management strategy) (QW450505)

Arrears Management Situations for Review

Situation 1 -- Required to complete an AMPP review and you must apply an AMPP strategy.

Fact-specific situations that would result in a zero order

- * NCP on SSI or Cash PA
- * NCP incarcerated
- * Receipt of RSDI of less than 120% of FPG
- * NCP Institutionalized
- * Temp. disability, verified by Dr statement or MAXIS

Situation 2 – Required to complete an AMPP review and you may apply an AMPP strategy, if appropriate.

When you become aware of one of these situations, review the case. An AMPP strategy may result

- * Obligor now has custody of the children
- * The couple has reconciled
- * Termination of parental rights
- * Judgment for Pregnancy and Birth Expenses
- * Disestablishment of Paternity

Situation 3 -- Use discretion to determine if an AMPP review should be completed and apply an AMPP strategy if appropriate

- * NCP Receipt of non-cash assistance
- * Expired judgments or judgment renewals
- * Employment barriers/issues, including but not limited to:
 - * Underemployment
 - * Unemployed (6 months or more)
 - * Chronic issues with employability (illiterate, etc.)
 - * Criminal history
 - * Poor history of employment
 - * Inability to pay

Situation 3 (continued)

- * Chronic Health Issues (verified by a Dr. or MAXIS)
- * Severe short-term health issues
- * Orders originally set by default
- * Orders originally set too high
- * Arrears only cases that are not paying
- * Balance is increasing though payments are being made
- * Length of time it will take to pay off the case
- * Age of arrears
- * Age of obligor
- * Caregiver case is now active
- * Children in foster care
- * Child's death
- * Interstate-jurisdictional issues

CHOOSING AN ARREARS MANAGEMENT STRATEGY



Determine your goal:

- * to encourage moderate payment from the obligor who has not paid
- * to encourage work
- * to reward good behavior and encourage more payment
- * to encourage obligor subsistence
- * to eliminate expensive collection activities that can distract CSOs from taking effective action on cases more amenable to payment

Consider a variety of factors:

- * Whether NPA arrears exist
- * The total arrears balance
- * Whether the case is arrears only or if there are still minor children
- * Whether there are cases in other counties (or states)
- * The likelihood of collectability
- * The obligor's willingness/ability to participate, etc.

Making sure we can forgive PA – Checking URA

- * Before proceeding with an arrears management review or request, check to make sure any excess worklist are completed
- * Check the excess screen (EXCS) for the Unreimbursed (URA amount) - If you are forgiving CCH, this is the highest amount of \$ you can forgive
- * Medical obligations and child care obligations do not count in the URA; therefore the PA amounts for these obligations can be forgiven without regard to EXCS screen
- * Update EXCS after PA is forgiven – Only the oldest case of CP's can be updated – may need county or case coordination
- * Because URA is based on CP's receipt of PA, what one county does to forgive PA for an NCP can affect another county's ability to forgive for another NCP who has a child with that CP
- * See State Policy for more direction

Possible Strategies to use:

- * Remove the total public assistance (PA) arrears balance
- * Remove PA arrears equal to the amount of arrears that accumulated during a fact specific situation
- * Agree to a lump sum settlement amount the county would be willing to accept in order to consider the PA balance paid in full. See below for more information.
- * If no payment has been received on arrears during this federal fiscal year, request a payment of any amount and forgive remaining PA arrears
- * If there are only PA arrears or a combination of PA and NPA arrears, determine a dollar for dollar ratio and offer forgiveness accordingly (dollar for dollar or one dollar forgiveness for every two dollars paid)

- * Adjust arrears payback amount through stipulation or court order
- * Look at what monthly installments would be over 5 years as a guideline for a realistic arrears payback schedule, if it would be less than the payback in the current order
- * Reduce PA arrears if non-monetary conditions are met such as – participation in a father project, job search reporting, obtaining a job, job retention, cooperating with the review and adjust process
- * Require the obligor to apply for RSDI or SSI benefits or appealing as appropriate

- * Require the obligor to obtain a GED or high school diploma or any activity that will improve obligor's employability
- * Remove PA interest arrears or give credit for PA interest that has already been paid by reducing PA principal arrears
- * Consider other appropriate actions consistent with this policy

LUMP SUM PAYMENT

- * The CSO may determine that a lump sum payment of a percentage of PA arrears is an appropriate strategy for cases. When the obligor pays the percentage the county requests, the CSO should eliminate the remainder of the public assistance arrears.
- * Do not consider this strategy an ongoing arrears management strategy. The purpose of eliminating these arrears is to assist the obligor in meeting the monthly current support obligation(s).


APPROVAL PROCESS

A CSO must gain supervisor's approval, either through direct approval or a committee, before taking action. Counties will create and maintain an approval process that is appropriate for them, recognizing that Arrears Management Prevention and Policy (AMPP) is an administrative process, not a legal process.

CAAD Activities

Once the CSO decides to review a case for Arrears Management, she/he must enter one of three possible case activities:

- E9851 – REVIEWED FOR ARREARS MANAGEMENT/
NO ACTION
- E9852 – REVIEWED FOR ARREARS MANAGEMENT/
APPROVAL REQUESTED
- E9853 – REVIEWED FOR ARREARS MANAGEMENT/
MORE INFO NEEDED



If more info is requested, you may need to add
E9854 – ARREARS MANAGEMENT/ADDITIONAL INFO NOT
RETURNED
if the information is not returned.

Upon review, the supervisor chooses to add one of the following three case activities:

E9855 – SUPERVISOR APPROVED ARREARS MANAGEMENT STRATEGY

E9856 – SUPERVISOR APPROVED RECURRING ARREARS MANAGEMENT

E9857 – SUPERVISOR DENIED ARREARS MANAGEMENT STRATEGY

Follow-up Actions

- * Updating OBAL – Y for Arrears Management (also use Y if the CP is forgiving NPA arrears). This creates a CAAD note, E9870. Modify the note to put your financial information
- * DORD Letter F9850 to NCP notifying NCP of arrears management action

Follow up actions (display).

If financial adjustments are made, i.e., removing arrears, use the OBBD screen and update the Arrears Management field:

```
S5 - Alternate Desktop - Alternate Desktop Config. - BlueZone Mainframe Display
File Edit Session Options Transfer View Script Help
Connections: Alternate Desktop Config. Attention PA1 PA2 PA3 Reset PF01 PF02 PF03 PF04 PF05 PF06 PF07 PF08 PF12 System Request
V4FFHK01 PRISM In: PWQQ60 via QOTP @524 X182301
< 1 more Obligation Balance Detail 4:26 PM
*Action (B,C,D,M,N):
Case: 0012003353 02 oblig Owner: NCP oblig Code: CCH oblig Nbr: 01
Case: 0012003353 02 worker: 163CS007 Stat: OPN Func: IN
CP Name: RUBBLE, BETTY J. Prog: NPA
NCP Name: FLINTSTONE, FRED L. File Loc:
EMP Name:
1 of 1 PA Arrears PA Arrears NPA Arrears NPA arrears
Line mm/yyyy Principal Interest Principal Interest
1 11/2013 13562.90 2848.01 11583.00 1081.07
2
3
4
5
comments:
1 of 10 Line Arrears Mgmt: _
1 _____
2 _____
3 _____
Direct Command: _____ ( OBBD )
F1=Help,F2=Quit,F3=Retrn,F4=Prev,F6=Arws,F7=Up,F8=Down,F10=Left,F11=Right
F13=TRBL,F18=Main,F19=Glob,F20=Audit
scrolling performed.
```

The entry in the Arrears Mgmt field on the OBBD screen creates a CAAD note, E9870. Modify the note to put your financial information:

```
S5 - Alternate Desktop - Alternate Desktop Config. - BlueZone Mainframe Display
File Edit Session Options Transfer View Script Help
Connections: Alternate Desktop Config. Attention PA1 PA2 PA3 Reset PF01 PF02 PF03 PF04 PF05 PF06 PF07 PF08 PF12 System Request
VUFCAF01 PRISM In: PWQQ60 via QQTP @524 X182301
02/04/14 Case Activity Detail 1 more >
*Action (A,C,D,M):
Case: 0012003353 02 Activity Date: 02/04/2014 Code: E9870
Case: 0012003353 02 Worker: 163CS007 Stat: OPN Func: IN
CP Name: RUBBLE, BETTY J. Prog: NPA
NCP Name: FLINTSTONE, FRED L. File Loc:

Code Description: ARREARS MANAGEMENT ADJUSTMENT
MCI: _____

DORD Rqst Id: _____ CORD Rqst Id: _____
Legal Tracking Process Type: _____ Begin Date: _____ Seq Nbr: _____

1_ of 3 Narrative
REMOVED $353.02 PA PRINCIPAL AND $6.58 PA INTEREST FROM JCH07. NCP PAID
$360.00 FPR 12/2013 AND OUR ARREARS MANAGEMENT AGREEMENT IS TO MATCH
DOLLAR FOR DOLLAR.

Direct Command: _____ ( CAAD )
F1=Help, F2=Quit, F3=Retrn, F4=Prev, F6=Info, F7=Up, F8=Down, F10=Left, F11=Right
F13=TRBL, F18=Main, F19=Glob, F20=Audit
Case Activity 001200335302 E9870 modified successfully

S5 | Ready (1) | 64.8.128.17 | A14T@524 | 16:31:21 2/4/2014 | NUM | 00:04:27 | 03.029
```


Follow up actions:

If the supervisor has approved, the CSO may have to:

- * contact the CP (if the proposal includes NPA arrears);
 - * make a proposal to the NCP;
 - * or notify him/her of the County's decision to take an action.
-
- * When the CP is involved in NPA arrears management, use CAAD E9865 – NPA CP APPROVED ARREARS MANAGEMENT STRATEGY.
 - * To notify the NCP, use DORD F9850 – NOTICE OF ARREARS MANAGEMENT ACTION.

Example:

Doc ID: 163CSO070000532
WASHINGTON CO COMMUNITY SERVICES
CHILD SUPPORT UNIT
14949 62ND ST N PO BOX 30
STILLWATER MN 55082-0030

Telephone: 651-430-6455

FRED L. FLINTSTONE
1234 MAIN STREET
ST PAUL MN 55104

02/04/2014

RE Case: 001200335302

Notice of Arrears Management Action

=====
This information is available in accessible formats for individuals with disabilities by calling 651-431-4199, toll free 800-657-3954, or by using your preferred relay service. For other information on disability rights and protections, contact the agency's ADA coordinator.
=====

Dear Fred L. Flintstone:

In order to manage support arrears, the parties, including the public authority when arrears have been assigned to the public authority, may forgive unpaid support arrears owed by one party to another. A party may agree to forgive only arrears owed to that party.

This letter is to inform you that the following action(s) have been taken on your case in order to manage your past due support and prevent future accumulation of arrears.

Due to your current circumstances of receipt of General Assistance and Group Residential Housing, the child support office has made the decision to forgive the remaining amount of support arrears that you owed to the State of Minnesota

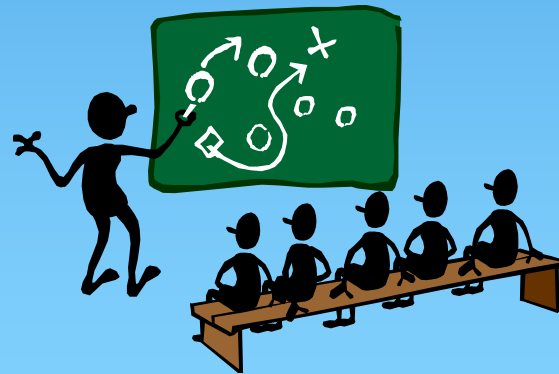
\$79.14 in public assistance arrears has been forgiven and removed from your case, leaving a balance of \$0.00 on your case. This balance includes any public assistance and non-public assistance arrears that you owe.

If you have any questions about these actions or your child support case, contact your child support officer at the phone number below.

Sincerely,

Arrears management and prevention strategies are a positive way to assist obligors in supporting their families, meeting their own needs at an adequate level of subsistence, increasing their incentive to work, and reducing child support arrears that may never be collected or that provide a barrier to current collections.

IMPLEMENTATION, STREAMLINING, CASE EXAMPLES & STRATEGY



Washington County implementation

- * All enforcement CSO's are expected to complete at least one AMPP review per month
- * Each CSO uses Washington County form, Arrears Management Request List to track cases on which to do an AMPP review
- * When conducting the review, CSO takes notes on Washington County form, AMPP Research Notes
- * The CSO enters CAAD notes including data about history of case and reasons for AMPP proposal. Supervisor reviews and enters decision on CAAD. (See examples of Washington County CAAD notes)
- * Enforcement CSO makes 1-time financial adjustment or tracks recurring arrears management

Washington County - – how to encourage payment on current support

- * Require case to be reviewed for AMPP prior to contempt referral
- * Enforcement CSO's expected to engage NCP in AMPP process and predominantly use \$ for \$ strategy or similar strategies that reward NCP for payments

Example of Documentation used by Washington County to Request AMPP Approval

- * (Full CAAD note example in handout)
- * Example 1 Summary:
 - * NPA Arrears of \$30,000 on another county's case
 - * Both NPA and PA arrears on our case
 - * Low wage history for years and poor payment history
 - * NCP now making payments but arrears increasing
 - * Goal to reward good payment behavior and encourage obligor subsistence
 - * Offered strategy of giving \$2.00 credit on PA arrears for every \$1.00 paid

Another Example of Washington County CAAD Note On PRISM

- * (Full CAAD note example in handout)
- * Example 2 Summary:
 - * Support set on presumption of ability to earn and no proof in later years that NCP ever earned that amount
 - * NCP recently began paying 120% consistently
 - * Recently Court found earnings to be lower and support was modified to a lower amount
 - * 2-part strategy applied:
 - * Lump sum forgiveness for PA interest
 - * \$1.50 credit for \$1.00 paid on an ongoing basis
 - * Strategy applied to reward good payment behavior and to encourage obligor subsistence

Ramsey County implementation

- * Assigned staff who identify and complete arrears managements
- * Prescribed forms for different types of arrears management; build into case processes
- * Streamlined many arrears management – CAAD note only, no paper forms, no attorney approval needed (just supervisor approval)
 - * Many different short form categories (meet category = automatically qualifies for forgiveness)
 - * Developed templates for CAAD notes
- * More \$1 for \$1 cases – some proposals reviewed at unit meetings
- * Reviewing cases at extended hours/open house sessions – Show up – get help!
- * Make arrears management review a regular part of arrears only (or other) caseload management
- * Does the cost to collect exceed the debt?

Ramsey County – how to encourage payment on current support

- * Require case to be looked at for arrears management prior to contempt referral
- * With contempt referral, if appropriate, case can be entered into \$1 for \$1 PA arrears management if NCP is making payments consistently (see handout for form). \$1 for \$1 automatically will terminate if NCP misses 3 consecutive months of payments. (*handout of form*)
- * Other examples:
 - * FATHER Project agreements – one NCP has had over \$120,000 in PA arrears forgiven and is now a consistent payer (*handout of form*)
 - * Another case we forgave \$10,000 for NCP obtaining GED (Open House attendee)

Ramsey County CAAD Example 1 - Cost to Collect Exceeds Benefit (Also Reunited Party)

(Full CAAD note example in handout)

Example 1 Summary:

- * PA Arrears of \$1,361
- * Parties are reunited on PA in another state
- * Children are 20 and 16
- * NCQW are from 2008 and 2012 only
- * Very minimal income and all employers are temp agencies

Short Form – PA Less than \$2,000 and (Cost to Collect Exceeds Benefit)

Also see Example 3 on Handout (IV-E example where we will likely not collect most of PA due on IV-E)

Ramsey County CAAD Example 2 – PA Interest Forgiveness

(Full CAAD note example in handout)

- * Arrears Only Case, child was over age 20. NCP owes \$40,822 of which PA Arrears are \$11,020. NCP has outstanding PA Interest of \$4,872 and has paid \$298 in PA Interest. We combine those for forgiveness of \$5,171.
- * Template requires giving the total figures paid/due, principal and interest, for PA and NPA. (*handout on TRLI/EXCS includes short cuts for calculating figures on TRLI*)

PA Interest

About Interest Forgiveness:

- * Interest doesn't encourage compliance.
- * Forgiving interest encourages compliance.
 - * NCP's are incredibly grateful.
 - * Helpful in current support cases where we cannot stop interest.
- * Simple and Easy to do! Can make it part of a case review and available to everyone.
- * CAAD notes easier for supervisor to review than paper forms and files.
- * In 2013 approximately 25% of our Arrears Managements were PA Interest (mostly arrears only but now moving into current support cases)

Final example: Using PA Interest in Current Support Cases

Example of Forgiving PA Interest in Current Support cases – CSO Initiated on Partial Payer Case (NCP responded to CSO memo about partial payments – CSO first tried to call NCP. This agent new to the case, prior phone contact was in 2003.) NCP has two cases.

- * Case 1 - Child age 15 – Charging \$303 basic, \$19,000 NPA Arrears and \$6,200 PA Arrears.
- * Case 2 – 2 kids, one child emancipated, one child age 14. Charging \$507 basic, \$26,500 NPA Arrears and \$7,000 PA Arrears.
- * Difficulty paying both cases in full as he works in sales and earnings vary. Taxes get intercepted and pay towards arrears but NCP doesn't qualify to stop interest due to partial payments. NCP is living with his mother because he cannot afford to live alone. Due to change in job situation he is now able to pay 120%.
- * Forgave \$3,014 on one case (\$1,599 outstanding and \$1,414 paid) and \$3,375 on other case (\$93 outstanding and \$3,282 paid)
- * Total balances reduced from about \$60,000 to \$53,000. Not a lot but shows we are willing to work with him.
- * Cases are receiving 120% payments.