



## **Engrossed Senate Bill 2012**

House Appropriations Committee | HR Division

*Jon Nelson, Chairman*

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Child Support Section | Jim Fleming, Director | March 6, 2023

NORTH  
**Dakota**  
Be Legendary.

| Health & Human Services

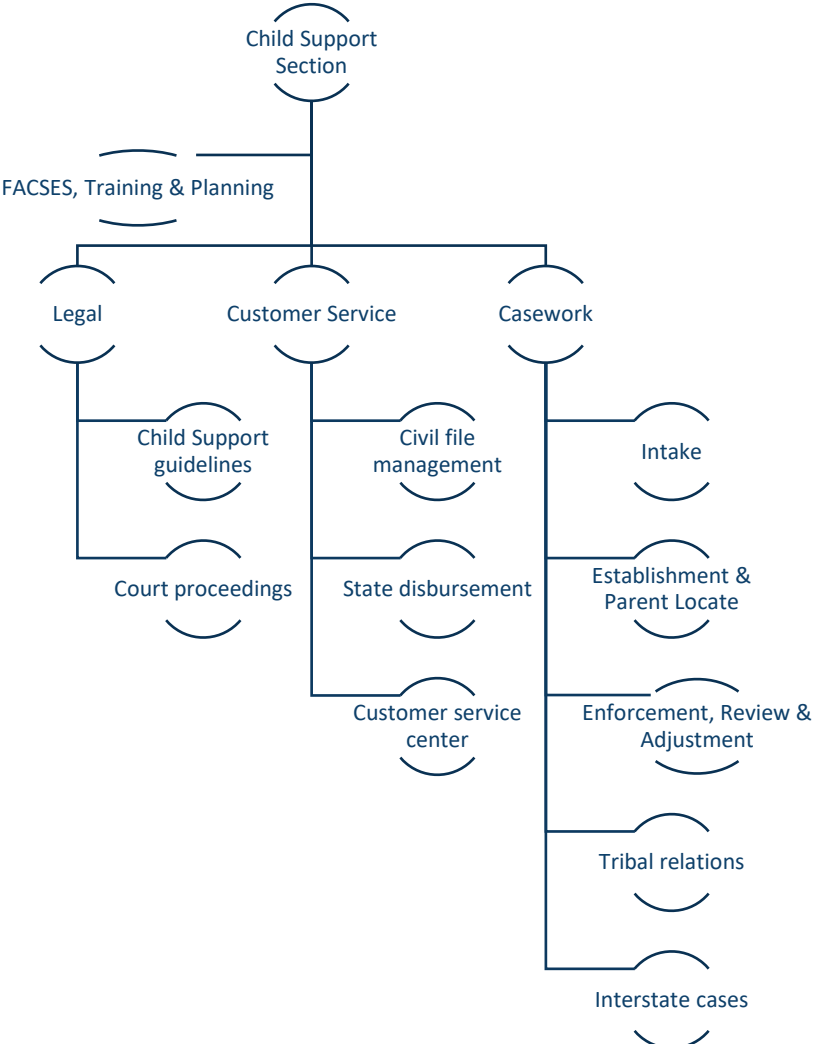
# Child Support: Staffing and Team Structure

The purpose of the Child Support program is to help parents meet the needs of their children by securing appropriate and sustainable child support.

## Child Support

21-23 Authorized FTE Base	23-25 Executive Budget FTE	12-31-22 Vacancies (from base)
161.2	161.2	6.00

Avg Age	Avg Yrs of Service	Turnover 2021	Turnover 2022
<b>49</b>	<b>14</b>	<b>6.5%</b>	<b>9.6%</b>



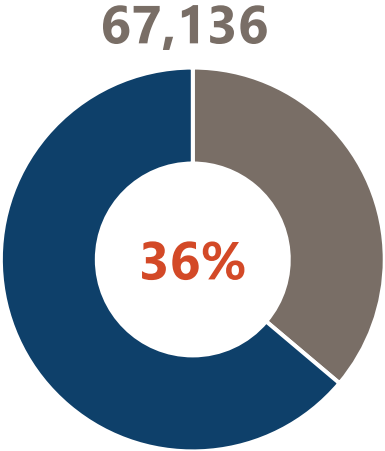
# Who we serve

As of 2022, the Child Support section delivers programs and services to:

- 67,136 children
- 86,050 parents
- 53,318 cases
  - Full service. – 32,797
  - Limited service – 20,521
- Employers 79,176

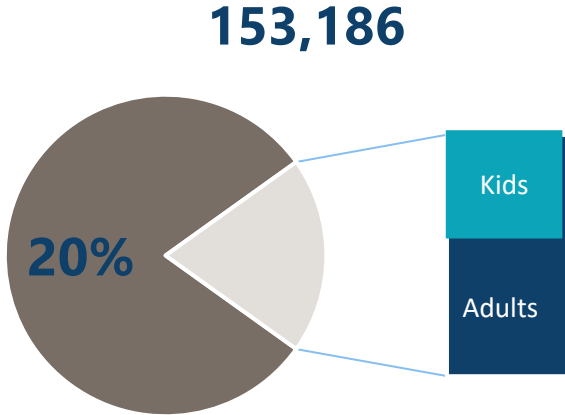


# Child Support Who we serve



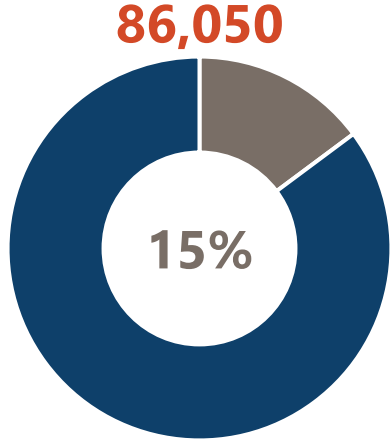
## 1 in 3 ND kids

In 2022, 67,136 children received child support services. That is more than 1 of every 3 children under age 18 in the state.



## 1 in 5 North Dakotans

153,186 people received child support services in North Dakota in 2022.



## 1 in 7 ND adults

In 2022, 86,050 parents received child support services. That means nearly 1 of every 7 adults (age 18+) in the state has a connection to the child support division.

# Meet Bobbi Jo & Tanner



Bobbi Jo is 22 years old and lives in Devils Lake. She used to live with the father of her two-year old son Tanner.

Tanner's father acknowledged his paternity in the hospital when Tanner was born but broke up with Bobbi Jo when Tanner was a baby.

Bobbi Jo has a part-time job at a local convenience store. She is receiving health coverage for herself and Tanner under the Medicaid program.

She is struggling to make ends meet, but currently makes too much income to be eligible for SNAP or TANF.

# Child Support section provides services that promote family self sufficiency



## Customer Service

- 24/7/365 information on website and interactive phone system
- Customer service call center
- Appointments



## Establish paternity

- In-hospital paternity acknowledgment program
- Genetic tests
- Paternity judgment



## Establish and modify court orders for child and medical support

- Child Support guidelines
- Periodic reviews



## Enforcement

- Income withholding
- Tax refunds
- License suspension
- Employment assistance



## Account Management

- Receive payments
- Maintain payment ledger
- Disburse payments

# Child Support Opening a Full-Service case

- TANF Referral
- Medicaid Referral
- Foster Care Referral
- Referral from another state or tribal or international child support program
- Application by a parent



# Child Support

## What we do – Full Service and Limited Service

### All Cases

- Customer service
- Income withholding
- Account management

### Full-Service Cases

- Establishment of paternity
- Establishment of a child support and medical support order
- Other enforcement actions such as tax refund offset and license suspension
- Employment services
- Periodic review and modification of child support obligation





# How we measure success

## Collection of payments owed

When child support is received, the child is able to grow up in a more secure and stable environment.

Studies have shown that for every \$1 a family receives in child support, \$0.19 is saved in reduced need for TANF, SNAP, Medicaid and other programs.



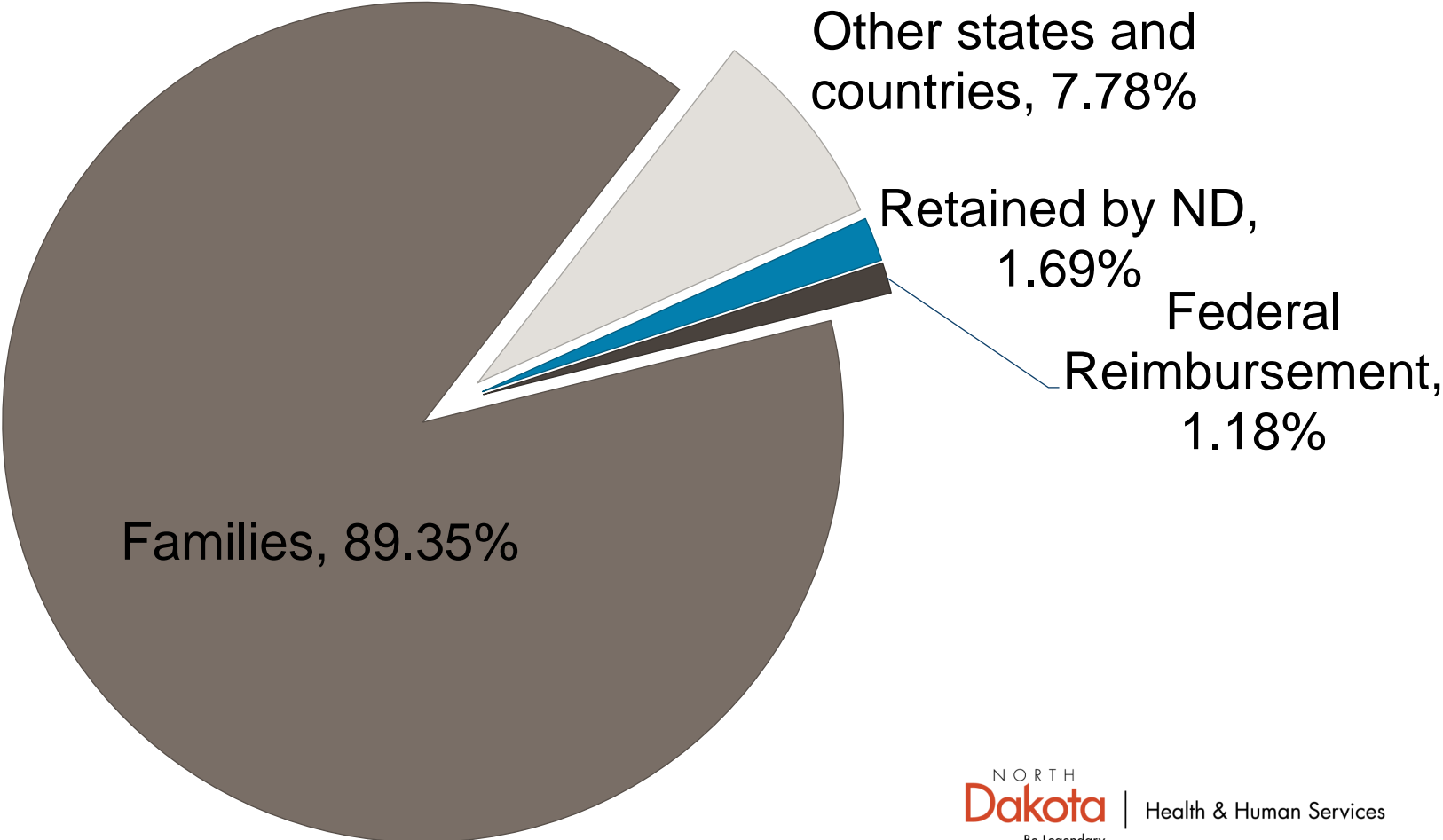
# Child Support Return on Investment

- Every **\$1.00 spent** on Child Support generated **\$6.31 for family recipients**
- Every **\$1.00 in state General Funds spent** on Child Support generates **\$18.55 in support for family recipients**



# Collections - Where the \$183 million goes

Child support agencies work collaboratively, across state lines, to ensure that families receive the child support they are owed regardless of where they live.



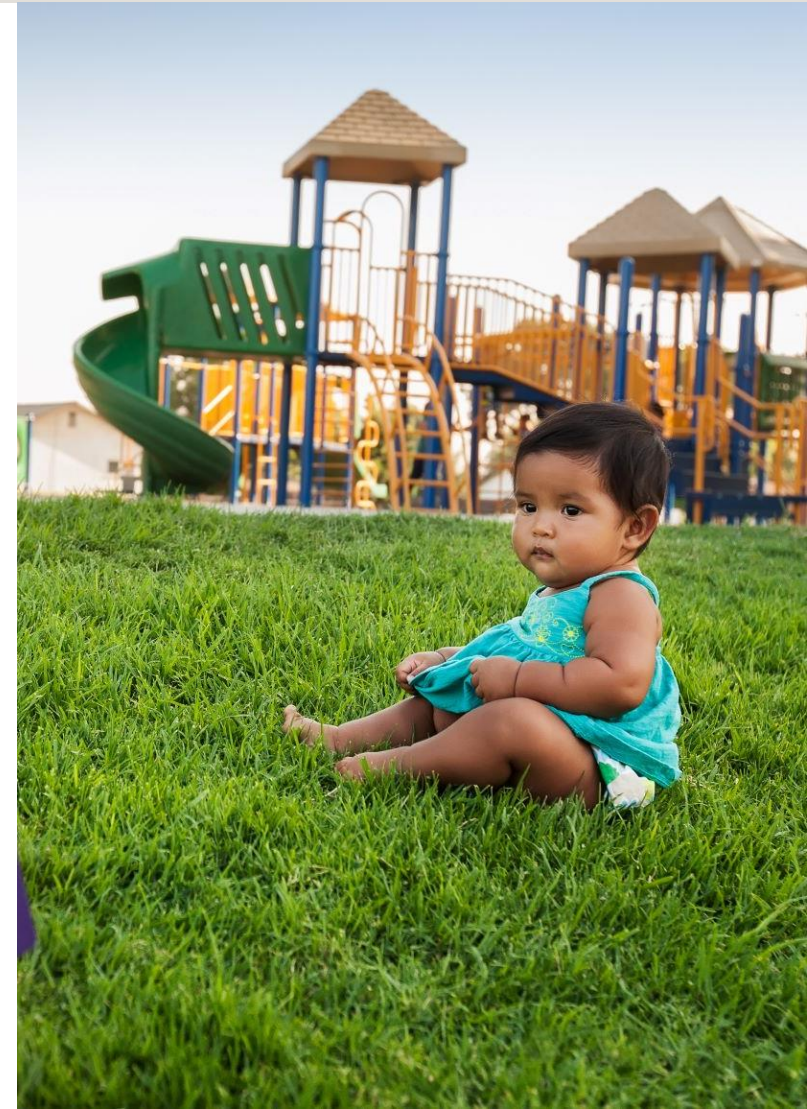
# Child Support Partners



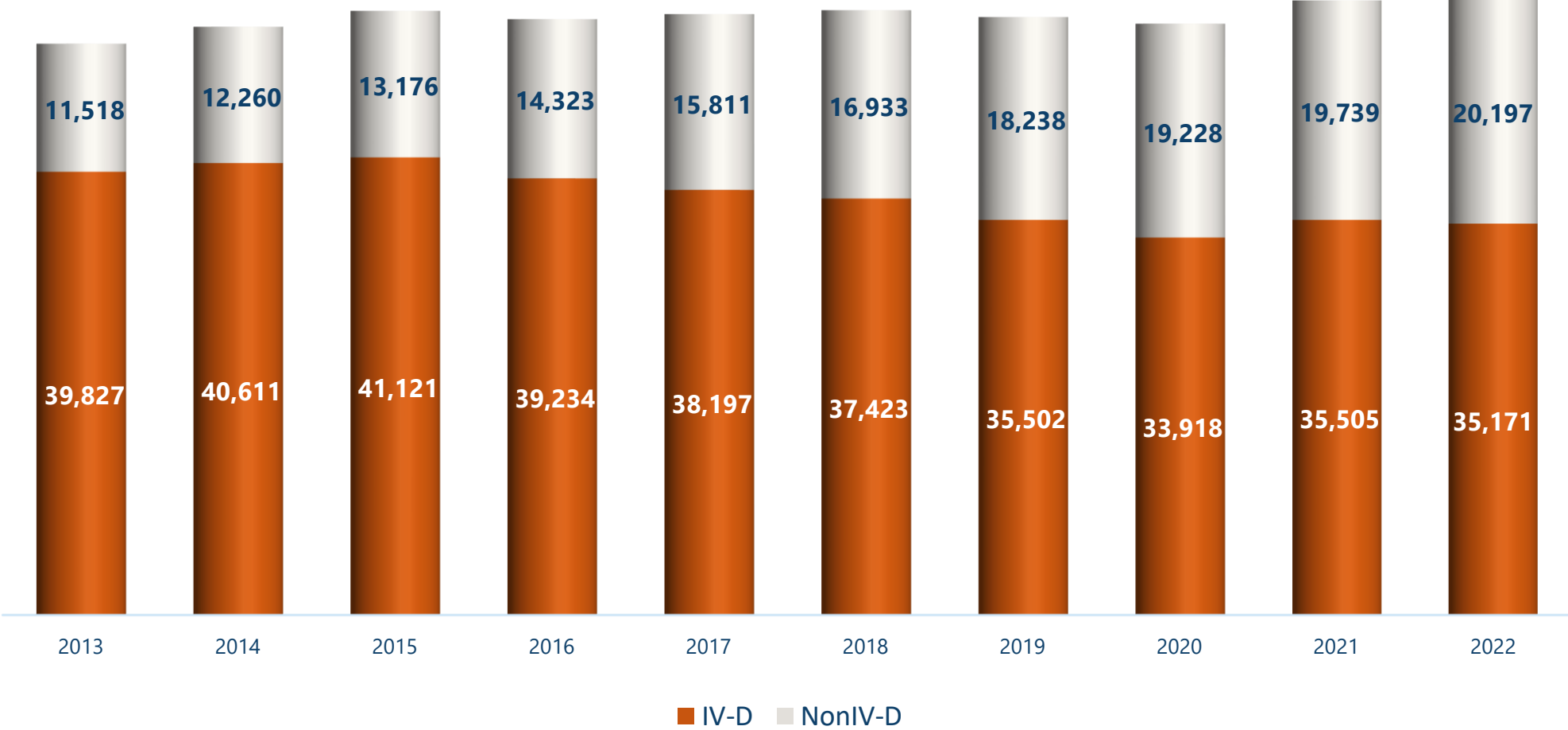
- Employers
- Judges
- Clerks of court
- Sheriffs
- ND state and local government agencies
- Other state and tribal child support programs
- Private attorneys
- Car dealers
- Gaming operators

# Child Support Tribal Partnerships

- “Lack of jurisdiction” cases are excluded from federal performance measures
- Partnership with Three Affiliated Tribes and Standing Rock Sioux Tribe child support programs
- Bring actions in Turtle Mountain and Spirit Lake tribal courts
- Host Tribal Offset Partnership so tribes can access federal offset services



# Child Support caseload is stable



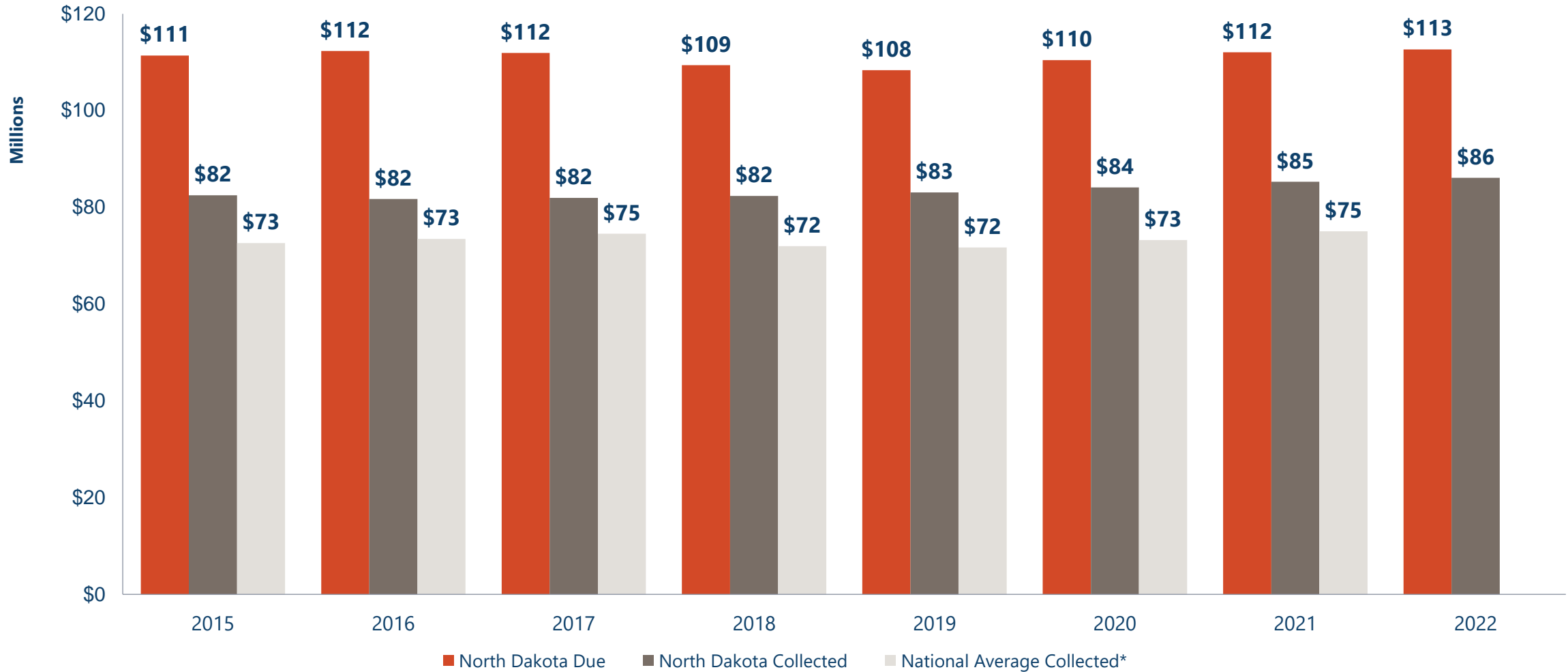
**Non-IV-D** case =  
Limited Service

**IV-D** case =  
Full Service

# Child Support Performance Measures

	Orders Established	Paternity Established	Current Support	Cases with Arrears Collection	Cost Benefit
ND FFY 2022	90.09%	108.66%	75.88%	67.34%	\$6.31
ND FFY 2021	90.38% (20)	104.67% (7)	75.45% (5)	67.72% (28)	\$6.26 (13)
#1 State	94.83%	165.33%	84.33%	86.33%	\$11.80
#5 State	94.44%	110.95%	75.45%	75.28%	\$7.92
#10 State	93.14%	101.75%	71.33%	73.16%	\$6.43

# ND child support collections typically exceed national averages by about 10%

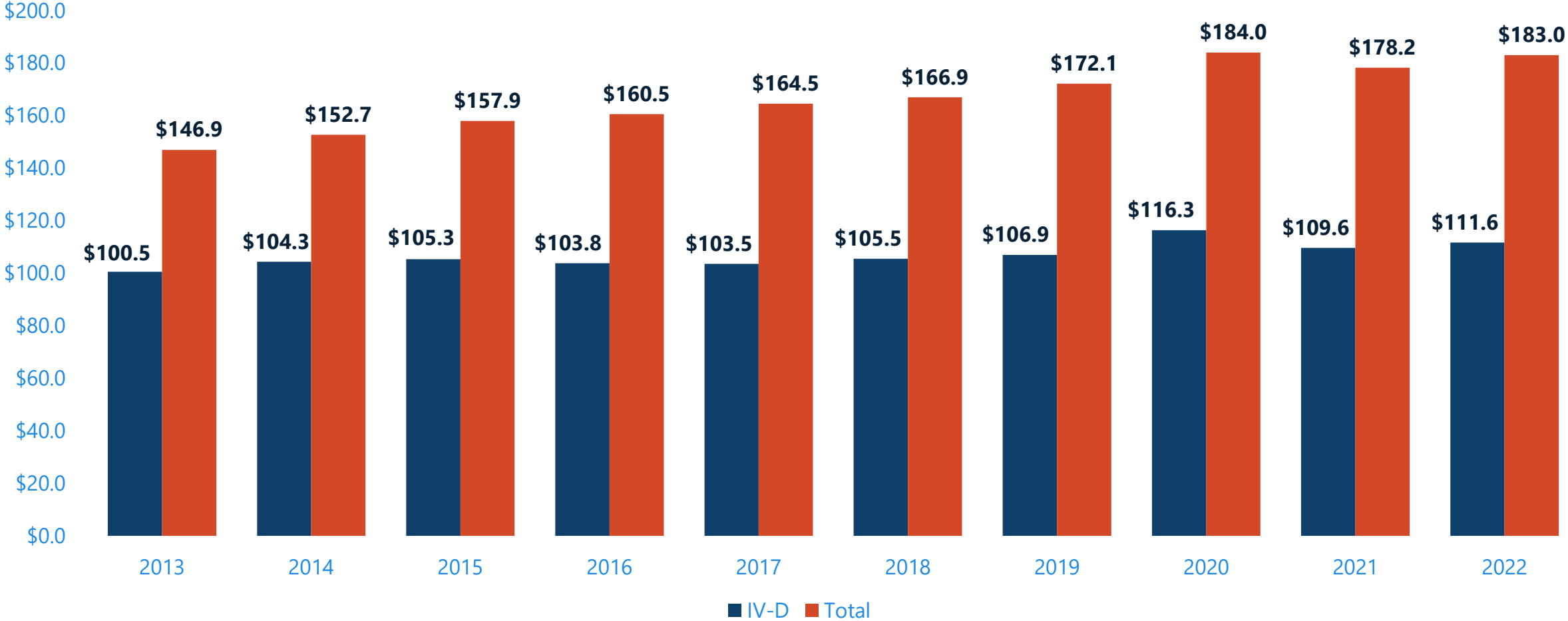


	2015	2016	2017	2018	2019	2020	2021	2022
North Dakota	74.1%	72.8%	73.2%	75.3%	76.7%	76.2%	75.5%	75.9%
National Average	65.2%	65.4%	66.6%	65.8%	66.2%	66.3%	67.0%	N/A

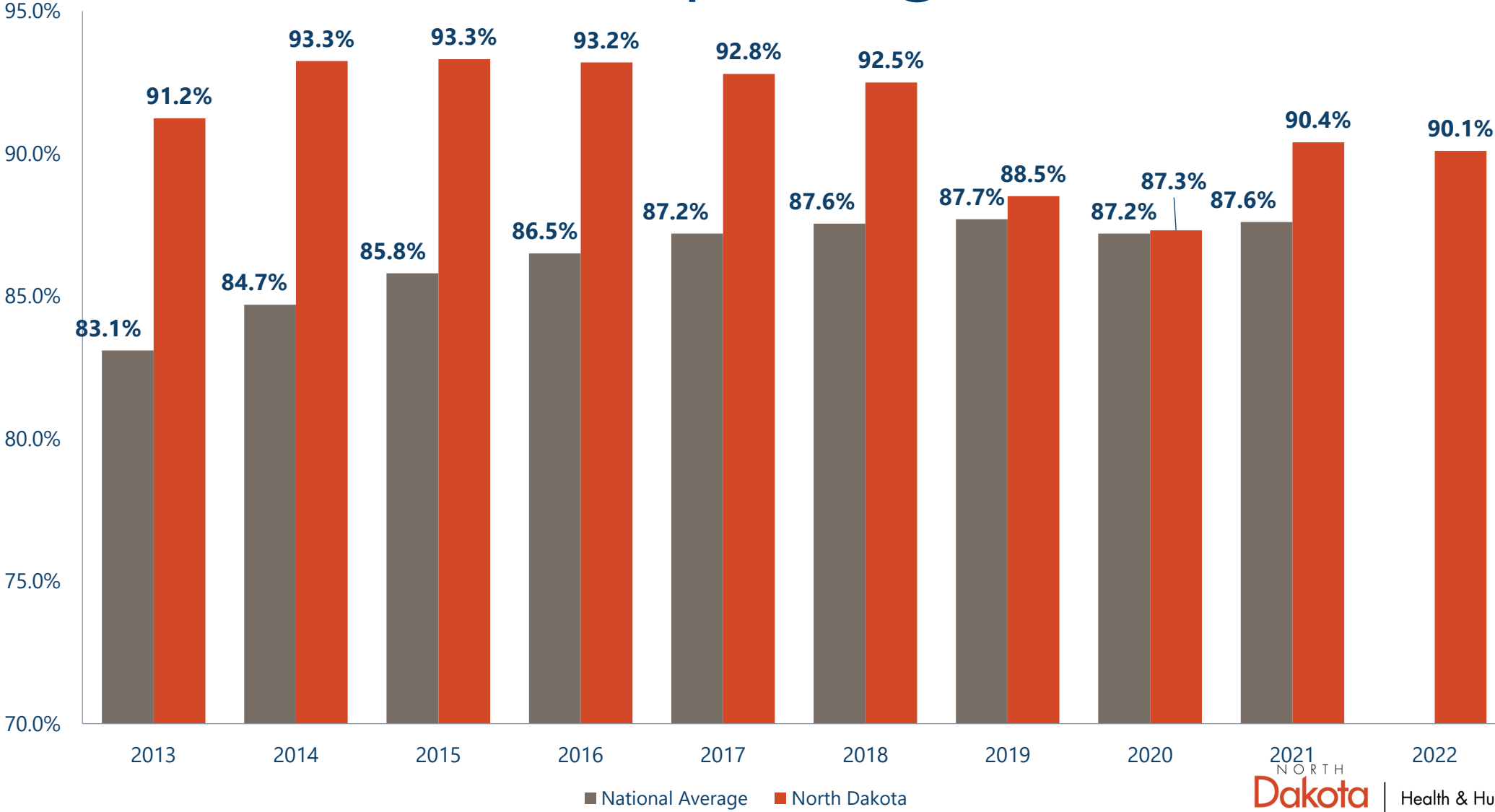
*\*National average performance applied to North Dakota's current support due.*



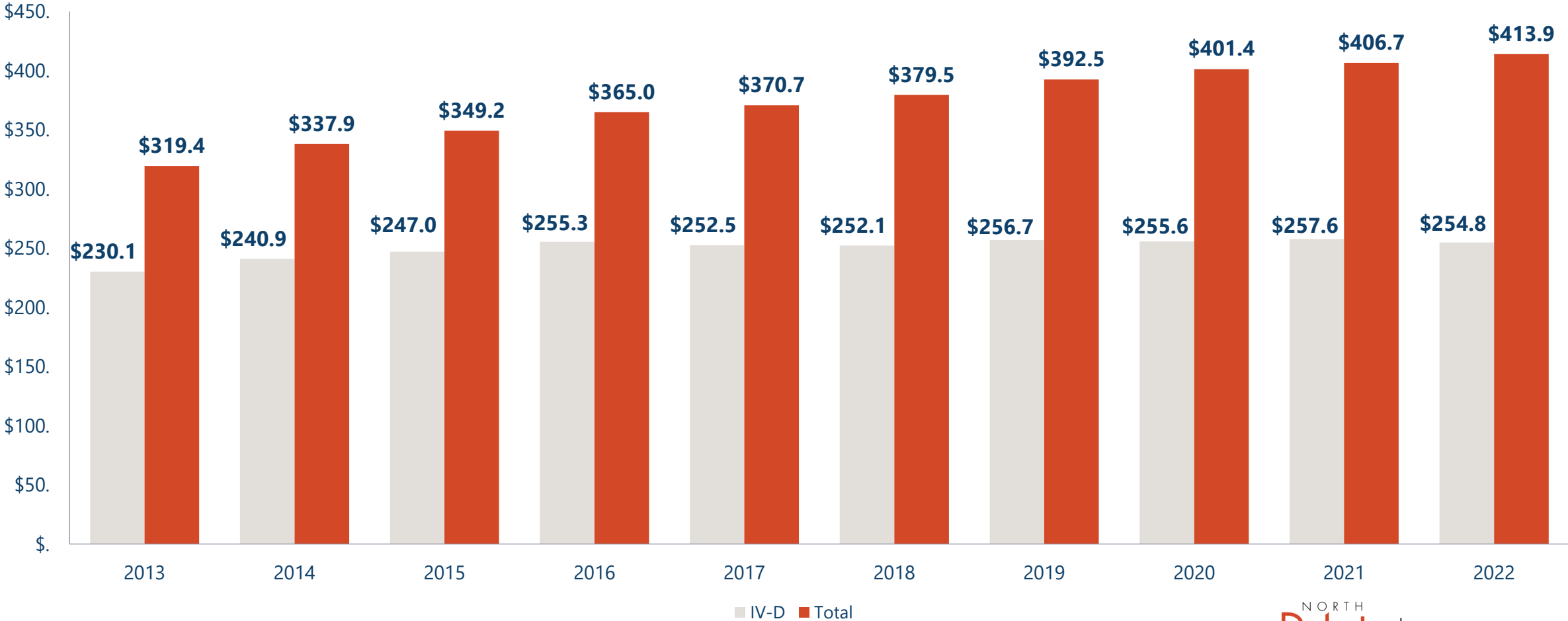
# Collections continue to increase



# Order establishment improving after COVID-19



# Unpaid support in full-service cases is being contained



# How do customers reach us?



childsupport@nd.gov



(800) 231-4255



# A future of continued progress

2023-2025 is the biennium to complete modernization of the child support program as a component of economic health and delivery of comprehensive human services

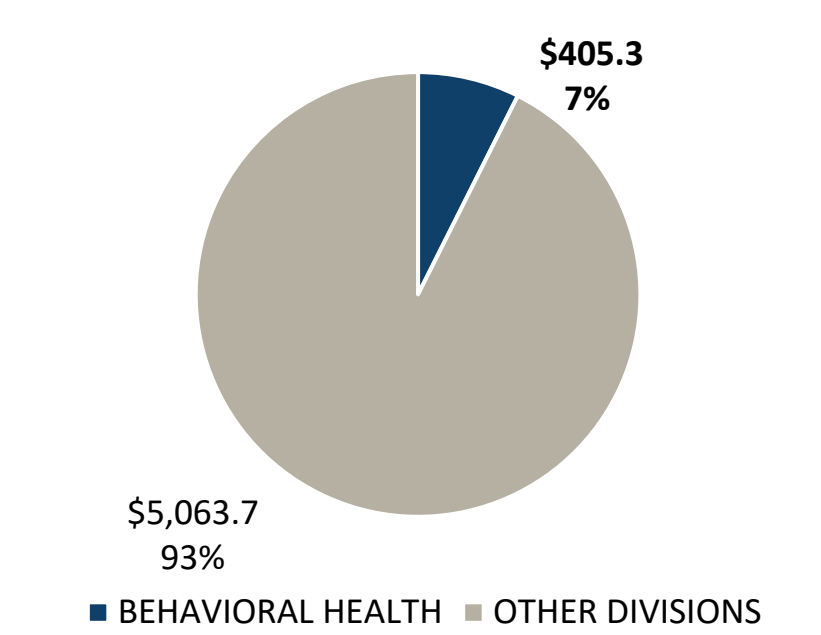
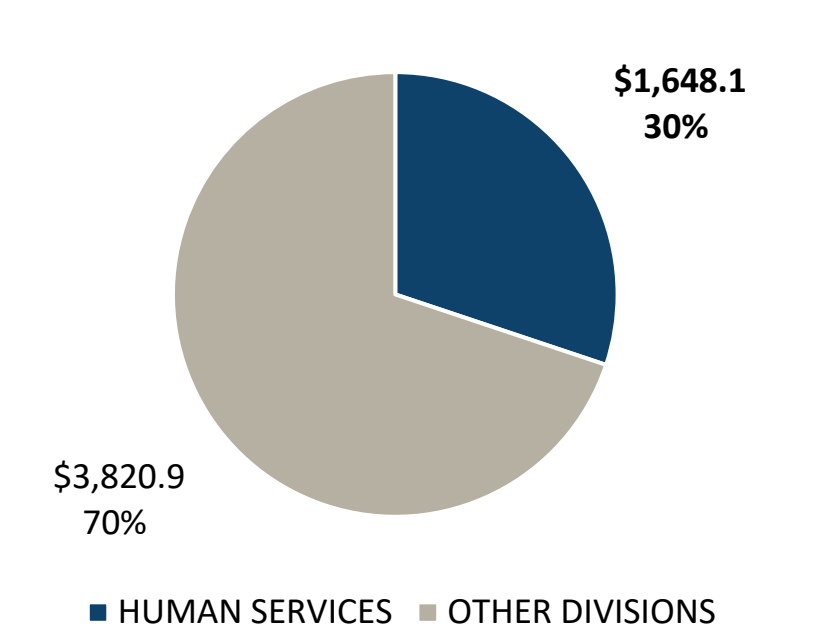
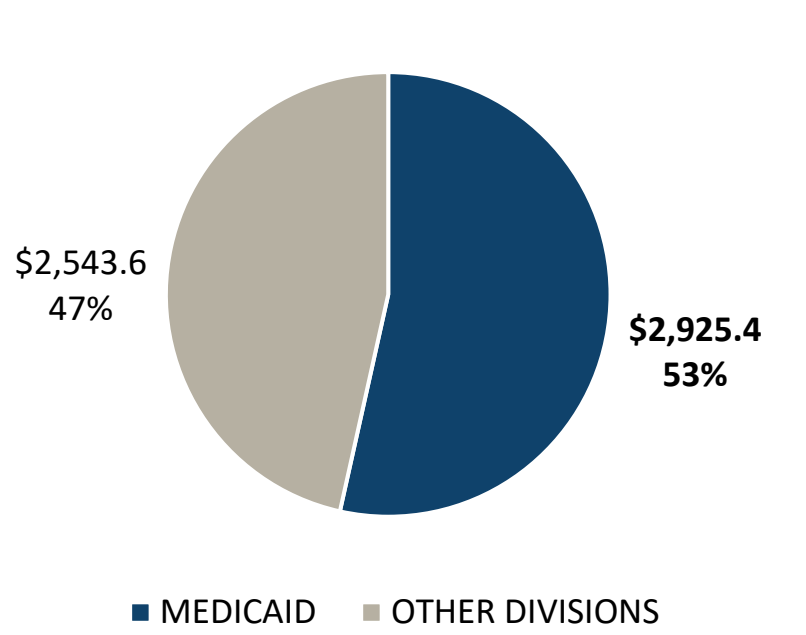


# 2023-2025 Budget request

The **program, systems and workforce support** necessary to continue to serve North Dakotans

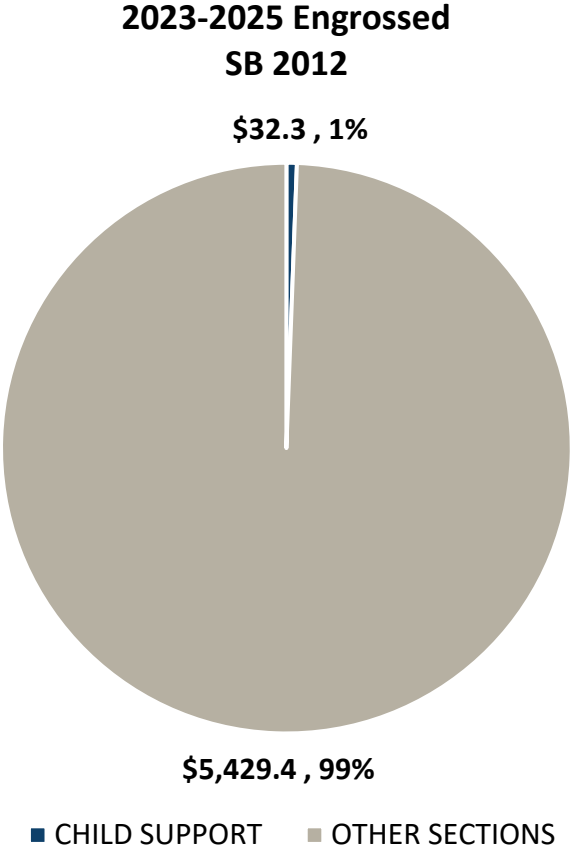
# Division budgets compared to Engrossed SB 2012

2023-2025 Engrossed SB 2012 in millions



# Section budget compared to Engrossed SB 2012 (in millions)

Represents 1% of SB 2012, \$32.3 million





# Comparison of 2023-2025 budgets and related funding

## By major expense

Description	2023 - 2025 Budget Base	Increase / (Decrease)	2023 - 2025 Executive Budget	Increase / (Decrease)	Engrossed SB 2012
Salaries and Benefits	\$ 27,413,957	\$ 2,733,526	\$ 30,147,483	\$ (533,454)	\$ 29,614,029
Operating	3,461,249	(917,645)	2,543,604	-	2,543,604
IT Services	99,555	27,600	127,155	-	127,155
Capital Asset Expense	-	-	-	-	-
Capital Assets	-	-	-	-	-
Grants	-	-	-	-	-
<b>Total</b>	<b>\$ 30,974,761</b>	<b>\$ 1,843,481</b>	<b>\$ 32,818,242</b>	<b>\$ (533,454)</b>	<b>\$ 32,284,788</b>

<b>General Fund</b>	<b>\$ 8,486,110</b>	<b>\$ 980,259</b>	<b>\$ 9,466,369</b>	<b>\$ (212,669)</b>	<b>\$ 9,253,700</b>
<b>Federal Funds</b>	<b>18,465,044</b>	<b>973,254</b>	<b>19,438,298</b>	<b>(320,785)</b>	<b>19,117,513</b>
<b>Other Funds</b>	<b>4,023,607</b>	<b>(110,032)</b>	<b>3,913,575</b>	<b>-</b>	<b>3,913,575</b>
<b>Total Funds</b>	<b>\$ 30,974,761</b>	<b>\$ 1,843,481</b>	<b>\$ 32,818,242</b>	<b>\$ (533,454)</b>	<b>\$ 32,284,788</b>

Full Time Equivalent (FTE)	161.20	-	161.20	-	161.20
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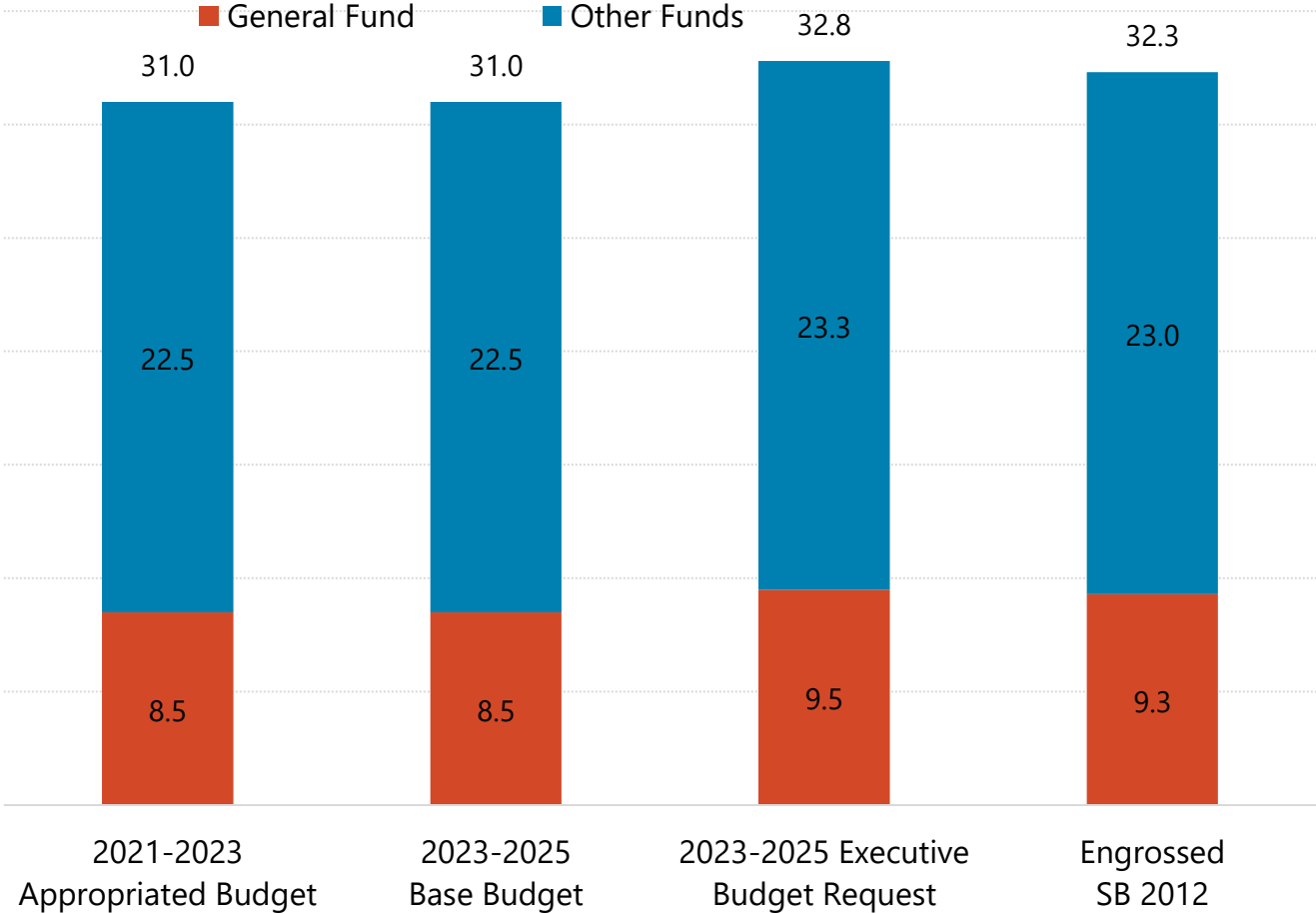
# Comparison of total budget with funding (in millions)

## Appropriated budget is larger than base

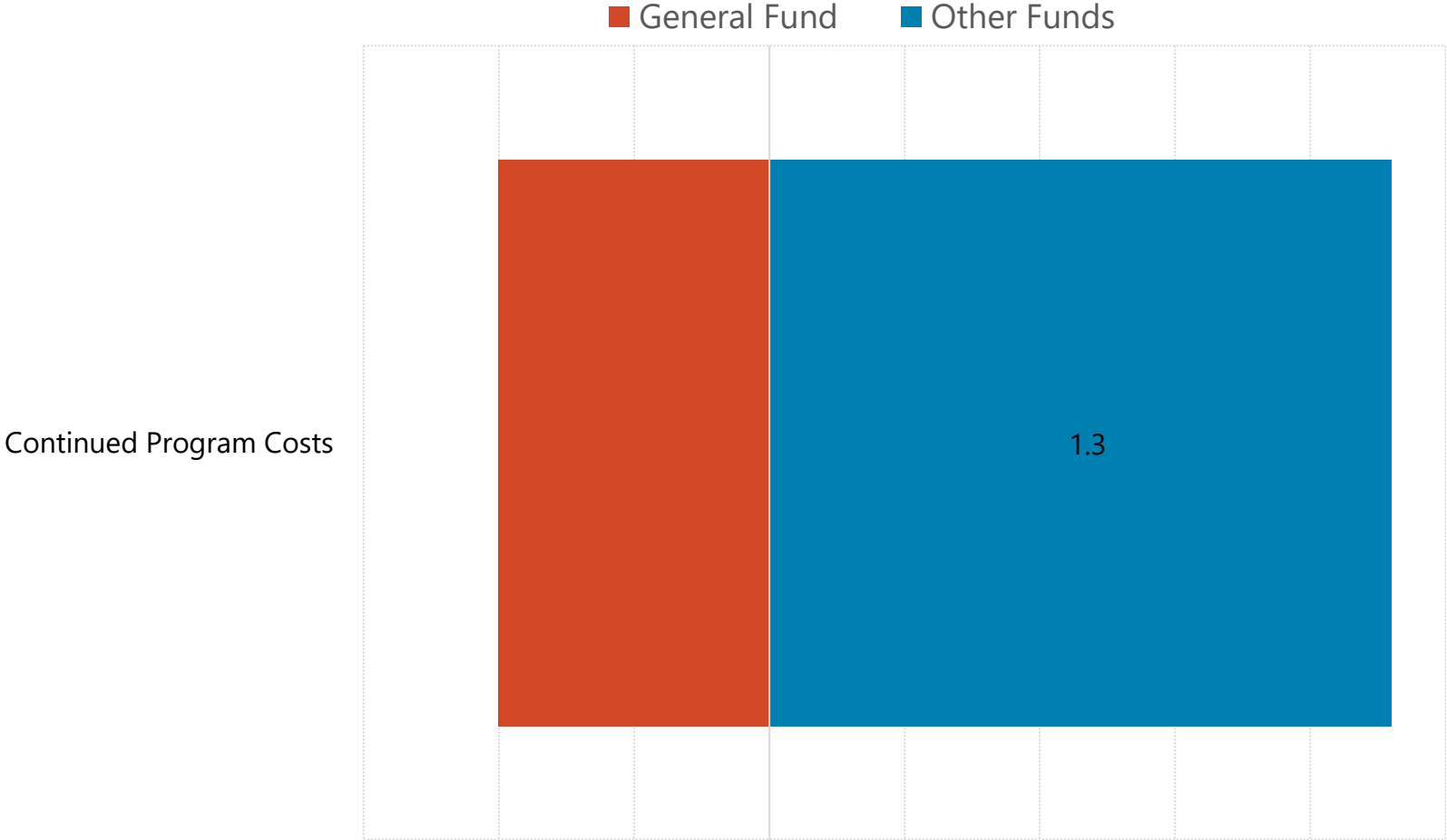
INCREASE FROM BASE TO ENGROSSED HB  
2012 \$1.3 MILLION

Enter main bullet points

- Remote customer service
- Transition to Telework
- IT request for new case management system



# Comparison of base budget to Engrossed SB 2012 (in millions)



# 2023 -2025 authorized and vacant FTE

<b>Human Services - Child Support</b>			
<b>23-25 Authorized FTE Base</b>	<b>23-25 Executive Budget FTE</b>	<b>23-25 Engrossed SB 2012 FTE</b>	<b># vacancies 12-30-22 (from base)</b>
161.2	161.2	161.2	6.0

# About Child Support Contracts

- \$800,000 Supreme Court (all federal)
- \$618,646 Rent (\$1.3 million for 2019-2021)
- \$389,090 Data matching and Locate
- \$200,000 Access and Visitation (all federal)
- \$96,000 Service of legal documents



# Comparison of 2023-2025 budgets and related funding

## By detailed expense

Description	2023 - 2025 Budget Base	Increase / (Decrease)	2023 - 2025 Executive Budget	Increase / (Decrease)	Engrossed SB 2012
511x Salaries - Regular	\$ 18,319,787	\$ 1,397,819	\$ 19,717,606	\$ (482,187)	\$ 19,235,419
512x Salaries - Other	-	-	-	-	-
513x Salaries Temp	81,920	8,192	90,112	50,688	140,800
514x Salaries Overtime	-	-	-	-	-
516x Salaries Benefits	9,012,249	1,327,516	10,339,765	(101,955)	10,237,810
<b>Total Salaries &amp; Benefits</b>	<b>\$ 27,413,957</b>	<b>\$ 2,733,526</b>	<b>\$ 30,147,483</b>	<b>\$ (533,454)</b>	<b>\$ 29,614,029</b>
52x Travel	34,840	5,057	39,897	-	39,897
53x Supply	31,789	(6,495)	25,294	-	25,294
54x Postage & Printing	294,202	(133,732)	160,470	-	160,470
55x Equipment under \$5,000	9,000	(1,750)	7,250	-	7,250
56x Utilities	-	-	-	-	-
57x Insurance	1,000	(350)	650	-	650
58x Rent/Leases - Bldg/Equip	906,674	(253,225)	653,449	-	653,449
59x Repairs	69,688	(23,747)	45,941	-	45,941
61x Professional Development	19,110	2,670	21,780	-	21,780
62x Fees - Operating & Professional	2,094,946	(506,073)	1,588,873	-	1,588,873
67x Expenses	-	-	-	-	-
53x Supplies	58,000	42,000	100,000	-	100,000
60x IT Expenses	41,555	(14,400)	27,155	-	27,155
68x Land, Building, Other Capital	-	-	-	-	-
69x Over	-	-	-	-	-
69x Equipment Over \$5,000	-	-	-	-	-
71x Grants, Benefits, & Claims	-	-	-	-	-
72x Transfers	-	-	-	-	-
<b>Total Operating</b>	<b>\$ 3,560,804</b>	<b>\$ (890,045)</b>	<b>\$ 2,670,759</b>	<b>\$ -</b>	<b>\$ 2,670,759</b>
<b>Total</b>	<b>\$ 30,974,761</b>	<b>\$ 1,843,481</b>	<b>\$ 32,818,242</b>	<b>\$ (533,454)</b>	<b>\$ 32,284,788</b>

# Comparison of 2023-2025 funding

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<b>Total Funds</b>	\$ 30,974,761	\$ 1,843,481	\$ 32,818,242	\$ (533,454)	\$ 32,284,788





# Engrossed SB 2012 Section 7

## Estimated Income – Community Health Trust Fund

**SECTION 7. ESTIMATED INCOME - COMMUNITY HEALTH TRUST FUND.** The estimated income line item in subdivision 2 of section 1 of this Act includes the sum of \$20,400,000 from the community health trust fund for defraying expenses of the child support computer replacement project.



# On the Horizon

## Supporting Family Stability & Economic Health

**20,000**

Over 20,000 families who are owed child support are not receiving the program's full services

**\$27 million**

More than \$27 million in child support per year is not received in the month when it is due

**\$250 million**

More than \$250 million is owed in past-due support in full-service cases and nearly \$414 million total in all cases

# Summary and key takeaways

- **Program efficiency** continues to improve
- **Revised referral strategies** will further improve program integration
- **Program performance** is strong but has further room for improvement
- **Service improvements** depend on legislative support for a modern case management system





# Contact information

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<https://www.childsupport.dhs.nd.gov/>