



Child Support Enforcement

American Recovery and Reinvestment Act Implementation Plan

A. Funding Table

<i>(Outlays in millions)</i>					
Child Support Enforcement & Family Support Programs	Program Level Estimate	FY 2009 Actual	FY 2010 Estimate	FY 2011 Estimate	FY 2012-2019 Estimate
Total	1,817	274	1,300	243	0

B. Objectives and Public Benefits

State Child Support Enforcement (CSE) agencies enhance the well-being of children by obtaining support, including financial and medical, for children through locating parents, establishing paternity, establishing support obligations, and monitoring and enforcing those obligations.

C. Activities

A federal open-ended match of 66 percent is available for state administrative costs of carrying out activities required under title IV-D of the Social Security Act. In addition, the federal government provides states with incentive payments based on their success in meeting certain performance measures. In 2009 and 2010, incentive payments are capped by statute at \$504 million per year. States must spend these incentive payments on required CSE activities. The Deficit Reduction Act of 2006 eliminated longstanding Federal authority to match state CSE expenditures paid for with incentive funds. The American Reinvestment and Recovery Act (Recovery Act) temporarily restored federal authority to match state expenditures paid for with incentive funds. This restored authority is effective October 1, 2008 through September 30, 2010.

D. Characteristics

The federal matching funds covered by this authorization will be awarded through existing mandatory grants to states based on state expenditure claims. The Recovery Act temporarily restored authority to match state expenditures made with incentive funds authorized under section 458a. Section 458a authorizes an incentive payment pool of \$504 million in each of fiscal years 2009 and 2010. Each state receives incentive funds allocated based upon its performance rates. These funds can be spent on activities eligible for a federal match.



Department of Health and Human Services
American Recovery and Reinvestment Act
Improving Children and Community Services



The Recovery Act did not appropriate a fixed sum. The Recovery Act-related spending is the amount of the federal match for expenditures paid for with incentive funds through September 30, 2010 as authorized by the Recovery Act. The estimated Recovery Act incentive match is \$1.8 billion.

E. Delivery Schedule

Grant awards are issued quarterly to each state CSE agency based on expenditures reported by the state. Reports are reviewed for accuracy and allowability of expenditures. Specific dates regarding the ultimate provision of funds to states are dependent on state expenditures and thus cannot be estimated here. The following milestones will ensure timely awarding of funds:

- Issue program guidance advising states how to report their expenditures and make any needed adjustments to quarterly expenditure reports: Completed (March 26, 2009).
- Issue grant awards for 1st quarter actual expenditures reflecting new provision for states that have submitted their first quarter expenditure reports: Completed (March 26, 2009).
- Issue grant awards for 2nd and 3rd quarter estimates and actual adjustments: Completed within one week of receiving revised estimates from states.
- Issue grant awards for future periods and adjustments for actual expenditures: Quarterly.

F. Environmental Review

The distribution of additional funds to Child Support Enforcement (CSE) as a result of the Recovery Act is categorically excluded from environmental review based on Category 2 section F - Functional Exclusion: Grants for Social Services under Chapter 30-20-30 of the HHS General Administration Manual. By definition, the use of these funds: (1) mitigates social and environmental impacts; (2) does not include construction or alterations of the human environment; and (3) have no anticipated individual or cumulative significant effect on natural or cultural assets. Therefore CSE qualifies for a Categorical Exclusion from National Environmental Protection Act (NEPA). This activity is funded under the Recovery Act Division B and is not subject to Section 1609(c) reporting requirements.



G. Measures

Table 1:

The first measure will be reported quarterly, thus quarterly projections are provided for relevant ARRA funding years. The additional measures are annual outcome measures, thus only annual targets are provided for relevant ARRA funding years.

Outcome/ Achievement	Unit	Type	9/30/ 09	12/31/ 09	3/31/ 10	6/30/ 10	9/30/ 10	12/31/ 10	3/31/ 11	6/30/ 11	9/30/ 11	Prgm End
Total amount of distributed child support collections.	\$B	Target	\$6.1	\$12.6	\$19.7	\$26.5	n/a	n/a	n/a	n/a	n/a	
		Actual	\$6.4 ¹									
Maintain the paternity establishment percentage (PEP) among children born out-of-wedlock.	%	Target	94%	n/a	n/a	n/a						
		Actual	Avail. Nov-10									
Maintain the percentage of child support cases having support orders.	%	Target	77%	n/a	n/a	n/a						
		Actual	Avail. Nov-10									
Maintain the child support collection rate for current support.	%	Target	62%	n/a	n/a	n/a						
		Actual	Avail. Nov-10									
Maintain the percentage of paying cases among child support arrearage cases.	%	Target	62%	n/a	n/a	n/a						
		Actual	Avail. Nov-10									
Total number of cases with orders established.	# million cases	Target		n/a	n/a	n/a	12.3					
		Actual	Avail. Nov-10									

¹ The FY 2009 actual results for this measure are preliminary, pending completion of data reliability audits.



Table 2:

Data Source	Data Validation
Office of Child Support Enforcement (OCSE) Form 157	As part of OCSE's review of performance data, OCSE Auditors review each state and territories' ability to produce valid data. Data reliability audits are conducted annually.

These performance measures are reported annually in OCSE's Annual Report to Congress, which is published on the OCSE website (<http://www.acf.hhs.gov/programs/cse/>). The annual targets for the outcome measures in Table 1 were revised in previous years as maintenance goals due to the end of federal matching of state expenditures using incentive payments attributable to the Deficit Reduction Act. Given the current economic situation, states may still have difficulty maintaining these performance goals. However, the Recovery Act funds will make it possible to maintain levels of effort to support these performance goals. The economic situation has had a more pronounced impact on collections performance than anticipated, due to the higher than expected unemployment rate of parents with child support obligations – significantly reducing wage withholding and federal tax offset collections. In addition, state budget deficits and resulting across-the-board cutbacks in state funds and staff have been more severe and prolonged than expected. State child support programs have not been immune from the impact of state budget deficits, and have experienced significant resource cutbacks. However, ACF has consistently been told by state child support directors that, had this additional funding not become available, their programs would be in appreciably worse shape than they are, and staff lay-offs and other cutbacks would have been deeper. In addition, some state child support directors have been reluctant to depend upon ARRA matching funds for ongoing staffing needs, with uncertainty about permanent restoration.

In addition to the measures in the table, OCSE will provide quarterly distributed collections data. However, states may change the quarterly data up to 90 days after the end of the fiscal year. In addition, data is not considered final until after annual data reliability audits are complete.



H. Monitoring/Evaluation

All Recovery Act programs will be assessed for risk to ensure that appropriate internal controls are in place throughout the entire lifecycle of the program. These assessments are conducted by operating components to comply with the statutory requirements of the Federal Manager's Financial Integrity Act and the Improper Payments Information Act, as well as OMB's circular A-123 "Management's Responsibility for Internal Control" (including Appendices A, B, and C).

ACF's risk management process fits within the overall governance structure established at HHS to address Recovery Act program risks. The HHS Risk Management and Financial Oversight Board provides executive leadership and establishes accountability for the risk assessment process related to internal controls over financial reporting, and the HHS Senior Assessment Team ensures that risk assessment objectives are clearly communicated throughout the Department. ACF's Recovery Act Coordination Team carries out comprehensive annual assessments of its Recovery Act program(s) to identify risks and develop strategies to address them, including those associated with selecting recipients, awarding and overseeing funds, and achieving program goals. It meets weekly to monitor and assess the effectiveness of mitigation strategies and identify emerging risks.

In addition, ACF has presented its high level risks to the Recovery Act Implementation Team. Chaired by the Deputy Secretary and comprised of senior policy officials from throughout the Department, the Implementation Team convenes monthly to monitor progress in carrying out Recovery Act program and address the obstacles and risks that could impact on their success.

ACF has assessed the OCSE program as "low" risk for improper payments based on an evaluation of the risk factors against the criteria in the risk assessment. This conclusion is based on effectiveness of the numerous existing federal monitoring controls, data reliability audits, state plan review, the insignificant amounts of questioned costs in A-133 audits, the state single audit, and the fact that child support funds are paid to custodial parents as a result of judicial or administrative actions of courts.

OCSE will follow its existing monitoring controls to implement the Recovery Act. Additional funds provided as the result of the Recovery Act will be subject to existing program accountability requirements which include financial and data reliability audits.

Each year OCSE produces an annual report that includes statistical and financial information on the Child Support program for the fiscal year. The information is taken from reports submitted by states on a quarterly basis for financial data and annually for statistical data. The report also includes program achievement on five performance measures that were established as a result of the Child Support Performance and Incentive Act of 1998 (CSPIA). OCSE staff compiles and reviews the data in an effort to control and monitor the risk of erroneous payments. Administrative expenditures including automated data processing expenditures are also evaluated for accuracy.

Since the passage of the Personal Responsibility and Work Opportunities Act of 1996 (PRWORA), states must submit a "Self-Assessment Report" after a twelve month review period.



The self-assessment process helps states evaluate their program and performance, along with giving them an opportunity to ensure they are meeting federal requirements for providing child support services. The process is used to identify problem areas, and develop and implement actions to correct the noted deficiencies, leading to measurable improved program performance and service delivery to families. The federal role is to analyze the reports, make recommendations, assist with corrective action, and identify best practices that can be shared among the states.

I. Transparency

ACF is open and transparent in all of its grant competitions and regulations depending on what is appropriate for program activities that involve spending of Recovery Act funding consistent with statutory and OMB guidance.

In addition to providing expenditure reporting instructions, (see <http://www.acf.hhs.gov/programs/cse/pol/AT/2009/at-09-02.htm>), states were informed of the “Updated Implementing Guidance for the Recovery Act” and specifically, its direction that current Recovery Act reporting requirements apply to discretionary appropriations, not entitlements.

The performance measures are reported annually, in OCSE’s Annual Report to Congress, which is published on the OCSE website (<http://www.acf.hhs.gov/programs/cse/>). Annual performance results are available in the annual ACF Budget Justification and Online Performance Appendix (available at: <http://www.acf.hhs.gov/programs/olab/budget/index.html>).

J. Accountability

To ensure that managers are held to high standards of accountability in achieving program goals under the Recovery Act, ACF has built upon and strengthened existing processes. Senior ACF officials will meet regularly with senior Department officials to ensure that projects are meeting their program goals, assessing and mitigating risks, ensuring transparency, and incorporating corrective actions. The personnel performance appraisal system also incorporates Recovery Act program stewardship responsibilities for program and business function managers. ACF program managers and senior managers are accountable for the oversight of performance results and improvement actions through the Performance Management Appraisal Program (PMAP). The PMAP plans, in many instances, tie national program goals into the individual performance expectations against which managers are rated.

At the state level, as a condition of receiving federal financial participation, the state CSE agency must submit an approved state plan describing the nature and scope of its CSE program. Activities contained in the plan must be allowable under the Child Support statute (Title IV-D of the Social Security Act, as amended). ACF has the authority to reject elements of the Plan that do not meet the guidelines of the Child Support statute. State plans contain eligibility criteria for recipients the state intends to serve in the program for the fiscal year. While states are not required to submit their plan every year, they are required to submit any pages



that have become required due to new legislation or regulations and to resubmit pages that have changed since the original submission.

For automation, OCSE requires that each state CSE agency have a single statewide CSE system that encompasses all political subdivisions and electronically interfaces with other agencies and organizational entities. Each state is required to submit an annual information technology planning and procurement document for federal prior approval. OCSE also conducts periodic on-site reviews to ensure that statewide CSE systems meet minimum standards that address intake, locate, paternity and order establishment, enforcement, and financial functions such as collection, distribution and disbursement of child support.

K. Barriers to Effective Implementation

As mentioned previously, additional funds provided as the result of the Recovery Act will be issued as part of the title IV-D program and will be subject to existing program accountability requirements which include financial and data reliability audits. In addition, the funds covered by this authorization will be awarded through existing grants to states. Therefore, OCSE anticipates no barriers to effective implementation.

L. Federal Infrastructure

Not applicable.

Summary of Significant Changes:

Provided timely updates regarding funding levels and performance results.