

Program Budget Comparison

The following table summarizes the total legislative budget for the program by year, type of expenditure, and source of funding.

Program Budget Comparison								
Budget Item	Base Fiscal 2012	Approp. Fiscal 2013	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 12-13	Biennium Fiscal 14-15	Biennium Change	Biennium % Change
FTE	163.75	163.75	163.75	163.75	163.75	163.75	0.00	0.00%
Personal Services	8,591,298	8,896,798	9,500,208	9,521,307	17,488,096	19,021,515	1,533,419	8.77%
Operating Expenses	1,969,176	1,839,211	2,000,757	2,021,785	3,808,387	4,022,542	214,155	5.62%
Equipment & Intangible Assets	22,694	0	22,694	22,694	22,694	45,388	22,694	100.00%
Debt Service	0	59,014	0	0	59,014	0	(59,014)	(100.00%)
Total Costs	\$10,583,168	\$10,795,023	\$11,523,659	\$11,565,786	\$21,378,191	\$23,089,445	\$1,711,254	8.00%
General Fund	2,599,009	4,085,189	2,846,378	2,853,471	6,684,198	5,699,849	(984,349)	(14.73%)
State Special	745,938	1,613,380	818,346	825,577	2,359,318	1,643,923	(715,395)	(30.32%)
Federal Special	7,238,221	5,096,454	7,858,935	7,886,738	12,334,675	15,745,673	3,410,998	27.65%
Total Funds	\$10,583,168	\$10,795,023	\$11,523,659	\$11,565,786	\$21,378,191	\$23,089,445	\$1,711,254	8.00%

Program Description

The purpose of the Child Support Enforcement Division (CSED) is to pursue and obtain financial and medical support for children by establishing, enforcing, and collecting financial support owed by obligated parents. Program staff locates absent parents, identifies assets, establishes paternity, and ensures obligated parents maintain medical health insurance coverage for their dependent children. Child support payments are collected for families receiving public assistance and those not on assistance. Services are available to any applicant regardless of income level.

Program Highlights

Child Support Enforcement Division Major Budget Highlights	
◆	The legislature approved a budget for the 2015 biennium that is a \$1.7 million total fund increase over the 2013 biennium due to statewide and present law adjustments that primarily include: <ul style="list-style-type: none"> • About \$2.6 million for personal services increases that are offset by vacancy savings reductions of about \$0.8 million • Adjustments of about \$84,000 for inflation and a private lease increase

Program Narrative

The legislature approved a \$23.0 million total fund budget for the 2015 biennium. Concurrent with the duties of CSED, the majority of the funding, about \$19.0 million total funds, supports personal services. Funding for staff is about 82.0% of the total 2015 biennial appropriation while funding for operating costs is about 17.0%.

Funding Changes

As shown in the biennium change columns of the introductory budget comparison table, there are reductions in general fund and state special revenue and an increase in federal special funds. This is due to a legislative audit finding, and a change at the federal level.

Staffing and Operations Budget

Federal regulation mandates a child support enforcement program in all states under Title IV-D of the Social Security Act in order for states to maintain state eligibility for the federal Temporary Assistance for Needy Families (TANF)

block grant. As a condition of the TANF block grant, collection of child support owed to the family is automatically assigned to the state and is used to reimburse federal and state governments for welfare benefits paid to the family. However, services must be available to anyone who applies, regardless of the family income and resource level. Individuals who receive public assistance under TANF, Medicaid, and the Foster Care Program are automatically referred to CSED.

The legislative budget supports \$19.0 million over the biennium in personal services for 163.75 FTE. The majority of personal services funding, about \$13.0 million, supports the five regional offices and 116.00 FTE throughout the state.

Operating costs for the biennium account for about \$4.0 million of the total division budget, about \$2.6 million of which is also associated with the regional offices. The balance of the personnel and operating costs go for division administration and fiscal functions, attorneys, and legal functions.

In FY 2012, CSED collected about \$70.3 million on behalf of both TANF and non TANF children and their custodial parents or nearly \$5.9 million per month. Non-TANF collections were over \$65.0 million and TANF only collections came to about \$5.2 million. The CSED share of the TANF collections for FY 2012 was about \$1.6 million.

Funding

The following table shows program funding by source of authority for the 2015 biennium as adopted by the legislature.

Total Economic Security Services Branch Funding by Source of Authority 2015 Biennium Budget - Child Support Enforcement							
Funds	HB 2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	MCA Reference	Statutory Category
General Fund	\$5,699,849	\$0	\$0	\$5,699,849	24.7%		
State Special Total	\$1,643,923	\$0	\$0	\$1,643,923	7.1%		
02187 Child Support State Share	\$1,643,923	\$0	\$0	\$1,643,923	7.1%		
Federal Special Total	\$15,745,673	\$0	\$0	\$15,745,673	68.2%		
03269 Child Support Incentive	\$2,341,279	\$0	\$0	\$2,341,279	10.1%		
03570 93.563 - Child Support Ivd 66%	\$13,404,394	\$0	\$0	\$13,404,394	58.1%		
Total All Funds	\$23,089,445	\$0	\$0	\$23,089,445	100.0%		
Percent - Total All Sources	100.0%	0.0%	0.0%				

Child support activities are funded with a combination of about 25% general fund, 7% state special revenue, and 68% federal funds. The federal Title IV-D eligible expenditures are funded 66% with federal IV-D funds and the remaining expenditures are funded at 34% by a combination of general fund, state special revenue and the federal incentive payments.

State special revenue is generated primarily from the retention of collections made on behalf of TANF. The funds recovered on behalf of TANF recipients are retained by the state at the state share of the federal FMAP rate (about 33.7% in FY 2014). There is no retained revenue from non-TANF collections, which is simply collected and sent on to the custodial parent.

Federal revenue reflects the 66% federal match for eligible CFSD expenditures and the incentive funds that are received for meeting or exceeding the federal incentive performance measures and related benchmarks.

Budget Summary by Category

The following summarizes the total budget by base, present law adjustments, and new proposals.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget
Base Budget	2,599,009	2,599,009	5,198,018	91.20%	10,583,168	10,583,168	21,166,336	91.67%
Statewide PL Adjustments	247,369	254,462	501,831	8.80%	915,728	942,555	1,858,283	8.05%
Other PL Adjustments	(12,645)	(13,540)	(26,185)	(0.46%)	24,763	40,063	64,826	0.28%
New Proposals	12,645	13,540	26,185	0.46%	0	0	0	0.00%
Total Budget	\$2,846,378	\$2,853,471	\$5,699,849		\$11,523,659	\$11,565,786	\$23,089,445	

Present Law Adjustments

The "Present Law Adjustments" table shows the changes to the base budget adopted by the legislature.

Present Law Adjustments	-----Fiscal 2014-----				-----Fiscal 2015-----					
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					1,304,737					1,326,731
Vacancy Savings					(395,827)					(396,722)
Inflation/Deflation					6,818					12,546
Total Statewide Present Law Adjustments		\$247,369	\$63,988	\$604,371	\$915,728		\$254,462	\$66,018	\$622,075	\$942,555
DP 50 - Initial Motion to FY 2012 Base	0.00	(247,369)	(63,988)	(604,371)	(915,728)	0.00	(254,462)	(66,018)	(622,075)	(942,555)
DP 51 - Adjustment for Statewide Personal Services	0.00	233,233	56,540	619,137	908,910	0.00	238,169	57,872	633,968	930,009
DP 52 - Adjustment for Statewide Operations	0.00	1,491	553	4,774	6,818	0.00	2,753	1,016	8,777	12,546
DP 53 - Base Funding Switch	0.00	12,645	6,895	(19,540)	0	0.00	13,540	7,130	(20,670)	0
DP 50001 - Private Lease Adjustment	0.00	0	8,420	16,343	24,763	0.00	0	13,621	26,442	40,063
Total Other Present Law Adjustments	0.00	\$0	\$8,420	\$16,343	\$24,763	0.00	\$0	\$13,621	\$26,442	\$40,063
Grand Total All Present Law Adjustments	0.00	\$247,369	\$72,408	\$620,714	\$940,491	0.00	\$254,462	\$79,639	\$648,517	\$982,618

DP 50 - Initial Motion to FY 2012 Base - The legislature adopted a motion to establish the starting point for budget deliberations as the FY 2012 base. This adjustment removes statewide present law adjustments for personal services, vacancy savings, fixed costs, and inflation/deflation.

DP 51 - Adjustment for Statewide Personal Services - This adjustment funds personal services and vacancy savings.

DP 52 - Adjustment for Statewide Operations - This adjustment funds the fixed cost and inflation/deflation rates as approved by the General Government subcommittee.

DP 50001 - Private Lease Adjustment - The legislature approved funds for the 2015 biennium to pay the cost associated with lease adjustments in non-state owned buildings throughout the state.