

PRESENTATION TO THE 2025 HEALTH AND HUMAN SERVICES JOINT APPROPRIATIONS SUBCOMMITTEE

CHILD SUPPORT SERVICES DIVISION

Human Services Practice

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OVERVIEW

INTRODUCTION TO CHILD SUPPORT

The Child Support Services Division (CSSD) establishes and enforces child and medical support orders. Any parent, whether custodial or non-custodial, or any caregiver with custody of a child can seek assistance from CSSD to establish paternity and establish, modify, or enforce a child support order.

Having a case with CSSD records all child support payments and provides a neutral intermediary for parents, helping them avoid court involvement while navigating the child support system. It is important to note that CSSD staff act in the public interest and do not represent either party in child support cases.

The primary goal of child support is to ensure that a child's basic needs are met, including shelter, food, clothing, school expenses, and medical costs. CSSD is managing over 28,000 cases and providing services to more than 42,000 children.

SUMMARY OF MAJOR FUNCTIONS

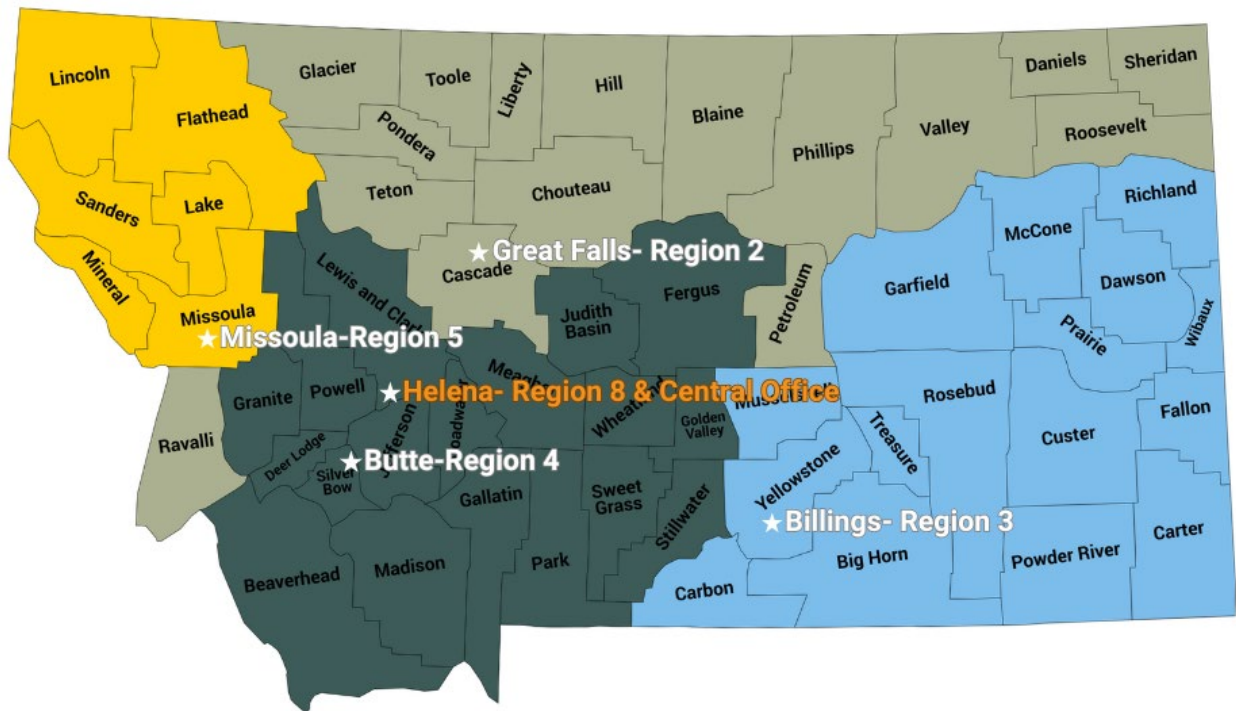
The division offers the following services to the public:

- Location of non-custodial parents
- Establishment of paternity
- Establishment and enforcement of child support obligations
- Establishment and enforcement of medical support obligations
- Modification of child support obligations when appropriate
- Collection and disbursement of child support

These services are offered throughout Montana with five physical locations open to the public in Billings, Butte, Great Falls, Helena, and Missoula. Individuals can enroll for child support services online at www.childsupport.mt.gov or by paper enrollment form.

Child support services are provided for families referred by Montana's TANF, Medicaid, or foster care assistance programs, as well as at the request of child support programs from other states, tribes, or foreign countries.

SERVICE AREAS



LOCATION OF NON-CUSTODIAL PARENTS

Before a child support order can be established, both parents of the child(ren) must be located. CSSD assists in locating noncustodial parents, putative fathers, and custodial parties to establish paternity and child support obligations. These location services also support enforcing and modifying child support.

As a result, location services are integral to every open CSSD case. CSSD utilizes various electronic and manual tools to find where an individual may live or work.

The division has access to numerous locate tools –over 50 sources—designed to help find parents, their employers, and assets. Examples include the National Directory of New Hires, State and Federal Parent Locator Services, Financial Institution Data Match, and Social Security Administration.

ESTABLISHMENT OF PATERNITY

CSSD offers services, including genetic DNA testing, to establish paternity of children, if necessary. Established paternity may provide the child one or more of the following benefits:

- Access to social security benefits, medical insurance, and biological information

- Verification of tribal enrollment status
- Facilitation of important interactions and relationships with both parents that have long-term benefits to the well-being and development of the child

In FFY 2024, CSSD resolved paternity for 360 children and established child support obligations for those children. Annually, the paternity establishment percentage (PEP) for children in the CSSD's caseload exceeds the federal PEP standard of 90%. In FFY 2024, the PEP for CSSD was 100%.

ESTABLISHMENT AND MODIFICATION OF CHILD SUPPORT OBLIGATIONS

CSSD establishes new child support obligations and modifies existing support obligations when appropriate. Monthly support amounts are derived using a calculation consistent with the Montana uniform child support guidelines to:

- Meet the basic needs of children and prevent or reduce child poverty
- Allow parents to fulfill their own basic needs

In FFY 2024, CSSD established 1,407 new child support obligations. In addition, staff reviewed 900 existing support orders for potential modification. As a result, 89.4% of the CSSD caseload now has a child support order in place. On an annual basis, the CSSD caseload consistently surpasses the federal support order performance standard of 75%.

ESTABLISHMENT AND ENFORCEMENT OF MEDICAL SUPPORT OBLIGATIONS

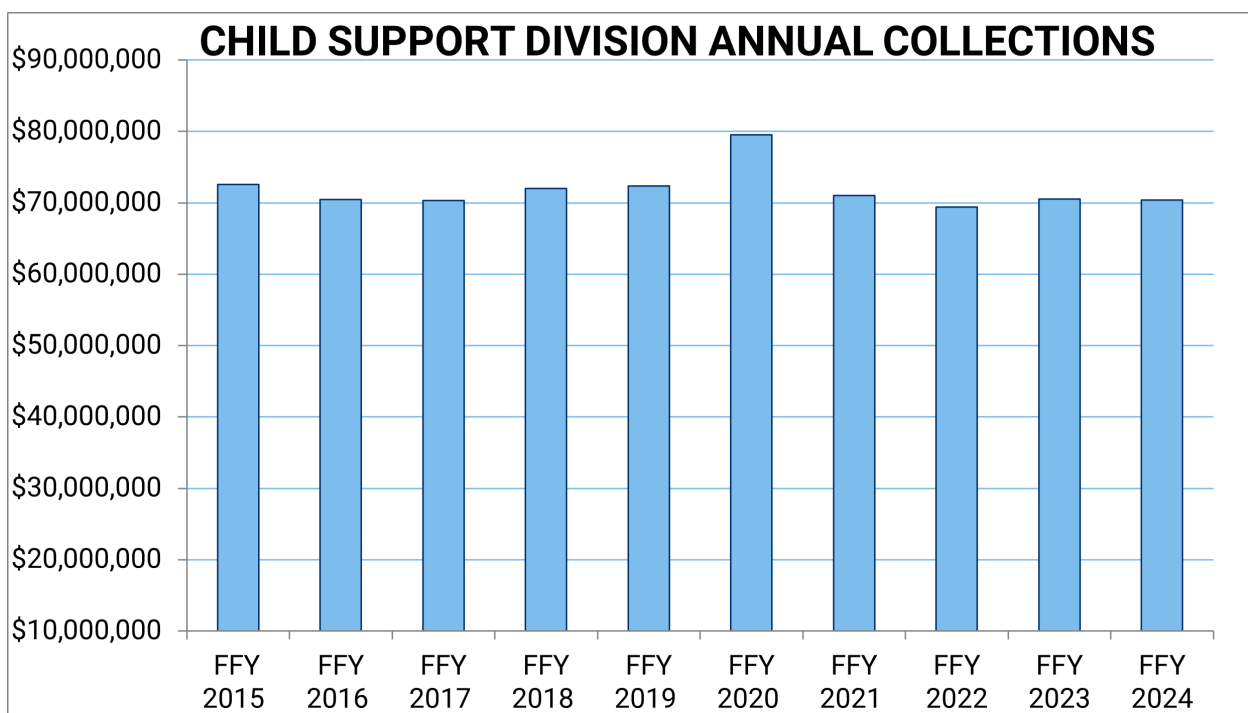
Any established or modified order of support must include provisions for health coverage. Enforcing health insurance obligations for children ensures healthcare stability for families. In 73% of cases with a support order, there is also an order for medical support. At the end of FFY 2024, CSSD successfully verified medical support obligations for 12,039 children.

COLLECTIONS

In FFY 2024, CSSD collected over \$69.7 million in child support. CSSD utilizes the following types of collection methods:

- Income withholding
- Offsets through the Department of Revenue offset program (including state tax refunds)
- Collection from unemployment and workers' compensation

- Offsets against U.S. Treasury payments (including federal tax refunds)
- State-issued license suspension (including driver's licenses and recreational licenses)
- Passport hold
- Credit reporting
- Garnishment of funds held in financial institutions
- Liens against property
- Collection of lottery winnings or other lump sum awards
- Civil contempt



Federal economic stimulus and pandemic unemployment payments contributed to the increased collections recorded for FFY 2020.

ONLINE SERVICES

EMPLOYER OUTREACH AND SERVICES

The CSSD’s employer outreach liaison works closely with businesses to address questions and offer support with online services, such as electronic income withholding orders, new hire reporting, and online payments. In partnership with the Montana Department of Labor and Industry, CSSD educates employers on their requirements with

child support obligations, potential fines, and provides additional information during annual clinics specifically designed for businesses.

To further assist employers, CSSD offers an online resource center where they can find answers to common questions and access information on electronic services. Income withholding remains CSSD's largest source of collections; in FFY 2024, CSSD served an average of 1,439 new or modified income withholding orders to employers each month.

NEW HIRE REPORTING PROGRAM

Employers are required by law to report all newly hired and rehired employees to CSSD within specified time frames. New hire reporting (NHR) matches new hire reports against child support records to locate parents, establish a child support order, or enforce an existing order.

The NHR service is free to employers. It is a quick and efficient way to meet the reporting requirements, significantly reducing the time needed to generate income withholding orders.

ONLINE ENROLLMENT

Individuals can enroll in child support services online. In FFY 2024, a total of 1,278 cases were successfully initiated electronically. This method not only eliminates postage costs but also saves time and enables quicker receipt and initiation of services.

ONLINE PAYMENT SERVICES

Our online payment portal continues to be highly effective. This service allows individuals to make child support payments quickly and easily. Additionally, employers can make payments on behalf of their employees at no cost. Individuals can also utilize the online payment lookup service to view the payments made or received and the arrears balance on their case.

HIGHLIGHTS AND ACCOMPLISHMENTS DURING THE 2025 BIENNIUM

SYSTEM MODERNIZATION

SEARCHS (System for the Enforcement and Recovery of Child Support) is CSSD's case management and accounting automated system. This system has been in use since 1993.

Funding was approved during the 2023 Legislative Session for a project to replace the SEARCHS system. CSSD has initiated a system modernization project that will transition the state to a new cloud-based technology. This will provide a flexible platform that can be regularly maintained and updated to stay current with evolving technologies, as well as providing additional self-service options for families.

The replacement project is in the planning phase and DPHHS will issue an RFP for pre-design, development, and implementation services in 2025.

TRIBAL RELATIONS

CSSD is enhancing collaboration with tribes throughout Montana to improve child support services for all residents. By strengthening relationships and working together, the state and the tribes can better enforce court orders. Four tribes run their own child support programs in Montana:

- Chippewa Cree
- Blackfeet
- Confederated Salish and Kootenai
- Fort Belknap

Current efforts are focused on creating a transparent and efficient process for transferring cases from the state to a tribal program.

EMPLOYMENT AND TRAINING

CSSD is developing an employment and training program to help unemployed and under-employed non-custodial parents gain self-sufficiency while meeting their child support obligations. This program aims to increase self-sufficiency by addressing barriers that prevent non-custodial parents from meeting their child support obligations including lack of job skills, limited education, and unstable employment. Key components of the program are job training and skill development, employment services, supportive services, and incentives to encourage program participation.

EFFICIENCIES AND COST SAVINGS

ELECTRONIC ORDERS TO WITHHOLD INCOME

In December 2023, a new online electronic income withholding orders (e-IWO) service was made available to employers. The e-IWO service saves time and money for families, employers, and CSSD. Employers may also report lump sum payments, such as bonuses, or employee terminations through the e-IWO process. They can do this through the federal Office of Child Support Services employer services portal, or directly to CSSD. In FFY 2024, the average monthly issued electronic income withholding orders was 398.

CLOUD-BASED PHONE SYSTEM

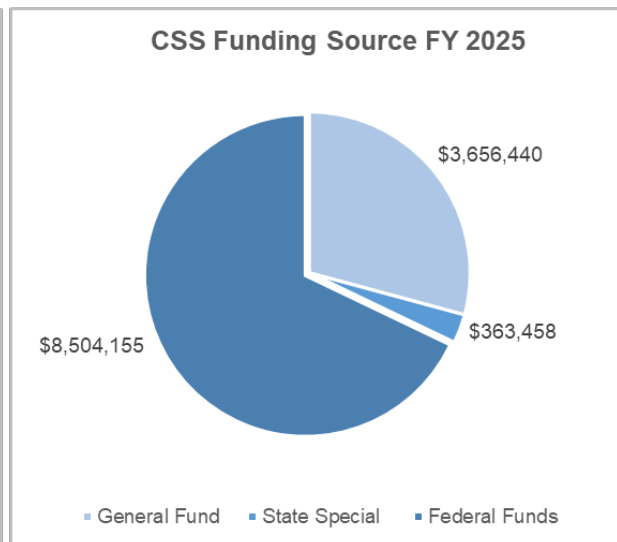
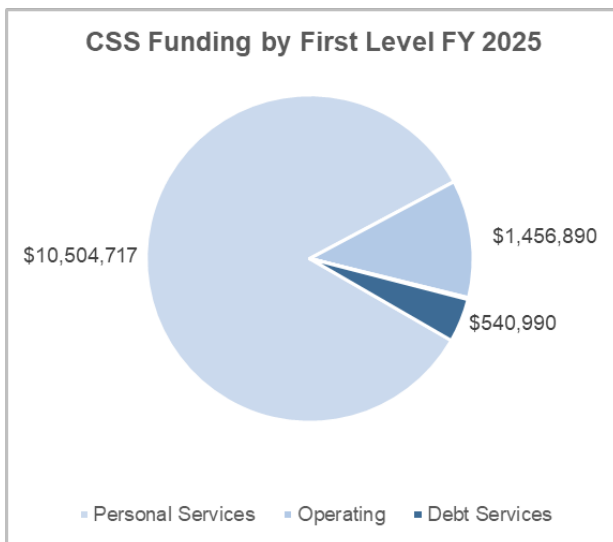
In January 2023, CSSD transitioned to a cloud-based phone system. Prior to this transition, CSSD operated through individual employee phones and did not have a single system for incoming or outgoing calls. This system has enhanced CSSDs ability to make data driven decisions based on call volume, staffing, and customer satisfaction. Since transitioning, CSSD staff have received over 75,000 incoming calls and made over 103,000 outbound calls. On average, over 78% of incoming calls are answered without going to voicemail.

ELECTRONIC MANAGEMENT SYSTEM

CSSD has successfully digitized 30,000 paper case files, replacing the old paper-based method. This process involved scanning over four million individual document pages. The implementation of the new system has improved consistency and made case processing more efficient and effective.

FUNDING AND POSITIONS BUDGETED (PB) INFORMATION

CHILD SUPPORT SERVICES	FY 2025 BUDGET	FY 2026 REQUEST	FY 2027 REQUEST
PB	129.81	129.81	129.81
Personal Services	\$10,504,717	\$10,637,983	\$10,662,309
Operating	\$1,456,890	\$1,456,890	\$1,456,890
Equipment	\$21,456	\$21,456	\$21,456
Local Assistance	\$0	\$0	\$0
Grants	\$0	\$0	\$0
Benefits and Claims	\$0	\$0	\$0
Transfers	\$0	\$0	\$0
Debt Services	\$540,990	\$540,990	\$540,990
TOTAL COSTS	\$12,524,053	\$12,657,319	\$12,681,645
	FY 2025 BUDGET	FY 2026 REQUEST	FY 2027 REQUEST
General Fund	\$3,656,440	\$3,701,750	\$3,710,021
State Special Fund	\$363,458	\$363,458	\$363,458
Federal Fund	\$8,504,155	\$8,592,111	\$8,608,166
TOTAL FUNDS	\$12,524,053	\$12,657,319	\$12,681,645



CHANGE PACKAGES

PRESENT LAW ADJUSTMENTS

SWPL 1 – PERSONAL SERVICES

The budget includes \$133,266 in FY 2026 and \$157,592 in FY 2027 to annualize various personal services costs including FY 2025 statewide pay plan, benefit rate adjustments, longevity adjustments related to incumbents in each position at the time of the snapshot, and vacancy savings.

	General Fund	State Special	Federal Funds	Total Request
FY 2026	\$45,310	\$0	\$87,956	\$133,266
FY 2027	\$53,581	\$0	\$104,011	\$157,592
Biennium Total	\$98,891	\$0	\$191,967	\$290,858