

DRA Assignment, Distribution and the Fee

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Agenda

- Welcome / Introductions
- DRA Overview-Suzy
- New FED Fee Overview-Suzy
 - MiCSES FED Fee Enhancements
- Changes to assignment and distribution-Michael

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Trivia Question

What is the **D**
R
A?

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Answer

**Deficit
Reduction
Act**

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Overview of DRA

- Signed into law on February 8, 2006
- Became Pub. L. 109-171
- Law includes TANF changes in work participation requirements and child support federal funding cuts

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DRA Changes for Child Support

- Federal match on incentive payments eliminated
- Federal match reduced for paternity testing
- **New annual service fee (FED Fee)**

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DRA Changes for Child Support

- Mandatory TANF review and adjustment
- Medical support provisions
- Federal tax offset procedure for adult children

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DRA Changes for Child Support

- Reduced passport denial threshold
- FPLS insurance data matching
- **Assignment and distribution changes**
- **OCSE AT 2006-01; DRA Changes**
<http://www.acf.hhs.gov/programs/cse/pol/AT/2006/at-06-01.htm>

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FED Fee Overview

- Case criteria for FED Fee assessment
- FED Fee effective date
- FED Fee options
- MiCSES enhancements
- Manual & Batch process
- FPRO Reports

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Assessment Criteria for FED Fee

- Annual FED Fee \$25
- Assessment vs collection
- IV-D Cases Only (case level)
 - Never Received TANF or FC
 - CP Received at Least \$500
 - Medicaid only will assess
- Initiating Interstate Case

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FED Fee Federal/State Policy

- Social Security Act Section 454(6)(B)(ii)
 - http://www.ssa.gov/OP_Home/ssact/title04/0454.htm
- AT 2007-032, *Assessment of the Federal \$25 Annual Fee (FED Fee)*

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FED Fee Assessment Effective Date

- FED Fee Effective Date-
 - Program begin date for qualifying disbursements April 1, 2008
 - Prior disbursements don't qualify
 - MiCSES auto assessment batch process after April

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FED Fee Options

- Michigan must pass a law for:
 - Fee Year?
 - Fiscal (10/01/XX – 09/30/XX)
 - Calendar (Jan – Dec)

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FED Fee Options

- Michigan must pass a law for:
 - Who will pay the FED Fee?
 - State
 - CP
 - NCP
 - IV-D Applicant

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MiCSES Enhancement Overview

- MiCSES 4.7 Release-Oct 2007
- Manual Process
- FFEE - *Federal IV-D Fee Screen*
- Batch Process

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MiCSES Enhancement Overview

- Manual Changes:
 - Must be Financial Supervisor
 - Can assess, remove, exempt (FED Fee not judicial decision)
 - Not re-reviewed by Batch for fee year
 - No current action required
- Must continue to meet federal criteria

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Michigan Child Support Enforcement System (MCSSES)

Case Management Financial Management Reports Management Scheduling/Worker Management System Maintenance Exit Window

FEE - FEDERAL IV-D FEE

User: MCHSSESZ Date: 06/27/2017 02:09 PM Region: BDV Screen

Docket ID: _____ Docket County: _____
IV-D Case ID: _____ Case County: _____
IV-D Case Status: _____ IV-D Case Type: _____ Interstate: _____
NCP: _____
CP: _____

Year	Amount	Date	Case County	Status	Reason	Worker Id

Modify Fee Assessment

Exempt YN Reason: _____ Update Date: _____

Assess Fee Year: _____ Reason: _____

Unassess Fee Year: _____ Reason: _____

Record: 1/1 <ODC>

BATCH_FEDERAL_FEE

- Fee Assessment-Auto
 - FED Fee Effective Date
 - Disbursement Calculation
 - At Least \$500 Disbursed to CP
 - Disbursement Status: Pending, Issued, or Cleared

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BATCH_FEDERAL_FEE

- No Record of TANF or Foster Care on MHIS
- Interstate indicator on CASE is "Initiating" or blank
- Batch assessment begin after April

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BATCH_FEDERAL_FEE

- Fee Removal-Auto
 - Disbursement Calculation
 - Disbursements to CP becomes less than \$500
 - Retro change to assistance history prior to fee assessment date

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FED Fee FPRO Reports

- Fee Activity Query
 - List of manual updates on FFEE
- Fee Exempt Query
 - List of IV-D cases currently exempt from FED Fee

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FED Fee Reports

- Federal Fee 396A Query
 - List of fees assessed and removed for fee year
- FED Fee assessments reported last quarter of fiscal year

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FED Fee Wrap Up

- Case criteria for FED Fee assessment
- FED Fee effective date
- FED Fee options
- MiCSES enhancements
- Manual & Batch process
- Reports

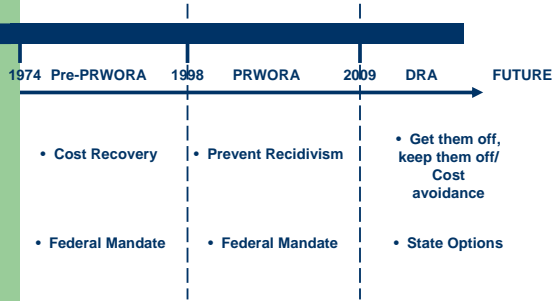
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DRA Assignment and Distribution

Changes to Assignment and Distribution

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Evolution of Distribution Timeline



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Mandatory/Optional Changes

- Mandatory
 - Before-assistance arrears
 - Optional
 - Pass-through
 - Current assistance
 - Former assistance
 - Un-assignment of certain assigned arrears
 - Current assistance
 - Former assistance
 - Federal Tax Refund Offset (FTRO)
- To implement the DRA optional changes OCS may need to seek legislative action, an administrative rule, or other ways to implement.

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Child Support 101

Never Assistance	
12/05 thru 5/06	Never Assigned Arrears (NAA)

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Child Support 101

	Never Assistance	Current Assistance
12/05 thru 5/06	Never Assigned Arrears (NAA)	
06/06 thru 9/06	Temporarily Assigned Arrears (TAA)	Permanently Assigned Arrears (PAA)

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Child Support 101

	Never Assistance	Current Assistance	Former Assistance
12/05 thru 5/06	Never Assigned Arrears (NAA)		
06/06 thru 9/06	Temporarily Assigned Arrears (TAA)	Permanently Assigned Arrears (PAA)	
10/06 thru 1/07	Conditionally Assigned Arrears (CAA)	Permanently Assigned Arrears (PAA)	Never Assigned Arrears (NAA)

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Child Support 101

Child Support Assigned Arrears Collected

	Total	State Retained	Fed. Share
Current Assistance	31,503,477	13,675,659	17,827,818
Former Assistance	61,845,828	26,847,274	34,998,554
Total	93,349,305	40,522,933	52,826,372

Note: This slide contains 2006 figures from the OCSE 34A report.

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Optional Changes

- Pass-Through
 - Current Assistance
 - CPP (Excepted Portion) also known as the Rebate
 - Former Assistance
 - Pass-through arrears otherwise assigned to the state

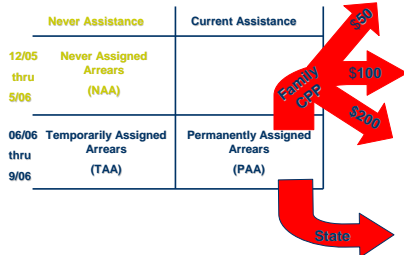
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Pass-Through - Current Assistance

- Client Participation Payment (CPP)
 - Currently 100% state funded payment to current assistance families with successful child support collection.
 - DRA regulation allows the state to pass up to \$200 to the family on current assistance in certain circumstances in a federally matching fund program.
- Note: Any pass-through amount must be disregarded when determining eligibility for assistance.

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Pass-Through - Current Assistance



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Pass-Through – Former Assistance

- State may choose
 - Currently the state must collect all assigned arrears and send the federal government their FMAP portion.
 - DRA regulation provides the state with the option of passing through the state and federal portion of assigned arrears.

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Pass-Through – Former Assistance

	Never Assistance	Current Assistance	Former Assistance
12/05 thru 5/06	Never Assigned Arrears (NAA)		
06/06 thru 9/06	Temporarily Assigned Arrears (TAA)	Permanently Assigned Arrears (PAA)	
10/06 thru 1/07	Conditionally Assigned Arrears (CAA) Pass to Family	Permanently Assigned Arrears (PAA) Pass to Family	Never Assigned Arrears (NAA)

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Un-assignment of Arrears

- State may choose
 - Un-assignment of certain assigned arrears to current assistance families
 - TAA

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Un-assignment of Arrears

	Never Assistance	Current Assistance
12/05 thru 5/06	Never Assigned Arrears (NAA)	
06/06 thru 9/06	Temporarily Assigned Arrears (TAA)	Permanently Assigned Arrears (PAA)

NAA

Note: The state may choose to un-assign arrears that accrued in this category prior to the implementation of the DRA.

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Un-assignment of Arrears

- State may choose
 - Un-assignment of certain assigned arrears to former assistance families
 - CAA
 - PAA

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Un-assignment of Arrears

	Never Assistance	Current Assistance	Former Assistance
12/05 thru 5/06	Never Assigned Arrears (NAA)		
06/06 thru 9/06	Temporarily Assigned Arrears (TAA)	Permanently Assigned Arrears (PAA)	
10/06 thru 1/07	Conditionally Assigned Arrears (CAA)	Permanently Assigned Arrears (PAA)	Never Assigned Arrears (NAA)

NAA

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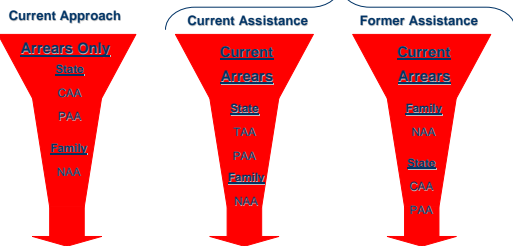
Federal Tax Refund Offset

- State may choose
 - FTRO: Option to pay current support as any other payment before pay the state arrears.

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Federal Tax Refund Offset

Optional Changes



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DRA Distribution: Legislative Timeframes

- Optional provisions
 - Any time after **October 1, 2008**
- Mandatory provisions
 - As early as **October 1, 2008**
 - But no later than **October 1, 2009**
- Michigan likely to be October 1, 2009, for mandatory
- Michigan's decisions on the options and corresponding deadlines under discussion

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Child Support 101

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