

MANAGING CHILD SUPPORT ARREARS

A Discussion Framework

Summary of the Administration for Children and Families Northeast Hub Follow-up Meeting on Managing Arrears

(Revised on 8-28-02 to reflect changes in Maryland's programs)

This Follow-up Summary reflects state/non-profit-organization arrears management updates and recorded notes of discussions held at the November 2001 Northeast Hub Follow-up Meeting on Managing Arrears. The views expressed in this summary are those of the participants. This summary is not to be considered as an official policy document of the Department of Health and Human Services or its agencies and it does not necessarily reflect the views of HHS or its interpretation of Federal law. For more information, please contact Jens Feck, ACF ROII, at Jfeck@acf.dhhs.gov.

NORTHEAST HUB FOLLOW-UP MEETING ON MANAGING ARREARS

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NORTHEAST HUB FOLLOW-UP MEETING ON MANAGING ARREARS

UPDATES ON POLICY, STATE ACTIVITIES, GOOD IDEAS & NEXT STEPS

INTRODUCTION: Northeast Hub state IV-D Directors, IV-D managers and their private and Federal partners convened in Philadelphia on November 8 and 9, 2001, in order to continue the *Arrears Management* discussion that was initiated in April 2001. The focus of this follow-up meeting was threefold: (1) resolve outstanding policy issues and identify new issues; (2) summarize Northeast Hub *arrears management* activities implemented since last April and identify corresponding *good ideas* and *best practices*; and (3) identify Next Steps.

The meeting opened with remarks by David Lett, ACF Regional Administrator, Mary Ann Higgins, ACF Northeast Hub Director, and Joanne Krudys, ROII CSE program manager, who all stressed the continued importance of developing appropriate and innovative arrears management policies. The officials likewise recognized the lead Northeast Hub states have taken with regard to this issue. The meeting continued with presentations by David Arnaudo (Deputy Director, Planning, Research and Evaluation Division, OCSE), who outlined the details of a recent task order designed to benefit low-income NCPs, and Sheck Chin (Special Assistant to the Director of the Division of Policy), who provided responses to several outstanding policy issues. Elaine Sorensen (The Urban Institute) followed with a presentation on California's recent study to estimate the collectibility of outstanding arrears. The meeting concluded with state activity, best ideas and next-step discussions, moderated by Alisha Griffin, New Jersey IV-D Director, and Teresa Kaiser, Maryland IV-D Director.

The meeting was conducted in conjunction with the Northeast Hub Welfare-to-Work and Child Support Conference, jointly sponsored by the Administration for Children and Families and the US Department of Labor. Arrears-meeting participants therefore had the unique opportunity to also collaborate with their state and Federal Department of Labor and Welfare-to-Work partners, and to be informed about myriad NCP-friendly programs that have the potential for successful integration into arrears management policies.

The meeting outcome reflects the accomplishments Northeast Hub states have made in re-examining, re-defining and re-inventing arrears management policies – a direct consequence of last April's joint commitment to address this national issue. This summary captures the Hub's successes and good ideas, organized under the previously established *Discussion Framework's* four categories: Prevention; Order Establishment; Early Intervention; and Accrued Arrears Management. Virtually all of the policy initiatives and enhancements cited in this summary seek to improve customer service, program efficiency and collection rates. Adequate statistical and/or anecdotal information is not yet available, however, in order to fully evaluate the majority of these new initiatives. Participants accordingly recommend that Hub states meet again this summer in order to complete the evaluation processes and to further supplement the list of best ideas and practices. In conclusion, the Northeast Hub partnership remains committed, through this and future summary updates, to contribute to the national dialogue around the prevention and management of arrears.

I. POLICY QUESTIONS & ANSWERS AND RELATED ISSUES

Last April's meeting concluded with several outstanding policy issues and questions. OCSE offered the following clarifications and policy statements in response.

1. Question: What is IV-D's minimum responsibility in representing the requesting party in the Review and Adjustment process?

Answer:

- a. States are mandated to conduct Reviews and Adjustments.
 - b. If appropriate as a result of the review, states must adjust the order in accordance with state guidelines for setting child support award amounts.
 - c. There is no IV-D requirement to "represent" either party in the process of conducting a review and/or adjusting the order.
 - d. The state's role is not to advocate either an increase or a reduction in the amount of the order, but rather, to facilitate whatever adjustment is appropriate.
 - e. While we agree that indigent obligors may be entitled to representation under state law or court rule, Congress enacted Title IV-D of the Act to establish and enforce the obligations owed to custodial parents (CPs), not to defend obligors who failed to comply with such orders.
 - f. Appointment of defense counsel for obligors is a state or local governmental responsibility beyond the scope of functions required by Title IV-D.
 - g. FFP is not available if the state provides legal representation for either party in IV-D cases. (See PIQ 93-04; 45 CFR 304.23 establishes expenditures not eligible for FFP.)
- 1A. November Meeting Follow-up Question: Is FFP available for legal representation in Review and Adjustment proceedings that may be required pursuant to UIFSA?

Answer:

States are required to provide Review and Adjustment services upon request in IV-D UIFSA cases; however, there is no specific Federal requirement under the IV-D program to provide legal representation for applicants or recipients of services. States may refer them to pro-se processes.

Additional information is provided in OCSE IM-93-03 regarding the role of the state IV-D agency and its personnel in performing IV-D functions. The IM illustrates alternatives states may wish to consider to address or alleviate concerns about the scope of their role, as well as resolving such issues as representation, conflicts of interest, and children's best interest when taking action to establish, enforce or adjust a child support order. The paragraph under "Review and Adjustment" encourages states to enact legislation or obtain an Attorney General's opinion that specifically identifies who the IV-D agency and its attorney represent. It may also be helpful for states to include an explicit statement on the IV-D application or referral form that provision of IV-D services does not constitute or create an attorney-client relationship between either party and the state IV-D agency or its employees or agents. Attorneys performing IV-D functions described above are eligible for FFP.

2. Question: Is Credit Bureau reporting a Federally mandated enforcement action?

Answer:

- a. Credit bureau reporting requirements are found in section 466(a)(7) of the Social Security Act (the Act).
- b. States are required to have procedures that establish periodic reporting of child support arrears information to Credit Reporting Agencies.
- c. States must report to Credit Reporting Agencies the name of any parent who owes overdue support and is at least two months delinquent, subject to three exceptions/conditions: (1) if the amount of arrears is less than \$1,000, reporting is optional; (2) prior to reporting, notice and the opportunity to contest must be provided to the NCP; and (3) reporting is waived if the state has determined that the Credit Reporting Agency does not have sufficient capability to make systematic and timely use of such information, or if the Agency has not furnished satisfactory evidence to the state that it is in fact a legitimate Credit Reporting Agency.

3. Question: Can IV-D sell TANF arrears at discounted rates?

Answer:

- a. PIQ 01-04 expresses OCSE's position regarding the sale of child support arrearages to a private firm at discounted rates.
- b. Any attempt to discount assigned child support arrearages would be prohibited by the Act and implementing regulations.
- c. Distribution requirements of child support collections in section 457 of the Act require the state to pay the Federal government its full share of any assigned collection.
- d. So long as the debt remains enforceable in the original judgment amount, the Federal government is entitled to the full Federal share of a collection assigned to the state under Title IV-A (TANF) regardless of whether the collection is made by a state agency, paid voluntarily, or collected by a private entity.

4. Question: If a state charges interest on overdue child support, does the outstanding interest charge have to be included in the "arrears amount" reported on OCSE reports?

Answer:

- a. If interest is considered child support under state law, then the interest charged is included in the arrears amount and should be reported on line 26 of OCSE 157 (Annual Report).

5. Question: Does a CP have to consent in order for the state to compromise temporarily assigned arrears?

Answer:

- a. Any compromise of child support arrears that have not been permanently assigned to the state would require the agreement of the obligee. State law

may further require that the court or administrative authority must endorse any agreement affecting child support to ensure that the best interests of the child are protected.

- b. Child support arrearages that have been permanently assigned to the state under Titles IV-A, IV-E or XIX of the Act may be compromised by an agreement between the obligor and the state (as the assignee of the obligee). (See PIQ 00-03)

6. Question: Is there a Federal mandate that obligates states to collect arrears if all children are emancipated and no longer entitled to current support?

Answer:

- a. 45 CFR 302.33(a)(1)(I) establishes that IV-D services will be available for anyone applying for service.
- b. As long as collection of arrears are enforceable under state law, the state should seek arrears until the case closure.

For more information or questions relative to the above cited policy issues, please contact Sheck Chin at Schin@acf.dhhs.gov.

OCSE Central Office staff also presented information on research activities and funding sources that can support a variety of state efforts to enhance and/or initiate arrears management policies. For example, states were encouraged to consider the availability of SIP grants as a potential source for funding *arrears prevention* campaigns and other arrears management activities. In addition, states were provided details on task order 24 (dated 10-16-01), which seeks to address and investigate a minimum of 16 OCSE-identified policies or practices that may have positive or negative effects upon the low payment compliance rates of low-income NCPs. The task order will also examine the child support guideline issues that were raised in a recent OIG report on low-income fathers – a potential first-step response to last April’s Northeast Hub request that the entire order establishment process be discussed and reviewed at the national level. The task order’s specific targeted policy areas are as follows:

- Establishing appropriate orders: guidelines, minimum order amounts and deviations.
- Dealing with missing and incomplete income information: automatic interfaces with data banks to generate more reliable income info.
- Retroactive support and fees: fees and length of retroactivity of obligation.
- Interest on arrears: imposing and collecting interest on unpaid support.
- Notifying NCPs: how is NCP being notified of variety of IV-D actions.
- License revocation: license revocation as a sanction and tool to encourage compliance.
- Default procedures: how is order established when NCP fails to appear.
- Review and Adjustment: periodic and “substantial change of circumstance” modifications.
- Appeals: focus on appeal of default orders based on relevant employment info.

- Incarceration: modification and suspension during periods of incarceration.
- Arrearage management: adjustments to arrears balance to encourage payment of current support.
- Amnesty: policies to encourage NCPs to renegotiate payment plans or come forward for other actions without fear of penalty.
- Case management: use of specialized case workers, telephone contacts and other customer services to promote communications with low-income NCPs.
- Referrals to employment programs: linkages and referrals to programs offering employment services.
- Access and visitation programs: linkages and referrals to programs offering access and visitation services.
- Reunification: collection suspension and compromise of arrears when parents reunite, marry or remarry.

The task order contractor is charged with conducting a national search for relevant state and local practices that address low-income NCP issues, and, based thereon, to develop a list of promising approaches in each of the stated policy areas. For more information about this task order, related TO23, and grants availability, please contact David Arnaudo at Darnaudo@acf.dhhs.gov.

(Notation – participants suggest that the NE Hub arrears meeting summaries be used to support the task order’s “Identification and Analysis of Promising Approaches” process. The summaries touch upon virtually all of the identified TO issues, and outline myriad good ideas and practices that directly and positively address low-income NCP issues.)

II. CALIFORNIA’S CHILD SUPPORT ARREARS STUDY & OTHER NON-HUB-SPECIFIC ARREARS MANAGEMENT ISSUES & IDEAS

The California Study:

Elaine Sorensen of the Urban Institute provided a brief summary of the Urban Institute’s recent project to determine the collectibility of California’s child support arrearage. Total current national arrears are estimated at over \$84 billion (source: OCSE, August 2001). California’s share amounts to approximately \$14.4 billion Dollars (source: DCSS, March 2000). The Urban Institute’s study attempts to determine how much of California’s child support debt is realistically collectible. The study relied heavily on the use of automated data bases and respective data cross-matching. Data bases, other than the DCSS Integrated Intercept data base, included tax files from 1996 to 1998, EDD Quarterly Earnings files, FIDM, Wage Master files, MediCal, and state prison, youth authority and death records. Some of the study’s highlights are as follows:

- Median debt was \$9,447 while average debt was \$17,288.
- The significant discrepancy between the median and average debt amounts relates to the fact that only 11% of NCPs owe 45% of the total debt.
- NCPs with incomes of less than \$15,000 per year owe 80% of the total debt.

- 22% of debtors had a recent annual net income of between \$1-5,000, a ratio of debt to net income of 7.58, and a ratio of annual current support to net income of 2.11.

In conclusion, based on three different assumptions, i.e., that either 30%, 40% or 50% of net income will be paid towards child support, it is estimated that over a period of 10 years, respectively, only 15%, 20% or 25% of the March 2000 debt will be paid off. For more information, please contact Elaine Sorensen at esorensen@ui.urban.org.

Paula Roberts, of CLASP, indicated that her organization was in the process of using the aforementioned Urban Institute data in order to develop specific debt collection strategies for California. In addition, CLASP would be recommending policy changes and initiatives designed to avoid future arrears accrual. The underlying focus of these recommendations would partly rest on (1) interest charged on the debt, and (2) default order avoidance. The expected study completion date is December 2001.

With respect to the “interest” issue, participants report that information presented at recent workshops and meetings seems to indicate that states that currently charge interest will continue to do so, and that states that do not currently charge interest are unlikely to start doing so. Reference was also made to a 1993 state of Washington study that concluded that the administrative cost of imposing an interest charge on arrears would outweigh the potential monetary benefit. A 1994 Policy Studies Inc. report prepared for the state of Oregon likewise concluded that it would not be cost-effective to enter positive interest balances on existing cases as part of its automated system case reconciliation process. The report estimated that less than \$3.5 billion of the \$421 billion in accrued interest would be collected over a four-year post-implementation period. For more information on the status of the CLASP CA report, please contact Paula Roberts at proberts@clasp.org. For more information on the Oregon study, please contact Jane Venohr at jvenohr@policy-studies.com.

Other Issues and Ideas:

- OCSE recently issued Information Memorandum IM-01-09 (dated 11-13-01) that encourages state IV-D agencies, courts, legal associations and the Department of Defense to timely inform all reservists activated for Operation Enduring Freedom of their right to request a review, adjustment and/or modification of their current child support award or obligation, and to assist reservists in that process. The IM is consistent with Northeast Hub recommendations that all CPs and NCPs be provided with timely and regular notice of their rights to seek order modifications, via pro-active measures taken by IV-D agencies in collaboration with their non-IV-D partners.
- California recently enacted legislation that mandates IV-D/IV-E collaboration for the purpose of developing standards and policies pursuant to which IV-E cases would be referred to IV-D for establishment and enforcement activities. The legislation requires standards under which IV-E cases would not be referred to IV-D if the act of paying child support is likely to interfere with state efforts at family reunification. The legislation also calls for an arrears forgiveness policy that would apply to cases where a family has already reunited, and the payment of arrears is likely to undermine said reunification. State agencies have been given 2 years in which to develop and implement the mandated standards and policies.

- The National Center for Strategic Nonprofit Planning and Community Leadership (NPCL), Partners for Fragile Families Peer Learning College, issued a “Managing Arrears: Child Support Enforcement and Fragile Families” report in May, 2001. The report, co-authored by Barbara Cleveland, NPCL, offers a wide range of recommendations that can assist states in the development of arrears management policies, especially those designed to target low-income parents. A copy of the report can be obtained at the “workplace” section of the NPCL website, www.npcl.org.
- Meeting participants offered a unique and potentially promising arrears management proposal for further consideration. The proposal applies to upward modifications of the current support amount, and suggests that the additional amount of current support an NCP would otherwise be required to pay is instead applied as an additional payment towards outstanding arrears. (For example, the NCP has substantial arrears and an existing order of \$200 towards current and \$50 towards arrears. Pursuant to a modification process, the NCP would be required to pay an additional \$50 in current. The tribunal instead requires the NCP to continue to pay \$200 towards current and increases the payment towards arrears to \$100.) A child support guideline deviation scheme is probably required in order for such policy to meet Federal and state mandates. For example, in order to redirect the current amount towards arrears, a tribunal may decide that application of the guidelines would be unjust or inappropriate based on a finding that the total outstanding arrears amount is large enough to undermine the NCP’s future ability to pay current support. The tribunal may also need to determine that the arrears are not the result of the NCP’s willful failure to pay. (See section 467(b)(2) of the Act.) Such guideline deviation and *redirection* policy would not reduce the total dollar amount paid to the Non-TANF family; instead, it would reduce the total arrears amount – a portion of which may eventually be uncollectable anyway. (Notation – a state that decides to further explore this concept may need to consider the following: (1) if applied to TANF arrears, the family would experience a net loss in support, and (2) if applied to Non-TANF arrears, the policy may constitute an indirect compromise of arrears, and as such, may require CP consent.)
- Minnesota has completed a Child Support Delivery Study that establishes a Client Analytic System. The System design segregates NCPs into five major categories (based on readiness, willingness and ability to comply with child support obligations). Corresponding IV-D strategies/enforcement actions were crafted to meet the needs/situations of each NCP group – with the overriding goal to maximize the payment compliance rate in each category. Special outreach brochures aimed at each NCP category were recently distributed. In general, the NCP categories and corresponding IV-D strategies are as follows:

1. Complying NCP	-	Reinforce and reward
2. Misinformed/uninformed NCP	-	Inform
3. Unable to pay NCP	-	Enable and connect
4. Reluctant NCP	-	Motivate and prod
5. Evading NCP	-	Compel

For more information, please contact Mary Anderson at (651) 296-2555.
- The American Public Human Services Association’s June 2001 Washington Memo included a 7-page article on Child Support Arrears, citing the considerable attention that has recently focused on this subject, and mentioning the Northeast Hub’s April 2001 meeting as an example. The article discusses the major reasons that underlie arrears accumulations, and provides examples of strategies that can both prevent and reduce arrears. For more information, please contact Justin Latus at Jlatus@aphsa.org.

III. ARREARS MANAGEMENT ACTIVITY UPDATE AND GOOD IDEAS

This section outlines recent Northeast Hub state arrears management activity, grouped, to the extent possible, under the following categories: Prevention/Early Intervention; Order Establishment; and Accrued Arrears Management. Addendum A of this Summary provides additional and detailed information on several of the activities cited below in more formalized “Best Practices – Good Ideas Implementation Updates.” All of the best practices included in Addendum A are also available on the Northeast Hub Managing Arrears Project National Workplace, located within the OCSE National Workplace Center at <http://ocse2.acf.dhhs.gov>. States are encouraged to place additional and future *update forms* on the workplace. For electronic versions of the update form, this Summary, or the September 2001 Summary, please contact Jens Feck at Jfeck@acf.dhhs.gov.

Prevention and Early-Intervention:

New Hampshire – State has a Fatherhood project that is linked to TANF employment projects. Success of the project is tied to assignment of a full-time staff person who has extensive experience in areas of public assistance, employment and child support. As a result of the project, District offices are seeing significant increases in referrals to TANF employment programs. Prior to the Fatherhood project, a failure to keep referral records, and a failure to obtain post-referral feed-back were seen as reasons for historic low participation rates, and new project-initiated changes that mandate record keeping and post-referral feed-back are seen as reasons for current success. The project is statewide.

New Hampshire – State has implemented a weekly and monthly reporting system within the local and district office network that identifies/segregates cases that have and have not received payments towards arrears, and further identifies cases in which all payments have recently stopped. IV-D employees use the reports to better focus work efforts. State believes that this formal and regular case segregation has resulted in a 5% increase of cases paying towards arrears over the last year.

Maryland – state has drafted and is seeking a sponsor for legislation that would temporarily reduce an obligor’s child support obligation to \$25 per month, for as long as the obligor is incarcerated and for a 60-day period following the obligor’s release. Application is limited to periods of incarceration that exceed one year, and the law does not apply if the obligor was jailed due to failure to pay support, for domestic violence or a crime against a child. The modification occurs only at the obligor’s request, and only after the obligor is released, and all assets available to the obligor during the incarceration must be considered during the modification process.

New York – State initiated a Child Support and Welfare-to-Work Information Sharing Project on October 30, 2001, establishing a formal process whereby IV-D shares information with WtW programs with respect to NCPs in TANF cases. The project’s aim is for WtW programs to contact NCPs in TANF cases who are unemployed or underemployed and connect them with available WtW programs. Ultimate goals include the regular payment of child support and a family’s financial self-sufficiency.

New Hampshire – The Berlin Local Office (servicing a rural area with a relatively high unemployment rate) has divided its caseload into maintenance and enforcement cases. NCPs

in cases assigned to the enforcement side receive a debt notice upon 30 days of non-payment; a license revocation notice after 60 days along with notice for request for a show-cause hearing. While caseworker ownership was an issue, enforcement workers report that the case segregation based on case-status (maintenance or enforcement) rather than case-identifier (NCP or CP name), and a corresponding division into different skill level functions, increased overall case processing efficiency.

Puerto Rico – The Commonwealth continues its outreach program to employees who are expected to experience layoffs or similar workforce reductions. The outreach is initiated based upon information provided by the Department of Labor (notice of plant closings, etc.), and takes place at the actual site of employment. The outreach visit is conducted by a One-stop Task Force (representing all the government agencies, including IV-D) designed to fully assist employees who face imminent layoffs. At times, requests for modifications can be completed on-site. IV-D was thus able to reach 298 affected employees during the period from July to September 2001. IV-D has the following replication advice that is critical to the program's success: (1) coordinate with your employer community; (2) intervene with employees prior to the layoff; and (3) collaborate with DoL.

Connecticut – State recommends that all notices to the NCP be simplified to the fullest extent possible. Since statutory requirements may nonetheless mandate the use of certain and more complicated language, IV-D has devised a lawyer-friendly response: Put simplified language addressing NCP needs on the front page, put the otherwise required “legalese” on the back page.

New York – State has a county-based IV-D system. In order to spread the new arrears management philosophy, the state office has initiated a county-level training program designed to educate legal staff on arrears management issues and policies. Generally speaking, all Northeast Hub states agree that training for and by IV-D staff is critical to successful arrears management, and that the training process must result in staff buy-in to the policy.

Pennsylvania – State has a unique program that seeks to reduce continued arrears build-up by eventually terminating the support obligations of NCPs who are mothers. This *Motherhood Program* offers services and training to non-custodial mothers that are designed to result in the NCP regaining custody of her children.

Connecticut – State is developing a proposal to prevent the establishment of unrealistically high arrearage debts in TANF default situations. Heretofore, retroactive support was established using a flat grant default judgment. Under the new proposal, retroactive support would be based upon the NCP presumably earning the state sanctioned minimum wage. Generally speaking, all Northeast Hub states recognize the importance of establishing fair child support obligations whenever the NCP is in default, and whenever the NCP income has to be imputed.

Virginia – State, in recognition of staffing issues (insufficient staff to adequately process IV-D caseload), recommends that IV-D agencies collaborate with other state agencies that may provide services essentially similar or identical to certain IV-D case processing functions. For example, law enforcement agencies may be able to assist IV-D with locate and service functions.

Order Establishment:

New York – State has “minimum order” program designed to encourage low-income NCPs to participate in the order establishment process, thereby avoiding default situations, potentially higher current support amounts, and potential future arrearages. If the low-income NCP appears, the program provides that the current child support amount, whenever appropriate, is set at \$25 per month, and that arrears are capped at \$500.00.

New Jersey – State initiated a “Benchcard” project that provides Judges with concise yet basic information on how to move unemployed and underemployed NCPs into appropriate WtW and related work programs. Generally speaking, WtW entities in most states are able and willing to accept additional NCPs for job training and placement, and in many instances, the lack of NCP referrals is the reason for open slots.

New Hampshire – State IV-D legal unit has established an interface relationship with the state Department of Corrections and is accepting referrals from the Department for paternity and order establishment services, as well as requests for review, adjustment and modification services. The IV-D side of the process is centralized in order not to unduly burden a particular district office – e.g., a particular district may include several DoC sites.

New Jersey – State IV-D agency has intensified collaboration with the Family Court in order to enhance the Court-to-IV-D interface process. As a result of this process, the data exchange begins immediately after the verbal entry of the order. Prior to this new agreement, the data exchange did not begin until after the order was signed by the presiding Judge – a process that often resulted in substantial delays in IV-D actions to initiate income withholding and otherwise enforce the order, and always resulted in increased amounts of “built-in” arrears. (Note – with few exceptions, findings and conclusions do not change between issuance of the verbal order and execution of the written order.)

West Virginia – State has no maximum limit on the retroactive period of a child support obligation. State sees child’s rights and needs relative to child support as overriding, and will pursue retroactive support obligations even against NCPs whose parental rights have been terminated – i.e., who no longer have a legal obligation to pay current support.

New Hampshire – State is using language on summons and notice-to-appear similar to the “YOU MUST APPEAR” language used in Connecticut. Finds that “you must appear” or “you must attend” language is very useful in drawing NCPs into the establishment process and thereby avoiding default situations.

Accrued Arrears Management:

Virginia – State has initiated a two-phase pilot “Barriers Project” that provides the Family Court with an alternative to jailing NCPs whose payments are irregular and who have substantial arrears. Instead, eligible NCPs are *sentenced* to the Barriers Project, a case management process that relies on a network of community agencies that can identify and address NCP specific barriers – e.g., transportation, drug/alcohol addiction, irregular work patterns, conflicts with CP or children, etc. The case manager identifies the appropriate service agency, makes the referral and then evaluates the agency’s impact upon the NCP’s

future ability to pay regular support. The project focuses on NCPs who are willing yet presently unable to pay support.

Pennsylvania – State recently lowered the threshold amount for state tax intercepts to \$11.00 (in many states, the threshold amount is set at the Federal TANF threshold of \$250.00). As a result of the additional cases that qualified for state tax intercepts, the state collected an additional \$1,300,000 between April and August 2001.

New Jersey – State conducted an Amnesty Project in October 2001, under which active CSE-related warrants were voided upon receipt of an NCP's payment towards arrears. State collected over \$800,000 in one week.

Pennsylvania – State is expanding the Allegheny County Goodwill Foundation program (a pilot project that uses foundation money to pay off the NCP) to a statewide, state-funded program in 2002. Under the program, the state pays up to \$5,000 of TANF and/or Non-TANF arrears, conditional upon the NCP's participation in work programs. If the state payment is applied to TANF arrears, the state calculates and forwards the Federal share; i.e., the TANF arrears are paid, not compromised.

Maryland – State submitted a grant application to put into effect and evaluate the outcomes of a small program of welfare-to-work qualified incarcerated obligors enrolled in a rehabilitation/employment program. The state would expunge arrears of qualifying incarcerated NCPs up to the amount of the state debt upon release and successful completion of the program resulting in employment and wage withholding for current support. The expungement policy does not apply to any arrears accrued prior to the time of incarceration. If the grant is approved the state will implement the program for 200 obligors and evaluate the results in terms of outcomes for children and families (future support and parenting time).

New Hampshire – State builds upon its interface with the Department of Corrections (for case establishment and review referrals) and further collaborates with DoC to use the Department's data and human resources whenever making decisions about an incarcerated NCP's ability to pay arrears. Many states see a benefit in establishing IV-D/ DoC relationships. New Jersey, among others, intends to initiate such interface in the near future.

Maryland – Pursuant to state law, interest accrues on child support arrears. However, in recognition of the extent to which interest is a significant factor in arrears accumulation, state IV-D takes no action to charge or collect the interest.

New Jersey – State is actively pursuing the collection of arrears as an alternative to arrears compromise, by focusing, for example, on the FIDM collection process (which has resulted in substantial collections towards TANF arrears), and interfaces with Vital Statistic's records in order to match probate assets against outstanding arrears.

Virginia – State, in managing accrued arrears, divides NCPs into the following four groups:

1. Able and willing to pay
2. Able but unwilling to pay
3. Not able but willing to pay
4. Not able and not willing to pay

Segregating NCPs into the four groups allows the state to develop specific strategies and policies for each NCP-type. For example, in designing the above-cited “Barriers Project” (see first paragraph under this section), the state focused on the “not able but willing to pay” NCP. This management strategy is used in a variety of jurisdictions, including Vancouver, B.C., which bases all IV-D actions on the respective NCP-type. (Notation – These strategies are essentially consistent with the Hub Discussion Framework approach, i.e., that the initial step in arrears management should always be the analysis of the arrears bucket. This includes identifying the reason for the NCP’s failure to comply and the make-up of the NCP’s arrears bucket – on both a global and individual basis. While some meeting participants suggested there is a disharmony between the NCP-based grouping approach and the Hub designed process-based grouping approach, the reality is that either approach can give rise to and correspondingly group any of the cited best ideas/best practices. The process-based approach may have the advantage of being able to better fine-tune potential IV-D responses. For example, within the Hub-designed framework, “*Not able but willing to pay NCPs*” (1) who owe arrears consisting of interest only, or (2) who owe arrears based on a failure to timely request a modification, or (3) who have recently entered the IV-D process, may be assigned to three distinct groupings with three respectively distinct IV-D responses.)

West Virginia – State also divides NCPs into the “able and willing,” “able and not willing,” “not able but willing” and “not able and not willing” categories in conjunction with the development of arrears management strategies, and in order to target specific policies to the appropriate NCP sub-group.

Connecticut – State has passed legislation that allows the Commissioner of Social Services to establish criteria and procedures for the adjustment of TANF arrears. Regulations are currently being drafted. The regulations will also allow the IV-D Director to settle arrears accounts by accepting a lump-sum settlement payment. The settlement regulation will be based on the theory that a partial but substantial payment today, if invested wisely, may be of more value in the end than receiving installments on the total debt over an extended period of time. In addition, the state is considering extending the time limit for modifications for default orders from 4 to 6 months. The state hopes that the various arrearage adjustment and prevention programs will reconnect NCPs with their children, as NCPs no longer feel the need to stay away from their children because they are unable to meet their financial obligations.

Maryland – State has developed an Arrearage Expungement program that allows IV-D to expunge a portion or all of the TANF debt whenever the debt is a result of the NCP’s failure to file a request for modification/suspension/termination in which he/she would have likely prevailed. Situations where the NCP could have but failed to file an appropriate request include incarcerations, disabilities or child placement with the NCP. The program is intended to be statewide but is currently implemented on a case-by-case basis and operates pursuant to state law. The program depends upon partnership with the Department of Corrections and state organizations charged with developing, monitoring and operating fatherhood programs.

West Virginia – State has a limited Amnesty Program expiring end of 2001, only applicable to interest that accrued on outstanding arrears. Under the program, if the NCP fully satisfied the principal arrears amount, the interest that had accrued would be compromised. Few NCPs took advantage of this offer.

Vermont – (information obtained subsequent to meeting) State code provides that IV-D may suspend the enforcement and collection of TANF arrears when the CP and NCP have reunited, if the reunited family unit has a gross income of less than 225% of the poverty level. The TANF arrears are reduced to a lump-sum judgment, and the suspension of collection efforts holds as long as family income remains united and under the income threshold level. For additional information regarding compromise policies with respect to parents that marry or remarry, please see PIQ-99-03 (issued March 22, 1999), and Washington’s statute and rules authorizing the forgiveness of arrears in limited “hardship” cases whenever the parties reunite.

IV. NEXT STEPS

Participating states agreed to pursue the following next-steps. Northeast Hub states that were not able to participate in the follow-up meeting are encouraged to submit additional suggestions for next-steps. The Northeast Hub Managing Arrears Project National Workplace Center is available for this and all other arrears-related communications.

- NE Hub states are encouraged to continue to submit Follow-up Reports on any and all arrears management policies and procedures that are already in progress or that are being implemented. Reports should include sections on outcomes, lessons learned and replication tips. Suggested format: the “Best Practices- Good Ideas Implementation Updates”. Reports can be posted on the OCSE National Workplace Center or submitted to the respective Regional Office for distribution.
- NE Hub states are encouraged to meet again in 2002, preferably in conjunction with the some other Regional or national meeting. States believe that continued on-site meetings are necessary to conduct effective group discussions relative to arrears management issues and proposed policies. Hub meetings and corresponding state/Federal/private-partner interactions have also played an integral part in the Hub’s development of innovative arrears management proposals.
- NE Hub states believe that Hub arrears management proposals and practices have reached a degree of maturity that warrants national distribution. States recommend that access to the Workplace and all NE Hub produced documents, including the best practice updates, be made available to the IV-D Directors and programs in all 54 jurisdictions.
- NE Hub states recommend that they market those arrears management policies and procedures that seem most appropriate in a particular jurisdiction to that state’s community and legislative leaders, IV-D partners and, most important, IV-D staff. The NE Hub Best Practice Updates (and corresponding descriptions of successes, outcomes and replication tips) are recommended as marketing tools.
- NE Hub states see a need for more research (OCSE task orders, etc.) and for more technical assistance, with particular focus on the following arrears management issues:
 1. What is the best “carrot-stick” policy relative to arrears compromise? For example, should credits against arrears be phased-in; if so, in what increments; and should credits ever be retractable based on an NCP’s future non-compliance with the compromise terms?
 2. How can states better profile NCPs into the “able,” “not able,” “willing” and “not willing” categories? What kind of system-based technical assistance is

available and helpful in enhancing a state system's capability to segregate NCPs and to analyze the effectiveness of respective enforcement tools?

3. When states compromise TANF arrears, is there an obligation, legal or moral, to also adjust the Unreimbursed Public Assistance balance? If so, what kind of IV-D/TANF collaboration is required, and at what level (state and/or Federal).
4. When the state adjusts the arrears balance (TANF and/or Non-TANF) should the state also adjust the amount of the payment towards arrears? What works best: an increase in the amount as compensation for the compromise; or a decrease in order to better ensure future compliance?

ADDENDUM “A” – BEST PRACTICE UPDATES

Connecticut:

- Category:**
- 1. Arrears Prevention (X)
 - 2. Accrued Arrears Management (X)

Goal:

- 1. The goal is to prevent establishment of unrealistically high arrearage debts.
- 2. The goal is to encourage the positive involvement of non-custodial parents in the lives of their children as well as to encourage non-custodial parents to begin making regular support payments.

Description:

- 1. In the arena of arrearage prevention we are discussing the establishment of arrears based upon the state sanctioned minimum wage as opposed to a flat grant default judgement. In an instance such as this if it is determined that the obligor actually has a different ability to pay during the period in question the order would be modified to reflect the realistic amount.
- 2. Legislation has been passed that will allow the Commissioner of Social Services to establish criteria and procedures for adjustment of arrearage monies owed to the state. The commissioner shall establish an arrearage adjustment program in which past due owed by any obligor assigned and payable to the state through the IV-D agency may be adjusted. We are in the process of developing regulations and criteria. We are also considering extending the time limit for modification for default orders from 4 months to 6 months.

Part two of this regulation will address lump sum final balance stipulations. The granting of this type of adjustment would be at the discretion of the IV-D Director and would have to meet specific criteria. If the request meets the criteria the account would be adjusted according to the principle of present value of money to be received in installments over a long period of time. The premise of this adjustment is that a significantly lower amount of money received today and invested wisely has the potential to meet or exceed the amount received in installments over an extended period of time.

Results:

We anticipate that an arrearage prevention and/or adjustment program will help to provide an atmosphere whereby non-custodial parents will not feel overwhelmed by insurmountable arrearage amounts. We anticipate non-custodial parents no longer feeling the need to hide or stay away from their children because they are unable to meet their financial obligations.

Location:

The regulation will support a statewide initiative, however during the rollout period it may be confined to the three towns that contain our statewide Fatherhood Initiative pilot sites, Norwich, Cheshire and Bridgeport. The three fatherhood initiative sites represent both rural and urban areas.

Some portion of the program may be modeled after the Maryland state Owed Child Support Arrears Leveraging Program prototype.

Funding:

The legislative proposal and subsequent regulations are designed to be cost-neutral to the agency.

Replication Advice:

It is too early in the process to offer advice or suggestions.

Maryland:

Type: Proposed Legislation*: Abatement of Child Support For Incarcerated Obligor
(*To be proposed in Maryland legislative session, January-April, 2002)

Category: Arrears Prevention (X)

Goal:

The goal of the proposed legislation is to prevent the accrual of child support arrears when an obligor is incarcerated, earning no income, and he/she has no other resources available to pay a child support obligation.

Description:

The proposed legislation will operate to temporarily abate or reduce an obligor's child support obligation to \$25.00 per month while the obligor is incarcerated and for 60 days following the obligor's release.

The law will be applicable only to obligors who are incarcerated for more than 12 months, and only if the cause of the incarceration was not due to failure to pay child support, domestic violence, or a crime against a child.

The law is intended to operate judicially. Once an obligor is released, he/she must request a child support modification hearing. At that hearing, the judge, applying the new law, would review the obligor's circumstances to determine resources available while incarcerated, if any, including work release, and would appropriately abate the child support obligation from the date the obligor was incarcerated. The judge would also set an appropriate level of current support. Once the court has appropriately modified the child support obligation, including any arrears, the local Child Support Enforcement Office will appropriately adjust the obligor's case on the system.

Along with the legislation, the success of the measure in preventing the accrual of child support arrears will depend on an effective exit interview with incarcerated obligors upon release.

Partners: The proposed law's success will require partnership with the Department of Corrections, and with the state organizations charged with developing, monitoring, and running fatherhood programs in Maryland.

Results:

Because the legislation has not yet been proposed, there are no results to report at this time.

Location:

The proposed law is intended to apply to all Maryland child support obligations, regardless of where the obligor is incarcerated. This law is an original law that has not been adapted from a practice or law from another jurisdiction.

Funding:

While it is not anticipated that this law will have a significant fiscal impact, funding is anticipated to be provided by the state, FFP, and TANF.

Replication Advice:

Not applicable at this time.

Contact:

Sandra L. Reno, Director of Legislation and Program Coordination, Maryland CSEA
410-767-3643, sreno@csea.dhr.state.md.us

Teresa L. Kaiser, Executive Director, Maryland CSEA
410-767-7043, tkaiser@csea.dhr.state.md.us

*** A COPY OF THE PROPOSED LEGISLATION FOLLOWS. UPDATES TO THIS SUMMARY WILL BE PROVIDED AFTER THE LEGISLATION IS REVIEWED BY THE MARYLAND ASSEMBLY.**

Article - Family Law

§ 12-104. Modification of child support award.

- (a) *Prerequisites.*—The court may modify a child support award subsequent to the filing of a motion for modification and upon a showing of a material change of circumstance.
- (b) *Retroactivity of modification.*—The court may not retroactively modify a child support award prior to the date of the filing of the motion for modification.
- (c) ABATEMENT OF CHILD SUPPORT ARREARS OTHERWISE PERMITTED BY LAW SHALL NOT BE CONSIDERED A RETROACTIVE MODIFICATION OF A CHILD SUPPORT AWARD.

§ 12-104.1. TEMPORARY MODIFICATION WHEN OBLIGOR INCARCERATED.

- (A) CHILD SUPPORT PAYMENTS SHALL BE TEMPORARILY MODIFIED, WITHOUT A HEARING OR COURT ORDER, TO \$25.00 PER MONTH DURING ANY PERIOD WHEN THE OBLIGOR IS INCARCERATED, IF
 - (I) THE TERM OF INCARCERATION IS GREATER THAN 12 MONTHS;
 - (II) THE OBLIGOR IS NOT ON WORK RELEASE AND HAS NO RESOURCES WITH WHICH TO MAKE THE PAYMENT; AND

(III) THE REASON THE OBLIGOR IS INCARCERATED IS NOT DUE TO FAILURE TO PAY CHILD SUPPORT, DOMESTIC VIOLENCE, OR A CRIME AGAINST A CHILD.

(B) IF AN OBLIGOR'S CHILD SUPPORT PAYMENTS HAVE BEEN MODIFIED PURSUANT TO PARAGRAPH (A) OF THIS SECTION, THE MODIFICATION SHALL BE EFFECTIVE ON THE FIRST DAY THE OBLIGOR WAS INCARCERATED AND SHALL CONTINUE FOR 60 DAYS AFTER THE OBLIGOR'S RELEASE.

(D) CHILD SUPPORT ARREARS ACCRUED DURING ANY PERIOD WHEN THE OBLIGOR'S CHILD SUPPORT OBLIGATION WAS MODIFIED UNDER PARAGRAPH (A) OF THIS SECTION MAY BE ABATED OR EXPUNGED BY ORDER OF COURT UPON THE REQUEST OF EITHER PARTY OR THE ADMINISTRATION.

NOTE: CHANGES/ADDITIONS TO CURRENT LAW ARE MADE IN ALL CAPITAL LETTERS.

Maryland:

Type: Arrearage Expungement Program

Category: Arrears Prevention (X)
Accrued Arrears Management (X)

Goal:

The goal of the program is to encourage obligors to pay their current support obligations by addressing one of the barriers to payment of current support: large child support arrears.

Description:

The Arrearage Expungement Program is an administrative policy designed to allow the local child support enforcement offices to recommend certain cases for expungement of all or part of the state-owed child support arrears cases based upon either the temporary lack of income of the obligor or the child returning to reside with the obligor.

The program applies to obligors whose child support arrears accrued in situations where, if the obligor had properly filed a Motion to modify the child support obligation, the obligation would likely have been modified, suspended, or terminated. Those situations include when an obligor was incarcerated and had no income or other resources out of which child support may be paid, when the obligor suffered a mental or physical disability resulting in a loss of income that prevented the obligor from making child support payments as well as state arrears that are owed when the parties marry or when the child who is the subject of the arrears order returns to the home of the obligor.

The program gives the local offices the discretion, with the Executive Director's approval, to determine the appropriate action or compromise required of the obligor to expunge the arrearage and to articulate why this would be in the best interests of the child.

The program operates administratively under the authority of a Maryland law (FL 10-112) that allows for the settlement of child support arrears owed to the state, if the Executive Director of the Child Support Enforcement Administration believes the compromise to be in the best interests of the state and the request of the Administration is approved by the court.. Additionally, Maryland law FL 10-118 provides the CSEA with the authority to proceed in any manner that operates to serve the best interests of a child.

Participation in the Arrearage Expungement Program is allowed only by referral from the local offices or community based organizations. Expungement is granted only for state-owed arrears, and only for the period for which an obligor can provide appropriate supporting documentation.

Partners: The proposed law's success will require partnership with the Department of Corrections, and with the state organizations charged with developing, monitoring, and running fatherhood programs in Maryland.

A COPY OF THE PROGRAM OUTLINE AND SAMPLE FORMS/PLEADINGS ARE ATTACHED. UPDATES TO THIS SUMMARY WILL BE PROVIDED AFTER THE PROGRAM IS IMPLEMENTED.

Results:

Because the Program has not yet been implemented, there are no results to report at this time.

Location:

The program in the future is intended to apply to all Maryland child support obligations, Statewide by referral – however, the program will begin as a pilot project on a case-by-case Basis to evaluate its efficacy pending documentation that the arrears leveraging program Is resulting in positive outcomes for children and legislative support has been obtained. This program is an original program that has not been adapted from a practice or law from another jurisdiction.

Funding:

While it is not anticipated that this law will have a significant fiscal impact, funding is anticipated to be provided by the state, FFP, and TANF.

Replication Advice:

Not applicable at this time.

Contact:

Teresa. Kaiser, Executive Director, Maryland CSEA
410-767-7043, tkaiser@csea.dhr.state.md.us

ARREARAGE EXPUNGEMENT PROGRAM

- I. Goals of Program
 1. To assist obligors who now have children in the home for whom state debt is owed for a prior period.
 2. To assist obligors with state arrears that accrued during a period of time when they were unable to work but failed to request a modification.

- II. Selection Criteria
 1. Not eligible for MD Arrears Leveraging Program AND
 2. Incarcerated for more than 18 months (or incarcerated within the Department of Corrections) without work release or other resources to make payments;
 3. physically or mentally disabled;
 4. change in custody to obligor;
 5. reunited and living with mother and children; OR
 6. extreme hardship resulting in significant reduction in income, where cause of reduction in income is not voluntary impoverishment

- III. Referral Process
 1. Local office/ CBOs will be educated about the existence of the program and the selection criteria.
 2. Local office/ CBOs identifies obligors who appear to qualify for program.
 3. CBOs fill out referral form and forward to appropriate local office for review and/or local office selects obligors eligible for program.
 4. Local office sends a letter inviting participation in program along with Verification Checklist to obligor.
 5. If case was referred from CBO and obligation does not appear appropriate for expungement, then obligor is sent a letter stating he/she does not appear to qualify for program and the reason why. The letter should advise the obligor to return to the local office if the obligor wishes to get more information about the selection criteria for the program.

- IV. Expungement Process
 1. Local office receives response from obligor indicating desire to participate in expungement process.
 2. Local office works with obligor to gather documentation indicated on the Verification Checklist, as appropriate, on a case-by-case basis.
 3. All necessary Verification Documents received.
 4. Local office reviews documents and compares to notes in file, checks FIDM information for “hidden” assets and to make final determination of eligibility.
 5. Local office audits obligor’s account verifying dates and amounts eligible for expungement.
 6. Local office drafts proposed Stipulation of Settlement setting forth terms of expungement. Terms could include payment of a portion of arrears owed, enrollment in drug, alcohol, or employment programs, establishment of earnings withholding, a promise to gain employment or proof of employment, promise to avoid accrual of arrears in future by filing timely motion to modify, etc., as appropriate.

7. Stipulation of Settlement of state-owed arrearage and proposed order drafted by local office and forwarded to local CSE attorney for approval and signature.
8. File including summary of basis for expungement, verifying documentation, Stipulation of Settlement of state-owed arrearage and proposed order forwarded to Teresa Kaiser or her agent for review and sign-off.
9. Pleadings signed by Teresa Kaiser or her agent and returned to local office.
10. Local office forwards pleadings to court, with explanatory cover letter, and sends copies to obligor, obligor's file, and Teresa Kaiser's designated agent.
11. Teresa Kaiser's designated agent works with local offices and their attorneys to track progress and resolve any problems.
12. Local office/attorneys receive final order expunging arrears and adjust the system to reflect the reduction in the obligor's child support arrears.
13. Local office forwards Order to obligor with letter explaining adjusted amount of arrears owed, if any and reminding of terms of Stipulation of Settlement.
14. Teresa Kaiser's designated agent to record Order for statistical purposes:
 - a. date of order
 - b. basis for expungement
 - c. amount expunged
 - d. a description of the terms of settlement
 - e. any amount collected pursuant to terms of settlement

V. Forms

1. Arrearage Expungement Referral Form
2. Letter to Obligor explaining program and requesting verifying documentation
3. Verification Checklist
Stipulation of Settlement and/or Expungement of state-owed arrearage with Executive Director's approval (Pursuant to FL §10-112)
4. Proposed order
5. Cover letter to Clerk of Circuit Court
6. Cover letter to obligor with copy of Order and explanation of new arrearage owed/summary of responsibilities under terms of Stipulation of Settlement.

PLAINTIFF'S NAME	)	IN THE
Plaintiff)	
	)	CIRCUIT COURT FOR
v.	)	_____ COUNTY
)	
DEFENDANT'S NAME	)	Court Case No.:
Defendant)	
_____	)	Child Support Case
No.: _____)	
)	

STIPULATION OF SETTLEMENT/EXPUNGEMENT OF STATE-OWED ARREARAGE

The Defendant, on his/her own behalf, and the state of Maryland, represented by the attorney for the _____ County Office of Child Support Enforcement, hereby stipulate to the following:

1. That during the period from _____ to _____, the obligor failed to pay all or part of his court-ordered child support obligation, thereby accruing a child support arrearage owed to the state of Maryland in the amount of \$_____.
2. That the obligor's failure to pay child support during the above period was due to _____
_____.
3. That the obligor has agreed as follows:

In consideration of the above, in consideration of the obligor's payment of the sum of \$_____, which payment was made on _____; the parties hereby agree as follows:

1. The Defendant's child support arrears owed to the state of Maryland that were incurred during the period from _____ to _____ in the amount of \$_____ shall be expunged;
2. The obligor's child support arrearage shall be adjusted to reflect a total arrearage owed as of _____ (date) to the state of Maryland in the amount of \$_____, and owed to the Plaintiff in the amount of \$_____; and
3. Any arrears owed directly to the Plaintiff shall remain the responsibility of the Defendant.

_____, Defendant	_____ Date
Address/Telephone #	

Support Enforcement Agent

Office of Child
Support Enforcement
Address/Telephone #

Date

Attorney

County
Office of Child Support Enforcement
Address
Telephone #

CERTIFICATION OF CSEA EXECUTIVE DIRECTOR

Pursuant to FL 10-112, and upon review of the above-referenced child support case, I hereby certify that I have determined it to be in the best interests of the state of Maryland and of the child(ren) in this case that the Defendant's child support arrearage be settled and expunged as specifically described in the above Stipulation of Settlement.

Teresa L. Kaiser, Executive Director
Child Support Enforcement Administration

PLAINTIFF'S NAME	)	IN THE
Plaintiff)	
	)	CIRCUIT COURT FOR
v.	)	_____ COUNTY
)	
DEFENDANT'S NAME	)	Court Case No.:
Defendant)	
_____	)	Child Support Case
No.: _____)	
)	

CONSENT ORDER FOR EXPUNGEMENT OF STATE-OWED CHILD SUPPORT ARREARAGE

The Defendant and the state of Maryland having voluntarily signed this Consent Order with the intention of being bound by its terms, it is the _____ day of _____, 2001 hereby

ORDERED, that the child support arrearages owed to the state of Maryland that accrued during the period from _____ to _____ in the amount of \$_____ shall be and are hereby EXPUNGED; and it is further

ORDERED, that the obligor's child support arrearage shall be adjusted to reflect a total arrearage owed as of _____ (date) to the state of Maryland in the amount of \$_____; and it is further

ORDERED, that this Consent Order shall not reduce or expunge any arrearage owed directly to the Plaintiff, and the Defendant shall remain responsible for all such arrears; and it is further

ORDERED, that all prior orders of this Court shall remain in full force and effect to the extent that they are not superceded by this Consent Order.

 Judge of the Circuit Court
 For _____ County

Serve On:
 Defendant
 Address
 CSE Attorney
 Address
 Teresa Kaiser
 Executive Director CSEA
 Address

State-Owed Arrearage Expungement Program
REFERRAL FORM

Name of Referring Party: _____ Date: _____
Title: _____ Telephone: _____
Organization: _____
Address: _____

NAME OF CHILD SUPPORT OBLIGOR:

OBLIGOR'S SOCIAL SECURITY #:

Current Mailing Address:

Other Address (explain):

Telephone number(s) where Obligor can be reached:

Child Support Case Number(s):

BASIS FOR REQUEST FOR EXPUNGEMENT OF CHILD SUPPORT ARREARAGE:

The obligor is requesting the expungement of state-owed child support arrears that accrued during the period from _____ to _____ because he/she was unable to work and had no income due to (check all that apply):

- _____ incarcerated
- _____ physically or mentally disabled
- _____ change in custody to obligor
- _____ reunited and living with mother and children
- _____ other extreme hardship resulting in significant reduction in income (explain)_____

DATE

Obligor's Name
Address

**Re: CSEA State-Owed Child Support
Arrearage Expungement Program
Case number:
CSES Number:
Name of Custodial Parent
Name of Children**

Dear Obligor:

The _____ County Bureau of Support Enforcement has received a referral for you (or has determined you are eligible) to participate in the state of Maryland Child Support Enforcement's Arrearage Expungement Program (hereinafter, the "Program"). Through this Program, you may be eligible for an expungement (forgiveness) of all or a portion of the child support arrearages that you currently owe to the state of Maryland in the above-captioned case. These arrears accrued when you failed to pay court-ordered child support during a time that the custodian of your child(ren) was receiving services from the state of Maryland.

Attached is a Verification Checklist with certain items checked. If you are interested in participating in the Program, you need to provide our office with as many of the checked items as you can obtain. These documents should relate to the period of time for which you are requesting your arrears be expunged.

Once we have received the requested documents from you, we will contact you to let you know whether you are eligible for an arrearage expungement and in what amount. If you need assistance identifying or locating the necessary documents, or if you have any questions, please call _____.

I encourage you to take advantage of this unique program at your earliest opportunity. Please be advised that even if you are eligible for an expungement, the Office of Child Support Enforcement will continue our efforts to collect the current support and any arrears owed until a court has excused you from your obligation.

Sincerely,

Local Office Director/Asst. Director

Enclosure

cc: Teresa Kaiser
TK's Designated Agent

State-Owed Arrearage Expungement Program
VERIFICATION CHECKLIST

- _____ 1. Written statement of the facts relating to inability to pay child support during the period for which expungement of arrears is sought.
- _____ 2. Letters or Affidavits from your child(ren)'s mother, family members, church members, neighbors, employer supporting your statement of the facts.
- _____ 3. Documents showing dates incarcerated.
- _____ 4. Records from Department of Corrections or from Parole and Probation.
- _____ 5. Documents showing dates hospitalized.
- _____ 6. Documents verifying dates you were unable to work due to physical or mental disability.
- _____ 7. Medical and/or dental records relating to your own health or disability.
- _____ 8. Court documents: _____
- _____ 9. School records relating to your children showing their address is the same as yours or identifying you as the primary caretaker.
- _____ 10. Medical or dental records relating to your children showing their address or showing you as primary caretaker.
- _____ 11. Daycare records/receipts.
- _____ 12. Proof of income: pay stubs, checking or savings account records.
- _____ 13. Disability pay records.
- _____ 14. Documents showing your address during the period of time for which you are requesting the expungement.
- _____ 15. Other: _____

With respect to each item checked, please provide the documentation and information requested. Your case will not be considered eligible for CSEA's arrearage expungement program until CSEA has reviewed the information you provide. If you have any questions, please call _____.

DATE

Clerk of Circuit Court for
_____ County
Address

Re: Case Name
Case Number: _____

Dear Sir/Madam Clerk:

Enclosed for filing in the above-captioned matter, please find a Joint Stipulation of Settlement and a Consent Order. These pleadings are filed in accordance with Family Law 10-112, and the arrearage expungement request has been approved by the Executive Director of the Child Support Enforcement Administration, Teresa Kaiser.

Would you kindly file these pleadings and then forward them to the appropriate Motion's Judge for review and for execution of the Consent Order. Should you have any questions or need additional information, please call _____.

Thank you for your assistance with this matter.

Very truly yours,

CSEA Attorney

Enclosures

cc: Teresa Kaiser, Executive Director, Child Support Enforcement Administration
TK's designated agent
Obligor
Local Office

DATE

Obligor's Name
Address

**Re: CSEA State-Owed Child Support
Arrearage Expungement Program**

Dear Obligor:

Enclosed you will find a copy of the executed Consent Order dated _____. The CSEA is pleased that we could assist you in adjusting your account to more fairly represent your child support obligation in light of your unique circumstances. Pursuant to this Consent Order and the terms of our agreement, your account will be adjusted to reflect the expungement of your state-owed child support arrears, as specifically described in the Consent Order. Similarly, our office looks forward to your

_____(describe terms of settlement, any promises made by the obligor.)

Please understand that an obligor may only receive an arrearage expungement through this program one time. Accordingly, should your circumstances change in the future, please be sure to contact the CSEA and/or the circuit court, as appropriate, to seek a modification of your child support obligation before child support arrears begin to accrue.

Our office wishes you the best of luck in the future. If you have any additional questions or need our assistance in the future, please call us at _____.

Sincerely,

Local Office Director/Asst. Director

Enclosure

cc: Teresa Kaiser, Executive Director, Child Support Enforcement Administration
TK's designated agent
Obligee
CSEA Attorney

New Hampshire:

Category: Arrears Prevention (X)

Goal: Operational Reporting System used to reduce Arrearage.

Description: Weekly reports of the Federal incentive measurements for each office are given to each district. This includes the percentage of cases that have made a payment on arrearage and gives the district office information about where and when to allocate resources.

Monthly reports of the district office caseload data summaries identify cases that have and have not received payment on arrearage. The district can then identify cases to work. In addition the report identifies which cases have stopped making payments.

Results: The district offices have responded by helping increase percentage of cases paying on arrearage by over 5% in a year.

Location: Statewide

Replication Advice: Requires staff experienced in Access and Excel application. On-the-job experience will suffice, but a basic training program helps.

Reports should be frequent enough so that supervisors will have up to date information to sort and select.

Contact: CHARLES KOONTZ
CKOONTZ@DHHS.STATE.NH.US

New Hampshire:

Category: Arrears Prevention (X)

Goal: Fatherhood project linked with TANF employment project.

Description: New Hampshire has assigned a staff person full time to a Fatherhood Project. This person has extensive experience in public assistance, employment and child support.

Results: Since a record is being kept of referrals for each district office and feedback given, District Office referrals to TANF employment programs are rapidly increasing.

Location: State wide in conjunction with agencies authorized to train TANF-associated or potentially associated members.

Replication Advice: Previous program of not recording referrals led to low participation rates.

Extensive information sessions with supervisors were helpful.

Contact: CKOONTZ@DHHS.STATE.NH.US

New Hampshire:

Category: Arrears Prevention (X)
Order Establishment (X)

Goal: The New Hampshire DCSS Legal Unit has established contact with the Family Resource Center of the New Hampshire Department of Corrections and is accepting referrals from them for paternity establishment, support order establishment, and review and adjustment, and modification of court orders.

Description: Incarcerated non-custodial parents are a substantial problem because many of them have current court orders that do not relate appropriately to their income. As a result, the accrued arrearage acts as a barrier to their engagement with their children and adjustment after incarceration.

Location: The DOC Family Resource Center is in Laconia but it's program is statewide.

Replication Advice: The DCSS Legal unit, which is centralized, is proving to be the correct tool for this program because it centralizes the process without unduly burdening any one district office.

Contact: Charles Koontz
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New Hampshire:

Category: Arrears Prevention (X)

Goal: To divide the collection caseload of the Berlin Local Office into maintenance and enforcement caseloads.

Description: All cases requiring current enforcement action are transferred to the enforcement caseload. After thirty days of non-payment a case is assigned to the action section and a notice of debt is sent. After sixty days a Drivers License Revocation Action Notice and a pre show cause appointment notice is sent to the non custodial parent and a notice of a request for a show cause court hearing is sent to the court.

Results: Enforcement workers report that they can work more efficiently by dividing caseloads into different skill-level functions.

Location: Berlin is in a rural area with a relatively high unemployment rate.

Replication Advice: This process was a difficult sell because of case workers' "ownership" issues with their caseload but based on the experience in Berlin, another small office, is planning to adopt the practice.

Using a pilot district office to develop experience and be a model for other offices makes the idea more attractive for other offices.

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New Hampshire:

Category: Arrears Prevention (X)
Accrued Arrears Management (X)

Goal: Adjusting support orders to non-custodial parents' income.

Description: Using review and adjustment and modification procedures as a tool to prevent arrears from accruing.

Results: Proactively identifying adjustment as a remedy for unemployment cases is leading to a reported increase in modification hearings in counties that are experiencing increasing unemployment. Workers have moved the adjustment or modification process up front in assessing enforcement actions.

Location: Primarily being utilized in the New Hampshire north county.

Replication Advice: Frequent mention of the Review and Adjustment process and modification procedures increases the enforcement staff awareness and willingness to use the process.

It is in the reduction of current support of formerly well paying cases that the best result can be expected. Chronic offenders do not seem to respond well. Arrearage reduction incentives do not seem to be effective in dealing with them.

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ADDENDUM “B” – FOLLOW-UP MEETING PARTICIPANT LIST

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