



Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #225

Child Support State Operations (DCF -- Child Support)

[LFB 2011-13 Budget Summary: Page 109, #1]

CURRENT LAW

The child support state operations budget, administered by the Department of Children and Families (DCF), includes funding for the centralized receipt and disbursement (CR&D) system, the Kids Information Data System (KIDS), and state staff. The CR&D system is the statewide, automated system for the receipt and disbursement of child support, maintenance (alimony), health care expenses, birth expenses, and other support-related expenses. Under the CR&D function, a vendor receives all child support payments from employers and individuals, enters the information into the statewide KIDS computer system, and distributes the child support to the appropriate payees. The KIDS system is the certified, statewide, automated child support system. Child support state operations expenditures are budgeted at \$37,448,500 in 2010-11.

Revenues to fund child support state operations in 2010-11 are estimated at \$37,485,300. Funding is provided from various revenue sources: (a) \$4,701,100 GPR; (b) \$10,821,800 FED from the state's share of federal child support incentive payments and federal matching funds; (c) \$4,900,000 FED in matching funds from qualifying expenditures in other state agencies; (d) \$10,500,000 PR in CR&D fees; (e) \$100,000 SEG in unclaimed child support; (f) \$100,000 SEG in interest earnings from the child support collections trust fund; (g) \$1,000,000 PR in tax intercept fees; (h) \$2,200,000 PR in annual fees charged to custodial parents who receive support; (i) \$3,188,400 PR in funds carried over from 2009-10; and (j) -\$26,000 PR, which represents revenue from unemployment insurance intercept fees, administrative fees, the state's share of assigned child support, and tribal revenue less the 1% across-the-board reductions required under 2009 Wisconsin Act 28 (the 2009-11 biennial budget bill). A balance of \$36,800 was anticipated at the end of 2010-11.

GOVERNOR

Reduce funding by \$2,000,000 PR annually to reflect a revised estimate of revenues from the CR&D fee (-\$900,000 annually) and a reduction in the amount of program revenue carried over from prior years (-\$1,100,000 annually).

MODIFICATION

Reduce funding by \$2,097,200 FED annually to reflect reestimates of revenues and costs for administration of the child support enforcement program at the state level. The following table shows revised revenue and expenditure estimates in 2011-12 and 2012-13.

Funding for State Operations of the Child Support Program

<u>Revenues</u>	<u>2011-12</u>	<u>2012-13</u>
Opening Balance	\$0	\$1,171,900
CR&D Fee (PR)	9,600,000	9,600,000
\$25 Annual Fee (PR)	2,200,000	2,200,000
Support Collections Trust Fund Earnings (SEG)	100,000	100,000
Unclaimed Support (SEG)	100,000	100,000
GPR	4,375,100	4,375,100
FED Incentive Payments	750,000	750,000
FED DCF Matching Funds	9,269,300	9,269,300
FED Matching Funds Other Agencies	3,900,000	3,900,000
Other Revenue (PR)	<u>3,056,500</u>	<u>3,056,500</u>
Total Revenues	\$33,350,900	\$34,522,800
<u>Expenditures</u>		
KIDS System Maintenance Contracts	\$6,765,000	\$8,865,000
Mainframe Info Tech Charges	5,797,000	5,797,000
State Staff and Information Technology Costs	10,915,100	10,915,100
Supplies and Other Charges	<u>8,701,900</u>	<u>8,901,900</u>
Total Expenditures	\$32,179,000	\$34,479,000
Ending Balance	\$1,171,900	\$43,800

Explanation: The modification reflects more recent estimates of: (a) the state's share of federal child support incentive payments (\$257,800 annually); (b) federal matching funds for DCF expenditures (-\$1,355,000 annually); and (c) federal matching funds for expenditures in other state agencies (-\$1,000,000 annually).

Change to Bill Funding	
FED	- \$4,194,400

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