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To: Child Support Agency Directors

From: Susan E. Pfeiffer
Director, Bureau of Child Support

Subject: **County Funding under American Recovery and Reinvestment Act**

The American Recovery and Reinvestment Act (ARRA) provides a temporary reinstatement of federal matching funds on incentive payments which States spend on the child support program. This legislation has a two-year limit; child support incentive payments can be used to draw down federal matching funds for the period October 1, 2008 through September 30, 2010.

In CY 2009, an additional \$8,479,015 in federal child support funding will be available. With the passage of ARRA, general purpose revenue (GPR) that had been allocated by the State legislature to replace the lost incentive funds is withdrawn. The attached spreadsheet shows the current funding and the increase.

- **Section A: Current Funding Incentives/GPR:** Shows current total CY 2009 State/County Contract funding; includes 2009 Incentives/not matched and state GPR/fed match allocations. (Note: Only 1/2 of the GPR is currently loaded into CORE Line 7498)
- **Section B: Incentives/Match to Maintain Current Funding Level:** Shows the amount of Incentives/fed match needed to maintain counties current funding levels for CY 2009.
- **Section C: Incentives/Match Available for State/County Projects:** Shows the additional Incentives/fed match, available for state or county projects.
- **Section D: Total Available Funding:** Shows the total available funding for CY 2009. The last column in Section D shows the **additional** funding increase **after** removing the GPR. Line 14 shows the total additional funding available including the match.

CY 2010: Although not shown on this spreadsheet, a similar amount is likely to be available for CY 2010, but must be spent before September 30, 2010.

Supplement, Not Supplant

OCSE has cautioned states that stimulus funds are intended to supplement, not supplant or replace other child support funding. Child support reinvestment requirements at 45 CFR 305.35 provide that states must expend the incentive payments to carry out the IV-D program.

Responding to Economic Conditions/Review and Adjustment Services

This funding provides an opportunity to meet the needs of families during this economic downturn. Many CSAs have reported increased requests for Review and Adjustment services due to layoffs and plant closings. CSAs may expand R&A services and streamline processes so that payers who have recently lost their jobs can have their child support orders revised promptly. This will improve performance on the CSUP measure, and increase public awareness about the importance of continued funding for the child support program.

Incentive funds may only be spent on child support activities. Funding may be used to hire child support staff and pay for CSA operational costs. The CSA may increase funding under cooperative agreements, and implement new child support projects. CSAs should plan to address immediate program needs during the economic downturn, and consider investments in infrastructure projects that will reduce long-term costs.

Funds may only be spent on child support activities that are otherwise allowable under federal regulations. For more information about allowable costs, see CSB 05-01. CSAs are reminded that expenditures on capital items (more than \$5,000) are subject to depreciation and require prior approval from DCF. Please contact your Regional Administrator for more information.

State Infrastructure Projects

On April 2 and 3, the Wisconsin Child Support Enforcement Association (WCSEA) will conduct a county meeting to determine whether some of the additional funding might be used to support state-wide child support infrastructure projects.

Reporting

Although reporting instructions have not yet been received from OCSE, we have been advised that additional reporting will be required. At a minimum, Wisconsin will be required to report the number of new positions or positions retained due to the ARRA funding. We recommend that CSAs use the Budget Worksheet (attached) to cost out new ARRA projects, and keep track of new or retained staffing in a format similar to the annual FTE reporting form (attached). This back-up information will be provided to OCSE, upon request.

Changes to Budget or Cooperative Agreements

If your county board takes formal action to change the CSA budget, it will be necessary to send the amended budget to your Regional Administrator. If you change cooperative agreements or cooperating agency budgets, the signed agreement and/or revised budget must be sent to the Regional Administrator by the last day of the quarter in which the duties are performed and expenditures are increased.

CORe Changes - Schedule

To implement the funding changes, we will change CORE in two steps.

Step 1 (Late April) - DCF will load **Section B Incentives/Match to Maintain Current Funding Level** (see spreadsheet Section B). Until the end of April, counties should continue to claim expenses using the current procedures (CSB 09-06). After all county expenses have been submitted to CORE for the first quarter of 2009 (expenses through March), the DCF Finance Bureau will load Section B, and move all claimed expenditures for the first full quarter to the CORE line for Incentives. That line will be federally matched. BCS will issue a CSB with new CORE instructions which will take effect on May 1, 2009 (to claim April expenses).

Step 2 (June) - DCF will load **all or part of Section C: Incentives/Match Available for State/County Projects**. Additional incentive funding will be loaded into CORE. This load will provide CSAs with additional funding to be spent during 2009. This amount will be agreed upon between the Department and the PAC Contract Committee.

If you have questions regarding this process, please submit questions to BCS at kidpolcc@wisconsin.gov or contact your child support regional administrator.

Enclosures:

[CY09 CS Funding Analysis Calculations](#)

[CSA Budget Worksheet](#)

[County ARRA FTE Survey](#)

cc: Julie Kerksick
CS Regional Administrators
BCS Supervisors
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