



CHILD SUPPORT UPDATES

EMPLOYMENT & ECONOMIC ASSISTANCE

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Introduction

Congress enacted the child support program in 1975 under Title IV-D of the Social Security Act. Child support is money parents are court ordered to pay their child’s other parent or caregiver for support of their child. The child support program helps parents establish a financial partnership by offering services for children to receive the basic financial, medical, and childcare support needed to enhance their growth and development. These three elements combine to form a monthly child support obligation. Support may be part of a court order in a divorce or legal separation, paternity action, order for protection, child custody action, or separate child support action.

In carrying out the child support program’s mission, staff promote children’s well-being and family self-sufficiency through a commitment to our county core values: **Service, Integrity, People and Innovation**. By intervening early, underlying reasons for nonsupport – such as unemployment, parental conflict, poverty, or disengagement – can be addressed. By broadening strategies and partnering with other programs, child support staff do more to ensure that parents provide their children with financial and emotional support throughout childhood.

County child support cases open when either parent applies for services, or when a county public assistance office refers a case. Approximately one of every seven child support cases involve parents who live in another state. County child support offices work across borders with other states and countries to provide the essential services required by the child support program.



Payments

Child support payments are disbursed through the state Child Support Payment Center, operated by the Minnesota Department of Human Services, Child Support Division. Employers play a pivotal role, with 71.5% of all child support in Minnesota being withheld from parents' paychecks. The remaining payment sources include intercepts from federal and state tax refunds, withholdings from Unemployment Insurance. Parents who are self-employed or do not



pay through income withholding send their child support to the payment center by check, cashier's check, money order, or automatic-recurring withdrawals.

If payments are not made, administrative and/or legal remedies may be implemented, including driver's license suspension, occupational license suspension, seizure of bank account balances, reporting past due amounts to the credit bureaus, federal/state tax

intercepts and contempt of court. Interest is no longer charged on unpaid child support.

Introduction to Performance Data

States compete for federal incentive funds, which are a fixed allocation, based on five federal performance measures that were introduced by the Personal Responsibility and Work Opportunity Act of 1996. The incentive funds are in addition to the 66% Federal Financial Participation (FFP) received for direct and indirect program costs. The five performance measures are paternity

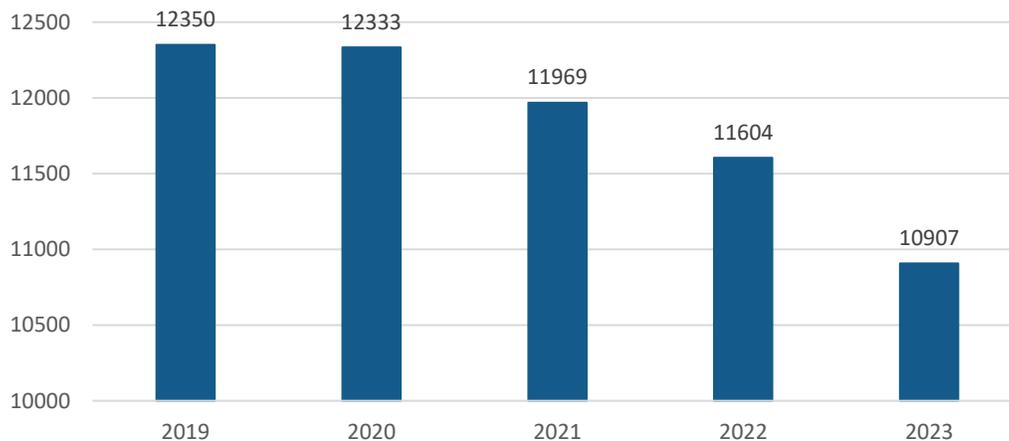


establishment, child support order establishment, collections on current support, collections on arrears and program cost effectiveness. In State Fiscal Year 2023, Minnesota received \$11,323,000 in incentives and the Dakota County share was \$743,613.

How much did we do?

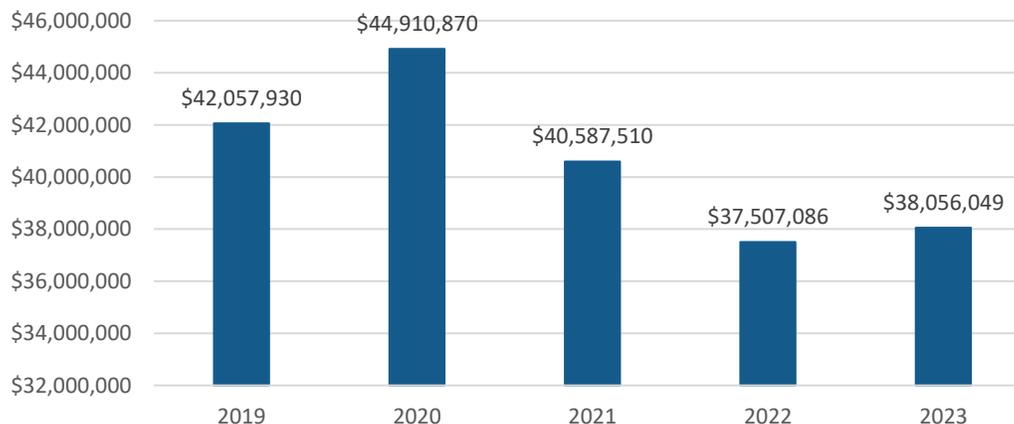
Number of Child Support Cases (Federal Fiscal Year Data):

Cases peaked in 2010 at 15,148 and have decreased each year. The county trend is in line with state and national caseload trends. The caseload figures do not reflect the caseload churn that occurs, with cases opening and cases closing during the Federal Fiscal Year (FFY). In FFY 2023, we added 1,113 new cases and reopened 324 cases, for a total of 1,437 cases. In the same FFY, we closed 2,286 cases.



Annual Collections (Calendar Year Data):

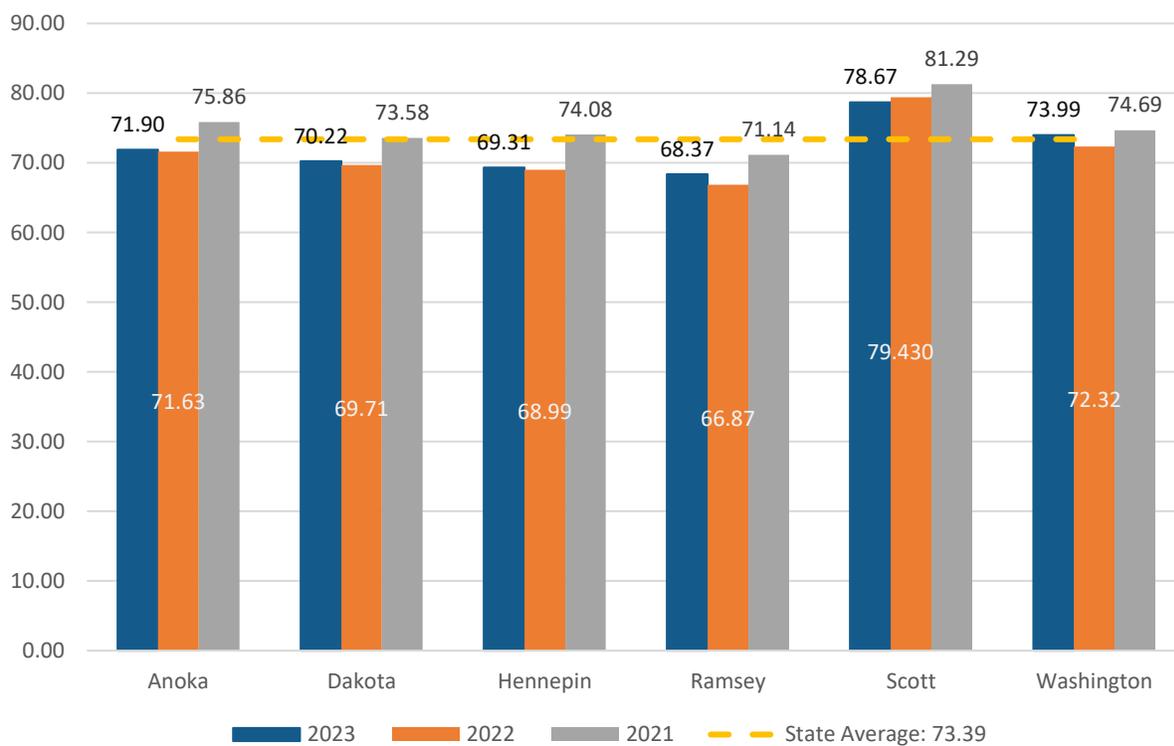
Collections peaked in December 2008 at \$49,497,925 and have fallen in conjunction with the caseload size. There was a spike in collections in 2020, mostly due to pandemic-related unemployment benefits and stimulus payments. When federal pandemic unemployment benefits ended in September 2021, a significant drop in collections followed statewide and nationwide. The county is just beginning to recover, with 2023 collections increasing slightly following two years of decline.



How well did we do?

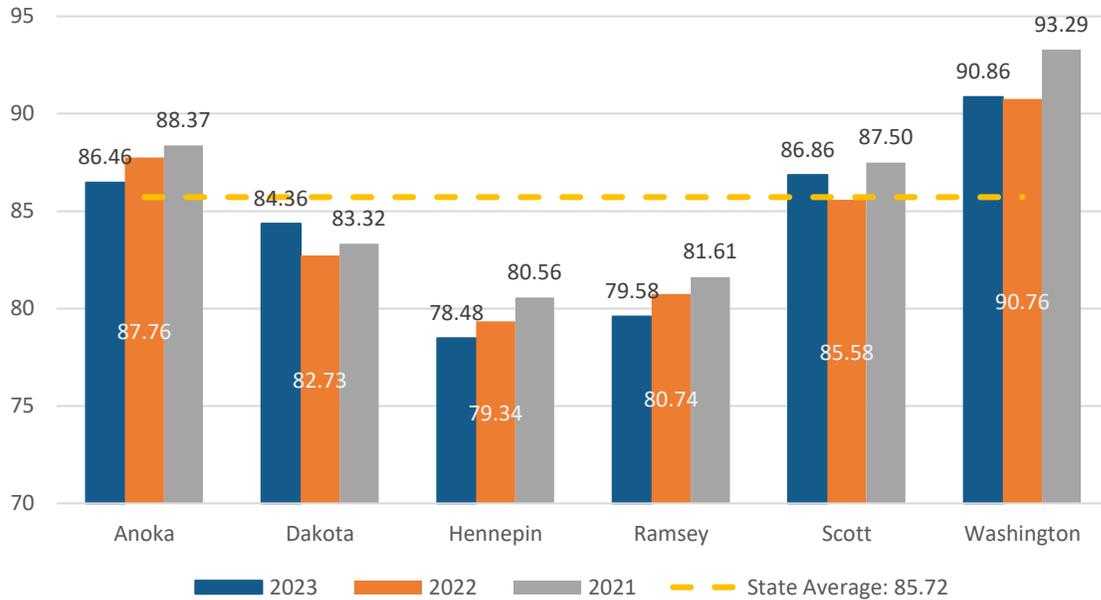
Collection on Current Support (Federal Fiscal Year Data):

This measure is the total amount of support disbursed as current support in the federal fiscal year (FFY) divided by the total amount of current support due for the fiscal year. Sixty eight (68) Minnesota counties had a decline in this measure, with many experiencing significant drops, between FFY 2021 and 2022, with a marked decline first identified following the end of federal pandemic unemployment benefits in September 2021; however, the root cause(s) are complex and the state has been working with counties to solve for identified barriers. This measure is a priority focus, with many initiatives underway to improve performance, and the county is beginning to course correct with a slight increase realized in FFY 2023.

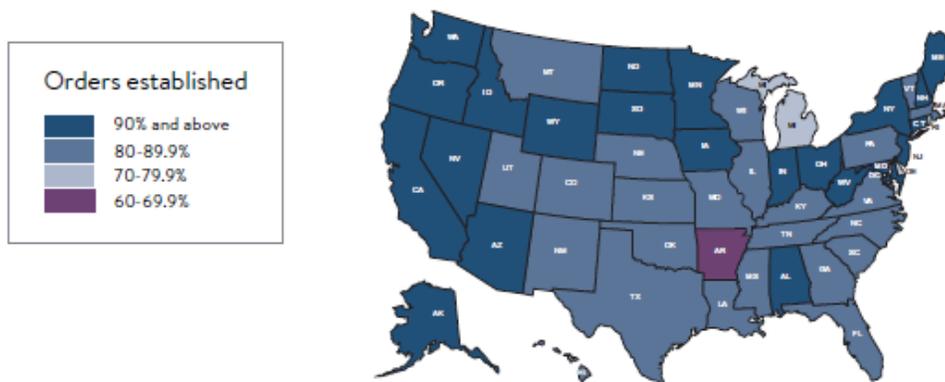


Court Orders Established (Federal Fiscal Year Data):

This measure is the cases open at the end of the federal fiscal year (FFY) with support orders established divided by the cases open at the end of the fiscal year. This measure decreased statewide during the height of the pandemic in FFY 2021/2022; however, county performance started to trend up in FFY 2023. This measure is a priority focus for us, with continuous improvement efforts underway in the last several years.

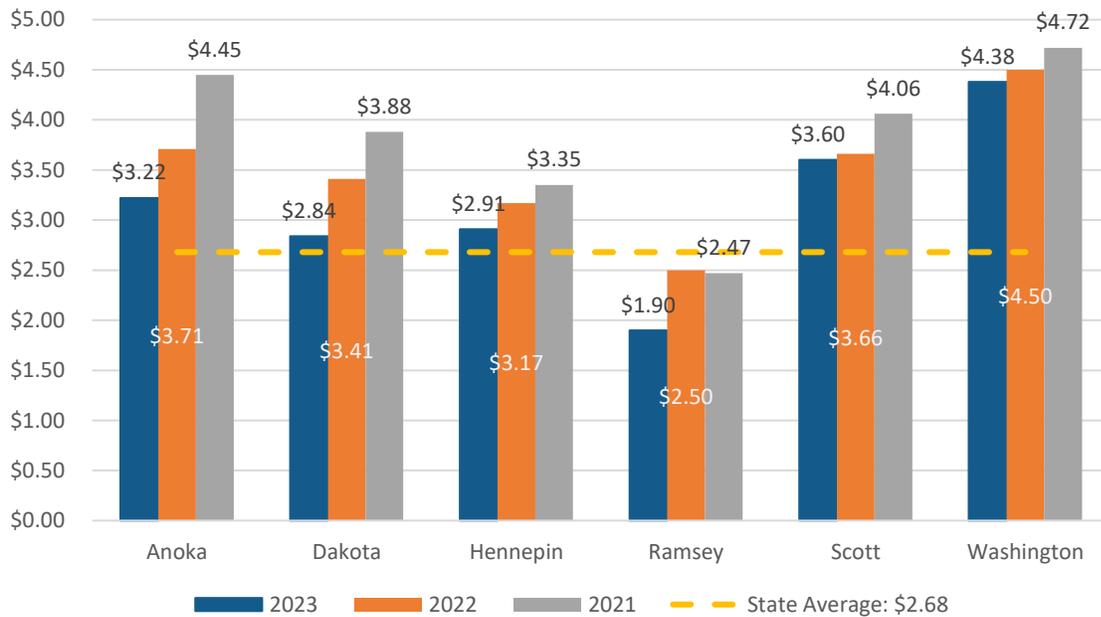


Nationwide Standing in Court Orders Established Measure (Federal Fiscal Year Data)



Cost Effectiveness (Federal Fiscal Year Data):

This measure is the collections forwarded to other states + total collections distributed + fees retained by other states divided by the total child support dollars (direct and indirect) expended.

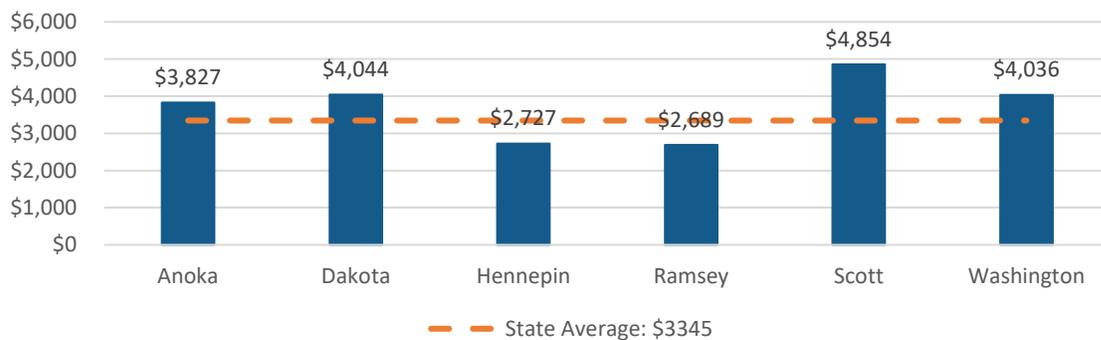


Is anyone better off?

Disbursements Per Open Support Case with a Court Order (Federal Fiscal Year Data):

This measure illustrates the average amount of child support disbursed per case per year.

2023



Current/Former/Never Assistance Case Analysis (Federal Fiscal Year Data):

Child support is a family financial stability indicator and there can be a correlation between child support received and receipt of public assistance.

2023

Current Assistance %	Former Assistance %	Never Assistance %
6.4%	42.6%	50.9%

Most of the child support cases in Minnesota are non-public assistance cases. Children on these cases either never received or are no longer receiving public assistance.