

Memo

Date: 1/19/2017

To: Representative Peggy Scott

CC: Task Force Members

From: Elizabeth Rusinak Mowers, Task Force Administrator

RE: Questions from December Task Force Meeting

At our last Task Force meeting in December, several questions were asked that required additional research by DHS staff to adequately answer. Below is a summary of the questions and their answers.

If you would like additional information on any of these issues, DHS staff are ready and able to meet with any Task Force members on an individual basis. Feel free to contact me at Elizabeth.Rusinakmowers@state.mn.us and I'd be happy to coordinate a meeting.

The following are the questions that were raised at the last Task Force meeting:

- What is the basis for Federal funding to MN's IV-D program?
- Could DHS provide a list of fees and dollar amounts associated with IV-D services?
- What is the Minnesota interest rate on child support payments in arrears?
- Is there a list of agencies who have data sharing agreements with the IV-D program and are there audit trails for who has accessed that information?

Federal Funding

The U.S. Department of Health & Human Services provides funding to Minnesota's child support program in two ways. First, they provide funding via a Federal Financial Participation (FFP) reimbursement. This reimbursement covers certain county and state program expenditures as identified in the [OMB Circular A-87](#).

Secondly, they provide funding based on Minnesota's child support program meeting specific performance outcomes as determined by the Office of Child Support Enforcement (OCSE). The performance based funding is then passed on to counties. Information on the program performance measures and incentives can be found at [45 CFR Part 305](#).

Fees

The fees charged for certain IV-D program services are established in [Minnesota Statute §518A.51](#) as well as listed on the [application](#) for IV-D services.

- Federal Tax Intercept Fee
 - \$25 is charged to the Custodial Parent by the U.S. Department of the Treasury each time a Non-Custodial Parent's Federal taxes are intercepted to collect on child support owed
- Federal Annual Fee
 - \$25 is charged to the Custodial Parent after collections reach \$500 or more
 - This fee applies only to clients *who were never on* Public Assistance
- Cost Recovery Fee
 - 2% is charged to the applicant for services (most often the Custodial Parent)
 - The 2% Cost Recovery Fee is currently capped at \$809
- State Tax Intercept Fee
 - \$15 fee is taken out of the state tax refund collected by the Department of Revenue
 - the Custodial Parent receives the balance
 - the Non-Custodial Parent is credited with the actual amount received by Custodial Parent
- Income Withholding Only Fee
 - A monthly \$15 fee is charged to the Non-Custodial Parent through income withholding for Income Withholding-only Services

Interest Rate

Interest is applied to child support arrears according to [Minnesota Statute §548.091, subd. 1a\(1\)](#). The rate of interest is set by the state court administrator in accordance with [Minnesota Statutes §549.09, subd. 1\(c\)\(1\)\(i\)](#). The rate for 2017 is 4%.

Data Sharing

DHS handles a significant number of contracts and agreements with various vendors and other agencies. There are different types of contracts and agreements which are typically categorized as professional technical contracts, interagency agreements, tribal agreements, federal grant agreements, data sharing agreements, and other services agreements. Each category has specific data sharing/data privacy language based on the specifics of each contract or agreement. The DHS Legal Department advises Child Support on the security language that is required for each contract and also sets the requirements and reviews contracts. Depending on the data that is being shared, the length of the language that is used in a contract or agreement can range from a paragraph to several pages.

In all cases, agencies and vendors are considered part of the welfare system and are subject to the [Minnesota Government Data Practices Act](#). All entities have to meet the same data privacy standards as DHS. Wherever protected client information is shared, a higher level of protection required. Vendors and agencies must conduct background checks on employees, provide data security training to their staff and limit access to data to only the types of data needed and only to those employees who require the information to accomplish their work.

These are the same requirements for a state employee. Only those Child Support Division employees who need access to certain information will have it and only for the specific types of data needed to do their job, but only after training and signing that they will not share protected information. There are statutes and legal repercussions for breaches.