Child Support Enforcement Program

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Introduction

In Wisconsin and nationally, there is a significant difference in the economic well-being of children who are raised in two-parent families and children raised in families headed by a single parent. Wisconsin census data for 2010 indicate that, among all Wisconsin families (both single- and two-parent households), 16% of families with children under the age of 18 and 17% of families with children under the age of five lived in households with income below the federal poverty level. However, 40% of families with children under the age of 18 and 50% of families with children under the age of five who lived in single-parent, female-headed households lived in poverty.

The share of single-parent households in Wisconsin has increased significantly over the past 40 years. The percentage of Wisconsin households with children headed by a married couple declined from 91% in 1970 to 66% in 2010. In contrast, the percentage of households with children headed by a single woman rose from eight percent in 1970 to 24% in 2010, while the percentage of households with children headed by a single man rose from two percent in 1970 to 10% in 2010.

The child support enforcement program is designed to ensure that parents provide financial and medical support for their children. In addition, the program helps reduce public welfare spending for single-parent families. The creation of Title IV-D of the Social Security Act in 1975 and subsequent federal and state legislation was a response to an increasing awareness that most families are eligible for public welfare programs solely due to the absence of a parent as a result of a nonmarital birth, divorce, desertion, or separation.

In 1996, the federal Personal Responsibility and Work Opportunity Reconciliation Act (P.L. 104-193, also referred to as PRWORA) abolished aid to families with dependent children (AFDC) and related programs and replaced them with a block grant program called "temporary assistance for needy families" (TANF). States had been required to operate a child support and paternity establishment program in order to be eligible for the former AFDC funding. As part of this new federal law, states are still required to operate a child support and paternity establishment program meeting federal requirements in order to be eligible for TANF funds. The new federal law also required states to increase the percentage of fathers identified, establish an automated network linking all states to information about the location and assets of parents, and to implement additional paternity establishment and support enforcement provisions. Wisconsin made a number of changes to its paternity establishment and child support enforcement laws in order to conform to P.L. 104-193 in 1997 Wisconsin Act 191.

The federal Deficit Reduction Act of 2005 (P.L. 109-171) made several additional changes to the child support enforcement program and its funding. These changes are discussed in further detail throughout this paper.

The Office of Child Support Enforcement (OCSE) in the U.S. Department of Health and Human Services (DHHS) administers the child support program at the federal level. The primary federal responsibilities include: (a) establishing regulations and standards for state child support programs; (b) providing technical assistance to help states establish effective child support collection and paternity establishment systems; (c)

reviewing and approving state Title IV-D plans; (d) evaluating and auditing state programs; and (e) operating the federal parent locator service. The federal government provides funding to the states to offset the costs of child support administrative and enforcement activities. In order to receive federal funding, state child support enforcement programs must conform to certain federal regulations and standards.

In Wisconsin, the Department of Children and Families (DCF), Bureau of Child Support administers the child support enforcement program. The Bureau's primary responsibilities include: (a) developing and administering the state Title IV-D plan; (b) monitoring the activities of local agencies to ensure compliance with state and federal law and policies; (c) providing technical assistance, training, and written instructions for county child support agencies; (d) collecting and disbursing child support payments; (e) operating the state parent locator service and a central registry to expedite processing of interstate cases; (f) coordinating intercept programs, property liens, and license suspensions for failure to pay child support; (g) operating a financial record matching program; (h) developing and maintaining a statewide automated child support data system; (i) operating a state directory of new hires in conjunction with the Unemployment Insurance Division in the Department of Workforce Development (DWD); (j) approving reimbursement payments for allowable costs, distributing incentive payments, and establishing fees for non-Wisconsin Works (W-2) child support services; (k) maintaining statewide records of collections and disbursements and providing reports to OCSE; (l) publicizing the availability of child support services; and (m) maintaining the child support lien docket.

Counties are required to contract with DCF to implement and administer the program at the local level. County responsibilities include: (a) establishing child support and medical support orders; (b) establishing paternity; (c) providing data related to support orders; and (d) enforcing medical and financial child support orders. In order to carry out these activities, counties enter into cooperative agreements with the offices of the corporation counsel or private attorneys, clerks of court, sheriffs, and other officials and agencies. The attorneys responsible for child support enforcement, corporation counsel, circuit court commissioners, clerks of court, and all other county officials are also required to cooperate with DCF, as necessary, to provide the services required under the program.

This paper provides information on federal and state child support enforcement provisions, how child support amounts are determined in Wisconsin, the various methods used by counties and the state to enforce child support orders, and how these enforcement services are funded.

Establishment of Paternity

In 2010, a total of 68,367 children were born to women who were Wisconsin residents. Of these babies, 37% were born to unmarried mothers. This reflects an increase in the proportion of nonmarital births in Wisconsin from 30% in 1999. Nationally, 32% of all babies born in 2010 were born to unmarried mothers.

A man cannot be ordered to support a child unless he is presumed to be the child's father based on marriage and the parents have subsequently separated or divorced, has filed a voluntary acknowledgment of paternity with the state registrar, or is adjudicated the father by a court.

Presumption of Paternity Based on Marriage

Under Wisconsin law, a man is presumed to be the natural father of a child if: (a) he and the

child's mother are, or have been, married to each other and the child is conceived or born after marriage, but before the granting of any legal separation, annulment, or divorce; or (b) he and the child's mother were married to each other after the child was born, but they had a relationship with one another when the child was conceived, and no other man is presumed to be the father under (a) or has been adjudicated to be the child's father.

A presumption that a man is the natural father of a child is rebutted if a genetic test shows that another man is not excluded as the child's father and that the statistical probability of the other man's parentage is 99% or higher, even if the man presumed to be the father is not available for genetic tests.

Presumption of Paternity Based on Voluntary Acknowledgement

A man who is not married to the child's mother is presumed to be the natural father of a child if he and the mother have acknowledged paternity by filing a signed statement with the state registrar and no other man is presumed to be the father. A statement acknowledging paternity, that has not been rescinded, is a conclusive determination of paternity and has the same effect as a judgment of paternity. An action for custody, child support, or physical placement rights may be brought once the statement of acknowledgement is signed and filed. The statement must contain an attestation clause showing that both parties received notice of the legal consequences of, the rights and responsibilities arising from, and the alternatives to, signing the statement.

Under current law, as enacted in 2005 Wisconsin Act 443, a parent under age 18 may not sign a statement acknowledging paternity. Under prior law, a parent under the age of 18 could sign the statement as long as their parent or legal guardian also signed the statement.

A statement acknowledging paternity may be rescinded if the person rescinding the statement files a document with the state registrar. The rescinding document must be filed before the day a court or circuit court commissioner makes an order involving the man or within 60 days after the acknowledgement statement was filed, whichever is earlier. If the person rescinding the statement was under age 18 when the acknowledgment statement was filed, the rescinding document must be filed before the day a court or circuit court commissioner makes an order affecting the man, or within 60 days after the person attains age 18, whichever is earlier.

A statement acknowledging paternity may be voided at any time if fraud, duress, or mistake of fact is demonstrated. If a court finds that a man who had previously filed a statement acknowledging paternity is not the child's father, the court must vacate any order entered in reliance on that statement, and no further paternity action may be brought against the man with respect to the child.

Adjudication of Paternity

Under state law, the following persons may bring a legal action to determine the paternity of a child: (a) the child; (b) the child's natural mother; (c) a man presumed to be the child's father (unless a statement acknowledging paternity is filed); (d) a man alleged or alleging himself to be the father of the child; (e) the personal representative of an individual listed above if the individual is deceased; (f) the child's legal or physical custodian; (g) a guardian ad litem appointed on behalf of the child; (h) a grandparent (or alleged grandparent) of the child, in conjunction with a petition for visitation rights or if the grandparent is potentially liable for maintenance of the child; and (i) under certain circumstances, a state or county child support enforcement attorney. The clerk of circuit court must provide access to the record of any paternity proceeding to DCF or any child support agency to administer

child support enforcement activities regardless of whether they are a party to the proceeding. In general, an action to establish paternity must be commenced within 19 years of the child's birth.

A court may enter a paternity judgment at either the pretrial hearing (based upon the agreement of the parties) or the trial. A judgment or order determining paternity must contain the following: (a) an adjudication of paternity; (b) orders for legal custody and physical placement; (c) an order requiring either or both parents to contribute to the support of a child who is less than 18 years of age (or a child less than 19 years of age if the child is pursuing a high school diploma or its equivalent); (d) a determination of which parent can claim the child as an exemption for federal or state income tax purposes; (e) an order establishing the amount required to be paid or contributed by the father for reasonable expenses associated with the mother's pregnancy and the child's birth (not to exceed one-half of total costs); and (f) an order requiring either or both parents to contribute to the cost of a guardian ad litem, genetic test, attorney fees, and other costs.

Under the paternity judgment, liability for past support is limited to the period after the day the petition for determination of paternity was filed. An exception to this limitation is provided if both of the following are shown to the satisfaction of the court: (a) the petitioner was induced to delay because of duress, threats, promises made by the other party upon which the petitioner relied, or actions taken by the other party to evade paternity proceedings; and (b) after the inducement ceased to operate, the petitioner did not unreasonably delay commencing the action. State law specifies that liability for past support may not be imposed for any period before the birth of the child.

Once an alleged father has been properly served and fails to appear for a scheduled court hearing or a scheduled court-ordered genetic test, a court must enter a default judgment adjudicating him to be the father as well as appropriate orders for child support, legal custody, and physical placement. However, a default judgment cannot be entered if there is more than one person alleged to be the father, unless he is the only one who fails to appear and all others have been excluded as the father, or his genetic test shows the statistical probability of parentage is 99% or higher. A default paternity judgment may be reopened upon motion within one year or at any time upon a showing of good cause. The alleged father may still be adjudicated the child's father if the mother fails to appear at certain proceedings. The court or court commissioner may dismiss a paternity action and refuse to order genetic tests if it is determined that it is not in the best interest of the child to determine if the man is the child's father.

Finally, a paternity judgment must be entered if the father files a written stipulation acknowledging his paternity and resolving issues of child support, legal custody, and physical placement, and the court approves the stipulation. The order takes effect upon entry if the father agrees or 30 days after service (or the date mailed) if the father does not agree, unless the father presents evidence of good cause why the order should not take effect. A stipulated paternity judgment may be reopened upon motion within one year after the judgment or at any time upon a showing of good cause, unless each party appeared personally before the court at least one time during the proceeding.

Genetic Tests

If paternity is contested, the court may, and upon the request of a party or by the guardian ad litem must, order the mother, child, and any alleged father to submit to genetic tests. County child support agencies also have the authority to order genetic tests. An alleged father may be asked to submit to a genetic test only if there is

probable cause to believe he and the child's mother engaged in sexual intercourse during a possible time of conception. If the genetic tests show that the alleged father is not excluded and that the statistical probability of the alleged father's paternity is 99% or higher, the alleged father is rebuttably presumed to be the child's father. If the results of the test exclude the man as the father of the child, this evidence is conclusive evidence of nonpaternity and the paternity action is dismissed. Contested paternity actions are usually settled by the results of the genetic tests. Very few cases go to trial.

The county initially pays the cost of genetic tests. However, at the close of the paternity proceeding, the court may order either or both parties to reimburse the county if they have sufficient resources. If two or more identical tests were performed on the same person, the person requesting the subsequent tests must pay for them in advance, unless the court finds that person to be indigent. If the county child support agency orders genetic tests and the test shows a probability of 99% or greater that a man is the father, the agency may seek reimbursement from either or both parties for the costs of the test.

At any time while a paternity action is pending and a genetic test shows that the alleged father is not excluded as the child's father and shows a probability of 99% or greater that the man is the father, the court is required, upon motion by a party, to make a temporary order for the payment of child support and may make a temporary order regarding the child's health care expenses. Before making a temporary order under this provision, the court must consider the same factors that are considered in granting a final judgment of paternity.

Paternity Cases Involving Public Assistance

Federal law requires applicants for, and recipients of, TANF assistance to assign their support rights to the state in order to receive benefits. In addition, each TANF recipient must cooperate with the state to establish paternity and to obtain child support payments.

All paternity cases involving recipients of Wisconsin Works (W-2), medical assistance (MA), and child care assistance are referred to the appropriate county child support agency. The county agency must attempt to establish paternity in nonmarital cases. In some situations, such as those possibly involving incest or sexual assault, an action to establish paternity may be waived if it is in the best interest of the child to do so.

Each parent (whether the custodial or noncustodial parent) must cooperate in good faith with the child support agency in establishing paternity and obtaining support payments in order to be eligible under W-2, unless good cause can be shown for refusing to do so. Good cause may be established in a number of ways, such as demonstrating that cooperation may be reasonably anticipated to result in serious physical or emotional harm to the child, the parent, or other caretaker relative. A W-2 group whose members have failed to meet this requirement three times is ineligible for benefits until all members of the group cooperate or for six months, whichever is later. Cooperation with child support enforcement efforts is also required as a condition of eligibility for child care assistance and MA coverage. However, cooperation with the child support agency is not a condition of MA eligibility for children or pregnant women.

State Paternity Establishment Program

For a birth that occurs at, or en route to, a hospital and if the child's parents are not married, the hospital must give the mother a pamphlet on how to add the father's name to the birth certificate and a form for the voluntary acknowledgment of paternity. Before the parents sign the form, trained, designated hospital staff must pro-

vide the child's parents with oral and written information about the form and about the significance and benefits of, and alternatives to, establishing paternity. DCF provides training to hospital staff regarding the provision of this information. If the form is completed while the mother is in the hospital and within five days after the birth, the hospital must send the form directly to the state registrar.

DCF pays the hospital a $20 financial incentive if the statement is filed within 60 days after the child's birth. The Department indicates that such payments totaled approximately $35,400 in 2011-12.

The state also provides incentive payments to counties based on performance standards, including paternity establishment and support collections. This funding program is described later in this paper.

Establishing Support

Whenever a court enters a judgment of annulment, divorce, or legal separation; approves a stipulation for child support; enters an order or judgment in a paternity action or action for child or family support; or in actions to compel support or in voluntary acknowledgements of paternity, the court must direct either one or both parents to pay an amount reasonable or necessary to fulfill the parental responsibility to provide for their minor children. The parental support obligation continues until a child reaches age 18, unless the child is pursuing an accredited course of instruction leading to a high school diploma or the equivalent. In these cases, the support obligation continues until the child either completes a high school diploma or the equivalent or turns age 19, whichever comes first. As a result of provisions contained in 2001 Wisconsin Act 16, the 2001-03 biennial budget act, the amount of support ordered must be expressed, with limited exceptions, as a fixed dollar amount in the order. Previous law had allowed this amount to be expressed in one of three ways: as a percentage of parental income, as a fixed sum, or as a combination of both (that is, as the greater or lesser of either a percentage of parental income or a fixed sum). This change was made so that the federal government could more accurately assess Wisconsin's performance on collecting current amounts of support due and arrearages. These performance measures are used in determining the amount of federal child support incentive payments awarded to states (discussed in a later section of this paper).

State law requires the court to determine the child support amount by using the percentage standard established by administrative rule (DCF 150). Under this standard, the amount of child support is based on the obligor's income and the number of children that are to be supported. Special provisions apply to cases in which a parent has support obligations in more than one family, when both parents have substantial periods of physical placement, and when a parent is either a low-income payer or a high-income payer.

Determining Child Support Using the Percentage Standard

Under the percentage standard established in DCF 150, the amount of child support is based on the income of the parent obligated to pay support (payer) and on the number of children that are to be supported, as follows:

a. for one child, 17% of the payer's income;

b. for two children, 25% of the payer's income;

c. for three children, 29% of the payer's income;

d. for four children, 31% of the payer's income; and

e. for five or more children, 34% of the payer's income.

The percentage of income standard is applied to the payer's actual and imputed gross income available for child support. Actual gross income includes wages and salary, interest and investment income, Social Security disability and old-age insurance benefits, net proceeds from worker's compensation or other personal injury awards intended to replace income, unemployment insurance, income continuation benefits, voluntary deferred compensation and other voluntary employee contributions to any pension or retirement account, military allowances and veterans benefits, undistributed income of a corporation, and all other income except for public assistance and child support. Imputed income from assets available for child support is the amount of income ascribed to assets which are unproductive and to which income has been diverted to avoid paying child support or from which income is necessary to maintain the child or children at the economic level they would enjoy if they were living with both parents. Imputed income from assets is determined by multiplying the total net value of such assets by the current six-month treasury bill rate, or any other rate that the court determines is reasonable, and subtracting the actual earnings of the assets that were included in actual gross income. In determining the payer's base income amount, the court may adjust gross income by adding wages paid to dependent household members and deducting necessary business expenses.

As an example, if a payer's annual gross income is $30,000 and the payer is ordered to provide support for one child, the monthly support obligation would be $425. This amount is determined by multiplying the payer's $2,500 monthly income ($30,000 ÷ 12) by the 17% standard for one child. The court may order the payee to waive the personal exemption for the dependent child for federal income tax purposes, contingent on the receipt of child support payments.

The court may also impute income based on earning capacity. If the income of the parent obligated to pay child support is less than that parent's earning capacity, or if both parents' incomes are considered (certain shared-time payers) and the income of one parent is less than that parent's earning capacity, the court may establish support by applying the percentage standard to: (a) an amount determined by the court to represent the payer's ability to earn, based on the payer's education, training and work experience, earnings during previous periods, current physical and mental health, history of child care responsibilities as the parent with primary physical placement, and the availability of work in or near the payer's community; or (b) the income a person would earn by working 35 hours per week for the federal or state minimum wage, whichever is higher.

The percentage standard established in DCF 150 is based on research, conducted by the University of Wisconsin's Institute for Research on Poverty in 1982, which produced estimates of the amount of income and disposable assets that parents use to raise their children. The intent of the standard is to ensure that, to the extent possible, a child's standard of living is not adversely affected because his or her parents do not live together.

The court may, upon request, deviate from the amount of child support payments determined by using the percentage of income standard if the court finds by the greater weight of the credible evidence that use of the percentage standard is unfair to the child or to any of the parties. The court may consider the following factors:

a. the financial resources of the child;

b. the financial resources of both parents;

c. maintenance received by either party;

d. the needs of each party for support at a level equal to or greater than the federal poverty level;

e. the needs of any person, other than the child, whom either party is legally obligated to support;

f. if the parties were married, the standard of living the child would have enjoyed had the marriage not ended in annulment, divorce, or legal separation;

g. the desirability that the custodian remain in the home as a full-time parent;

h. the cost of day care if the custodian works outside the home, or the value of custodial services performed by the custodian if the custodian remains in the home;

i. the award of substantial periods of physical placement to both parents;

j. extraordinary travel expenses incurred in exercising visitation rights;

k. the physical, mental, and emotional health needs of the child, including the costs of health insurance and uninsured health care for the child;

l. the child's educational needs;

m. the tax consequences to each party;

n. the earning capacity of each parent, based on each parent's education, training, and work experience, and the availability of work in or near the parent's community;

o. the best interests of the child; and

p. any other factors that the court in each case determines are relevant.

If the court deviates from use of the percentage of income standard, the court must state, in writing or on the record, its reasons for finding that use of the percentage standard is unfair to the child or the parent, the amount of the modification, and the basis for the modification.

Unpaid child support equal to or greater than the amount due in one month accrues interest at a rate of 1% per month. The interest is added to the amount owed by the payer.

DCF 150 also includes special provisions for determining child support obligations in situations under which: (a) an individual has child support obligations in more than one family (serial-family payers); (b) a child has substantial periods of physical placement with each parent (shared custody); (c) an individual has custody of some, but not all, of his or her children (split custody); and (d) the payer is either a low-income payer or a high-income payer.

A low-income payer is a payer who has monthly income up to $1,398. A low-income payer would pay less than the established percentage standard. DCF 150 establishes the percentage of income a low-income payer is obligated to contribute for child support, beginning with a monthly income of $698. With a monthly income of $698, a low-income payer must contribute: (a) 11.34% of income for one child; (b) 16.48% of income for two children; (c) 19.05% of income for three children; (d) 20.34% of income for four children; and (e) 22.35% of income for five or more children. The percentage of income a low-income payer must contribute to child support gradually increases until monthly income equals $1,398. At a monthly income of $1,398, the standard percentage amounts listed above would apply.

In addition, if a payer's monthly income is less than $698, a court may establish an amount

of child support appropriate for the payer's total economic circumstances. This amount may be less than the lowest amount established for a low-income payer in DCF 150.

A high-income payer is a payer whose monthly income is greater than or equal to $7,000. A high-income payer's monthly income would be divided into three tiers. The high-income payer is required to pay different percentage levels of income based on the tier of income. First, the standard percentage amounts apply up to the first $7,000 of a high-income payer's monthly income. Second, for the monthly income from $7,000 to $12,500, the high-income payer would pay from 14% to 27% based on the number of children supported. Finally, for all monthly income greater than $12,500, the high-income payer would pay from 10% to 20% based on the number of children supported.

Revising Child Support Orders

A final judgment or order for child support is periodically subject to modification by court order. A party seeking to modify a child support order may commence an action without the assistance of an attorney. The circuit court commissioner must provide information relating to the procedure for modifying child support orders and the major issues usually addressed in such actions. Some counties also provide "do-it-yourself" packets for filing such actions. If a party desires legal assistance, he or she may seek the services of a private attorney. Alternatively, either parent may seek child support modification services from the county child support agency. These services are provided free of charge to persons receiving cash benefits under W-2, Supplemental Security Income (SSI) caretaker supplements, or kinship care. Fees may be charged to parents who do not receive assistance under these programs.

The following sections describe provisions relating to the revision of child support orders.

Venue for Actions to Revise Child Support Orders

Actions to modify a child support judgment or order generally must be filed in the county where the original judgment or order was rendered or in the county where the minor children reside. However, such actions may be filed in another county if: (a) all parties stipulate to filing in another county; or (b) the court in the original county orders the action to be filed in another county upon a showing of good cause.

Factors Considered in Actions to Modify Support

The amount of child support established under a child support order or judgment may be modified only if the court finds a substantial change in the circumstances of the parties or the children. Under state law, several occurrences give rise to a rebuttable presumption that a substantial change of circumstances has occurred. These include:

a. commencement of participation in W-2 by either parent since the entry of the last child support order;

b. the expiration of 33 months since the date of the last child support order, except in the case of a percentage-expressed order;

c. failure of the payer to furnish a timely annual financial disclosure; or

d. a difference between the amount of child support ordered by a court and the amount that would have been required based on the percentage standard, if the court did not use the percentage standard in determining the child

support payments and did not explain its reasons for doing so.

In addition to the above-identified rebuttable presumptions, the statutes specify several other occurrences that may be found to constitute a substantial change in circumstances. These conditions include: (a) a change in the payer's income from the last time support was set (except for orders expressed as a percentage of income); (b) a change in the needs of the child; (c) a change in the payer's earning capacity; and (d) any other factor the court determines to be relevant.

If the court decides to modify a child support order, it generally may not revise the amount of support due, or the arrearages that have accrued, prior to the date that notice of the action to modify the order is given to the responding party, except to correct previous errors in calculations. However, the statutes specify exceptions to this restriction to allow the court to grant credit against support due for certain payments the non-custodial parent may have made to the custodial parent that fall outside the regular court-ordered support. Examples include non-regular payments made directly to the custodial parent by check or money order that--by a preponderance of the evidence--can be shown to be intended for support (and not, for example, as a gift to the child) and payments made to the custodial parent that can clearly be shown to have resulted from a written agreement under which the payee expressly agreed to accept the payments in lieu of child or family support (subject to the restriction that the payments were not gifts or contributions for entertainment).

Determining the Amount of Modified Support

In modifying a child support order, a court must apply the percentage-of-income standard discussed above. If married or remarried, the obligor is treated as if he or she were single for purposes of applying the percentage standard. Thus, the percentage standard is applied only to the income of the obligor and not to the income of that parent's spouse. Upon request of a party to the action, the court may deviate from the percentage standard if it finds by the greater weight of the credible evidence that the use of the percentage standard is unfair to the child or any of the parties. In determining whether the percentage of income standard is unfair, the court must consider the factors identified in the section entitled "Establishing Support."

Under state law, if the state is a real party in interest, DCF must periodically review the case to determine if a modification is necessary. The state is a real party in interest whenever: (a) in an action to establish paternity, a completed application for legal services has been filed with the child support agency or the agency has received notice that no father is named on the child's birth certificate; (b) in an action to establish or enforce a child support obligation, a completed application for legal services has been filed with the child support agency; or (c) the child receives or has received medical assistance, kinship care, AFDC, or foster care benefits, or the custodial parent receives or has received W-2 or child care benefits. If the county child support agency determines it appropriate to modify the child support order, the agency must seek a modification of the order.

Annual Adjustments in Support

A child support order may provide for an annual adjustment to the support obligation based on a change in the payer's income and based on the percentage standard established by administrative rule DCF 150. No adjustment may be made under this provision unless the order specifically allows for the adjustment, and an adjustment under this provision may not be made more than once per year. However, there is no limit on a party's right to file, at any time, a peti-

tion for a change in the support amount under other sections of Wisconsin's child support enforcement laws.

2001 Wisconsin Act 16 modified the existing statutes providing for annual adjustments to allow either party--not just the person entitled to the payments--to request such an adjustment. In the order, the court or circuit court commissioner must specify what information the parties are required to exchange to determine whether the payer's income has changed, as well as the manner and timing of the information exchange. In addition, if the order provides for an annual adjustment, a form must be provided by the court or circuit court commissioner for the parties to use in stipulating to an adjustment of the support amount. The form must include an order, to be signed by a judge or circuit court commissioner, for approval of the stipulation of the parties.

If the payer's income changes from the amount used in determining the existing support order, the parties may implement an annual adjustment by stipulating to the changed income amount and the adjusted support amount, using the form described above. An adjustment made in this way takes effect on the date when the revised order is signed by the judge or court commissioner.

If the payer's income changes, but a party refuses to sign the stipulation for an adjustment in the amount of support, any party (including the state if the state is a real party in interest) may file a motion, petition, or order to show cause for implementation of an annual adjustment. Such a filing may also be made if a party refuses to provide the information required by the court in order to determine whether the payer's income has changed. If it is determined after a hearing that an adjustment should be made, the court or circuit court commissioner must enter an order for the revised amount of support. In general, such an adjustment may not take effect before the date on which the responding party received notice of the action. However, the court or circuit court commissioner has discretion to order that all or part of the adjustment not take effect until a date of the court's determination under any of the following circumstances: (a) the payee was seeking an adjustment and the payer establishes that extraordinary circumstances beyond his or her control prevent fulfillment of the adjusted support obligation; (b) the payer was seeking an adjustment and the payee establishes that the payer voluntarily and unreasonably reduced his or her income below his or her earning capacity; or (c) the payer was seeking an adjustment and the payee establishes that the adjustment would be unfair to the child.

Finally, if the court or circuit court commissioner determines that a party has unreasonably failed to provide the information required in order to determine whether the payer's income has changed, or to provide the information on a timely basis, or unreasonably failed or refused to sign a stipulation for an annual adjustment, the court or circuit court commissioner may award actual costs (including service costs, any costs attributable to time missed from employment, the cost of travel to and from court, and reasonable attorney fees) to the aggrieved party.

Mandatory Review and Adjustment of Support for Families Receiving TANF

The federal Deficit Reduction Act of 2005 requires states to review and adjust, if necessary, child support orders every three years (or sooner as the state may determine), in actions involving families receiving TANF. One of three methods may be used to review and adjust these child support orders: (a) full review and adjustment; (b) cost-of-living adjustment; or (c) automated adjustment. Under the options of (b) and (c), the procedures must include the opportunity for either party to contest the adjustment within 30 days after the date of the notice of the adjust-

ment. Currently, state law provides for annual adjustments based on a change in the payer's income if the amount of child or family support is expressed in the order as a fixed sum, based on the percentage standard, and a provision for an annual adjustment is included in the court order. Annual adjustments do not require the parties to show a substantial change of circumstances before an adjustment can be made outside the normal three-year review and adjustment cycle.

Medical Support Obligations

As part of a child support proceeding, courts are required to assign responsibility for, and direct the manner of payment of, a child's health care expenses. In assigning responsibility for a child's health care expenses, courts must consider specific factors, including: (a) whether a child is covered under a parent's health insurance policy or plan at the time of the court action; (b) the availability of health insurance to each parent through an employer or other organization; (c) the extent of coverage available to a child; and (d) the costs to the parent for the coverage of the child. Courts may require a parent to initiate or continue health care insurance coverage for a child and to provide copies of necessary program or policy identification to the custodial parent.

Courts may, in directing the manner of payment of a child's health care expenses, order that payment be withheld from the payer's income and sent directly to the appropriate health care insurer, provider, or plan. An employer who receives a notice of assignment for health insurance premiums must send the withheld premiums to the appropriate insurer, provider, or plan. Alternatively, a court may order that medical support payments be withheld from a payer's income and sent to DCF (or its designee) for disbursement to the person, other than a health care insurer, provider, or plan, for whom payment has been awarded. In addition, if a court orders a parent to initiate or continue health insurance for a child under a health insurance policy available to the parent through an employer, and the court does not specify how the premiums must be paid, the court, circuit court commissioner, or county child support agency may provide notice to the employer of an income assignment for health insurance premiums.

If a court orders a person to provide coverage for a child's health care expenses and the parent is eligible for family coverage, the employer must: (a) permit the parent to obtain family coverage for the person's child, if eligible for coverage, without regard to any enrollment period or waiting period restrictions that may apply to the policy; (b) provide family coverage for the person's child, if eligible for coverage, upon application by the person, the child's other parent, DCF, or a county child support enforcement agency; (c) notify the county child support agency when coverage under the plan is in effect and, upon request, provide copies of necessary program or policy identification to the child's other parent; and (d) after the child is covered, and as long as the parent is eligible for family coverage under the policy, continue to provide coverage for the child unless the employer receives satisfactory written evidence that the court order is no longer in effect or that the child is covered under another policy that provides comparable coverage.

If a parent who is ordered to provide health care coverage changes employers, the county child support agency must notify the new employer and the parent (parents must notify the county child support agency of any change in employer within ten business days) that he or she must continue to provide health care coverage. The new employer is required to provide coverage to the child upon receiving the notice. The parent may, within 10 business days, request a hearing before the court on the issue of whether

the order should remain in effect. The court must notify the employer if the court or circuit court commissioner determines that the order should not remain in effect.

Wisconsin insurance laws prohibit health insurance policies that provide coverage to dependent children from denying coverage, or setting a premium for any child that differs from the amount set for other dependent children, based solely on: (a) the fact that the child does not reside with the group member or insured or is dependent upon another parent rather than the group member or insured; (b) the proportion of the child's support provided by the group member or insured; (c) the fact that the child is a nonmarital child; (d) the fact that the child resides outside the insurer's geographical service area; or (e) the fact that the group member or insured does not claim the child as an exemption for federal or state income tax purposes.

In addition, if an insurer provides coverage for a child of a group member or insured who is not the child's custodial parent, the insurer must provide information related to the child's enrollment to the custodial parent and must allow the custodial parent, a health care provider, or the Department of Health Services (DHS) to submit claims for covered services on behalf of the child to the insurer without approval of the parent who is the group member or insured. The insurer is required to pay claims directly to the health care provider, the custodial parent, or DHS, as appropriate.

The federal Deficit Reduction Act of 2005 now requires states to consider either parent or both parents in determining who should provide health insurance.

In March, 2010, the federal Patient Protection and Affordable Care Act (PPACA) was signed into law. The federal OCSE has not issued any new instructions or regulations related to the PPACA that would change existing practices regarding medical support obligations.

Collection of Child Support Payments

Immediate Income Withholding

In 1983, Wisconsin became the first state in the nation to implement immediate income withholding on a pilot basis. Immediate income withholding was enacted statewide in 1987. Under this process, child support is automatically withheld from an obligor's paycheck or other income source when the obligor is paid so as to prevent a child support payment from becoming overdue.

Under state law, each child support order constitutes an assignment to DCF (or its support-collection designee) of all commissions, earnings, salaries, wages, pension benefits, worker's compensation, unemployment compensation, lottery prizes payable in installments, and other money due or to be due in the future. The assignment is for an amount sufficient to ensure payment under the order and to pay any arrearages due at a periodic rate not to exceed 50% of the amount of support due. However, the addition of arrearages may not leave the obligor with income below the federal poverty level. If the obligation for support terminates (as occurs when the child turns 18, for example), the assignment remains in effect if there are arrearages outstanding.

The court, circuit court commissioner, or county child support agency must provide notice of each child support assignment to the last-known address of the employer or other person from whom the obligor receives or will receive money. A court may exempt a person from the withholding requirement if the court finds that income withholding is likely to cause the payer irreparable harm. In addition, the

amount withheld may not exceed the maximum amount allowed under federal law. Federal law limits the maximum amount that can be withheld to 50% of the obligor's disposable income if the obligor is supporting dependents in addition to the person for whom support has been ordered (60% if the obligor is not supporting other dependents). These amounts may be increased by 5% if the withholding is to enforce certain past-due obligations. As described below, a court also may require the use of a deposit account in lieu of withholding. Child support withholding assignments have priority over any other assignment, garnishment, or similar legal process under state law.

If immediate income withholding is not required, the court or circuit court commissioner must initiate income withholding if the obligor fails to make a required payment within 10 days after its due date. Withholding must be implemented within 20 days after the payment's due date and a notice must be provided to the obligor and their employer (or other person from whom the obligor receives money). The notice to the obligor indicates that they may request (within 10 days after the notice is mailed) a hearing on the issue of whether the assignment should remain in effect. If requested, the hearing must be held within 10 working days. If the obligor establishes at the hearing that the assignment is not proper because of a mistake of fact, the court or circuit court commissioner may direct that the assignment be withdrawn. If the decision is made by a circuit court commissioner, either party may seek review of the decision by the court with jurisdiction over the action within 15 working days.

Employers and other persons who receive notice of assignment under these provisions or similar laws of another state must withhold the amount specified in the notice from any money paid to the obligor. Withheld child support must be remitted to DCF (or its designee) within five days after the employer or other person pays the obligor. In the case of amounts withheld for health care expenses, the funds must be sent to the appropriate health care insurer, provider, or plan within the five days. Along with the child support submitted, the obligor's gross income from which the payment was withheld must be reported. Each time income is withheld, the employer (or other person from whom the obligor receives money) may retain an amount to cover administrative expenses associated with withholding and remitting the funds, not to exceed $3. The administrative reimbursement is deducted from the money to be paid to the obligor.

DWD withholds child support payments from unemployment insurance benefits and forwards the withheld amounts to the state's support collections trust fund. When money is withheld from unemployment insurance benefits, no administrative fee may be deducted and no fine may be levied for failure to withhold the money.

Generally, child support paid through income withholding is first applied to cover support due within the calendar month during which the payment is received. Any remaining monies are applied to the payment of delinquent support and then to the payment of any interest that may have accrued and fees owed. Under provisions of 2011 Act 32, if federal law requires a different order of distribution of child support payments, then support would be distributed according to federal law. This issue arises if the payee is a TANF recipient or former TANF recipient. In these cases, federal law may require that interest on some of the delinquent support be paid before another portion of the delinquent support is paid.

If an employer or other person fails to withhold or remit the required amounts, the person may be proceeded against for contempt of court and be required to forfeit not less than $50 nor more than an amount equal to 1% of the amount not withheld or sent. An employer who receives an assignment for income withholding on behalf

of an employee must notify DCF within 10 days after the employee is terminated or otherwise leaves employment. An employer who fails to provide such notice may be proceeded against for contempt of court.

No employer may use a withholding assignment as a basis for the denial of employment, the discharge of an employee, or any disciplinary action against an employee. An employer who violates this provision may be fined not more than $500 and may be required to make full restitution, including reinstatement and back pay. An aggrieved person may apply to the district attorney or to DCF for enforcement of this provision.

Transfers from Deposit Account

If a court or circuit court commissioner determines that income withholding is inapplicable, ineffective, or insufficient to satisfy a child support or medical support obligation, the court or circuit court commissioner may require the obligor to identify or establish a deposit account from which funds may be periodically transferred for payment of support. The obligor must complete an authorization to transfer funds to DCF and file it with the financial institution at which the account is located. The authorization must specify the frequency and the amount of transfer, sufficient to meet the individual's child support obligation. The authorization must also include the obligor's consent for the financial institution to disclose information regarding the account to the court, circuit court commissioner, county child support agency, or DCF.

Financial institutions must transfer the specified amounts (or any available funds if the account balance is less than the authorized amount) by any lawful means, including payment by check, subject to the terms of the account. The financial institution may deduct its usual fee for such fund transfers. If the account is closed, or if no funds are available at the time of transfer, the financial institution must notify the county child support agency or DCF within 10 days. An authorization for a child support transfer has priority over any other authorization for transfer and over an assignment, garnishment, or similar legal process under state law or the laws of another state. An authorization for a child support transfer may not be revoked except by court order. No financial institution or officer, employee, or agent of a financial institution is liable to an account owner for any sum transferred, or for any information disclosed, in compliance with these provisions.

Child Support Enforcement Services

Any parent who needs help in locating an absent parent, establishing a support obligation, or enforcing or modifying a support obligation may apply for these services from the county child support agency. These services are also available from the tribal governing bodies in Wisconsin that run a child support enforcement program. Parents receiving benefits under TANF receive these services at no cost. Efforts to collect delinquent amounts generally include the collection of child or family support, maintenance, medical expenses, or birth expenses, and accrued interest and penalties. DCF and county child support agencies have the authority to subpoena financial and employment information and to obtain records from state or other governmental entities for use in enforcement efforts. Several new administrative powers were created under 1997 Act 191 in order to comply with PRWORA. As part of the Act 191 modifications, applications for licenses, permits, or credentials issued by state agencies and documents related to matters affecting families must include the social security numbers of the persons involved. Judicial remedies are also available for enforcing child support orders. Several enforcement services offered by child sup-

port agencies are described below.

Tax Refund, Lottery, and Benefits Intercepts

Under federal law, anyone entitled to a federal income tax refund who owes past due child support may have his or her refund check intercepted and applied to past-due support. Beginning October 1, 2007, the federal Deficit Reduction Act of 2005 permits states to intercept a federal tax refund and apply it to non-assigned arrearages for children over age 18. Wisconsin implemented this provision in August of 2007.

Wisconsin law also provides for the interception of state income tax refunds, Wisconsin lottery winnings equal to or greater than $1,000, court judgments and settlements, and lump sum retirement benefits to satisfy past-due support obligations. In addition, certain benefits received by the obligor, such as unemployment compensation, may be intercepted and applied to past due support. These activities can be initiated by DCF based on the child support order, without an additional court order. Federal law also authorizes the Internal Revenue Service to assist in collecting delinquent child support obligations, if the state has made diligent and reasonable efforts to collect the amount due. However, this service is used infrequently.

Child Support Lien Docket

The federal PRWORA legislation required all states to establish a process for placing administrative liens against the property of delinquent obligors. Wisconsin's child support lien docket took effect in October, 2000. The lien docket contains the name, social security number, the amount of the lien, and the date the entry was made for obligors whose arrearages exceed a certain threshold. Initially, obligors who exceeded a threshold of $30,000 were placed on the lien docket and were notified of the lien and enforcement actions that can be taken to enforce the lien. Approximately 4,000 obligors met this threshold. The $30,000 threshold has been reduced several times since 2000. The threshold is currently $500. As of October, 2012, there were approximately 137,600 court cases listed on the lien docket. An obligor may have one or more court cases eligible for liens.

The financial record matching program was also created as part of this initiative. Amounts collected under these provisions are deposited to the support collections trust fund for disbursement to the appropriate payee.

Liens and Levies Against Property

Under state law, if a person fails to pay court-ordered support, the delinquent amount becomes a lien in favor of DCF upon all of the person's property, including accounts at financial institutions, real and personal property, tangible and intangible property, and rights to property at the time of levy. The Wisconsin Department of Transportation, for example, automatically records a child support lien on any vehicle registrations that are issued to individuals whose names appear on the child support lien docket. In addition, 2007 Act 20 authorized DCF to enforce a lien based on a support obligation in favor of another state against financial accounts, using the state's automated financial institution data match program.

Procedures are provided regarding the notification of the obligor and appeal of the lien. In interstate cases, full faith and credit is given to the other state's due process rights. A lien under these provisions has priority over, from the lien's effective date, any other judgment constituting a lien on the property, except tax and special assessments, purchase money mortgages, construction liens, environmental liens, and any other lien given priority under the law. A lien becomes effective when the information is entered into the statewide lien docket and the docket is delivered

to the register of deeds in the county where the property is located. The lien is effective for a maximum of five years. Payment of the delinquent support extinguishes the lien.

A copy of the docket must be provided to the register of deeds and child support agency in each county and to each state agency that titles personal property. DCF updates the docket to reflect changes in the amounts of the liens and in response to orders issued by a court or circuit court commissioner.

If an obligor neglects or refuses to pay delinquent support after a demand for payment has been made under these provisions, or has not entered into a satisfactory payment plan, DCF may enforce the lien by seizing and selling any personal property (including motor vehicles) and real property (including homesteads) and by seizing any financial accounts belonging to the obligor until the support owed and levy fees and costs are paid in full. The statutes establish a number of due-process procedures regarding notification, hearings, judicial review, and the treatment of jointly-held property. DCF must apply all proceeds from the sale of the property first against the support and then against levy fees and costs. Any remaining amount may be refunded or credited.

In general, DCF may delegate its authority under the financial record matching program and the provisions relating to liens and levies against property to county child support agencies. However, a county agency may not initiate a levy proceeding against real property without approval by the Department. Administrative rule DCF 152 establishes additional conditions that must be met before property can be seized.

Financial Record Matching Program

Under the financial record matching program, financial institutions, in agreement with DCF, must provide specified information for each noncustodial parent who has an account at the institution and is identified as owing past-due child support. There are two options available to financial institutions for conducting data matches, which are done quarterly: (a) DCF provides the institution with information regarding delinquent support obligors (including names and social security numbers), and the financial institution determines whether any delinquent obligors maintain an account; or (b) the financial institution provides DCF with information concerning all accounts and DCF determines whether any support obligor has an account. Financial institutions must be reimbursed for costs they incur by participating in the program, up to $125 per quarter. The information provided by DCF to financial institutions may only be used for the purpose of matching records; violations are punishable with a fine of $25 to $500, imprisonment for 10 days to one year, or both.

The financial record-matching program was implemented in September, 2000. DCF indicates that it and OCSE currently have data-exchange arrangements with 4,800 financial institutions, both in-state and out-of-state. For the period June, 2010, through June, 2012, 778 account seizures were implemented, yielding past-due support collections of approximately $1,937,700.

License Suspension

Licensing agencies and credentialing boards are required (and the Supreme Court and the Lac du Flambeau Band of the Lake Superior Chippewa are requested) to restrict, suspend, or deny the driver's, professional, occupational, and recreational licenses of individuals who owe past-due support or who fail to comply with subpoenas or warrants relating to paternity or child support proceedings. A license restriction, suspension, or denial remains in effect for five years (six months for failure to comply with a subpoena or warrant) or until the individual satisfies the support delin-

quency, complies with the subpoena or warrant, or enters into an alternative payment arrangement, whichever comes first. The licenses subject to this provision are listed in the Appendix.

DCF is required to enter into a memorandum of understanding (MOU) with the licensing agencies outlining the following: (a) the circumstances for license restriction, suspension, or denial; (b) the procedures used by DCF to certify to the licensing entity that a person is delinquent in paying support or has failed to comply with a subpoena or warrant and to notify the licensing entity of the individual's subsequent satisfactory payment of the delinquency or compliance with a subpoena or warrant; (c) the procedures used by the licensing entities in restricting, suspending, or denying a license and in issuing or reinstating a license upon expiration of the restriction, suspension, or denial; and (d) procedures for the use of social security numbers obtained from license applications and for safeguarding confidentiality. Procedures to notify the person of these actions are also outlined in the MOU.

A delinquent obligor must owe at least three months of support and have an enforceable lien before a license can be restricted, suspended, or denied. In addition, DCF or a county child support agency must notify the individual, who may request a hearing before the circuit court that ordered the support payments within 20 business days after receiving the notice. If requested in a timely manner, a hearing must be scheduled within 10 business days. The hearing will address only issues related to the delinquent support. If an initial hearing is not requested or full payment or alternative payment arrangement is not made, the individual's name is placed on a certification list, which subjects the individual to license restriction, suspension, or denial for five years. Again, the individual must be notified of the certification and has 20 business days to schedule a second hearing. Licenses will not be restricted, suspended, or denied if delinquent amounts are paid in full or if satisfactory alternative payment arrangements are made. An individual whose driver's license is suspended may be eligible for an occupational license.

All subpoenas and warrants related to support or paternity proceedings must include information to the individual regarding the effect noncompliance may have on any licenses held or applied for. If the individual fails to comply, notice is provided that any license will be subject to restriction, suspension, or denial for six months. If the individual still does not satisfy the subpoena or warrant, DCF places his or her name on the certification list.

A license that has been restricted, suspended, or denied under these provisions will be reinstated or issued if the obligor pays the delinquent amount of support in full, makes satisfactory payment arrangements, or complies with the subpoena or warrant.

As of October, 2012, DCF had license suspension processes in place with the Department of Transportation--driver's and professional licenses, the Department of Natural Resources--recreational and professional licenses, the Department of Safety and Professional Services--professional and occupational licenses and credentials, the Division of Gaming, the Department of Health Services--Division of Public Health, the State Bar, the Office of the Commissioner of Insurance, the Department of Workforce Development, and the Government Accountability Board.

Credit Bureau Reporting

DCF must disclose the amount of delinquent support to consumer reporting agencies. Individuals must be notified of the disclosure at least 20 business days beforehand. If the amounts reported are paid in full or are found to be erroneous, the consumer reporting agency must be notified

within 30 days.

State Loans, Grants, and Waivers

State agencies and authorities are prohibited from providing grants, loans, or waivers to individuals who have been certified by DCF as owing delinquent support. Grant, loan, and waiver programs administered by the Departments of Military Affairs, Veterans' Affairs, Safety and Professional Services, Natural Resources, Agriculture, Trade and Consumer Protection, Justice, the University of Wisconsin System, the Higher Educational Aids Board, and the Wisconsin Housing and Economic Development Authority are affected by this provision. These agencies and authorities refer to the lien docket, rather than the certification list, to determine who owes delinquent support.

Court-Ordered Employment and Training

In any action to establish or modify a child support order, state law permits courts to order either or both parents to seek employment or participate in an employment or training program as a means of increasing financial support for the child. Unemployed teenage parents (less than 20 years of age) are required to do one or more of the following: (a) register for work at a public employment office; (b) apply for jobs; (c) participate in a job training program; or (d) pursue a high school degree or its equivalent.

The state work experience and job training program for noncustodial parents who fail to pay child support is referred to as children first. A noncustodial parent who has no current means of meeting a child support obligation may be ordered by the court into the program. A participant successfully completes the children first program when he or she either fulfills child support obligations for three consecutive months, or completes 16 weeks of employment and training activities.

The children first program requires a formal partnership between the county child support agency, the county/tribal judicial system, and the W-2 agency. The amount provided to county child support agencies or W-2 agencies administering the program is "not more than $400" for each participant. Additional program costs are paid by the agency. State funding for the children first program of approximately $1.1 million per year is provided under the TANF budget. The program was operated in 30 counties and one tribe in calendar year 2012.

Interstate and International Enforcement

It has been estimated that approximately 20% to 30% of a state's child support cases involve parents living in different states and another 1% to 3% may involve parents living in different countries. It is usually more difficult to establish paternity and support orders and make collections when parents live in different states or countries. The Uniform Interstate Family Support Act (UIFSA) is used in actions to establish, enforce, or modify support orders when the parties do not reside in the same state and in situations in which support orders have been issued in more than one state. In addition, the United States signed the Convention on the International Recovery of Child Support and Other Forms of Family Maintenance, concluded at The Hague on November 23, 2007. The Convention addressed child support actions when the parties do not reside in the same country.

Wisconsin's UIFSA statutes are based on the uniform act, which was drafted and approved by the National Conference of Commissioners of Uniform State Laws. Under Wisconsin's UIFSA law, a Wisconsin employer is required to treat an order for income withholding from another state as if it were issued by a court in Wisconsin. The employer must comply with the order's terms as they relate to: (a) duration and amount of support; (b) the designated payee; (c) medical sup-

port; (d) payment of fees and costs; and (e) payment of arrears and interest. The employer must comply with Wisconsin's laws with respect to: (a) the employer's fee for processing the order; (b) the maximum amount allowed to be withheld; and (c) the time period in which the order must be implemented. In addition, Wisconsin's laws regarding the receipt of multiple orders to withhold income, immunity from civil liability, and penalties for noncompliance govern Wisconsin employers in multijurisdictional support cases.

Wisconsin courts may exercise personal jurisdiction over nonresidents under limited circumstances in child support cases and paternity actions. Additionally, Wisconsin courts may make determinations as to which order among multiple state orders is controlling (so that only one support order is in effect at any time) and may provide for enforcement of interstate wage withholding. Wisconsin courts may modify support orders of another state if: (a) the parties and the child are not residents of the issuing state; (b) the nonresident petitioner seeks modification; and (c) the respondent is subject to personal jurisdiction in Wisconsin. Wisconsin courts may also modify a support order from another state if an individual party or the child is subject to personal jurisdiction in Wisconsin and all parties file written consent for the Wisconsin court to modify the order.

In addition to uniformity among states, the Convention sets forth a process to establish, modify, recognize, and/or enforce child and family support orders when parents live in different countries. Upon ratification of the Convention by the United States, 2009 Wisconsin Act 321 would modify and expand Wisconsin's UIFSA statutes to address child support enforcement when parents live in different countries, as well as different states, in accordance with the Convention. The changes would take effect on the date on which the United States deposits the instrument of ratification for the Hague Convention on the International Recovery of Child Support and Other Forms of Family Maintenance with the Hague Conference on Private International Law. There is no estimate as to when or if this might occur.

Parent Locator Service: Case Registries and Directory of New Hires

The PRWORA legislation required the establishment of federal and state directories of new hires and case registries. The federal activities operate within the federal parent locator service (PLS). The federal PLS is a computerized national location network operated by the Office of Child Support Enforcement. It provides address, employment, asset, and social security number information on persons to assist in the location of noncustodial parents and delinquent obligors. Information also may be requested of the PLS with regard to enforcement of custody and visitation rights, investigating parental kidnappings, adoption, or foster care.

A state's directory of new hires is a registry of all newly hired employees in that state. The state case registry is a registry of the state's TANF child support cases and all support cases established or modified in the state on or after October 1, 1998. Each state registry transmits data to the corresponding component of the federal PLS. States also are required to transmit quarterly wage and unemployment insurance data to the national directory of new hires. Further, the federal PLS can access data from the U.S. Social Security Administration, the Internal Revenue Service, the Selective Service System, the Department of Defense, the Veterans Administration, the National Personnel Records Center, and state employment security agencies.

Wisconsin employers began reporting to the state's directory of new hires on January 1, 1998. Employers are required to report the name, date of birth, address, and social security number of each newly hired employee in addition to their

own name, address, and federal employer identification number. Employers must also report the date the employee started work. Federal law requires this information to be reported within 20 days of a new employee's hire. Under Wisconsin law, as required by federal law, multi-state employers may designate another state for purposes of providing the required information upon notification of the Department of Workforce Development and the U.S. DHHS. Employers who fail to comply may be fined up to $25 for each new employee they fail to report. However, if the failure is found to be the result of a conspiracy between the employer and employee, a fine of up to $500 may be imposed.

Passport Denial

PRWORA required states to report individuals owing $5,000 or more in support to the U.S. State Department. These individuals' passport privileges may then be restricted. DCF began implementing this provision in September, 2000. The federal Deficit Reduction Act of 2005 lowered the threshold from $5,000 to $2,500, beginning October 1, 2006.

Child Support Public Awareness Program

State law requires DCF to establish a program to increase public awareness about the importance of the payment of child support, including the publication of information, such as names and photographs, which identifies significantly delinquent child support obligors. The Department may use posters, media presentations, or other appropriate means for the publication of the information. The publications must include information about the child support owed by each obligor, and, if appropriate, must solicit information from the public to assist in locating the delinquent obligor.

Court-Ordered Enforcement Remedies

In addition to the administrative options available to DCF for enforcement of support orders, a court may order a lien against the obligor's real property for any unpaid child support. Further, a claim for child support arrearages automatically results in a lien against a ship, boat, or vessel owned by the obligor; proceeds from the sale of the vessel may be used to satisfy the child support obligation.

Child Support Collections

Table 1 identifies child support, medical support, and other support-related collections of $909.1 million in federal fiscal year (FFY) 2012. DCF indicates that approximately 69% of child and medical support was paid on behalf of families who used county child support enforcement services and that approximately 31% was paid to families who did not use county services in FFY 2012. In addition to the amounts identified in the table, $17.6 million was collected for costs, fees, and other debt-types that are not support-related.

Table 1: Child Support Collections Made in FFY 2012

Type of Collection	Amount
Income Withholding	$644,846,300
Federal Tax Intercept	42,875,900
Collections Received from Other States	25,691,100
State Tax Intercept	11,456,100
Unemployment Compensation Intercept	36,350,200
Collections from Other Sources	147,841,200
Total	$909,060,800

Civil and Criminal Enforcement

In situations where a person has failed to meet an obligation to support a child and where wage assignment or account transfer have not been feasible, the court may, on its own initiative, and must, upon application of a person owed support,

issue an order for the obligor to show cause for the nonpayment or be held in contempt of court. The obligor may be required to provide payment for past due support or be incarcerated for up to six months, or both. Other remedies designed to ensure compliance with the obligation may also be ordered. Contempt proceedings may also be initiated by the county child support agency or circuit court commissioner if court-ordered child support payments are not paid when due.

Criminal penalties for failure to provide support may also be imposed. Intentionally failing to pay child support for 120 or more consecutive days is a Class I felony, punishable by a fine of not more than $10,000 or imprisonment for up to three-and-a-half years, or both. A person may be charged with multiple counts of felony nonsupport if each count covers a distinct period of at least 120 consecutive days. Thus, a person who intentionally fails to provide support for a period of a year could be charged with up to three counts of felony nonsupport. Failure to pay support for less than 120 consecutive days is a Class A misdemeanor, punishable by a fine of up to $10,000 or imprisonment for up to nine months, or both.

A person who is charged with failure to support may raise the defense of inability to pay. However, a person may not demonstrate inability to provide child support if the person is employable but, without reasonable excuse, fails to diligently seek employment, terminates employment, or reduces his or her earnings or assets. A person who raises an affirmative defense of inability to pay must prove the defense by a preponderance of the evidence.

In a criminal action for failure to support, a court must (in addition to, or instead of, imposing the criminal penalty for a Class I felony or a Class A misdemeanor) order the defendant to pay the amount required under a court order for child support, including any amount necessary to meet a past legal obligation for support. If no court order exists, the court must enter an order for child support in the manner prescribed under the family-actions statutes (see earlier section in this paper on establishing support).

The willful failure to pay a past-due child support obligation on behalf of a child residing in another state is a federal crime under the Child Support Recovery Act of 1992 (P.L. 102-521). Under the law, any person who willfully fails to pay a support obligation for a child residing in another state, if the obligation has not been paid in more than a year or exceeds $5,000, is subject to a fine of up to $5,000, imprisonment for not more than six months, or both. The federal Deadbeat Parents Punishment Act of 1998 (P.L. 105-187) added two new categories of offenses. A person who has done either of the following is subject to a $5,000 fine or imprisonment for not more than two years, or both: (a) willfully fails to pay a support obligation for a child residing in another state, if the obligation has not been paid in more than two years or exceeds $10,000; or (b) travels nationally or internationally to evade a support obligation, if the obligation has not been paid in more than a year or exceeds $5,000. The court must order a person found to have violated any of these provisions to make restitution in an amount equal to the total unpaid support obligation as it exists at the time of sentencing.

Distribution of Child Support Collected on Behalf of Public Assistance Recipients

AFDC Provisions

Under prior federal law, as a condition of eligibility for AFDC, an applicant was required to assign all rights to court-ordered child support and maintenance (alimony) to the state. The assignment included all unpaid support and

maintenance obligations for as long as the family received AFDC. If the child support collected was insufficient to disqualify the family from receiving AFDC payments, up to $50 each month collected from an absent parent was provided to the family without affecting the family's AFDC grant. Thus, the family received its full monthly AFDC payment plus the first $50 of the child support payment made in the child's behalf for the month. This payment was referred to as the $50 disregard or the $50 DEFRA payment, named after the federal legislation that created it (the Deficit Reduction Act of 1984).

All child support collected on behalf of an AFDC family that exceeded the $50 DEFRA payment was divided between the state and the federal government in proportion to funding used to support the AFDC program (approximately 60% federal and 40% state). The state's share was used to offset state AFDC expenditures. The federal share was used to offset federal AFDC expenditures and to fund incentive payments to the state.

Historically, annual child support collections assigned to the state by AFDC recipients totaled approximately $60 million. Of this amount, approximately $10 million was paid to the recipients under DEFRA, $20 million was retained by the state, and $30 million was retained by the federal government.

TANF and Child Support Distribution

Under current federal law, child support collected on behalf of families who have never received public assistance must be distributed to the family. For families who have received, or are receiving, public assistance, there are "assignment of child support" and "distribution of assigned child support" requirements and options that apply.

As noted, the 1996 federal welfare reform legislation (P.L. 104-193) eliminated the AFDC program and replaced it with a block grant program called "temporary assistance for needy families" (TANF). Like the AFDC program, under the TANF provisions, states required recipients to assign to the state the right to collect any child support obligations that accumulated before the family received welfare as well as support that came due while the family received benefits, not to exceed the total amount of assistance provided. States may not require the assignment of support that accrues after the date the family leaves the program.

The federal Deficit Reduction Act of 2005 made two changes to the assignment of arrearages for child support obligations that accumulated before the family received welfare, one of which was mandatory and the other optional. First, beginning October 1, 2009, states can no longer require TANF recipients to assign to the state the right to collect any child support obligations that accumulated before the family received welfare. This provision was enacted in Wisconsin under 2009 Act 28.

Second, states have the option to eliminate all existing assigned child support arrearages for TANF recipients for child support that accrued before the family received assistance. Wisconsin opted to enact this provision under Act 28. Beginning October 1, 2009, all existing assigned child support arrearages that accrued before the family received TANF assistance are passed through to the family.

In the case of child support assigned to the state while families receive assistance, the state must distribute child support collected as follows: (a) first pay to the federal government the federal share of the support collected; and (b) retain, or distribute to the family, the remaining amount collected. The federal share is based on the federal financial participation rate for the medicaid program in effect during the year in which the

collections were made (currently about 60% in Wisconsin). There is no longer a requirement for states to pass through the first $50 of support to the family.

The federal Deficit Reduction Act of 2005 provided states with another option to distribute assigned child support while the family is receiving assistance. States now have the option to pass through $100 per month ($200 per month for a family that has two or more children) without being required to pay the federal share on that amount. States have the option of passing through the full amount of support to the family, but are still required to pay the federal government its share.

Act 28 enacted this provision, beginning October 1, 2010, by requiring 75% of any support the state collects to be passed through to the family and the remaining 25% to be paid to the federal government for its share of the assigned support collected. These percentages were calculated by estimating the total amount of assigned support collected, subtracting out the $100 per month ($200 per month for a family that has two or more children), and then calculating the federal share on the remaining amount. Of the total amount collected, the federal share is estimated to be 25%.

Finally, the federal Deficit Reduction Act of 2005 authorizes states to pass through all arrearages that accumulated while an individual received assistance, if the individual is no longer receiving assistance, without having to pay the federal share on these amounts. As a result, the individual would receive 100% of any assigned child support collected that accrued while the individual received assistance. This option includes authorizing states to change the order of distribution of arrearages of any collections made through federal tax intercepts to pay family-owed arrearages first, before satisfying government-owed arrearages. The state also enacted this option under Act 28, beginning January 1, 2010.

Program Administration Costs

The costs of administering the child support program in Wisconsin are supported by a combination of federal funds, state general purpose revenue (GPR), county tax revenue, program revenue collected from service fees, interest on balances in the support collections trust fund, and unclaimed child support.

Federal Funds

Federal Matching Funds

Most administrative and enforcement costs incurred by the state and counties are reimbursed by the federal government based on a federal financial participation (FFP) rate of 66% of eligible costs. Costs that are reimbursed at this rate include the costs of administering the child support enforcement program, the establishment of paternity, establishment and enforcement of support obligations, the collection and distribution of support payments, the state parent locator service, activities related to federal tax intercepts, establishing and maintaining case records, operating a computerized support enforcement system, securing medical support, and performing laboratory tests for paternity establishments.

The federal Deficit Reduction Act of 2005 made two significant changes regarding child support matching funds. First, beginning October 1, 2006, laboratory costs for establishing paternity are eligible for reimbursement at the regular 66% rate, rather than the enhanced 90% rate that was in effect prior to that date. Second, beginning October 1, 2007, child support expenditures funded with federal incentive payments (described below) are no longer eligible to receive

the 66% federal match. This change significantly reduced the amount of federal revenue available for child support enforcement activities in Wisconsin and other states, beginning in the 2007-09 biennium.

However, the federal American Recovery and Reinvestment Act of 2009 temporarily reinstated the ability to receive the 66% federal match on federal incentive payments. Beginning October 1, 2008, states were able to receive the 66% federal match on federal incentive payments. This period of reinstatement ended on September 30, 2010. Beginning October 1, 2010, once again, child support expenditures funded with federal incentive payments are no longer eligible to receive the 66% federal match.

Federal Incentive Payments

In addition to the matching funds, the federal government distributes incentive payments to states in order to encourage and reward state programs that operate effectively.

Under the program, the annual incentive payment to each state is based on that state's performance, relative to the other states, on several criteria. Currently, performance on five criteria determines the amount of the award: (a) paternity establishment; (b) establishment of support orders; (c) collection of current child support due; (d) collection of child support arrearages; and (e) paternity and support order rate per full-time employee. Standards for a sixth criterion--medical support enforcement--were being developed. However, this criterion has not yet been implemented, and there is no indication of implementation in the near future.

Attachment 1 provides information on the relative efficiency of state child support programs between FFY 2003 and FFY 2010. The attachment shows that, in FFY 2010, the statewide collection-to-cost ratio for Wisconsin was $5.81 in support distributions per dollar spent on enforcement efforts statewide compared with the national collection-to-cost ratio of $4.88. Of the fifty states plus Puerto Rico, Guam, the Virgin Islands, and the District of Columbia, Wisconsin ranked 16th highest on this measure of program efficiency (down from 12th highest in 2009).

Attachment 1 also shows that Wisconsin's collection efficiency has decreased by approximately 2.4% since FFY 2003, compared with a national increase of about 12.7%. Wisconsin's efficiency has exceeded the national average each year.

Wisconsin's collection efficiency had increased in each year since FFY 2003 until FFY 2010. In FFY 2010, Wisconsin's collection efficiency dropped 14.8% from FFY 2009. DCF indicates that the drop in efficiency is due to two factors: (a) a 1.4% decrease in collections from the prior year; and (b) a 15.7% increase in administrative expenses from the prior year. The increase in administrative expenses is due, in large part, to the one-time purchase of new software. DCF purchased the software in FFY 2010 with federal funds, due to an increase in federal incentive funds available, in order to receive additional federal matching funds under the American Recovery and Reinvestment Act.

Federal Medical Support Incentive Payments

Federal law encourages child support agencies to attempt to recover birth costs that were paid by medicaid, rather than the responsible parents, by permitting the child support agency to retain an incentive payment equal to 15% of the amount of medical support recovered by the agency. A total of $2.9 million was earned by counties in CY 2011 under this program. These federal incentive payments are supported from monies that would otherwise be used to offset federally funded MA costs.

Federal rules limit the amount of birth costs that the noncustodial parent may be ordered to pay to the lowest amount of: (a) 5% of the father's monthly income over a 36-month period (the amount may be less than 5% for low-income payers); (b) half of the regional average amount for birth costs; or (c) half of the actual birth costs up to the full regional average amount for birth costs.

State Payments to Counties

Child Support Incentive Payments

The state distributes federal child support incentive payments and state funding to counties for child support enforcement activities. Due to various changes in federal and state law, the amount of funding and the methodology of distributing the funding have changed over the past decade.

Provisions of 2003 Act 33 established the current methodology to distribute federal child support incentive awards. DCF distributes the entire amount of federal incentive payments to counties if the award is less than $12,340,000. For any child support incentive award amounts that exceed $12,340,000, 30% of the excess plus $12,340,000 will be distributed to counties, and 70% of the excess may be retained by the Department.

Under prior state law, if the state received a federal child support incentive payment that was less than $12,340,000, then the state could provide supplemental state payments. However, the total of federal incentive payments and supplemental state funding could not exceed $12,340,000, with supplemental state payments capped at $5,690,000. The supplemental state payments under the incentive program were funded from child support assigned to the state by public assistance recipients.

Because the federal Deficit Reduction Act of 2005 eliminated the ability to receive federal matching funds for child support incentive payments, federal revenue for the child support enforcement program significantly decreased. As a result, 2007 Act 20 eliminated the $12,340,000 combined cap for federal incentive payments and supplemental state funding. Instead, Act 20 provided $2,750,000 GPR in 2007-08 and $5,500,000 GPR in each state fiscal year thereafter for supplemental state incentive payments. These GPR funds were eligible for the 66% federal match. However, Act 20 also indicated that if federal legislation reinstated the ability to match federal child support incentive payments, then prior state law that capped combined incentive payments at $12,340,000, as noted above, would be reinstated.

The federal American Recovery and Reinvestment Act (ARRA) of 2009 did reinstate the ability to receive federal matching funds for child support incentive payments from October 1, 2008, through September 30, 2010. As a result, 2009 Act 28 eliminated supplemental state incentive payments in 2009-10 (while the ARRA provision was in effect) and provided $4,250,000 GPR in 2010-11 (after the ARRA provision expired). Similar to 2007 Act 20, 2009 Act 28 also required that if federal legislation reinstated the ability to match federal child support incentive payments at a rate of 66% or more, then state supplemental payments would be funded with program revenue from child support assigned to the state by certain public assistance recipients, rather than GPR, beginning on the effective date of the federal legislation, and prior state law that capped combined incentive payments at $12,340,000, as noted above, would be reinstated. There has been no subsequent federal legislation to reinstate the ability to receive federal matching funds for federal child support incentive payments.

The amount of $4,250,000 GPR provided un-

der 2009 Act 28 was for the six-month period from January 1, 2011, through June 30, 2011. On an annualized basis, the amount would be $8,500,000 GPR. However, 2011 Act 32 provided $4,250,000 GPR annually. Therefore, Act 32 also required DCF to develop a detailed plan for distributing child support incentive payments to counties during calendar year (CY) 2012 and CY 2013 to address the reduction in state funds and the federal matching funds. DCF was required to submit the plan to the Joint Committee on Finance by August 31, 2011. The Committee approved the plan on November 10, 2011.

Under the plan, a maximum allocation for each county child support agency that may be earned is based on that county agency's share of the overall state child support caseload. The amount of funding earned from this maximum allocation is based on five performance measures: (a) court order establishment rate; (b) paternity establishment rate; (c) current support collection rate; (d) arrears cases with collections rate; and (e) paternity and court order rate per full-time employee. No county will receive less than an 18% reduction, and no county will receive more than a 26% reduction from the 2011 allocation. Any excess, undistributed funds will be distributed to all counties at an additional estimated 9.4% of their earned allocation.

In addition to the federal child support incentive payments, the plan will allocate $5,666,700 GPR annually, along with federal matching funds, in CY 2012 and CY 2013. In CY 2012, the entire amount of $4,250,000 GPR budgeted in state fiscal year (SFY) 2011-12 plus one-third of the $4,250,000 GPR ($1,416,700 GPR) budgeted in SFY 2012-13 will be allocated. In CY 2013, the remaining two-thirds of the $4,250,000 GPR ($2,833,300 GPR) budgeted in SFY 2012-13 plus two-thirds of the $4,250,000 GPR ($2,833,300 GPR) assumed to be budgeted in 2013-14 will be allocated. Beginning with CY 2014, $4,250,000 GPR annually will be allocated to county child support agencies.

A total of $13.64 million was received in federal child support incentive payments in federal fiscal year 2010 for distribution in calendar year 2012. Under the formula established in Act 33, $12.34 million plus 30% of the amount in excess of $12.34 million was allocated to the counties. Therefore, a total of $12.73 million in incentive payments was allocated to the counties in calendar year 2012. Under the formula, DCF retained 70% of the amount of federal incentive payments in excess of $12.34 million. Therefore, DCF retained $0.91 million in federal incentive payments in calendar year 2012.

In addition, $5.67 million GPR plus $11.00 million in federal matching funds was allocated to county child support agencies in CY 2012. As a result, counties were allocated a total of $29.35 million in federal child support incentive payments, GPR, and federal matching funds in CY 2012. Counties were allocated a total of $37.82 million in CY 2011. Counties must use the funds only to pay the costs of their child support programs.

Incentive Payments for Identification of MA-Covered Children

Provisions of 2009 Act 28 established an incentive program for local child support agencies to identify children who are receiving medical assistance benefits, yet already have other health insurance coverage or have access to other health insurance coverage. Act 28 appropriated $300,000 GPR annually and federal matching funds of $582,400 annually for this incentive program based on an estimate of $100 per child identified for 3,000 children.

These funds are prorated across all county child support agencies based on the number of children for which each agency has added new private health insurance coverage for children

receiving Medicaid or BadgerCare for the period from October 1, 2010, through September 30, 2011. During this time period, 5,437 children receiving benefits under Medicaid enrolled in private health care. Therefore, the incentive payment amounts to approximately $55 per child.

Potential Custodial Parent Fees for Child Support Enforcement Services

Parents who receive cash benefits under the W-2, kinship care, or SSI caretaker supplement programs automatically receive child support services at no cost. Fees for parents who do not receive public assistance and other potential fees are charged as follows:

a. Annual fee. An annual $25 fee is charged to the custodial parent on each case receiving $500 or more in support if the parent never received public assistance. The Federal Deficit Reduction Act of 2005 requires an annual fee of $25 for each case in which an individual has never received TANF assistance and for whom the state has collected at least $500 of child support. 2007 Act 20 authorized the fee to be charged to the custodial parent. The fee is taken out of the support payment before the payment is sent to the custodial parent.

b. State and Federal Tax Intercept Fees. A fee is charged to the custodial parent for each federal or state tax intercept, when the intercepted amount to be paid to the applicant is at least $10. The fee is 10% of intercepted amounts, with a maximum of $25. The fee is deducted from the refund before payment is made to the custodial parent.

c. *Other potential fees.* Other fees may be charged for requesting the location of the noncustodial parent ($25 if that is the only service requested of the child support agency), by other states for interstate case enforcement (fee varies by state), for certain child support debit card transactions, for genetic testing done at a child support agency (maximum fee of $60, but no fee is charged to the man if the test shows he is not the father), and if the child support agency files a motion to modify child support at the custodial parent's request ($30 filing fee if required by the court).

Local Revenues

In addition to federal reimbursement and incentive payments, many counties support a portion of their child support enforcement costs with local revenues. According to DCF, the counties spent an estimated total of $85.1 million on child support enforcement activities in calendar year 2011. While the majority of these expenditures were covered by federal payments, all counties provided a total of approximately $15.0 million in county funds to support the operation of their child support enforcement programs in 2011.

Attachment 2 details the total costs of child support enforcement and total reimbursement and incentive payments by county for 2011. The data are based on the county in which the court order for support was entered, rather than on the residency of the obligor or the child. Attachment 3 shows total child support collections and total child support enforcement costs by county for FFY 2011 (the administrative costs are shown for calendar year 2011). It should be noted that only a portion of the federal incentive payments allocated to counties was expended in CY 2011. Due to the reduction in child support enforcement funding, counties were given an option to carry over some of the federal incentive payments from CY 2011 to CY 2012 to help partially offset the reduction in funding.

Fees for State Services

All child support payments collected from the noncustodial parent by the state and counties for non-TANF recipients are paid to the person to whom the money is owed. However, if DCF has

contracted with, or employed, a collection agency, attorney, or other person to enforce a child support obligation of a delinquent parent, DCF may defray the administrative costs by: (a) charging a fee to counties; (b) using federal matching funds or federal incentive payments retained by DCF; or (c) using up to 30% of the state's share of a collection made on behalf of a recipient of kinship care payments under such agreements. In addition, DCF may charge other states and counties for administrative costs related to interstate child support collections, the federal parent locator service, the interception of unemployment compensation, or the intercept of state and federal income tax refunds.

Centralized Receipt and Disbursement

Under state law prior to January 4, 1999, the county clerk of court or a support-collection designee collected and disbursed support payments. A $25 annual fee was collected from each support obligor for this service. However, the 1996 federal welfare reform legislation required state child support agencies to operate a centralized, automated unit for collection and disbursement of payments on child support orders enforced by the agency and payments on orders issued after December 31, 1993, which are not enforced by the state but for which income is subject to withholding. The disbursement unit generally must distribute all amounts within two business days after receipt.

Wisconsin's statewide, automated system for the receipt and disbursement of child support, maintenance (alimony), health care expenses, birth expenses, and other support-related expenses commenced operations on January 4, 1999. The system is funded from a $65 annual receipt and disbursement fee ($35 prior to January 1, 2008) charged by DCF to support obligors (the same fee that previously was charged by the clerks of court or support collection designees), from interest on balances in the support collections trust fund, unclaimed child support, GPR, federal incentive funds, and federal matching funds.

Under the centralized receipt and disbursement (CR&D) function, a vendor receives all child support payments from employers and individuals and passes a file to the state. The state interfaces the information into the statewide Kids Information Data System (described below) and payment amounts are determined. Child support is distributed to the appropriate payees through one of the following means: (a) printed and distributed checks; (b) deposited funds into a direct deposit account; or (c) deposited funds into a debit card account. Most custodial parents receive child support through an electronic form of payment. As of December, 2011, only 2,046 custodial parents received a check, while 134,948 had a direct deposit account, and 144,784 had a debit card account.

Beginning January 1, 2000, state provisions regarding income withholding and assignment of support and the assignment of arrearages also applied to the CR&D fee.

Contract costs for the CR&D system were estimated at $5.4 million in 2012-13 under 2011 Wisconsin Act 32. Funding for CR&D activities is included in the child support state operations budget, discussed in more detail below.

Kids Information Data System

Federal law requires each state to have a certified statewide automated child support system. The systems were required to be operational by October 1, 1997. The Kids Information Data System (KIDS) was developed in Wisconsin to re-

place the previous automated system, which did not meet the federal requirements. From January, 1993, to June, 2004, the state contracted with IBM Global to develop the system in Wisconsin.

The 1996 PRWORA legislation also imposed a number of new requirements on states relating to child support enforcement, which necessitated changes to the KIDS system. The federal government has certified the KIDS system as the statewide automated child support system. State operation of the system is generally funded at the FFP rate of 66%.

Funding for the KIDS system is included in the child support state operations budget, discussed in more detail below.

Child Support State Operations

The child support state operations budget includes funding for the CR&D system, the KIDS system, and state staff. The child support state operations budget for the 2012-13 state fiscal year is $34.5 million ($1.2 million in carryover funds from 2011-12, $4.4 million GPR, $13.9 million FED, $9.6 million in CR&D fees, $0.1 million in unclaimed support, $0.1 million in interest earnings from the child support collections trust fund, $2.2 million in annual fees charged to the custodial parent, and $3.0 million in other revenue, such as tax intercepts and unemployment insurance intercepts).

Budgeted expenditures for child support state operations in 2012-13 total: $8.9 million for system maintenance and contracts; $6.5 million for DCF Bureau of Information Technology Services' costs; $4.4 million for DCF Bureau of Child Support staff; $5.8 million for the use of the Department of Administration's mainframe computer and related costs; and $8.9 million for centralized mailings, supplies and services, debt write-offs, and federal matching funds for other state agencies.

The unclaimed support component is a revenue source made possible by provisions included in 2001 Wisconsin Act 16. Prior to enactment of Act 16, unclaimed child support dollars were subject to the state's unclaimed property laws and were deposited to the school fund.

ATTACHMENT 1

Total Child Support Collections Per Dollar of Total Administrative Expenditures
Federal Fiscal Years 2003 through 2010

State	2003	2004	2005	2006	2007	2008	2009	2010
Alabama	$3.78	$3.95	$4.26	$4.38	$4.54	$4.92	$4.27	$4.28
Alaska	4.24	4.50	4.54	4.27	4.41	4.75	4.50	4.11
Arizona	4.47	4.42	4.73	4.35	4.27	4.40	4.97	5.84
Arkansas	3.12	3.88	3.68	4.08	4.07	4.63	4.60	3.68
California	2.31	2.12	2.15	2.03	2.01	1.96	2.10	2.38
Colorado	3.22	3.55	3.68	3.94	4.12	4.25	4.56	4.19
Connecticut	4.04	3.20	3.68	3.74	3.47	3.83	3.62	3.71
Delaware	3.03	3.01	3.10	2.70	3.14	3.09	2.78	3.22
District of Columbia	2.09	3.14	2.45	2.55	2.42	2.76	2.02	2.10
Florida	4.39	4.50	4.80	4.60	4.80	4.42	4.85	5.12
Georgia	4.47	4.67	5.20	6.18	5.43	6.59	7.22	6.58
Guam	2.10	2.26	2.11	1.78	2.21	3.26	2.87	2.66
Hawaii	5.08	8.70	4.39	5.00	5.40	5.20	4.72	4.36
Idaho	5.70	5.94	5.58	5.35	5.39	5.96	4.85	6.03
Illinois	2.64	3.22	3.68	3.84	4.26	4.53	4.65	4.56
Indiana	7.91	7.04	8.53	8.92	9.93	6.58	7.73	7.43
Iowa	5.52	5.59	5.80	5.79	5.75	5.38	5.61	6.02
Kansas	3.12	3.15	3.39	3.38	3.60	3.55	3.44	3.41
Kentucky	4.88	5.95	5.95	6.16	6.36	6.73	7.51	6.84
Louisiana	5.11	5.04	4.71	4.58	4.66	4.77	4.66	4.69
Maine	4.99	4.35	4.27	4.16	4.53	4.22	3.85	3.80
Maryland	4.53	4.57	4.88	5.20	4.35	4.44	4.80	3.58
Massachusetts	5.46	4.88	5.93	5.59	6.81	7.03	7.04	4.87
Michigan	4.79	5.42	6.70	5.29	6.38	6.06	5.89	6.55
Minnesota	4.05	4.10	4.22	4.05	4.01	3.92	3.72	3.70
Mississippi	7.50	7.96	8.53	9.45	8.28	8.41	8.74	5.74
Missouri	4.95	5.40	5.41	5.58	6.27	6.77	6.28	6.71
Montana	3.63	3.94	4.02	4.19	4.12	4.94	4.36	4.31
Nebraska	3.22	3.63	3.57	3.78	4.22	4.43	4.83	4.84
Nevada	3.12	3.31	2.98	3.34	3.51	3.49	3.88	2.92
New Hampshire	4.72	5.27	4.75	4.70	4.35	4.57	4.53	4.18
New Jersey	5.06	4.89	4.74	4.56	4.59	4.20	3.85	4.37
New Mexico	1.57	1.87	2.10	2.36	2.07	2.70	2.03	2.54
New York	5.00	4.31	4.79	4.75	4.62	5.10	4.67	4.69
North Carolina	4.99	5.01	5.10	4.97	5.23	5.39	5.21	5.36
North Dakota	5.10	5.37	6.03	5.86	5.59	5.81	5.86	5.61
Ohio	4.91	5.46	5.66	6.29	6.70	6.79	4.95	6.54
Oklahoma	3.12	3.64	3.79	3.99	4.00	4.36	4.13	4.03
Oregon	5.93	6.17	5.93	5.86	5.98	6.01	5.46	5.29
Pennsylvania	6.80	7.01	6.39	6.45	6.58	6.71	5.98	5.68
Puerto Rico	5.67	7.88	6.01	5.43	7.03	6.72	8.02	10.23
Rhode Island	4.63	5.01	6.45	4.70	6.53	6.76	7.87	3.31
South Carolina	6.32	7.00	7.07	7.40	6.83	5.61	4.83	4.80
South Dakota	7.80	7.49	7.76	8.23	9.09	10.27	9.15	11.34
Tennessee	5.47	5.16	5.44	6.08	6.11	6.09	7.51	6.68
Texas	5.63	5.95	6.81	7.52	8.29	9.42	9.80	8.80
Utah	4.13	4.08	4.03	4.28	3.97	4.11	3.96	4.21
Vermont	3.78	4.22	3.91	3.80	3.47	3.77	3.51	3.37
Virgin Islands	1.84	1.83	2.11	2.13	2.22	2.31	1.90	1.42
Virginia	6.52	6.33	6.52	6.58	7.01	7.25	7.16	6.83
Washington	4.54	4.52	4.74	4.41	4.60	4.15	4.61	4.43
West Virginia	4.54	4.42	4.90	5.00	5.22	5.17	4.93	5.03
WISCONSIN	5.95	5.91	5.41	5.79	5.65	6.65	6.82	5.81
Wyoming	5.57	5.16	6.25	6.29	5.77	5.36	6.81	12.54
U.S. Ratio	$4.33	$4.38	$4.58	$4.58	$4.73	$4.80	$4.78	$4.88

Source: U.S. Department of Health and Human Services, Office of Child Support Enforcement

ATTACHMENT 2

Total Child Support Enforcement Costs, Reimbursement Payments, and Incentive Payments by County
Calendar Year 2011

County	Child Support Enforcement Costs	Federal Reimbursements			State GPR	Net County Contribution***
		Matching Funds	Incentive Payment*	Medical Incentive		
Adams	$313,315	$177,593	$42,337	$6,105	$30,404	$56,876
Ashland	539,984	323,966	44,895	13,309	32,757	125,057
Barron	697,725	387,113	106,349	24,202	76,871	103,190
Bayfield	245,728	144,063	25,856	4,302	18,815	52,692
Brown	2,729,409	1,466,617	499,419	122,410	355,437	285,526
Buffalo	194,112	114,845	19,023	1,389	13,581	45,274
Burnett	380,360	224,253	38,300	10,230	26,577	81,000
Calumet	802,082	524,543	2,609	12,578	36,810	225,542
Chippewa	717,709	468,118	6,061	42,100	80,885	120,545
Clark	501,417	299,153	44,881	17,888	31,773	107,722
Columbia	960,807	628,959	3,546	16,675	67,247	244,380
Crawford	300,963	176,382	31,907	8,637	22,619	61,418
Dane	6,519,134	4,290,106	-2,926	198,275	572,765	1,460,914
Dodge	1,324,348	773,177	146,662	43,425	103,667	257,417
Door	511,504	307,721	41,947	7,915	29,952	123,969
Douglas	1,140,005	669,701	121,041	33,685	85,871	229,707
Dunn	682,948	446,364	2,582	25,296	54,949	153,757
Eau Claire	1,306,187	735,556	185,227	54,343	132,834	198,227
Florence	126,632	88,010	211	336	5,634	32,441
Fond du Lac	1,305,888	738,500	180,941	47,914	127,997	210,536
Forest	302,158	180,111	27,572	7,207	19,909	67,359
Grant	630,983	408,745	7,597	18,453	49,408	146,780
Green	420,721	237,895	54,234	18,668	39,771	70,153
Green Lake	267,787	153,921	32,914	6,388	22,803	51,761
Iowa	165,929	107,762	1,625	11,154	22,218	23,170
Iron	106,065	63,033	9,838	0	7,177	26,017
Jackson	536,684	318,131	47,243	7,977	34,188	129,145
Jefferson	1,166,906	666,754	150,462	24,691	102,190	222,809
Juneau	603,291	348,363	66,579	15,442	46,936	125,971
Kenosha	4,870,508	3,191,365	10,141	99,844	326,663	1,242,495
Kewaunee	318,331	192,121	25,147	3,836	18,072	79,155
La Crosse	980,885	525,159	199,423	63,637	146,242	46,424
Lafayette	122,561	65,984	21,876	2,485	16,043	16,173
Langlade	370,809	204,767	58,272	12,683	42,042	53,045
Lincoln	278,500	181,743	1,481	13,677	41,675	39,924
Manitowoc	1,103,127	721,395	5,539	42,524	100,514	233,155
Marathon	1,724,303	973,674	230,122	72,124	163,811	284,572
Marinette	666,810	373,147	96,509	27,965	66,295	102,894
Marquette	221,587	128,667	25,116	4,216	18,418	45,170
Milwaukee**	19,098,916	11,021,108	2,355,232	699,047	2,535,406	2,488,123

ATTACHMENT 2 (continued)

Total Child Support Enforcement Costs, Reimbursement Payments, and Incentive Payments by County
Calendar Year 2011

County	Child Support Enforcement Costs	Federal Reimbursements			State GPR	Net County Contribution***
		Matching Funds	Incentive Payment*	Medical Incentive		
Monroe	$517,563	$272,399	$99,805	$22,755	$70,483	$52,121
Oconto	462,065	256,538	70,584	14,968	50,709	69,266
Oneida	628,128	411,041	2,052	19,380	49,753	145,902
Outagamie	2,555,393	1,671,513	6,565	109,892	199,782	567,641
Ozaukee	590,725	335,796	78,398	16,414	55,467	104,650
Pepin	106,748	63,623	9,719	2,283	7,127	23,996
Pierce	482,057	314,203	2,828	5,952	31,814	127,260
Polk	575,143	337,201	60,382	1,390	43,667	132,503
Portage	924,026	537,604	104,523	29,548	74,080	178,271
Price	336,617	204,922	23,989	8,878	17,115	81,713
Racine	3,240,874	1,706,603	648,082	129,548	469,865	286,776
Richland	216,446	138,889	1,833	530	23,283	51,911
Rock	3,547,034	2,051,788	433,599	56,256	310,873	694,518
Rusk	275,905	155,391	38,689	12,843	27,826	41,156
St. Croix	836,352	481,106	102,709	13,716	73,460	165,361
Sauk	938,344	616,430	-433	45,757	84,761	191,829
Sawyer	444,336	257,700	51,418	5,964	37,454	91,800
Shawano	428,922	238,947	64,498	3,620	46,207	75,650
Sheboygan	1,329,813	742,560	191,120	56,693	135,013	204,427
Taylor	289,328	166,477	35,296	11,966	24,930	50,659
Trempealeau	565,848	336,831	51,417	7,519	34,552	135,529
Vernon	173,392	86,499	39,591	5,586	27,134	14,582
Vilas	332,966	200,215	27,526	8,026	19,350	77,849
Walworth	1,407,280	921,412	4,746	63,386	121,619	296,117
Washburn	252,331	165,134	654	9,641	28,236	48,666
Washington	1,288,669	755,058	138,111	40,071	97,259	258,170
Waukesha	3,816,229	2,280,599	333,077	99,104	237,761	865,688
Waupaca	522,229	282,262	92,211	19,362	65,275	63,119
Waushara	293,063	190,960	2,088	32,055	33,540	34,420
Winnebago	1,524,870	802,733	300,936	77,403	216,454	127,344
Wood	903,252	490,581	154,565	57,096	109,307	91,703
Totals	$85,063,066	$50,521,600	$8,138,368	$2,830,634	$8,551,382	$15,021,082

* Federal incentive payments include one-time incentive payments for medical support.

** State GPR includes a GPR medical support payment.

*** Medical incentive payments are not subject to the local spending restrictions that govern federal child support incentive payments. Counties may spend medical incentive dollars on any costs; they are not required to reinvest the monies in child support enforcement activities. Without the offset from medical incentive payments, counties contributed $17.9 million in 2011.

ATTACHMENT 3

Child Support Collections and Costs by County*
Federal Fiscal Year 2011

County	Child Support Collections			Child Support Enforcement Costs**
	TANF Cases	Non-TANF Cases	Total	
Adams	$524,204	$1,688,229	$2,212,433	$313,315
Ashland	611,005	2,073,261	2,684,265	539,984
Barron	1,258,193	4,367,359	5,625,551	697,725
Bayfield	333,010	1,276,342	1,609,352	245,728
Brown	4,194,034	19,901,409	24,095,442	2,729,409
Buffalo	195,788	1,220,048	1,415,836	194,112
Burnett	516,652	2,015,584	2,532,236	380,360
Calumet	656,987	4,073,989	4,730,977	802,082
Chippewa	1,446,416	5,807,128	7,253,545	717,709
Clark	616,943	2,595,462	3,212,405	501,417
Columbia	859,692	4,468,783	5,328,475	960,807
Crawford	394,028	1,539,588	1,933,616	300,963
Dane	10,132,980	33,143,945	43,276,925	6,519,134
Dodge	1,820,393	8,334,034	10,154,426	1,324,348
Door	605,323	2,217,084	2,822,406	511,504
Douglas	1,915,265	4,753,914	6,669,179	1,140,005
Dunn	990,648	3,142,525	4,133,173	682,948
Eau Claire	2,464,930	8,316,183	10,781,113	1,306,187
Florence	94,385	438,156	532,542	126,632
Fond Du Lac	2,270,876	10,510,940	12,781,816	1,305,888
Forest	304,692	965,998	1,270,690	302,158
Grant	708,920	4,015,353	4,724,273	630,983
Green	711,215	2,942,805	3,654,020	420,721
Green Lake	371,375	2,198,963	2,570,338	267,787
Iowa	336,051	2,042,188	2,378,239	165,929
Iron	107,937	398,223	506,160	106,065
Jackson	606,479	2,165,202	2,771,681	536,684
Jefferson	1,412,446	8,821,674	10,234,119	1,166,906
Juneau	746,692	3,081,707	3,828,398	603,291
Kenosha	6,624,632	14,778,691	21,403,324	4,870,508
Kewaunee	222,693	1,459,877	1,682,570	318,331
La Crosse	2,957,915	8,802,112	11,760,028	980,885
Lafayette	274,132	1,319,810	1,593,942	122,561
Langlade	714,044	2,039,948	2,753,991	370,809
Lincoln	743,967	2,738,932	3,482,898	278,500
Manitowoc	1,724,482	8,548,560	10,273,043	1,103,127
Marathon	2,671,294	10,640,577	13,311,871	1,724,303
Marinette	865,579	5,150,157	6,015,736	666,810
Marquette	259,648	1,500,892	1,760,540	221,587
Milwaukee	58,344,866	54,808,701	113,153,566	19,098,916
Monroe	1,274,213	4,800,018	6,074,231	517,563
Oconto	417,546	3,321,343	3,738,890	462,065
Oneida	964,203	3,145,624	4,109,827	628,128
Outagamie	3,925,239	17,362,962	21,288,201	2,555,393
Ozaukee	932,932	6,367,036	7,299,967	590,725

ATTACHMENT 3 (continued)

Child Support Collections and Costs by County*
Federal Fiscal Year 2011

County	Child Support Collections			Child Support Enforcement Costs**
	TANF Cases	Non-TANF Cases	Total	
Pepin	$99,474	$661,752	$761,226	$106,748
Pierce	468,618	2,874,201	3,342,819	482,057
Polk	777,328	3,215,606	3,992,934	575,143
Portage	1,354,688	5,718,046	7,072,734	924,026
Price	336,884	1,256,461	1,593,345	336,617
Racine	8,649,763	22,505,967	31,155,731	3,240,874
Richland	324,000	1,526,163	1,850,163	216,446
Rock	6,062,099	13,982,489	20,044,588	3,547,034
Rusk	500,121	1,412,810	1,912,931	275,905
Saint Croix	1,087,693	6,950,154	8,037,847	836,352
Sauk	1,147,916	6,967,557	8,115,473	938,344
Sawyer	650,435	1,799,362	2,449,797	444,336
Shawano	995,724	3,752,871	4,748,596	428,922
Sheboygan	2,508,620	10,699,285	13,207,906	1,329,813
Taylor	390,431	1,667,943	2,058,373	289,328
Trempealeau	620,856	2,978,803	3,599,659	565,848
Vernon	413,262	1,984,087	2,397,349	173,392
Vilas	318,035	1,261,016	1,579,051	332,966
Walworth	2,106,698	10,409,765	12,516,463	1,407,280
Washburn	428,349	1,359,048	1,787,397	252,331
Washington	2,026,678	9,370,675	11,397,354	1,288,669
Waukesha	4,402,205	18,545,639	22,947,844	3,816,229
Waupaca	1,141,583	5,363,738	6,505,321	522,229
Waushara	581,787	2,828,667	3,410,454	293,063
Winnebago	3,192,573	13,538,319	16,730,892	1,524,870
Wood	2,626,344	8,143,597	10,769,941	903,252
Totals	$163,337,106	$456,075,337	$619,412,443	$85,063,066

*Does not include amounts paid to families who do not use county child support enforcement services.
** Costs are for calendar year 2011.

Source: Department of Children and Families

APPENDIX

Licenses and Credentials Subject to Suspension Requirements for Failure to Pay Support or Comply with a Warrant or Subpoena

The following licenses and credentials are subject to suspension for failure to pay support or comply with a warrant or subpoena:

a. A license to act as a lobbyist or a registration issued to a principal for the purpose of lobbying.

b. An approval of a fish, game, or captive wildlife license by the Department of Natural Resources (DNR).

c. A license issued by DCF for a child welfare agency, group home, shelter care facility, child care center, foster home, or a county department of human/social services; or issued by the Department of Corrections for a secured residential care center operated by a child welfare agency.

d. A certification, license, training permit, registration, approval, or certificate issued to medical assistance providers, ambulance service providers, emergency medical technicians, operators of defibrillators, first responders, tattooists, body piercers, individuals who perform or supervise lead hazard reduction or lead management activities, lead training instructors, individuals performing asbestos abatement or management activities, individuals performing food protection activities, and persons who operate campgrounds, swimming pools, camping resorts, recreational and educational camps, hotels, other lodging establishments, restaurants, vending machines, or tanning facilities.

e. A business tax registration certificate issued by the Department of Revenue.

f. Specified licenses, registrations, registration certificates, or certifications issued by the Department of Agriculture, Trade, and Consumer Protection.

g. Specified licenses, permits, or certificates of certification or registration issued by the Department of Safety and Professional Services regarding the regulation of industry, buildings, and safety.

h. A license issued by DWD for: appearing on behalf of an individual in a worker's compensation hearing; employers of persons unable to earn the living wage in sheltered workshops and other settings; and employment agents.

i. A certificate issued by DWD to an employer in a house-to-house street trade, an employer of traveling sales crew workers, a migrant labor contractor, or an operator of a migrant labor camp.

j. A license or permit issued under state provisions relating to general school operations.

k. A license or certificate of registration issued by the Department of Financial Institutions under provisions relating to precomputed loans; insurance premium finance companies; payday loans; sellers of checks; motor vehicle dealers, salespersons, and sales finance companies; adjustment service companies; collection agencies; community currency exchanges; mortgage bankers, brokers, and loan originators; nondepository lenders; and securities broker-dealers, agents, or investment advisors.

l. A permit issued by the Board of Commissioners of Public Lands to raise and remove sunken logs from submerged land owned by the state.

m. A certification by the Law Enforcement

Standards Board for a law enforcement, tribal law enforcement, jail, or secure detention officer.

n. A license, permit, or registration issued by the Department of Transportation under provisions relating to motor vehicle manufacturers, distributors, dealers, transporters, and salespersons; recreational vehicle dealers and salespersons; motor vehicle salvage dealers and buyers; motor vehicle auction dealers; moped dealers; analysis of blood and urine tests; and driving schools and instructors.

o. Specified licenses, registrations, or certifications issued by DNR relating to well drilling and pump installing, water quality, servicing of septic tanks, solid waste disposal and incineration, and transporting hazardous waste or medical waste.

p. A motor vehicle operator's license or, with respect to restriction, limitation or suspension, an individual's operating privilege.

q. A credential, which means a license, permit, certificate or registration that is granted by the Department of Safety and Professional Services or under state law relating to the regulation of nursing, accounting, architects, geologists, hydrologists, soil scientists, engineers, surveyors, boxing and mixed martial arts, funeral directors, chiropractors, dentistry, medical practices, optometry, pharmacy, acupuncture, real estate practice and appraisal, veterinary services, barbering, cosmetology, psychology, massage therapy, nursing home administration, social work and counseling, hearing and speech specialists, radiographers and limited x-ray machine operators, professional employer organizations, and auctioneers.

r. A bingo supplier's license or a license issued under provisions relating to racing and pari-mutuel wagering.

s. A license issued under provisions relating to insurance agents, life settlement providers and brokers, and administrators of employee benefit plans; or a temporary license issued to an insurance marketing intermediary.

t. A license to practice law.

u. A fishing approval issued by the Lac du Flambeau band of the Lake Superior Chippewa (subject to cooperation with the Lac du Flambeau).