



March 16, 2000

MEMORANDUM

TO: CPMT Chairs

FROM: Alan Saunders

RE: Sliding Fee Scale

During the February 2000 State Executive Council (SEC) meeting, the Standard Sliding Fee Scale workgroup presented their initial recommendations. This workgroup was organized by the SEC to respond to language in HB 2075 (1999) regarding the establishment of a standard sliding fee scale for assessing the ability of a parent or legal guardian to financially contribute to the cost of CSA services. Below is a briefing paper summarizing the initial recommendations of the workgroup. Essentially, this briefing paper is to inform you about the role child support enforcement (CSE) plays in cases funded through the Comprehensive Services Act (CSA) programs. The paper explains the difference between child support and parental co-payments, how child support services are accessed, the relationship between CSE and CSA, and how collections are disbursed to local governments.

Difference Between Child Support and Parental Co-Payments

The difference between child support and parental co-payment is significant. Child support is money paid to raise a child. Parental co-payment is money paid to reimburse an agency for a portion of the cost of the delivery of a service. None of the factors used to develop the child support guideline include a service cost.

Child support is a financial responsibility both parents have to their children. Whether parents are living together or are separated, a child is entitled to financial support from both parents. It is a legal responsibility. The amount of child support paid by absent parents is not based on the child's needs. It is calculated following the Virginia Child Support Guideline. This guideline is based on an "Income Shares Model." The basic premise of this model is that the income of both parents should be considered in determining the amount of the child support. The expectation is that the same proportion of parental income should be expended for the child as would have been expended had the child been living in the household. In an intact household, the income of both parents is pooled for the support of all the family members. Whether parents are living together or are separated, the child is entitled to that share.

Virginia child support laws codify the parents' duty to care for children to the best of their resources. Each parent's share of child support is determined by considering the combined adjusted income of both parents, with allowable deductions, and the proportional responsibility of each parent.

How Child Support Services are Accessed

Local social service agencies must refer all foster care cases to the Division of Child Support Enforcement (DCSE) for the establishment and enforcement of child support orders. This is consistent with existing policy

regarding the referral of parents to DCSE. See Department of Social Service's Family Services Manual, Chapter B, Foster Care, Section 5.6, Referral for Collection of Child Support; section 2.3.1.6, Requirements for Foster Care Prevention/Out of home placements; and section 3.4.4.1, the noncustodial foster care agreement.

When there are no federal or state laws prohibiting assessment of a fee, family assessment and planning teams (FAPT) must refer parents of non-foster care mandated and non-mandated out-of-home placements, including Department of Juvenile Justice cases, to the DCSE for the establishment and enforcement of child support orders. This is consistent with existing DCSE policy.

It might be helpful for you to know the functions performed by DCSE. DCSE locates absent parents, establishes child support orders and health care orders, enforces those orders, collects support payments, and distributes and disburses those payments.

Federal and state laws mandate that Temporary Assistance for Needy Families (TANF) cases and Title IV-E cases are to be referred for child support services. These referrals are made through an automated interface between the child support automated system known as APECS and the social services benefits automated system known as ADAPT. When the TANF and IV-E case closes, the child support case is not closed. Federal law requires that services to these cases continue until the parties ask that the case be closed.

The Relationship Between Child Support and Comprehensive Services

The 1995 General Assembly amended the Comprehensive Services Act to allow local governments to ask the parents of the children receiving services to contribute towards the cost of service, unless otherwise prohibited by law or regulation. The 1999 General Assembly further directed the community policy and management team (CPMT) and the FAPT to utilize a standard sliding fee scale based upon ability to pay. A Sliding Fee Scale Workgroup was put together to recommend how this requirement might be met.

The workgroup had two recommendations. The first was that the parents of children in out-of-home placements not be charged a payment for services in addition to the child support order. Instead, for out-of-home care, the workgroup recommended more effective implementation of existing state law and policy requiring referral of such cases to the Division of Child Support Enforcement (DCSE). The noncustodial parents of children in out-of-home care are to be referred to the DCSE for the collection of child support. An addition payment for services coupled to the payment of child support may be considered in the future, but the workgroup recommended that both not be collected at this time.

The second recommendation was that the parents of children in IN-HOME CARE be charged a standard parental co-payment based both on the ability of each parent to pay and the cost of the service. Parents and legal guardians of children receiving in-home care are expected to contribute financially to the cost of services. A sliding fee scale is being developed in-home care. Once developed and approved by the State Executive Council (SEC), each local government will be expected to develop policies to assess this fee. Until then, local governments are encouraged to assess a fee based on a locally developed scale. Some local jurisdictions have modified the child support scale and currently use it as the basis of a CSA fee.

How Child Support Collections are Disbursed

Once the DCSE has received collection from the absent parent, the funds are transferred monthly to each locality by Electronic Funds Transfer (EFT). This EFT is remitted monthly to each locality for whom the DCSE

processed collections. This EFT is sent to the city/county treasurer. The DCSE also provides reporting of these collections via the "STATE / LOCAL FOSTER CARE COLLECTIONS" report. This report, mailed monthly to each local department of social service with receipts, contains information pertaining to the DCSE collection such as Absent Parent Name, Case Number, Dependent Name (child) Amount collected and the Date Collected. DCSE has agreed to provide the Office of Comprehensive Services a copy of this report for use in verifying local expenditure refund amounts. These collections must be used to offset CSA service expenditures in accordance with social service and CSA policy. The total collection amount should be reported on the CSA Reimbursement Report in column b, (Expenditure Refunds This Period) and deducted from Gross Expenditures (Column a). Additionally, report the total DCSE collections on page 2 of the CSA reimbursement report as Code 40, Child Support Collections.

Additional Information Regarding Child Support Enforcement

Additionally, anyone else may apply for child support services. An application is necessary for non-public assistance parents. The application authorizes DCSE to act on behalf of the custodial parent. In nonIV-E cases, the local department of social services or another local agency who has custody of the child may apply for child support services. "Custodial parent" is defined by DCSE to be either the parent or the agency with custody of the child.