CALIFORNIA DEPARTMENT OF CHILD SUPPORT SERVICES
P.O. Box 419064, Rancho Cordova, CA 95741-9064

April 5, 2010

CSS LETTER: 10-10

ALL IV-D DIRECTORS
ALL COUNTY ADMINISTRATIVE OFFICERS
ALL BOARDS OF SUPERVISORS

Reason for this Transmittal
[ ] State Law or Regulation Change
[ ] Federal Law or Regulation Change
[ ] Court Order or Settlement Change
[ ] Clarification requested by One or More Counties
[X] Initiated by DCSS

SUBJECT: IV-D CASE CONSTRUCT AND DISREGARD PAYEE

This letter supersedes and repeals the following policy interpretation notices previously disseminated by the Department of Child Support Services (DCSS) as follows: 08-50 dated October 15, 2008, 08-53 dated October 15, 2008, 08-60 dated November 5, 2008, 08-64 dated November 21, 2008 and 08-70 dated December 23, 2008. These policy interpretation notices are attached for your convenience.

The purpose of this letter is to provide information to local child support agencies (LCSAs) regarding the current logic in the Child Support Enforcement (CSE) system in determining who should be designated as the custodial parent (CP) and who is entitled to the disregard payment when multiple IV-D cases are associated to a multiple-parent IV-A "assistance unit." An assistance unit is defined as an individual or group of related persons living in the same home who have been determined eligible for public assistance. The "disregard" is the amount of child support passed through to the CP receiving IV-A assistance. Pursuant to Family Code section 17504, the current disregard amount is $50.00. In repealing the above mentioned policy interpretation notices, DCSS is also providing revised policy direction to LCSAs on the above mentioned matter.

Previous IV-D Case Construct Policy - DCSS instructed LCSAs to set up IV-D cases as follows:

- In the minor mother/senior mother case scenario, the senior mother as the CP and the minor mother is the Parent Not a Case Participant (PNC).

- In the boyfriend/girlfriend case scenario, the girlfriend as the CP and the boyfriend is the PNC.

Clarified IV-D Case Construct Policy - In situations where a IV-D case is associated to a multiple-parent IV-A assistance unit, the designated CP will be as follows:

- In the minor mother/senior mother case scenario, the minor mother as the CP with her child as the dependent.

- In the boyfriend/girlfriend case scenario, the boyfriend as the CP with his child as the dependent.

The table below further illustrates the two IV-A case scenarios in which multiple IV-D cases are associated to a multiple-parent IV-A assistance unit and the current CSE logic in determining the CP for each dependent.

IV-A Case Scenario	Current CSE Logic (Case Construct)
Minor mother/senior mother case scenario: Senior mother is the primary IV-A applicant and minor mother and minor mother's child are on senior mother's IV-A grant. The participants of a IV-A referral are as follows: - Senior Mother (primary applicant) - Minor Mother (recipient of aid / DP 01) - Minor Mother's child (DP 02) - Father of minor mother - Father of minor mother's child	When creating service requests, CSE's current system logic uses legal guardian information received from IV-A to determine the CP for each dependent in the assistance unit to create the following two IV-D cases: Case #1 CP - Senior Mother NCP – Father of Minor Mother DP – Minor Mother (DP 01) Case #2 CP – Minor Mother NCP – Father of Minor Mother's child DP – Minor Mother's child (DP 02)
Boyfriend/girlfriend case scenario: Girlfriend is the primary IV-A applicant and her current boyfriend, her child from another relationship, the boyfriend's child from another relationship and their (boyfriend and girlfriend's) child in common are all on the girlfriend's grant. The participants of a IV-A referral are as follows: - Girlfriend (primary applicant) - Boyfriend (recipient of aid) - Boyfriend & Girlfriend 's child in common (DP 03) - Girlfriend's child with former husband/boyfriend (DP 04) - Boyfriend's child with former wife/girlfriend (DP 05)	When creating service requests, CSE's current system logic uses legal guardian information received from IV-A to determine the CP for each dependent in the assistance unit to create the following three IV-D cases: Case #1 (if paternity has not been established) CP – Girlfriend NCP – Boyfriend DP – Child in common (DP 03) Case #2 CP – Girlfriend NCP – Former husband/boyfriend DP – Child in common (DP 04) Case #3 CP – Boyfriend NCP – Former wife/girlfriend DP – Child in common (DP 05)

Disregard

The DCSS has determined that the Welfare & Institution Code section 11475.3 does not require the disregard to be paid to the primary IV-A applicant.[1] The disregard is payable to a recipient of aid, therefore ***effective the date of this letter*** the disregard is payable to the CP shown on the IV-D case as this person is considered a recipient of aid and is entitled to the disregard payment.

Please note that the current procedure of paying only one disregard per assistance unit will remain in effect. In situations where multiple IV-D cases are associated to a multiple- parent assistance unit, the payee of the disregard will be based on the NCP who pays first during that month.

Previous IV-D Disregard Policy – Pursuant to FSD 98-20 DCSS instructed LCSAs to pay the disregard as follows:

- In the minor mother/senior mother case scenario, always pay the disregard to the senior mother.

- In the boyfriend/girlfriend case scenario, always pay the disregard to the girlfriend.

Clarified IV-D Disregard Policy - The disregard will be paid as follows:

- In the minor mother/senior mother case scenario, the minor mother is the recipient of the disregard, if the first payment in a month, up to $50, is made by the NCP (father of minor mother's child).

- In the boyfriend/girlfriend case scenario, the boyfriend is the recipient of the disregard if the first payment in a month, up to $50, is made by the NCP (boyfriend's former wife/girlfriend).

The table on the following page illustrates both the previous and revised policy regarding case construct and disregard.

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[1] Prior to September 2005, the IV-A agency was responsible for disbursing all IV-A disregards pursuant to Welfare & Institutions Code section 11475.3. As a result, all disregards were paid to the primary applicant on the IV-A case. With the advent of the SDU, DCSS assumed the role of distributing the IV-A disregard payments. In accordance with CSE design, all disregards are made payable to the CP on the IV-D case, who may or may not be the primary applicant on the IV-A case. As disregards are to be paid to the IV-A assistance unit, such distribution is appropriate.

IV-A Scenario	Previous IV-D Case Construct	Clarified IV-D Case Construct
Senior mother is the primary IV-A applicant Minor mother and minor mother's child are on senior mother's IV-A grant	CP - Senior Mother (IV-A applicant) and payee of disregard NCP-Father of Minor mother's child PNC- Minor Mother DP-Minor Mother's child	CP - Minor mother and payee of disregard (assuming the NCP in this case paid first) NCP-Father of Minor mother's child DP- Minor Mother's child
Girlfriend is the primary IV-A applicant Current boyfriend, her child from another relationship, the boyfriend's child from **another relationship** and their (boyfriend & girlfriend's) child in common are on girlfriend's grant	CP– Girlfriend (IV-A applicant) and payee of disregard NCP – Boyfriend's former wife/girlfriend PNC – Boyfriend DP – Boyfriend's child from previous wife/girlfriend	CP– Boyfriend and payee of disregard (assuming the NCP in this case paid first) NCP – Boyfriend's former wife/girlfriend DP- (Boyfriend and girlfriend's) Child in common

The LCSAs will **not** need to make any adjustment to the disregard paid to other recipients of aid prior to this change in policy due to the fact that the disregard was paid to a recipient of aid *in the same assistance unit*. The net effect to the unreimbursed assistance pool (UAP) is the same (UAP is reduced by disregard amount) regardless of which participant in that assistance unit received the disregard.

The DCSS recognizes that there is a need for data clean up related to the case construct issue. As a result, work is currently underway to develop an *ad hoc* clean up report to assist LCSAs in the identification of cases that need to be worked to conform to the new policy. DCSS anticipates the release of this *ad hoc* report shortly and will notify LCSAs via email when the report has been posted on CCSAS Central website. Preliminary instructions are attached.

While this change in policy creates additional workload for the LCSAs, DCSS views this policy change as a more effective approach to managing child support cases within existing CSE design.

If you have any questions or concerns regarding this matter, please contact
Michelle Tedrow for disregard issues and Cindi Pocoroba for case construct issues at
(916) 464-5883.

Sincerely,

BILL OTTERBECK
Deputy Director

Attachment A

April 5, 2010

CASE CONSTRUCT CLEAN UP REPORT INSTRUCTIONS

The clean up of cases with the incorrect case construct will generally consist of:

- Zeroing the balance and closing the IV-D case that has the incorrect participant as the custodial parent (CP) (i.e. senior mother or girlfriend).

- Cases will be closed using the user initiated closure functionality with a closure reason of "case opened in error," a 60-day closure notice is not required.

- A new IV-D case must be opened following federal case construct rules; the role of the CP will be assigned to the correct participant (i.e. minor mother or boyfriend).

- Account balances will need to be recreated based on the information in the closed case.

In situations where the new case is being opened mid-month and a portion of the current support payment for the month has already been posted to the incorrect case, the Central Financial Worker (CFW) will need to adjust the charging instructions to reflect the remaining balance of current support owed. ***The CFW must enter notes in the combined/activity log on the new case cross referencing the closed case and explain that the current support has been split between the two cases.*** Specify the amounts and how they were split and show the amounts are equal to the total obligation owed and paid for the month. These notes are to ensure there is an audit trail and reduce the chance of an audit finding due to the total support owed and paid in the month not being represented in the new case. All impacted cases need to be cleaned up in Federal Fiscal Year (FFY) 2009.

In addition, closing one case and opening another case for the same participants in the same FFY may result in duplicate case counts on Lines 18, 28, 29, 38, 43, 44, 45, 48, and 49 of the CS 1257/OCSE 157 as well as in the Case Universe File. Lines 28 and 29 are federally audited lines, and the Case Universe File is provided to the Office of Child Support Enforcement each FFY. There is a slight audit risk if these cases were selected as part of the federal audit. Therefore, after release of the clean up report, local child support agencies are advised to work these cases as soon as possible.