

JOINT FINANCE COMMITTEE HEARING FISCAL YEAR 2021 BUDGET



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DIVISION DIRECTOR

DIVISION OF CHILD SUPPORT SERVICES
Department of Health and Social Services
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Legislative Hall, Joint Finance Committee Hearing Room

Comments available online at <https://dhss.delaware.gov/dhss/pubs.html>

Good Afternoon Senator McDowell, Representative Johnson, members of the Joint Finance Committee and the public. I am Ted Mermigos, and I have had the pleasure of serving as Director of the Division of Child Support Services (DCSS) since April of 2015. Joining me today is Julie Shahan, the Division's Deputy Director and Heather Morton, our Division's Chief of Administration.

Thank you for the opportunity to speak with you today and present our accomplishments and Fiscal Year (FY) 2021 Governor's Recommended Budget.

DIVISION OVERVIEW

Collect, distribute, disburse and account for child support collections from non-custodial parents to families in Delaware and across the country

Locate
Non-
custodial
parents

Establish
paternity
for
children
born out-
of-wedlock

Establish
and modify
financial
and
medical
court
orders

Respond
to inquiries
from the
public,
state and
federal
partners



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At the Division of Child Support Services (DCSS) we are actively working 79,000 Child Support cases.

Our mission at the Division of Child Support Services (DCSS) is to deliver quality customer support by partnering with parents to improve the lives of children and their families. This is achieved through obtaining accurate child support orders to meet financial, medical and emotional needs to promote family self-sufficiency and the best outcome for children.

Each of our core functions listed above represents a discrete, yet interrelated process which must be completed to achieve success in securing financial support for families.

COLLECTIONS AND PAYMENTS

Source of Payments

Payment Types	FY 2017 %	FY 2018 %	FY 2019 %
Electronic	64%	65%	66%
Business Checks	27%	27%	27%
Personal Payment	6%	5%	5%
Other	3%	3%	2%
Total:	100%	100%	100%



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It would not be a presentation from DCSS if we did not share the annual amount of collections sent to custodial parents. In FY 19, we collected \$87 million dollars; this was the first increase in collections since FY 14. In FY 20, we are on pace to maintain a similar collection level.

At one time, all payments received by DCSS required the involvement of multiple people to ensure accurate accounting of funds received. Today, because of electronic payments, DCSS is able to process 66% of all payments without manual intervention.

We are continuously exploring new ways to provide easy, safe and reliable payment options.

ALTERNATE PAYMENT METHODS

SFY	iPayOnline Receipts			TouchPay Kiosks Receipts		
	Total Receipts	Total \$	Increase in count	Total Receipts	Total \$	Increase in count
2017	20,031	\$3,425,711	40%	981	\$224,377	332%
2018	24,295	\$4,169,163	21%	1,104	\$262,554	17%
2019	28,253	\$4,722,609	16%	1,202	\$253,455	9%

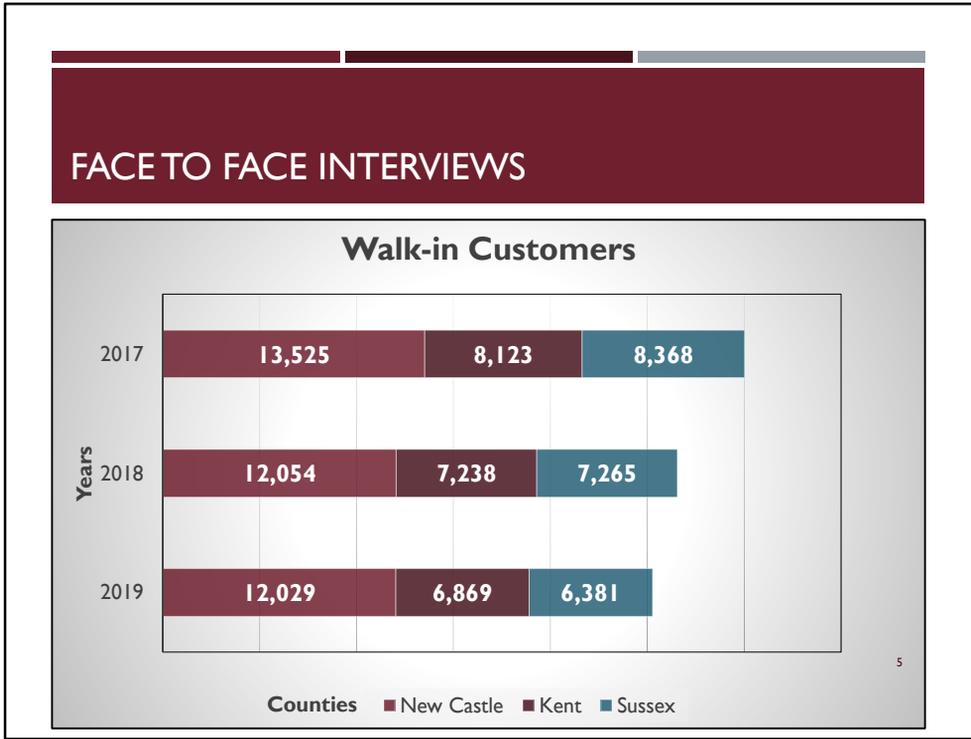


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Through increased automation, child support payments can be made via **iPayOnline** and through **TouchPay Kiosks** outside of the traditional method of check or money order.

iPayOnline is a website where individuals and employers can make a one-time or re-occurring payment to DCSS from bank accounts and debit cards at no cost. In November 2018, we expanded payment options to include credit cards. If paying by credit card, there is a convenience fee of 3% charged to the payor. The amount of payments through iPayOnline has steadily increased from the first year.

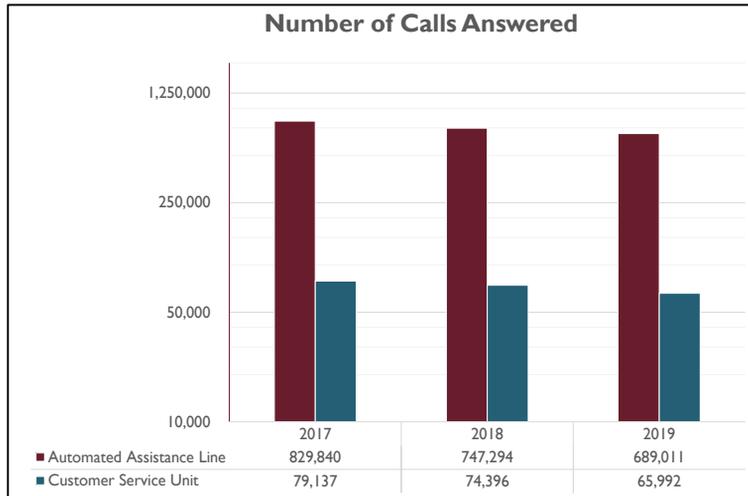
TouchPay Kiosks, which work much like ATM machines, are located at the Division of Motor Vehicles and Probation and Parole offices in all three counties. Receipts continue to increase, and from a program perspective, utilization of these advanced payment methods has been highly successful and continues to provide safe and secure payment options for our customers.



Over the past three years, DCSS has worked hard to become more customer service centered.

Statewide in 2019, 25,297 customers walked into a Child Support office for service.

CUSTOMER SERVICE UNIT CALLS



In 2019, DCSS's Customer Service Unit received approximately 690,000 calls to the Automated Assistance Line (AAL). The AAL is available 24 hours a day, 7 days a week, for individuals calling about case status and payment information. For complex questions beyond the AAL capabilities, Child Support Specialists are available Monday through Friday from 8:00 a.m. to 4:00 p.m.

Last year, DCSS Child Support Specialists answered approximately 66,000 telephone calls.

At DCSS, we consider the decrease in walk-in customers and telephone calls a positive sign that the Division is providing more comprehensive customer service.



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ACCOMPLISHMENTS

Increased Collections Through Legislation

House Bill 94- Insurance Match				
	State Fiscal Year 2018	Amount Collected 2018	State Fiscal Year 2019	Amount Collected 2019
July	27	\$24,290	43	\$19,840
August	25	\$45,181	43	\$110,925
September	29	\$19,099	53	\$27,212
October	33	\$31,499	43	\$16,125
November	25	\$40,009	35	\$32,020
December	30	\$47,685	35	\$74,068
Total	169	\$207,763	252	\$280,190



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On September 11, 2019, with the help of the General Assembly, House Bill 94 became effective. House Bill 94 requires insurance companies to report personal injury lawsuits and workers compensation claim data to a third party entity so DCSS can match and issue a lien for child support payments.

Since implementation, Delaware has experienced an increase in insurance matches. Delaware received 49% more insurance matches in comparison to the same six-month period the previous year. Much of this increase is attributed to the larger insurers, such as Farmers, GEICO, Progressive and State Farm, all expanding their participation in response to the legislation.

The graphic is titled "LOOKING AHEAD" in a dark red banner at the top. Below the banner, there are three distinct visual components. On the left is a graphic with a blue-to-green gradient background, showing a cluster of blue arrows pointing right that transition into a few green arrows, with the text "Changing Culture" to the right. In the center-right is a speech bubble graphic with a blue bubble containing the text "CHANGE BEGINS WITH" and a pink base containing the text "ME". At the bottom left is a large tan box containing the text "It doesn't get better" in purple and "Unless we do better" in a larger, bold purple font. To the right of this box is a small red circular logo with white horizontal lines and a white arrow-like shape, with a small number "8" below it.

Since the Summer of 2016, DCSS has been working to change the perception and culture of who we are, both internally and externally. We have focused on outreach to parents and the public to let them know that we are a service oriented agency. We understand that changing a culture is not an overnight process, but we are making strides and will continue to engage with our staff, customers and the public to bring about lasting and long term change.

One specific example of internally changing a culture is our employees receiving training and embracing the Trauma Informed Approach (TIA). We have those that are actively participating in steering committees to continue training DHSS staff statewide. Since this training and new perspective, employees are looking at the totality of circumstances when working with our parents to achieve better outcomes for their families and children.

DCSS is planning a Family and Child Support Resource Fair in the upcoming months. This will include our community partners, both within the state and the private sector. The resource fair will provide an opportunity for parents to access employment opportunities and other resources beneficial to their families.

FY 2021 GOVERNOR'S RECOMMENDED BUDGET

FY 2021 Governor's Recommended Budget (\$ in thousands)

	GF	ASF	NSF	Total
FTEs	55.0	2.5	128.6	186.1
Dollars (\$)	\$5,636.6	\$1,263.4	\$26,434.7	\$33,216.8

Budget Definitions:

GF – General Funds
 ASF – Appropriated Special Funds
 NSF – Non-Appropriated Special Funds
 FTEs – Full Time Equivalent Positions



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NOTE: Dollars may not add due to rounding

Our Division's Fiscal Year 2021 Governor's Recommended Budget is:

- \$5,636.6 [Five Million, Six Hundred Thirty-Six Thousand, Six Hundred Dollars] in General Funds (GF);
- \$1,263.4 [One Million, Two Hundred, Sixty Three Thousand, Four Hundred Dollars] in Appropriated Special Fund (ASF) spending authority; and
- \$26,434.7 [Twenty Six Million, Four Hundred, Thirty Four Thousand, Seven Hundred Dollars] in Non-Appropriated Special Funds (NSF).

FY 2021 GOVERNOR'S RECOMMENDED BUDGET



- \$50,000 - Delaware Fatherhood Program

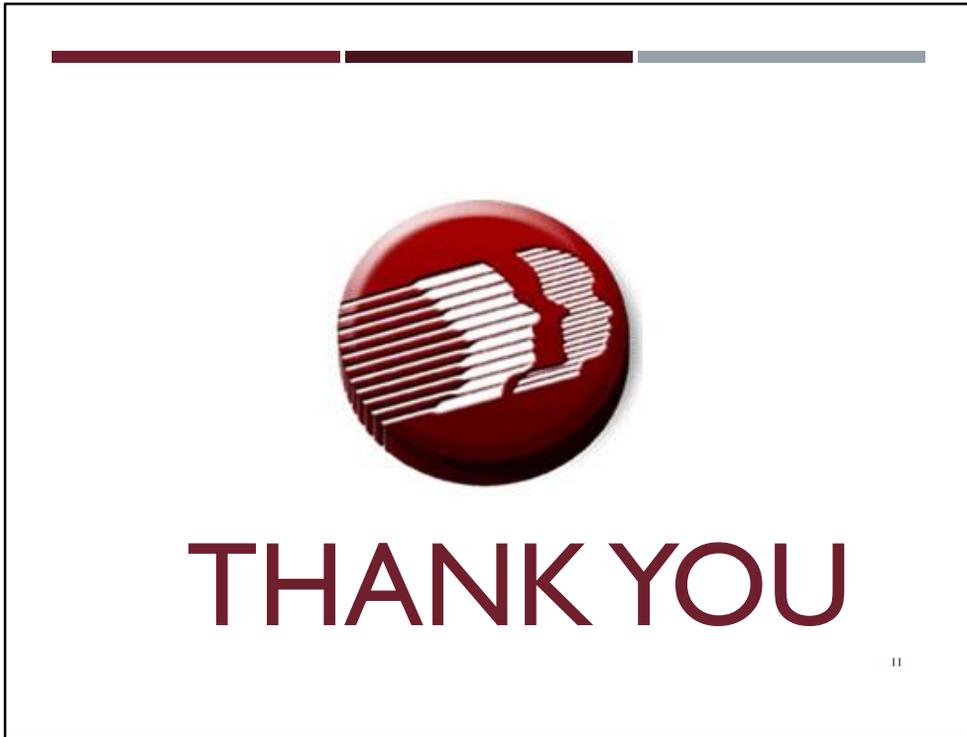


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In 2019, the Division of Child Support Services (DCSS) made great strides with our Delaware Fatherhood Program, which includes both male and female custodial and non-custodial parents. Over the past year, the Delaware Fatherhood Program engaged with over 275 parents to provide training opportunities and assist in finding employment that will lead to livable wages and payment of child support obligations. Already in calendar year 2020, 75 non-custodial parents have been enrolled in the program with more participants being signed up each week.

The request for \$50,000 for the Delaware Fatherhood Program is to address a growing need to provide employment opportunities and resources for custodial and non-custodial parents statewide. As a division, one of our most important roles is reaching and connecting with Delaware's most vulnerable citizens, which could include those reentering the workforce from incarceration. We plan to further our goals through various forms of outreach including participation in and sponsorship of career and health fairs.

DCSS is also actively seeking other funding opportunities through grants and awards that may continue to support our vision for the Delaware Fatherhood Program.



Thank you for allowing me the opportunity to share some of our Division's accomplishments and vision for the next year. I am happy to answer any questions.