

SUMMARY OF THE DIVISION OF CHILD SUPPORT

Program Creation - Title IVD SSA (66% fed – 34% state general)

- Originally created in 1975 as a program to recover child support for individuals receiving Temporary Assistance for Needy Families (TANF) as a means to reimburse state and federal government for TANF
- Has since expanded significantly going from a cost recovery program to a program to assist families become self-sufficient.

Division of Child Support (DCS) Program Goals

- The primary goals of the DCS program are:
 - Establish paternity for child born out of wedlock
 - Establish child support orders
 - Enforce orders
 - Services are required to be provided on TANF, Medical (LIF), Supplemental Nutrition Assistance Program (SNAP), Child Care Assistance, IVE Foster Care cases, and to any other family upon application for services

Organizational Structure

- The Division of Child Support (DCS) is a statewide program within the Department of Social Services and there are currently 86 FTE.
- State office – administrative functions
- 8 field offices – hands on – establishment & enforcement

In addition to enforcing cases, DCS also serves as the State Disbursement Unit (payment center) for all SD child support orders.

DCS Services Provided

A. Location Services – Locate activities are conducted to determine payors of support residence addresses, employers, income sources, and/or assets. Primary sources used: Receiver of Support; Driver's License system; Department of Labor and Regulation; Motor Vehicle Registration; Game Fish & Parks; Boat Registration; Unified Judicial System; Sec. of State; National Guard; Nationwide Credit Bureaus; Law Enforcement agencies; National Telephone Directory system; Vital Statistics; Post Offices; Internet; Former Employers; Relatives; Neighbors; Federal Parent Locator Service for accessing National Directory of New Hires, IRS, Social Security Administration, Department of Defense, Selective Service, National Personnel Records Center, Veterans Administration, and other federal agencies; other States' DCS agencies; and other sources.

B. Paternity Establishment - Paternity is established via

- Children born during marriage.
- Signing paternity affidavit at child's birth.
- Genetic test results of 99% or higher.
- Circuit Court action.

C. Establishment of Child Support Obligations – orders are established in accordance with the statutory child support guidelines at SDCL 25-7-6.1 through 25-7-6.19. The methods used to establish an order include:

- Notice of Support Debt (SDCL 25-7A-5 through 25-7A-8)
- Stipulation and Agreement
- Circuit Court action
- Interstate referral

D. Enforcement of Support Orders - The following are the primary enforcement actions used by the DCS. The method used may vary dependent upon the circumstances of a given case. Some cases may have multiple enforcement remedies implemented simultaneously:

- Wage or Income Withholding (Approx. 52% of IV-D collections).
- IRS Tax Refund Offset or Intercept.
- State Lottery Offset.
- Professional, Driver's, Hunting & Fishing License Restriction.
- Submittal of Arrears to Credit Bureaus.
- Filing of Liens & Judgments and Executions of Judgments.
- Interstate Enforcement Referrals under UIFSA.
- UI Intercept
- Financial Institution Data Match
- Passport Denial
- Notices to Withhold for Health Care Coverage issued to employers
- Circuit Court action
 - Contract with attorneys to take cases into court for prosecution

E. Modification of Orders for Support - The DCS serves as the contact point for receivers of support and payors of support to file petitions for modification of South Dakota court orders. Either party may file a petition for modification of their order with the DCS if their order is at least 3 years old or upon a change in circumstances. The circuit courts appoint a referee to conduct the modification hearings and only the circuit courts can modify an existing order, not the DCS. In SFY-2024, 2,242 modification actions were completed.

Case Type Definitions:

DCS IV-D Cases – These are cases DCS is actively providing all types of available services to including location, establishment of paternity, establishment of support obligations, and enforcement of support orders as outlined above. These cases fall into one of the categories as listed below.

- a. TANF and Foster Care current cases - These are cases in which children are currently receiving TANF benefits or are in the custody of CPS/Foster Care and must assign their rights to current and past due child support to the State as a condition of TANF eligibility.
- b. Non-TANF and Medicaid Only cases - These are cases in which:
 - (1) The family has made application for DCS services (including Child Care Services recipients required to cooperate),
 - (2) SNAP recipients required to cooperate with the DCS,
 - (3) The family formerly received TANF benefits, or
 - (4) Children of a payor of support are receiving Title XIX.
- c. TANF and Foster Care Arrears Only cases – These are cases where the family or children were formerly receiving TANF or Foster Care benefits and child support arrears

are still owed/assigned to the State. The DCS does not collect current support for the family on these arrears only cases.

d. Incoming Interstate cases – The payor of support lives in South Dakota, the receiver of support lives in another State, and the other State refers an establishment/enforcement action to SD.

e. Outgoing Interstate cases – The receiver of support lives in South Dakota, the payor of support lives in another State, and South Dakota refers an establishment/enforcement action to the other State.

Non-DCS or Non-IV-D Cases – These are cases with court orders that require the DCS to receive and disburse payments and the DCS does not provide any enforcement services. If an application is filed by one of the parents in a Non-IV-D case, the case becomes a IV-D case, and the DCS will then provide all available enforcement services.

Total DCS cases for SFY 2024: 51,415

Federal Financial Participation (FFP) – The DCS program’s administrative expenditures are eligible for 66% Federal funding with the remaining 34% State funds. States are paid federal incentive payments based upon their performance levels in their paternity establishment rate, support order establishment rate, the percentage of current support collected on time, the percentage of cases with collections on arrears, and cost effectiveness ratio. The incentive payments are considered to be State funds and can only be used to fund operating costs for state child support program activities.

A. Services Not Eligible for FFP – Only the costs of services specified under federal requirements are eligible for FFP for cases involving children receiving TANF benefits, SNAP, Child Care Assistance, Title IV-E foster care, Title XIX Medicaid and families who make application for non-TANF services. The DCS does not provide services for visitation and custody issues, and these are not eligible for FFP.

B. Federal Requirements for State Laws

1. Establish paternity until child reaches 18.
2. Presumption of paternity created by:
 - a. Voluntary paternity affidavit at time child is born,
 - b. Genetic test results, or
 - c. Children born to married husband & wife.
3. Establishment of support obligations by expedited judicial processes.
4. Use of uniform child support guidelines for all child support orders.
5. Every child support order must include immediate wage withholding requirements.
6. Provide services in incoming and outgoing interstate cases.
7. Intercept income tax refunds to satisfy past due support owed.
8. Impose liens on real and personal property.
9. Posting bond or other security to insure payment of support.
10. Report child support arrears to consumer credit agencies.
11. Obtain and enforce health insurance coverage.
12. Prohibit retroactive modification of support orders.
13. Any unpaid support amount becomes a judgment by operation of law.
14. Give full faith and credit to other States paternity & support orders.
15. State and Federal New Hire Reporting.
16. State and Federal Case Registry with information on all new or modified child support

orders.

17. Centralized Collection and Disbursement of Payments.
18. Require SSN's be provided for certain documents.
19. Restrict/Revoke Drivers, Professional, and Recreational Licenses.
20. Conduct quarterly matches with Financial Institutions.
21. Detailed distribution of collections procedures.
22. Develop and maintain a certified automated computer system.

C. Automated Computer System – The state child support program is required to develop, operate, and maintain an automated computer system in accordance with very detailed and extensive federal requirements pursuant to 45 CFR 307. These requirements include very specific data elements that must be maintained, numerous functional requirements to initiate automated enforcement actions, electronic transmission of interstate actions, extensive automatic distribution of collections requirements, generation of federal reports, security and confidentiality safeguards, and electronic interfaces with other state and federal automated systems.

Organizational Structure - The Division of Child Support (DCS) is a statewide program within the Department of Social Services and there are currently 87 FTE.

A. State Office Staff and Functions - 24 FTE are assigned to State Office. Functions include:

1. Develop and implement statewide program policies and procedures
2. Centralized receipt and distribution of all child support collections.
3. Prepare, monitor and administer budget activities.
4. Provide State Parent Locator Services for all local offices and other States.
5. Coordinate DCS activities with other South Dakota agencies, the federal government, other States, prosecutors, legislature, etc.
6. Administer the license restriction statutes.
7. Process modification of support orders through UJS.
8. Provide administrative and computer system support services.
9. Maintain State Case Registry & interface with Federal Case Registry.
10. Coordinate program services with tribal jurisdictions.
11. Administer the Medical Support Enforcement activities.

B. Field Office Staff and Functions - There are 63 staff located in 8 regional offices throughout the State. Each office is assigned designated counties to conduct necessary DCS services.

Offices are in Yankton, Sioux Falls, Huron, Mitchell, Aberdeen, Watertown, Pierre, and Rapid City. Cases are assigned to the offices based upon the county where support orders are filed, which is not always where either of the parties resides. Functions include:

1. Implement policies and procedures established by State Office.
2. Direct contact point for receivers and payors of support.
3. Initiate administrative establishment and enforcement actions.
4. Refer appropriate cases to prosecutors for circuit court action.
5. Initiate interstate establishment and enforcement actions.

C. Prosecution Services - The DCS contracts with 12 States Attorneys and Special Assistant Attorney Generals to provide prosecution services involving civil and criminal circuit court actions involving DCS cases. The prosecutors represent the DCS in carrying out its responsibilities to provide the required services of paternity and support order establishment

and enforcement of support orders. They do not legally represent the receiver of support involved in the case.

Coordination with Other Agencies/Entities – The DCS program has a broad range of partners with other State and Federal Agencies to assist in operating an efficient and effective DCS program. The primary agencies are:

A. Unified Judicial System - The UJS plays vital roles in the State’s child support system.

1. Circuit Court Actions - The Circuit Courts conduct thousands of civil and criminal nonsupport hearings on cases initiated by the DCS for paternity establishment, support order establishment and modification, and enforcement actions each year.
2. Establishment and Modification of Support Orders - The DCS coordinates with the UJS to provide referee hearings to establish support orders under the Notice of Support Debt process (SDCL 25-7A-5 through 25-7A-8) and to modify support orders (SDCL 25-7A-22) for DCS (IV-D) cases. The referee costs are eligible for FFP in IV-D cases, but the costs of modification hearings in Non-IV-D cases are not eligible for FFP.

B. Department of Labor and Regulation– The Department of Labor and Regulation (DOL&R) administers the new hire reporting provisions under a cooperative agreement with DSS. Employers report newly hired employees to the DOL&R and the DCS conducts automated data matching on a daily basis with the new hire reporting system. The DCS program also has direct online access to the quarterly wage, Reemployment Assistance, and Job Service systems and automated file matches are also conducted on a periodic basis. The DOL&R and DCS also operate an automated intercept of Reemployment Assistance to apply to child support obligations of payors of support.

C. Department of Public Safety – The DCS program coordinates the restriction and revocation of drivers’ licenses with the Department of Public Safety through an automated computer system interface. DCS personnel have direct online access to drivers’ license records and automated computer matches are conducted with the drivers’ license system.

D. Department of Health – Vital Records – The DCS program coordinates the voluntary paternity acknowledgement program with the Vital Records program and private hospitals to ensure that birth records reflect the legal fathers of children. The DCS program also conducts automated computer matches with the Vital Records computer systems for births, deaths, marriages, and divorces.

E. Game, Fish & Parks - The DCS program coordinates the restriction of hunting and fishing licenses with GF&P through an automated computer system interface. The DCS program also has direct online access to the GF&P computer systems and conducts automated computer matches with the hunting, fishing, and the boat registration databases.

F. Federal Parent Locate Service – The state DCS program operates a State Parent Locate Service with specialized staff that conduct skip tracing and locate activities with numerous sources. Automated computer system interfaces are conducted with the various federal agencies, including but not limited to the IRS, Social Security Administration, National Personnel Records Center, Veterans Administration, Military Branches, and other federal sources. Automated interfaces are also conducted with the National Directory of New Hires and the Federal Case Registries.

G. Professional Licensing Boards/Commissions – The DCS program coordinates the restriction of professional licenses with the 25+ various boards and commissions that regulate specific professions.

H. Department of Revenue – The DCS program has online computer system access to the Motor Vehicle Registration records and conducts automated computer system matches with this system.