



STATE OF MICHIGAN

DEPARTMENT OF HUMAN SERVICES
LANSING

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IV-D MEMORANDUM 2012-032

TO: The Friends of the Court

FROM: Erin P. Frisch, Director
Office of Child Support

DATE: November 13, 2012

SUBJECT: Invitation to Participate in Pilot: Retooling Michigan Child Support Enforcement Program Grant (Retooling Grant)

UPDATE(S):

Manual

Form(s)

RESPONSE DUE: November 30, 2012

POLICY EFFECTIVE DATE: Upon receipt

PURPOSE:

This IV-D Memorandum is intended for the Friend of the Court (FOC) or his/her designee. It provides information about and invites participation in the Retooling Grant pilot programs (pilots). The goals of the Retooling Grant pilots are to increase the number and amount of current support collections and to reduce arrears.

DISCUSSION:

1. Background

The federal Office of Child Support Enforcement (OCSE) awarded the Office of Child Support (OCS) and the University of Michigan (U-M) School of Social Work (SSW) the Retooling Grant to study child support data in Michigan.¹ The Retooling Grant began on September 1, 2011 and will end on August 31, 2014.

In addition to the goals of the Retooling Grant pilots, the grant seeks to increase caseworker and decision-maker knowledge about the characteristics of non-

¹ The Retooling Grant was submitted and approved under the *Partnering to Strengthen Families: Child Support Enforcement (CSE) & University Partnership* 1115 grant process. Ref: [Exhibit 2012-032E1](#) for a copy of the award letter for the Retooling Grant.

custodial parents (NCPs)² and the impact that knowledge may have on case management. The grant contains three phases, one for each year of the grant:

- Grant Year 1 consisted of research, data analysis, interviews with IV-D partners, and identifying and prioritizing research questions;
- Grant Year 2 will involve designing, implementing, and testing two pilots targeted to address the grant's goals; and
- Grant Year 3 will involve analyzing the pilots to determine statewide possibilities.

2. Retooling Grant Pilot Participation Opportunities

OCS and U-M SSW will implement and oversee two pilots:

- **Compromise Arrears in Return for On-Time Support (CAROTS)** – OCS [IV-D Memorandum 2012-020, Arrears Management: Discharging State-Owed Arrears](#), introduced CAROTS and provided information on how the FOC or FOC designee may indicate interest in having his/her staff participate in the CAROTS pilot.
- **Predictive Modeling (PM)** – Many states have begun to analyze their child support data and use it to manage cases. The PM pilot will use predictive modeling and case stratification concepts to manage cases.

Additional information regarding the pilots is below. It will help the FOC or FOC designee determine if (s)he would like his/her office to participate. Also, OCS will publish temporary policy and procedures for each pilot in the near future. It is important to note that each pilot will require manual intervention and manual tracking of cases and NCPs who participate in the pilots; there will be little, if any, Michigan Child Support Enforcement System (MiCSES) supporting functionality.

A. CAROTS Pilot

CAROTS will allow state-owed arrears reductions for NCPs who make timely current support and arrears payments. Payments are considered timely when the NCP pays all of a month's current support and an arrears payment before the end of the month.

CAROTS targets NCPs who are unable to pay their total debt, but are engaged with their children or the IV-D program. NCPs must have currently charging support orders. To assist FOC pilot staff in identifying NCPs who may be successful in CAROTS, U-M SSW will provide FOC pilot staff with a list of cases whose NCPs meet additional conditions (e.g., the NCP meets recommended minimum arrears thresholds, the NCP has made no payments or limited payments, etc.). Using this list and staff knowledge of the NCPs, FOC pilot staff

² Characteristics of the NCP include race, economic status, education level, number of children, demographic information about the NCP and/or the family, etc.

will recruit NCPs for the CAROTS program. However, an NCP will not have to be on the list for FOC pilot staff to consider him/her for CAROTS. FOC pilot staff may recruit an NCP based upon their knowledge and experience with the NCP, and on the NCP's potential as a successful CAROTS participant.

Once FOC pilot staff have determined an NCP's eligibility for the program and his/her ability to pay, FOC pilot staff will ask the NCP to sign an agreement which states that in return for the NCP's timely current support and arrears payments, a portion of his/her state-owed arrears will be periodically eliminated. For NCPs making timely payments, FOC pilot staff will manually reduce state-owed arrears according to a defined schedule. Through successful CAROTS participation, the NCP will be able to reduce his/her state-owed arrears to zero in two or three years.

FOC offices participating in the CAROTS pilot may see a reduction of bad debt and streamlined arrears management.

B. Predictive Modeling (PM) Pilot

The PM pilot will use data analysis to guide the actions FOC staff take for NCPs who are less likely to comply with their support order. Through data analysis, cases will be categorized into groups that have the same case conditions or characteristics; this is referred to as case stratification. The PM pilot will use data analysis to identify data conditions or characteristics that correlate with or predict an NCP's compliance with an order.

A data element that describes characteristics or assists in predicting an outcome is called a predictor. The PM pilot will use predictors to identify NCPs who may be less likely to comply with child support orders so that FOC pilot staff may intervene to increase compliance with an order. Conversely, FOC pilot staff may need fewer interventions for NCPs more apt to comply with orders.

U-M SSW data analysis will identify cases/NCPs for FOC staff participating in the PM pilot. At a minimum, these FOC staff will do the following manual tasks:

- Collect predictor information about the NCP or case;
- Work cases more closely when NCPs on those cases are less likely to comply with their orders; and
- Monitor or track orders using spreadsheets or other reports.

OCS and U-M SSW staff will create a tool (possibly a spreadsheet or web application) for collecting the predictors and a separate tool (possibly a report or case predictor score sheet) with a stratification "score" showing that the NCP is more or less likely to comply with his/her order. Based upon the NCP's score and the recommended pilot enforcement activity(ies) or intervention(s) for the stratification score, FOC pilot staff will know the manual action to take. OCS and

U-M SSW anticipate that FOC pilot staff may continue to collect predictors as staff work their cases.

U-M SSW will conduct a periodic analysis to provide updated NCP stratification scores. OCS and U-M SSW anticipate that if interventions are successful, the NCPs' stratification scores may change. This will assist FOC pilot staff in knowing the cases still requiring action, cases that may no longer require action, and new cases needing action. The periodic analysis will also provide a method for measuring the effectiveness of the actions taken (enforcement activities or interventions).

The PM approach will be used on randomly selected cases/NCPs in a range of stratification scores. No recruitment of NCPs for participation will be necessary. Using the results of the predictive model, FOC pilot staff will be able to more extensively target NCPs with a lower likelihood of compliance.

3. Schedule for Retooling Grant Pilots

OCS and U-M SSW anticipate that the pilots will begin during the second quarter of fiscal year 2013. CAROTS will operate for at least two years; FOC pilot staff must commit to continue CAROTS involvement for up to three years, depending upon the performance of the NCPs who sign the CAROTS agreement. PM will operate for nine to 12 months.

During the pilots, OCS, U-M SSW, and FOC pilot staff will monitor the cases. In addition, they will have meetings or periodic contact. In these discussions, FOC pilot staff will provide feedback on pilot procedures, the status of the pilot progress, and suggestions for change. OCS and U-M SSW staff expect to provide mid-pilot and post-pilot evaluations.

4. Potential Additional Results From Retooling Grant Pilot Participation³

In addition to the Retooling Grant goals and the pilots' primary benefits, OCS and U-M SSW anticipate that FOC pilot staff may realize:

- Increased efficiency and effectiveness of enforcement activities;
- Improved collections, especially on cases with inconsistent payment histories;
- Assistance in:
 - Delivering consistent, innovative and holistic services;
 - Providing clear and timely communication;
 - Promoting healthy family relationships through parental engagement; and

³ These potential results align with the goals in the 2013-2017 Michigan Child Support Program Strategic Plan. The Strategic Plan was created through collaboration with OCS, FOCs, Prosecuting Attorneys, the State Court Administrative Office, and statewide IV-D members. The [Strategic Plan](#) is located on mi-support at: Partner Activities > Groups & Teams > PLG/Workgroups/WITs.

- Supporting families to become self-sufficient.

NECESSARY ACTION:

OCS and U-M SSW are working to create tools to assist FOC pilot staff in tracking NCP compliance with the pilots. However, FOC pilot staff should still expect to spend a significant amount of time performing manual interventions such as contacting NCPs, engaging NCPs, and following up with NCPs.

OCS and U-M SSW are eager to determine if the pilots will demonstrate that these manual interventions provide positive results in the Michigan child support program. OCS and U-M SSW hope that after the FOC or FOC designee considers the impact on the FOC office, (s)he may still be interested in having the FOC office participate in a pilot.

Pilot Participation

If the FOC or FOC designee is interested in having his/her office participate in a pilot, (s)he must contact OCS before November 30, 2012. The FOC or FOC designee may indicate the FOC's interest in one or both pilots. However, to better understand the results of each Retooling Grant pilot, an FOC office will be able to participate in only one pilot.

- **CAROTS pilot:** If the FOC or FOC designee is interested in having the FOC office participate in the CAROTS pilot, (s)he must contact Julie Vandeenboom at vandenboomj@michigan.gov and Jan Merkle at merklej@michigan.gov. If the FOC or FOC designee has previously indicated the FOC's interest per OCS IV-D Memorandum 2012-020, it is not necessary to indicate interest again.
- **PM pilot:** If the FOC or FOC designee is interested in having the FOC office participate in the PM pilot, (s)he must contact Jan Merkle at merklej@michigan.gov.

Once the FOC or FOC designee has indicated interest, U-M SSW staff will contact the FOC or FOC designee to schedule an interview if U-M SSW has not already interviewed him/her.⁴

Selection of FOC Offices for Pilots

OCS and U-M SSW, in coordination with the Program Leadership Group, will select pilot and alternate FOC offices. Consideration for participation may include FOC office size, data analysis, office staffing, etc. FOC offices selected for the pilots will be a mix of large and small service populations, large and small caseloads, urban and rural, etc.

⁴ During Grant Year 1, U-M SSW researchers interviewed several FOCs to better understand the child support environment and program.

OCS and U-M SSW will notify the FOC or FOC designee of the FOC offices selected for the pilots in January 2013. FOC representatives in the offices selected and OCS representatives will sign agreements acknowledging pilot responsibilities before pilots begin.

REVIEW PARTICIPANTS:

Program Leadership Group
U-M SSW representatives

CONTACT PERSON:

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CC:

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Sue Ann Savas, Associate Professor, U-M SSW
FOC staff
OCS staff
Prosecuting Attorney staff

SUPPORTING REFERENCES:

Award Letter for Retooling Grant (September 28, 2011)

ATTACHMENT:

2012-032E1: Award Letter for Retooling Grant

EPF/JEM