

# Retooling Grant Policy for Pilot Friend of the Court Staff

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The policies and procedures below are effective during the implementation of the Retooling Grant pilot programs for those Friend of the Court (FOC) staff participating in the pilot programs.<sup>1</sup>

### 1. Necessary Named Staff

The Friend of the Court or his/her designee in FOC offices participating in a Retooling Grant pilot must name a Pilot Lead. The Pilot Lead will be the liaison between the FOC office and OCS and the University of Michigan (U-M) School of Social Work (SSW) pilot staff. The Pilot Lead will be the point of contact for the FOC

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office for all pilot publications.<sup>2</sup> The Pilot Lead responsibilities include, but are not limited to:

- Responding to inquiries from OCS or U-M SSW pilot staff regarding pilot activities, resource use, and status;
- Participating in all pilot teleconferences or meetings;
- Coordinating FOC staff activities, including encouraging pilot staff, monitoring and reporting pilot successes and failures, and obtaining and reporting suggestions for pilot modifications or standards; and
- Reviewing all Retooling Grant communications by sharing information appropriately with pilot staff and acting upon communication requests.

### 2. Pilot Agreements

The OCS Retooling Grant Coordinator and the Friend of the Court and the Pilot Lead of FOC offices participating in a Retooling Grant pilot program will sign a pilot agreement.<sup>3</sup> The pilot agreement will clarify FOC staff and OCS staff responsibilities and actions. Additionally, these same staff along with the U-M SSW Co-Principal Investigator will sign an agreement to participate in the U-M SSW study of the pilots.<sup>4</sup>

### 3. CAROTS<sup>5</sup> Pilot

#### 3.1 CAROTS Overview and Expectations

The CAROTS pilot will allow non-custodial parents (NCPs) who make timely current support and minimal arrears payments to receive state-owed arrears reductions. Timely support means that the NCP pays all of a month's current support and a minimal arrears amount each month, before the month ends.

FOC offices participating in the CAROTS pilot may see:

- An increase in consistent current support and arrears collections;
- An elimination of uncollectible debt; and
- Streamlined arrears management.

In addition to improving case management and collections, OCS and U-M SSW anticipate that FOC offices participating in the CAROTS pilot may experience

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<sup>2</sup> Ref: [Retooling Grant Pilot County Publication Review Process \(Exhibit 2013-008E2\)](#) for information on pilot publications.

<sup>3</sup> Ref: [Retooling Grant Pilot Agreement for Compromise Arrears in Return for On-Time Support \(CAROTS\) \(Exhibit 2013-008E3\)](#) and [Retooling Grant Pilot Agreement for Predictive Modeling \(PM\) \(Exhibit 2013-008E4\)](#).

<sup>4</sup> Ref: [U-M School of Social Work Agreement \(Exhibit 2013-008E5\)](#).

<sup>5</sup> CAROTS stands for "Compromise Arrears in Return for On-Time Support."

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these outcomes that are identified in the [2012-2017 Michigan Child Support Program Strategic Plan](#):

- Delivery of consistent, innovative, and holistic services;
- Improved collections, especially on cases with inconsistent payment histories;
- Promotion of healthy relationships through parental engagement; and
- Families becoming self-sufficient.

### 3.2 Implementing the CAROTS Pilot

If an NCP with a current support obligation is not in an extremely difficult situation as described in Subsection 4.3, “Arrears Reduction/Discharge Under Circumstances of Extreme Difficulty (Arrears REDUCED)” of [Section 6.51, “Arrears Management” of the Michigan IV-D Child Support Manual](#) but otherwise meets criteria in Section 6.51 for inability to pay and engagement with the children and the IV-D program, (s)he will qualify for CAROTS. The CAROTS process will reward timely payment of support over a two- to three-year period with the discharge of state-owed arrears.<sup>6</sup>

U-M SSW pilot staff will provide pilot offices a list of randomly selected IV-D cases that have NCPs with current support obligations and a high amount of state-owed arrears.

The CAROTS process is docket-based; however, the NCP must pay all current support obligations across all of his/her IV-D cases and dockets to be considered compliant with CAROTS. If an NCP has dockets in FOC offices that are not participating in CAROTS, FOC staff will not enroll the NCP in the CAROTS pilot because support and arrears in other counties would affect payment allocation.<sup>7</sup>

The CAROTS payment agreement requires the NCP to pay both current support and arrears each month.<sup>8</sup> Because the NCP will not be successful in CAROTS if (s)he is unable to meet all payment amounts, FOC staff will carefully consider whether the NCP’s current support obligation(s) should be modified per Michigan Compiled Law (MCL) 552.517(1)(f) before entering into a

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<sup>6</sup> An NCP may participate in CAROTS even if (s)he previously participated in other arrears management strategies such as Arrears REDUCED, which results in a partial arrears reduction.

<sup>7</sup> Payments sent to the Michigan State Disbursement Unit (MiSDU) will be allocated across all of the NCP’s applicable orders following existing allocation and distribution rules. Therefore, cases and dockets with charges and debt not included in a CAROTS payment agreement would adversely affect the allocation and distribution of payments for cases and dockets included in a CAROTS payment agreement.

<sup>8</sup> The arrears payment may distribute to the state, to the family, or both.

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CAROTS payment agreement.<sup>9</sup> The CAROTS arrears payment amount may be determined by the court, or calculated using the Michigan Child Support Formula (MCSF):

...A monthly repayment amount is 2 percent of the total support arrearage at the time of the review, but not less than \$50, nor more than half of the current support amount....<sup>10</sup>

Participation in CAROTS requires completion of the *CAROTS Payment Agreement* form (CAROTS form).<sup>11</sup> Both FOC staff and the NCP have information to complete on the form, and both must sign it.<sup>12</sup>

### 3.2.1 Determining the Amount of State-Owed Arrears Subject to Compromise

At the time the NCP signs the CAROTS form, FOC staff will determine the total amount of the NCP's state-owed arrears<sup>13</sup> for all of his/her cases/dockets. Using this total, FOC staff will calculate the amounts to be discharged under the CAROTS process. The CAROTS process does not address any arrears that may accrue after the CAROTS form is signed and submitted.

### 3.2.2 Arrears Reductions

Under the CAROTS pilot, the State of Michigan authorizes FOC staff to discharge a percentage of the NCP's state-owed arrears upon completion of a given CAROTS payment period, in exchange for the NCP paying the CAROTS payment amount on time for the duration of the given payment periods, or upon the NCP's initial CAROTS signature as defined in this policy.<sup>14</sup>

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<sup>9</sup> Ref: [IV-D Memorandum 2012-029, Updates to the Child Support Recommendation and Proposed Order \(GUIDLINE Template\) and Changes to the 2013 Michigan Child Support Formula \(MCSF\) Included in the Michigan Child Support Enforcement System \(MiCSES\) 8.2.3 Release; Action Transmittal \(AT\) 2007-029, Implementation of the State Verification Exchange System \(SVES\) Program in the Data Warehouse Business Objects](#); and [AT 2007-001, REVISED: Review and Modification of Child Support Orders – Statutory and System Changes](#).

<sup>10</sup> 2013 MCSF 4.02(B)(3)

<sup>11</sup> Ref: [Exhibit 2013-008E6](#).

<sup>12</sup> Ref: [Exhibit 2013-008E6ins](#) for instructions on completing the form.

<sup>13</sup> Ref: Subsection 2.2, "Arrears Owed to the State" in Section 6.51 of the *Michigan IV-D Child Support Manual* for a definition of state-owed arrears.

<sup>14</sup> Statements made in this policy regarding the FOC discharging a given amount of state-owed arrears have been authorized by the State of Michigan, provided conditions of the CAROTS payment agreement are met.

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### A. Initial Arrears Reduction

FOC staff will discharge 20 percent of the NCP's state-owed arrears (as calculated per Subsection 3.2.1 of this document) upon receipt of the completed and signed CAROTS form. This discharge of arrears requires no compliance from the NCP beyond the signing of the agreement.

If an NCP enters into the CAROTS process for a second time, FOC staff will not grant an initial arrears reduction.<sup>15</sup>

### B. Further Arrears Reductions

The NCP will receive a reduction in state-owed arrears the month after completion of each payment period if the NCP makes timely payments. The amount reduced is a percentage of the total state-owed arrears as calculated in Subsection 3.2.1, "Determining the Amount of State-Owed Arrears Subject to Compromise," of this document, and as entered into Line 5 (D) of the CAROTS form.

- Payment Period 1: FOC staff will discharge 10 percent of the NCP's state-owed arrears after the NCP pays three continuous months of current support and arrears on time;
- Payment Period 2: FOC staff will discharge 10 percent of the NCP's state-owed arrears after the NCP pays another three continuous months of current support and arrears on time; and
- Payment Periods 3-5: FOC staff will discharge 20 percent of the NCP's state-owed arrears after each of the next three six-month continuous periods of timely paid current support and arrears.

Note: If the NCP's CAROTS arrearage payments reduce state-owed arrears, there may be less than 20 percent of the original state-owed arrears remaining after the last six-month CAROTS payment period. Therefore, the last reduction of state-owed arrears will be the originally calculated 20 percent of state-owed arrears or the remaining state-owed balance, whichever is less.

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<sup>15</sup> Ref: Subsection 3.2.6, "Entering CAROTS a Second Time" in this document.

### **Example 1: Only State-Owed Arrears**

In February 2013, NCP Aaron signed a CAROTS form to pay \$150 per month (\$100 for current support and \$50 for arrears). Twenty percent of his state-owed arrears per the CAROTS form is \$2,000, and is the amount to be discharged at the end of the last payment period (Payment Period 5). However, all of Aaron's arrears were state-owed. So, when Aaron made all of his CAROTS payments, the arrears payments reduced his state-owed arrears. In March 2015, after Aaron's last payment for Payment Period 5, the balance of the state-owed arrears is only \$800. Therefore, FOC staff will reduce his state-owed arrears by \$800, leaving an arrears balance of \$0.

With each compromise of the state-owed arrears, FOC staff will inform the NCP of the amount of arrears compromised and the new outstanding arrears balance.<sup>16</sup>

### 3.2.3 Gaps in Continuous Payments

The payer will be allowed two "gaps" in payments. The gap is a period of one or more months in which the NCP makes no payment at all, or the NCP does not pay the full CAROTS payment amount. There is not a finite number of months a single gap may have; however, the agreement will end three years after the NCP signs it. A third gap will result in the termination of the CAROTS agreement.<sup>17</sup>

#### A. Gap Prevention Outreach

U-M SSW pilot staff will work with FOC staff to randomly select CAROTS NCPs whom the FOC will monitor for gap prevention. For these NCPs, FOC staff will intervene with the NCP in an attempt to prevent gaps in payments. This group of NCPs will be referred to as the "Gap Prevention Outreach Group." CAROTS NCPs who are not placed into the "Gap Prevention Outreach Group" will not receive FOC staff intervention actions.

FOC staff will take gap prevention actions before the end of each month. For CAROTS, an NCP is defined to be falling into jeopardy when his/her CAROTS monthly payment is not received before the third-to-the-last business day of the month. For instance, if the last

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<sup>16</sup> Ideally, IV-D staff will communicate this information to the NCP using the NCP's communication preference identified on the NCP's CAROTS form. IV-D staff will provide the balances before and after the CAROTS arrears reduction.

<sup>17</sup> Ref: Subsection 3.2.4, "Termination of Agreement" in this document.

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business day of the month is Monday the 31<sup>st</sup>, then the third-to-the-last business day is Thursday the 27<sup>th</sup>.

FOC staff will take the following gap prevention actions no later than the third-to-the-last business day of the month:

1. Contact the NCP using the communication preference identified on the NCP's CAROTS form.
2. Remind the NCP:
  - a. That there are only two days left in the month to provide the payment per his/her CAROTS agreement; and
  - b. About the consequences of missing even one month's payment.

### **Example 2: NCP in "Gap Prevention Outreach Group"**

In January 2013, NCP Johnny signed a CAROTS form to pay \$150 per month (\$100 for current support and \$50 for arrears). Johnny is part of the "Gap Prevention Outreach Group." He is successful in making his first two months of payments for Payment Period 1 in February and March.

Tuesday, April 30, 2013, is the last business day of April. On Friday, April 26, 2013, FOC staff find that Johnny has not made his full April payment. Before the end of business on Friday, April 26, 2013, FOC staff will contact Johnny, reminding him that:

- There are only two days left for him to make the full \$150 payment;
- If he does not make the full payment before the end of April, he will not receive the payment period's 10 percent<sup>18</sup> arrears reduction in May; and
- If he does not make the full payment on time, he will need to start the three-month payment period over to receive the payment period's state-owed arrears reduction.

Note: Monitoring an NCP's payments may entail monitoring income withholding payments rather than monitoring only the CAROTS payment amount. Timing of collections via income withholding may not always correspond with support charge cycles, and therefore may not always correspond with a monthly CAROTS payment amount. IV-D staff may not find an NCP out of compliance with CAROTS if the income withholding cycle and charge cycles are not fully

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<sup>18</sup> All examples will use percentages rather than the exact dollar amounts as calculated and entered on the CAROTS form. When doing outreach, FOC staff will use exact dollar amounts for a more powerful message to the NCP.

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synchronized.<sup>19</sup> Therefore, when CAROTS payment amounts are converted to an income withholding amount, IV-D staff must ensure that the CAROTS payment reflects the income withholding amount.

### B. CAROTS Reinstatement

If a CAROTS NCP has had a gap in his/her payments, (s)he will be automatically reinstated in the CAROTS pilot the first month (s)he again pays all current support and arrears on time. An NCP may be reinstated into CAROTS only twice for each instance of his/her CAROTS participation. If the NCP is part of the “Gap Prevention Outreach Group,” FOC staff will continue to reach out to the NCP to encourage reinstatement into CAROTS.

If the NCP has more than two gaps in payments,<sup>20</sup> (s)he will terminate his/her participation. If the third gap is during the first CAROTS agreement, the NCP may sign another CAROTS form. Refer to Subsection 3.2.6, “Entering CAROTS a Second Time” in this document.

#### **Example 3: CAROTS Reinstatement**

In February 2013, NCP Bob signed a CAROTS form to pay \$150 per month (\$100 for current support and \$50 for arrears). He is successful in making payments on time in his first two three-month payment periods.

September is the beginning of Bob’s first six-month payment period. In December, Bob does not make the full payment. He makes a full payment in January, and therefore is reinstated into the CAROTS program. Bob will not receive the 20 percent payment period reduction for state-owed arrears in February because he missed a full timely payment in December. But Bob successfully makes full payments on time for the next six months; June 2014 marks the end of his first successful six-month payment period. Therefore, FOC staff will reduce his state-owed arrears by 20 percent in July 2014.

### 3.2.4 Termination of Agreement

- A. The agreement will terminate three years after the date of signing the CAROTS form, or when state-owed arrears calculated at the

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<sup>19</sup> MCL 552.605c(2)

<sup>20</sup> FOC staff must keep in mind that a *single* payment gap may be one or more consecutive months during which the NCP does not meet his/her full timely CAROTS payment.



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beginning of the CAROTS process are reduced and/or paid to zero, whichever comes first.

If the monthly CAROTS arrears payment is large enough, due to the periodic arrears reductions, a successful NCP might reduce his/her arrears to zero before the end of two years.

### **Example 4: Three-Year Termination**

In January 2013, NCP Carson signed a CAROTS form to pay \$150 per month (\$100 for current support and \$50 for arrears). Carson lapsed (had a gap in payment) two times during his participation in CAROTS. Each payment lapse lasted seven months. In January 2016, Carson has not completed his last six-month payment period. FOC staff will terminate Carson's CAROTS agreement because three years have passed since he signed the agreement. However, FOC staff will not make further reductions in Carson's state-owed arrears because he did not make payments in his last six-month payment period.

### **Example 5: Early Termination – State-Owed Arrears Met**

In January 2013, NCP Deloris signed a CAROTS form to pay \$150 per month (\$100 for current support and \$50 for arrears). Deloris successfully paid \$150 on time during every payment period. In January 2015, FOC staff will reduce Deloris's remaining state-owed arrears and terminate her CAROTS agreement.

- B. The agreement will terminate if the NCP has a third payment gap. If the NCP is included in the "Gap Prevention Outreach Group," the FOC will work intensely with the NCP to prevent a third payment gap.

### **Example 6: Termination – Three Payment Gaps**

In January 2013, NCP Gary signed a CAROTS form to pay \$150 per month (\$100 for current support and \$50 for arrears). Gary had two gaps in payments before February 2014. Gary fails to make his February 2014 CAROTS payment; this is Gary's third payment gap. FOC staff will terminate Gary's CAROTS agreement and will not make further reductions in his state-owed arrears.

- C. If, at any time, the NCP wishes to terminate the CAROTS agreement, (s)he may do so by presenting a written request to the FOC office where (s)he entered the original agreement.

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### 3.2.5 NCP Receives a Windfall

If, during the CAROTS process, the NCP experiences a financial windfall,<sup>21</sup> FOC staff may schedule a meeting with the NCP.<sup>22</sup> Depending upon the NCP's circumstances, his/her case, and the amount of the windfall, FOC staff may need to reassess the NCP's ability to pay and determine an action to take. While not limited to the following actions, FOC staff may determine that:

- A. The amount of the windfall is small, and the NCP may remain in the CAROTS program with the CAROTS payment amount unchanged;
- B. The amount of the windfall is not exceptionally large, and the NCP may remain in the CAROTS program but with an increase in the percentage of the arrears payment;
- C. The amount of the windfall is large enough that FOC staff may ask the NCP to participate in the Lump-Sum Payment process<sup>23</sup> and terminate the NCP's CAROTS agreement; or
- D. The amount of the windfall is so large that the NCP is now able to pay the remaining family and state-owed arrears without placing current support payments in jeopardy, nor leaving the NCP in need. FOC staff may ask the NCP to pay the remaining family and state-owed arrears and terminate the NCP's CAROTS agreement.

Note: Unless the windfall was fraudulently hidden before a CAROTS discharge was made, the state-owed arrears that were discharged prior to the windfall will remain discharged. If the NCP hid the windfall and later received a CAROTS discharge, FOC staff may reinstate the arrears that were discharged and assess the NCP's ability to remain a CAROTS participant.

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<sup>21</sup> Windfalls may include, but are not limited to lottery winnings, inheritance, insurance settlement, financial institution data match, etc.

<sup>22</sup> The meeting may include the custodial party (CP) if FOC staff determine this is appropriate.

<sup>23</sup> Ref: Subsection 4.4, "Lump-Sum Payment" of Section 6.51 of the *Michigan IV-D Child Support Manual*.

### **Example 7: Termination Due to Windfall**

In January 2013, NCP Edwin signed a CAROTS form to pay \$150 per month (\$100 for current support and \$50 for arrears). Edwin's order has \$5,000 in family arrears and \$5,000 in state-owed arrears. \$650 of family arrears has been paid; \$2,000 of the state-owed arrears has been discharged.

In December 2013, Edwin receives \$15,000 and contacts the FOC. Edwin is now able to pay all of his arrears. Both family and state-owed arrears are paid to zero: \$4,350 is paid toward the remaining family arrears, and \$3,000 is paid toward the remaining state-owed arrears. The \$2,000 of state-owed arrears remains discharged. Edwin keeps \$7,650 of the windfall. After the arrears are paid to zero, FOC staff terminate Edwin's CAROTS agreement.

### 3.2.6 Entering CAROTS a Second Time

An NCP may enter the CAROTS program a second time. However, the initial arrears reduction<sup>24</sup> is offered one time only. If the CAROTS process is completed in the second attempt, ultimately only 80 percent of the state-owed arrears will be discharged.<sup>25</sup>

### **Example 8: Entering CAROTS a Second Time**

In June 2014 with state-owed arrears of \$2,500, Gary requests entry into CAROTS for a second time and signs the CAROTS form.

Gary will not receive an immediate 20 percent of the \$2,500 state-owed arrears reduction when signing his second CAROTS form. When Gary successfully completes CAROTS Payment Period 1, he will receive his first state-owed arrears reduction of 10 percent.

## 3.3 Tools for the CAROTS Pilot

### 3.3.1 Potential CAROTS NCP Case List

U-M SSW pilot staff will provide FOC staff with a case list of NCPs who have:

- A minimum amount of state-owed arrears as agreed to by FOC and OCS staff;

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<sup>24</sup> Ref: Subsection 3.2.2, "Arrears Reductions" in this document.

<sup>25</sup> For a second signing of the CAROTS form, the state-owed arrears will be re-determined at the time of the second signing.

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- An active child support obligation; and
- A history of paying less than the monthly ordered amount for several months over the last three years.<sup>26</sup>

Using the case list provided by U-M SSW and staff knowledge of the NCPs, FOC staff will offer the CAROTS program to the NCPs on the list. Also, if an NCP has an arrears amount lower than the amount on the case list, but his/her total arrears amount exceeds three years of support, FOC staff may seek OCS and U-M SSW approval to offer the CAROTS program to the NCP.

### 3.3.2 Manual Intervention Tracking Tool

Using a *CAROTS Diary Log*, FOC staff will manually track NCPs involved in the CAROTS pilot and provide their IV-D case numbers to U-M SSW. Items tracked in the log will include the:

- NCP name;
- NCP IV-D case number(s);
- Date(s) the NCP signed the CAROTS form;
- Successful completion of CAROTS payment periods;
- Date and amount of state-owed arrears discharged;
- Dates of payment gaps, if any; and
- Date(s) of CAROTS termination.

Additionally, for the CAROTS NCPs included in the “Gap Prevention Outreach Group,” FOC staff must manually track in the log the dates and types of interventions used.

OCS, U-M SSW and FOC staff will work together to create a *CAROTS Diary Log* for tracking purposes.

### 3.3.3 Periodic Data Analysis Tools

Using the list of IV-D cases from the *CAROTS Diary Log*, U-M SSW pilot staff will periodically query the IV-D cases for payment performance and will share their findings with FOC staff in a report titled *Working CAROTS Case List*. The *Working CAROTS Case List* will provide the IV-D case number along with payment dates, payment amounts and arrearages. OCS, U-M SSW and FOC staff will work together to create the *Working CAROTS Case List* for tracking purposes.

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<sup>26</sup> This will be referred to as inconsistent or irregular payment history in this document.

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FOC staff will combine their *CAROTS Diary Log* and the *Working CAROTS Case List* into a spreadsheet to review CAROTS NCP status. This spreadsheet will assist FOC staff in identifying what types of interventions are helpful in assisting the NCPs in the “Gap Prevention Outreach Group” to remain successfully engaged in the CAROTS pilot.

### 3.4 Oversight of the CAROTS Pilot

OCS and U-M SSW anticipate FOC staff will implement the CAROTS pilot for two to three years beginning in the second quarter of fiscal year 2013. This means the pilot may run beyond the duration of the Retooling Grant.

During the CAROTS pilot that is covered under the Retooling Grant, OCS and U-M SSW will monitor the pilot counties. OCS and U-M SSW anticipate having regular contact with FOC staff to share pilot progress. OCS, U-M SSW and FOC staff will monitor the pilot tools and procedures to determine if they need to be modified, or if new tools and procedures need to be created.

Using these tools, procedures, data analysis and FOC staff feedback, OCS and U-M SSW expect to provide a mid-pilot evaluation of the CAROTS pilot. OCS anticipates providing a post-pilot evaluation upon completion of the pilot.

## 4. Predictive Modeling (PM) Pilot

### 4.1 PM Overview and Expectations

The PM pilot will use data analysis to guide actions FOC staff will take for NCPs who are less likely to comply with their 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. Predictive modeling will use additional data analysis to identify data conditions or characteristics that correlate with or predict an NCP’s compliance with an order.<sup>27</sup>

A data element that describes characteristics or has information that 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 staff may take interventions to increase order compliance. Conversely, FOC staff may need fewer interventions for NCPs more apt to comply with orders.

In addition to improving case management and collections, OCS and U-M SSW anticipate that FOC offices participating in the PM pilot may experience or gain assistance in obtaining these outcomes:

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<sup>27</sup> For the purposes of the PM pilot, compliance with an order is the timely payment of current support.

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- Increased effectiveness of enforcement activities;
- Increased efficiency of FOC staff;
- Delivering consistent, innovative and holistic services;
- Communicating clearly and timely;
- Increasing collections, especially on cases with inconsistent payment histories;<sup>28</sup> and
- Promoting healthy family relationships through parental engagement.

### 4.2 Implementing the PM Pilot

The PM pilot will have two phases. Both phases will require U-M SSW and FOC staff to track PM NCPs and cases in the following three ways:

- **Case Stratification:** This is the placement of the case on a continuum that measures NCP/case payment compliance history.
- **NCP Predictor Score:** This score uses case and member data along with the case stratification to identify the characteristics of the case that correspond to payment compliance.
- **Intervention Effectiveness Score:** This is the tracking of interventions against the resulting payments. Effective interventions will increase the payment amount, number of payments, or both. U-M SSW, OCS and FOC staff will collaborate on the exact scoring criteria and scale before the start of Phase II.

Note: During Phase I, only case stratification will be used.

#### 4.2.1 Phase I: Data Collection and Initial Case Stratification

##### A. Data Collection

While the Michigan Child Support Enforcement System (MiCSES) has a great deal of child support data, U-M SSW pilot staff identified many predictors that MiCSES either does not have or does not require the IV-D worker to enter. Therefore, OCS and U-M SSW developed a web-based data collection tool, *PM Additional Predictors*, to capture these other potential predictors.

U-M SSW pilot staff will run an initial case stratification on MiCSES data. U-M SSW pilot staff will create a *Preliminary PM Random Sample* listing that provides a random sample of cases with specific case stratification. During Phase I, FOC staff will use *PM Additional Predictors* to begin verifying MiCSES information or capturing more information on cases and members in the *Preliminary PM Random*

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<sup>28</sup> An inconsistent or irregular payment history means that the NCP's support has not been paid fully or timely in the past three years.

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*Sample* and in a percentage of new cases.<sup>29</sup> Data verification and the acquisition of predictors will strengthen confidence in the NCP Predictor Score and may identify key predictors in Michigan's child support program.

### B. Data Analysis

After the additional predictors are collected and existing predictors are verified, U-M SSW pilot staff will combine the predictors with the MiCSES data extract and re-run the analysis on the random sample to obtain NCP Predictor Scores. U-M SSW pilot staff will provide the *Working PM Case List*<sup>30</sup> and NCP Predictor Scores to FOC staff. The *Working PM Case List* will provide case and NCP Predictor Scores.<sup>31</sup>

U-M SSW pilot staff anticipate Phase I to run for a maximum of three months.

#### 4.2.2 Phase II: PM Intervention Implementation

During Phase II, FOC staff may continue to collect and verify predictors as they are able<sup>32</sup> and will add new cases to the *Working PM Case List*. FOC staff will use the NCP Predictor Score and Intervention Effectiveness<sup>33</sup> Score to guide what actions to take and for whom the actions will be taken.

FOC staff may use one or more of the interventions identified in Subsection 4.2.2(A), "PM Interventions" with PM NCPs at intervals as identified in Subsection 4.2.2(B), "Frequency of Interventions," by using contact methods identified in Subsection 4.2.2(C), "Personal Contact Methods."

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<sup>29</sup> U-M SSW and FOC staff will work together to develop a random selection schema for a percentage of the FOC office's new cases that are received during the PM pilot. FOC staff will collect predictor information on the case meeting the random selection criteria when the docket is entered or verified in MiCSES.

<sup>30</sup> The *Working PM Case List* will include all the cases for which the FOC successfully collected predictive data; FOC staff may not be successful in collecting predictive data for all *Preliminary PM Random Sample* cases.

<sup>31</sup> The format of the *Working PM Case List* is not yet complete. PM FOC staff will be involved in defining the final content of this report.

<sup>32</sup> Updated predictors will provide the most value to NCP Predictor Scores. Maintaining this information for PM cases will be important. FOC staff may collect predictor information for new cases as previously described.

<sup>33</sup> Initial *Working PM Case List* reports may not have Intervention Effectiveness Scores, or the preliminary Intervention Effectiveness Scores may be limited, depending upon enforcement activities taken before the PM pilot begins. Ref: Subsection 4.2, "Implementing the PM Pilot" in this document for the meaning of intervention effectiveness.

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FOC staff may take the interventions in any order they wish and need not use all the interventions. If FOC staff identify additional manual interventions that they think will aid the PM pilot, FOC staff will notify the OCS Retooling Grant Coordinator through their Pilot Lead. Together with the Pilot Lead, OCS and U-M SSW staff will approve or disapprove the intervention. As new interventions are approved, the OCS Retooling Grant Coordinator will share the intervention with all PM pilot FOC offices.

### A. PM Interventions<sup>34</sup>

1. **Supportive contacts:** FOC staff will provide supportive contacts to the NCP, reminding him/her of upcoming appointments or payment deadlines.
2. **“Thank you”:** FOC staff may thank the NCP through calls or letters in response to full or partial payments or other positive interaction with or action from the NCP. FOC staff may take this action even for those PM NCPs who have shown the ability to routinely meet 80 to 100 percent of their monthly obligation.
3. **Follow-up contacts:** FOC staff will contact the NCP after missed payments or appointments in an effort to identify the NCP’s challenges and actions FOC staff can take to assist with those challenges.
4. **Order modifications:** FOC staff will offer meaningful and personal assistance in this area – especially if three years have passed since the last modification review. Or, if the case does not meet the three-year requirement, FOC staff can conduct a review to determine if the NCP’s circumstances have changed. FOC staff will avoid requiring the NCP to file motions. Instead, FOC staff will take the action(s) pursuant to their own authority.<sup>35</sup>
5. **Parenting time services:** FOC staff may offer parenting time services, especially if parenting time challenges are interfering with the NCP’s ability to make or keep contact with his/her children.
6. **Coordination with other FOC offices:** If the PM NCP has cases in other counties, FOC staff will coordinate with and encourage FOC staff in other counties to provide needed assistance or services for the PM NCP (e.g., order modifications).
7. **Arrears management strategies:** FOC staff will implement strategies as identified in Section 6.51 of the *Michigan IV-D Child Support Manual*. FOC staff will follow those policies but will

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<sup>34</sup> U-M SSW pilot staff will provide recommended best practices as found through research and review of child support PM programs being used in other states.

<sup>35</sup> Ref: MCL 552.517(1)(f), IV-D Memorandum 2012-029, and AT 2007-001.



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provide additional assistance in this area (e.g., assisting the NCP in completing necessary forms).

8. **Locate:** FOC staff will make focused and concerted location attempts for those NCPs whom FOC staff are unable to contact or locate. FOC staff may find locate information and suggested locate tools on mi-support on the [Locate](#) web page under Central Activities.

Depending upon the resources, tools and budget of the FOC office, FOC staff may also offer:

9. **Job placement services:** If the NCP has lost his/her job, FOC staff may refer the NCP to a job placement assistance organization.
10. **General Education Development (GED):** If the NCP has not graduated from high school, FOC staff may refer the NCP to a community-based GED program or a program/organization that can assist the NCP in obtaining his/her high school diploma.
11. **Counseling/mediation services:** FOC staff may meet with the NCP with or without the CP to offer assistance to the NCP in overcoming challenges that prevent order compliance.
12. **Enhanced parenting time services:** FOC staff may refer the NCP to parenting classes with or without CP participation.

### B. Frequency of Interventions

The timing and frequency of contact with the NCP is key to the PM pilot. FOC staff will contact NCPs frequently and at key moments requiring NCP action (e.g., first of the month for payment; two days before appointments) or after the NCP fails to act.

OCS and U-M SSW staff anticipate that when an NCP falls out of compliance with the order, the more quickly (s)he is contacted, the greater the potential (s)he has to become compliant. For example, OCS and U-M SSW staff suggest that FOC staff take one or more of the interventions identified in Subsection 4.2.2(A), "PM Interventions," for PM NCPs when the:

1. FOC staff first identify a PM NCP as a "potential non-compliant NCP." Potential non-compliant NCPs are those who are paying between 80 and 100 percent of their monthly support amount.
2. NCP has two months of non-compliance. However, because of the discrepancies between payments (income withholding collections) and the monthly charge cycles, NCPs who appear to have fallen out of compliance after one month may really only be experiencing the non-synchronized charge and collection cycles.

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Therefore, when the NCP becomes non-compliant for two months, FOC staff must work quickly to intervene and help the NCP become compliant with the order.<sup>36</sup>

3. NCP has more than two months of non-compliance.
4. NCP begins sporadic payments after a series of consistent payments.
5. NCP begins paying an amount different from the amounts (s)he normally pays.

FOC staff may need to contact the NCP several times to prompt the NCP into action (e.g., paying his/her monthly obligation on time).

### C. Personal Contact Methods

FOC staff communication with the NCP will be helpful in nature. FOC staff will reach out and offer services that seem appropriate depending upon the FOC staff's knowledge of the NCP, the NCP's circumstances, and the FOC staff's abilities. FOC staff will offer their office phone number and encourage the NCP to contact them if the NCP has any concerns or questions. FOC staff will:

1. Call the NCP during business hours, or if approved by local practice, during non-business hours. FOC staff will take steps necessary to find the NCP's phone number, or may contact the CP if necessary.
2. Email the NCP, following the security measures as provided in [Section 1.10, "Confidentiality/Security" in the Michigan IV-D Child Support Manual](#).
3. Write letters to the NCP. A series of letters may be necessary or appropriate depending upon the NCP's response or lack of response to earlier contact attempts. The letters' tone and approach can become more assertive depending upon the NCP's response or failure to respond earlier. When crafting the letters, follow the *Retooling Grant Pilot County Publication Review Process*.<sup>37</sup>
4. Schedule or request an in-person meeting with the NCP with or without the CP.

### D. Mandatory and Other Traditional Enforcement

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<sup>36</sup> Income withholding payments and monthly charges may not always be synchronized. The NCP is not considered to be in arrears "...if a periodic temporary arrears is created by.... a divergence between the cycle of payments under income withholding or payment schedule and the cycle of charges." Ref: MCL 552.605c(2).

<sup>37</sup> Ref: 2013-008E2.

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1. FOC staff will continue to use the following mandatory enforcement activities:
  - a. Income withholding orders/notices;
  - b. Federal tax refund offset;
  - c. State tax refund offset; and
  - d. Credit reporting.
2. FOC staff will avoid taking the following discretionary enforcement actions unless all PM interventions have proven ineffective:
  - a. Financial institution data match;
  - b. Show cause;
  - c. License suspension; and
  - d. Liens.

### 4.3 Tools for the PM Pilot

#### 4.3.1 Manual Intervention Tracking Tool

During Phase I, U-M SSW pilot staff will provide to FOC staff the *PM Additional Predictor* tool. FOC staff will verify, correct or enter PM NCP predictive data in the *PM Additional Predictor* tool.

In addition to continuing to collect predictor data for new NCPs<sup>38</sup> during Phase II, FOC staff must manually track the interventions used with the PM NCPs/cases. OCS, U-M SSW and FOC staff will work together to create a *PM Diary Log* for tracking the interventions.

PM interventions will become an important part of the analysis for monitoring compliance. The interventions will be used in creating the Intervention Effectiveness Score.<sup>39</sup>

#### 4.3.2 Periodic Data Analysis Tools

U-M SSW pilot staff will provide periodic analysis of case data to:

- Measure intervention effectiveness. OCS and U-M SSW anticipate that if effective interventions are taken, the case stratification may change as the result of more NCPs complying with their orders;
- Monitor case stratification movement;
- Determine predictor accuracy;

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<sup>38</sup> Ref: Subsection 4.2.1, "Phase I: Data Collection and Initial Case Stratification" in this document for further information regarding the collection of predictor data on new cases.

<sup>39</sup> Ref: Subsection 4.2, "Implementing the PM Pilot" earlier in this document.

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- Potentially identify new predictors; and
- Provide updated scoring. The updated *Working PM Case List* will include Intervention Effectiveness Scores and be provided to FOC staff as it becomes available.

FOC staff will combine their *PM Diary Log* and the *Working PM Case List* into a spreadsheet to review interventions, resulting compliance and scores. This spreadsheet will assist FOC staff in identifying what types of interventions may still be needed for a given NCP.

### 4.4 Oversight of the PM Pilot

OCS and U-M SSW anticipate FOC staff will implement the PM pilot for one year beginning in the second quarter of fiscal year 2013.

OCS and U-M SSW anticipate having regular contact with FOC staff to share pilot progress. OCS, U-M SSW and FOC staff will monitor the pilot tools and procedures to determine if they need to be modified, or if new tools and procedures need to be created.