

MICHIGAN ARREARS COLLECTION SPECIAL (MACS) PROJECT EXECUTIVE SUMMARY

PURPOSE:

The Program Leadership Group (PLG) authorized the MACS Project to help Michigan families collect past-due child support and generate state revenue. Public Act 147 of 2005, Section 902 (1) authorized funds of \$17.8 million to fix and improve the Michigan Child Support Enforcement System (MiCSES). This appropriation assumed the collection of \$6.1 million in state-owed arrears from the MACS Project, along with federal matching funds of \$11.7 million.

NON-CUSTODIAL PARENT (NCP) ELIGIBILITY AND NOTIFICATION:

To qualify for this initiative, the NCP must have owed more than \$100 in qualifying state-owed arrears.¹ Office of Child Support (OCS) staff contacted eligible NCPs by mail and offered to waive 75 percent of the qualifying state-owed arrears if they agreed to pay 25 percent. No debts payable to a family or the Friend of the Court (FOC) were dismissed.²

This offer was originally available during a 90-day period beginning February 1, 2006, through April 30, 2006. Due to numerous inquiries regarding an extension, along with the desire to meet financial goals, OCS extended the program to Friday, June 16, 2006.

FINAL REPORT – COLLECTIONS:

The following are approximate collection amounts for the 2,544 NCPs who signed a MACS Agreement and sent in a payment:

Paid to families	\$1.4 million
Paid to State of Michigan for TANF reimbursements	\$5.9 million
Paid to State of Michigan for non-qualifying arrears	\$1.2 million
Paid to FOCs for fees	\$995,000
Total received	\$9.59 million

SUMMARY:

The MACS Project collected \$5.9 million in TANF reimbursements, of which the state share is \$2.57 million. It also provided the FOCs with \$995,000 in additional revenue that when matched with federal funds, provides a total of \$2.9 million in additional funding at the local level. The TANF recoveries of \$2.57 million, when matched with federal funds, provide a total of \$7.6 million. These funds will be used for MiCSES fixes.

¹ These arrears are owed to the state when the custodial party (CP) receives Temporary Assistance for Needy Families (TANF) funds.

² A CP has the legal authority to forgive arrears owed to him/her. In addition, the FOC has the legal authority to forgive fees owed to the FOC. This initiative did not change local practice.