MICHIGAN IV-D ACTION TRANSMITTAL 2008-030

TO: All Prosecuting Attorney (PA) Staff
All Friend of the Court (FOC) Staff
All Office of Child Support (OCS) Staff

FROM: Marilyn F. Stephen, Director
Office of Child Support

DATE: August 1, 2008

SUBJECT: Generating the *Notice of Rights and Responsibilities* (FEN003) for the
Michigan Child Support Enforcement System (MiCSES) 5.1 Release

PURPOSE:

This Action Transmittal (AT) explains how MiCSES will generate the *Notice of Rights and Responsibilities* (FEN003) after the MiCSES 5.1 Release. The FEN003 provides notice to the non-custodial parent (NCP) that the IV-D program may place a lien on his/her property by operation of law, if the NCP is two months or more delinquent in paying child support.

BACKGROUND:

The Support and Parenting Time Enforcement Act (SPTEA) (Michigan Compiled Law [MCL] 552.625a – 552.625i) authorizes IV-D staff to place liens on an NCP's property when the NCP is two months delinquent in paying child support. Judicial liens are used for real and personal property, and administrative liens are used for financial accounts, workers' compensation and insurance proceeds.[1] Prior to filing a lien, the IV-D agency provides the NCP with a written notice that his/her property may be encumbered or seized if an arrearage greater than two months' worth of support accrues. This notice is required for either type of lien and is currently provided in the following documents:

1. *Uniform Child Support Order* (USO) (FOC10);

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[1] Ref: MCL 552.625a for a complete listing of lien property types. MiCSES does not have an administrative lien process for workers' compensation or insurance proceeds.

2. 2007 and 2008 *State Tax Refund Pre-Offset Notice* (SPON);[2] and
3. FEN003.

However, many NCPs have never received the lien notice because:

1. The USO was not effective until January 1, 2006;[3]
2. Prior to September 2007, the SPON did not contain the required language for the imposition and levy of liens; and
3. Although MiCSES has an existing automated process to send NCPs the FEN003 when they become non-compliant with the support order, MiCSES has not automatically generated the FEN003 since May 2006. IV-D staff had the option to manually generate the FEN003 after May 2006.

As a result, a backlog of NCPs without lien notices now exists.

PROGRAM ACTIONS AND POLICY INFORMATION:

To make the lien/levy process more efficient and timely, the following changes will be made to MiCSES for the MiCSES 5.1 Release:

- MiCSES will determine if a 2008 SPON with the required lien notice or the FEN003[4] has been sent for the NCP/docket. If MiCSES determines that an NCP has not received either notice and the arrears exceed two months' worth of support for that docket, MiCSES will generate the FEN003 for that NCP/docket.
- MiCSES will use a new enforcement remedy activity chain, the *Delinquency Notice* (DNOT), to automatically generate FEN003s. Prior to the MiCSES 5.1 Release, MiCSES initiated FEN003s from a batch process that recorded the issuance of the form in *Case Remedy* (CASE) on the *Enforcement Processor* (ENFP) screen. IV-D staff may continue to generate the FEN003 from the ENFM screen and view the form on the *Historical Reprints* (FHST) screen.
- MiCSES will allow the number of FEN003s generated in any particular batch to be limited by county.

MiCSES will begin automatically generating the FEN003 to eligible NCPs in September 2008. MiCSES will first send FEN003s to the backlog of eligible dockets[5] that have not

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[2] The SPON is sent to all NCPs who are eligible for state tax refund offset. It is sent once a year. Ref: AT 2008-031, **REVISED:** *Administrative Offset Programs, Federal Tax Refund Offset Program, State Tax Refund Offset Program* to be published with the MiCSES 5.1 Release, at: http://mi-support.cses.state.mi.us/policy/stateat/?year=2008#AT2008_031.

[3] MiCSES is not programmed to read the USO effective date as a lien notification system event. The 5.1 release will not change this. Although the USO is a valid notification, IV-D staff will determine its validity, not the system.

[4] MiCSES will determine if the FEN003 exists in *Case Remedy* (CASE) in the *Form Generated* ("FG") status, either sent by the prior batch process or manually from the *Enforcement Forms Matrix* (ENFM) screen.

[5] A docket is eligible to be sent the FEN003 once the NCP's arrears reach an amount that exceeds two months of periodic support.

already been sent a 2008 SPON[6] or the FEN003. Once MiCSES generates FEN003s for the backlogged eligible dockets, MiCSES will then begin to send FEN003s when a docket becomes newly eligible.

1. Backlogged Eligible Dockets

   There is currently a backlog of eligible NCPs who have not received the lien/levy notice. If the NCP has not received the lien/levy notice and does not meet any of the exceptions (Ref: Section 3, "Exceptions," in this AT), MiCSES will automatically generate and mail the FEN003 to the NCP.

   1.1 Selection of Backlogged Dockets

      Backlogged docket selection will begin with MiCSES selecting all eligible dockets with arrears that exceed two months' worth of support.

      1.1.1 SPON

         MiCSES will not select a docket for backlogged FEN003 generation if MiCSES sent the NCP a 2008 SPON for that docket.[7] The 2008 SPON acts as the lien notice, and IV-D staff may continue with the lien process without re-notice.

         Note: The lien/levy notification language will be removed from the SPON in 2009. After that time, the FEN003 will be the only document that will contain sufficient notice to start the lien/levy remedy in MiCSES. The USO contains the lien/levy notification language, but MiCSES is not programmed to read the USO effective date as a lien notification system event.

      1.1.2 FEN003s Previously Generated

         MiCSES will not select a docket for backlogged FEN003 generation if MiCSES automatically generated or a IV-D worker manually generated a FEN003 to the NCP for that docket.[8] The manually generated FEN003 acts as the lien notice, and IV-D staff may continue with the lien process without re-notice.

   1.2 Backlogged Docket Mass Mailing

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[6] MiCSES is not able to automatically determine if a 2007 SPON was sent to an NCP because prior to the MiCSES 5.1 Release, all SPONs were generated without automated functionality within MiCSES. Ref: AT 2008-031.

[7] MiCSES will determine if a 2008 SPON was sent by reviewing the CASE enforcement remedy activity chain for a *State PON Sent* (ALTSP) minor activity for the NCP/docket combination.

[8] MiCSES will determine if a FEN003 was sent by reviewing the CASE enforcement remedy activity chain for a FEN003 with a status of "FG."

If a 2008 SPON or FEN003 has not been generated, the NCP/docket will be added to the weekly batch job for the backlogged FEN003 to be generated.

MiCSES staff will monitor the first batch to ensure an excessive number of notices will not be generated. Preliminary queries by MiCSES staff indicate the number of statewide backlogged FEN003s will be approximately 3,000 after the 2008 SPON notice is given. The backlogged FEN003s will be mailed centrally.

2. Newly Eligible Dockets

Once MiCSES generates FEN003s for all of the backlogged dockets, MiCSES will automatically locate newly eligible dockets and generate the FEN003 on a weekly basis. The FEN003 batch can process up to 1,000 notices per week. MiCSES staff indicate the weekly volume will not meet this threshold. Notices will generate weekly for all eligible dockets without a county limit unless the number of eligible cases increases.

MiCSES will allow the Central Table Administrator (CTA) to set the maximum number of FEN003s that can be created for each county for each batch run in the *MAX FEN003s* field on the *County Options* (LCOM) screen. The CTA is a security role within MiCSES that allows a central team member to update MiCSES tables to effect a change in MiCSES processing. A process to determine how to calculate limits in the *MAX FEN003s* field on the LCOM screen is currently under review.

3. Exceptions

MiCSES will not generate the FEN003 for dockets that are eligible and that have not received prior lien notice if:

- The NCP's IV-D case(s) associated to the docket is closed;
- The NCP's case(s) associated to the docket is all non-IV-D;
- The NCP's case(s) associated to the docket is an interstate initiating case;
- The NCP has filed for bankruptcy;
- The only debt on the docket is for non-support debt types;[9]
- The court has ordered that the NCP not be subject to enforcement (i.e., the *ENF Exempt* field on the *Support Order Entry* (SORD) screen for the docket is marked "Yes"); or
- The custodial party (CP) has a pending good-cause claim, or a finding of "good cause, end action" has been made (i.e., the *Good Cause Code* field is populated with a "P" or "E" on the *Case Member Details* [CASE] screen).

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[9] Per AT 2005-006, *Allocation Changes: Reclassification of Debt Types in the Michigan Child Support Enforcement System (MiCSES),* non-support debt types include Attorney Fees (AF); Alimony (AL); Genetic Test Costs to County (BD); Genetic Test Costs to State (BL); Bench Warrant (BW); Processing Fees (PF); Service Fees (SF). Spousal Support (SS) is considered non-support if there is no other support debt type charging, or if SS is the only arrears. AT 2005-006 is located at: http://mi-support.cses.state.mi.us/policy/stateat/?year=2005#AT2005_006.

LEGAL REFERENCES:	Federal None
	State MCL 552.625a MCL 552.625b MCL 552.625c-i
POLICY REFERENCES:	AT 2003-015, *Change in Policy to Provide for Attachment of Financial Assets through FIDM and a One Step Lien and Levy* AT 2005-006, *Allocation Changes: Reclassification of Debt Types in the Michigan Child Support Enforcement System (MiCSES)* AT 2008-031, **REVISED:** *Administrative Offset Programs, Federal Tax Refund Offset Program, State Tax Refund Offset Program*
AT MAINTENANCE:	Retain AT until further notice.
EFFECTIVE DATE:	Upon receipt.
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MFS/SZ