



---

## Child Support Paid Threshold Changes – October 2017

---

The Human Services Performance Management System received ongoing feedback from counties that the Percent of Current Child Support Paid measure's historical threshold could be improved. After research, a stakeholder workgroup session, and approval by the Human Services Performance Council we are launching a two-part plan to update the Child Support Paid threshold:

- The DHS Child Support division, in partnership with the Performance Management team, will develop a Regression Adjusted Performance Model (Regression Adjusted Model) to use statistical regression analysis to predict what a county's performance should be. We estimate the regression model will be completed in 2019, when completed it will be implemented with a base-line reporting year.
- While the Regression Adjusted Model is created, a modified version of the historical threshold—an increasing five-year average—will be used. The temporary, new threshold rewards performance improvement while minimizing the effect of one-year performance anomalies.

### Calculating the Increasing Five-year Average Threshold

---

The new threshold uses a five-year average of the year-over-year (YOY) point change in performance. If the average YOY growth for the county is positive, there will be no Performance Improvement Plan (PIP). If there is no growth (0 percentage points) or negative growth, the county will receive a PIP. The threshold includes a cap on expected performance of 80%; regardless of year-over-year change, counties with performance of 80% or higher will not receive a PIP.

**Sample Scenario:** Milkweed County had 64.79 percent of its orders paid in 2011, 65.22 percent in 2012, 65.35 percent in 2013, 66.21 percent in 2014, 65.08 percent in 2015, and 66.11 percent in 2016.

Calculate the year over year performance for the past 5 years:

- $2012 - 2011 = 65.22 - 64.79 = 0.43$
- $2013 - 2012 = 65.35 - 65.22 = 0.13$
- $2014 - 2013 = 66.21 - 65.35 = 0.86$
- $2015 - 2014 = 65.08 - 66.21 = (-1.13)$
- $2016 - 2015 = 66.11 - 65.08 = 1.03$

Calculate Average Change:

$(.43 + .13 + .86 + -1.13 + 1.03)/5 = 0.264$  percent points

*The average is positive, therefore the threshold has been met and there will be no PIP.*

## Additional Background Information

---

The Percent of Current Child Support Paid measure is the total amount of support distributed, divided by the total amount of current support due during that fiscal year. The numerator and denominator are dollar amounts, rather than children, families, or people. The measure has been included since the initial 2014 Human Service Performance Management system report.

### Background on the Historical Threshold

In September 2014, a Child Support threshold workgroup was convened. The workgroup discussed using a Regression Adjusted Model, but due to time and resource constraints a historical threshold model was also recommended and ultimately adopted. The historical threshold used a three-year average of the year-over-year percentage point change added to the most recent year's performance to calculate each county's threshold for the upcoming year.

### Challenges with Historical Threshold Model

After implementing the historical threshold model, several challenges emerged:

- The model did not account for uncontrollable, external factors such as: wage of the noncustodial parent, interstate cases and incarceration rates.
- The model failed to reward progress. A year of strong performance could bring the threshold up to unattainable levels or a county could have positive progress and still be required to complete a PIP.
- The model resulted in high rates of counties with PIPs compared to other Performance Management measures.

## FAQ

---

### When will the changes be implemented?

Use of the increasing five-year average threshold will be used for the first time in Performance Management's October 2017 Child Support Report (including data from Federal Fiscal Year 2017). This threshold will be used until development of the Regression Adjusted Model is complete.

Human Services Performance Management estimates the Regression Adjusted Model will require one to two years for development. When complete, the Performance Management system will implement the new model with a base-line reporting year and begin requiring Performance Improvement Plans the year following implementation.

### How will this change affect existing PIPs?

Existing PIPs for the Child Support Paid measure will be assessed using the new increasing five-year average threshold and closed or extended as needed. If counties are above the threshold (have a positive increasing five-year average) their existing PIP will close. If counties are below the threshold (have a negative or zero increasing five-year average) the PIP will continue for another year. Since the measure remains the same, and only the performance target has changed, there is no need to rework PIPs in response to the change.

## **Who was involved in the process to identify and select the new threshold methodology?**

An Executive Pathways intern from the University of Minnesota's Humphrey School of Public Affairs, Jared Swanson, worked with the Human Services Performance Management team to research the Child Support Paid threshold and create a list of possible alternatives to the historical threshold. Jared convened a workgroup to explore the alternatives.

The workgroup explored the Child Support Paid threshold during a day-long gathering in August 2017. The group included a representative sample of county directors and supervisors as well as members of the DHS Child Support Division. After considering six threshold options, in addition to the option of keeping the historical threshold, the workgroup recommended the changes to the Child Support Paid threshold.

The Human Services Performance Council approved the proposed changes during their August 2017 meeting. The Council consists of commissioner appointed members representing DHS, service providers/advocates, and tribal governments/communities of color; the Association of Minnesota Counties (AMC) and the Minnesota Association of County Social Service Administrators (MACSSA) each appoint their representative members.

## **Why was the Regression Adjusted Model selected?**

The workgroup recommended the Regression Adjusted Model for several reasons:

- The model will provide insight into underlying factors that affect Child Support collection. This can help control for factors outside of county control and help counties identify key areas to improve performance.
- The model will reflect the unique needs of individual counties while helping identify common factors that affect performance across counties.
- The model can help counties take their work to the next level. Other states are using similar models and seeing marked improvement.

The workgroup recommended the increasing five-year average as the temporary threshold for several reasons:

- Large gains are potentially rewarded.
- One good year does not lead to an unrealistic threshold.
- It is simple to calculate.
- It focuses on long-term improvements.
- It provides counties with leeway if they have a down year.

## **Who will create the Regression Adjusted Model?**

The DHS Child Support division, in partnership with the Performance Management team, will manage the development of a Regression Adjusted Model. The process will involve stakeholder groups, including county directors and supervisors as well as other identified stakeholders.

## **Who can answer additional questions?**

Contact the Performance Management team at [DHS.HSPM@state.mn.us](mailto:DHS.HSPM@state.mn.us).