

# Budget Brief – Office of Recovery Services

DEPARTMENT OF HUMAN SERVICES

NUMBER DHS-08-06

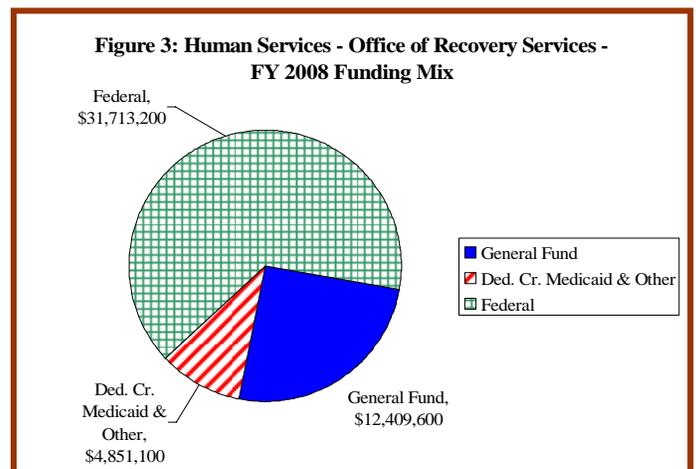
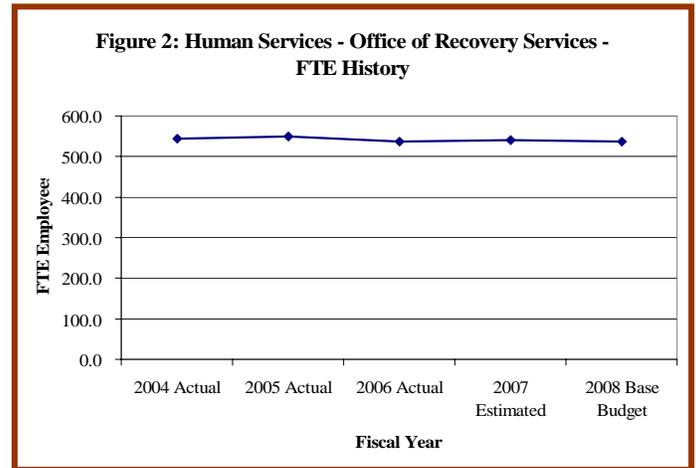
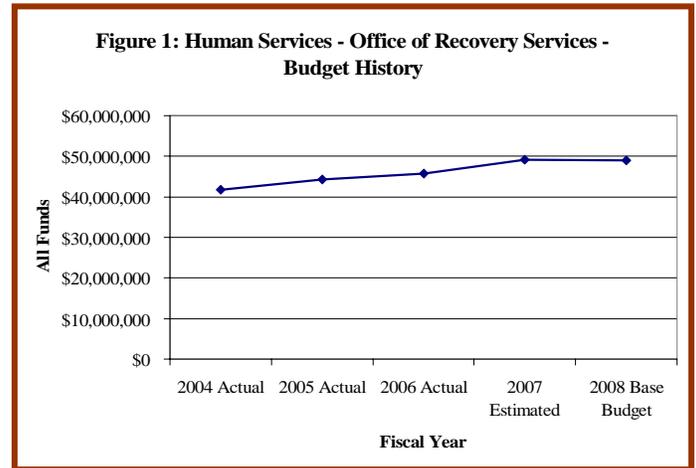
## THE OFFICE OF RECOVERY SERVICES

The Office of Recovery Services (ORS) is responsible for collecting funds owed to the State in the Human Services, Temporary Assistance to Needy Families (TANF), and Medical Assistance areas. ORS also collects support payments from non-custodial parents.

Statutorily, in [UCA Section 62A-11-104](#), ORS is required to provide the following services:

1. Provide child support services (establishing paternity and support orders);
2. Collect child support – ORS collects child support from non-custodial parents and disburses the monies to the custodial parent;
3. Collect money due DHS to offset expenditures – ORS collects money for other divisions in DHS such as expenditures for medical and living expenses from parents of children in state custody;
4. Work with the federal government to recover health and social service funds;
5. Collect civil and criminal assessments, fines, fees and amounts awarded as restitution and reimbursable expenses owed to the state or any of its political subdivisions;
6. Implement income withholding for collections of child support;
7. Establish and maintain the state case registry;
8. Contract with Workforce Services to establish and maintain a new hire registry;
9. ORS pursues medical and child support if recipient is on cash assistance and/or Medicaid;
10. Finance any costs incurred from collections, fees, General Fund appropriations, contracts and federal financial participation; and
11. Provide notice to non-custodial parent.

The FY 2008 recommended base budget totals \$48,973,900 with \$12,409,600 (25 percent) from the General Fund, \$31,713,200 (65 percent) from federal funds and the balance of \$4,851,100 from dedicated credits and transfers including Medicaid transfers.



**LEGISLATIVE ACTION**

The Executive Appropriations Committee requests that the subcommittee adopt base budgets for each agency under the subcommittee's purview, fund subcommittee priorities by reallocating revenue among programs, and provide a prioritized list of desired items for funding. The subcommittee should consider the following items in its deliberations:

**Base Budget Adoption**

Adoption of the base budget enables the programs to continue for the next fiscal year at relatively the same level as the current fiscal year. Some changes in the base budgets may occur, namely non-state fund increases or decreases (i.e. federal funds, transfers, dedicated credits and non-lapsing balances) and program shifts within a line item.

**Funding Requests for Consideration**

The following shows the General Fund requests of ORS prior to the Governor's recommendation. The programmatic needs will be discussed in detail with the Analyst's recommendation and total plan of financing in the issue briefs:

1. Replacement of Matching Funds – Issue Brief DHS-08-11
2. Child Support Call Routing System – Issue Brief DHS-08-12

**BUDGET DETAIL**

The following table shows the budget history for ORS line item including the base budget for adoption:

Human Services - Office of Recovery Services						
Sources of Finance	FY 2006 Actual	FY 2007 Appropriated	Changes	FY 2007 Revised	Changes	FY 2008* Base Budget
General Fund	11,756,300	12,409,600	0	12,409,600	0	12,409,600
General Fund, One-time	0	(28,600)	0	(28,600)	28,600	0
Federal Funds	29,624,100	31,185,600	667,200	31,852,800	(139,600)	31,713,200
Dedicated Credits Revenue	2,254,100	2,658,200	0	2,658,200	0	2,658,200
Transfers - H - Medical Assistance	2,034,600	1,999,000	1,100	2,000,100	0	2,000,100
Transfers - Other Agencies	63,000	129,800	55,000	184,800	8,000	192,800
Beginning Nonlapsing	45,500	0	37,400	37,400	(37,400)	0
Closing Nonlapsing	(37,400)	0	0	0	0	0
Lapsing Balance	(1,800)	0	0	0	0	0
<b>Total</b>	<b>\$45,738,400</b>	<b>\$48,353,600</b>	<b>\$760,700</b>	<b>\$49,114,300</b>	<b>(\$140,400)</b>	<b>\$48,973,900</b>
<b>Programs</b>						
Administration	1,235,400	1,441,700	85,700	1,527,400	26,700	1,554,100
Financial Services	5,424,000	5,637,400	0	5,637,400	1,100	5,638,500
Electronic Technology	7,732,600	8,090,000	38,500	8,128,500	(35,900)	8,092,600
Child Support Services	23,434,400	24,656,000	684,600	25,340,600	(136,500)	25,204,100
Children in Care Collections	1,997,700	2,254,700	0	2,254,700	2,000	2,256,700
Attorney General Contract	3,689,000	3,835,100	0	3,835,100	0	3,835,100
Medical Collections	2,225,300	2,438,700	(48,100)	2,390,600	2,200	2,392,800
<b>Total</b>	<b>\$45,738,400</b>	<b>\$48,353,600</b>	<b>\$760,700</b>	<b>\$49,114,300</b>	<b>(\$140,400)</b>	<b>\$48,973,900</b>
<b>Categories of Expenditure</b>						
Personal Services	30,174,200	33,698,400	(1,364,500)	32,333,900	(49,300)	32,284,600
In-State Travel	37,400	31,900	3,200	35,100	(3,200)	31,900
Out of State Travel	21,600	3,000	0	3,000	0	3,000
Current Expense	9,275,100	8,449,300	1,392,500	9,841,800	31,900	9,873,700
DP Current Expense	6,144,100	6,080,100	789,500	6,869,600	(119,800)	6,749,800
DP Capital Outlay	86,000	90,900	(60,000)	30,900	0	30,900
<b>Total</b>	<b>\$45,738,400</b>	<b>\$48,353,600</b>	<b>\$760,700</b>	<b>\$49,114,300</b>	<b>(\$140,400)</b>	<b>\$48,973,900</b>
<b>Other Data</b>						
Budgeted FTE	537.5	553.8	(13.9)	540.0	(3.0)	537.0
Vehicles	8	9	(1)	8	0	8

\*Does not include amounts in excess of subcommittee's state fund allocation that may be recommended by the Fiscal Analyst.

**RECOMMENDATIONS**

It is the recommendation of the Analyst that the base budget for FY 2008 for the Office of Recovery Services of \$48,973,900 with the plan of financing shown in the above table be adopted by the Health and Human Services Appropriations Subcommittee. The Subcommittee may want to consider reallocation of the base budget revenues in this division to meet departmental funding priorities in addition to the adoption of the base budget.