

DEPARTMENTAL GRANT APPEALS BOARD

Department of Health and Human Services

SUBJECT: Indiana Department of Public Welfare  
Board Docket No. 79-206-IN-CS  
Decision No. 150

DATE:  
February 24, 1981

DECISION

This is an appeal of a disallowance of \$6,951.44 in Federal financial participation (FFP), claimed by the State of Indiana under Title IV-D of the Social Security Act (the Act) for the costs of application forms (DPW Form 60). The Regional Representative of the Office of Child Support Enforcement (Agency) concluded that the forms were used at the intake level for applicants for assistance under Title IV-A of the Act and the costs were not chargeable to Title IV-D.

Based on the State's submissions and the Agency's response, it appeared that the Agency position was correct. A preliminary analysis was set out in the Board's Order, issued December 18, 1980, directing the State to show cause why the disallowance should not be upheld. No timely response was received, and the State, by telephone conversation on January 26, 1981, informed a Board staff member that it would not be responding to the Board's Order.

Background

Title IV-A of the Act provides for financial assistance to needy dependent children and the parents or relations with whom they are living under the Aid to Families with Dependent Children (AFDC) program. Title IV-D of the Act provides for the enforcement of child support obligations owed by absent parents to their children. The Indiana State Department of Public Welfare (the State or IDPW) administers both the Title IV-A and Title IV-D programs in Indiana.

Section 402(a) of Title IV-A states, in part,

A State plan for aid and services to needy families with children must --

\* \* \*

(11) provide for prompt notice (including the transmittal of all relevant information) to the State child support collection agency ... of the furnishing of aid to families

with dependent children with respect to a child who has been deserted or abandoned by a parent...

\* \* \*

(26) provide that, as a condition of eligibility for aid, each applicant or recipient will be required --  
(A) to assign the State any rights to support from any other person such applicant may have ....

Title IV-A regulations at 45 CFR 235.70 and 232.11 basically restate the above notice and assignment requirements.

45 CFR 304.20, part of the regulations implementing Title IV-D requirements, states:

- (a) Federal financial participation at the 75% rate is available for:
  - (1) Necessary expenditures under the State Title IV-D plan for the child support enforcement services and activities specified in this section and §304.21 provided to individuals from whom an assignment of support rights has been obtained pursuant to §232.11 of this title;
  - (2) Collection services pursuant to §302.51(e)(i) of this chapter; and
  - (3) Parent locator services for individuals eligible pursuant to §302.33 of this title ....

The IV-A program must provide certain information to the IV-D program, and as a result these programs are somewhat related, but the program requirements are not interchangeable.

#### Discussion

The IDPW and Agency positions were fully stated in the Board's Order to Show Cause, dated December 18, 1980. The State's major arguments were (1) pages 2 and 8 of DPW Form 60 have their origin in two IV-D forms, DPW Forms 425 and 426; (2) more than 50% of the cost of the DPW Form 60 can be attributed to IV-D requirements since more carbons of pages 2 and 8 are needed; and (3) since an estimated 90% of all AFDC cases are referred to IV-D, a minimum 50% charge to IV-D is appropriate.

The Agency's position was (1) the costs of the predecessor forms that were charged to IV-D may have been incorrectly charged; and (2) although pages 2 and 8 are sent to the IV-D program, they are designed to meet IV-A requirements and must be charged to that program.

In its response to the appeal the Agency stated, "The cost of printing page 2 of DPW Form 60 would be eligible for funding if the form were used by the IV-D program personnel as an intake document. However, page 2 is used by the State of Indiana as part of the intake process for the IV-A program and to meet the IV-A program's responsibilities under section 402(a)(11) of the Act." (Agency Response, p. 10.) The State was provided an opportunity to dispute this position in response to the Board's Order and has not done so.

Page 8 of DPW Form 60 provides for an assignment of support rights subject to "Section 402(1)(26) of Title IV-D of the Social Security Act as amended." The Board's Order pointed out that it appeared that the State had made a mistake as to the authority requiring that page and that the cite should refer to Section 402(a)(26) of the Act, which is part of Title IV-A and not Title IV-D. The State has not responded, and we find that the proper reference should be to Title IV-A.

The State has tried to characterize these costs as Title IV-D costs, and has an incentive to do so since it could then obtain FFP at the 75% rate rather than at the Title IV-A 50% rate. There is no support, however, for the State's assertion that these costs should be attributed to Title IV-D services within the meaning of 45 CFR 304.20.

#### Conclusion

Based on the Agency's argument and on our own analysis of pages 2 and 8 of DPW Form 60, we conclude that the costs of the form were not for child support services within the meaning of Title IV-D but rather were attributable to the notice and assignment requirements of Title IV-A. Accordingly, the appeal of the State of Indiana is denied.

/s/ Cecilia Sparks Ford, Panel Chair

/s/ Donald F. Garrett

/s/ Norval D. (John) Settle