

State of Alaska
FY2004 Governor's Operating Budget

Department of Revenue
Child Support Enforcement
BRU/Component Budget Summary

BRU/Component: Child Support Enforcement

(There is only one component in this BRU. To reduce duplicate information, we did not print a separate BRU section.)

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Component Mission

The mission of the Child Support Enforcement Division is to ensure that children receive the child support due them.

Component Services Provided

The Child Support Enforcement Division (CSED) collects and dispenses child support payments to families that have applied for services or are covered by a court order. The division also collects support on behalf of the State of Alaska for families that are on the Alaska Temporary Assistance Program, Medicaid or have children in state custody and for tribal organizations disbursing public assistance. Providing child support requires a complex system of services to establish paternity and child support orders and modify and enforce orders. CSED has approximately 48,500 child support cases.

Component Goals and Strategies

1. Increase the cost-effectiveness ratio of CSED, which is the total operating budget of the division compared to the total amount of collections
 - Utilize new locate methods via internet.
 - Update programming to include the newest automated enforcement actions.
 - Continue to expand automated financial data matches.
2. Increase the percentage of current child support collected
 - Increase the number of interstate cases with direct withholding.
 - Increase contact with paying parents to ensure wage orders are set at accurate amounts.
 - Increase outreach to parents for order modifications and vacating default orders.
 - Increase the number of employers reporting new hires to CSED.
3. Reduce the number of child support administrative orders and order modifications that are appealed compared to the total number of new administrative orders and modifications issued during the year
 - Continue to improve forms available to the public so that they are easier to use and there are more of them available on the internet.
 - Maintain the quality assurance programs in establishment and modifications.
4. Reduce the number of cases where adjustments are overdue by 30 days or more
 - Dedicate an additional employee to reducing the largest backlog areas.
 - Create additional automated spreadsheets for audits and adjustments.
 - Reduce requests for audits and adjustments by providing case financial history to the public via online access.
 - Continue to streamline processes with an emphasis on communication, coordination with other sections and maximizing existing software.
5. Increase the percentage of cases in which there are child support orders
 - Utilize programming of the current software to ensure cases that should be closed are closed.
 - Maintain production standards in the establishment and paternity sections.

6. Increase the number of cases with arrearages that have collections as compared to the total number of cases with arrearages

- Continue to match both multi-state and in-state financial data match.
- Increase collections via a computer interface with Department of Labor, Workers Compensation.
- Maintain community outreach program.
- Expand the inmate location program via newly available internet applications.

Key Component Issues for FY2003 – 2004

- To decrease our use of paper, Child Support will be working on a new imaging system for court orders in conjunction with the Alaska Court System. We anticipate that this will decrease the time it takes for our caseworkers to input the new order as well as decrease our paperwork. This idea will then be applied as much as possible to other aspects of Child Support, as time and programming dollars allow.
- CSED will be increasing our 24 hour/7day a week available services. Besides expanding our interactive voice response phone system and web-based services, we are exploring such ideas as the automated case financial history for the public and a web-based payment system.
- Child support has become more critical as more families leave public assistance. The bulk of child support is distributed to families that were formerly on public assistance. CSED must continue to focus on getting child support to all parents as quickly as possible. At the same time, it is important to be responsive and fair to non-custodial parents.
- Automation and system changes continue to be priorities. For the past few years, CSED has focused on meeting federal requirements for an automated case management system. Although we have achieved compliance, a great deal needs to be done to make the system more user friendly and accomplish tasks automatically. We will improve the system at the same time we are upgrading it to avoid obsolescence.

Major Component Accomplishments in 2002

- Developed the design for improving the NSTAR (computerized case management system). The improvements will be completed in FY04.
- Decreased customer service wait times for incoming telephone calls from an average of 5.9 minutes in FY01 to an average of 3.8 minutes in FY02.
- Developed training programs that encompass our NSTAR system, new state and federal regulations, expanded policies and procedures regarding confidentiality and information security and employee skill enhancement, as well as a comprehensive orientation to better acquaint new employees and make them more likely to succeed.
- Implemented a new automated financial system which provided easier-to-read statements, automatic audits and complied with federal requirements.
- Increased automation in new hire reporting so that it takes a significantly reduced amount of time to input, allowing the backlog to be eliminated.
- Developed an automated interface with the three major Alaskan Native tribes to track the status of those in the Native tribal assistance programs.
- Passed the federal data reliability tests with an average success rate of 98.75%. This covers the data testing results of our federal performance measures.
- Disbursed 96% of all checks going to families within 2 days.
- Fully implemented the match program with financial institutions which continues to increase collections.
- Increased wage withholding orders that go directly to employers in other states.

- Continued improvement and coordination between CSED and Alaska Court System allowed us to set up foster care cases quicker and more accurately.
- Adopted new policies, procedures and regulations to ensure consistency and clarity in CSED operations.
- One of the first states to achieve federal compliance with the new medical support program.
- Collected \$95,001,600 in FY02. This was \$4,009,000 more than FY01.
- Continued to improve our web site, which provides information and access to CSED forms.
- Collected \$405.9 per employee in FY02, up from \$390.1 in FY01.
- Disbursed almost \$15 million to the State of Alaska and the federal government as reimbursement for public assistance and foster care payments.

Statutory and Regulatory Authority

AS 25.25
AS 25.27
AAC 15.05
AAC 15.125

Federal Law 93-647
Federal Law 96-265
Federal Law 96-35

Key Performance Measures for FY2004

Measure:

The total operating budget of the division as compared to the total amount of collections.

Sec 128 (b) (1) Ch 124 SLA 2002(HB 515)

Alaska's Target & Progress:

- Fiscal Year 2002 cost effectiveness was \$5.16 in collections for every \$1 in operating funds spent. The increase was a result of the \$4 million increase in collections from the prior year.

Benchmark Comparisons:

- Fiscal Year 2001 was \$5.04 collected for every \$1 spent in operating funds.
- Fiscal Year 2000 was \$5.15.
- Fiscal Year 1999 was \$5.19.
- Fiscal Year 1998 was \$5.31.

Background and Strategies:

- Utilize new locate methods via internet.
- Update programming to include the newest automated enforcement actions.
- Continue to expand automated financial data matches.

Measure:

The percentage of current child support collected.

Sec 128 (b) (2) Ch 124 SLA 2002(HB 515)

Alaska's Target & Progress:

- Fiscal Year 2002 the percentage of current child support collected was 54%.

Benchmark Comparisons:

- Fiscal Year 2001 the percentage of current child support collected was 51.2%.
- Fiscal Year 2000 was 49.2%.
- Fiscal Year 1999 was 48.0%.
- Fiscal Year 1998 was 46.1%.

- The national rate for this measure was 56%, per the FFY00 Federal Office of Child Support Enforcement Preliminary Data Report.

Background and Strategies:

- Increase the number of interstate cases with direct withholding.
- Increase contact with paying parents to ensure wage orders are set at accurate amounts.
- Increase outreach to parents for order modifications and vacating default orders.
- Increase the number of employers reporting new hires to CSED.

Measure:

The number of child support administrative orders and order modifications that are appealed compared to the total number of new administrative orders and modifications issued during the year.

Sec 128 (b) (3) Ch 124 SLA 2002(HB 515)

Alaska's Target & Progress:

- Fiscal Year 2002 the number of administrative orders and order modifications appealed was 13%.

Benchmark Comparisons:

- Fiscal Year 2001 was the first year for this performance measure and was also 13%.

- Data is not normally reported by other states, making comparisons difficult.

Background and Strategies:

- Continue to improve forms available to the public so that they are easier to use and there are more of them available on the internet.
- Maintain the quality assurance programs in establishment and modifications.

Measure:

The number of cases where adjustment is overdue by 30 days or more.

Sec 128 (b) (4) Ch 124 SLA 2002(HB 515)

Alaska's Target & Progress:

- October 31, 2002 the number of cases where adjustments were overdue by 30 days or more was 877.

Benchmark Comparisons:

- Fiscal Year 2001 the number of cases where adjustments were overdue by 30 days or more was 267.
- Fiscal Year 2000 the total was 3,150.
- Fiscal Year 1999 the total was more than 6,000.
- Fiscal Year 1998, data is unavailable.

Background and Strategies:

- Dedicate an additional employee to reducing the largest backlog areas.
- Create additional automated spreadsheets for audits and adjustments.
- Reduce requests for audits and adjustments by providing case financial history to the public via the internet.
- Continue to streamline processes with an emphasis on communication, coordination with other sections and maximizing existing software.

Measure:

The percentage of cases in which there are child support orders.

Sec 128 (b) (5) Ch 124 SLA 2002(HB 515)

Alaska's Target & Progress:

- Fiscal Year 2002 the number of cases with orders established was 83% of total caseload.

Benchmark Comparisons:

- Fiscal Year 2001 the number of cases with orders established was 78% of total caseload.
- Fiscal Year 2000 was 79%.
- Fiscal Year 1999 was 75%.
- Fiscal Year 1998 was 77%.

- The national rate for this measure was 61%, per the FFY01 Federal Office of Child Support Enforcement Preliminary Data Report.

Background and Strategies:

- Utilize programming of the current software to ensure cases that should be closed are closed.
- Maintain production standards in the establishment and paternity sections.

Measure:

The number of cases with arrearages that have collections as compared to the total number of cases with arrearages.

Sec 128 (b) (6) Ch 124 SLA 2002(HB 515)

Alaska's Target & Progress:

- Fiscal Year 2002 the number of cases with arrears that have collections as compared to the total number of cases with arrearages was 68.4%.

Benchmark Comparisons:

- Fiscal Year 2001 the number of cases with arrears that have collections as compared to the total number of cases with arrearages was 68.5%.
- Fiscal Year 2000 was 65.1%.
- Fiscal Year 1999 was 63.6%.
- Fiscal Year 1998, data is unavailable.

- The national rate was 59.3%, per the FFY00 Federal Office of Child Support Enforcement Preliminary Data Report.

Background and Strategies:

- Continue to match both multi-state and in-state financial data match.
- Increase collections via a computer interface with Department of Labor, Workers Compensation.
- Maintain community outreach program.
- Expand the inmate location program via newly available internet applications.

Child Support Enforcement
Component Financial Summary

All dollars in thousands

	FY2002 Actuals	FY2003 Authorized	FY2004 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	11,682.1	12,286.6	12,435.1
72000 Travel	52.2	80.0	80.0
73000 Contractual	5,833.2	6,222.9	6,269.6
74000 Supplies	153.6	166.1	166.1
75000 Equipment	492.8	60.8	60.8
76000 Land/Buildings	0.0	0.0	0.0
77000 Grants, Claims	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	18,213.9	18,816.4	19,011.6
Funding Sources:			
1002 Federal Receipts	12,252.4	12,501.8	12,646.5
1004 General Fund Receipts	118.6	118.6	118.6
1005 General Fund/Program Receipts	3,003.9	0.0	0.0
1016 Federal Incentive Payments	2,537.9	2,607.9	2,761.1
1133 Indirect Cost Reimbursement	301.1	301.1	301.1
1156 Receipt Supported Services	0.0	3,287.0	3,184.3
Funding Totals	18,213.9	18,816.4	19,011.6

Child Support Enforcement

Proposed Changes in Levels of Service for FY2004

- A funding switch of \$153,200 from state money (receipt-supported services) to federal incentive funding. As the Child Support Division improves its performance, it receives additional federal incentive funding. That additional federal money can be used to reduce state funding to operate the program.

Summary of Component Budget Changes

From FY2003 Authorized to FY2004 Governor

All dollars in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2003 Authorized	118.6	15,410.8	3,287.0	18,816.4
Adjustments which will continue current level of service:				
-Annualize FY2003 COLA Increase for General Government, Confidential and Supervisory Bargaining Units	0.0	121.6	26.0	147.6
-Restore lost funding, recover unrealized funding originally contained in Annualized FY2003 COLA	0.0	-24.2	24.2	0.0
-Fund switch, reducing state funds and increasing federal funds	0.0	153.2	-153.2	0.0
-\$75 per Month Health Insurance Increase for Non-Covered Staff	0.0	0.6	0.3	0.9
Proposed budget increases:				
-Increase Inter-Agency funding for Alaska Court System IV-D program	0.0	46.7	0.0	46.7
FY2004 Governor	118.6	15,708.7	3,184.3	19,011.6

Child Support Enforcement
Personal Services Information

	Authorized Positions		Personal Services Costs	
	<u>FY2003</u> <u>Authorized</u>	<u>FY2004</u> <u>Governor</u>		
Full-time	239	239	Annual Salaries	9,533,306
Part-time	0	0	Premium Pay	23,073
Nonpermanent	0	0	Annual Benefits	3,546,918
			<i>Less 5.10% Vacancy Factor</i>	(668,197)
			Lump Sum Premium Pay	0
Totals	239	239	Total Personal Services	12,435,100

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Accountant III	2	0	0	0	2
Accounting Clerk I	5	0	0	0	5
Accounting Clerk II	3	0	0	0	3
Accounting Spvr I	4	0	0	0	4
Accounting Tech I	10	0	0	0	10
Accounting Tech II	14	0	0	0	14
Accounting Tech III	2	0	0	0	2
Administrative Assistant	1	0	0	0	1
Administrative Clerk II	4	0	0	0	4
Administrative Clerk III	41	0	0	0	41
Administrative Manager I	2	0	0	0	2
Administrative Svcs Mgr	1	0	0	0	1
Analyst/Programmer III	3	0	0	0	3
Analyst/Programmer IV	4	0	0	0	4
Analyst/Programmer V	1	0	0	0	1
Child Support Manager	2	0	0	0	2
Child Support Spec I	87	4	3	2	96
Child Support Spec II	20	1	0	1	22
Child Support Spec III	6	0	1	0	7
Data Processing Mgr II	1	0	0	0	1
Division Director	1	0	0	0	1
Internal Auditor II	2	0	0	0	2
Investigator III	3	0	0	0	3
Investigator IV	1	0	0	0	1
Micro/Network Spec I	1	0	0	0	1
Micro/Network Tech I	1	0	0	0	1
Micro/Network Tech II	1	0	0	0	1
Personnel Asst I	1	0	0	0	1
Prog Coordinator	2	0	0	0	2
Supply Technician I	1	0	0	0	1
Totals	227	5	4	3	239