

State of Alaska
FY2006 Governor's Operating Budget

Department of Revenue
Child Support Services Division
RDU/Component Budget Summary

RDU/Component: Child Support Services Division

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

Contribution to Department's Mission

The mission of the Child Support Services Division is to collect and distribute child support.

Core Services

- Support and paternity establishment
- Review and adjustment to cases
- Enforcement of cash and medical support

End Results	Strategies to Achieve Results
<p>A: Improve the collection and disbursement of child support due to the children served by CSSD.</p> <p><u>Target #1:</u> Increase collections by 3%, net PFD collections.</p> <p><u>Measure #1:</u> Percent of changes in total collections, net PFD collections.</p>	<p>A1: Improve the environment necessary for increased collections.</p> <p><u>Target #1:</u> Increase paternities established to 90%. <u>Measure #1:</u> Percentage of paternities established.</p> <p><u>Target #2:</u> Increase cases with orders to 88%. <u>Measure #2:</u> Percentage of cases with orders.</p> <p><u>Target #3:</u> Increase current collections to 57%. <u>Measure #3:</u> Percentage of current collections.</p> <p><u>Target #4:</u> Increase number of cases with arrearage collections to 72%. <u>Measure #4:</u> Percentage of cases with arrearages with collections.</p> <p><u>Target #5:</u> Increase the cost effectiveness ratio to 4.45. <u>Measure #5:</u> Cost effectiveness ratio.</p> <p><u>Target #6:</u> Reduce cases with no collections for one year or more to 15% or less of cases eligible for collections. <u>Measure #6:</u> % of cases with no collections for one year or more versus total cases eligible for collection.</p> <p>A2: Improve the efficiency of distributing child support.</p> <p><u>Target #1:</u> Increase recipients on automated distribution to 60%. <u>Measure #1:</u> Percentage of recipients receiving automated distribution.</p> <p><u>Target #2:</u> Decrease money on hold, less those categories that are out of the division's control, to less than 9%. <u>Measure #2:</u> Percentage of money on hold, less those categories that the division cannot or should not effect.</p>

	<p>A3: Improve customer service and outreach.</p> <p><u>Target #1:</u> 50% of customers surveyed rate us 3 or better on a scale of 1-5.</p> <p><u>Measure #1:</u> Percent of responses from customer surveys rated 3 or better.</p> <p><u>Target #2:</u> Wait times for telephone calls is reduced to an average of 2 minutes.</p> <p><u>Measure #2:</u> Average wait times.</p>
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Major Activities to Advance Strategies

- Improve communications, processes and interface with other states.
- Establish and train a special collections unit.
- Review statutes and regulations for enhanced prosecution of criminal non-support.
- Review and adjust cases.
- Establish paternity.
- Inform obligees of accurate amounts due.
- Locate employers and assets of non-custodial parents.
- Assist Bureau of Vital Statistics in staying federally compliant and current.
- Investigate using internal IV-D paternity measurement instead of statewide paternity measurement.
- Streamline the case establishment process.
- Institute a 0 tolerance (full collection of arrearages) for passport denial/release program.
- Pursue a state-owed arrearage abatement pilot program.
- Reduce the Financial Institution Data Match minimum account balance for seizure and institute an enhanced negotiation process.
- Increase informative presentations to businesses, non-profits, faith-based, ethnic, schools, conferences and mass media from 6 to 12 annually.
- Increase individual interviews (personal contacts via telephone or in-person) for custodial and non-custodial parents by CSED employees by 25%.
- Set procedures, train employees, create questions and surveys for interview process.
- Continue to respond to written and verbal communications from our clients.

FY2006 Resources Allocated to Achieve Results

FY2006 Component Budget: \$20,329,200	Personnel:	
	Full time	232
	Part time	0
	Total	232

Performance Measure Detail

A: Result - Improve the collection and disbursement of child support due to the children served by CSSD.

Target #1: Increase collections by 3%, net PFD collections.
Measure #1: Percent of changes in total collections, net PFD collections.

Percent change in total collections for a fiscal year

Year	FY2002	FY2003	FY2004	FY2005	YTD
2004	7.4%	6.2%	4.2%	3.0%	0

Analysis of results and challenges: Increasing total collections allows the division to increase distributions to

custodial parents. This improves the financial support that benefits children's lives. The division expects a steady increase in non-PFD collections. The increase in FY2002 relates to the implementation of the mandatory multi-state federal financial institution data match program. During FY2003, the state financial institute data match program was initiated which accounted for the increase in that year. Projected increases will have to come from much smaller operational changes as no significant federal or state major enhancements are planned at this time.

A1: Strategy - Improve the environment necessary for increased collections.

Target #1: Increase paternities established to 90%.
Measure #1: Percentage of paternities established.

Percentage of paternities established

Year	FFY2002	FFY2003	FFY2004	FFY2005	YTD
2004	89.6%	89.3%	87%	90%	0

Analysis of results and challenges: Improving the number of paternities that the division establish allows cases to be available for establishing an order and, in turn, allows money to start flowing to the family. Better coordination with the Bureau of Vital Statistics to correct deficiencies will also vastly improve the division's results.

Target #2: Increase cases with orders to 88%.
Measure #2: Percentage of cases with orders.

Percentage of cases with orders

Year	FY2002	FY2003	FY2004	FY2005	YTD
2004	83%	81%	84.7%	85.0%	0

Analysis of results and challenges: Collections cannot be made without a proper order in place. Establishing this quickly and effectively is one of the keys to a successful child support program. Reviewing and streamlining the division's process in establishing cases will aid in the timeliness of collecting and distributing child support.

Target #3: Increase current collections to 57%.
Measure #3: Percentage of current collections.

Percentage of current collections

Year	FFY2002	FFY2003	FFY2004	FFY2005	YTD
2004	54%	53.2%	54.2%	56%	0

Analysis of results and challenges: Also a main component to any child support program, collecting current money due is crucial to the financial well-being of the children it is intended to benefit. Increased information systems for new hires with the federal government and Alaska employers will enhance our ability to streamline the withholding process, improving the overall ability to collect current support quickly.

Target #4: Increase number of cases with arrearage collections to 72%.
Measure #4: Percentage of cases with arrearages with collections.

Percentage of cases with arrearages with collections

Year	FFY2002	FFY2003	FFY2004	FFY2005	YTD
2004	68.4%	66.5%	65.4%	70%	0

Analysis of results and challenges: A higher concentration on cases with special collection needs will increase overall collections.

Target #5: Increase the cost effectiveness ratio to 4.45.
Measure #5: Cost effectiveness ratio.

Cost effectiveness ratio

Year	FFY2002	FFY2003	FFY2004	FFY2005	YTD
2004	4.49	4.24	4.42	4.45	0

Analysis of results and challenges: Two components, expenses and collections, figure into this target. Overall, showing the highest possible amount of collections for the least amount spent is highly sought. With improved automation and new ideas to streamline, we hope to meet this target.

Target #6: Reduce cases with no collections for one year or more to 15% or less of cases eligible for collections.

Measure #6: % of cases with no collections for one year or more versus total cases eligible for collection.

Percentage of cases with collections with no previous collection for 1 year or more

Year	FY2002	FY2003	FY2004	FY2005	YTD
2004	NA	NA	23%	15%	0

Analysis of results and challenges: A recent analysis of outstanding collections showed a relationship between those cases with the highest outstanding balances and those with no recent collections. A significant priority will be redirected to achieve better results here.

A2: Strategy - Improve the efficiency of distributing child support.

Target #1: Increase recipients on automated distribution to 60%.

Measure #1: Percentage of recipients receiving automated distribution.

Percentage of recipients receiving automated distribution

Year	FY2002	FY2003	FY2004	FY2005	YTD
2004	NA	55%	48.7%	60%	0

Analysis of results and challenges: In addition to improving the timeliness of distribution of the funds to recipients and the ease at which they can access their money, automated distribution greatly reduces the costs associated with disbursing money. Implementation of an electronic payment card pilot project will be a major step in achieving this target.

Target #2: Decrease money on hold, less those categories that are out of the division's control, to less than 9%.

Measure #2: Percentage of money on hold, less those categories that the division cannot or should not effect.

Percentage of money on hold

Year	FY2002	FY2003	FY2004	FY2005	YTD
2004	.87%	1.089%	.9%	1.0%	0

Analysis of results and challenges: The decrease of undistributed collections is quickly becoming a national priority for the federal Office of Child Support. Greater attention to the causes and categories of these funds will be expected.

A3: Strategy - Improve customer service and outreach.

Target #1: 50% of customers surveyed rate us 3 or better on a scale of 1-5.

Measure #1: Percent of responses from customer surveys rated 3 or better.

Percent of responses from customer surveys rated 3 or better

Year	FY2002	FY2003	FY2004	FY2005	YTD
2004	NA	NA	NA	50%	0

Analysis of results and challenges: By creating a customer survey, the division hopes to improve its ability to

serve clients. In addition to helping the customer more effectively, this will give the division a better understanding of where training needs lie.

Target #2: Wait times for telephone calls is reduced to an average of 2 minutes.

Measure #2: Average wait times.

Average minutes of telephone call wait time

Year	FY2002	FY2003	FY2004	FY2005	YTD
2004	3.8	2.13	2.6	2.0	0

Analysis of results and challenges: Historically, we have experienced negative public relations related to a perceived lack of customer service. Utilizing both advanced phone systems and more organized, better-trained customer service agents, the division can improve services.

Key Component Challenges

- The division faces the possibility of a new federal medical support incentive performance measure and a new federal undistributed collections standard. New computer programming and personnel resources will be required to monitor these new items and modify our existing priorities to make sure Alaska meets or exceeds these standards. The addition of a new incentive measure further dilutes the total incentive dollars.
- The federal establishment of tribal child support programs will require extensive coordination and time spent creating and supporting these new entities. There will most likely be a wide variety of new systems and a lack of reliable data.
- The division faces stringent federal requirements for data reliability that must be met to achieve the highest possible incentive revenue and to avoid possible penalties to our agency and to the Department of Health and Social Services, Division of Public Assistance.
- The division foresees a further reduction of PFD collections due to a reduction in the size of individual PFD's. This will demand that more attention be paid to other collection methods to continue to provide the maximum distributions of child support to the children the division serves.

Significant Changes in Results to be Delivered in FY2006

- The division will be piloting an electronic payment distribution card project that will provide debit card access for our recipients.
- Completion and implementation of the case file imaging project will allow the division to respond to inquiries faster and easier.
- The division expects significant increases in electronic payments received from federal government agencies.

Major Component Accomplishments in 2004

- The division increased our yearly collections by \$329,100 to \$98,011,100 in FY2004, even though collections from Permanent Fund Dividends decreased by approximately \$3.2 million. This decrease occurred because the amount of the PFD per individual was considerably lower. Of the total collections, over \$14,000,000 was collected for the State of Alaska and the federal government.
- The Child Support Services Division has shown improved results in child support collection efforts when comparing the results in FY2004 to the previous data from four years ago. In FY2000, the division had 48,000 cases, 78% with orders. Collections for this time period were \$85.4 million. Four years later in FY2004, the division had 52,000 cases, 86% with orders and collections of \$98.1 million.
- The percentage of appeals that resulted from administrative orders and order modifications edged up slightly from 9% in FY2003 to 10% in FY2004.
- The division completed 3,373 modifications in FY2004, as compared to 2,514 in FY2003, a 34% increase. Modifications include administrative, court, other states' requests.
- The division established 4,455 orders in FY2004, as compared to 3,185 in FY2003, a 40% increase. This allowed the division to achieve an 86.1% cases with orders percentage for FY2004, which is a 5% increase over the percentage of cases with orders at the end of FY2003, 81%.

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

Contact Information

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Child Support Services Division Component Financial Summary

All dollars shown in thousands

	FY2004 Actuals	FY2005 Management Plan	FY2006 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	12,328.9	12,987.1	13,532.1
72000 Travel	40.0	80.0	80.0
73000 Services	5,626.4	6,963.6	6,490.2
74000 Commodities	151.3	166.1	166.1
75000 Capital Outlay	1.1	60.8	60.8
77000 Grants, Benefits	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	18,147.7	20,257.6	20,329.2
Funding Sources:			
1002 Federal Receipts	11,057.4	12,991.4	13,522.2
1004 General Fund Receipts	118.6	0.0	0.0
1016 Federal Incentive Payments	1,733.9	1,625.2	1,634.9
1133 CSSD Administrative Cost Reimbursement	290.2	0.3	0.0
1156 Receipt Supported Services	4,947.6	5,640.7	5,172.1
Funding Totals	18,147.7	20,257.6	20,329.2

Estimated Revenue Collections

Description	Master Revenue Account	FY2004 Actuals	FY2005 Management Plan	FY2006 Governor
Unrestricted Revenues				
Unrestricted Fund	68515	1,076.1	0.0	0.0
Unrestricted Total		1,076.1	0.0	0.0
Restricted Revenues				
Federal Receipts	51010	11,057.4	12,991.4	13,522.2
Receipt Supported Services	51073	4,947.6	5,640.7	5,172.1
Indirect Cost Reimbursement	51115	290.2	0.3	0.0
Federal Incentive Payments	51378	1,733.9	1,625.2	1,634.9
Restricted Total		18,029.1	20,257.6	20,329.2
Total Estimated Revenues		19,105.2	20,257.6	20,329.2

**Summary of Component Budget Changes
From FY2005 Management Plan to FY2006 Governor**

All dollars shown in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2005 Management Plan	0.0	14,616.9	5,640.7	20,257.6
Adjustments which will continue current level of service:				
-FY 05 Bargaining Unit Contract Terms: GGU	0.0	90.8	35.9	126.7
-Correct FY05 salary adjustment from unrealizable funding source	0.0	-0.3	0.3	0.0
-FY06 Cost Increases for Bargaining Units and Non-Covered Employees	0.0	259.2	133.6	392.8
-Adjustments for Personal Services Working Reserve Rates and SBS	0.0	25.5	0.0	25.5
-Reduce State match for Federal receipts	0.0	0.0	-723.4	-723.4
Proposed budget increases:				
-Increased cost of mainframe services for Child Support system	0.0	165.0	85.0	250.0
FY2006 Governor	0.0	15,157.1	5,172.1	20,329.2

**Child Support Services Division
Personal Services Information**

Authorized Positions		Personal Services Costs		
	<u>FY2005</u> <u>Management</u> <u>Plan</u>	<u>FY2006</u> <u>Governor</u>		
Full-time	233	232	Annual Salaries	9,617,534
Part-time	0	0	COLA	143,482
Nonpermanent	0	0	Premium Pay	23,073
			Annual Benefits	5,200,773
			<i>Less 6.58% Vacancy Factor</i>	<i>(985,562)</i>
			Lump Sum Premium Pay	0
Totals	233	232	Total Personal Services	13,999,300

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Accountant III	3	0	0	0	3
Accounting Clerk I	5	0	0	0	5
Accounting Clerk II	3	0	0	0	3
Accounting Spvr I	3	0	0	0	3
Accounting Tech I	10	0	0	0	10
Accounting Tech II	15	0	0	0	15
Accounting Tech III	3	0	0	0	3
Administrative Assistant	2	0	0	0	2
Administrative Clerk II	5	0	0	0	5
Administrative Clerk III	40	0	0	0	40
Administrative Manager I	2	0	0	0	2
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	1	0	0	0	1
Child Support Spec I	87	1	1	1	90
Child Support Spec II	20	1	1	1	23
Child Support Spec III	6	0	0	0	6
Childrens Services Manager	1	0	0	0	1
Data Processing Mgr II	1	0	0	0	1
Dep Dir Child Spt Enf	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
Totals	226	2	2	2	232