

# **State of Alaska FY2002 Governor's Operating Budget**

Department of Revenue  
Child Support Enforcement  
BRU/Component

## **Component: Child Support Enforcement**

**Contact: Barbara Miklos, Director**

**Tel:** (907) 269-6800 **Fax:** (907) 269-6868 **E-mail:** Barbara\_Miklos@revenue.state.ak.us

### **Component Mission**

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 who have applied for services. The division also collects support on behalf of the State of Alaska for families who are on the Alaska Temporary Assistance Program, Medicaid or have children in State custody and for tribal organizations collecting and dispensing public assistance. Collecting and providing child support payments requires a complex system of services to establish paternity and child support orders and modify and enforce orders. CSED is enforcing approximately 37,000 child support orders.

### **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;
  - Increase information on the computer so automated enforcement actions will be taken.
  - Utilize automated financial data matches.
2. Increase the number of ongoing cases receiving child support checks on time;
  - Implement a new check disbursement system.
  - Increase the number of employers reporting new hires to CSED.
3. Reduce the number of cases with errors and cases appealed compared to the total number of cases;
  - Develop a comprehensive quality assurance program.
4. Reduce the number of cases where adjustments are overdue by 30 days or more;
  - Continue to reduce backlog numbers in the accounting section.
5. Increase the percentage of cases in which there are child support orders;
  - Continue to streamline and automate the establishment process.
6. Increase the number of cases with arrearages that have collections as compared to the total number of cases with arrearages;
  - Continue arrearage collection efforts through 3rd party contractors.
  - Publicize program to reduce arrears in default orders.
  - Maintain community outreach program.
7. Increase child support collections;
  - Utilize automated financial data information.
  - Develop additional ways to find non-custodial parents.
  - Increase communications with non-custodial parents and employers.

## Key Component Issues for FY2001 – 2002

CSED is working to improve our services to Alaskans. In FY2001, CSED has been able to reduce the backlogs in all sections. Most important is the accounting section, which touches all cases being worked. The accounting section adjusts debts and payments owed. CSED added temporary workers to help in the accounting section through a supplemental appropriation from the legislature. Success has been evidenced by the dramatic reduction in complaints. The challenge continues.

CSED's computer system remains in the forefront for FY2001 and FY2002. Federal welfare reform legislation requires all child support agencies to change the way they distribute child support to families on public assistance or formerly on public assistance. The goal is to get more money to the families so they will be self-sufficient. This requires major changes to the computer system that will be finished in FY2001. Also, federal welfare reform legislation requires increased automation of child support processes. These too must be completed by FY2001. CSED staff and contractors continue to work on improving the system so that it will be easier for caseworkers to manage their large caseloads. This will be the primary focus in FY2002.

## Major Component Accomplishments for FY2000

- The phone bank reduced average wait time for clients calling in from 36 minutes in November 1999 to 3.7 minutes in June 2000.
- All sections reduced case backlogs.
- CSED implemented and organized local outreach. Staff traveled to numerous Alaskan communities in FY2000. We also held community sessions in Anchorage, Palmer/Wasilla and Eagle River.
- Caseworkers responded to client phone calls in less than 5 days.
- Criminal actions were taken against twelve individuals and CSED participated in the first ever conviction for helping someone else avoid payment of child support.
- CSED's computer system was certified by the federal government.
- Various automated services were provided to the public including adding an on-line calculator to determine child support due.
- Since 2/1/2000, child support collections are being distributed to children within two days of receiving the payments.
- Electronic transfers of child support payments were initiated with 21 states that are sending incoming payments. Twenty-six states receive outgoing electronic payments; 3,800 custodial parents receive direct deposits and 120 employers are sending electronic payments.
- The production in the accounting section increased 30% over last year.
- CSED collected \$381.4 per employee in FY2000, up from \$356.2 in FY1997.
- CSED disbursed over \$16.3 million to states 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 FY2002

**Measure: Increase the cost effectiveness ratio of CSED, which is the total operating budget of the division compared to the total amount of collections.**  
*(Added by Legislature in FY2000 version.)*

**Current Status:**

FY00 cost effectiveness was 5.15.

**Benchmark:**

Comparisons with other states are difficult since available data includes both operating and capital expenditures.

**Background and Strategies:**

- Increase information on the computer so automated enforcement actions will be taken.
- Utilize automated financial data matches.

**Measure: Increase the percentage of ongoing cases receiving child support checks on time.**  
*(Added by Legislature in FY2000 version.)*

**Current Status:**

As of 6/30/00 the percentage of ongoing cases receiving child support checks on time is 47.3%.

**Benchmark:**

Data is not normally reported, making comparisons with other states and entities difficult.

**Background and Strategies:**

- Implement a new check disbursement system.
- Increase the number of employers reporting "new hires" to CSED.

**Measure: Number of cases with errors and cases appealed compared to the total number of cases with orders.**

*(Added by Legislature in FY2000 version.)*

**Current Status:**

The number of cases with errors and cases appealed compared to the total number of cases with orders (average per month from 1/1/00 - 6/30/2000) is 63 cases out of 37,000, or .17%.

**Benchmark:**

Data is not normally reported, making comparisons with other states and entities difficult.

**Background and Strategies:**

- Develop a comprehensive quality assurance program.

**Measure: Number of cases where adjustments are overdue by 30 days or more.**  
*(Added by Legislature in FY2000 version.)*

**Current Status:**

At 6/30/00, the number of cases where adjustments were overdue by 30 days or more was 3,150.

**Benchmark:**

Data type is not normally reported, making comparisons with other states and entities difficult.

**Background and Strategies:**

- Continue to reduce backlog numbers in the accounting section.

**Measure: Percentage of cases with support orders.**

*(Added by Legislature in FY2000 version.)*

**Current Status:**

At 10/31/00, the number of cases with orders established was 79.4% of total caseload.

At 10/31/99, the number of cases with orders established was 75.0% of total caseload.

**Benchmark:**

Per the FFY 99 (period ending 9/30/99) Federal Office of Child Support Enforcement Preliminary Data Report, the national rate for the measure was 60.35%.

**Background and Strategies:**

- Continue to streamline and automate the establishment process.

**Measure: Number of cases with arrearages that have collections as compared to the total number of cases with arrearages.**

*(Added by Legislature in FY2000 version.)*

**Current Status:**

At 9/30/00, the number of cases with arrears that have collections as compared to the total number of cases with arrearages was 64.8%.

**Benchmark:**

Per the FFY 99 (period ending 9/30/99) Federal Office of Child Support Enforcement Preliminary Data Report, the national rate for the measure was 54.37%.

**Background and Strategies:**

- Continue arrearage collection efforts through 3rd party contractors.
- Publicize program to reduce arrears in default orders.
- Maintain community outreach program.

**Measure: Increase child support collections.**

*(Not yet addressed by Legislature.)*

**Current Status:**

Child Support collections for the year ending 6/30/00 were \$85,431,000.

**Benchmark:**

Because total collections vary with size of caseload, comparisons with other child support agencies are difficult. However, federal data reports show that Alaska compares favorably in annual collection increases and collections per case.

**Background and Strategies:**

- Utilize automated financial data information.
- Develop additional ways to find non-custodial parents.
- Increase communications with non-custodial parents and employers.

**Status of FY2001 Performance Measures**

	<i>Achieved</i>	<i>On track</i>	<i>Too soon to tell</i>	<i>Not likely to achieve</i>	<i>Needs modification</i>
<ul style="list-style-type: none"> <li>• The CSED FY2001 performance measures are consistent with those from the current fiscal year. The agency continues to measure itself through customer satisfaction and various productivity goals.</li> <li>• Increase the cost of effectiveness ratio of CSED, which is the total operating budget of the division compared to the total amount of collections.</li> <li>• Increase the number of ongoing cases receiving child support checks on time.</li> <li>• Reduce the number of cases with errors and cases appealed compared to the total number of cases.</li> <li>• Reduce the number of cases where adjustments are overdue by 30 days or more.</li> <li>• Increase the percentage of cases in which there are child support orders.</li> <li>• Increase the number of cases with arrearages that have collections as compared to the total number of cases with arrearages.</li> </ul>		X			
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**Child Support Enforcement**  
**Component Financial Summary**

All dollars in thousands

	FY2000 Actuals	FY2001 Authorized	FY2002 Governor
<b>Non-Formula Program:</b>			
<b>Component Expenditures:</b>			
71000 Personal Services	10,917.4	11,861.1	11,498.7
72000 Travel	77.3	80.0	80.0
73000 Contractual	5,166.7	6,105.3	6,179.9
74000 Supplies	167.9	173.1	166.1
75000 Equipment	341.7	178.5	150.5
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
<b>Expenditure Totals</b>	<b>16,671.0</b>	<b>18,398.0</b>	<b>18,075.2</b>
<b>Funding Sources:</b>			
1002 Federal Receipts	10,849.2	12,350.0	12,188.6
1004 General Fund Receipts	118.6	118.6	118.6
1005 General Fund/Program Receipts	2,837.5	3,027.4	2,929.0
1007 Inter-Agency Receipts	36.8	0.0	0.0
1016 Federal Incentive Payments	2,500.0	2,553.0	2,537.9
1053 Investment Loss Trust Fund	0.0	47.3	0.0
1133 Indirect Cost Reimbursement	328.9	301.7	301.1
<b>Funding Totals</b>	<b>16,671.0</b>	<b>18,398.0</b>	<b>18,075.2</b>

**Estimated Revenue Collections**

Description	Master Revenue Account	FY2000 Actuals	FY2001 Authorized	FY2001 Cash Estimate	FY2002 Governor	FY2003 Forecast
<b>Unrestricted Revenues</b>						
Unrestricted Fund	68515	4,731.6	1,618.6	1,618.6	1,618.6	1,618.6
<b>Unrestricted Total</b>		<b>4,731.6</b>	<b>1,618.6</b>	<b>1,618.6</b>	<b>1,618.6</b>	<b>1,618.6</b>
<b>Restricted Revenues</b>						
Federal Receipts	51010	10,849.2	12,350.0	12,350.0	12,188.6	12,375.0
Interagency Receipts	51015	36.8	0.0	0.0	0.0	0.0
General Fund Program Receipts	51060	2,837.5	3,027.4	3,027.4	2,929.0	3,100.0
UA Indirect Cost Recovery	51115	328.9	301.7	301.7	301.1	300.0
Federal Incentive Payments	51378	2,500.0	2,553.0	2,553.0	2,537.9	2,600.0
Investment Loss Trust Fund	51393	0.0	47.3	47.3	0.0	0.0
<b>Restricted Total</b>		<b>16,552.4</b>	<b>18,279.4</b>	<b>18,279.4</b>	<b>17,956.6</b>	<b>18,375.0</b>
<b>Total Estimated Revenues</b>		<b>21,284.0</b>	<b>19,898.0</b>	<b>19,898.0</b>	<b>19,575.2</b>	<b>19,993.6</b>

**Child Support Enforcement****Proposed Changes in Levels of Service for FY2002**

No service changes.

**Summary of Component Budget Changes  
From FY2001 Authorized to FY2002 Governor**

*All dollars in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
<b>FY2001 Authorized</b>	<b>3,193.3</b>	<b>15,204.7</b>	<b>0.0</b>	<b>18,398.0</b>
<b>Adjustments which will continue current level of service:</b>				
-Termination of Sec. 12 Ch 8 SLA00 2-year Appropriation	-138.7	-446.1	0.0	-584.8
-Year 2 Labor Costs - Net Change from FY2001	-7.0	-68.1	0.0	-75.1
<b>Proposed budget increases:</b>				
-AK Court System Pro Se Project	0.0	277.8	0.0	277.8
-Federal Access & Visitation Grant	0.0	59.3	0.0	59.3
<b>FY2002 Governor</b>	<b>3,047.6</b>	<b>15,027.6</b>	<b>0.0</b>	<b>18,075.2</b>

**Child Support Enforcement**  
**Personal Services Information**

Authorized Positions			Personal Services Costs	
	FY2001 Authorized	FY2002 Governor		
Full-time	233	234	Annual Salaries	8,943,585
Part-time	0	0	COLA	127,307
Nonpermanent	0	0	Premium Pay	23,073
			Annual Benefits	3,255,614
			<i>Less 6.89% Vacancy Factor</i>	<i>(850,779)</i>
			Lump Sum Premium Pay	0
<b>Totals</b>	<b>233</b>	<b>234</b>	<b>Total Personal Services</b>	<b>11,498,800</b>

**Position Classification Summary**

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
[No valid job title]	5	0	0	0	5
Accountant III	1	0	0	0	1
Accounting Clerk I	5	0	0	0	5
Accounting Clerk II	2	0	0	0	2
Accounting Spvr I	3	0	0	0	3
Accounting Tech I	11	0	0	0	11
Accounting Tech II	13	0	0	0	13
Accounting Tech III	1	0	0	0	1
Admin Asst I	1	0	0	0	1
Administrative Clerk II	4	0	0	0	4
Administrative Clerk III	37	0	0	0	37
Administrative Manager I	2	0	0	0	2
Analyst/Programmer III	3	0	0	0	3
Analyst/Programmer IV	3	0	0	0	3
Analyst/Programmer V	1	0	0	0	1
Child Spt Enf Off I	84	4	2	2	92
Child Spt Enf Off II	20	1	1	0	22
Child Spt Enf Off III	8	0	1	0	9
Child Spt Enf Off IV	2	0	0	0	2
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
Personnel Asst I	1	0	0	0	1
Prog Coordinator	2	0	0	0	2
Supply Technician I	1	0	0	0	1
<b>Totals</b>	<b>222</b>	<b>5</b>	<b>4</b>	<b>2</b>	<b>233</b>