

WR-Child Support
Enforcement -
Computers

STATE CHILD SUPPORT COMPUTER SYSTEMS

Background:

Under the Family Support Act of 1988, states were required to develop and implement state-wide computer systems to: improve the efficiency of providing financial support to families; reimburse the federal government from collections made on behalf of AFDC families; and provide centralized information on child support cases. The federal government provided enhanced matching funds (90 percent) to the states for these systems. Under the Act, states were to have their systems fully implemented by October 1, 1995. In October 1995, Congress decided to extend the deadline for two years, until October 1, 1997.

Status of Implementation:

Almost all states, even if not certified, are now operating child support computer systems. Six states' computer systems have now been certified as meeting the Family Support Act requirements: Montana, Delaware, Georgia, Virginia, Washington, and West Virginia. Seven additional states have indicated that they are compliant, and are being reviewed for certification: Utah, Connecticut, Louisiana, Missouri, New York, New Hampshire, and Wyoming.

Federal Funding:

From FY88 to FY95, the Federal government provided about \$1.1 billion to the states for these systems. Again, this funding was mandated by Congress.

Talking Points

- o The computer systems are the states' responsibility. The current child support enforcement program is mainly carried out by state and local agencies, with the Federal government providing technical assistance and support, particularly on interstate cases. The Federal government also monitors and evaluates programs to ensure that they meet the requirements of the law.
- o States have been hindered by a variety of factors, including problems with computer contractors and jurisdictional disputes between state and county governments. In addition, the previous Administration was slow in issuing the regulations mandated by the 1988 Family Support Act -- those regulations were not issued until October 1992.
- o Since taking office in 1993, we've stepped up and improved efforts to help states put these systems in place. In 1995, for example, HHS employees visited 30 states to provide technical assistance and guidance. We have worked with the states to develop technical assistance materials and made them easily available to the states through a toll-free HHS bulletin board, and a home page on the Internet. We also sponsor meetings twice a year for state child support agencies to discuss solutions and strategies for implementing these computer systems. We have answered over 250 questions for states and shared these answers with every state.

Q: Do you agree with ACES' charge that the state computer systems are a failure?

A: The states are working to get these programs in place, and we want them to move ahead as quickly as possible. While these systems are the responsibility of the states, the Federal government is providing financial and technical assistance to ensure that the job gets done. Certainly we're disappointed that more states are not in compliance, but Congress has extended the deadline until October 1, 1997.

Q: The President just issued an executive order to strengthen child support enforcement. IF these state computer systems are in such bad shape, can they be expected to carry out the President's directives?

A: Absolutely. While we want the states to get their computer systems up and running as soon as possible, and are helping them as much as possible, we can still move ahead in strengthening child support. The President took action to tighten paternity establishment cooperation requirements, require cooperation before the receipt of assistance, and allow states to report the information on new hires currently in their possession to HHS for quick matches. These are important changes to the status quo, and can be made with the states' current capabilities.

Q: But do you need the states to improve their systems before you can do the "new hire" project?

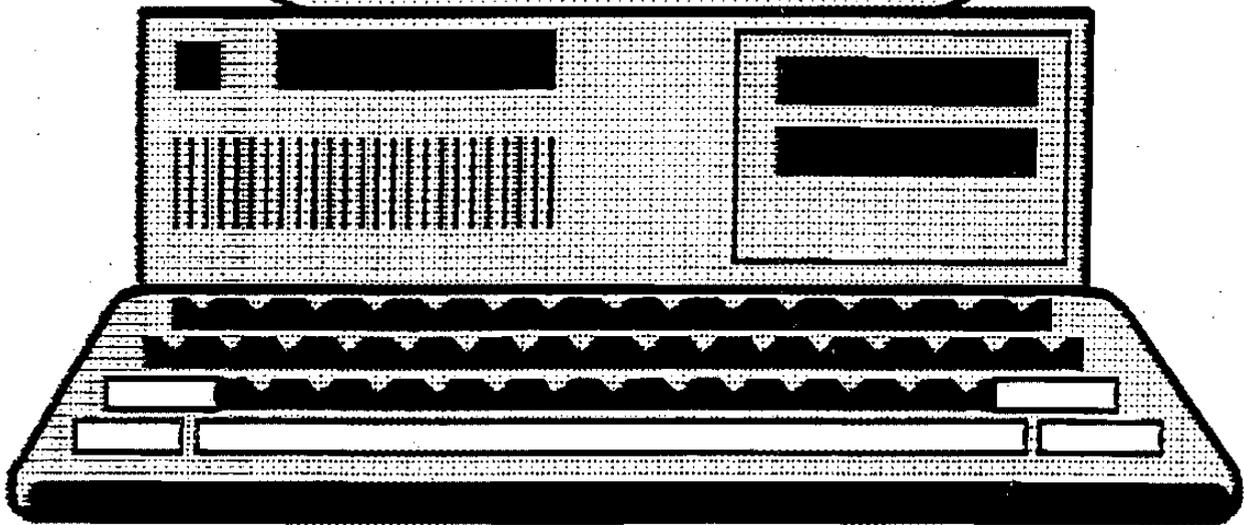
A: No. The new hire project will operate primarily through state employment security agencies, which in turn will provide the new hire information to HHS' parent locator service.

Q: Why were you so slow in putting out the regulations on these computer systems?

A: The previous administration was slow in issuing the regulations. Since taking office in 1993, we've stepped up and improved efforts to help states put these systems in place.

**Status of
Automated
Child
Support
Systems in
the U.S.**

*WR -
Child
Support
Enforcement
(Computers)*



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IMPROVING CHILD SUPPORT COLLECTIONS

States Establish the Order * IRS Collects the Support

The current state-based system of child support enforcement is failing children and custodial parents. Only half of custodial parents with a child support order actually receive what is due. A quarter receive partial payment and the other quarter receive nothing at all. Under proposals to put the Internal Revenue Service in charge of collections, states would continue to work with families, establish paternity, and order child support. IRS would become the collector. Moving the responsibility for child support collection to the IRS would solve some of the most serious problems of the current system. It would allow the vast majority of child support to be collected through income withholding, just as taxes are paid. States already use payroll deductions to collect child support.

Right now, all states are required to use payroll deductions to collect child support. Currently, most support is collected through income withholding. Under the current system, employers deduct child support from the obligor's paychecks, just like they do taxes. Now, they send the withheld support to (and follow the rules of) up to 54 different state child support agencies. If IRS took over, employers would send the support on to the agency - the same place to send withheld federal income taxes.

IRS enforcement would keep tax data in one place. Taxpayers count on strict confidentiality when they file their tax forms. States are asking congress for direct access to IRS tax data. But that would mean that tax information would be distributed to hundreds of state and local child support offices and their private contractors. That could discourage honest tax returns.

Putting IRS in charge of collections would ease administrative burdens on employers. Instead of having to cooperate with separate state and local IV-D agencies, employers regardless of location, would be able to send all withheld support amounts to the IRS - an agency that all employers know.

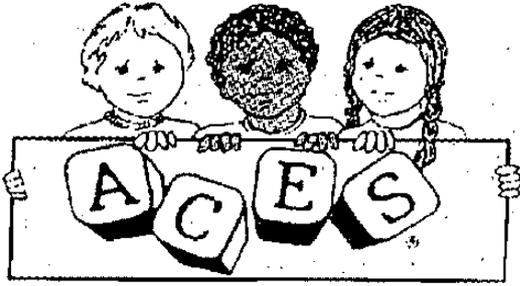
IRS enforcement would make non-payment a more serious offense. Most Americans perceive the failure to pay taxes as serious matter. That is because we recognize that the IRS has the tools and experience to collect unpaid obligations. Use of the IRS would highlight for non-custodial parents the seriousness with which the government views child support obligations and bring the full weight of the IRS enforcement authority to bear on the collection of support.

Interstate cases, which pose the most problems for states, now make up 36% of the total caseload. Usually, interstate enforcement is unsuccessful. Most custodial parents owed support do not get it regularly if the other parent lives in another state. There is consensus in the child support community that we must solve the interstate problem before we can make major leaps in collections. Some people hope that state-by-state technology will create the "transparent state boundaries" needed to collect interstate cases. However, state computer systems are nowhere close to having either the capacity or the compatibility to "talk" across state lines. Because IRS has federal jurisdiction, it would collect in every state- and moving across state lines would no longer be an easy way to avoid paying support.

The IRS already has the data. State attempts to collect support are often frustrated because they can't find the obligor. This is particularly a problem where the obligors are self employee or liv in antohre state. States access a variety of data bases to try to locate obligors - such as law enforcement, motor vehicle, unemployment, and bank records. By contrast, IRS already has the information needed to collect support - even from self-employed obligors.

ACES

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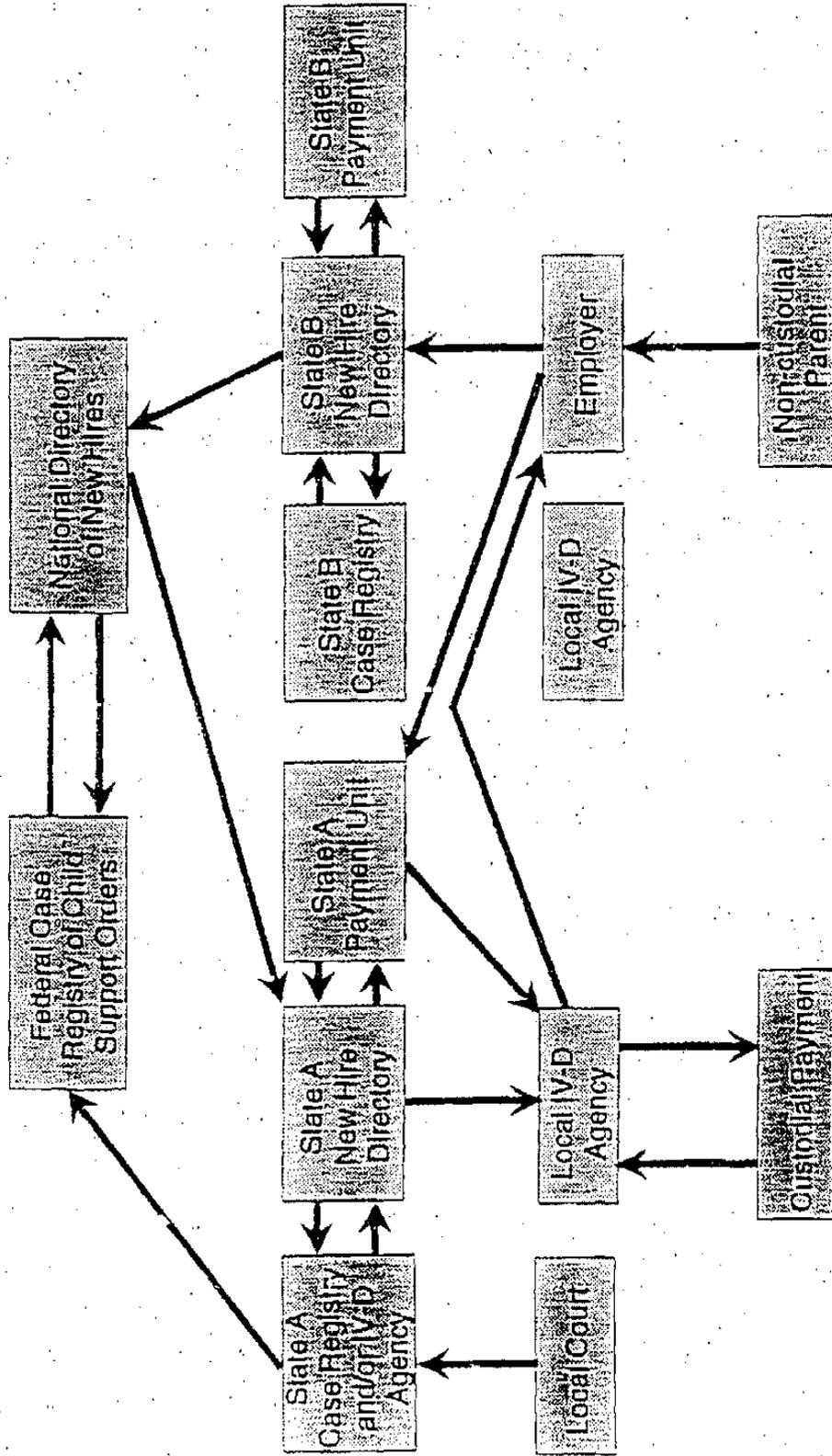
49 STATES FAIL TO MEET THE DEADLINE FOR HAVING CHILD SUPPORT COMPUTERS IN PLACE

- Montana is the only state that met the October 1, 1995 deadline for having a statewide computer tracking system. As of this date, only four other states (Delaware, Georgia, Virginia, Washington) have received certification.
- The states have already spent over \$2.2 Billion on child support computer systems.
- 23 states had to use more than one vendor, which made this the most common problem reported. In fact, Michigan reported they used a 12 - 15 different vendors to develop their system and Florida is currently being sued for over \$100 million by a previous vendor.
- 19 states reported problems with converting the data from the old child support systems into the new one.
 - 4 of these states reported problems with manually data entering information from the hard copies of the child support case files.
- 19 states reported other technical problems which include:
 - 8 systems were not sending the payments out to the families
 - 6 states had problems finding the technical expertise to develop the system
 - 2 systems could not process interstate cases and
 - 2 state computer systems would not interface with the existing welfare computer systems.

Instead of continuing to waste tax dollars, ACES is asking for a Congressional investigation into what went wrong.

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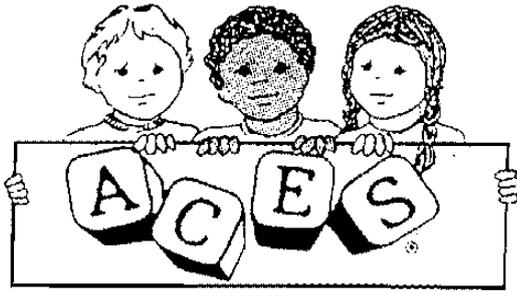
The System as proposed in
 Section V-Welfare Reform Bill (Johnson-Kennedy House
 Bill, Bradley Senate Bill)



CHILD SUPPORT ENFORCEMENT UNDER PROPOSED LEGISLATION

1. A family living in Portland, Oregon gets divorced, and the Multnomah County court enters a child support order. The noncustodial parent moves to New Jersey.
2. The Multnomah County court sends a copy of the order to the Oregon Case Registry.
3. The Oregon Case Registry sends an order abstract to the Federal Case Registry of Child Support Orders.
4. The noncustodial parent, now living in New Jersey, gets a job with an employer in New York. The New York employer sends a new hire notice to the New York Directory of New Hires.
5. The New York Directory of New Hires runs a computer match with the New York Case Registry, but does not find a match. The New York Directory of New Hires reports the information to the National Directory of New Hires.
6. The National Directory of New Hires runs a computer match with the Federal Case Registry of Child Support Orders, and finds out that the employee has a child support obligation in Oregon.
7. The National Directory of New Hires sends the Oregon Case Registry information about the employee's new job.
8. The Oregon Case Registry sends the job information to the Multnomah County District Attorney's Office. (If the family had since gone on welfare, the information would then be forwarded to the regional office of the Oregon Department of Justice Support Enforcement Division.)¹
9. Under new UIFSA rules, the Multnomah County District Attorney's Office sends a wage withholding notice to the New York employer.
10. The employer withholds support from the employee's paycheck and sends the support to the Oregon central payment unit.
11. The Oregon central payment unit sends the support to the Multnomah County District Attorney's Office.
12. The Multnomah County District Attorney's Office forwards the support to the family.

¹ In Oregon, the state IV-D agency is located in the Department of Human Resources. The Department of Human Resources contracts with the state Department of Justice to enforce support in AFDC cases, and the county District Attorney's Offices to enforce support in non-



The Association for Children for Enforcement of Support, Inc.

INTRODUCTION

ACES, Association for Children for Enforcement of Support, Inc., undertook a survey to gather information about the status of the child support computer systems in the United States. The research was completed by ACES Staff who called each state and talked with the designated spokesperson for the child support computer system in that state.

Background: Under the Child Support Amendments of 1984, the states were eligible to begin receiving 90% federal funding for the development and installation of statewide computer tracking systems. In 1988 most states failed to have a system in place, so the 1988 Family Support Act required the states to have systems on-line by October 1, 1995. Only one state, Montana met the October 1, 1995 deadline. Since then, only four other states (Delaware, Georgia, Virginia and Washington) have obtained certification.

Cost: Data from the GAO and OCSE indicates that since the states have been eligible to receive federal funding, they have spent over \$2.2 billion on state computer systems. The dollar amounts included in the ACES report does not include money spent on the systems prior to 1988.

Summary of Findings: Generally, the majority of states complained about having to comply with the Federal Regulations for developing the state computer systems, as outlined in the 1988 Family Support Act. Many states also complained that they were dissatisfied with the written Federal Regulations and the lack of specific guidelines from the federal government.

- 23 states had to use more than one vendor, which made this the most common problem reported. In fact, Michigan reported using 12 - 15 different vendors to develop their system and Florida is currently being sued for over \$100 million by a previous vendor.
- 19 states reported problems with converting the data from the old child support systems into the new one. 4 of these states reported problems with manually data entering information from the hard copies of the child support case files.
- 19 states reported other technical problems which include: 8 systems were not sending the payments out to the families; 6 states had problems finding the technical expertise to develop the system; 2 systems could not process interstate cases and 2 state computer systems would not interface with the existing welfare computer systems.

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Alabama Child Support Computer System: The statewide computer system in its present form has been under development since 1994. The child support computer system is called ALECS (Alabama Location, Enforcement & Collection System). ALECS has only been piloted in two counties: Tuscaloosa and Etowah and is projected to be on-line in September 1996.

Problems:

- developing the software to convert the child support data from the old systems to the new system.

Cost:

- Since 1988, Alabama has spent \$10 million on the development and installation of the system.
- The total projected cost is over \$20 million.

Vendor: BDM

Alaska Child Support Computer System: The statewide computer system in its present form has been under development since 1993. Their computer system is called N-STAR and is projected to be on-line in October 1996.

Problems:

- N-STAR is not operating anywhere in the state. AMS is still trying to fine-tune the system before actual conducting piloting projects.

Cost:

- Since 1988, Alaska has spent \$2.4 million in the development and installation of the system.
- The total cost is projected to be over \$10 million.

Vendor: AMS - American Management System.

Arizona Child Support Computer System: The statewide computer system in its present form has been under development since 1992. The Arizona computer system is called ATLAS (Arizona Tracking & Locating Automated System) and is now on-line but not certified.

Problems:

- developing the software to convert the child support data from the old systems to the new system.

Cost:

- Since 1988 Arizona has already spent over \$5 million for phase one and phase two of ATLAS.
- The total cost of the computer project will reach over \$50 million.

Vendors: Maximus Incorporated during the first phase of the computer system project. The second phase of the project was contracted with Anderson Consulting.

Arkansas Child Support Computer System: The statewide computer system in its present form has been under development since 1985. Their previous child support computer system, has been replaced with ACTS (Arkansas Child Support Tracking System) and is projected to be on-line in September 1997.

Problems:

- developing the software to convert the child support data from the old systems to the new system.

Cost:

- Since 1988, the state has invested an estimated \$6 million in the new system.
- The total cost for ACTS is projected to be \$20 million.

Vendors: The state has contracted with both COOPERS and ISSC.

California Child Support Computer System: The statewide computer system in its present form has been under development since 1986. The child support computer system in California is called SACSS (Statewide Automated Child Support System) and is projected to be on-line in July 1997.

Problems:

- Los Angeles County got a federal waiver to have their own system, ARS (Automated Reporting System). Los Angeles County is also contracted with Lockheed IMS.
- major problems with distribution and disbursement that led to late payments for families;
- the system did not send the \$50 welfare disregard to families on welfare;
- interstate case information was not put into the computer, which caused families to wait for support payments in interstate cases.

Cost:

- Since 1988, California has spent a total of \$99 million on the new system.
- The total projected cost for system will be over \$262 million.

Vendor: The state has contracted with Lockheed IMS.

Colorado Child Support Computer System: The statewide computer system in its present form has been under development since 1992. Their state computer system is called ACSES (Automated Child Support Enforcement System) and is projected to be on-line by September 1996.

Problems:

- meeting timeframes and cost overruns;
- merging of departments and redirecting goals;
- securing appropriate contracts;
- determining the needs of the new system.

Cost:

- Since 1988, Colorado has spent \$500,000 on the development and installation of the system.
- The total projected cost for system will be over \$4 million.

Vendor: ACSES has been developed and implemented by a joint venture between in-house state staff and a vendor. Colorado contracted with TRAVCO for system programmers.

Connecticut Child Support Computer System: The statewide computer system in its present form has been under development since 1984. Their child support computer system is called CCSES - Connecticut Child Support Enforcement System and is projected to be on-line in June 1996.

Problems:

- programming errors;
- lack of responsiveness to change by child support employees.

Cost:

- Since 1988, Connecticut has spent \$2 million on the development and installation of the system.
- The total projected cost is over \$10 million.

Vendor: Certified Systems Inc.

Delaware Child Support Computer System: The statewide computer system in its present form has been under development since 1986. Their state system is called D-ACSES - Delaware Automated Child Support Enforcement System. The system has been operating statewide since February 1996.

Problems:

- difficulty finding a vendor who knew how to develop the system;
- lack of technical expertise;
- the lack of a good work plan.

Cost:

- Since 1988, Delaware has spent \$2 million on the development and installation of the system.

Vendor: Advance Systems Design

Florida Child Support Computer System: The statewide computer system in its present form has been under development since 1986. Their child support computer system is called FLORIDA (Florida On Line Recipient Integrated Data Access System) and is projected to be on-line in October 1997.

Problems:

- Florida did not renew their contract with EDS because of poor performance. As a result of breaking the contract, EDS filed a lawsuit against Florida and the state is in danger of losing over \$100 million because of the lawsuit.
- vendors were unable to successfully transfer the Ohio automated child support system to meet Florida's needs;
- federal timeframes were too short in which to complete the project.

Cost:

- Since 1988, Florida has spent \$5 million on the development and installation of the system.
- The total projected cost is over \$55 million.

Vendors: EDS, Deloitte & Touche and Unisys.

Georgia Child Support Computer System: The statewide computer system in its present form has been under development since 1993. Their child support computer system is called STARS (Support Tracking Accounting and Reporting System) and the computer system has been operating since February 1996.

Problems:

- working with a short time frame;
- making the system work properly;
- developing the software which converted the child support data from the old systems to the new system.

Cost:

- Since 1988, Georgia has spent \$9 million on the development and installation of the system.
- The total projected cost is over \$20 million.

Vendor: System House

Hawaii Child Support Computer System: The statewide computer system in its present form has been under development since 1993. Their child support computer system is called KEIKI - the Hawaiian word for children and is projected to be on-line in September 1996.

Problems:

- During the development and implementation of their system, the original vendor, NSI merged with another company which caused cost overruns and;
- delays in developing the system.

Cost:

- Since 1988, Hawaii has spent \$10 million on the development and installation of the system.
- The total projected cost is over \$24.5 million.

Vendors: NSI and CBSI

Idaho Child Support Computer System: The statewide computer system in its present form has been under development since 1992. Their child support computer system is called ICSES (Idaho Child Support Enforcement System) and is projected to be on-line in September 1996

Problems:

- a large turnover in staff at Network 6 and the Idaho Child Support Program which led to delays.

Cost:

- Since 1988, Idaho spent \$5 million on the development and installation of the system.
- The total projected cost is over \$21 million.

Vendor: Network 6.

Illinois Child Support Computer System: The statewide computer system in its present form has been under development since 1990. The system is called FSIS (Family Support Information System) and is projected to be on-line in October 1997.

Problems:

- the vendor failed to develop software which met the federal requirements;
- the disbursement codes were not written well;
- the system is having problems sending payments to families owed support.

Cost:

- Since 1988, Illinois has spent \$6 million on the development and installation of the system.
- The total projected cost is over \$40.4 million.

Vendor: IBM.

Indiana Child Support Computer System: The statewide computer system in its present form has been under development since in 1990. Their child support computer system is called ISETS (Indiana Support Enforcement Tracking System) and is projected to be on-line by February 1997.

Problems:

- the different county agencies involved in the child support program are fighting over who has control of the computer system;
- problems with child support employees adapting to the new system.

Cost:

- Since 1988, Indiana has spent \$4 million on the development and installation of the system.
- The total projected cost is over \$30 million.

Vendor: IBM and CSBI.

Iowa Child Support Computer System: The statewide computer system in its present form has been under development since 1985. Their child support computer system is called ICARS (Iowa Collection And Reporting System) and is projected to be on-line in September 1997.

Problems:

- the system could not process payments;
- problem getting a vendor who could develop the system.

Cost:

- Since 1988, Iowa has spent \$7 million on the development and installation of the system.
- The total projected cost is over \$31 million.

Vendors: DBMS, Policy Studies, Service Design Associates, and Advanced System Design. Iowa is in the process of developing and testing their system in-house.

Kansas Child Support Computer System: The statewide computer system in its present form has been under development since 1991. Their child support computer system is called KESSEP (Kansas Enhanced Statewide Support Enforcement Project) and is projected to be on-line in February 1997.

Problems:

- keeping within the budget.

Cost:

- Since 1988, Kansas has spent \$5 million on the development and installation of the system.
- The total projected cost is over \$20 million.

Vendors: NTW Corp., Deloitte & Touche, and CTG Corp.

Kentucky Child Support Computer System: The statewide computer system in its present form has been under development since 1988. Their child support computer system is called KASES (Kentucky Automated Support Enforcement System) and is projected to be on-line by December 1996.

Problems:

- the inability to successfully transfer the Ohio automated child support system to meet Kentucky's needs without a major rewrite;
- they had to manually data enter information from the hard copies of the child support case files;
- the complex nature of the project.

Cost:

- Since 1988, Kentucky has spent \$5.3 million on the development and installation of the system.
- The total projected cost is over \$31 million.

Vendor: ERC and they now are developing the system in-house

Louisiana Child Support Computer System: The statewide computer system in its present form has been under development since 1990. Their child support computer system is called LASES (Louisiana Automated Support Enforcement System) and is projected to be on-line in July 1996.

Problems:

- delays in getting the programming completed;
- developing the software which enabled the child support computer to interface with the welfare computer system as well as other state systems.

Cost:

- Since 1988, Louisiana has spent \$9 million on the development and installation of the system.
- The total projected cost is over \$22 million.

Vendors: Maximus and System House.

Maine Child Support Computer System: The statewide computer system in its present form has been under development since 1986. Their child support computer system is called NECSES (New England Child Support Enforcement System) and is projected to be on-line in October 1997.

Problems:

- CSENET function development has not even started;
- the Governor has not approved an outside contractor and is currently not up for bid;
- the original system that was devised for the state was too big and complicated and is not as useful as it needs to be.

Cost:

- Since 1988, Maine has spent \$3 million on the development and installation of the system.
- The total projected cost is over \$14 million.

Vendor: Deloitte & Touche and parts of the system are being developed in house.

Maryland Child Support Computer System: The statewide computer system in its present form has been under development since 1990. Their child support computer system is called CSES (Child Support Enforcement System) and is projected to be on-line in September 1997.

Problems:

- When the system was brought on-line, the suspension file was not working properly - when the data about child support payments was entered it was incapable of identifying and sending payments to the correct payees. The new system was then taken off-line and the old system is being used.
- not meeting the deadline outlined in the contract;
- System House did not write the supporting documentation for the system;
- the vendor failed to develop the software which enabled the child support computer to interface with other state government computer systems, such as; the welfare system, etc.

Cost:

- Since 1988, Maryland has spent \$13 million on the development and installation of the system.
- The total projected cost is over \$20 million.

Vendor: Anderson Consulting and System House

Massachusetts Child Support Computer System: The statewide computer system in its present form has been under development since 1992. The system is called COMETS (Commonwealth of Massachusetts Enforcement Tracking System). This is all the information that we were able to get from Massachusetts regarding their automated system. Massachusetts was the only state that would not give ACES information when we called. *"We have provided all the information to the federal government that is public and the other information regarding our vendor and development problems is private,"* remarked Allison Green, Communications Director for the Massachusetts Department of Revenue, Child Support Enforcement Division.

Vendor: Lockheed IMS.

Michigan Child Support Computer System: The statewide computer system in its present form has been under development since 1984. Their child support computer system is called MICSES (Michigan Child Support Enforcement System) and is projected to be on-line by October 1997.

Problems:

- the large metro counties do not want the state's system - Oakland County Friend of the Court kicked the system developers out and would not let them back in the agency;
- one of the many vendors, ATEK filed a Chapter 11 Bankruptcy while developing the system which caused a huge turnover in vendor staff.

Cost:

- Since 1988, Michigan has spent \$15 million on the development and installation of the system.
- The total projected cost is over \$95 million.

Vendors: Digital Equipment Corp. Michigan has used 12 - 15 other computer vendors for planning, developing and installing their system.

Minnesota Child Support Computer System: The statewide computer system in its present form has been under development since 1983. Their child support computer system is called PRISM (Providing Resources To Improve Support in Minnesota) and is projected to be on-line in October 1997.

Problems:

- lack of technical expertise of the vendors to develop the system;
- the inability to successfully transfer the Arizona automated child support system to meet the needs of Minnesota without a major rewrite

Cost:

- Since 1988, Minnesota has spent \$8 million on the development and installation of the system.
- The total projected cost is over \$30 million.

Vendor: Software AG, Evaluation Research and Telnolsis

Mississippi Child Support Computer System: The statewide computer system in its present form has been under development since 1990. Their child support computer system is called METSS (Mississippi Enforcement and Tracking of Support System) and is projected to be on-line in July 1996.

Problems:

- Mississippi canceled the contract with one vendor for their lack of progress;
- the information sat for many months until a new vendor was contracted. This led to a delay in the development of the project.

Cost:

- Since 1988, Mississippi has spent \$506,000 on the development and installation of the system.
- The total projected cost is over \$5.1 million.

Vendor: Anderson Consulting. Since 1990, Mississippi has had one other vendor, System House.

Missouri Child Support Computer System: The statewide computer system in its present form has been under development since 1989. Their system is called MACSS (Missouri Automated Child Support System) and is projected to be on-line in October 1997.

Problems:

- retraining county workers to use the system;
- developing the software to convert the child support data from the old systems to the new system.

Cost:

- Since 1988, Missouri has spent \$18 million on the development and installation of the system.
- The total projected cost is over \$78 million.

Vendor: ISSC.

Montana Child Support Computer System: The statewide computer system in its present form has been under development since 1989. Their computer system is called SEARCHS (System for Enforcement and Recovery of Child Support) and this is the only system that met the October 1, 1995 deadline.

Problems:

- During the development of SEARCHS, no significant problems were encountered. The system was found to be both efficient and cost-effective. In fact, there has been attempts to transfer the system program for SEARCHS to both Alabama and Puerto Rico.

Cost:

- Since 1988, Montana has spent \$4 million on the development and installation of the system.

Vendor: BDM

Nebraska Child Support Computer System: The statewide computer system in its present form has been under development since 1988. The Nebraska computer system is called CHARTS - Children Have A Right To Support and is projected to be on-line in July 1997.

Problems:

- the PSI system did not perform the needed functions;
- lack of technical experience of the vendor;
- the vendor failed to develop and adhere to their work plan;
- PSI did not make progress in developing the system.

Cost:

- Since 1988, Nebraska has spent \$7 million on the development and installation of the system.
- The total projected cost is over \$40 million.

Vendor: PSI; however, numerous problems were encountered. As of September 1994, Nebraska ended their contract with PSI. CHARTS then became a state in-house project.

Nevada Child Support Computer System: The statewide computer system in its present form has been under development since 1988. Their system is called NOMADS - Nevada Operations of Multi-Automated Data Systems and is projected to be on-line in October 1997.

Problems:

- the vendor failed to develop and adhere to their work plan;
- developing the software to convert the child support data from the old systems to the new system.

Cost:

- Since 1988, Nevada has spent \$3.5 million on the development and installation of the system.
- The total projected cost is over \$25 million.

Vendor: ISSC

New Hampshire Child Support Computer System: The statewide computer system in its present form has been under development since 1986. Their child support computer system is called NECSES (New England Child Support Enforcement System) and is projected to be on-line in June 1996.

Problems:

- child support payments were being sent to the wrong addresses;
- difficulty in installing the interstate module and making it work efficiently.

Cost:

- Since 1988, New Hampshire has spent \$1.4 million on the development and installation of the system.
- The total projected cost is over \$14 million.

Vendor: Deloitte & Touche

New Jersey Child Support Computer System: The statewide computer system in its present form has been under development since 1991. Their child support computer system is called ACSES (Automated Child Support Enforcement System) and is projected to be on-line in July 1996.

Problems:

- the inability to successfully transfer the Missouri automated child support system to meet New Jersey's needs without a major rewrite;
- the Missouri system was not comprehensive enough, so New Jersey had to rewrite all of the system codes;
- the system did not send payments to custodial parents;

Cost:

- Since 1988, New Jersey has spent \$10 million on the development and installation of the system.
- The total projected cost is over \$90 million.

Vendor: The system is being developed in-house.

New Hampshire Child Support Computer System: The statewide computer system in its present form has been under development since 1986. Their child support computer system is called NECSES (New England Child Support Enforcement System) and is projected to be on-line in June 1996.

Problems:

- child support payments were being sent to the wrong addresses;
- difficulty in installing the interstate module and making it work efficiently.

Cost:

- Since 1988, New Hampshire has spent \$1.4 million on the development and installation of the system.
- The total projected cost is over \$14 million.

Vendor: Deloitte & Touche

New Jersey Child Support Computer System: The statewide computer system in its present form has been under development since 1991. Their child support computer system is called ACSES (Automated Child Support Enforcement System) and is projected to be on-line in July 1996.

Problems:

- the inability to successfully transfer the Missouri automated child support system to meet New Jersey's needs without a major rewrite;
- the Missouri system was not comprehensive enough, so New Jersey had to rewrite all of the system codes;
- the system did not send payments to custodial parents;

Cost:

- Since 1988, New Jersey has spent \$10 million on the development and installation of the system.
- The total projected cost is over \$90 million.

Vendor: The system is being developed in-house.

North Dakota Child Support Computer System: The statewide computer system in its present form has been under development since 1989. Their state system is called FACSES (Fully Automated Child Support Enforcement System) and is projected to be on-line in July 1997.

Problems:

- developing software which converted the child support data from the old systems to the new system;
- retraining child support employees to use the new system.

Cost:

- Since 1988, North Dakota has spent \$2.6 million on the development and installation of the system.
- The total projected cost is over \$3.6 million.

Vendor: The system is being developed in-house..

North Carolina Child Support Computer System: The statewide computer system in its present form has been under development since 1991. Their child support computer system is called ACTS (Automated Collections and Tracking System). ACTS failed Level 1 certification in August 1995. North Carolina is now hoping that ACTS will be on-line in October 1997.

Problems:

- ISSC under bid on the project so they were unable to develop the system - North Carolina did not renew the contract in February 1996;
- developing the software to convert the child support data from the old systems to the new system;
- developing the software which enabled the child support computer to interface with the welfare computer system as well as other state systems;
- difficulty in manually data entering the information from hard copies of the case files the system that was developed was not user friendly for the caseworkers which led to extra training time and state costs.

Cost:

- Since 1988, North Carolina has spent \$17 million on the development and installation of the system.
- The total projected cost is over \$68 million.

Vendors: development - ISSC; planning - Maximus, and quality assurance - Consultec.

Ohio Child Support Computer System Problems: The statewide computer system in its present form has been under development since 1984. The computer system in Ohio is called SETS (State Enforcement Tracking System) and is projected to be on-line in October 1997.

Problems:

- The state cancelled the contract with the original contractor (ERC) and scrapped the entire ERC system in 1991. The Ohio Department of Human Services then hired in house staff to design, develop and implement a new system instead of contracting with another vendor.
- ERC had promised to have the system fully operational by 1990. Technicians from ERC could not get SETS to function during a demonstration of the system that was held during a statewide child support conference.
- ERC was also involved in a bid rigging scandal that caused the resignation of the Director of the Ohio Department of Human Services in 1990.

Cost:

- Since 1988, Ohio has spent \$35 million on the development and installation of the system.
- The total projected cost is over \$92 million.

Vendors: ERC and now the system is being developed in-house.

Oklahoma Child Support Computer System: The statewide computer system in its present form has been under development since 1988. Their child support computer system is called OSIS (Oklahoma Support Information System) and is projected to be on-line in January 1997.

Problems:

- developing the software to convert the child support data from the old systems to the new system.

Cost:

- Since 1988, Oklahoma has spent \$1.7 million on the development and installation of the system.
- The total projected cost is over \$17 million.

Vendor: Advanced Systems Design for case management and American Management Systems for financial management.

Oregon Child Support Computer System: The statewide computer system in its present form has been under development since 1992. Their Child support computer system is called CSES - Child Support Enforcement System and is projected to be on-line in September 1997.

Problems:

- the vendors were unable to develop and install the system within their timeframes.

Cost:

- Since 1988, Oregon has spent \$10 million on the development and installation of the system.
- The total projected cost is over \$20 million.

Vendors: System House and Deloitte and Touche. Currently the state is contracted with a number of vendors for specific phases of the project.

Pennsylvania Child Support Computer System: The statewide computer system in its present form has been under development since 1993. Their computer system is called PACSES - Pennsylvania Automated Child Support Enforcement System and is projected to be on-line in October 1997.

Problems:

- developing the software to convert the child support data from the old systems to the new system;
- upgrading the system to meet the new changes in technology;
- training employees on how to use the new system;
- reevaluating county budgets;
- designing the new system to be user friendly in order to ease the transition;
- converting the data while trying to safeguard confidential information.

Cost:

- Since 1988, Pennsylvania has spent \$6.7 million on the development and installation of the system.
- The total projected cost is over \$67 million.

Vendors: Deloitte and Touche and IMS.

Rhode Island Child Support Computer System: The statewide computer system in its present form has been under development since 1987. Their child support computer system is called InRhodes (Information Network of Rhode Island Services) and is projected to be on-line in September 1996.

Problems:

- the vendor failed to design the system to meet the needs of the state;
- the lack of state funding for the project;
- difficulty in being able to keep to the testing schedule of the system.

Cost:

- Since 1988, Rhode Island has spent \$2 million on the development and installation of the system.
- The total projected cost is over \$15 million.

Vendor: Network 6

South Dakota Child Support Computer System: The statewide computer system in its present form has been under development since 1993. Their state system is called ACCESS IV-D (Automated Child Collection Enforcement Support System) and is projected to be on-line in September 1997.

Problems:

- balancing department priorities because the project was an in-house endeavor.

Cost:

- Since 1988, South Dakota has spent \$1.8 million on the development and installation of the system.
- The total projected cost is over \$3.1 million.

Vendor: The system is being developed as an in-house project.

South Carolina Child Support Computer System: The statewide computer system in its present form has been under development since 1993. Their state computer system is called SC-CSES (South Carolina Child Support Enforcement System) and is projected to be on-line in October 1996

Problems:

- competition for technical resources as experienced during the amalgamation of the project.

Cost:

- Since 1988, South Carolina has spent \$4 million on the development and installation of the system.
- The total projected cost is over \$40 million.

Vendor: UNISYS

Tennessee Child Support Computer System: The statewide computer system in its present form has been under development since 1993. Their system is called TCSES - Tennessee Child Support Enforcement System and is projected to be on-line in September 1996.

Problems:

- converting data from both manual and automated systems onto a new system.

Cost:

- Since 1988, Tennessee has spent \$4.5 million on the development and installation of the system.
- The total projected cost is over \$45 million.

Vendor: Anderson Consulting

Texas Child Support Computer System: The statewide computer system in its present form has been under development since 1991. The system is called TXCSES (Texas Child Support Enforcement System) and is projected to be on-line in October 1997.

Problems:

- delays in the development because of the complexity of the system;
- the inability to successfully transfer the automated child support system from another state to meet Texas needs without a major rewrite.

Cost:

- Since 1988, Texas has spent \$6.2 million on the development and installation of the system.
- The total projected cost is over \$51.5 million.

Vendor: Anderson Consulting

Utah Child Support Computer System: The statewide computer system in its present form has been under development since 1992. Their computer system is called ORSIS (Office of Recovery Services Information System) and is projected to be on-line in June 1996.

Problems:

- meeting the project's budget and time frame;
- developing the software to convert the child support data from the old systems to the new system;
- defining needs of the new system;
- finding a way to pilot the system cost-effectively.

Cost:

- Since 1988, Utah has spent \$10 million on the development and installation of the system.
- The total projected cost is over \$20 million.

Vendors: IBM and ERC

Vermont Child Support Computer System: The statewide computer system in its present form has been under development since 1991. Their child support computer system is called ACCESS (Advanced Computer Controlled Essential Services Software) and is projected to be on-line in June 1996.

Problems:

- integrating their old system with the new system and making it work efficiently.

Cost:

- Since 1988, Vermont has spent \$500,000 on the development and installation of the system.
- The total projected cost is over \$4 million.

Vendor: PSI

Virginia Child Support Computer System: The statewide computer system in its present form has been under development since 1989. Their child support computer system is called APECS (Automated Program to Enforce Child Support) and Virginia reached certification in February 1996.

Problems:

- major problems with distribution and disbursement codes that led to late payments for families;
- the system was not sending the \$50 welfare disregard payment to families on welfare.

Cost:

- Since 1988, Virginia has spent \$4 million on the development and installation of the system.
- The total projected cost is over \$22.5 million.

Vendor: Ogden Government Services. Virginia has terminated Ogden's contract because of disagreements. They are developing the rest of the system in-house.

Washington Child Support Computer System: The statewide computer system in its present form has been under development since 1988. Their computer system is called SEMS Support Enforcement Management System and Washington received certification in February 1996.

Problems:

- challenge in procurement of equipment.

Cost:

- Since 1988, Washington has spent \$1.4 million on the development and installation of the system.
- The total projected cost is over \$14 million.

Vendor: The system is an in-house project

West Virginia Child Support Computer System: The statewide computer system in its present form has been under development since 1990. Their child support computer system is called OSCAR (On-line Support Collections and Reporting System) and is projected to be on-line in July 1996.

Problems:

- the system was not sending the child support payments to the custodial families.

Cost:

- Since 1988, West Virginia has spent \$4 million on the development and installation of the system.
- The total projected cost is over \$21 million.

Vendor: NCI

Wisconsin Child Support Computer System: The statewide computer system in its present form has been under development since 1993. Their system is called KIDS (Kids Information Data System) and is projected to be on-line in September 1996.

Problems:

- developing the software to convert the child support data from the old systems to the new system;
- mischarges by different vendors;
- merging and defining new goals of departments based on a change from county to state emphasis;
- retraining of technicians on the new system;
- finding coherent solutions for discrepancies found between county systems.

Cost:

- Since 1988, Wisconsin has spent \$10 million on the development and installation of the system.
- The total projected cost is over \$20 million.

Vendor: ISSC

Wyoming Child Support Computer System: The statewide computer system in its present form has been under development since 1993. The Wyoming computer system is called POSSE (Parental Obligation System for Support Enforcement) and is projected to be on-line in October 1997.

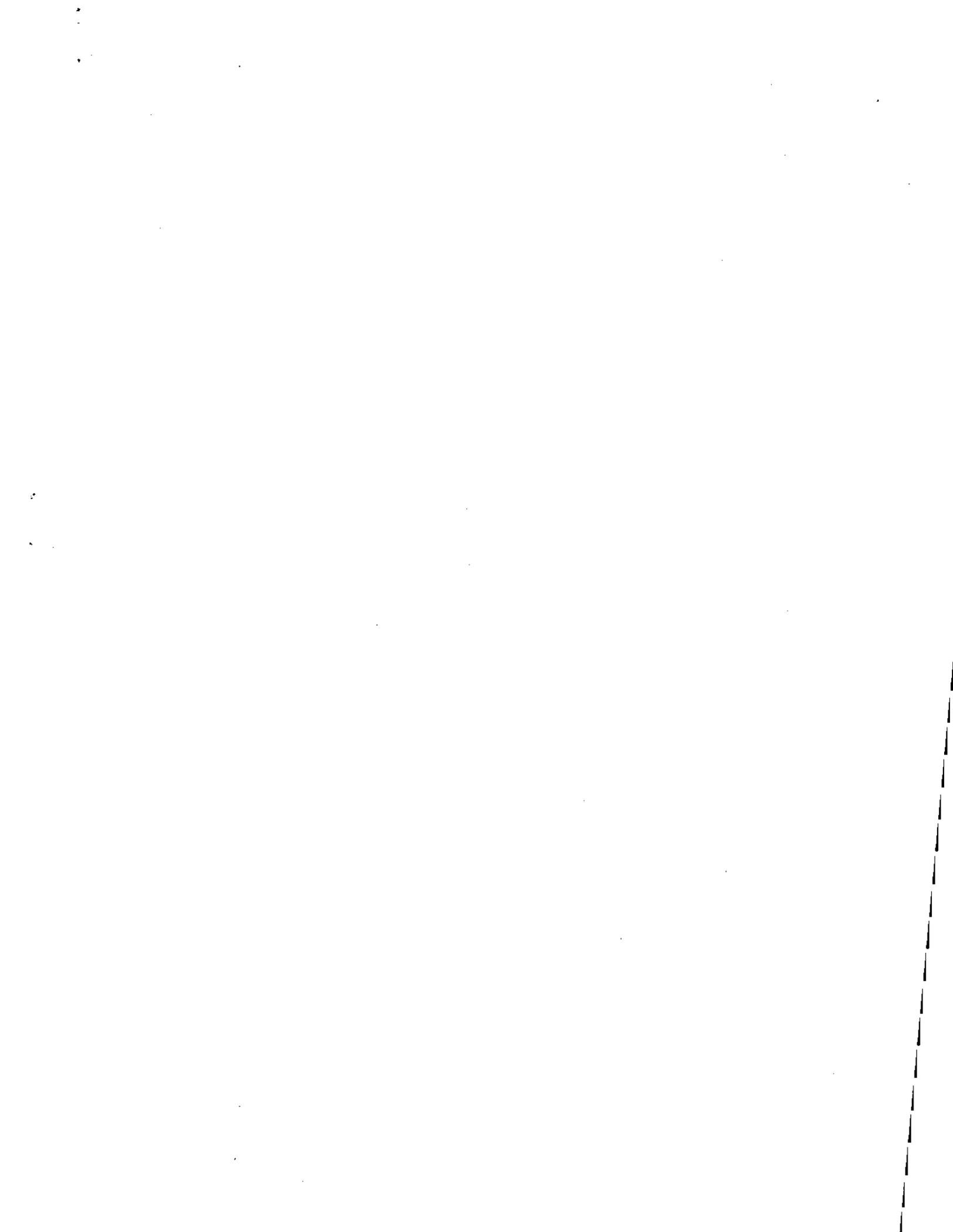
Problems:

- developing the software to convert the child support data from the old systems to the new system;
- incomplete data;
- difficulty in manually data entering the information from hard copies of the case files.

Cost:

- Since 1988, Wyoming has spent \$4 million on the development and installation of the system.
- The total projected cost is over \$10 million.

Vendor: Anderson Consulting



WR - Child Support Computers

Child Support Computer Systems

Background

Nine or more states are expected to fail to meet the 10/1/97 deadline for child support computer systems. The 1988 Family Support Act required states to have "in operation a single, state-wide automated data processing, information, and retrieval system" by 10/1/95; this deadline was extended by two years in the last Congress.

The states expected to fail are California, Michigan, Illinois, Pennsylvania, Ohio, Maryland, D.C., Nevada, and Hawaii. Other possibilities include New York, Florida, Texas, Indiana, South Carolina, and New Mexico. We won't actually know on October 1st how many states have failed, because under the law states have until December 31st to submit to HHS a state plan amendment indicating that their child support system was completed and operating as of October 1st. HHS must then conduct certification reviews to assess states compliance.

Under current law, HHS must disapprove a state's child support plan if it does not meet the computer systems requirement -- thus withholding all federal child support funds from those states. (The federal government pays 66% of administrative child support enforcement costs, and 90% for computer systems costs before FY 1997 and 80% up to a total of \$400 million for costs thereafter.) In addition, HHS must reduce the TANF grant by between one and five percent. California says it will lose \$300 million in federal child support payments and between \$37 and \$185 million in TANF payments, and state officials have asked for a White House meeting the second week of September to press for legislation to assist them.

While by law HHS must withhold federal child support payments to non-compliant states, HHS General Counsel believes HHS could establish, via an Action Transmittal, a process whereby HHS would hold this penalty in abeyance on the condition that a state enter into and carry out a corrective action plan. HHS does not have, but would like to have, the authority to impose alternative penalties, i.e., withhold 5 - 10% of a state's federal child support funds. House Ways and Means staff have indicated that they would like to work with the Administration to develop legislation on this issue to be enacted as soon as possible.

Issues to Resolve

1. Are we willing to press the 'nuclear button' and withhold all federal child support funds from states that have not met the computer systems deadline?
2. Are we willing through executive action to enter into corrective action plans with states which do not meet the October 1st deadline? What penalties and financial incentives should those corrective action plans include?
3. Shall we work with Congress on new legislation providing a range of penalties and explicitly authorizing a corrective action plan process?
4. Will we support California's proposal to allow a combination of systems linked electronically to count as a single state-wide system?

**Child Support Computer Systems
Options**

Initial HHS	Revised HHS	OMB (tentative)	Alternative	California
<p>1. Send warning letter to states threatening loss of all federal child support funds if systems requirements are not met.</p> <p>2. Issue "Action Transmittal" outlining Corrective Action Plan Process.</p> <p>3. Negotiate Corrective Action Plans with States.</p> <p>4. Pursue Legislative Strategy to Develop Calibrated Penalties.</p>	<p>1. Send warning letter to states threatening loss of all federal child support funds if systems requirements are not met.</p> <p>2. Pursue Legislative Strategy to Develop Calibrated Penalties.</p> <p>3. Issue "Action Transmittal" outlining Corrective Action Plan Process (if needed).</p> <p>4. Negotiate Corrective Action Plans with States.</p>	<p>1. Send warning letter to states threatening loss of all federal child support funds if systems requirements are not met.</p> <p>2. Pursue Legislative Strategy to Develop Calibrated Penalties which include financial penalties and incentives as part of Corrective Action Plan (i.e., lower federal match until progress made on CAP).</p> <p>3. Issue "Action Transmittal" outlining Corrective Action Plan Process (if needed).</p> <p>4. Negotiate Corrective Action Plans with States -- include financial penalties and incentives (i.e., lower federal match until progress made on CAP).</p>	<p>1. Send warning letter to states threatening loss of all federal child support funds if systems requirements are not met and withholding of 2 percent of TANF funds per section 409(a)(8) (states will be required to provide additional funds to make up the shortfall).</p> <p>2. Pursue Legislative Strategy to Develop Calibrated Penalties which include financial penalties and incentives as part of Corrective Action Plan (i.e., lower federal match until progress made on CAP).</p> <p>3. Issue "Action Transmittal" outlining Corrective Action Plan Process (if needed).</p> <p>4. Negotiate Corrective Action Plans with States -- include financial penalties and incentives (i.e., lower federal match until progress made on CAP). Corrective Action Plans with States -- include financial penalties and incentives (i.e., lower federal match until progress made on CAP).</p>	<p>1. Enact Legislation allowing a combination of systems linked electronically to count as a single state-wide system.</p> <p>2. Enact legislation which deems states approved who have entered into Corrective Action Plans with HHS.</p>

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SUBCOMMITTEE ON HUMAN RESOURCES

September 18, 1997

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The Honorable William Clinton
The White House
Washington, D.C. 20500

Dear Mr. President:

I urge you not to follow advice given to you in a recent letter from several Senators. The letter encourages you to support delaying an October 1, 1997 deadline for states to establish an approved automatic data system that is to serve as the control center of their child support enforcement program. As Chairman of the House Subcommittee with jurisdiction over the child support program, I oppose this recommendation for several reasons.

Child support enforcement is one of the most popular programs run by the federal and state governments. Last year it collected about \$12 billion in support for America's children, much of it for children in low-income single parent families including mothers trying to escape welfare. Despite such large collections, Congress has believed for many years that the program needs to be greatly strengthened. Experts estimate that a highly efficient system could collect up to \$50 billion in support. That is one reason Congress made substantial changes in the program in last year's welfare reform law.

Based on hearings conducted over the past several years and extensive consultation with experts on the child support program, I think there is general agreement that the backbone of the child support program is automatic data processing. Indeed, the federal government has now spent \$2 billion on these data systems; the states have spent an additional \$0.6 billion. And yet, again based on hearings and consultation with experts, plus an excellent recent study from the U.S. General Accounting Office, the data systems in many states remain deficient. Our best guess is that between 10 and 15 states are not going to meet the October 1 deadline referred to above.

Given this background, I would like you to consider the following issues. First, Congress has already delayed the deadline by two years. Legislation passed overwhelmingly in 1988 required the data systems to be completed by October 1, 1995. In 1994, because states were having trouble with their new systems, Congress delayed the deadline until October 1, 1997. I am uncomfortable changing this deadline for a second time, especially given the level of resources that has now been poured into the data systems and the length of time states already have been given to meet this goal.

Second, I hope you will reflect on the message we would send to the nation by delaying the date. Consider the following headlines reflecting charges the media could make against Congress: "Congress Chooses States Over Poor Children"; "Congress Backs Down on Promise to Penalize States for Not Collecting Child Support"; "Congress Slams Poor Children — Again"; "Congress to Single Parents: Eat Cake". If we believe that data processing is the heart of child support enforcement — as most of us do — and if we have already delayed by two years the original date on which states must have effective data systems — as we have — how can we in good conscience delay the date again? And if we do, would any of these headlines be unfair?

Third, Congress is forever forgiving penalties on states. We establish program after program, set standards for states that accept federal dollars to meet specific program goals, declare that "we really mean the penalties this time", and then immediately exempt states when they fail to perform adequately. Yet another federal performance of this sort will push even further into the future the day on which states believe us when we adopt performance goals backed by penalties.

Fourth, I believe there may be more panic than reason in the recommendation to delay the deadline. Although the deadline is October 1, 1997, current law contains numerous procedural requirements that will delay the actual withholding of funds from states until next summer.

For all these reasons, then, I recommend that you "table" the advice provided by our friends in the Senate. Their advice is unfortunate for all the reasons listed above. But more important, there is a much better course of action.

For several weeks now, I have been planning to identify a small group of House and Senate staff, and staff members of your Administration, plus a few representatives of government agencies, who will consult widely with states, advocacy groups, and computer experts, to help our Subcommittee design a two-part bill. The first part is straightforward. Under current law, if states miss the October 1 deadline, the Secretary has no choice except to terminate all the money received by the state under both the child support program and the Temporary Assistance for Needy Families program, which replaced the former AFDC program. Rather than impose this nuclear penalty, we will give the Secretary the flexibility to impose a reasonable fine on states of perhaps between 1 percent and 20 percent of their child support money, depending on the severity of their failure. In addition, we will give the Secretary the authority to enter into corrective compliance agreements under which fines will be temporarily suspended for a fixed period of time while states address their failures.

The second provision, much more difficult to write, will attempt to address the underlying reasons for failure by so many states. Perhaps the central problem is that some states have county data systems that are effective, modern, and well established. But if the

state must have a single state data system, then many counties are going to have to give up their current systems. Federal policy that forces this outcome may be shortsighted on both policy and political grounds. We need to try to find a middle ground that will allow some autonomy by counties but will still permit the centralized statewide data system to function.

No action is now necessary. The October 1 penalty date will spur states to action. By January we will have legislation ready that addresses both the penalty issue and the underlying issue of data system centralization. Because the legislation will be bipartisan and is expected to have the support of states, we will have little difficulty getting it through Congress quickly. Because the Administration will participate in writing the legislation, you should be pleased to sign it. And all this will be accomplished before the nuclear penalty has time to explode.

Sincerely,



E. Clay Shaw, Jr.
Chairman

cc: The Honorable Dianne Feinstein
The Honorable Harry Reid
The Honorable Spencer Abraham
The Honorable Richard H. Bryan
The Honorable Paul S. Sarbanes
The Honorable Jeff Bingaman
The Honorable Carl Levin
The Honorable John Glenn
The Honorable Daniel K. Inouye
The Honorable Tom Daschle

The Honorable Carol Moseley-Braun
The Honorable Barbara Boxer
The Honorable Mike DeWine
The Honorable Daniel K. Akaka
The Honorable Barbara A. Mikulski
The Honorable Rick Santorum
The Honorable Tim Johnson
The Honorable Pete Domenici
The Honorable Arlen Specter

Same letter sent to The Honorable Newt Gingrich, Speaker of the House
and The Honorable Trent Lott, Senate Majority Leader