

Briefing Materials

BRIEFING SHEET ON THE EXPANDED FPLS

Two new components added to current Federal Parent Locator Service:

- National Directory of New Hires (NDNH)
- Federal Case Registry (FCR)

National Directory of New Hires:

- All States must begin reporting New Hires to the National Directory of New Hires by October 1, 1997.
- States with existing New Hire laws have until October 1, 1998 to meet all the requirements of the new legislation, but they must begin providing data to the NDNH by October 1, 1997.
- All employers (including labor organizations) must report to States.
- Federal agencies report directly to the Federal Government.
- Multistate employers may designate a single State to receive all of their reports and must notify the Secretary of HHS about their decision.
- Employer reports to State on W-4 form or equivalent (employer's option) by first class mail, magnetically, or electronically, including the following:
 - Employee name, address, and Social Security number (SSN)
 - Employer name, address, and Federal employer identification number
 - New hires must be reported to the State within 20 days of the date of hire or, if reporting electronically or magnetically, via two monthly transmissions.

State Directory of New Hires has:

- Five days to enter the New Hire data once it is received from employers
- Two days to conduct a match and have CSE issue wage withholding
- Three days after data entered in SDNH to forward the information to the National Directory

New Hire information will be verified against SSA data to verify name, Social Security number, date of birth, and Employer Identification Number (EIN).

Federal Case Registry:

- To facilitate location efforts
- Implement by October 1, 1998
- Will contain case information provided by State Directories (IV-D and non-IV-D)
- Other information: Name, SSN, State ID, case numbers, etc.

[Note that much of the Federal Case Registry is still in the planning stages. OCSE is consulting with its State partners to develop the Registry specifics.]

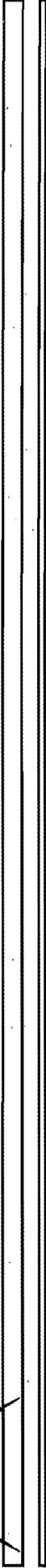
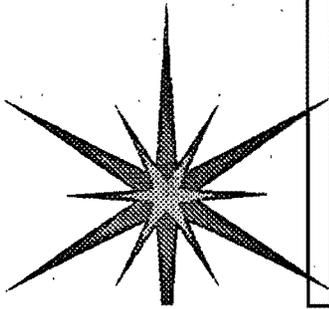
State Employment Security Agencies (SESAs) will provide new information to the NDNH:

- Quarterly wages, SSN, employer name, address, State and Federal EIN
- For individuals receiving or applying for unemployment benefits, amount received, and current address

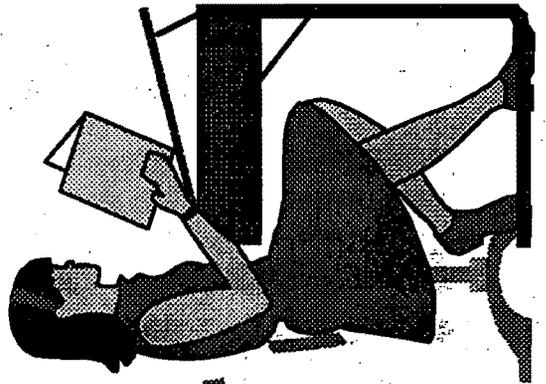
Centralized Collection and Disbursement:

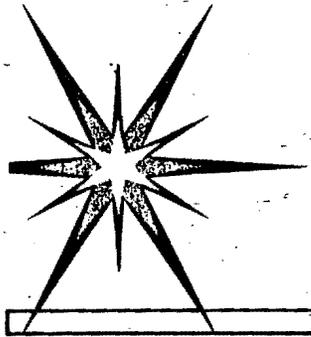
By October 1, 1998, States must operate automated centralized unit (or linked local units under a waiver) to collect and disburse support payments for:

- All IV-D cases
- Non-IV-D wage withholding orders



The New Welfare Reform

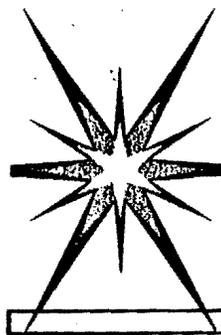




State Directory of New Hires

- States With Existing Law
 - Oct. 1, 1997 - Provide Data to NDNH
 - Oct. 1, 1998 - Meet Other Requirements

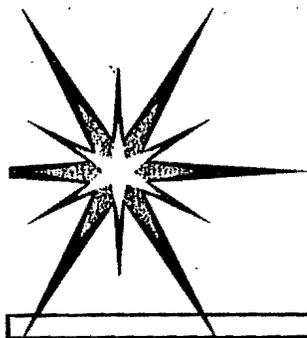
- States Without Law
 - Oct. 1, 1997 - Meet All Requirements



State Directory - Who Reports?

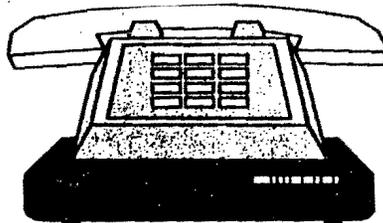
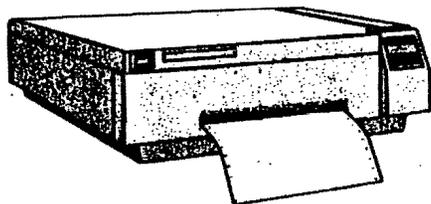
- All Employers (excludes Federal Government)
- Labor Organizations
- Multistate Employers
 - Designate State for Reporting
 - Notify Secretary Which State

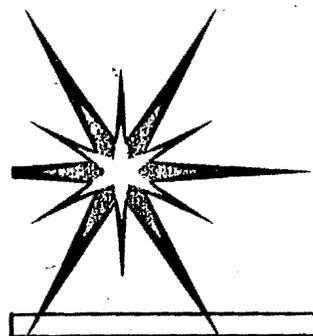




How Does Employer Report?

- W-4 Form (or)
- Equivalent Form (Employer Option)
- First Class Mail, Magnetically or Electronically

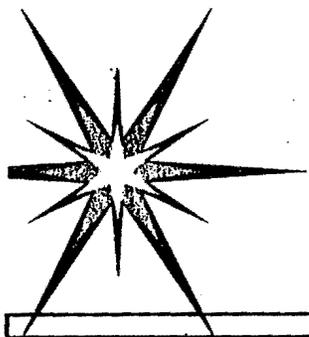




What Data is Reported by Employer?

Information on W-4

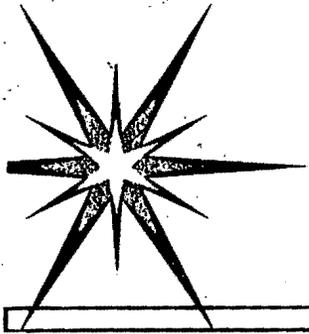
- Employee's Name
- Employee's Address
- Employee's SSN
- Employer's EIN
- Employer's Name
- Employer's Address



Employer Reporting Timeframes

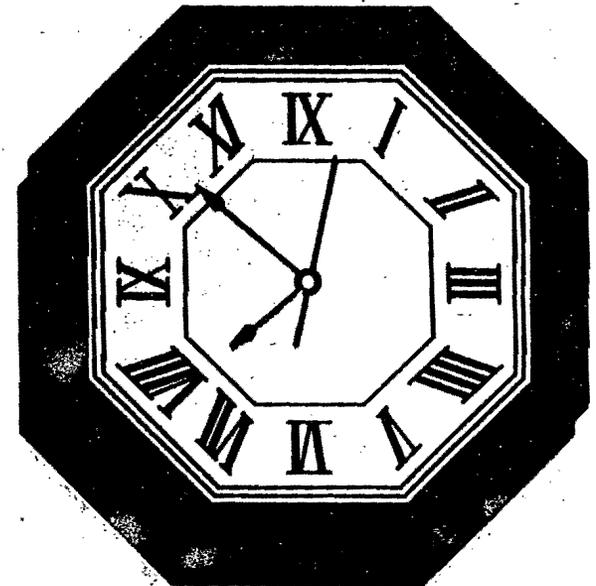
- 20 Days after Hiring (or)
- 2 Monthly Transmissions

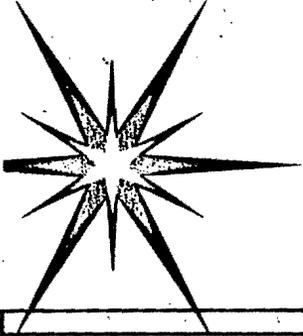




State Directory of New Hires Timeframes

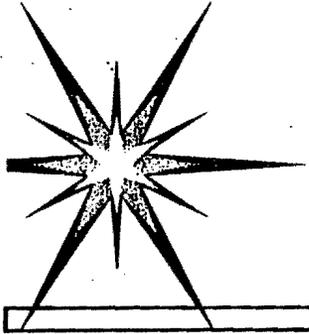
- 5 Days to Enter Data
- 2 Days to Conduct Match & Have CSE Do Wage Withholding
- 3 Days to Forward Information to National Directory





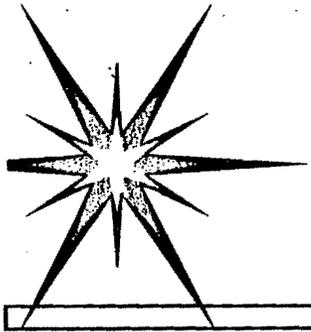
Use of State New Hire Information

- Establish & Enforce Child Support
- Temporary Assistance for Needy Families
- Medicaid, Food Stamps
- SSI
- Territorial Cash Assistance Programs
- UCI



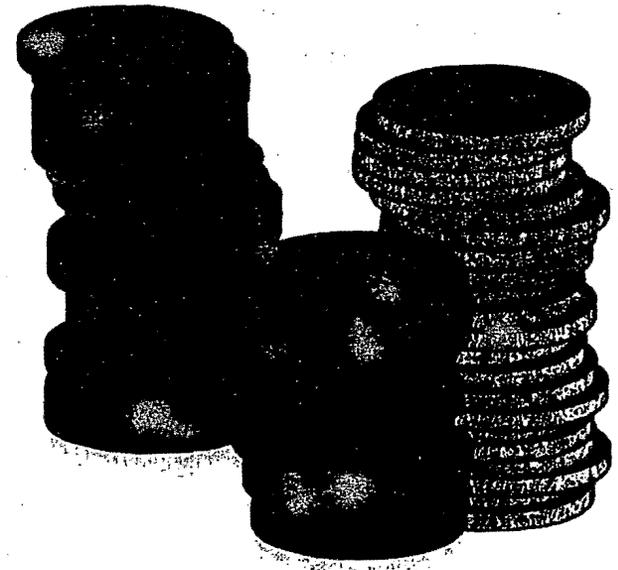
National Directory of New Hires

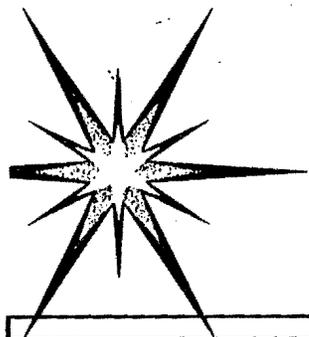
- Effective Date 10-1-97
- Information in Directory
 - State New Hire Data
 - Qtr. Wage & Claim Data (SESA)
 - Federal Employees' New Hire & Qtr. Wage Data
 - List of Multistate Employers



Wage Information Provided By SESAs

- Wages Paid
- SSN
- Employer's Name
- Employer's Address & State
- Federal EIN

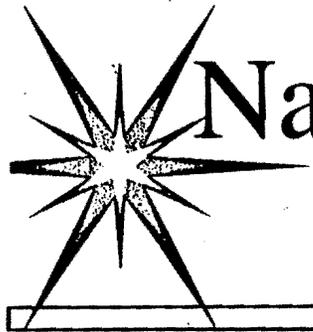




Claim Information Provided By SESAs

- Individual who is receiving, has received or has made application
- Amount Received
- Individual's Current Address





National Directory of New Hires / SSA Interface

- SSA verifies Accuracy of, Corrects or Supplies :

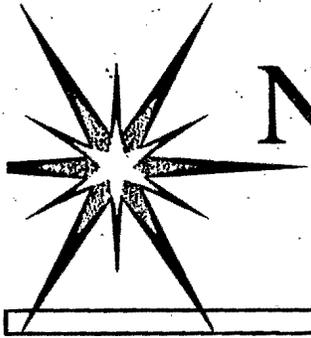
- Name (Employee)

- SSN

- DOB

- EINs (Employer)

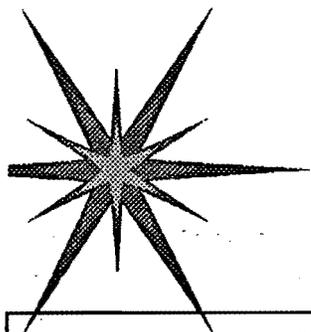
- Provide SSA and IRS with Information



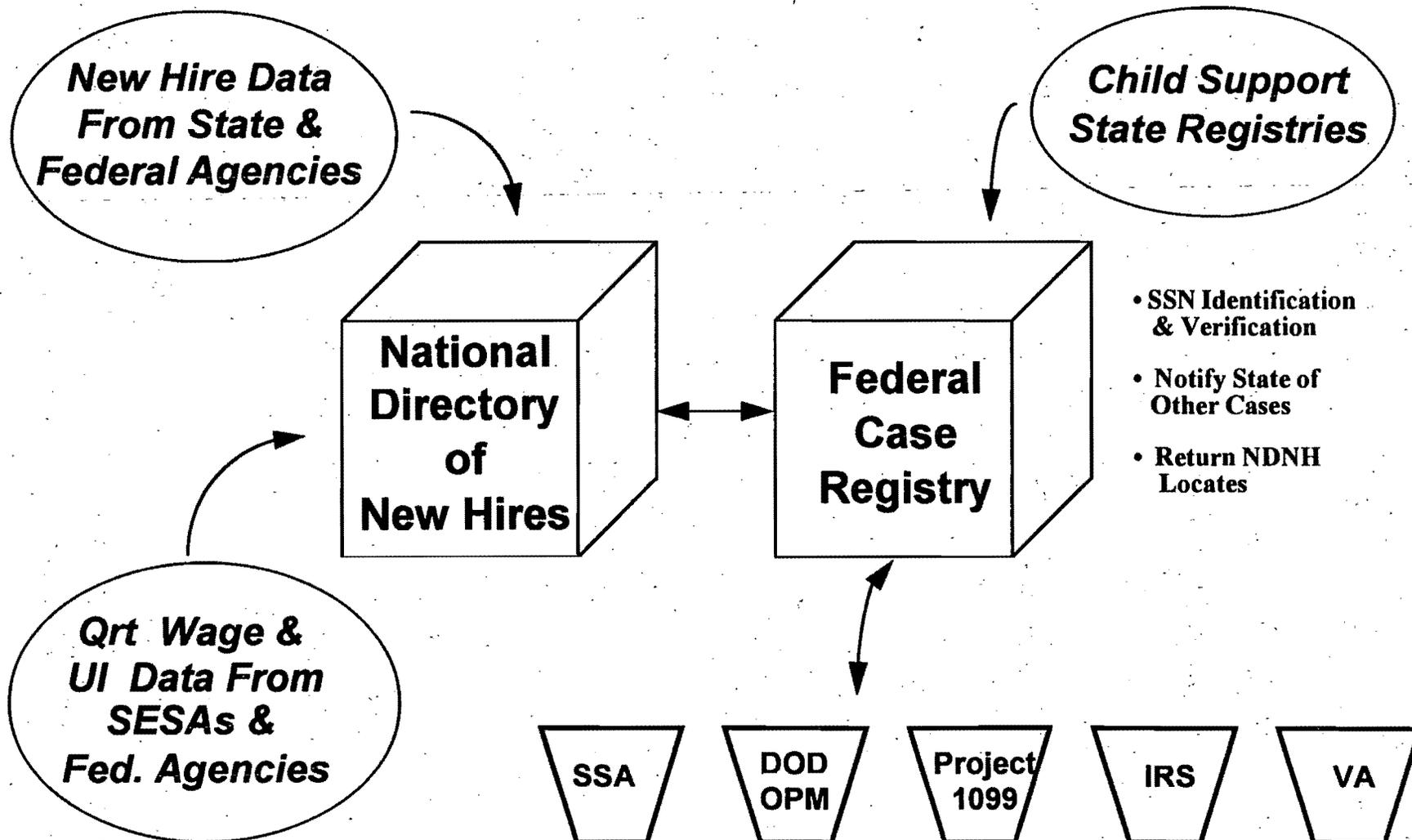
National Directory of New Hires Timeframes

- 2 Days to Enter Data
- 2 Days to Match with the Federal Case Registry
- 2 Days to Report to State CSE





Expanded FPLS



Minimizing Costs and Maximizing Benefits

The cost of implementing a New Hire program will depend on a wide range of factors. This chapter discusses what to consider about keeping the costs of a New Hire program under control, while at the same time maximizing the benefits to all potential users of the information. In addition, some anecdotal information on costs and benefits from States with existing New Hire programs is included. Finally, a one-page sheet of talking points is included at the end of the chapter.

ESTIMATING THE COST OF A NEW HIRE PROGRAM

Cost estimates will depend on where the New Hire program is housed. For example, if a State chooses to locate its State Directory of New Hires within the child support agency as part of its automated child support enforcement system, then the State may seek reimbursement for 80% of the system development costs to establish that Directory. (For further clarification of these funding issues, please refer to the Action Transmittal in Chapter IV.)

States may also choose to privatize all or part of their programs. Chapter VII has more information about start-up costs.

Costs of implementation also will depend on the size of the State, the expected volume of reporting as well as the availability of equipment to use for the program.

Twenty-six States have implemented some form of New Hire Reporting Program, although two do not have a child support interface. More cost information is available directly from these States through the contacts listed in Appendix A.

MAXIMIZING BENEFITS -- SHARING INFORMATION

New Hire information has proven to be a valuable locate tool. Some States estimate that half of the New Hire data they receive is for those cases in which there is no support order or paternity established. Therefore, a successful New Hire program will lead directly to establishing paternity, securing support orders, and collecting payments.

The benefits of developing a New Hire program, however, go beyond the child support program. To the extent that people receive the child support that is due them, many will be able to go off public assistance. This will save government money. Other State agencies that have access to the New Hire information may use this information to reduce fraud and abuse, or to adjust benefit levels in programs such as unemployment insurance, food stamps, Temporary Assistance to Needy Family (TANF), and Medicaid. The following section provides some of the cost-benefit analyses prepared by States with New Hire programs.

Once other agencies are made aware of the value of this information, a State can explore cost-sharing strategies among agencies to minimize the cost of implementing the new program. Note, however, that there are restrictions on data sharing and confidentiality issues which States must address.

COST/BENEFIT ANALYSIS

The information on the following pages has been gathered by SRA International, Inc. from several States that have conducted cost-benefit analyses of their New Hire Reporting Programs.

The Benefits of New Hire Reporting

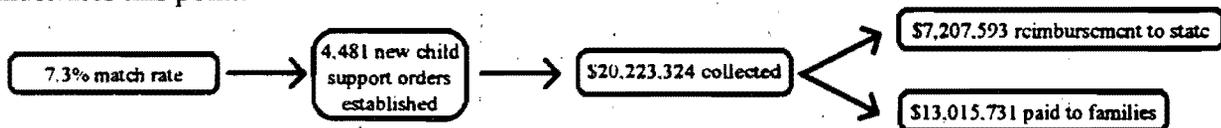
Automatic...Inescapable...and Beneficial!

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 requires that States establish New Hire Reporting programs. To date, 28 States have established programs on their own because they recognize the savings, and social benefits, that are possible. Consider some of the benefits:

 Child Support Collections		\$20,223,324 over 29 months (VA) \$7.8 million over 18 months (WA) \$11 million over 12 months (MO) \$2,136,904 over 12 months (TX)
 AFDC Savings	\$7,207,593 over 29 months (VA) \$8.6 million annually (OH) \$476,741 over 13 months (OR)	 UI Savings
 Medicaid Savings	\$175,824 per month (VA)	 Food Stamp Savings
		\$11.4 million since 1981 (TN) \$83,000 over eight months (TX) \$597,859 per month (VA) \$10.5 million annually (OH)

How Does It Work?

In addition, New Hire Reporting triggers benefits at each stage of the child support enforcement process. An example based on 29 months of data from the State of Virginia clearly illustrates this point:



Get the Details...

The attached report, prepared by SRA International, Inc., documents the benefits achieved by States as a result of their New Hire Reporting programs, such as the following:

- New Hire reporting establishes income withholdings that may never have otherwise occurred due to an obligor's frequent job changes
- As child support collections for AFDC families rise, government AFDC expenditures are reduced
- When an unemployment insurance claimant is reported as a new hire, SESAs can immediately stop benefit payment
- States are able to adjust benefit levels and close Medicaid and Food Stamp cases based on the information contained in the New Hire reports
- New Hire Reporting provides another tool with which to locate non-custodial parents, establish paternity, and enforce new and existing support orders.

15 Facts on Employer New Hire Reporting Child Support Enforcement

***A Simple Idea with Important Consequences:
A Compilation of Evidence and Experience from the States***

SECTION 1. INTRODUCTION

New Hire Reporting is a child support enforcement tool used by States to increase child support collections through locating non-custodial parents, establishing paternity and child support orders, and enforcing existing orders. The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 requires that States strengthen their child support enforcement programs. The new hire reporting initiative requires all employers to report certain information about newly hired employees to a State agency specifically designated to receive this information. States will match new hire reports against their own child support records, and also will transmit this data to the new National Directory of New Hires where it will be matched against a new Federal Case Registry of child support cases. Matched information will be sent to the appropriate State.

Currently, 28 States have implemented some form of New Hire Reporting, and several participated in the New Hire Pilot Program sponsored by the Federal Office of Child Support Enforcement (OCSE). New Hire Reporting not only increases child support collections, it can potentially reduce other government expenditures. This report documents the benefits achieved by States as a result of their New Hire Reporting programs.

The results presented in this report were compiled from existing publications by States with New Hire Reporting programs. No new analysis was performed in this document. Once all new hire results were obtained, they were grouped into 15 "facts" summarizing the cost and benefit categories of new hire reporting. These are presented in Section 2.

Highlighting the costs and benefits of States' experiences offers legislators additional insight as they enact similar programs in their own States. This synopsis of the information received from the States provides a valuable cross-sectional view of the effects of new hire reporting on child support enforcement and collections.

SECTION 2. 15 FACTS ON EMPLOYER NEW HIRE REPORTING

FACT # 1: The Latest Statistics Demonstrate the Need for New Tools to Improve Child Support Enforcement in the United States.

The most recent census data¹ show that in the Spring of 1992, of the 11.5 million families who had a parent living elsewhere, only 6.2 million (54%) of the custodial parents had awards or agreements for child support from the non-custodial parent. Of the total \$17.7 billion owed for child support in 1991, \$5.8 billion was not paid. Of those due support, about half received the full amount, about a quarter received partial payment, and about a quarter received nothing.

FACT # 2: New Hire Reporting is the Latest Weapon in the Arsenal of Child Support Enforcement Tools.

Established in 1975, the goal of the Child Support Enforcement (CSE) Program is to ensure that children are supported financially by both their parents. The program involves 54 separate State systems, each with its own unique laws and procedures. Currently, some States collect New Hire reports from all employers while some only collect information from employers in certain industries. At the federal level, the Department of Health and Human Services (HHS) provides technical assistance and funding to States through the Office of Child Support Enforcement (OCSE). OCSE operates the Federal Parent Locator Service (FPLS), a computer matching system that locates non-custodial parents who owe child support and those sought to establish paternity and/or a support order. The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 expanded the FPLS to include a National Directory of New Hires and a Federal Case Registry. The Department of Health and Human Services has estimated that a New Hire program will increase national child support collections over ten years by \$6.4 billion.

One major problem confronting CSE officials is the movement of non-custodial parents across State lines. To locate such parents, enforcement officials will be able to match open cases with a database of new hire information across the 50 States. By October 1997, a National Directory of New Hires is scheduled to be operational and accepting New Hire data from the States. A July 1996 pilot program demonstrating the utility of a National Directory amassed a total of 6.2 million new hire reports from 19 States. These reports were cross-matched with the FPLS and tax refund offset case databases for the previous six months and resulted in 35,000 and 60,000 matches, respectively.

FACT # 3: New Hire Reporting Increases Child Support Collections through Methods Such as Income Withholding.

Employment information can be the critical link that allows income to be withheld from an individual's paycheck. Reporting new hire data to the agency responsible for child support enforcement allows obligors' place of work to be identified so that income withholding can begin in cases where it would otherwise be extremely difficult. Income withholding gives States

¹ Source: U.S. Department of Commerce, Bureau of the Census, Statistical Brief SB/95-16, issued June 1995.

collections income that would otherwise be unavailable or would not be obtained for at least six months (at which time the quarterly wage information is generally available to State child support agencies for matching purposes). New Hire reporting establishes income withholdings that may never have otherwise occurred due to an obligor's frequent job changes.

The State of Virginia estimates that New Hire Reporting resulted in \$20,223,324 in additional collections from income withholdings over the 29 month period studied. This estimate includes only the additional amount collected from the time the new hire data was received to when quarterly data is usually available. This amount could not have been collected without a New Hire Reporting program.²

Three States reported an increase in child support collections without explicitly identifying how these additional collections were obtained or utilized. Collections are generally disbursed to families or retained by the State and federal government to offset public assistance expenditures.

The State of Washington estimated \$7.8 million in total collections attributable to the New Hire program from 7/1/90 to 1/10/92.

The State of Missouri estimates that due to their New Hire Reporting program, child support collections for fiscal year 1996 increased by \$11,000,000.³

The State of Texas projects collections of \$2,136,904 for FY96 under their voluntary program. This figure is expected to increase to \$74,297,693 once New Hire Reporting is mandated in FY98. (Note: States that already have a new hire program are not required to comply with federal requirements until FY98. Others must comply in FY97.)

FACT # 4: New Hire Reporting Programs Minimally Impact Employers.

Most employers recognize the importance of child support enforcement. New hire information required by child support enforcement agencies is already collected by employers for other administrative functions. The reporting of new hire data, however, is an additional requirement. Most successful new hire reporting programs can be developed in unison with employer groups to maximize program effectiveness and minimize employer workload.

The State of Washington conducted a survey in 1992 of all employers required to report new hire data. The State required reports from 12,000 employers, primarily from the construction, manufacturing, business services and health services industries. Of the businesses surveyed, 93% reported "no" or "minor" cost impact, and 73% of businesses surveyed "favored" or "strongly favored" the program's continuation.

² Virginia reports a breakout of collections by recipient in Facts 5 and 10.

³ Collections for fiscal year 1995 were unavailable from Missouri.

FACT # 5: New Hire Reporting Reduces Government Spending on Aid to Families with Dependent Children (AFDC) Programs.

Before the Personal Responsibility and Work Opportunity Reconciliation Act was enacted in August, 1996, families receiving assistance under AFDC programs received the first \$50 of any child support payment made each month.⁴ The remainder reimbursed State and federal governments for AFDC payments made to the family. As child support collections for AFDC families rise, government AFDC expenditures are reduced. Several States have estimated AFDC savings from New Hire reporting.

The State of Ohio conducted a random sample of 341 New Hire reporting matches in June 1996. Based on this sample, they project that 705 (4.7%) AFDC cases are adjusted monthly due to New Hire information. These adjustments are estimated to generate \$8.6 million annually in AFDC savings.

The State of Virginia's Department of Social Services uses New Hire information to match recipients of public assistance. They report that over a 26 month period ending October 1, 1995, 539 AFDC cases have been reduced, generating a per-month savings of \$86,765. Also, 1,342 AFDC cases have been closed for a per-month savings of \$357,035.

The State of Virginia's Division of Child Support Enforcement estimates that \$20,223,324 of collections were due to New Hire Reporting from July 1993 to December 1995. Of this amount, an estimated \$7,207,593 represented an increase in the amount of reimbursement to the State for public assistance paid out.

The State of Iowa collected \$1,903,951 on public assistance cases during 1995 due to New Hire reporting. The fiscal savings to the State resulting from these collections were not reported.

The State of Oregon collected \$1,302,224 from Aid for Dependent Children (ADC) cases during FY 1996 due to New Hire reporting. During the 13 months following the start of the New Hire program in November 1993, a total of \$476,741 in collections was used to offset the State General Fund—the Child Services Division was reimbursed \$81,527 and Adult and Family Services was reimbursed \$395,214. The Federal Government was reimbursed \$323,357, and \$578,356 in collections from non-custodial parents employed in Oregon was paid to other States.

The State of Connecticut reports \$1,656,112 in new hire AFDC collections by wage withholding for 1/96 through 12/96. Actual savings from these collections were not reported.

⁴ The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 eliminated the Federal requirement for the \$50 pass-through. States have the option to continue a pass-through payment using State funds.

The State of Texas reports that, from September through December 1995, out of a sample of 302 cases, 23 cases went off AFDC (7.62%) due to New Hire information. No savings were estimated.

FACT # 6: New Hire Reporting Reduces and Prevents Government Unemployment Benefit Overpayments.

State employment security agencies (SESAs) utilize New Hire Reporting data to reduce the incidence of unemployment insurance overpayments. Benefit overpayments occur when SESAs do not receive timely and accurate notification of employee work starts. Timely receipt of new hire data allows SESAs to cross-match this data against their active claimant files. When an unemployment insurance claimant is reported as a new hire, SESAs can immediately stop benefit payment. If it is determined that an employee has received unemployment benefits while working, States can initiate proceedings to recover payments made after effective start dates.

The State of Tennessee's employers voluntarily send new hire data to their local Employment Security Office within seven days of hire. When the State identifies a benefit recipient who is now working, the computer enters a code which immediately stops future benefit payments. Although only 20% of the State's employers participate, this program has saved Tennessee over \$11.4 million dollars since its beginning in 1981. Tennessee estimates that this program annually prevents an average of \$1 million worth of overpayments.

Tennessee, like most States, matches quarterly W-4 data against its State Parent Locator Service (SPLS) system to detect unemployment insurance overpayments. The State estimates that this process detects approximately \$4 million worth of overpayments annually, but because of the time-lag involved in acting upon quarterly data, and the administrative delays involved in the recovery process, only \$2 million is actually recovered each year. Tennessee's Department of Employment Security emphasizes the success of its prevention program based on the timely receipt of new hire data.

The State of Texas detected over \$100,000 in unemployment benefit overpayments, and prevented over \$83,000 in mispayments, from 9/11/95 to 5/16/96, by matching new hire data against Texas Employment Commission claim records.

FACT # 7: New Hire Reporting Reduces Government Spending on Food Stamp Programs.

States can make use of New Hire information in programs other than child support enforcement. States are able to adjust benefit levels and close Food Stamp cases based on the information contained in the New Hire reports.

The State of Virginia's Department of Social Services uses New Hire information to match recipients of food stamps. They report that over a 26 month period ending October 1, 1995, benefits were reduced on 1,886 cases for a per-month savings of \$220,092. An additional 2,153 cases were closed, resulting in a per-month savings of \$377,767.

The State of Ohio conducted a random sample of 341 New Hire reporting matches in June 1996. Based on this sample, the State projects that 1,230 Food Stamp cases are adjusted monthly due to New Hire information, for an annual savings of \$10.5 million.

FACT # 8: New Hire Reporting Reduces Government Spending on Medicaid.

States can make use of New Hire information to adjust benefit levels and close cases, thus moving AFDC cases off other public assistance programs such as Medicaid.

The State of Virginia's Department of Social Services uses New Hire information to verify the eligibility of Medicaid recipients. They report that over a 26 month period ending October 1, 1995, 792 Medicaid cases were closed. According to the State, an exact figure on the savings from the Medicaid closures is not available. However, if the average monthly Medicaid benefits for one adult and one child are used (\$222), then the monthly savings are estimated to be \$175,824.

FACT # 9: New Hire Reporting Improves Each Step of the Child Support Enforcement Process.

Because the process of child support enforcement involves a multitude of tasks, the road to collecting child support is more difficult with an uncooperative obligor. Enforcement authorities need new tools with which to locate and eventually collect from individuals who are avoiding their child support responsibilities. New Hire Reporting provides another tool with which to locate non-custodial parents, establish paternity, and enforce new and existing support orders.

Fact 9a: New Hire Reporting Increases the Number of Matches with Open Child Support Cases.

New Hire Reporting serves as an additional data source which will lead to increased match rates against open child support cases. Because a match is the first step in the process of locating and eventually collecting from an obligor, an increase in the number of matches will increase collections.

The State of Iowa reports that in 1994, as a result of collecting new hire data, 42,792 previously unmatched individuals were matched as child support obligors from a total of 483,314 new hire reports, for a match rate of 8.8%. The 1995 match rate was 9.05%.

The State of Virginia reports that between July 1, 1993 and December 8, 1995 the Division of Child Support Enforcement received a total of 2,588,931 new hire reports, resulting in matches of 188,841 previously undetected obligors, for a match rate of 7.3%.

The State of Washington reports that over an 18 month period beginning in July 1990, more than 12,000 employers submitted over 216,000 reports of new hires and rehires. Eight percent of these reports matched with open cases of parents obligated to pay child support.

In fiscal year 1995-96, over 30,000 employers submitted 324,328 new hire reports, of which 10% matched open child support cases.

The New Hire Reporting program will dramatically improve States' ability to locate non-custodial parents. Once an open child support case is matched using New Hire data, States can translate matches into locating child support obligors, establishing orders, and collecting support.

Fact 9b: New Hire Reporting Establishes More Paternities.

Once non-custodial parents are located, the next step in the enforcement process is paternity establishment. Two States have linked New Hire data to paternity establishment.

The State of Minnesota summarized match data from one of its largest counties (Hennepin County contributes 27% of the State's child support case load) from July 1996 through October 1996, finding that 13.6% (or 660 cases of the total 4,854 new hire database matches) required paternity establishment.

The State of Texas reports that during a three month period in 1995, employers voluntarily reported 45,567 new hires to child support authorities. Based on a sample of 302 cases taken from matched records, 6.29% of the cases resulted in a paternity establishment.

Fact 9c: New Hire Reporting Establishes More New Child Support Orders.

Once paternity has been established, the next step in the collections process is to attain a court or administrative order mandating support. Many States have found that new hire reporting provides valuable locate information for cases in which a child support obligation has not yet been established. Once a court or administrative order for child support is established against a parent, the parent becomes an obligor.

The State of Virginia estimates that, out of a total pool of 188,841 matches between July 1993 and December 1995, new hire information provided locate information resulting in the establishment of 4,481 new child support orders.

The State of Minnesota reports in its summary data from Hennepin County that 14% of total new matches, resulting from new hire data, required order establishment.

The State of Connecticut reports that 2,444 new income withholding orders were placed in 1995 due to new hire data.

Fact 9d: New Hire Reporting Increases Enforcement of Existing Orders Such as the Number of Income Withholding Orders Sent to Employers.

Once the non-custodial parent is located and a court or administrative order for child support is established, new hire reporting becomes a valuable tool in the direct garnishment of employee/obligor wages. The strategy of directly withholding income from obligors' paychecks allows more timely and secure collection of support.

The State of Iowa reported that between the date new hire reporting was initiated in January, 1994, and April, 1995, the number of income withholding orders sent to employers increased by 54%.

The State of Connecticut reports that out of a total number of 340,661 new hire social security numbers reported for 12 months in 1996, 5,657 resulted in new income withholdings executed. The State also reports that they expect an increase in matches in the future, due to a recent change in the law which now includes all legal non-custodial parents, not just those with child support orders.

The State of Minnesota reports in its summary of four months' match data from Hennepin county that 44% of new matches resulting from new hire reporting actually led to the enforcement of an existing court order against an obligor.

Fact 9e: New Hire Reporting Programs Enable More Timely Enforcement Actions.

Many State child support programs currently receive employment data on a quarterly basis from the SESAs. Evidence supports the logical notion that there is a correlation between reducing the real time between the hiring date of an obligor and the date child support enforcement authorities receive this information, and achieving a positive impact on collections. New Hire data will grant authorities more time for successful child support enforcement actions, and reduce the time obligors have to avoid their child support obligations.

The State of Iowa estimates that since requiring all employers to report new hire information within 15 days of hire, new income withholding orders can be sent in shorter time frames in 70% of all cases.

The State of Oregon reports that new hire reporting allows wage withholding to begin up to five months sooner than can be accomplished by relying on quarterly Employment Department reports

FACT # 10: New Hire Reporting Puts Dollars into the Hands of Families and Children Who Need it.

Those families who do not receive AFDC benefits are eligible to apply for child support services. Any monies collected on their behalf are forwarded to the family. States must charge an application fee of up to \$25, but may pay this fee from State funds. Some States may also charge for the cost of services rendered.⁵

The State of Oregon in FY96 collected \$6,119,616 in non-ADC cases, all of which was passed on to families. During the 13 months following the start of the New Hire program in November 1993, employer reporting generated \$2,071,309 in non-public assistance collections that was paid to families.

The State of Virginia's Division of Child Support Enforcement estimates that \$20,223,324 of collections were due to New Hire Reporting from July 1993 to December 1995. Of this amount, an estimated \$13,015,731 represented an increase in the amount of support sent to families of non-public assistance cases.

The State of Connecticut reports \$1,574,785 in new hire non-AFDC collections by wage withholding for 1/96 through 12/96. 100% of non-AFDC funds collected are passed along to families.

The State of Iowa collected \$3,248,691 on non-public assistance cases during 1995 due to New Hire reporting. Although not directly stated in their report, non-AFDC funds are generally passed along to families.

FACT # 11: New Hire Reporting Provides a Favorable Cost-Benefit Ratio.

Two States reported favorable cost-benefit ratios for their New Hire programs.

The State of Washington reports in a three year study from 1990 to 1993 that "for every dollar the child support agency spent on the program, it received \$20 in child support collections for the taxpayers and for the residential parents."

The State of Texas compared the costs and benefits of a State-sponsored versus a privatized implementation of their new hire reporting program. Texas projected a cost-benefit ratio of 1:19.5 for State-sponsored reporting, and a ratio of 1:37.8 for a privatized program, for FY98.

FACT # 12: New Hire Reporting Has Low In-House Start-up Costs.

Some States operate their New Hire programs in-house. Start-up costs may vary by size of the State, anticipated workload, and availability of equipment to be used in the New Hire program. Start-up costs can also cover such expenses as employer outreach, programming, and personnel.

⁵ Source: ACF/OCSE Fact Sheet.

The State of Texas projects start-up costs of \$597,245 to be incurred in FY98 for a mandatory in-house New Hire reporting program.

The State of Washington incurred a start-up cost of \$43,292 from July 1990 to December 1992 to initiate their New Hire Reporting program.

The State of Iowa spent a total of \$440,424 to establish a New Hire program.

FACT # 13: New Hire Reporting Generates Minimal In-House Variable Costs.

Once the new hire database is built and the process is established for collecting information and responding appropriately, the ongoing operation of the system accrues various costs if the system is managed and operated by in-house staff. These in-house variable costs include salaries, benefits, equipment, supplies, and other expenses.

The State of Texas estimates that in-house variable costs for FY98 of a mandatory employer reporting program in which 7,230,800 newly hired employees would be reported, will total approximately \$3 million.⁶

The State of Washington reports that for an 18 month period between 1990 and 1992, in-house variable costs for its program (in which more than 12,000 employers sent over 216,000 reports of new hires and rehires) totaled \$351,110.

The State of Oregon maintains just one full-time equivalent (FTE) to perform data entry, employer communication, and correspondence functions related to new hire reporting. Fifty-five other staff members spend a small percentage of individual time on issuing withholdings and miscellaneous employer reporting tasks. Oregon's reporting program received 29,798 employer new hire reports in fiscal year 1996 from the eight employer classifications required to report, plus 11,204 voluntary reports from other employers

FACT # 14: New Hire Reporting Has Low Contract Start-up Costs.

Some States choose to contract out their New Hire programs. Actual start-up costs for this type of implementation were unavailable, although one State set aside funds for this purpose.

The State of Minnesota budgeted \$125,000 during 1996 to establish their contracted New Hire reporting program

⁶ Another \$282,688.26 in indirect costs is expected to be attributable to the New Hire program in FY98.

FACT # 15: New Hire Reporting Generates Minimal Contract Variable Costs.

Many of the tasks involved in maintaining an installed new hire database can be outsourced to a private third-party vendor on a contractual basis, minimizing the amount of staff time devoted to collection, maintenance and manipulation of new hire data. As a result, outsourcing enables State child support enforcement agencies to devote staff resources to more effectively manage their case load.

The State of Texas obtained estimates from two private contractors. These estimates are in line with agency estimates for implementing a mandatory reporting program. Although a formal bidding program will probably reduce ultimate contractual costs, Texas estimates that privatization of the new hire reporting system will cost \$2 million per annum, versus projected in-house variable costs of approximately \$3 million.

The State of Minnesota established a fixed payment of \$0.44 per new hire, excluding duplicate reports and exceptions. The State estimates that for the five month period since initiating the vendor contract, an average of 84,890 new hires were reported, costing the State an average of \$37,352 per month.

The State of Iowa estimates that in 1994 a total of 483,314 new hires were reported to the State's private contracted vendor at a total cost of \$267,250.

The State of New York estimates that during an eight month period in 1996, its centralized collection contractor handled a total of 2 million records for a total cost of \$1.2 million.⁷

The State of Missouri currently pays a private contractor approximately \$0.17 for each new hire data record entered into the system. From April, 1994 to August, 1996 Missouri entered an average of 14,258 records per week.

The State of Ohio maintains a fixed price contract for FY97 totaling \$1,015,881.

SECTION 3. CONCLUSION

Those States that have implemented New Hire Reporting programs report increased child support collections, establishment of new support orders, enhanced enforcement of existing orders, and reimbursement of public assistance expenditures, not to mention the social benefit of increasing financial support to children and families. These benefits appear to greatly outweigh the relatively modest start-up and operating costs of a State New Hire program.

⁷ This figure may include a small amount of fixed costs.

Several States are just now beginning to examine the benefits of sharing New Hire information with other State programs. As these benefits are identified, the documented benefits of New Hire reporting to State and Federal governments should continue to grow.

THE BENEFITS OF NEW HIRE REPORTING - TALKING POINTS

- New Hire reporting establishes income withholdings that may never have otherwise been possible because of an obligor's frequent job changes.
- As child support collections for public assistance families rise, government expenditures on assistance are reduced.
- New Hire reporting for non-IV-D cases puts dollars directly into the hands of families and children who need it.
- When an unemployment insurance claimant is reported as a new hire, SESAs can immediately stop benefit payments.
- States can adjust benefit levels and close Medicaid and Food Stamp cases based on the information contained in the New Hire reports.
- New Hire reporting provides another tool with which to locate non-custodial parents, establish paternity, and enforce new and existing child support orders.
- New Hire reporting to the National Directory of New Hires will be particularly useful in locating non-custodial parents in interstate child support cases.
- New Hire reporting requirements minimally impacts employers. New Hire information is already collected by employers for other purposes. When the State of Washington surveyed employers in 1992 on New Hire reporting, 93% reported "no" or "minor" cost impact of the program.
- New Hire reporting has low start-up costs and favorable cost/benefit ratios.

Start-up Costs

This section contains a report on start-up costs for New Hire reporting prepared by SRA. It includes information on start-up costs obtained from nine states that have already implemented New Hire reporting. The report is intended to provide States with a guide to estimating start-up costs. It is noted in the report that each of the nine States surveyed calculated costs in different ways and in different categories of expenses. By seeing how different States categorized and calculated their expenses, States new to this process can plan their own budgets accordingly.

Start-up Costs for New Hire Reporting

SECTION 1. INTRODUCTION

The Federal Office of Child Support Enforcement (OCSE) recently distributed to the States a report entitled, "15 Facts on Employer New Hire Reporting Child Support Enforcement." The purpose of that report was to document the costs and benefits achieved by the States as a result of their New Hire Reporting programs. The report has generated interest among the States, especially in the area of start-up costs, as they prepare to implement the New Hire Reporting requirements of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA).

The Federal Office of Child Support Enforcement collected available start-up cost data through a combination of phone interviews and written State reports, with the goal of expanding on the information presented in the "15 Facts" report. The nine States reported or projected a wide range of start-up costs from \$43,292 to \$1.6 million.

The information in this report is best used as a *rough guide* to the range of start-up costs a State may expect. States have unique operating environments and calculate start-up costs in a variety of ways. For example, the nine States reported costs in approximately 50 unique categories. Although comparing start-up costs across dissimilar States is an "apples and oranges" proposition, the 50 reported categories were collapsed into five cost groups with a minimum of ambiguity. States can use the aggregated information to determine where the majority of their costs may be expected to fall. States can expect to incur costs in more than one of these five cost groups.

The remainder of this analysis defines start-up costs, examines both projected and actual start-up costs from nine States, discusses cost aggregation, identifies factors impacting start-up costs, and draws some general conclusions. Appendix A contains the start-up costs and categories as reported by the States.

SECTION 2. DEFINITION OF START-UP AND OPERATING COSTS

Start-up costs can be broadly defined as the costs of implementing a New Hire program up to the point where the system becomes active. Once the system is turned on, costs from that point forward are considered operating costs. For example, the installation charge for a leased data line to receive electronic New Hire reports would be considered a start-up cost, while the monthly charge to lease it is an operating cost. These definitions are general—States, of course, have the option of classifying costs into categories that suit their particular needs.

SECTION 3. ACTUAL START-UP COSTS

Five States, Iowa, Minnesota, New York, Ohio, and Washington, calculated actual costs associated with their New Hire Reporting programs.

3.1 Iowa

Iowa's Centralized Employee Registry has been in operation since January 1, 1994. All employers must report new hires (age 18 and older) to Iowa's Department of Human Services within 15 days of hire. In 1994, 469,012 employees were reported. Iowa initially maintained a contract with a private vendor for data entry and daily operation of the system; however, data entry is now done in-house through purchase of service contracts and staff from temporary agencies. The Registry resides on an existing State mainframe, which also houses the child support and employer databases. New hire information is matched nightly against the child support database.

Iowa did not incur any major technology start-up costs because the Registry was installed on an existing system. Only additional fax and telephone lines were required, at a cost of \$1,500. Expenses for data processing, coding and testing the system totaled \$130,144. Other major costs included \$258,780 spent on policy development, development of forms, and employer outreach. Actual mailing fees for employer notification and outreach totaled \$50,000. In total, Iowa estimates that its New Hire Reporting program cost \$440,424 to establish. **State contact: Doris Taylor, (515) 242-6098.**

3.2 Minnesota

New Hire Reporting became effective in Minnesota on July 1, 1996, at which time all employers were required to start reporting new hires to the Minnesota Department of Human Services. Approximately 120,000 Minnesota employers submit an estimated 26,000 new hire reports per week. Minnesota defined its start-up costs as costs incurred for developing the system to the point where it could be turned over to a private vendor for daily operation.

The vendor maintains a personal computer (PC) based New Hire Reporting system. Each day, the vendor generates a tape of new hire information which is loaded onto the existing Child Support Enforcement System (CSES) mainframe. The State maintains this information on CSES for a period of six months for matching purposes.

Before turning operations over to the vendor, Minnesota incurred the following expenses: \$20,000 for printing brochures explaining the new policy; \$40,000 to mail these explanations to employers; \$10,000 for a targeted employer outreach mailing; \$15,000 on customer service and general information to enhance employer compliance; \$25,000 on computer systems testing; \$10,000 on training of employees; and \$5,000 on office equipment. Minnesota estimates that it

incurred a total cost of \$125,000 to develop its New Hire Reporting program. **State contact: Bill Lansing, (612) 297-4783.**

3.3 New York

New York State's Department of Taxation and Finance began collecting new hire information on March 1, 1996. State law requires that all employees report new hires within 15 days of hire. New York receives anywhere from 8,000 to 16,000 new hire reports daily--anticipated volume for 1997 is 4.8 million reports. New York's OCSE incurred the initial capital outlay for installing the State's New Hire Reporting system, but chose to house the database and responsibility for the centralized collection contractor with the Department of Taxation and Finance. The State indicated that establishing the system was relatively easy and low cost since the Department of Taxation and Finance was already collecting most of the required New Hire Reporting information in one form or another.

New York incurred total start-up costs of approximately \$150,000 to build and develop the New Hire Reporting system. Of this amount, 80% (\$120,000) was for labor costs for two policy analysts for six weeks and two systems programmers for three months at an average salary of \$50,000. The remaining 20% (\$30,000) was spent to install additional phone lines, to mail notifications to employers, and to take bids from vendors who would eventually be responsible for the operation of the system on a daily basis. **State contact: Dave Obernesser, (518) 473-0192.**

3.4 Ohio

Ohio began requiring employers to report new hire information to the Ohio Department of Human Services (ODHS) on January 1, 1996. Under current law, only employers with more than 25 employees and employers in targeted industries are required to report. Ohio contracted with a private vendor to build, maintain, and house the New Hire database.

Vendor start-up costs included \$160,000 for setting up the office, establishing telephone and computer lines, and downloading files. The vendor also incurred a \$26,500 cost for printing and mailing a notification of the reporting requirement to affected employers. Other State start-up costs included \$120,000 for four database management staff members (\$50 per hour) to assist the vendor with the file download and integration process; and an additional \$86,000 mailing fee for an ODHS-sponsored memo requesting employers not obligated by law to voluntarily submit their new hire data. In addition to the \$392,500 estimate, some miscellaneous administrative expenses were incurred, but not explicitly calculated by the State. Including these hours, Ohio estimates that total start-up costs to establish its New Hire Reporting program were in the neighborhood of \$450,000. **State contact: Rose Riley, (614) 752-6567.**

3.5 Washington

Washington State's Employer Reporting Program was established in July of 1990 following a successful New Hire Reporting demonstration project. Currently, employers in six standard industrial classifications are required to report new hire information to the Office of Support Enforcement of Washington's Department of Social and Health Services. From July, 1990 to January, 1992, over 12,000 employers submitted over 216,000 reports of new hires and rehires.

Washington State currently utilizes an interactive, centralized computer system known as the Support Enforcement Management System (SEMS), implemented in 1984. It has undergone tremendous upgrading since that time, enabling it to easily handle the State's New Hire Reporting requirements. Because this system was already in place, Washington was able to establish the New Hire Reporting program with minimal modifications to the existing SEMS.

Start-up costs for the program included \$32,209 for staff (\$4,542 for one month of a computer programmer's time, and \$27,667 for 50% of an economic analyst's time); \$2,130 in original programming; \$4,789 in data entry programming (\$4,381 for outside contracting, and \$408 for programming completed by the Information System and Services Department); \$3,924 in equipment and supplies (\$1,068 for a transcriber and headset, \$1,137 for a cassette recorder and cassettes, and \$1,719 for a fax machine); and \$240 for telephone lines (\$120 for toll-free phone line initial set-up and \$120 for toll-free fax line initial set-up). Total start-up costs for the Washington New Hire Reporting program were \$43,292. **State contact: Charlyn DeVoss Shipley, (360) 586-3556.**

SECTION 4. COSTS OF PRWORA COMPLIANCE FOR EXISTING NEW HIRE REPORTING PROGRAMS

Oregon and Texas currently operate New Hire Reporting programs. To comply with PRWORA, Oregon will have to start collecting new hire information from the 70% of its employer groups not currently reporting. Texas will have to transition from a voluntary program to a mandatory one. The costs of these transitions are not technically start-up costs, because both States are currently operating programs. However, because they represent the investment needed to comply with PRWORA, they are addressed in this section.

4.1 Oregon

Oregon New Hire Reporting began on November 4, 1993. Currently, eight employer groups (30% of all employers) are required to report all newly hired or rehired employees to the Support Enforcement Division of Oregon's Department of Justice within 14 days of hiring. Start-up costs were reported for establishment of the original program, and for improvements to the current system to comply with PRWORA.

Oregon indicates that no new hardware was needed to implement the first stage of its New Hire program, except for an additional fax machine. The State treated New Hire Reporting simply as an update to its mainframe information system. Oregon hired a private contractor for \$65,000 to construct the mainframe interface and to develop the system's ability to track collections. In-house systems employees spent three to four months testing and polishing the final system and reporting routines, at a cost of approximately \$50,000. The State later developed disk and tape capabilities. The Employer Reporting System interfaces with the State's employer security agency's files, updates the obligor's employer on the child support case, pends the case to the worker the next day for a wage assignment, and tracks the collections attributed to New Hire Reporting.

To accommodate the increased volume and additional data elements required by PRWORA, Oregon intends to upgrade its communications system with scanning technology and a fax/modem server. The expected cost for the hardware and software is \$125,000, but could range as high as \$150,000. Adding in the cost of reprogramming the mainframe application to accommodate the new data elements and costs of employer notification, employer outreach programs, mailing fees, and employee training, Oregon estimates total start-up costs for expansion of its New Hire Reporting program will be approximately \$350,000. **State contact: Karyn Kennedy, (503) 986-6089.**

4.2 Texas

The Texas Office of the Attorney General's Child Support Division implemented its voluntary New Hire Reporting program in September, 1993, and currently maintains the State's employer New Hire Reporting centralized database. As of September, 1996, the 1,300 employers currently reporting have submitted information on more than 293,000 employee New Hires since the program's onset.

Under mandatory New Hire Reporting required by recent Federal legislation, Texas projects 7,230,800 newly hired employees will be reported in FY1998. Employers currently report by several methods, including W-4 forms, diskette, modem, existing employer report, OAG-supplied form, and magnetic tape. Start-up costs for the voluntary program are not available.

Texas expects to incur additional costs to transition from their current, relatively small voluntary program to a mandatory PRWORA-compliant program beginning in FY1998. Expected costs to accommodate the program's growth from 293,000 to over 7 million new hire reports include telecommunications capital (\$43,200 in voice and data communications hook-up and equipment); electronic data processing capital (\$3,600 for three fax machines, \$264,600 for 108 personal computers, \$27,000 for additional software); capital outlay (\$43,200 in office furniture); contract programmers (\$211,200 for two analysts and two programmers for six months); and additional mainframe memory (\$4,445 for two gigabytes). Total Texas costs to migrate from the current voluntary system are expected to be \$597,245. **State contact: Patricia Matthews, (512) 460-6353.**

SECTION 5. PROJECTED COSTS

Montana and Wisconsin provided detailed projected start-up costs. These States do not yet have New Hire Reporting programs, but have investigated the start-up costs of establishing one.

5.1 Montana

In January of 1997, The Child Support Enforcement Division (CSED) of Montana's Department of Public Health and Human Services (DPHHS) requested a high level cost estimate from one of its vendors to develop a statewide New Hire Directory. The Montana Directory will interface with SEARCHS, the State's automated registry of child support cases. The vendor recommended an Oracle database platform, which would accommodate several methods of New Hire data transmission, including mail, fax, hardcopy payroll reports, electronic data interchange, and magnetic tape or disk.

The cost estimate to design, construct, and implement the New Hire Reporting system included authoring a project workplan, defining requirements, designing and developing a system prototype, system deployment, and monitoring and support. Based on an average rate of \$60 per hour for contracted technical resources, the 760 hour effort was estimated to cost \$45,600. The vendor cautions that this figure may significantly increase if additional reporting mechanisms are selected as options during the requirements definition. The figure further assumes that no additional hardware purchases will be necessary. **State contact: Julie Bailey, (406) 444-6893.**

5.2 Wisconsin

Wisconsin has developed a detailed plan for designing, developing, and implementing a New Hire Reporting system by the end of FY98. The plan calls for a vendor to collect New Hire data from employers and to carry out related customer service functions. The Wisconsin Department of Revenue has agreed to modify the State income withholding form (included in the cost estimate) to support the reporting of new hires, which employers will be encouraged to use. Once the data are collected, the vendor will generate an electronic file of the New Hire information and pass it to Wisconsin's Department of Workforce Development (DWD). The DWD will validate certain information and post only the complete and accurate information to the State Directory of New Hires, which will reside on the existing State mainframe. Inaccurate or incomplete information will be returned to the vendor for correction. The State Directory will be developed in-house and maintained by DWD's Bureau of Benefit Operations. The data in the State Directory will be matched against child support enforcement cases, as well as unemployment insurance benefit and tax files and other DWD partner databases.

A targeted approach will be used to encourage employers and service agencies to use specific reporting mediums based on the anticipated number of new hires and based on the reporting method now used for unemployment insurance quarterly tax and wage reporting. However, employers may select the method most appropriate for them. Future plans may include reporting via Voice Response and Internet when security of the data can be assured. The State is also exploring an agreement with the Unemployment Insurance department which would transfer New Hire Reporting administrative activities to them.

Total costs for the Wisconsin New Hire Reporting system are estimated to be \$1.6 million. This estimate includes all aspects of system design, development, and implementation. New equipment requirements are expected to be negligible. Of the \$1.6 million, employer education and outreach costs are expected to be \$450,000, which includes not only mailing and brochure costs, but also staff time to complete the outreach activities.

In their estimate, the State has identified every possible cost, including the time spent by State agencies other than Child Support that will interface with the State Directory of New Hires. Much of this coordination effort will involve incorporating data and interface requirements into the State Directory design. Wisconsin asserts that such interagency coordination is critical to maximizing the benefits to the State of New Hire Reporting. A conceptual design document of the New Hire Reporting system is available for distribution. **State contact: Rose Lynch, (608) 266-6753; email: LYNCHR@mail.state.wi.us.**

SECTION 6. COST AGGREGATION

As part of the analysis of start-up costs, each of the 50 cost categories reported by the States was placed into one of five broadly-defined groups so that high-level comparisons across States could be made. The analysis and conclusions that follow apply to all New Hire Reporting start-up costs, whether they were calculated for voluntary programs, PRWORA compliant programs, or programs with other scopes. The five start-up cost groups are defined as follows:

- *Data Processing (DP)*. Data manipulation, coding, testing, and integration. Generally applies to systems to be housed on existing mainframes.
- *Employer Outreach (EO)*. Policy and forms development, brochure printing and mailing, other employer communications, employer compliance enhancement.
- *System Design and Development (SD)*. System design and development, programming, interface construction, project planning. Generally applies to the building of new systems.
- *Equipment (EQ)*. Fax machines, telephone line installation, office equipment, scanners, personal computers, hardware, software, additional memory.
- *Other (OT)*. Miscellaneous administrative expenses, employee training on how to use the system, and economic analysis.

Table 1 groups the individual State costs shown in Appendix A into these five categories.

Table 1. Grouped Cost Categories (in dollars)

State	Year NHR Established	Currently Privatized?	Costs					Total
			Data Processing (DP)	Employer Outreach (EO)	System Design and Development (SD)	Equipment (EQ)	Other (OT)	
Iowa	1994	No	130,144	50,000	258,780	1,500		440,424
Minnesota	1996	Yes	25,000	85,000		5,000	10,000	125,000
New York	1996	Yes		30,000	120,000			150,000
Ohio	1996	Yes	120,000	112,500		160,000	57,500	450,000
Washington	1990	No			11,461	4,164	27,667	43,292
Oregon	1993	No		110,000	115,000	125,000		350,000
Texas	1993	No			211,200	386,045		597,245
Montana	NA	NA			45,600			45,600
Wisconsin	NA	NA		450,000	1,150,000			1,600,000
Total			275,144	837,500	1,912,041	681,709	95,167	3,801,561

Figure 1 provides a graphical representation of the Total row from Table 1. It illustrates the degree to which each cost category contributes to overall start-up costs.

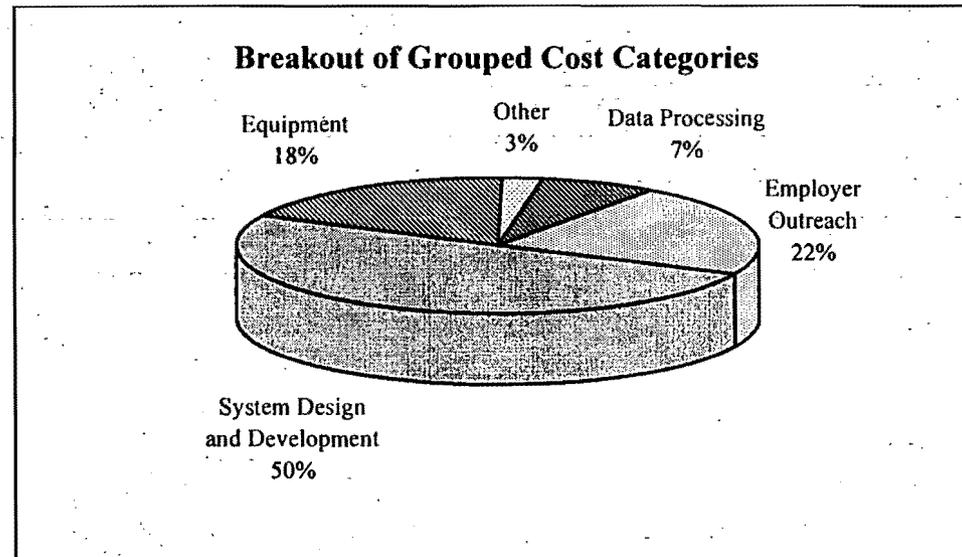


Figure 1. Breakout of Grouped Cost Categories

SECTION 7. FACTORS IMPACTING START-UP COSTS

Several factors can explain variances in Start-up costs across States. These factors help to explain why States that are similar in demographic makeup, employer composition, and legislative direction have experienced, or might expect, dissimilar start-up costs. These factors are briefly discussed below.

- ***Existing infrastructure.*** Existing infrastructure refers to the degree of automation in the agency designated to house the New Hire Reporting program. The more computer technology already in place, the less likely the New Hire Reporting system is to foot the bill for technology infrastructure. States with existing mainframe systems, such as Iowa, may be able to incorporate the New Hire reporting requirements with minimal equipment purchases and a certain amount of programming and interface construction.

At the other end of the spectrum, some States expect to have to make significant upgrades to their current systems to comply with PRWORA. These States, such as Texas and Oregon, and States without existing systems may have to acquire the necessary equipment. To the extent that the completed system can be used for other tasks, inter- and intra-agency cost sharing arrangements may be explored to reduce the infrastructure costs attributable to New Hire Reporting.

- ***Sophistication of the New Hire Reporting system.*** New Hire Reporting systems can be developed to perform any number of new hire-related functions. Those designed to conform to the minimum PRWORA requirement may cost less than those designed to interact with other in-State systems. Collections tracking, automated report generation, and other advanced features such as Oregon's scanning technology and automated voice response unit will add to cost estimates. Those States that wish to avoid investing in sophisticated equipment that could quickly become obsolete may wish to consider contracting the system out.

Anticipated workload will influence system design and impact start-up costs. States that expect to collect a relatively high volume of reports, due to large employer populations or a disproportionate number of industries with high employee turnover, must build extra capacity into their systems. Depending on how the system is set up, anticipated workload can be a major factor in start-up cost estimation.

- ***End-user computer experience.*** States that developed their New Hire Reporting system in-house, such as Minnesota, may have to invest in user training. States whose users possess a basic level of computer familiarity will find their training costs lower than those States with little or no automated experience. System complexity and ease of use also contribute to the need for user training. Regardless of whether or not States explicitly invest in user training, they can expect to incur a cost in terms of a slight decline in productivity as employees integrate the system into their daily routine.

- **Employer automation.** States that expect most employers to send new hire information in paper (versus electronic) format can expect higher equipment costs. For example, to accommodate employers who wish to send information by fax, a State will have to purchase one or more sophisticated fax machines that are capable of handling a high volume of reports. The anticipated volume of new hire reports will determine whether high-end equipment is warranted, and whether one or more persons must be designated to manually enter the information into the system. In contrast, a State with technologically advanced employers who wish to transmit their data electronically may only need to invest in a less expensive modem bank and associated software.
- **Characteristics of the New Hire Reporting cost estimate.** For those States projecting New Hire Reporting costs, the scope and depth of the cost estimate directly impact its magnitude. The scope of an estimate defines the estimate's boundaries. Estimates may include the costs to all State agencies, including child support, that expect to interact with the system. This is clearly the approach taken by Wisconsin. Other States may elect to limit their scope to Child Support, which would imply a lower cost estimate, other things being equal.

Cost estimates may also be developed with varying degrees of analytical rigor—some States may choose to conduct a high-level estimate while others may choose to account for every cost within their scope. The sophistication of a State's accounting system can either limit analytical scope and depth or enhance it. States wishing to gather additional details on existing estimates should request information about the estimate's scope and depth as part of their inquiry.

States should also ask that the assumptions and uncertainty of the estimate be made explicit, as these impact costs as well. For example, the estimate from a Montana vendor includes the assumption that no further hardware purchases will be necessary. States should ask about the uncertainty surrounding such assumptions and other components of the estimate, to ensure the estimate's validity.

SECTION 8. CONCLUSIONS

Start-up costs for New Hire Reporting depend on a variety of factors, including State and employer infrastructure, system sophistication, user computer knowledge, and characteristics of the cost estimate itself. The States discussed in this report are in different stages of establishing New Hire Reporting programs, and their start-up costs should not be considered representative of all the States. Nonetheless, start-up costs tend to fall into the broad categories identified for this report: system design and development, employer outreach, equipment, data processing, and other.

As stated in the introduction, States should use this report primarily as a reality check or as a gauge of what their start-up costs might be. All States, especially those that are receiving start-up cost estimates significantly higher than \$1.6 million, should inquire about scope, analytical depth, assumptions, uncertainty, and start-up cost definition to ensure that the appropriate parameters are being estimated. Once these issues are addressed, States will find themselves with increasingly accurate, and useful, start-up cost estimates.

This report presents examples of States' experiences with New Hire Reporting start-up costs. To enable us to build a better database for future reporting, we invite representatives from each of the States to share their experiences and thoughts with us regarding the cost information for their New Hire Reporting programs.

Appendix A: State-reported Start-up Cost Categories

Appendix A presents the start-up cost categories reported by the States. Table A-1 was used to generate Table 1 and Figure 1 in the main body of the document.

Table A-1. State-reported Start-up Cost Categories (in dollars)

Category	Cost Item	Cost
Iowa		
Data Processing	Data Processing, Coding, and Testing	130,144
Employer Outreach	Mailing Fees for Employer Notification and Outreach	50,000
Equipment	Fax and Telephone Lines	1,500
System Design and Development	Policy and Forms Development, Employer Outreach	258,780
	Total	440,424
Minnesota		
Data Processing	Computer Systems Testing	25,000
Employer Outreach	Customer Service and Employer Compliance Enhancement	15,000
Employer Outreach	Mailing Brochures Explaining New Hire Reporting	40,000
Employer Outreach	Mailing for Targeted Employer Outreach	10,000
Employer Outreach	Printing Brochures Explaining New Hire Reporting	20,000
Equipment	Office Equipment	5,000
Other	Employee Training	10,000
	Total	125,000
Montana		
System Design and Development	Application Development	19,200
System Design and Development	Initial Project Workplan	2,400
System Design and Development	Monitor and Support	4,800
System Design and Development	Requirements Definition	4,800
System Design and Development	System Deployment	4,800
System Design and Development	Systems Design/prototype Development	9,600
	Total	45,600
New York		
Employer Outreach	Phone Lines, Employer Notification, and Vendor Evaluation	30,000
System Design and Development	System Design and Development	120,000
	Total	150,000
Ohio		
Data Processing	File Download and Integration	120,000
Employer Outreach	Mailing to Encourage Voluntary New Hire Reporting	86,000
Employer Outreach	Printing and Mailing Employer Notification	26,500
Equipment	Office Setup, Data Line Installation, File Downloading	160,000
Other	Miscellaneous Administrative Expenses (imputed)	57,500
	Total	450,000

Table A-1. State-reported Start-up Cost Categories (in dollars) (continued)

Category	Cost Item	Cost
Oregon		
Employer Outreach	Employer Notification, Outreach, and Mailing (imputed)	110,000
Equipment	Scanning Technology and Fax/modem Server	125,000
System Design and Development	Interface Construction and Collections Tracking	65,000
System Design and Development	System Testing	50,000
	Total	350,000
Texas		
Equipment	Additional Software (108 copies)	27,000
Equipment	Fax Machines (3)	3,600
Equipment	Mainframe Memory	4,445
Equipment	Personal Computers (108)	264,600
Equipment	Office Furniture	43,200
Equipment	Voice and Data Communications Hook-up and Equipment	43,200
System Design and Development	Contract Programming	211,200
	Total	597,245
Washington		
Equipment	Cassette Recorder and Cassettes	1,137
Equipment	Fax Machine	1,719
Equipment	Toll-free Fax Line Initial Setup	120
Equipment	Toll-free Phone Line Initial Setup	120
Equipment	Transcriber and Headset	1,068
Other	Economic Analysis	27,667
System Design and Development	Computer Programming	4,542
System Design and Development	Data Entry Programming, External	4,381
System Design and Development	Data Entry Programming, Internal	408
System Design and Development	Original Programming	2,130
	Total	43,292
Wisconsin		
Employer Outreach	Employer Education and Outreach	450,000
System Design and Development	System Design, Development, and Implementation	1,150,000
	Total	1,600,000

Consensus:

Strategic Plan: February 28, 1995

Outcome Measures: July 18, 1996

CHILD SUPPORT ENFORCEMENT STRATEGIC PLAN WITH OUTCOME MEASURES FOR FY 1995-1999

INTRODUCTION

This strategic plan (Plan) describes the broad direction and aspirations of the Child Support Enforcement (CSE) Program (Program) for the five year period from FY 1995 to 1999. During this time, the Program will grow and change, becoming more results-oriented and responsive to customers. In addition, welfare reforms will necessitate Program enhancements. As the Program and the environment in which it operates continue to evolve, this Plan will change. This is a long-range, "big picture" national plan for the program. State programs are at different stages and levels of progress and State as well as Federal annual performance plans may focus on more limited, specific areas of concentration for program improvements.

This Plan is organized hierarchically, with goals and objectives flowing from the Program mission and vision. The Program vision is an outgrowth of the broader vision of the Administration for Children and Families, OCSE's parent organization. Promoting the economic and social well-being of families, children, individuals and communities is the heart of the ACF mission. Through Federal leadership, ACF sees:

- Families and individuals empowered to increase their own economic independence and productivity;
- Strong, healthy, supportive communities having a positive impact on the quality of life and the development of children;
- Partnerships with individuals, front-line service providers, communities, American Indian tribes and communities, States and Congress that enable solutions which transcend traditional agency boundaries;
- Services planned, reformed and integrated to improve needed access; and

- A strong commitment to working with persons with developmental disabilities, refugees and migrants to address their needs, strengths and abilities.

The widespread consensus in the child and family policy community that multiple needs of vulnerable children cannot be addressed adequately through fragmented service delivery systems points to the need for coordination and building new partnerships at all levels. A variety of social programs have already begun to seize new opportunities to promote family strength and stability, enhance parental functioning and protect children. These goals are supported by the CSE Program, and to that extent that they can be achieved, they will alleviate the stunning caseload growth which the Program has experienced over the last decade. While the government and ACF attempt to achieve these over-arching goals, the CSE Program helps keep children who are in divided families connected financially and emotionally with both parents.

Trust, communication, planning, creativity, risk-taking, and respect among Program partners are values to which ACF is committed.

MISSION

The Child Support Enforcement Program is authorized and defined by statute, title IV-D of the Social Security Act. The purpose and the *mission* of the Program are derived from the Act:

To assure that assistance in obtaining support (both financial and medical) is available to children through locating parents, establishing paternity and support obligations, and enforcing those obligations.

VISION FOR THE FUTURE

The Child Support Enforcement Program will put children first by helping parents assume responsibility for the economic and social well-being, health and stability of their children. We recognize the value of improved relationships with both parents.

The Child Support Enforcement program will promote stability, health, and economic security for all children in need of support. This will be accomplished by assuring that a parent who lives outside the primary residence of the children has a legal relationship with the child, pays an appropriate level of child support on a regular and timely basis, and is

encouraged, except in cases where this is proven to be inappropriate, to have an ongoing relationship with the child. Child support includes providing for medical support.

We acknowledge that fathers and mothers (and other caretakers) each play a critical emotional role in a child's upbringing. Thus, within the context of first serving the best interests of the child, we must see that all parents are treated fairly and equitably by the CSE system and that the concerns of both parents are recognized.

The Program is committed to expanding its knowledge base through research and demonstration projects with State and local governments that are intended to advance the well-being of children.

OUR CUSTOMERS, PARTNERS AND STAKEHOLDERS

For the purpose of this document, the primary *customers* of the Child Support Enforcement Program are children in need of support. Secondary customers are the two parents of these children. It is important to recognize the different values and perspectives of those involved in children's lives and to acknowledge that, while interests may conflict, the physical and emotional needs of the child are paramount.

The Program is a partnership. The *partners* operate the program and must work together to achieve results for Program customers. The partners include:

- State and local child support enforcement agencies;
- Courts, law enforcement agencies, and other entities operating under cooperative agreements with child support enforcement agencies; and
- The Office of Child Support Enforcement (OCSE), including ACF Regional Offices.

Many other groups have a legitimate interest in how our customers are served. These *stakeholders* make a contribution toward, and benefit from, a well-run Program. They include national interest groups and community-based organizations that help serve the interests of Program customers or partners; other components of Federal, State and local government that serve our customers, such as title IV-A, XIX and IV-E agencies; related government agencies that work on particular aspects of the Program; contractors; employers; hospitals; Congress; State legislatures; taxpayers; and the public in general.

GOALS AND OBJECTIVES

Program goals are the broad outcomes or impacts sought for program customers. Objectives are the results needed to be accomplished in order for the goals to become a reality. It is assumed that accomplishment of the objectives will result in achievement of the goals.

As this Plan has been developed by OCSE in partnership with the IV-D State agencies, approaches which establish how particular objectives will be accomplished will be developed by the State IV-D managers and staff who operate the Program in partnership with OCSE. Those strategic and tactical planning efforts continue the process that this Plan begins. In addition, OCSE will develop an internal plan, setting forth the role of Federal staff in supporting State and local agencies' efforts in child support enforcement. It is expected that, over time, this Plan and individual State's strategic plans will continue to develop and, through continued collaboration, will dovetail.

Overall Approach

The goals and objectives described below are for the entire breadth of the Program and not simply Federal activities.

All partners in administering the Program need to be involved in developing the initial goals and objectives and then to remain committed to achieving results focused on children. The strategic planning process is ongoing and continuously improving and focusing the direction taken by the Program. Consequently, OCSE will continually seek input to these goals and objectives from our partners, customers and stakeholders.

In some program areas, the best results for children will be achieved through improving consistency and uniformity in service delivery and eliminating conflicting program policies. We plan to work with States to identify activities, such as in the interstate and international arenas and data collection, where uniform approaches yield the best results.

We recognize that to achieve broad satisfactory results for children, partners need to work closely together and strike a balance between uniformity and flexibility to allow for innovation in program operations.

Empowering partners with more flexibility and encouraging innovation will also be a major operating principle. We need to make full use of the experience and creative talents of all partners in the program to achieve the ambitious outcomes we are seeking. While not a specific, child-oriented goal of the Plan, constant effort to stimulate and celebrate innovation and

creativity is the essence of the approach to successful accomplishment of the Plan's goals and objectives.

In consonance with the principles of creativity and innovation, both OCSE and our partners must commit to operating in a continuously improving and empowering environment -- supported by opportunities for development, modern management practices, and maximum use of technology.

GOAL 1: ALL CHILDREN HAVE PARENTAGE ESTABLISHED

Objective:

- a. **To Increase Establishment of Paternities, Particularly Those Established within One Year of Birth**

Indicators:

1. *The Percentage of Children in the IV-D Caseload with Paternity Resolved*
2. *The Ratio that the Total # of Children in the IV-D Caseload in the FY or, at the option of the State, as of the end of the FY, who have been Born Out of Wedlock, the Paternity of Whom has been Established or Acknowledged, Bears to the Total # of Children in the IV-D Caseload as of the end of the preceding FY who were Born Out of Wedlock (Statutory Paternity Establishment Percentage)*
3. *The Percentage of Children Born Out of Wedlock with Voluntary Paternity Acknowledgments*

GOAL 2: ALL CHILDREN IN IV-D CASES HAVE FINANCIAL AND MEDICAL SUPPORT ORDERS

Objective:

- a. **To Increase the % of IV-D Cases with Orders for Financial Support**

Indicator:

1. *The Percentage of IV-D Cases with Support Orders*

Objective:

- b. **To Increase the % of Cases With Orders for Medical Support**

Indicator:

- 1. *The Percentage of IV-D Cases with Medical Support Orders*

GOAL 3: ALL CHILDREN IN IV-D CASES RECEIVE FINANCIAL AND MEDICAL SUPPORT FROM BOTH PARENTS

Objective:

- a. **To Increase the Collection Rate**

Indicators:

- 1. *Total Dollar Amount Collected in IV-D Cases*
- 2. *IV-D Collection Rate for Current Support*
- 3. *Percentage of IV-D Cases with Orders Where Some Child Support is Paid*
- 4. *IV-D Collection Rate for Arrearages*

Objective:

- b. **To Increase the Percentage of Cases Where Health Insurance Coverage Is Obtained After Being Ordered**

Indicator:

- 1. *Percentage of IV-D Cases Where Medical Coverage is Provided as Ordered*

Objective:

- c. **To Increase the Percentage of Cases with Appropriate and Up-to-date Support Orders**

Indicator:

1. *A periodic sampling methodology will be used to determine whether support orders are consistent with State child support guidelines. Sampling methodology will be developed together by State and Federal partners.*

Objective:

- d. **To Make the Process More Efficient and Responsive**

Indicators:

1. *Children First Survey*
2. *Survey of State Child Support Enforcement Programs' Satisfaction with Federal Performance*
3. *Total Dollars Collected per \$1 of Expenditures*
4. *Placeholder for Future Cost Avoidance Indicator*

ASPA's Task Force
on Government Accomplishment & Accountability

Case Study

F15

**Strategic Planning in the Office of Child
Support Enforcement**

*U.S. Department of Health and Human Services
Administration for Children and Families
Office of Child Support Enforcement*

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ASPA's Government Accomplishment and Accountability Tasks Force is engaged in a multi-year program to develop more than 50 case studies, from all levels of government, on performance management in government. The case study here should be considered a "work in progress," released now to get this valuable information to users in a timely manner. As cases are completed in the future they will be made available from ASPA.

**Strategic Planning
in the
Office of Child Support Enforcement**

**U.S. Department of Health and Human Services
Administration for Children and Families
Office of Child Support Enforcement
July, 1996**

Contributors

The case study was developed by **Tom Killmurray**, with contributions by **Anne Donovan, Gaile Maller, Elizabeth C. Matheson, Robert C. Harris** and **Keith E. Bassett**. All contributors are employed by the **Office of Child Support Enforcement (OCSE), Administration for Children and Families (ACF), U.S. Department of Health and Human Services (HHS)**.

Previous to the request for a case study, OCSE contracted with the **Center for Support of Children** to write a report on the **GPRA** pilot project. **Wendy Gray** of the **Center for Support of Children** developed an extremely valuable strategic planning chronology – portions of which were incorporated into the case study.

The **Government Accomplishment and Accountability Task Force** of the **American Society of Public Administration (ASPA)** deserves credit for coordinating the effort to develop **GPRA** case studies and for asking OCSE to share its experience with other Federal agencies.

Key Points

This case study of the **Office of Child Support Enforcement's GPRA** pilot project highlights the need for partnership between **Federal programs** and their **State agency counterparts**. **GPRA** will not be fully implemented unless **Federal grantees** – those that actually administer the programs and deliver services that achieve results – are included in **planning, goal-setting, and performance measurement activities**.

Federal agencies that achieve their missions through **State and local government** and other **grantees** should find this case study useful.

Strategic Planning in the Office of Child Support Enforcement

Context

The Office of Child Support Enforcement (OCSE) was, in many ways, well-suited for piloting the Government Performance and Results Act (GPRA) of 1993. OCSE began with the enactment of title IV-D of the Social Security Act, in 1975, for the purpose of "establishing and enforcing the support obligations owed by noncustodial parents to their children and the spouse of former spouse with whom the children may be living." ¹ The program is primarily federally funded, but administered by States and local governments and, as such, is a true Federal/State partnership. The legislation authorized the States' use of federal funds for enforcing support obligations owed by noncustodial parents, locating absent parents, establishing paternity, and obtaining child and spousal support. The States were given responsibility for administering the child support enforcement (CSE) program while the federal government's role was to fund, monitor, evaluate and provide technical assistance and policy direction.

The traditional OCSE-State relationship can be described as typical of Federal-State relationships. Federal legislation helped create a directive office that saw its role as funder, regulator and auditor. With exceptions related below, generally States were not "partners" and were not consulted on initiatives, policy or requirements. Today, much more communication, consultation and joint projects are undertaken. Two examples of the closer working relationship are development of performance indicators and GPRA unfunded State and local pilots.

Since 1975, OCSE has experienced varied organizational settings in the U.S. Department of Health and Human Services. OCSE was placed in an operating division that was to become the Administration for Children and Families in 1991. The Assistant Secretary for Children and Families is the statutory OCSE Director, while the Deputy Director has immediate responsibility for carrying out OCSE's mission. ACF's 10 Regional Offices perform various CSE functions with the States and coordinate activities with OCSE while reporting to a Regional Administrator. Another ACF office provides technical assistance and certification for state automated child support systems. During FY 1996 the CSE Central and Regional Office program and systems staff consisted of 227 full-time equivalent staff while the administrative budget amounted to approximately \$23.5 million. The projected budget for Federal reimbursement of State costs is expected to be approximately \$2.0 billion.

¹ U.S. Department of Health and Human Services, Administration for Children and Families Office of Child Support Enforcement, Eighteenth Annual Report to Congress, September 30, 1993, p.iii.

Strategic Planning in the Office of Child Support Enforcement

According to its Eighteenth Annual Report to Congress, for the fiscal year ending September 30, 1993, the child support enforcement program established paternity for over half a million children and collected nearly \$9 billion in child support.² In FY 1993, the IV-D child support enforcement caseload consisted of more than 17 million cases.³ Certain Child Support Enforcement goals such as paternities established and dollars collected are clear and easily quantified; given available data, success in achieving these goals can be easily determined. It was clear that child support enforcement had measurable outputs that could be counted with greater ease than many other programs.

There had been at least two previous attempts at strategic planning at OCSE since the late 1980s. These were top-down efforts directed by the Department of Health and Human Services or the parent agency. While much OCSE staff time was expended to fulfill the reporting requirements that emanated from the plans, there was little ownership of these documents. These previous plans were formulated on the Federal level without consulting State child support enforcement programs.

The more recent strategic planning process in the current parent agency, the Administration for Children and Families (ACF), produced a broad vision of empowering families and communities that was incorporated into the National Child Support Enforcement Strategic Plan. In contrast to previous attempts at planning, the current ACF strategic planning process included input from all agency programs and employees at all levels and did not require detailed periodic reporting. The ACF strategic plan was completed in April 1996.

There were several events that occurred around the time of the passage of the Government Performance and Results Act (GPRA) that made OCSE ideally suited to participate as a pilot project. By August 1993, when GPRA was signed into law, there were already ongoing attempts at performance measurement and focusing on results within the agency and the States. By becoming a GPRA pilot, OCSE found an opportunity to build on those efforts.

OCSE had been working with its State partners in the Measuring Excellence Through Statistics (METS) initiative. This was an attempt by OCSE and the States to improve the quality of the States' data collection efforts. Progress had been made on proposed data definitions, revised reporting forms and instructions. OCSE welcomed GPRA as an opportunity to build on these partnership efforts.

² Ibid.

³ Ibid., p.6.

Strategic Planning in the Office of Child Support Enforcement

Additionally, there was already a change occurring in the audit function at OCSE. Audits of State programs were required by law to determine compliance with Federal requirements. While there was statutory authority for other audits, program compliance audits were explicitly required and resources did not allow for many discretionary administrative cost or other results-oriented audits. However, since 1984 as a part of the mandated compliance audits, selected program performance elements have been measured through audits of state program cost effectiveness. During this time, widespread agreement developed that the focus needed to change from looking at process to looking at results. OCSE anticipated GPRA and the auditors began conducting reviews of State reporting systems in order to assess data quality. This shift fit neatly into the GPRA framework.

OCSE faced a new world with new leadership that emphasized the concepts of strategic planning, team-building, coordination, partnership and putting children first. The Federal-State relationship had been evolving. The pace and scale of change would undoubtedly increase. This coupled with the National Performance Review, GPRA, potential Welfare Reform, and a Presidential executive order on Regulatory Reinvention which focused on partnership and increased flexibility, helped convince OCSE and its partners that a new direction was needed.

There was an assumption in the agency that there would be welfare reform in the coming months. The knowledge that legislation would be proposed which might change the welfare system generally and the child support enforcement program specifically in fundamental ways gave an added immediacy to the task of developing a strategic plan and performance measures. The proposed legislation included a new focus on measuring the results of the child support enforcement program. Incentive funding for the States would be increasingly tied to State performance.

This potential legislative mandate of linking incentive funding to program performance motivated partners to develop a strategic plan and indicators. At the same time, however, the anticipation of rewards and penalties based on reports of State performance delayed the development of performance indicators. Partners quickly recognized that their program funding would be based on reports of program performance, thus increasing anxiety levels and creating the need for careful consideration in performance indicator development. While the goals of child support enforcement are clear and universal among State programs, reaching agreement on indicators was no easy task. Since agreement on performance measures was impeding consensus on the strategic plan, the partners agreed to postpone development of indicators until after there was consensus on the strategic plan.

Strategic Planning in the Office of Child Support Enforcement

Strategic Planning Process

Those who were working on the pilot project at OCSE knew that any project would have to include their State "partners." Focusing the GPRA effort only at the Federal level would make little sense because it is the States that implement child support enforcement and provide almost all of the direct services to the public. Only by working with the States could OCSE have an impact on the program's performance results. Likewise, OCSE recognized the critical role of Federal Regional Office CSE staff as providers of technical assistance and liaison to the States. Regional representatives participated in drafting the strategic plan as partners on the Core Team. Various Central Office functions such as policy, audit and program operations were represented on the Core Team and throughout deliberations as well. Drafts of the emerging plan were shared with stakeholders such as national advocacy groups.

OCSE made strategic plan development a priority and involved high-level officials at very beginning. In late March, 1994, Judge David Gray Ross, OCSE's Deputy Director, sent a "Dear Colleague" letter to the State child support enforcement (IV-D) directors. In this letter, he announced that OCSE was designated a GPRA pilot and he asked for their help on performance plans and development of performance indicators.

At first, Federal staff thought it best to draft an initial strategic plan so that State partners would have something to react to. Efforts to start designing a strategic planning document for the agency began at the end of April, 1994, when a group of participants from OCSE's Central Office met with Mike English and Hap Hadd, of the HHS Assistant Secretary for Management and Budget (ASMB) staff. Mike English and Hap Hadd would assist OCSE by acting as consultants and facilitators throughout the GPRA pilot.⁴ ACF Regional Office program managers were connected to this meeting via conference call. The group met and developed a first draft of a Strategic Plan. This first draft was distributed and discussed with State IV-D directors at their annual meeting in Virginia Beach, Virginia in early May.

Comments the OCSE staff received at the annual meeting made it clear that the strategic planning effort should go no further without including State partners in the process. Judge Ross, therefore, sent a letter to the IV-D directors to ask for their help in developing a strategic plan for the agency, solicit from them proposals for two-year GPRA pilot projects in their States, and ask the directors to circulate the strategic plan in their States and get feedback from other interested parties.

The decision to use ASMB expertise on GPRA, strategic planning, and performance measurement made sense because it was high quality and offered at no charge to OCSE. These facilitators did not have any preconceived notion of the child support enforcement program, but they were motivated to see that GPRA was implemented successfully. OCSE, on the other hand, felt strongly that GPRA, long-range planning, and results measures must be developed in program, as opposed to staff offices. The relationship between ASMB staff and OCSE was mutually beneficial.

Strategic Planning in the Office of Child Support Enforcement

OCSE creatively used every opportunity to involve partners and stakeholders in the formation of the strategic plan. Regional and national conferences were used to get input and spread the word about the developing plan and partnership. Focus groups with advocates for children and both parents were held. Teleconferencing and videoconferencing was also employed to build bridges of communication between partners.

Consensus was achieved on the final version of the Strategic Plan during a national videoconference of State IV-D and Federal OCSE leaders on February 28, 1995 originating from Washington D.C. More than 20 State CSE programs were represented and over 100 people participated in the videoconference. Plan consensus was the culmination of over ten months of intensive work and communication. The resulting Strategic Plan is testament to both the efforts of the partnership and the time-consuming nature of planning between Federal and State partners.

Possible performance indicators had been included in the December version of the Plan. As discussed earlier, in order to get final consensus on the Strategic Plan, it became clear to the OCSE staff that the indicators or performance measures needed to be separated from the Plan. Consensus on and acceptance of the Strategic Plan by the partners would be the first step and, then, the development of the performance measures would be a second and separate step in the implementation of GPRA.

The immediate benefit to dropping the measures from the Plan was a focus on the major goals and objectives, resulting in consensus. In retrospect, developing a separate effort on performance measures was advisable as it can be more difficult than strategic planning. Technical details are critical to measurement and this is where the differences among State programs are magnified. State practice is governed in large part by State domestic relations law. Differences in case processing procedures as well as data definitions make consistency difficult.

One drawback to having a separate effort to develop measures is that the passage of time and key players can create a disconnect between the strategic plan and its performance indicators. This is probably unavoidable, however, given the prolonged evolutionary nature of this process and partnership, in general. Developing indicators can raise problems with the goal or objective being measured and there is a temptation to revise goals and objectives to fit the measure, rather than the other way around. However, OCSE and its partners resisted this temptation and the Strategic Plan has been strongly defended against change resulting from indicator development.

Strategic Planning in the Office of Child Support Enforcement

Consensus. Final edits were made on the Plan producing a consensus version dated February 28, 1995. In accepting the National Child Support Enforcement Strategic Plan as a working blueprint for the child support enforcement program over the next five years, all participating IV-D partners signalled their agreement on the goals and objectives for the program.⁵ For those who participated in the videoconference, agreement on the Strategic Plan felt like a truly historic moment. The accomplishment of consensus drew spontaneous applause from the group of 25 attending the videoconference in Washington. Cecelia Burke, president of the National Child Support Enforcement Administrators Association, acknowledged the event as a milestone in Federal-State relations in the CSE program, saying, "For the first time ever, we have a Strategic Plan for the whole program. I feel we are moving into a new realm with OCSE, when you consider the magnitude of what we have just accomplished here."⁶

Key People. OCSE sought both high level and widespread support for implementing GPRA. Assistant Secretary for Children and Families, and statutory OCSE Director Mary Jo Bane watched the GPRA pilot closely and was very supportive of its progress. Assistant Secretary Bane participated in three performance measures meetings and provided some valuable input on developing outcome indicators for the CSE program. The Assistant Secretary's involvement showed high level interest and commitment to partners and reaffirmed the Administration's support for implementing GPRA. OCSE Deputy Director David Gray Ross was an enthusiastic believer in the GPRA pilot effort and really cultivated State interest in the process. In addition, a former State IV-D director, Anne Donovan, was hired to head the GPRA Task Force. Her ability to relate to the States and work closely with Federal managers was very important to expanding communication between Federal and State partners.

Consultation with Congress and the Office of Management and Budget. State and Federal partners felt it was best to reach out to partners and stakeholders within the child support enforcement community before meeting the GPRA requirement of consulting with Congress. Presentation of a plan to appropriation and authorizing committees that had not achieved full consensus among partners was considered premature. Later, as more HHS programs began to develop strategic plans, the Department would decide to avoid multiple contacts with Congress and favor a unified consultation made through a comprehensive HHS Strategic Plan.

As a pilot, OCSE reported on its activities to OMB and shared its consensus strategic plan and draft performance measures with OMB Income Maintenance staff. OMB strategic planning guidance to all agencies was not considered by partners as it was issued several

⁵ "Consensus Reached on National Strategic Plan for CSE," Child Support Report, March 23, 1995.

⁶ Ibid.

Strategic Planning in the Office of Child Support Enforcement

months after Plan consensus in February, 1995. Following plan consensus, OMB staff also attended meetings of the State/Federal Performance Measures Workgroup. OCSE considered and responded to OMB comments on the draft measures.

The mission, vision, goals and objectives of the strategic plan received full consensus from State and Federal partners. ACF and the Department have certainly reviewed the Strategic Plan and praised it. Higher levels have respected the results of the partnership that was forged through strategic planning.

Participants and Observers. OCSE recognized the benefit of involving and educating those outside the program during the development of the plan and measures. Focus groups were held with advocates and various interest groups. ACF planning staff that were involved in urging OCSE to become a pilot observed strategic planning meetings. During the performance measures development effort since February, 1995, OCSE welcomed special participants and guests to working meetings of the partnership. Individuals from HHS and ACF planning, evaluation and budget staff offices, the General Accounting Office and the Office of Management and Budget attended meetings. Involvement of these stakeholders in the process would help ensure their support for the final product.

Federal Leadership. The Federal office recognized the GPRA process as an opportunity to build trust, improve working relationships, and forge a partnership with the state child support offices. The unenthusiastic State reaction to the initial draft strategic plan developed solely by the Federal office underscored the importance of State involvement. OCSE proactively reached out and demonstrated its intention for partnership with invitations to States to get involved. The Federal office maintained a leadership role by staffing the activity and making it a national priority for child support enforcement. The Federal office was committed to responding to partners' concerns through constant consultation, inclusion and co-responsibility. While the expectations of State child support offices may still differ in terms of what the Federal-State partnership should be, the process appears to have improved communications and enhanced the working relationship between the States and OCSE.

Strategic Plan Summary

Mission. The Child Support Enforcement Program is authorized and defined by statute, title IV-D of the Social Security Act. The purpose and the mission of the Program are derived from the Act:

To assure that assistance in obtaining support (both financial and medical) is available to children through locating parents, establishing paternity and support obligations, and enforcing those obligations.

Strategic Planning in the Office of Child Support Enforcement

Vision. The National Child Support Enforcement Strategic Plan articulates the following vision:

The Child Support Enforcement Program will put children first by helping parents assume responsibility for the economic and social well-being, health and stability of their children. We recognize the value of improved relationships with both parents.

Reinventing what it means to provide child support enforcement was integral to the development of the strategic plan, and necessary for its success.

Traditionally, government services reflected the strong adversarial nature of child support enforcement. Many CSE programs saw themselves as advocates for custodial parents, creating an adversarial relationship between the child support agency, and non-custodial parents, some advocacy groups, and in some case, state legislatures. This adversarial role was exacerbated by the widely held notion of child support agencies as merely collection and enforcement agents -- minimizing their efforts to uncover, and attempt to resolve, the reasons behind non-payment of support, e.g. unemployment or lack of education or job skills.

The Strategic Plan was used as a vehicle to chart a new course for the program. Reflecting recognition of the evolution occurring in the public arena and as part of welfare reform, the plan very deliberately moves away from child support as an adversarial program and redefines the program in the interest of children and families. For example, the program goals identify children, rather than parents, as the primary customers and beneficiaries of the program. No State or advocacy group, whether representing custodial or noncustodial parents, could argue with putting children first. In addition, the Vision recognizes the broader social contribution of child support enforcement beyond a collection and enforcement agency, by "helping parents assume responsibility." The vision also diffuses the adversarial nature of the program in its treatment of noncustodial parents "by recognizing the value of improved relationships with both parents." Increased involvement, financial or otherwise, of the noncustodial parent with the family may bring benefits that are difficult to measure.

The Federal office developed and widely publicized the phrase "Children First" to promote the evolving image of the child support enforcement program. To illustrate that Federal leadership was on board with the new message, OCSE Deputy Director David Gray Ross put a large "Children First" sign over his door, where it remains today. The use of simple, symbolic phrase played an important role in forming consensus on the Strategic Plan and in changing the adversarial image of child support enforcement.

Goals and Objectives. The Federal partnership with States is not only evident in the strategic planning process, but also present in the content of the goals and objectives of the Strategic Plan itself. The Strategic Plan's goals and objectives are for the entire breadth of the

Strategic Planning in the Office of Child Support Enforcement

Program and not simply Federal activities. The following goals and objectives are contained in the National Child Support Enforcement Strategic Plan:

GOAL 1: ALL CHILDREN HAVE PARENTAGE ESTABLISHED

Objective:

- a. **To Increase Establishment of Paternities, Particularly Those Established within One Year of Birth**

GOAL 2: ALL CHILDREN IN IV-D CASES HAVE FINANCIAL AND MEDICAL SUPPORT ORDERS

Objectives:

- a. **To Increase the Percentage of IV-D Cases with Orders for Financial Support**
- b. **To Increase the Percentage of Cases With Orders for Medical Support**

GOAL 3: ALL CHILDREN IN IV-D CASES RECEIVE FINANCIAL AND MEDICAL SUPPORT FROM BOTH PARENTS

Objectives:

- a. **To Increase the Collection Rate**
- b. **To Increase the Percentage of Cases Where Health Insurance Coverage Is Obtained After Being Ordered**
- c. **To Increase the Percentage of Cases with Appropriate and Up-to-date Support Orders**
- d. **To Make the Process More Efficient and Responsive**

Early in Strategic Plan development efforts, specific activities and approaches needed to achieve the goals above were included. However, partners thought such details were more appropriate to annual performance plans and would vary greatly among individual State programs. State programs are at different stages and levels of progress and State as well as

Strategic Planning in the Office of Child Support Enforcement

Federal annual performance plans may focus on more limited, specific areas of concentration for program improvements.

Partners recognized that to achieve broad satisfactory results for children, the States and Federal Central and Regional Office partners need to work closely together and strike a balance between uniformity and flexibility to allow for innovation in program operations. Therefore, the Strategic Plan includes a statement entitled "Overall Approach" which stresses a continued focus on achieving results focused on children. Specific approaches include improving consistency and uniformity in service delivery and eliminating conflicting program policies. OCSE and the States will work together to identify activities, such as in the interstate and international arenas and data collection, where uniform approaches yield the best results.

Greater flexibility and encouraging innovation will also be a major operating principle for the partnership. The outcomes require that the experience and creative talents of all partners in the program must be used. Constant effort to stimulate, celebrate, and disseminate innovation and creativity is the essence of the approach to successful accomplishment of the Plan's goals and objectives. In agreement with the principles of creativity and innovation, both OCSE and its partners committed to operating in a continuously improving and empowering environment -- supported by opportunities for development, modern management practices, and maximum use of technology.

Performance Reporting. Two interim performance indicators -- paternitys established and child support collections-- were selected while State and Federal partners jointly developed an array of measures that indicate success in achieving each goal and objective of the Strategic Plan. In the future, national performance targets will be set by program partners with individualized State performance agreements and compacts being negotiated between States and ACF Regional Office child support enforcement units.

Resources. Achievement of targets depends on resources. The projected budget for Fiscal Year (FY) 1996 for State child support administrative costs is \$2.9 billion. Federal Financial Participation (FFP) is set at 66% of those State costs; 90% Federal funding is also available for certain automated systems costs and paternity laboratory costs that States incur; however with incentive payments to the States, the effective FFP rate is really 83%. These State costs do not include salaries and expenses for the cost of approximately 227 Federal staff in Central and Regional Offices or the cost of operating the Federal Parent Locator Service.

External Factors. There are key external factors that could significantly affect the achievement of the Strategic Plan goals and objectives. A number of these key variables could affect achievement of long-term objectives and goals. The major factors can be summarized as follows:

Strategic Planning in the Office of Child Support Enforcement

- **Legislation:** Additional child support enforcement legislation on the Federal and State levels could improve program performance. Welfare Reform child support provisions contain many of the proven enforcement and management tools needed for improved child support enforcement. New legislation may also cause initial disruption and could create widely varying State public assistance programs which could impact achievement of goals and objectives.

At the same time without changes in the explicit funding, incentives, reporting, audit and penalty provisions of current law, GPRA may have little real impact on State programs

- **Funding:** Reduced funding on the State and Federal levels would hamper efforts to deal with growing child support caseloads.

- **Economy:** An ever-changing economy with wage downturns and unemployment may impact child support collections.

- **Trends:** Social and demographic trends such as non-marital births and population gains at certain age ranges can create ever-increasing challenges for child support enforcement.

- **Culture:** Continuing cultural attitudes that permit parents to escape responsibility for children leave child support agencies with limited tools to overcome a social obstacle.

Uses and Impact of Strategic Planning

Benefits. The greatest benefit of the strategic planning process so far has been the forging of a true partnership between States and Federal Central and Regional Offices. Communication between partners has increased both in quantity and quality. Consulting States before taking action on major initiatives is now standard practice. The process of developing the Strategic Plan helped Federal and State government partners to focus on the basic mission and desired outcomes of child support enforcement programs. The planning process created a consensus which all partners could endorse: putting children first. Identifying children as the primary customer moved the debate beyond the traditional mindset which takes sides between custodial and non-custodial parents. The planning process also generated enthusiasm, interest and involvement from States, as well as the beginning of trust and the belief that we are all in this together.

Organizational Restructuring. Traditionally, when organizations engage in strategic planning, organizational restructuring often results. In the shared responsibility for child support

Strategic Planning in the Office of Child Support Enforcement

enforcement that exists between State and Federal governments, it was primarily the relationship that was restructured. However, some restructuring did occur in the Federal Central Office. A GPRA Task Force of Central and Regional Office staff was created to provide overall coordination of the pilot and technical assistance to State volunteer projects. A Special Initiatives staff was developed to assist States with international and military cases, Native American issues, and provide liaison with stakeholder groups such as employers and the law enforcement community. A division of Consumer Services was created and a division of State and Local Assistance is planned.

State Impact. The Plan was a statement of a powerful consensus in the child support enforcement community that helped to set a threshold for program direction. The basic goals and mission of the program did not have to be revisited. For some States, the Strategic Plan helped spur planning and performance measurement efforts of their own. The Plan was used as an important reference, portions of which were incorporated into State plans.

GPRA Demonstrations. On March 8, 1995, OCSE issued a program grant announcement under Section 1115 of the Social Security Act. The announcement requested applications from State and local offices for demonstration projects as part of the GPRA pilot. Six projects, totaling over \$606,000, have been selected for cooperative agreements lasting up to seventeen months. The demonstrations include the following results-oriented projects:

- Evaluation of performance-based contracting in Michigan;
- Analysis of performance indicators in Arizona;
- Study of non-compliant child support obligors in order to support strategic planning efforts in Minnesota;
- Restructuring and privatization of services in Wyoming;
- Improved child support/welfare interface in Virginia; and,
- Community-based paternity establishment in Delaware.

The purpose of these cooperative agreements is to both support the GPRA pilot and apply its concepts on a level closer to program customers. A number of States have results-oriented management initiatives with strategic planning and performance measurement elements. These projects will support this on-going activity and stimulate a focus on outcomes in States that may have just started. Results from these projects will be widely disseminated to educate program managers about how to implement similar initiatives and their potential impact on achievement of goals.

Strategic Planning in the Office of Child Support Enforcement

GPRA sparked a major effort to invite States, local programs and regions to pilot results orientation, customer service, strategic planning and performance measurement. Approximately 30 diverse unfunded pilot projects were accepted. This aspect of OCSE's pilot was not required by GPRA but did much to spread the spirit of GPRA to the States. Through these unfunded pilots, enthusiasm for GPRA expanded and State and Federal linkages increased.

One of the most successful pilots to date has been a new interface between the Federal Parent Locator Service and the Social Security Administration's Enumeration Verification System (EVS). Eight States participated by submitting the names of individuals sought for paternity establishment or enforcement of support. Social Security Numbers (SSNs) were identified for approximately 190,000 cases for a 28% match rate. SSNs are required as unique identifiers for automated matching. Approximately 30,000 of these cases were submitted for Internal Revenue Service (IRS) tax refund offset. Preliminary data for the 1995 tax year indicates \$1.6 million has been collected thus far through IRS tax refund offset. EVS is now used on a nationwide basis.

Ohio has also been successful in laying the foundation for a results-oriented child support enforcement program. Its voluntary GPRA pilot has focused on identifying strategic plan program goals, objectives and performance indicators. Progress has been made on establishing performance agreements between the State Department of Human Services and county-level child support offices. Ohio also intends to revise its county funding scheme to reward performance.

Federal Impact. The Strategic Plan has been used to guide workplans and staff performance appraisal systems in a number of units in the Federal Central and Regional Offices. Many States have signed individual performance agreements or region-wide compacts with ACF Regional Offices. It should be noted that neither of these activities was mandated but evolved from the strategic planning and partnership experience. In order to extend GPRA techniques to States' training staff, the FY 1996 Training Conference agenda is being designed around strategic planning and performance measurement on the State and Federal level.

Plan Dissemination. The Plan has been shared with advocacy groups, all State IV-D programs, posted on the modem-accessible ACF electronic bulletin board (1-800-627-8886 or 202-401-5800), OCSE's home page on the World Wide Web (<http://www.acf.dhhs.gov>), included as part of training conference reference materials, and written up in a child support newsletter which is distributed to thousands of state and local child support workers. The Plan was shared around the agency and OCSE's GPRA experience has been related to various Federal agencies. Performance measures which have been agreed on and implemented should indicate the level of success in achieving Plan goals and objectives.

Strategic Planning in the Office of Child Support Enforcement

Legislation. Becoming a GPRA pilot did not offer immediate opportunities to change laws that governed aspects of the program. Partners have worked together in providing assistance to modify proposed legislation. In the future, partners will explore proposing needed legislation that will assist in implementing GPRA more fully. For example, legislation that would modify data reporting requirements, and better align the strategic plan goals, performance measures and the audit function would bring statutory requirements up-to-date with Federal and State partnership activities.

Costs

The GPRA pilot and specifically the strategic planning effort has had huge benefits with minimal financial costs. There have been a few staff added, and there was some travel required during the planning stage. OCSE and its partners have learned to accomplish more with fewer resources. Closer cooperation results in sharing of resources and smoother implementation. A greater range of ideas and perspectives is available to tap. The partnership has created a climate where some States are able to assist others with national initiatives while Federal staff facilitate, act as a clearinghouse for information, or staff out a project.

Lessons Learned

OCSE and its partners knew that GPRA would be imposed on the program eventually. This fact created an incentive to get a head start and do it right the first time. Below are some lessons learned from OCSE's GPRA pilot to date:

- **Mistake:** Initially, OCSE drafted a strategic plan without consulting States so that discussion could start with something on the table.
Lesson: Don't take pen to paper until your partners are at the table.
- **Mistake:** OCSE set initial performance targets without consulting partners.
Lesson: Unless you set targets together, they are your targets and not your partners'.
- **Mistake:** Trying to take people where they don't want to go. For example, trying to convince certain partners that to improve our success, we must recognize and work to resolve obstacles that affect noncustodial parents' ability to meet their responsibilities (noncustodial parents are our customers too).

Strategic Planning in the Office of Child Support Enforcement

Lesson: Find something all can agree on. For OCSE and its partners it was: put children first.

- **Lesson:** Involve stakeholders, advocates, interest groups, other Federal agencies or offices early on to ensure their support for the ultimate decisions made with your partners.
- **Lesson:** Federal staff should be prepared to do most of the work. GPRA is a priority for Federal agencies; otherwise, work may not get done.
- **Lesson:** Be smart, be honest, be patient. Start with something you can be objective about. Get help from others such as experts, facilitators, partners. Be honest and admit you don't have all the answers and you're making it up as you go along. Be patient and listen with an open mind; your way isn't the only way.
- **Lesson:** Be quiet. Let State partners do the talking. Often the reasoning of peers is more convincing to States than arguments from Washington.
- **Lesson:** Consensus doesn't necessarily mean that everyone agrees; it means that everyone has had a chance to participate and contribute to a decision that partners can accept and support. Consensus decision-making does not employ voting.
- **Lesson:** Partnership is hard and time-consuming -- don't expect miracles. The plan you create is living and can be changed. Partnership and planning is a continuous, long-term process and cascades to operational levels. Open and frequent communication among partners is key.

Next Steps

Plan Implementation. OCSE considers the Strategic Plan as the foundation for results-oriented management. In the future, States and the national program will be judged on success in achieving the goals and objectives, given external factors. Many States started results-oriented management initiatives before GPRA. It is hoped that the Plan will influence more States to follow this trend. Individual actions and strategies will necessarily differ from State to State. Ultimately, the Plan and its indicators will result in driving the program to improve outcomes for children and lead to a rational investment of resources based on performance-based budgeting.

Strategic Planning in the Office of Child Support Enforcement

Performance Indicators. Partners tentatively agreed to a set of performance indicators at a meeting in Bethesda, Maryland, on July 17-18, 1996. Performance measures will be piloted in order to assess difficulty in collecting data, reprogramming automated systems, etc.

Welfare Reform. Should Welfare Reform legislation be passed by Congress and signed by the President, program partners will have to consider its impact on the Strategic Plan, data reporting, performance indicators, and Federal funding. Ultimately, the performance indicators could be the basis of proposed legislation that will revise current data reporting requirements. The legislation should leave flexibility for program partners to make appropriate changes in the indicators and in data reporting as needed. Data definitions, reporting forms and instructions will have to be revised. State partners have to complete their automated systems and other data gathering systems.

Performance Agreements. While many States preceded Federal GPRA implementation with their own efforts at strategic planning and performance measurement, others are just beginning to react to these trends. Performance or Partnership Agreements were developed voluntarily between many States and Federal Regional Offices. These agreements will continue to evolve. Discussions are now taking place which may suggest a standardized approach to this effort. However, a large amount of flexibility will remain in order to accommodate diversity among the States and Regional Offices.

Audit. Currently, State compliance with detailed Federal requirements is audited in accordance with statute. Welfare Reform is needed to release auditors from reviewing States for detailed program compliance to looking at the results achieved by State child support enforcement programs. In the future, one of the primary roles of the Division of Audit will be reviewing the validity of data reported by States.

Attachment A



July 6, 1994

TO: All State IV-D Directors

RE: OCSE Strategic Planning Under the Government Performance Results Act (GPRA)

Dear Colleague:

The Child Support Enforcement (CSE) Program has been selected to be a pilot for the Government Performance and Results Act of 1993 (GPRA). The purpose of GPRA is to improve federal program effectiveness and public accountability by promoting a new focus on results, service quality and customer satisfaction. In the long term, GPRA envisions holding federal programs accountable through the use of five-year strategic plans and annual performance plans and reports.

In a May 20th letter, David Gray Rosa, the Deputy Director of the Office of Child Support Enforcement (OCSE) asked for our assistance in developing a strategic planning document for the Child Support Enforcement Program. Preliminary drafting of the strategic plan has already begun, but the opinions of states, localities, advocates and constituents are critical to ensure the plan reflects the vision of all those involved in the program. The more extensive the input, the better the plan will be.

Enclosed is a copy of the first draft of the strategic planning document. Some of you may recognize this as the document passed out at ERICSA or sent to you by your Regional Office. As we agreed in Virginia Beach, OCSE has established a Core Team -- composed of two IV-D Directors, two Regional Program Managers, and senior OCSE staff -- to work in partnership with them on developing the plan. We have been asked to serve on the team, representing the views and consensus of State IV-D Programs. The responsibilities of the Core Team begin with the redrafting of the strategic plan. We plan to solicit comments on the plan from a wide range of sources over the summer. As these comments are gathered, the Core Team will meet to assess the comments and revise/fine-tune the plan. While the "final" strategic plan should be completed by September 30, this plan will be a living document that will change over time.

As a first step toward gathering comments, OCSE Central and Regional Offices will contact states and other partners and customers to discuss the draft, using conference calls and whatever face-to-face meetings and conferences are planned in the near future. We hope that many states will take the process a step further by holding similar focus groups and sharing this draft plan with their local counterparts, funneling feedback to their ACF regional offices. This stage could include contacts with local managers and caseworkers, and might be extended to

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All State IV-D Directors

Page 2

July 6, 1994

court systems and legislators. This is a terrific opportunity for us to challenge our front line workers to help fashion a child support system that will better meet their needs. This phase of gathering input should be completed by the end of July.

OCSE will also be contacting national interest groups for their input in August. We hope that many of you will make similar contacts with your local advocacy groups and service recipients at the same time, and channel any comments received to your Regional offices by mid-August.

In addition, we are available to work more intensively with those of you who are interested in providing further specific comments on the draft plan and in any other information exchange. As members of the Core Team facilitating implementation of GPRA, we will then be able to pass these comments and information on to OCSE and we will report to you on all team activities.

In commenting on the draft strategic plan and later in soliciting comments, it is helpful to have a common framework. The questions we need to address include:

- ◆ Are the goals appropriate and properly oriented?
- ◆ Should we have both process and outcome objectives?
- ◆ Can each objective be measured?
- ◆ Taken as a whole, does the plan lead us in the direction we want to go in?

This is a special time. OCSE is seeking our input as full partners in reaching a consensus on the direction of the Child Support Enforcement Program. This is an opportunity to put forth our opinions and influence the future.

Thanks for your help. Please send your comments to your Regional Offices and us. We'll be in touch.

Sincerely,



Jim Hennessey
Iowa IV-D Director



Wally Dutkowski
Michigan IV-D Director



DEPARTMENT OF HEALTH & HUMAN SERVICES

Hinkle
Region IX
Administration for
Children and Families

Memorandum

Refer To :

DATE: June 15, 1994
FROM: Program Manager
Child Support Enforcement Branch
SUBJECT: Conference Call on July 20, 1994
TO: Region IX IV-D Directors

This will serve to follow up on the recent telephone conversations between my staff and your offices regarding the upcoming conference call scheduled for Wednesday, July 20, 1994 from 1:00 pm to 2:30 pm (California time).

Given the interest expressed in continuing these conference calls, we have decided to schedule them on a quarterly basis. For the July 20 call, several States have expressed an interest in discussing the Office of Child Support Enforcement's (OCSE) draft strategic plan for the child support enforcement program (copy-enclosed) that was developed in conjunction with the Government Performance Results Act (GPRA). Your participation with OCSE in the development of this plan is essential to ensure that it reflects the goals and objectives of the agencies responsible for the day to day operation of the program.

The discussion with the States in this area would be facilitated by OCSE Central Office and last no longer than one hour, from 1:00 pm to 2:00 pm (California time).

Please advise this office, either verbally or in writing, by Wednesday, July 6, 1994, whether you believe that a discussion of the enclosed draft strategic plan would be beneficial at this time. If you agree, we can resume with our regular conference call in the following quarter or schedule an earlier call if needed. Also, please advise us if there are other issues you feel we need to discuss. We will also need a contact person in your office and telephone number to be used for the conference call.

Page 2

As always, I thank you in advance for your support and encouragement. Should you have any questions, please contact your assigned child support enforcement program specialist.

Sincerely,



John Kersey
Program Manager
Child Support Enforcement Branch

Enclosure

cc: Betsy Matheson, OCSE ✓
Marianne Upton, OCSE ✓
Jamie Roussel, OCSE Audit Division
Don Wall, OCSE Audit Division

Development of Case Study

OCSE retained all records (electronic and hardcopy) from the start of its GPRA pilot. OCSE also employed a vendor to develop a brief history or chronology of its pilot. The vendor worked during the Fall and Winter of 1995-96 to review archival files and reconstruct the process OCSE and its State partners went through to develop a strategic plan. The vendor conducted numerous interviews with Federal and State staff (listed below). Drafts of the vendor's report were reviewed several times and feedback was provided.

In responding to the Case Study Outline questions, OCSE used the vendor's report as a key reference and incorporated portions where appropriate. The case study was developed by Tom Killmurray, with contributions by Anne Donovan, Gaile Maller, and Elizabeth C. Matheson, Robert C. Harris, and Keith E. Bassett. Tom Killmurray began working for OCSE at the time of strategic plan development. Later, he was reassigned to work directly in GPRA pilot activities at the stage just before strategic plan consensus. Mr. Killmurray also served as the project officer for the vendor writing the GPRA history and he was able to participate in some of the interviews the vendor conducted.

Both the GPRA pilot archival files and the vendor's pilot history are available for review by contacting OCSE.

References

The Implementation of GPRA at the Office of Child Support Enforcement, Wendy Gray, Center for Support of Children, February 1996.

Government Performance and Results Act of 1993, Pub. L. 103-62.

Creating A Government That Works Better and Costs Less: Report of the National Performance Review, Vice President Al Gore, September 1993.

Social Security Amendments of 1974, Pub. L. 93-647.

Eighteenth Annual Report to Congress, September 30, 1993.

ACF Strategic Plan, April 1996.

DRAFT Measuring Excellence Through Statistics (METS) Action Transmittal on Completing OCSE Quarterly and Annual Reporting Forms, July, 1993.

Dear Colleague 94-22, OCSE GPRA Pilot Project, March 28, 1994

DRAFT Child Support Enforcement Strategic Plan, FY 1995-1999, May 2, 1994.

Dear Colleague 94-34, OCSE Strategic Planning and Pilot Project under GPRA, May 20, 1994.

DRAFT Child Support Enforcement Strategic Plan, FY 1995-1999, June 1, 1994.

National Council of State CSE Administrators memorandum on OCSE Strategic Planning, July 6, 1994.

DRAFT Child Support Enforcement Strategic Plan, FY 1995-1999, August 10, 1994.

DRAFT Child Support Enforcement Strategic Plan, FY 1995-1999, December 5, 1994.

Child Support Enforcement Strategic Plan, FY 1995-1999, February 28, 1995.

"Consensus Reached on National Strategic Plan for CSE," Child Support Report, March 23, 1995.

Interviews Conducted by Wendy Gray (Titles at the time of interview)

Robert C. Harris, Associate Deputy Director, OCSE

Donna Bonar, Director, Division of Program Operations, OCSE

Keith Bassett, Director, Division of Audit, OCSE

Myles Schlank, GPRA Core Team Leader, OCSE

David Gray Ross, Deputy Director, OCSE

Elizabeth C. Matheson, Director, Division of Policy and Planning (DPP), OCSE

Gaile Maller, Chief, Planning and Evaluation Branch (PEB), DPP, OCSE

Tom Killmurray, Program Analyst, PEB, DPP, OCSE

Jerry Fay, Deputy Commissioner, Child Support Enforcement Division,
Department of Revenue, Massachusetts

Nancy Long, Child Support Enforcement Program Manager, Region VII, Kansas City
Regional Office, ACF

Cecelia Burke, Director, Child Support Division, Office of the Attorney General, Texas and
President, National Council of State Child Support Enforcement Administrators

**Wilma Hill, Child Support Enforcement Program Manager, Region II, New York City
Regional Office, ACF**

**Barry Morrisroe, Child Support Enforcement Program Manager,
Region X, Seattle Regional Office, ACF**

**Mike English, Senior Management Analyst, Assistant Secretary for Management and Budget,
DHHS**

**Hap Hadd, Senior Management Analyst, Assistant Secretary for Management and Budget,
DHHS**



Child Support Report

Office of Child Support Enforcement

Vol. XVIII, No. 7, July 1996

Executive Action on Child Support



On June 18, 1996, President Clinton announced three actions to strengthen the child support enforcement program and promote parental responsibility. These actions were:

- implementing a pilot program to track nonpaying parents across state lines;
- challenging all states to adopt statewide new hire reporting programs; and
- issuing new regulations requiring women who apply for welfare to comply with paternity establishment requirements before receiving benefits.

Federal Program to Track Parents Across State Lines

Approximately 30 percent of the current child support caseload involves interstate cases. The Administration's new pilot program will track parents who are delinquent in child support payments from job to job and across state lines.

Under the new program, the 25 states with existing new hire reporting systems will be able to send new hire information to the Department of Health and Human Services' (DHHS) Office of Child Support Enforcement (OCSE). The data will then be matched by computer against lists of nonpaying parents sent by states to the department. When a match is found, OCSE will contact the state where the parent owes child support so that the state can issue a wage withholding order or take other appropriate action, such as initiating paternity proceedings.

New Hire Reporting Programs

In those 25 states with new hire reporting programs, employers are required or encouraged to report new hires to a state agency. As indicated above, information is cross-matched by computer against lists of parents in the state who owe child support and, when a match is found, appropriate action is taken.

These programs have been called the single biggest innovation in child support enforcement in the past decade and have significantly increased collections in the states that have adopted them: Alaska, Arizona, California, Connecticut, Florida, Georgia, Hawaii, Iowa, Kentucky, Maine, Maryland, Massachusetts, Minnesota, Missouri, New York, Ohio, Oklahoma, Oregon, South Carolina, Tennessee, Texas, Vermont, Virginia, Washington, and West Virginia.



U.S. Department of
Health and Human Services
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Office of Child Support Enforcement

Inside...

A Judge's View of Child Support..... 4
Guidelines and High Income..... 5

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Child Support Report

Office of Child Support Enforcement

Vol. XIX, No. 4, April 1997

Big 8 Initiative Kick-Off

By Marion Steffy

A major new federal/state/local partnership initiative to increase paternity establishment and child support collection rates is underway in OCSE. The focus is on the eight states with the largest child support caseloads. The "Big 8" are California, Florida, Illinois, Michigan, New York, Ohio, Pennsylvania, and Texas. Together, their caseloads, and distributed collections, make up nearly 50 percent of the national total.



The Big 8 States, in Color.

"A successful Big 8 initiative will dramatically improve the lives of thousands of children."

.....David Gray Ross

On February 24, senior Big 8 state officials met with their federal headquarters and regional counterparts in New Orleans to begin identifying the many tasks that will need to be done to ensure success. "This is a great start," Robert Doar, Director of New York State's Of-

fice of Child Support Enforcement, said. "Recognizing the special problems faced by states with large caseloads is a strong first step in federal efforts to help them improve performance."

Marion Steffy, director of the Big 8 operation, indicated that a central part of the effort would involve coordinating with senior officials and technical experts in headquarters, regional offices, and the field. She also took note of the rich body of knowledge and experience already available in those states not part of the Big 8.

"Their contributions," she said, "in the form of working models and best practices, will be a necessary part of our efforts to be successful with this project."

OCSE Deputy Director David Gray Ross stated that "a successful Big 8 Initiative will dramatically improve the lives of thousands of children. While we recognize the importance of working with all states, and indeed have entered into partnership agreements to do just that, by concentrating resources on those states with the largest caseloads," he said, "we expect to see the greatest possible gains in the shortest possible time."

In opening remarks to the group, Judge Ross addressed presidential priorities, executive expectations, goals, and the resources available to develop projects which meet the requirements of legislation.

Inside...

Training Needs Assessment	3
Incentive Funding Recommendations.....	5



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ALL EMPLOYERS TO REPORT ALL NEW HIRES

The Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996 was signed into law on August 22, 1996.

- This legislation provides for a much strengthened Child Support Enforcement Program.
- The Child Support Program benefits children and families by locating noncustodial parents, establishing paternity when necessary, and establishing and enforcing child support orders.

One key provision of the PRWORA legislation of importance to employers is that all States have a program providing information about the newly hired. This new hire reporting program provides timely information so that child support can be more effectively enforced.

- Employers will be required to report certain information on their newly hired employees to a designated State agency.
- States will match new hire reports against child support records to locate parents, establish an order, or enforce an existing order. State agencies operating Employment Security and Workers' Compensation Programs will also have access to the new hire information to detect and prevent erroneous benefit payments.

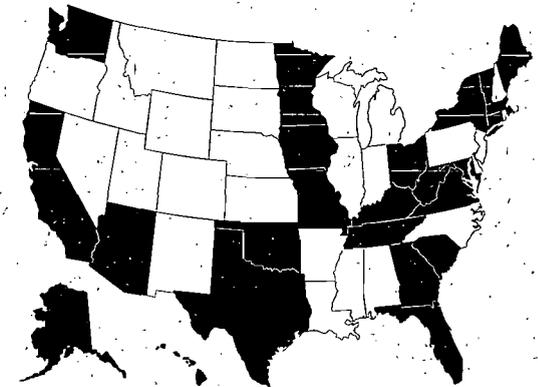
THE MINIMUM FEDERAL STANDARDS ESTABLISHED IN THE PRWORA ARE:

- All employers must report all new-hires.
- The new hire report must contain the name, address and social security number of the employee; and the name, address and Federal Employer Identification Number of the employer. It is extremely important that these reports be both accurate and legible, to ensure successful matching and contact once a match is made.
- New hires must be reported to the State within 20 days of the date of hire. If an employer reports electronically or by magnetic media, the employer must report by two monthly transmissions not less than 12 nor more than 16 days apart. States may establish more stringent reporting requirements.
- If an employer has employees in more than one State and reports either magnetically or electronically, that employer may designate one State (in which he/she has employees) to which all new hires may be reported. The employer must identify to the federal government the State which has been selected for reporting. A procedure to accomplish such selection will be provided to you at a later date.
- The new hire report shall be made on a W-4 form, or an equivalent form at the employer's option.
- New hire reports may be transmitted by first-class mail, by magnetic media, or electronically.

STATES WHICH CURRENTLY HAVE NEW HIRE LEGISLATION

Nearly half of the States already have new hire reporting legislation. **States already operating new hire programs** must conform their requirements to the minimum Federal requirements no later than October 1, 1998.

- If you live in a State which currently has new hire reporting, your State will notify you about changes in your procedures, if any, and when those changes will go into effect.
- States that already have New Hire Reporting Programs:



ALASKA
ARIZONA
CALIFORNIA
CONNECTICUT
FLORIDA
GEORGIA
HAWAII
IOWA
KENTUCKY
MAINE
MARYLAND
MASSACHUSETTS
MINNESOTA

MISSOURI
NEW YORK
OHIO
OKLAHOMA
OREGON
SOUTH CAROLINA
TENNESSEE
TEXAS
VERMONT
VIRGINIA
WASHINGTON
WEST VIRGINIA

STATES WITHOUT
NEW HIRE LEGISLATION
BEFORE AUGUST 22, 1996

Those States not listed, as well as Guam, Puerto Rico, U.S. Virgin Islands and the District of Columbia, must have new hire programs in place no later than October 1, 1997. Again, your State will notify you regarding what your specific State requirements are and when they will go into effect.

INTERSTATE CASES

The Federal Office of Child Support Enforcement (OCSE) estimates that over 30% of child support cases involve parents who do not live in the same State as their children. Under PRWORA, the designated state agency will be required to transmit the new hire reports which they receive from employers to the Federal OCSE for entry into a National Directory of New Hires. Federal employers will report their new hires directly to the National Directory. This directory will operate to provide timely locate information to the States regarding child support cases.

CENTRALIZED COLLECTION OF
WITHHELD INCOME

The PRWORA legislation also requires that each State establish, by October 1, 1998, a State Disbursement Unit for the collection and distribution of all child support payments. Employers will be given **one location** within each state where all payments made through income withholding, with certain exceptions, are to be sent.



With your help, millions of children have received the child support they need and deserve. The people responsible for operating the Child Support Enforcement Program thank you for the critical role you play in making this program successful. Almost two out of every three dollars collected by child support agencies come from income withholding. **This amounted to over \$6 billion in 1995.** Without your help, effective child support enforcement is impossible, and millions of our nation's children would suffer the consequences. With an effective new hire reporting system, millions more children will benefit.

For more information, contact OCSE's Web site:
<http://www.acf.dhhs.gov/ACFPrograms/cse/index.html>

For state specific information, contact:

INCREASING
FINANCIAL
SUPPORT
FOR OUR
NATION'S



The Personal Responsibility and
Work Opportunity
Reconciliation Act of 1996
(PRWORA)



U.S. Department of Health and Human Services
Administration for Children and Families
Office of Child Support Enforcement
March 1997

OFFICE OF CHILD SUPPORT ENFORCEMENT

Welfare Reform Work Groups

March 27, 1997

TABLE OF CONTENTS

1. EXPANDED FPLS WORK GROUP
2. INCENTIVE FUNDING WORK GROUP
3. IMPLEMENTATION STRATEGY PLAN: STATE LEGISLATION ENACTMENT WORK GROUP
4. REGULATION REINVENTION WORK GROUP
5. INTERSTATE (UIFSA) WORK GROUP
6. CUSTOMER SATISFACTION WORK GROUP
7. PERFORMANCE MEASURES WORK GROUP
8. INCOME WITHHOLDING FORM WORK GROUP
9. DISTRIBUTION WORK GROUP
10. NATIONAL CHILD SUPPORT ENFORCEMENT TRAINING WORK GROUP
11. STATE INTERNAL ASSESSMENT WORK GROUP
12. SYSTEMS CERTIFICATION REQUIREMENTS WORK GROUP
13. INTERNATIONAL COMMITTEE WORK GROUP
14. PATERNITY ESTABLISHMENT WORK GROUP
15. NATIVE AMERICAN WORK GROUP
16. TECHNICAL ASSISTANCE WORK GROUP

APPENDIX A STATE REGIONAL REPRESENTATIVES

APPENDIX B STATES BY FEDERAL REGION

1. EXPANDED FPLS WORK GROUP

Purpose:

To assist OCSE in establishing the National Directory of New Hires and the Federal Case Registry. The work group will explore such topics as the creation of reporting procedures, communications linkages, internal files, and matching and notification procedures which will result in the transmission of state New Hire Data and Case Records to the national directory of New Hires and Federal Case Registry, respectively.

Coordinator:

Karen Bartlett, OCSE

Federal Representatives:

Gina Barbaro, OCSE	Anne Benson, OCSE
Nancy Bienia, OCSE	Donna Bonar, OCSE
Linda Deimeke, OCSE	Pat Hagen, OCSE
Tony Hardy, OCSE	Marcia LaRue, OCSE
Joan O'Connor, OCSE	Regina Smith, OCSE
Robin Rushton, ACF Systems	Jim Eatmon, ACF Systems
Ed Johnson, ACF Systems	George Laufert, ACF Systems
Charles Kenher, RO 1	Gary Irwin, RO 2
John Clark, RO 3	Winona Wright, RO 4
Mike Vicars, RO 5	Larry Brendel, RO 6
Carol Downs-Witcraft, RO 7	Dennis Barton, RO 8
Deborah Oppenheim, RO 9	Linda Gillett, RO 10

State Regional Representatives:

Diane M. Fray, CT (Region 1)
Cynthia Krewsky, CT (Region 1)
Catherine Butler, MA (Region 1)
Gail Dorey, MA (Region 1)
Bill Stuart, NY (Region 2)
Julia Koch, MD (Region 3)
James M. Fox, MD (Region 3)
Roselyn B. Ushery, MD (Region 3)
Jim Dingeldine, WV (Region 3)
Rachael Kirsh, VA (Region 3)
Connie White, VA (Region 3) (Deborah Harper, alternate)
Calvin Melton, FL (Region 4) (Tony G. Kirk, alternate)
Connie S. Putman, TN (Region 4)
Barry Berger, NC (Region 4)
Jerry Donovan, IL (Region 5)
Anne Jeskey, IL (Region 5)
Rose Riley, OH (Region 5)
Sue Laughlin, OH (Region 5)
Kay Dunkelberger, MN (Region 5)
Robert McDowell, MN (Region 5)

1. EXPANDED FPLS WORK GROUP (continued)

Patricia Matthews, TX (Region 6)
Cindy Gray Fink, TX (Region 6)
Doris A. Taylor, IA (Region 7)
Michael Adrian, MO (Region 7)
Craig Goellner, CO (Region 8)
David A. Sanchez, CO (Region 8)
James R. Mohler, WY (Region 8)
Judy Waters, CA (Region 9) (Mary Alim, alternate)
John Main, AK (Region 10)
Michelle Kuttan, OR (Region 10)
Jon Conine, WA (Region 10)
Gary R. Johnson, WA (Region 10)

Local Representative:

James Owen, MI (Kent County)

Employer Organizations:

Amy Bryant, American Payroll Association
Rita Zeidner, American Payroll Association

Proposed:

Michigan SESA or UI rep
California or Oregon SESA or UI rep
North or South Carolina SESA or UI rep
Texas SESA or UI rep

2. INCENTIVE FUNDING WORK GROUP

Purpose:

To reach consensus on a new incentives scheme in time to meet requirements in PRWORA to submit a report to Congress by March 1, 1997.

Coordinator:

Tom Killmurray, OCSE

Facilitator:

Wendy Gray, consultant

Federal Representatives:

Betsy Matheson, OCSE
Joyce Pitts, OCSE
Robert Harris, OCSE
Paul Legler, ASPE
John Kersey, RO 9

Gaile Maller, OCSE
Keith Bassett, OCSE
Anne Donovan, OCSE
Tony Slade, RO 5

State Regional Representatives:

Jim Hennessey, IA - NCSCEA Pres.
Jerry Fay, MA - NCSCEA VP
Dianna Durham-McCloud, IL - NCSCEA Sec./Treas.
Leslie Frye, CA - Former NCSCEA Pres.
Tony DiNallo, CT (Region 1)
Doris Sims, NJ (Region 2)
Cliff Layman, MD (Region 3)
Joyce McClaran, TN (Region 4)
Wally Dutkowski, MI (Region 5)
Gordon Hood, LA (Region 6)
Teresa Kaiser, MO (Region 7)
Terry Walter, SD (Region 8)
Nancy Mendoza, AZ (Region 9)
Glenda Straube, AK (Region 10)

Local Representative:

Barry Bloomgren, MN (Hennepin County)

3. IMPLEMENTATION STRATEGY PLAN: STATE LEGISLATION ENACTMENT
WORK GROUP

Purpose:

To provide States with a basic handbook that will provide guidance on passing and implementing State laws required to implement welfare reform. The handbook would have modules on each mandated State law, e.g., license revocation, new hire reporting, and include exemplary legislative language, rationale for the law, State experience, e.g., cost-benefit analysis, successes, pitfalls to avoid. Subworkgroups will develop the modules on the various State law mandates.

Coordinators:

Susan Notar and Jeff Ball, OCSE - Fact Sheets
Andrew Hagan, OCSE - Bill Summary, Implementation Dates and Contextual Law
Lourdes Henry, OCSE - Legislative Analysis Checklist

Federal Representatives:

Betsy Matheson, OCSE
Anne Donovan, OCSE

Donna Bonar, OCSE
Keith Bassett, OCSE
Jeff Ball, OCSE
David Arnaudo, OCSE
Chuck Kenher, RO 1
Jens Feck, RO 2
Bob Clifford, RO 3
Ed Donoghue, RO 5
Sharan Lesmeister, RO 7
Susan Honciano, RO 9

Karen Bartlett, OCSE
David Siegel, OCSE (Phil
Sharman, alternate)
Anne Benson, OCSE
Steve Cesar, OCSE
Ann Slayton, OCSE
Marilyn Cohen, OCSE
Stan Gardner, RO 1
Michael Kail, RO 2
John Clark, RO 3
Linda Lawrence, RO 5
Dennis Barton, RO 8

State Representatives:

Jeff Cohen, VT (Region 1)
Doris Sims, NJ (Region 2)
Jeff Johnson, WV (Region 3)
Jack Stuff, PA (Region 3)
Karryl Hubbard, DE (Region 3)
Barbara Paulin, DE (Region 3)
Dan Joyce, MO (Region 7)
Jamie Corkhill, KS (Region 7)

4. REGULATION REINVENTION WORK GROUP

Purpose:

To review existing regulations, examine the extent to which the law mandates them, or are a result of secretarial authority to issue rules where necessary; decide which ones to remove/clarify, and to decide what type of policy guidance should be issued regarding welfare reform legislation; examine which regulations would be impacted by legislation.

Coordinator:

Marilyn Cohen, OCSE

Federal Representatives:

Andrew Hagan, OCSE
Barbara Addison, OCSE
Anne Benson, OCSE
Craig Hathaway, OCSE
Amy Keys Shaw, OCSE
Joe Bodmer, ACF Systems
Paul Legler, ASPE
Jens Feck, RO 2
Linda Lawrence, RO 5
Sharan Lesmeister, RO 7
John Schambre, RO 9

Lourdes Henry, OCSE
Jeff Ball, OCSE
Betsy Matheson, OCSE
Steve Cesar, OCSE
Debra Hollis, OGC
Ronald Logan, ACF Systems
Nora Andrews, ASPE
Michael Kail, RO 2
Carl Rich, RO 6
Carol Downs-Witcraft, RO 7

State Representatives:

Marilyn Ray Smith, MA (Region 1)
Tom Mato, ME (Region 1)
Dian Fraye, CT (Region 1)
John Bellizzi, NY (Region 2)
Amy Keys Shaw, WV (Region 3)
Virginia Oettinger, DE (Region 3)
Angelo Bonito, GA (Region 4)
Jere Martin, GA (Region 4)
Jim Olson, MN (Region 5)
Bryan Richard, IN (Region 5)
Patrick Sullivan, TX (Region 6)
Diane Dentlinger, IA (Region 7)
Darius Sams, CO (Region 8)
Annmarie Mena, AZ (Region 9)
Mary Mallison, NV (Region 9)
Sandra Poole, CA (Region 9)
Mina Apacible, WA (Region 10)

5. INTERSTATE (UIFSA) WORK GROUP

Purpose:

To address several transitional aspects as states move from URESA to UIFSA. Five subcommittees meet as needed to discuss necessary UIFSA adaptations to the Interstate Roster and Referral Guide (IRG), a handbook for caseworkers, new standard interstate forms, and automation concerns associated with new forms. Two of the subcommittees have completed their work -- training and implementation and the development of the handbook. These subcommittees may reconvene in the future if necessary to update these materials. The forms and automation subcommittees are developing new standard interstate forms.

Overall Coordinator:

Karen Bartlett, OCSE

FORMS AND INSTRUCTIONS: Subcommittee Chairs:

David Stillman, WA

Karen Bartlett, OCSE

NOTE: OMB is reviewing proposed forms

Federal Representatives:

Steve Cesar, OCSE
Marilyn Cohen, OCSE

Dianne Offett, OCSE
Marianne Upton, OGC

State Representatives:

Don Twomey, MA (Region 1)
Cathy May, MA (Region 1)
Jarnice Johnson, VA (Region 3)
Sally McKenzie, IL (Region 5)
Barry Brooks, TX (Region 6)
Edie Markhouse, ND (Region 8)
Mark Close, SD (Region 8)
Susie Becker, CO (Region 8)
Jeanne Vega, CA (Region 9)
Tom Leeds, NV (Region 9)
Kristen Salomon, CA (Region 9)
Mary Jane Hamilton, CA (Region 9)

Association Representative:

Meg Haynes, ERICSA

5. INTERSTATE (UIFSA) (continued)

AUTOMATION: Subcommittee Co-Chairs:

Joe Bodmer, ACF Systems

Karen Bartlett, OCSE

Federal Representatives:

Joe Gloystein, OCSE

Dianne Offett, OCSE

Dave Jenkins, ACF Systems

State Representatives:

Donald Twomey, MA (Region 1)

Nancy Ignazi, MA (Region 1)

Jarnice Johnson, VA (Region 3)

Glenn Vance, TX (Region 6)

Karen Anderson, NE (Region 7)

Bruce Kaspari, CA (Region 9)

Jeanne Vega, CA (Region 9)

Georgette Crosa, AK (Region 10)

IRG/MATRIX - Subcommittee Chair:

Hope Butler, OCSE

Federal Representatives:

Karen Bartlett, OCSE

Vince Herberholt, RO 10

Donna Bonar, OCSE

State Representatives:

Chris Hart-Wright, DC (Region 3)

Jarnice Johnson, VA (Region 3)

Laurie Teat, MN (Region 5)

Kathleen Seitz, MN (Region 5)

Barry Brooks, TX (Region 6)

Linda Hoxsie, NV (Region 9)

Suzanne Agee, CA (Region 9)

Bruce Kaspari, CA (Region 9)

Diane Pietrzak, OR (Region 10)

Linda Langston, WA (Region 10)

6. CUSTOMER SATISFACTION WORK GROUP

Purpose:

To develop strategies to improve service to our customers. Customers include those we deal with directly in our business, including custodial and non-custodial parents. Customers also include internal child support enforcement staff, whether at the federal, state or local level. Improving customer service is expected to improve our program outcomes, such as increasing collections, etc.

Co-coordinators:

David Siegel, OCSE
Barbara Saunders, OH (Region 5)

Federal Representatives:

Anne Donovan, OCSE
Donna Bonar, OCSE
Kim Smith, OCSE
Phil Sharman, OCSE
Myles Schlank, OCSE
Nora Andrews, ASPE
Hap Hadd, ASMB
Anne O'Connor, OIG
Gale Quinn, RO 5
Debra Baumert, RO 9
Richard Karl, RO 10

State Representatives:

John Morrel, MA (Region 1)
Sue Grimes, WV (Region 3)
Sam Chacon, TX (Region 6)
Teresa Kaiser, MO (Region 7)
Mary Ann Wellbank, MT (Region 8)
Ken Hamilton, HI (Region 9)

Local Representative:

Barry Bloomgren, Hennepin County, MN

7. PERFORMANCE MEASURES WORK GROUP

Purpose:

To develop a set of performance indicators to measure the program's success in achieving the strategic plan goals and objectives.

Coordinator:

Tom Killmurray, OCSE

Facilitators:

Mike English, DHHS

Wendy Gray, Consultant

Federal Representatives:

Keith Bassett, OCSE
Donna Bonar, OCSE
Myles Schlank, OCSE
Jim Colarusso, OCSE
David Siegel, OCSE
Joyce Pitts, OCSE

Anne Donovan, OCSE
Bob Harris, OCSE
Gaile Maller, OCSE
Elizabeth Matheson, OCSE
Renee Jackson, OCSE
Jamie Roussel, Denver
Area Audit Office
Hugh Galligan, RO 1
Leon McCowan, RO 6
Sharon Fujii, RO 9

Roger Cronkhite, ACF Systems
John Moody, RO 6
Nancy L. Long, RO 7
John Kersey, RO 9

State Representatives:

Tony DiNallo, CT (Region 1)
Jerry Fay, MA (Region 1)
Frank Richards, NH (Region 1)
Gerald Lindsay, ME (Region 1)
John Murphy, RI (Region 1)
Doris Sims, NJ (Region 2)
Robert Doar, NY (Region 2)
Sally Montello, WV (Region 3)
Barbara A. Paulin, DE (Region 3)
Barry Miller, NC (Region 4)
Barry Gladden, FL (Region 4)
Steven P. Veno, KY (Region 4)
Dianna Durham-McCloud, IL (Region 5)
Wally Dutkowski, MI (Region 5)
Todd Kummer, WI (Region 5)
Loretta Adams, OH (Region 5)
Wayland Campbell, MN (Region 5)
Gordon Hood, LA (Region 6)
Victor Mantilla, TX, (Region 6)
Patrick Sullivan, TX (Region 6)
Alice Embree, TX (Region 6)

7. PERFORMANCE MEASURES WORK GROUP - continued

Daryl Wusk, NE (Region 7)
Jim Hennessey, IA (Region 7)
Teresa Kaiser, MO (Region 7)
James Mohler, WY (Region 8)
Darius Sams, CO (Region 8)
Jim Kidder, UT (Region 8)
Dennis Shober, MT (Region 8)
Leslie Frye, CA (Region 9)
Dan Gray, AZ (Region 9)
Glenda Straube, AK (Region 10)
Shannon Barnes, ID (Region 10)

Local Representatives:

Michael Infranco, NY (New York City)
Barry Bloomgren, MN (Hennepin County)
Wayne Doss, CA (LA County)

8. INCOME WITHHOLDING FORM WORK GROUP

Purpose:

This Work Group facilitates the use of the standardized form by working with State Child Support Enforcement Agencies and employers' payroll administrators. (OMB is reviewing form for approval as of 11/29)

Coordinator:

Dianne Offett, OCSE

Federal Representatives:

Jeff Ball, OCSE
Linda Deimeke, OCSE
Craig Hathaway, OCSE
Regina Smith, OCSE
Carole Maloney, Systems

Donna Bonar, OCSE
Pat Hagen, OCSE
Yvette Riddick, OCSE
Delores Johnson, ACF Systems
Judy Wengierski, Denver
Area Audit Office

Vince Herberholt, RO 10

State Representatives:

Brad Kramer, MA (Region 1)
Jeff Young, ME (Region 1)
Eileen Coughlin, NJ (Region 2)
H. Edward Ricks, DC (Region 3)
Andy Haman, DE (Region 3)
Chuck Beldin, MI (Region 5)
Bill Hart, MI (Region 5)
Alicia Key, TX (Region 6)
Doris Taylor, IA (Region 7)
Ann Mignerey, CO (Region 8)
Kirsten Solomon, CA (Region 9)
John Bodger, NV (Region 9)

Employer Organizations:

Amy Bryant, American Payroll Association
Dan Glum, American Society of Payroll Management

Association Representative:

Joel Bankes, NCSEA

9. DISTRIBUTION WORK GROUP

Purpose:

To determine how to do distribution under the welfare reform statute, including repeal of the \$50 pass-through. In the context of UIFSA, to address reconciliation of arrearage under multiple orders.

Coordinator:

Betsy Matheson, OCSE

Federal Representatives:

Lourdes Henry, OCSE
Jeff Ball, OCSE
Bob Keith, OGC
Gaile Maller, OCSE
Steve Cesar, OCSE
Ken Jensen, OCSE
Ed Morris, ACF Systems
Glen Branson, Sacramento Area Audit Office
Tom Belcher, Boston Area Audit Office
Tony Cass, Columbus Area Audit Office
Sid Houston, Nashville Area Audit Office
Jamie Roussel, Denver Area Audit Office
Dennis Minkler, RO 2
John Moody, RO 6
Gary Sullivan, RO 7
Susan Honciano, RO 9
Don Williams, RO 10

State Representatives:

Marilyn Ray Smith, MA (Region 1)
Eileen Coughlin, NJ (Region 2)
Bill Stuart, NY (Region 2) (John Bellizzi, alternate)
Lillian Overton, NC (Region 4)
Linda Hudson, AL (Region 4)
Ann Wieber, MI (Region 5)
Kathy Seitz, MN (Region 5)
Cheryl Szkotak, TX (Region 6)
Gordon Hood, LA (Region 6)
Byron Van Patten, NE (Region 7)
Gary Bailey, MO (Region 7)
Jim Hennessey, IA (Region 7)
Mary Armstrong, ND (Region 8)
B.J. Johnson, MT (Region 8)
Jim Mohler, WY (Region 8) (Julie Cook, alternate)
Carmen Cody, CA (Region 9) (Nancy Huston, alternate)
Annmarie Mena, AZ (Region 9)
Leland Sullivan, NV (Region 9)
David Stillman, WA (Region 10) (Elizabeth Morgan, alternate)

Diane Pietrzak, OR (Region 10)

10. NATIONAL CHILD SUPPORT ENFORCEMENT TRAINING WORK GROUP

Purpose:

As a collaborative effort with the child support community, to develop a national strategy for meeting our diverse training needs in order to improve child support enforcement program results and customer services at the Federal, State and local level. This strategy supports the mission of the Child Support Enforcement Program - to improve the lives of America's children.

Coordinators:

Beth Dulac, VT (Region 1)

Roy Nix, OCSE

Facilitator:

Allison Gurnitz, Consultant

Federal Representatives:

Yvette Riddick, OCSE

Dianne Offett, OCSE

Mae Rowlett, OCSE

David Arnaudo, OCSE

Nancy L. Long, RO 7

Donna Bonar, OCSE

Linda Deimeke, OCSE

Michelle Jefferson, OCSE

Myles Schlank, OCSE

Vince Herberholt, RO 10

State Representatives:

Tom Horan, CT (Region 1)

Russell Davies, MA (Region 1)

Larry Ullian, ME (Region 1)

Eileen Coughlin, NJ (Region 2)

Angela Burdette, WV (Region 3)

Jim Nau, DE (Region 3)

Mary Anderson, MN (Region 5)

Carol Smith, WI (Region 5)

Ted White, TX (Region 6)

Jim Hennessey, IA (Region 7) (Liz Calvert, alternate)

Teresa Kaiser, MO (Region 7)

Judy Manhas, NE (Region 7)

Diane Young, CO (Region 8)

Marie Coughlin, CA (Region 9)

Lelsie Arnold, NV (Region 9)

Barb Austin, WA (Region 10)

Local Representative:

Bill Camden, MI (Kent County)

10. NATIONAL CHILD SUPPORT ENFORCEMENT TRAINING WORK GROUP --
continued

Association Representatives:

Frank Gavin, Institute for Court Management (Maria Schmidt,
alternate)

Joel Bankes, NCSEA

Margaret Campbell Haynes, ERICSA

Bill Schwartz, CA State Family Support Council

Vendor Representatives:

Dennis Corriveau, Service Design Associates

T. Vernon Drew, Center for the Support of Families

Robert Heimbuch, Technology Management Resources

Michael Rothschild, Rothschild Associates

TBA , Policy Studies Inc.

11. STATE INTERNAL SELF-ASSESSMENT WORK GROUP

Purpose:

To assist States in developing capability and a process for annual self-reviews and reports to the Secretary on their State programs required under Welfare Reform. These reviews would replace Federal audits of State compliance with Federal requirements. The work group will focus on providing technical assistance on organization, tools, techniques, corrective actions, and report content and objectives.

Coordinator: *Mike Hansen, OCSE

Facilitator: *Myles Schlank, OCSE

Federal Representatives:

*Betsy Matheson, OCSE

*Lourdes Henry, OCSE

*Keith Bassett, OCSE

*Monica Dazzio, Denver AAO, OCSE

*Dick Snyder, OCSE

*Dave Lesmeister, Topeka AAO, OCSE

Bob Edson, Boston AAO, OCSE

*Barbara Addison, OCSE

*Mike Fitzgerald, ACF
Systems

*Robert Kilpaterick,
Olympia AAO

*Jo Shannon, RO 8

*Gaile Maller, OCSE

*Stan Gardner, RO 1

State Representatives:

*Jerry Fay, MA (Region 1)

*Larry Wescott, NJ (Region 2)

*Shirley Larson, MD (Region 3)

Steve Henriksen, IL (Region 4)

Dave Scoville, IL (Region 5)

*Jeff Lewis, TX (Region 6)

Larry Waterhouse, TX (Region 6)

John Mallonee, AR (Region 6)

*LeRoy Gilliam, MO (Region 7)

*Chad Dexter, MT (Region 8)

Jim Munch, WY (Region 8)

Sandy Zoerner, NV (Region 9)

David Bray, AZ (Region 9)

Barbara Kipp WI (Region 5)

April More, WA (Region 10)

10)

Brian Belanger, CT (Region 1)

Barbara LaMont, DE (Region 3)

*Jerry Swank, FL (Region 4)

*Barbara Saunders, OH (Region
5)

Wayland Campbell, MN (Region
5)

Fred McCrosky, OK (Region 6)

Ron Johnson, MI (Region 5)

Kathlene Larson, IA (Region
7)

Jan Overmiller, NE (Region 7)

Darius Sams, CO (Region 8)

*Vivian DuFour, CA (Region 9)

Allen Komo, HI (Region 9)

*Bob Bryant, WA (Region 10)

Suzette Ashworth, TX (Region
6)

Nancy Mathieson, WA (Region

*Members of the Core Team

12. SYSTEMS CERTIFICATION REQUIREMENTS WORK GROUP

Purpose:

To develop guidelines for States in developing enhancements to their Statewide automated CSE system that incorporate the requirements of the Welfare Reform.

Coordinator:

Ron Logan, ACF Systems

Federal Representatives:

Lourdes Henry, OCSE
Mike Fitzgerald, ACF Systems
Mike Rifkin, ACF Systems
Carl Christensen, Seattle Area Audit Office
Albert Grasso, Atlanta Area Audit Office
Ed Pisani, RO 1
Dick Bullington, RO 5
Stan Friedman, RO 6
Don Williams, RO 10

Ad Hoc Members:

All OCSE Division Directors

State Representatives:

Walter Sullivan, DE (Region 3)
Tom Bernier, AL (Region 4)
Jim Fricke, MI (Region 5)
Wayne Talbot, TX (Region 6)
Marie Theisen, IA (Region 7)
Cynthia Brammeier, NE (Region 7)
Norma Rose, MO (Region 7)
Terri Hrechkosy, UT (Region 8)
Terry Walter, SD (Region 8)
Craig Goellner, CO (Region 8)

13. INTERNATIONAL COMMITTEE WORK GROUP

Purpose:

To address issues surrounding international child support enforcement, to assist in defining the enhanced role of the U.S. central authority in HHS in facilitating international support enforcement cases, and to provide state input into U.S. federal declarations of UIFSA reciprocity status for foreign countries.

Coordinators:

Stephen Grant, OCSE Gary Caswell, TX (Region 6)

Federal Representatives:

Craig Hathaway, OCSE
Anne Benson, OCSE
Paul Legler, ASPE
Jens Feck, RO 2
JP Soden, RO 9
Gloria DeHart, Department of State
Lexa Edsall, Department of Justice

State Representatives:

Robert Ortiz, NH (Region 1)
Tom Horan, CT (Region 1)
Grace Emley, NJ (Region 2)
Aurjul Wilson, VI (Region 2)
Sharon Beard, DE (Region 3)
Patterson Miller, FL (Region 4)
Patricia Brooks, AL (Region 4)
Dianna Durham-McCloud, IL (Region 5)
Sally McKenzie, IL (Region 5)
Georgette Crosa, AR (Region 6)
Linda Martell, HI (Region 9)
Margot Bean, GU (Region 9)
Mary Jane Hamilton, CA (Region 9)

Local Representative:

Judy Nightingale, CO (Jefferson County)

14. PATERNITY ESTABLISHMENT WORK GROUP

Purpose:

To provide a national network, focal point and a catalyst for state, local and national efforts to increase the numbers of legal paternities established for children born to unmarried parents.

Coordinators:

Ann Slayton, OCSE

Debra Pontisso, OCSE

Federal Representatives:

Anne Donovan, OCSE
Andrew Hagan, OCSE
Susan Notar, OCSE
Joyce Pitts, OCSE
Rob Cohen, OCSE
Dail Moore, OFA
Jens Feck, RO 2
Janet Shore, RO 4
Carl Rich, RO 6
Karen Young, RO 8
Linda Gillett, RO 10

David Arnaudo, OCSE
Jeff Ball, OCSE
Susan Bennington, OCSE
Mae Rowlett, OCSE
Myles Schlank, OCSE
John Perez, RO 1
Valerie Kelly, RO 3
Gale Quinn, RO 5
Patricia Cullen, RO 7
Debra Baumert, RO 9

State Representatives:

Atheline Nixon, MA (Region 1)
Brian Belanger, CT (Region 1)
Stephen Hussey, ME (Region 1)
Francine Vitagliano, NJ (Region 2)
Lee Sapienza, NY (Region 2)
Aurjul Wilson, PR (Region 2)
Cindy Clayton, VA (Region 3)
Leslie Woods, DE (Region 3)
Harold Schreiber, PA (Region 3)
Donna Sims, MD (Region 3)
Amy Rothschild, SC (Region 4)
Ernie Durfee, FL (Region 4)
Ronni Harper, WI (Region 5)
Lois Rakov, IL (Region 5)
Mark Jones, TX (Region 6)
Joan Hutchinson, TX (Region 6)
Mary Pat Kelly, NE (Region 7)
Pam Rich, MO (Region 7)
Donna Crow, CO (Region 8)
Patricia Shuman, NV (Region 9)
Susan Tunks, AZ (Region 9)
Jim Mullany, CA (Region 9)
Bob David, OR (Region 10)

15. NATIVE AMERICAN WORK GROUP

Purpose:

To develop strategies to improve OCSE services to our Native American customers. To identify status of current Native American operations in each state and provide suggestions to improve Native American service levels. To identify current barriers to services for Native Americans. To compile all existing child support cooperative agreements, compacts, contracts, etc., between states and Native Americans and share with other states.

Coordinator:

Lucille Dawson, OCSE

Federal Representatives:

Craig Hathaway, OCSE
Linda Lawrence, RO 5
Carl Rich, RO 6
Susan Honciano, RO 9
Judy Ogliore, RO 10

Lourdes Henry, OCSE
Joanne Lacey-Ward, RO 5
Jo Shannon, RO 8
Vince Herberholt, RO 10

State Representatives:

Barry Miller, NC (Region 4) Jim Olsen, MN (Region 5)
Helen Nelson, NM (Region 6) Ruth Wilke, NE (Region 7)
Bill Strate, ND (Region 8) James Mohler, WY (Region 8)
Nancy Mendoza, AZ (Region 9)
John E. Chapman, AK (Region 10)
Sara Colleen Sotomish, WA (Region 10)
April Moore, AK (Region 10)

Native American Representatives:

Vivian Moore, Navajo
Philip S. Deloria, Rose Bud Sioux
Ron Allen, Port Gamble S'Klallam
Betty Rushing, Creek
Tallis Woodward, Port Gamble Jamestown S'Klallam
Debora O'Gara, Tlinglit
Marla BigBoy, Colville
T.C Bear, Quapaw
Dawna Hare, Pawnee
Frances M. Wise, Wichita and Affiliated Tribes
Genonune Riggs-Farrell, Pueblo of Jamez

Association Representative

Norm DeWeaver, Economic and Rural Development Specialist,
Center for Community Change

16. TECHNICAL ASSISTANCE WORK GROUP

Purpose:

Provides advice, feedback and suggestions to the Technical Assistance Branch (TAB) on the overall IV-D program's technical assistance needs and provisions to meet those needs. Serves as a facilitator between Regional Offices, Central Office, States and local partners to ensure effective working relationships. Performs work through its membership or through appointed subcommittees to fulfill the "Outcomes" specified in the Branch's Charter. Acts as a catalyst for continuous improvement in providing technical assistance.

Coordinators:

Jeff Ball, OCSE
Regional and State co-leads, on rotating basis

Facilitator:

Nancy Iris, Office of Refugee Resettlement (ACF)

OCSE Representatives:

Terrence Justin, OCSE
Linda Deimeke, OCSE
Phil Sharman, OCSE
Ron Logan, ACF Systems
Dennis Minkler, RO 2
Hazel Walton, RO 4
Armand Graves, RO 6
Roseann Robinson, RO 8
Linda Gillett, RO 10

Mae Rowlett, OCSE
Robert Dutt, OCSE
Myles Schlank, OCSE
Carol Monteiro, RO1
Robert Clifford, RO 3
Gale Quinn, RO 5
Nancy L. Long, RO 7
John Kersey, RO 9

Ex Officio

David Gray Ross, OCSE
Michelle Jefferson, OCSE

Bob Harris, OCSE

State Representatives

Diane Fray, CT (Region 1)
Pat Addison, VA (Region 3)

Mary Ann Nore, OH (Region 5)

Leroy Gilliam, MO (Region 7)

Mark Bluemke, AZ (Region 9)

Jim Hennessey, President, NCSCSEA

Doris Sims, NJ (Region 2)

Peggy Bridges, MS
(Region 4)

Charla Long, TX
(Region 6)

Andrea Baugher, CO
(Region 8)

David Stillman, WA
(Region 10)

17. Definitions Work Group

Purpose: TBD

Coorindators:

OCSE Representatives:

State Representatives:

APPENDIX A

STATE REGIONAL REPRESENTATIVES

REGION 1 Jeff Cohen, ME
REGION 2 Doris Sims, NJ
REGION 3 Rotates among states
REGION 4 Joyce McClaran, TN
REGION 5 Wally Dutkowski, MI
REGION 6 Gordon Hood, LA
REGION 7 Daryl Wusk, NE
REGION 8 Mary Ann Wellbank, MT
REGION 9 Leland Sullivan, NV
REGION 10 Glenda Straube, AK

APPENDIX B

STATES (BY FEDERAL REGION)

REGION 1

Boston, MA

Connecticut (CT)
Maine (ME)
Massachusetts (MA)
New Hampshire (NH)
Rhode Island (RI)
Vermont (VT)

REGION 2

New York City, NY

New Jersey (NJ)
New York (NY)
Puerto Rico (PR)
Virgin Islands (VI)

REGION 3

Philadelphia, PA

Delaware (DE)
District of Columbia (DC)
Maryland (MD)
Pennsylvania (PA)
Virginia (VA)
West Virginia (WV)

REGION 4

Atlanta, GA

Alabama (AL)
Florida (FL)
Georgia (GA)
Kentucky (KY)
Mississippi (MS)
North Carolina (NC)
South Carolina (SC)
Tennessee (TN)

REGION 5

Chicago, IL

Illinois (IL)
Indiana (IN)
Michigan (MI)
Minnesota (MN)
Ohio (OH)
Wisconsin (WI)

REGION 6

Dallas, TX

Arkansas (AR)
Louisiana (LA)
New Mexico (NM)
Oklahoma (OK)
Texas (TX)

REGION 7

Kansas City, MO

Iowa (IA)
Kansas (KS)
Missouri (MO)
Nebraska (NE)

REGION 8

Denver, CO

Colorado (CO)
Montana (MT)
North Dakota (ND)
South Dakota (SD)
Utah (UT)
Wyoming (WY)

REGION 9

San Francisco, CA

American Samoa (AS)
Arizona (AZ)
California (CA)
Guam (GU)
Hawaii (HI)
Nevada (NV)
Northern Mariana Islands (NM)

REGION 10

Seattle, WA

Alaska (AK)
Idaho (ID)
Oregon (OR)
Washington (WA)

\$2 billion search fails to catch deadbeat parents

OUR VIEW Stories of improvement prove illusory as states bungle 17-year, high-tech plan to collect child support.

Disturbed by news that states had failed to collect more than 80% of delinquent child-support payments in 1980, the federal government set out to help. It began paying states to develop computer systems that would track deadbeat parents.

Seventeen years later, with an Oct. 1 completion deadline looming, the project is a \$2 billion fiasco.

Thirty-five states and 60% of the nation's child-support cases are not fully computerized. And states still fail to collect more than 80% of overdue child support, with past-due accounts now topping \$32 billion.

The news comes amid a drumbeat of stories trumpeting rising child-support collections thanks to new laws requiring states to garnish wages, seize assets and revoke the driver's licenses of delinquent parents. But that, too, is an illusion.

Child-support payments are indeed up. Collections in cases of delinquency nearly doubled between 1990 and 1995. But only because the number of divorced parents ordered to help support their children jumped 60% during the same period.

Advocacy groups say much of the blame belongs right where it did two decades ago: on computers inadequate to track the 36% of deadbeat parents who move out of state.

So what happened to taxpayers' \$2 billion? It was wasted on ineffective and incompatible computer systems, according to an investigation by Congress' General Accounting Office.

The study tells a tale of expensive foot-dragging by states and lackadaisical leadership and oversight by the feds — with plenty of private-sector inefficiency thrown in.

The federal government was three years late developing system requirements, forcing costly modifications. Ignoring earlier GAO recommendations, the government refused to penalize the many states that missed deadlines and misspent funds.

No one knows how much more time and money will be needed to turn the half-baked, 50-state patchwork into a fully functioning national computer network.

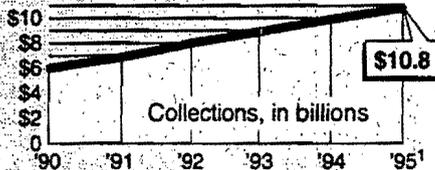
Unfortunately, neither taxpayers nor the 30 million children who are due child support can afford to wait.

President Clinton estimates 700,000 mothers and children have been forced on welfare because they don't receive the child support they should. That's a cost of \$4.2 billion each decade to cover the flouted parental obligations.

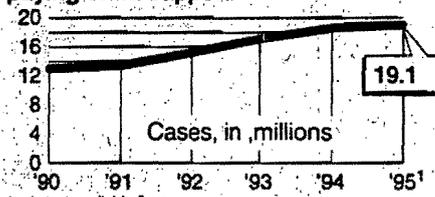
Even more troubling, under welfare reform, states will begin to phase out cash

Child support

States are collecting more child support from deadbeat parents ...



... but only because there are more deadbeats to catch and more parents paying child support.



1 - Latest available figures.
Source: Department of Health and Human Services

By Genevieve Lynn, USA TODAY.

welfare in October 1998, including aid to families in need of money to make up for outstanding child support.

The Clinton administration insists states can fix their failed child-support collection systems with more time and money — as if 17 years and \$2 billion aren't a fair test of a failed idea.

A fresh start makes more sense.

One solution is touted by Congress' latest odd couple. Conservative Henry Hyde, R-Ill., has paired up with former welfare mom Lynn Woolsey, D-Calif., to push for legislation that would take child-support collection duties away from the states and give them to the Internal Revenue Service.

The idea makes sense. As much as folks love to hate the IRS, it does a good job of collecting debts.

The IRS is already in the child-support collection business and has been since 1981 when it began tapping into the income-tax refunds of parents who owe back child support. Since then, the IRS has caught 10 million deadbeat parents and recovered more than \$6 billion for their children. Without the IRS' help in docking tax refunds, collection rates would be even lower.

This bill expands on that success by allowing the IRS to collect child-support payroll deductions. State courts would continue to decide who must pay and how much.

At a time when Washington is focused on transferring duties to the states, increasing the IRS' duties goes against the grain. But states had the first shot at developing child-support collection systems to protect their most vulnerable residents. Their sub-20% collection rates show how miserably they have failed.

Now it's time to make child-support payments as ordinary — and as inevitable — as paying taxes.

This is no job for the IRS

OPPOSING VIEW **Collecting support is a state responsibility. Would you entrust kids' welfare to the IRS?**

By Terry E. Branstad

There is a proposal in Congress to turn the well-being of America's children over to the Internal Revenue Service.

The plan to assign to the Internal Revenue Service all responsibility for collecting child support sounds exceedingly simple, but do you really trust the IRS with such an important responsibility?

The IRS already faces some tough challenges, including a myriad of internal problems. Recovering taxes not paid voluntarily is not one of its strengths. According to the IRS' own data, taxpayers voluntarily pay about 83% of their income taxes. Using its enforcement tools, the IRS collects only another 4%.

On the other hand, state child-support enforcement agencies deal with involuntary payers every day, including many self-employed people who, it's estimated, report to the IRS only 19% of their income. Still, in 1995 state agencies collected 53% of unpaid child support. That's not as good as it can or should be, but it is continuously improving and it's much better than the IRS could do.

Last year's welfare reform was a major step forward in improving child-support collection. In addition to new tools to collect child support across state lines, it gives states the flexibility to be innovative. We now can direct employers to withhold child support from the wages of those who fail to

pay and can track withholding through a single statewide system.

In addition, unemployed parents will be subject to orders to seek jobs. Self-employed parents who refuse to pay support will be subject to loss of professional, driver's and recreational licenses. Any parent who falls behind in payment of support will be subject to seizure of assets identified by financial institutions.

In Iowa, we have increased child-support collections from \$73 million in 1990 to \$160 million last year — an increase of 119%. And we are not alone. That is happening in state after state because the federal government is now empowering states, rather than tying our hands.

Federal assistance is vital. IRS tax-refund offsets long have been an effective enforcement tool that will continue, and a new nationwide child-support case registry will help states track child support across state lines and throughout the nation.

Last year, Congress totally revamped our federal welfare system because we learned that a single national solution does not work. Public assistance and child-support recovery must work hand in hand to help Americans achieve self-sufficiency.

Child support is essential to the well-being of millions of children in this country. The best approach is for states to maintain primary responsibility for child-support enforcement.

I don't think there are many Americans who would trust the IRS with the well-being of their children.

Terry E. Branstad, four-term governor of Iowa, is the nation's senior governor and chairman of the Republican Governors Association.

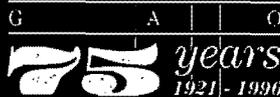
GAO

Report to the Chairman, Committee on
the Budget, House of Representatives

October 1996

CHILD SUPPORT ENFORCEMENT

States' Experience With Private Agencies' Collection of Support Payments



June 1997

CHILD SUPPORT ENFORCEMENT

Strong Leadership Required to Maximize Benefits of Automated Systems



GAO

Report to the Chairman, Subcommittee
on Federal Services, Post Office and
Civil Service, Committee on
Governmental Affairs, U.S. Senate

December 1994

CHILD SUPPORT ENFORCEMENT

Families Could Benefit From Stronger Enforcement Program



STATUS OF CHILD SUPPORT ENFORCEMENT IN THE UNITED STATES[©]



The Association for Children for Enforcement of Support, Inc.

A Report by:
Association for Children for Enforcement of Support

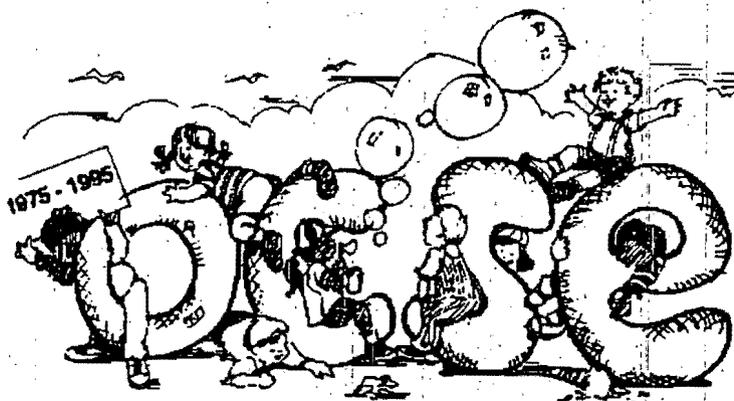
By: Geraldine Jensen
Nora O'Brien

with Research Done by:
Susan Chargin, Alicia Dienst,
Joanne French, Molly Knott,
and Penny Lane

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CHILD SUPPORT ENFORCEMENT



Giving Hope and Support to America's Children

20th ANNUAL REPORT TO CONGRESS

For the Period Ending September 30, 1995