

# oppaga Progress Report



February 2003

Report No. 03-13

## Child Support Program Has Adopted or Addressed Most Recommendations

### *at a glance*

The Child Support Enforcement program has taken action to adopt most of the recommendations made in our 2000 report. However, the program does not plan to implement our recommendation that alternatives to incarceration be selectively made available and conditioned upon timely payment of currently owed child support.

### Scope

In accordance with state law, this progress report informs the Legislature of actions taken by the Department of Revenue in response to a 2000 OPPAGA report.<sup>1,2</sup> This report presents our assessment of the extent to which the department has addressed the findings and recommendations included in our report.

### Background

As a condition of receiving federal public assistance funds, states are required to operate child support enforcement programs. The federal Office of Child Support Enforcement within the Department of Health and Human

Services must approve state programs. Families receiving welfare benefits are required to participate in the Child Support Enforcement Program. Families that do not receive federal public assistance may request Child Support Enforcement Program services, for which they are charged a fee of \$25 in Florida.

The Department of Revenue is responsible for administering Florida's Child Support Enforcement Program. Activities performed by the program include case intake; paternity establishment; and child support order establishment, modification, collection, and enforcement. The program also provides parent locator and customer services.

As shown in Exhibit 1, case intake is the initial activity in the child support enforcement process. Case intake includes collecting basic case data and determining which subsequent activity is needed. Case intake directs cases to the paternity establishment, support order establishment, support order modification, or support order collection and enforcement established will be referred to the support order establishment activity. When the child support order is established, the case is then transferred to the support order collection and enforcement activity where the program helps to ensure that payments are collected and promptly distributed.

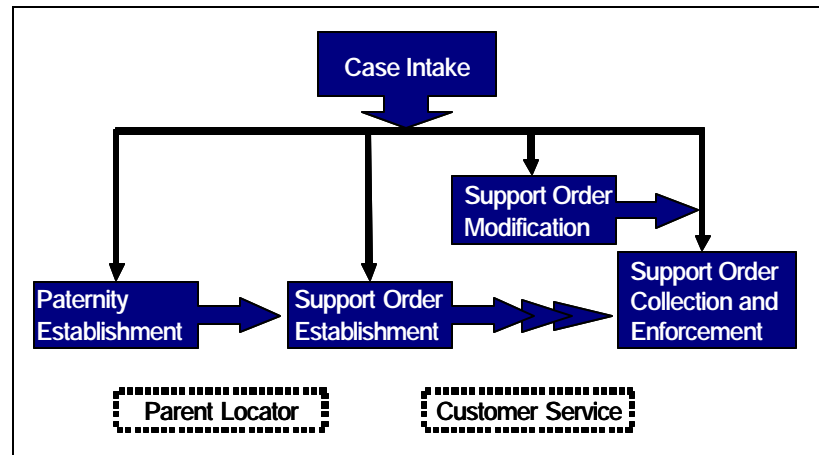
<sup>1</sup> Section 11.51(6), *Florida Statutes*.

<sup>2</sup> *Justification Review: Child Support Enforcement Program*, OPPAGA [Report No. 00-24](#), December 2000.

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The two other program activities, parent locator and customer service, provide assistance to the child support enforcement process, as required. For example, a custodial parent applying for child support order enforcement services may not know the location of the non-custodial parent. Thus, parent locator activity staff would be responsible for identifying the necessary personal identification and asset information of the non-custodial parent before any enforcement actions could be taken.

**Exhibit 1**  
**The Program Performs Several Activities**



Source: Department of Revenue and OPPAGA analysis.

## Program resources

For Fiscal Year 2002-03, the Legislature appropriated \$232.41 million to administer Florida's Child Support Enforcement Program, of which approximately \$40.3 million was derived from the state's general revenue fund. The federal government and the states share administrative costs to operate the program at the rate of 66% and 34%, respectively, and share any recovered costs and fees. In addition, the federal government awards incentive payments to states. The Legislature appropriated 2,370 positions to the Child Support Enforcement Program for Fiscal Year 2002-03.<sup>3</sup>

## Prior Findings -----

Our 2000 review determined that the program had performed well in achieving its goals and had met the standards established for its legislative measures as well as several key internal measures. However, to strengthen the program's accountability system, we recommended that the Legislature adopt new federal incentive measures as the program's performance-based program budgeting

measures. The federal measures would enable the Legislature to directly compare Florida's program outcomes to those of other states, as well as to monitor the department's progress towards earning federal incentive funds. We also recommended that the program establish internal performance measures and standards for its key business processes, to include unit cost data. This would enable the department to identify best practices used by the area service centers that have the strongest performance and apply these best practices statewide.

Our 2000 review identified several options to reduce the need for additional funding from the state's general revenue and to improve the program's effectiveness. To reduce the reliance on general revenue, we recommended that the program increase its efforts to maximize revenue from other revenue sources by increasing its eligibility for federal incentive funding and by improving the recovery of administrative expenses.

Our 2000 review also determined that the program could reduce the costs and improve the process for establishing and collecting child support obligations. Our report made several recommendations to reduce program costs, while improving performance. These are shown in Exhibit 2.

<sup>3</sup> These staffing levels do not include positions required to perform child support enforcement services in Dade and Manatee counties, which separately administer their own programs as authorized by the Legislature in 1985.

## Exhibit 2

### OPPAGA Recommendations for General Revenue Savings and Improvements in Efficiency and Cost-Effectiveness for Child Support Enforcement

Recommendations for General Revenue Fund Savings	Recommendations to Improve Efficiency and Cost-Effectiveness
<ul style="list-style-type: none"> <li>▪ The department can realize \$2 million in additional federal incentive funding in Fiscal Year 2001 by modifying its data systems to automatically identify cases that meet the new federal case closure criteria and research such cases to determine whether the cases should be closed or whether it is feasible to continue to work the cases.</li> <li>▪ The department also may be able to increase federal incentive funding by serving all of Florida's child support recipients. We recommended that the program research this option and submit its recommendations and findings to the Legislature.</li> <li>▪ The program can recover an additional \$2.1 million annually by taking several steps to improve its collection of court-assessed administrative costs. Specifically, the program should               <ol style="list-style-type: none"> <li>1. update its administrative cost schedule to reflect current program operations and expenses;</li> <li>2. implement a statewide policy that requires its contract attorneys to file for recovery of administrative costs in all cases in which non-custodial parents are deemed to have the ability to pay these costs;</li> <li>3. include court-ordered costs as part of income deduction orders;</li> <li>4. adopt a policy to send standard billing notices and delinquency letters;</li> <li>5. use private collection agencies to collect on delinquent accounts when it is cost-beneficial to do so;</li> <li>6. direct all such payments to a single statewide location; and</li> <li>7. modify the FLORIDA System to track court-ordered administrative costs.</li> </ol> </li> </ul>	<ul style="list-style-type: none"> <li>▪ The new sanctioning and cooperation process be implemented statewide as soon as feasible.</li> <li>▪ Cases referred to the Department of Children and Families for sanctioning are monitored to ensure that all requested sanctions are implemented in a timely manner.</li> <li>▪ The program should adopt the procedures used in pilot project to improve the effectiveness of interstate case petitions that are received from other states.</li> <li>▪ The program should strengthen the controls over interstate case petitions that are initiated by Florida to ensure that other states are able to respond to Florida's request in a timely manner.</li> <li>▪ Before a decision to centralize regional call centers is made, the program should expand its study to cover important factors such as human resources and computer equipment.</li> <li>▪ The program should include an empirical determination of the cost required to perform each of the child support enforcement-related activities with its ongoing joint study with the Office of State Courts Administrator to improve the judicial process used to establish and modify child support orders in Florida.</li> <li>▪ To increase voluntary collections and reduce the costs associated with more punitive enforcement actions, the program should employ adaptive enforcement strategies that recognize unique client characteristics, such as a non-custodial parent's readiness, willingness, and ability to comply with their child support orders.</li> <li>▪ The courts should consider alternatives to incarceration, such as work release and electronic monitoring, be selectively made available and conditioned upon timely payment of currently owed child support. In addition to increasing child support collections, implementation of this recommendation could save counties \$10 million a year.</li> <li>▪ The program should work with Workforce Florida, Inc., to develop programs that increase the earning potential of non-custodial parents and encourage these parents to access One-Stop Career Centers for job and life skills training eligibility determinations.</li> <li>▪ The program should work with Workforce Florida, Inc., to provide mediation services on an "as-needed" basis for program client's involved in the child support order establishment process.</li> <li>▪ To reduce the \$32.6 million balance of undistributed funds held by the program, OPPAGA recommends that the Department of Revenue seek and the Legislature grant amendments to current law to allow the program to declare collections that have been held by the program for a three-year period and have been determined to be undistributable as unclaimed property.</li> </ul>

Source: OPPAGA analysis.

## Current Status

Since our prior report, the program has implemented our recommendation to adopt the new federal incentive measures as the program's performance-based program budgeting measures, and it is working to establish internal performance measures and standards for its key business processes. The program has not fully implemented any of our recommendations to reduce reliance on the state's general revenue fund. However, the program has addressed most of our recommendations to improve the efficiency and cost-effectiveness of its activities.

### *Strengthening program accountability*

**Federal incentive measures have been adopted as the program's legislative measures, and it is working to establish new internal measures and performance standards.** As we recommended, the 2001 Legislature adopted the federal incentive measures as legislative measures for Fiscal Year 2001-02. The program reported that it has established performance targets at service centers for the applicable federal incentive measures. It has also developed performance measures for activities performed by its partners, including private attorneys, the Attorney General, sheriffs, and hearing officers, and is conducting a pilot in five counties to test the use of the new measures.

The program is in the process of developing internal measures for its key business processes. This process is part of a long-term strategic initiative. The program has currently identified internal measures for some of its activities and anticipates having internal measures and associated performance standards for all of its activities established during the next two to three years.

### *Reducing reliance on general revenue*

The program has not implemented our recommendations to reduce its need for general revenue funding.

**The program has not modified its data systems to automatically identify cases that meet the new federal case closure criteria.**

In 1999, the federal government issued revised regulations that identified new criteria that may be used to close child support cases. Our analysis identified 45,819 cases that may be eligible for closure by applying the revised federal case closure criteria, which would result in an increase of approximately \$2 million in incentive funding for federal Fiscal Year 2001. The program applied the new federal criteria and closed a sufficient number of cases to become eligible for the additional federal incentive funding.

However, the program reported that it has not modified its database to automatically identify cases meeting the new federal case closure criteria. Identification and closure of cases meeting these new federal criteria through automation would serve to maximize the amount of federal incentive funding for which the program may be eligible.

**A study to determine the impact of including all child support orders in the program's caseload has not been completed.**

The program reported that it has identified the type and source of data needed to conduct a study, but that it has not been completed. Including private child support orders into the programs caseload can serve to improve federal incentive measure performance. However, an evaluation of the impact of these additional cases on the program's computer systems and staffing requirements needs to be conducted to determine if it is clearly cost-beneficial to add these cases to its existing caseload.

**The program has not taken the recommended steps to improve its recovery of administrative expenses from non-custodial parents.**

As identified in Exhibit 2, our report identified seven specific actions to improve its recovery of administrative expenses from non-custodial parents. The program reported that it has not implemented any of these recommended actions. However, as part of its pilot project to improve contracted legal service, new language has been included in contracts requiring that contracted legal service

providers “seek a court order for recovery of department and administrative fees in all paternity and child support orders.” We estimated that if our recommendations were implemented, the program could improve its administrative cost collection rate from 5% to 25% and recover an additional \$4.4 million annually.

### ***Improving efficiency and cost-effectiveness***

Most of our recommendations to improve the efficiency and cost-effectiveness of the program’s activities have either been enacted or addressed.

#### **The piloted process to improve performance and reduce unwarranted public assistance payments has been implemented statewide.**

The new process to sanction public assistance benefits when custodial parents do not cooperate with the program was fully implemented statewide on February 1, 2001. This new process ensures that custodial parents do not receive public assistance benefits until they are deemed cooperative during the program’s intake process. The new process should greatly reduce the number of instances where a custodial parent is receiving public assistance for several months without cooperating with the Child Support Enforcement Program. However, a custodial parent may be deemed to be uncooperative after a case is established, which would result in a request to sanction his/her public assistance benefits. The program should monitor these cases referred to the Department of Children and Families for sanctioning to help ensure that all requested sanctions are implemented in a timely manner.

**The program has improved its procedures to process interstate cases.** Florida participated in a pilot project to improve the effectiveness of interstate case processing. As we recommended, the program adopted the procedures used in this pilot for all interstate case petitions that are received from the other states on November 1, 2001. In addition, controls to ensure the accuracy of interstate case petitions that are initiated by Florida were

strengthened through development of new forms and procedures for staff to use when processing these petitions. However, the accuracy of interstate petitions initiated by Florida, as reported by other states, is not tracked. Information regarding the accuracy of interstate petitions initiated by Florida can serve to identify areas where improvements in interstate case processes are needed.

**The program is in the process of centralizing customer service call centers from a technological standpoint.** The program has initiated implementation of our recommendation to reorganize the existing 10 customer service call centers into 1, statewide call center from a technological standpoint. This initiative will maintain existing staffing patterns and current locations of call centers while allowing the program to benefit from the efficiencies associated with centralized call distribution network.

**A study to improve the judicial process was completed, but did not identify costs for associated activities.** The program, in conjunction with the Office of State Courts Administrator, completed a study to improve judicial processes relating to child support enforcement. The study was published in January 2002 and included an assessment of the average time to complete each activity in the child support establishment process. In addition, this study included recommendations to improve the establishment process. However, the study did not include an assessment of the average cost required to perform each activity in the child support establishment process. Identification of the cost associated with each activity would allow the program to evaluate more effectively alternatives to the existing system.

**The program has not worked with the judiciary and local law enforcement to promote use of work release and electronic monitoring programs.** The program has not implemented our recommendation that it work to incorporate work release and electronic monitoring programs selectively as alternatives to incarceration when a non-custodial parent is found in contempt of court for nonpayment of

child support. The program has not implemented this recommendation because it maintains that it is not appropriate to seek alternatives to incarceration when a custodial parent is found in contempt of court for nonpayment of child support. We continue to support our recommendation that these alternatives to incarceration selectively be made available and conditioned upon timely payment of currently owed child support. Work release and electronic monitoring programs can reduce the cost associated with individuals incarcerated for noncompliance with child support orders and help ensure payment of currently owed child support.

**The program has initiated the development of adaptive enforcement strategies to increase the amount of child support that is collected voluntarily.** As part of the program's strategy to increase child support collections, the program initiated a taskforce on July 1, 2002, to classify non-paying delinquents parents and optimize collections for each classification. Increasing voluntary collections will improve the cost-effectiveness of the program because collections that require an enforcement action are nearly four times more costly than child support collected voluntarily.

**The program has agreements with workforce development boards to help non-custodial parents access existing job and life skills training programs.** In 2001, the program completed a Memorandum of Understanding with the 24 workforce development boards. The agreement allows the program to provide workforce development boards with the name and contact information of non-custodial parents who meet the Welfare-to-Work criteria.<sup>4</sup> The workforce development boards use this information to initiate contact with the non-custodial parent to inform them of the availability of their training and employment programs. Increased participation by non-custodial parents in job and life skills training

programs can help improve collections and reduce costs associated with enforcement activity associated with nonpayment of child support.

**The program has not worked to implement new mediation programs, but continues to participate in existing programs.** The program has not implemented our recommendation that it work with Workforce Florida, Inc., to establish contracts for mediation services for program clients' involved in the child support order establishment process. These contracted services could be funded through Florida's TANF Block Grant. The program reported that information received from the Agency for Workforce Innovation indicates that none of the workforce development boards' one-stop centers currently offer mediation services relative to the establishment of child support orders. However, the program participates with mediation services offered through the local judicial systems where such exist. Mediation services have the potential to improve the performance of the program by increasing child support payments and reducing enforcement costs.

**The program is developing an administrative rule that establishes conditions to dispose of child support payments determined to be undistributable.** In 2001, the Legislature adopted legislation, which established a method to identify and transfer undistributable collections to general revenue.<sup>5</sup> Subsequent to enactment of this legislation, the program developed concepts to implement this legislation, which were published in the *Florida Administrative Weekly*. As required by the legislation, the program is currently preparing a legislative report, which will include their proposed rule to administer the legislation. The program plans to begin formal rule development after the required legislative report is submitted.

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<sup>4</sup> Welfare-to-Work criteria: the non-custodial parent must be unemployed, underemployed or unable to make his/her child support payments on a regular basis; have a child that is on some type of public assistance or was in the past 12 months; and sign a Personal Responsibility Contract with the Welfare-to-Work entity.

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<sup>5</sup> As specified in s. 409.2558(7), *Florida Statutes*.



# The Florida Legislature

## *Office of Program Policy Analysis and Government Accountability*



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