



Office of Program Policy Analysis And Government Accountability



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February 19, 1997

Supplemental Analyses Child Support Collection and Disbursement Clerks of Circuit Court

Introduction

In 1996, Congress enacted the Personal Responsibility and Work Opportunity Reconciliation Act, also known as the Federal Welfare Reform Act, which mandates new requirements for the state Child Support Enforcement Programs. Specifically, each state must establish a single location to which employers can send child support income withholding payments, and establish a state child support disbursement unit to process payments. The disbursement unit may be a linked system (e.g., Clerks' offices linked together electronically), provided it is as cost-effective and timely as a centralized system. These operations must be in place by October 1, 1998.

The Office of Program Policy Analysis and Government Accountability (OPPAGA) was directed by Ch. 96-305, Laws of Florida, to conduct a review of the state's process for collecting and disbursing child support payments. Our review determined that Florida's current system would not meet the new federal requirements and presented options for bringing the state into compliance and increasing efficiency in processing child support payments (OPPAGA Report No. 96-28). As part of our review, we analyzed data on collecting and disbursing child support payments by the Clerks of Circuit Court. This supplemental report provides detailed analyses of Clerk's (1) revenues and costs, (2) per payment revenues and costs, (3) collection, disbursement, and other child support activity costs, and (4) fee revenues compared to collections and other related costs.

Our analysis was conducted using fiscal year 1994-95 information obtained from the Florida Association of Court Clerks, a survey of Clerks, and data collected by David M. Griffith & Associates as part of a six-county cost analysis study.¹

¹ The David M. Griffith & Associates cost study examined Clerks' operations in Bay, Walton, Manatee, Highlands, Hillsborough, and Orange Counties.

Revenues and Costs

Chapter 61, F.S., establishes a child support depository in each of the state's 67 counties. Except in Broward County, where this function is administered by the County Finance Office, Clerks of Circuit Court receive child support payments from non-custodial parents and disburse the funds to the custodial parents (for private cases) or to the Department of Revenue (for IV-D cases).² To facilitate enforcement action if non-custodial parents fail to make payments, Clerks are required by statute to maintain certain data, such as addresses and places of employment, on the cases they serve. Clerks are also required to monitor child support payments and take certain enforcement actions should non-custodial parents fail to make payments, and to report delinquencies for IV-D cases to the Department of Revenue. Clerks' costs are funded primarily by handling fees charged to parents making support payments. The fee is used to cover the cost of receiving, recording, reporting, disbursing, monitoring, and handling payments. The fee is a flat fee based, to the extent practicable, upon estimated reasonable costs of operation. During fiscal year 1994-95, the fee was 4% of each payment, with a \$1.25 minimum fee and a \$5.25 maximum.

For fiscal year 1994-95, 37 Clerks reported \$15.4 million in total child support revenue and \$19.1 million in related costs—a total deficit of approximately \$3.7 million. (See Exhibit 1.) Twenty-six Clerks reported deficits. Deficits ranged from approximately \$4,000 in Volusia County to over \$1.7 million in Manatee County. Seven Clerks account for approximately 82% of the total reported deficit. Eleven Clerks reported a surplus, ranging from approximately \$18,000 in Osceola County to over \$440,000 in Polk County.

² Private cases are not required to use state child support enforcement services; they may establish and enforce support orders through private attorneys. Families who receive public assistance or request state assistance with child support collections and enforcement are referred to as IV-D cases.

Exhibit 1

Summary of Clerks' Child Support Revenues and Costs by County, Fiscal Year 1994-95

County	Fee Revenues	Costs	(Deficit) Surplus
1 Alachua	\$ 352,791	\$ 270,620	\$ 82,171
2 Bay	234,280	304,958	(70,678)
3 Brevard	687,587	515,863	171,724
4 Broward	1,002,296	874,434 ¹	127,862
5 Charlotte	124,855	202,997	(78,142)
6 Citrus	114,963	135,203	(20,240)
7 Collier	146,757	216,305	(69,548)
8 Columbia	91,919	113,649 ¹	(21,730)
9 Dade	1,385,836	1,515,310	(129,474)
10 Duval	1,358,626	1,041,043	317,583
11 Escambia	397,825	238,014	159,811
12 Hendry	72,873	36,973 ¹	35,900
13 Highlands	104,966	160,617	(55,651)
14 Hillsborough	1,391,155	1,750,178	(359,023)
15 Indian River	182,528	246,458 ¹	(63,930)
16 Jefferson	18,152	34,030 ¹	(15,878)
17 Lake	236,160	267,475	(31,315)
18 Lee	406,958	385,433	21,525
19 Leon	229,036	455,445	(226,409)

County	Fee Revenues	Costs	(Deficit) Surplus
20 Levy	\$ 44,874	\$ 56,478 ¹	\$ (11,604)
21 Manatee ²	241,916	2,024,585	(1,782,669)
22 Marion	373,349	223,183 ¹	150,166
23 Martin	125,000	145,445 ¹	(20,445)
24 Okaloosa	181,790	146,008	35,782
25 Orange	1,363,108	1,415,187	(52,079)
26 Osceola	226,278	207,380 ¹	18,898
27 Palm Beach	996,157	2,283,364 ¹	(1,287,207)
28 Pasco	282,936	354,878	(71,942)
29 Pinellas	839,386	1,149,137	(309,751)
30 Polk	988,686	548,348 ¹	440,338
31 Putnam	144,912	354,623 ¹	(209,711)
32 Sarasota	271,237	349,793	(78,556)
33 St. Lucie	213,500	380,404 ¹	(166,904)
34 Suwannee	41,929	47,950	(6,021)
35 Taylor	32,921	67,419 ¹	(34,498)
36 Volusia	466,983	471,100	(4,117)
37 Walton	40,842	127,999	(87,157)
Total	\$ 15,415,367	\$19,118,286	\$ (3,702,919)

¹ OPPAGA allocated indirect costs based on the average labor costs (24%) reported in the David M. Griffith & Associates cost study.

² Manatee's fee revenues do not include reimbursement for enforcement activities.

Source: OPPAGA summary of survey results.

As shown in Exhibit 2, during fiscal year 1994-95 Clerks | reported that they received approximately 5.6 million

Exhibit 2

Summary of IV-D and Private Child Support Payments, Fiscal Year 1994-95

County	Number of IV-D Payments	Number of Private Payments	Number of Payments
1 Alachua	68,918	28,967	97,885
2 Bay	57,658	13,454	71,112
3 Brevard	163,258	78,740	241,998
4 Broward	182,083	95,766	277,849
5 Charlotte	23,490	15,092	38,582
6 Citrus	26,577	12,738	39,315
7 Columbia	28,590	11,286	39,876
8 Dade	355,742	84,341	440,083
9 Duval	355,531	152,371	507,902
10 Escambia	127,392	35,655	163,047
11 Hendry	25,597	3,796	29,393
12 Highlands	42,885	6,835	49,720
13 Hillsborough	436,584	199,174	635,758
14 Indian River	39,784	14,059	53,843
15 Jefferson	8,480	758	9,238
16 Lake	62,324	32,646	94,970
17 Lee	63,493	86,507	150,000
18 Leon	62,924	25,250	88,174

County	Number of IV-D Payments	Number of Private Payments	Number of Payments
19 Levy	17,788	3,887	21,675
20 Manatee	15,383	65,880	81,263
21 Marion	83,771	51,738	135,509
22 Martin	42,195	9,541	51,736
23 Okaloosa	41,537	11,731	53,268
24 Orange	382,229	169,460	551,689
25 Osceola	53,568	28,859	82,427
26 Palm Beach	217,545	117,140	334,685
27 Pasco	75,217	27,245	102,462
28 Pinellas	244,687	109,055	353,742
29 Polk	124,941	210,602	335,543
30 Putnam	51,995	19,729	71,724
31 Sarasota	55,780	33,627	89,407
32 St. Lucie	87,601	16,871	104,472
33 Taylor	16,667	3,849	20,516
34 Volusia	No Response	No Response	155,000
35 Walton	18,208	4,280	22,488
Total	3,660,422	1,780,929	5,596,351

Source: OPPAGA summary of survey results.

payments. Approximately 3.6 million payments, or 67%, were for IV-D families and the remaining 2 million payments or 33% were for non-IV-D families. The number of payments received ranged from approximately 9,000 in Jefferson County to over 600,000 in Hillsborough County.

Revenues and Costs Per Payment Analysis

We analyzed data provided by the Clerks to determine whether revenues or costs are a greater determinant of Clerk activities resulting in a surplus or a deficit. As shown in Exhibit 3, it appears that costs contribute more than revenues to the efficiency of Clerks' child support activities. For example, although Clerks reporting a surplus averaged \$.31 more in fee revenues per payment than Clerks reporting a deficit, Clerks reporting a deficit had significantly higher costs, \$1.44 per payment more than Clerks reporting a surplus. However, it should be noted that there is no standard accounting methodology for child support costs.

Exhibit 3 Clerks' Reporting a Deficit Averaged \$1.44 Higher in Costs Per Payment

	Average Fee Revenues Per Payment	Average Costs Per Payment
Clerks Reporting Surplus	\$2.92	\$2.16
Clerks Reporting Deficit	2.61	3.60
Difference	<u>\$0.31</u>	<u>\$1.44</u>

Source: OPPAGA summary of survey results.

Exhibit 4 shows a summary comparison of Clerks' payment revenues and costs. The average revenue received for Clerks reporting a surplus was \$2.92 per payment. Clerks reporting a deficit averaged \$2.61 per payment. The average cost per payment for Clerks reporting a surplus was \$2.16, while Clerks reporting a deficit averaged \$3.60 per payment. The Clerks who reported a surplus had fee revenues that exceeded their average total costs by \$.76 per payment, ranging from a low of \$.14 in Lee County to a high of \$1.32 in Polk County. In contrast, the average fee revenues per payment received by Clerks reporting a deficit was \$.99 per payment less than their average total costs. This deficit ranged from a low of \$.03 per payment in Volusia County to a high of \$3.87 per payment in Walton County.

Exhibit 4 Summary of Revenues and Costs Per Payment Fiscal Year 1994-95

County	Average Fee Revenues Per Payment	Average Total Costs Per Payment	Average (Deficit) Surplus Per Payment
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Clerks Reporting Surplus

1 Alachua	\$ 3.60	\$ 2.76	\$ 0.84
2 Brevard	2.84	2.13	0.71
3 Broward	3.61	3.15	0.46
4 Duval	2.67	2.05	0.62
5 Escambia	2.44	1.46	0.98
6 Hendry	2.48	1.26	1.22
7 Lee	2.71	2.57	0.14
8 Marion	2.76	1.65	1.11
9 Okaloosa	3.41	2.74	0.67
10 Osceola	2.75	2.52	0.23
11 Polk	2.95	1.63	1.32
Average	\$ 2.92	\$ 2.16	\$ 0.76

Clerks Reporting Deficit

12 Bay	3.29	\$ 4.29	(1.00)
13 Charlotte	3.24	5.26	(2.02)
14 Citrus	2.92	3.44	(0.52)
15 Columbia	2.31	2.85	(0.54)
16 Dade	3.15	3.44	(0.29)
17 Highlands	2.11	3.23	(1.12)
18 Hillsborough	2.19	2.75	(0.56)
19 Indian River	3.39	4.58	(1.19)
20 Jefferson	1.96	3.68	(1.72)
21 Lake	2.49	2.82	(0.33)
22 Leon	2.60	5.17	(2.57)
23 Levy	2.07	2.61	(0.54)
24 Manatee ¹	2.98	4.05	(1.07)
25 Martin	2.42	2.81	(0.39)
26 Orange	2.47	2.57	(0.10)
27 Palm Beach	2.98	6.82	(3.84)
28 Pasco	2.76	3.46	(0.70)
29 Pinellas	2.37	3.25	(0.88)
30 Putnam	2.02	4.94	(2.92)
31 Sarasota	3.03	3.91	(0.88)
32 St. Lucie	2.04	3.64	(1.60)
33 Taylor	1.60	3.29	(1.69)
34 Volusia	3.01	3.04	(0.03)
35 Walton	1.82	5.69	(3.87)
Average	\$ 2.61	\$ 3.60	\$ (.99)

¹ Manatee's expenditures are net of enforcement costs.

Source: OPPAGA summary of survey results.

Collections and Other Related Costs

Many Clerks' costs can be attributed to non-banking activities in support of their child support depository responsibilities. For example, Clerks' child support banking activities include collection services such as cashiering, updating accounts, and disbursing payments. Clerks' non-banking activities include issuing 15-day delinquency notices, preparing 30-day judgements, and administering judgements and other court-related activities. In total, Clerks' collection costs ranged from 44% to 58% of the total reported child support costs. Clerks' costs in total for issuing delinquency notices, administering judgements, and conducting other court-related activities ranged from 42% to 56%. Further, our analysis shows that Clerks reporting a surplus had average collections costs that ranged from 41% to 61%. In contrast, Clerks reporting a deficit had average collections costs that ranged from 45% to 57%.

Fee Revenues Compared to Costs

We analyzed Clerks' collection costs and other related activity costs to calculate the average cost per payment for these activities and to determine whether current fee revenues are adequate to cover collection and other related costs. Exhibit 5 shows the average low and high collection costs and other costs per payment for 35 Clerks.³ With one exception (Pinellas), the Clerks' average fee revenues per payment were sufficient to cover their collection costs at the low range. Three Clerks (Palm Beach, Pinellas, and Putnam) average fee revenues were not sufficient to cover collection costs at the high range. For five Clerks (Jefferson, Leon, Putnam, Taylor, and Walton), the average fee revenues per payment, however, were not sufficient to cover their other costs at the low or high range. Three additional Clerks (Martin, Palm Beach, and St. Lucie) average fee revenues per payment were not sufficient to cover their other costs at the high range.

³We used information developed by the David M. Griffith & Associates cost study to develop the cost range.

Exhibit 5

Summary of Clerks' Average Per Payment Fee Revenues, Collection Costs, and Other Costs

County	Average Per Payment					County	Average Per Payment				
	Fee Revenues	Collection Costs		Other Costs			Fee Revenues	Collection Costs		Other Costs	
		Low	High	Low	High			Low	High	Low	High
1 Alachua	\$3.60	\$0.32	\$1.27	\$1.49	\$2.45	19 Levy	\$2.07	\$0.70	\$1.15	\$1.46	\$1.90
2 Bay	3.29	1.97	1.97	2.32	2.32	20 Manatee ¹	2.98	2.88	2.88	1.17	1.17
3 Brevard	2.84	0.53	1.26	0.87	1.60	21 Marion	2.76	0.19	0.76	0.89	1.46
4 Broward	3.61	0.79	1.86	1.29	2.36	22 Martin	2.42	0.32	1.29	1.52	2.49
5 Charlotte	3.24	2.63	2.63	2.63	2.63	23 Okaloosa	3.41	1.89	1.89	0.86	0.86
6 Citrus	2.92	2.41	2.41	1.03	1.03	24 Orange	2.47	0.65	0.65	1.91	1.91
7 Columbia	2.31	0.77	1.25	1.60	2.08	25 Osceola	2.75	0.29	1.16	1.36	2.23
8 Dade	3.15	2.41	2.41	1.03	1.03	26 Palm Beach	2.98	1.71	4.03	2.80	5.12
9 Duval	2.67	1.88	1.88	0.17	0.17	27 Pasco	2.76	2.20	2.20	1.26	1.26
10 Escambia	2.44	0.95	0.95	0.51	0.51	28 Pinellas	2.37	3.05	3.05	0.20	0.20
11 Hendry	2.48	0.34	0.55	0.70	0.92	29 Polk	2.95	0.41	0.96	0.67	1.23
12 Highlands	2.11	1.42	1.42	1.81	1.81	30 Putnam	2.02	1.33	2.18	2.77	3.61
13 Hillsborough	2.19	1.63	1.63	1.12	1.12	31 Sarasota	3.03	1.56	1.56	2.35	2.35
14 Indian River	3.39	1.24	2.01	2.56	3.34	32 St. Lucie	2.04	0.42	1.67	1.97	3.22
15 Jefferson	1.96	0.99	1.62	2.06	2.69	33 Taylor	1.60	0.89	1.45	1.84	2.40
16 Lake	2.49	1.52	1.52	1.29	1.29	34 Volusia	3.01	0.76	1.79	1.25	2.28
17 Lee	2.71	0.25	0.25	2.32	2.32	35 Walton	1.82	1.52	1.52	4.17	4.17
18 Leon	2.60	0.59	2.38	2.79	4.57						

¹Manatee's expenditures are net of enforcement costs.

Source: Developed by OPPAGA based on survey results and the David M. Griffith & Associates cost study.

This project was conducted in accordance with applicable evaluation standards. Copies of this report may be obtained by telephone (904/488-1023 or 800/531-2477), by FAX (904/487-3804), in person (Claude Pepper Building, Room 312, 111 W. Madison St.), or by mail (OPPAGA Report Production, P.O. Box 1735, Tallahassee, FL 32302). Web site: <http://www.state.fl.us/oppaga/>

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