

oppaga Performance Report

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Child Support Enforcement State Case Registry Is Operational, But Several Issues Should Be Resolved

at a glance

The State Case Registry is a small piece of Florida's larger child support enforcement system. As directed by statute, this review examines the State Case Registry as an individual entity. Our upcoming justification review will address the entire child support enforcement system.

Although the State Case Registry is operational, several issues remain to be resolved. Local child support depositories are not reporting all required information, and information received back from the Federal Case Registry cannot be processed.

In addition to registering all child support cases administered by the Department of Revenue, Florida spent approximately \$2.1 million to develop and implement the Non IV-D or private component of the State Case Registry.

Florida may be eligible to receive up to \$1.8 million in additional federal funding for the State Case Registry.

The unique configuration and location of Florida's State Case Registry appears to be efficient as it utilizes existing technology to satisfy federal requirements.

Purpose

Section 61.1826(5), F.S., directed OPPAGA to conduct a review of the child support enforcement State Case Registry by October 1, 1999, which is to include

- an analysis of state and federal requirements and the system's effectiveness in meeting those requirements;
- a cost analysis of the Non IV-D or private component of the State Case Registry; and
- a review of methods used by other states and alternative strategies to increase efficiency and effectiveness of the Non IV-D component of the State Case Registry.

In this report, we address these issues from the context of the State Case Registry as a stand-alone entity, although many of the issues are interrelated with Florida's other child support enforcement activities

Statutes direct OPPAGA to conduct a similar review of the State Disbursement Unit by October 1, 2000. That review will be combined with our statutorily required justification review of the entire Child Support Enforcement Program.¹ We plan to

¹ Section 11.513, F.S., provides that OPPAGA submit to the Legislature a comprehensive program evaluation and justification review of each state agency no later than December of the second year following the year in which an agency begins operating under a performance-based program budget.

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reexamine the State Case Registry in the context of the entire Child Support Enforcement Program during our justification review, which may affect the conclusions included in this report. We intend to publish the Child Support Enforcement Program Justification Review by October 1, 2000.

Background

The Department of Revenue is responsible for administering the Florida Child Support Enforcement Program under Title IV-D of the Social Security Act. Department activities may include locating parents, establishing paternity, establishing, modifying and enforcing court orders for support and collecting and disbursing support payments. To assist states in administering their child support enforcement program, the Social Security Act requires states to develop a statewide automated child support computer system.

In addition, the clerks of court assist the department in the collection of child support payments. Section 61.181(1), F.S., establishes a local depository in each of the state's 67 counties. Each depository is responsible for all child support cases that make payments through their depositories and for issuing disbursements on Non IV-D cases. Currently the county offices of 66 clerks of court and the Broward County Support Enforcement Division serve as the local child support depositories.

Congress amended federal child support requirements as part of the Federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996. For the first time each state was required to establish and operate a State Case Registry.² The case registry is to be a centralized electronic

repository of child support case records and orders.

Each state's case registry must link to the Federal Case Registry, which serves as a national registry of persons involved in child support cases. Each state must be able to transmit extracts of data for its child support cases, such as the name, social security number, and date of birth for each parent and child identified in a support order.³ This information will be available through the Federal Case Registry to assist states in locating persons who may be involved in a child support case; in establishing paternity; and in establishing, enforcing, or modifying child support obligations.

The two basic types of child support cases are IV-D and Non IV-D. Families who receive public assistance or request assistance from the Department of Revenue for child support collections and enforcement are referred to as IV-D cases. Those cases that are handled by private attorneys are referred to as private or Non IV-D cases.

The Federal act requires that Florida's State Case Registry contain records for all IV-D cases, as well as records for all Non IV-D orders established or modified on and after October 1, 1998. The act also requires that the State Case Registry for IV-D cases must be a part of Florida's automated child support enforcement system. However, the act offers states the option of including Non IV-D orders in the case registry by using existing local computer systems.

Florida was also required to establish and operate a State Disbursement Unit by October 1, 1999. This unit will provide one central address for receipt and disbursement

² The State Case Registry was required to be operational by October 1, 1998.

³ Information on children is required by October 1, 1999.

for all IV-D child support payments and for all Non IV-D support orders initially issued on or after January 1, 1994, with an income deduction order.⁴

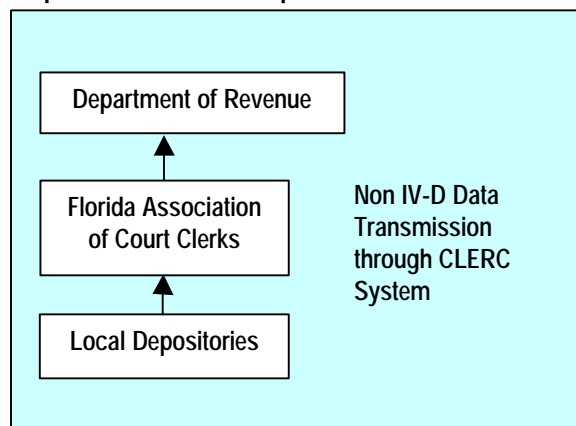
Florida's automated child support enforcement system is maintained through the state's social services computer system known as the FLORIDA System. The FLORIDA System is operated by the Department of Children and Families, which provides child support information services to the Department of Revenue.

The Florida Association of Court Clerks and Comptroller is responsible for collecting IV-D payment data from each of the 67 local depositories and for transmitting it to the Department of Revenue.⁵ To facilitate the collection of payment information, the clerks association developed the automated Clerk of Court Child Support Collection System (CLERC) in 1994, which 55 of Florida's 67 counties chose to use. The other 12 counties used their own systems to process payments and convert that information to allow transmission, via the CLERC system, to the Department of Revenue.

In 1998, the Florida Legislature directed that the department contract with the clerks association to operate and maintain the State Disbursement Unit and Non IV-D component of the State Case Registry.⁶ This same legislation also directed each depository to use the CLERC system.

Exhibit 1

The State Case Registry Uses a Private Entity to Transfer Non IV-D Information from the Local Depositories to the Department of Revenue



The clerks association hired private vendors to assist in developing and operating the Non IV-D component of the State Case Registry and State Disbursement Unit. The clerks association awarded a contract to Lockheed Martin IMS in March 1999 to develop, operate, and maintain Florida's State Disbursement Unit. In April 1999, the clerks association also contracted with Hewlett-Packard Company and the Florida Association of Court Clerks Service Corporation to upgrade the CLERC System.⁷ This upgrade is scheduled for completion by September 30, 1999.

⁴ An income deduction order is a court order directing an employer to deduct the amount of child support required by the court from the income of a non-custodial parent and to transmit these funds in accordance with the support order.

⁵ The Florida Association of Court Clerks and Comptroller is a voluntary, nonprofit, statewide association established to serve the Clerks of the Circuit Court and County Comptrollers of the State of Florida.

⁶ Section 61.1826, F.S.

⁷ The Florida Association of Court Clerks Service Corporation is wholly owned by the clerk association.

Findings

State and Federal Requirements

Local depositories are not providing all required information to the State Case Registry, and the department is not able to process data received from the Federal Case Registry.

Florida's State Case Registry appears to be in general compliance with state and federal requirements. The registry, when fully operational, should contain all information required by state and federal law. Florida's decision to contract with the clerks association to operate and maintain the Non IV-D component of the State Case Registry is unique in the nation but appears to be consistent with federal requirements.⁸ This decision has allowed Florida to use existing technology to effectively satisfy federal requirements in the development of its State Case Registry. However, it should be noted that the U. S. Department of Health and Human Services will make the final determination as to Florida's compliance with federal requirements.

Nonetheless, there are several implementation issues relating to the State Case Registry that remain to be resolved. Specifically, local depositories are not yet providing all required information to the State Case Registry. Although federal authorities have indicated that states will be given time to meet federal reporting requirements, the expectation is that each of these issues will be addressed.

- Local depositories are not providing information on Non IV-D support orders in which payments are made directly to the custodial parent because this information currently is not maintained on the CLERC System. In

addition, three counties, Collier, Dade, and Suwannee, had not submitted any Non IV-D support order information to the case registry as of September 20, 1999, because these counties have not completed their conversion to the CLERC System, as required by s. 61.1826, F.S.

The intent of the Federal Case Registry is to allow states to share information that will assist in their location and collection efforts. Although the magnitude of these problems has not been determined, Florida's failure to provide all required information limits the intent and usefulness of the Federal Case Registry. The department should work with the clerks association to develop procedures to ensure that information on all Non IV-D support orders are included in the State Case Registry. The department reports that they anticipate two of the three depositories to have completed their conversion to the CLERC System by October 1999.

- Further, the Department of Revenue has been unable to report some required information to the Federal Case Registry because the department lacks complete data on these cases. The department stated that it did not report 16% of Florida's IV-D cases and 26% of the Non IV-D orders because the cases lacked information such as social security number or date of birth. This information apparently could not be reported by the clerks association because the data had not been included in judicial orders establishing the cases.

Recent state law should address this problem. Chapter 99-375, Laws of Florida, requires all parties to dissolution of marriage to provide their social security number as well as the date of birth and social security number of each

⁸ Operation of the IV-D component of the case registry remains with the Department of Revenue through the FLORIDA System.

minor child of the marriage. A similar requirement exists in state law for all parties to a paternity or child support proceeding.⁹

To speed the resolution of this problem, the department should confer with the Office of State Court Administrator to facilitate the inclusion of this information in all future support orders. For example, standard language or forms for including this information should be developed for all support orders.

Another problem is that the department is not currently able to process the data it receives from the Federal Case Registry or to transmit updates of its initial submissions of support information to the Federal Case Registry. This has occurred because the Department of Revenue has not been able to have the necessary modifications made to the FLORIDA System. The department reports that they anticipate having the capability to process information through the FLORIDA System by mid-October 1999.

The capability to use the information shared through the Federal Case Registry is important to the department's child support location and collection efforts. To realize these benefits, the department should ensure that information received from the Federal Case Registry can be processed and that plans are in place to use this information to improve the state's location and collection efforts.

Cost Analysis

Approximately \$2.1 million was expended to develop and implement the Non IV-D or private component of the State Case Registry.

According to department records, \$2,138,200 of the funds expended through the clerks association's contracts with private vendors

during Fiscal Year 1998-99 were related to developing and implementing the Non IV-D component of the case registry. Exhibit 2 provides details of these costs. An additional \$222,412 was spent during this period to operate the case registry.

Exhibit 2

Approximately \$2.1 Million Was Expended During Fiscal Year 1998-99 to Develop and Implement the Non IV-D or Private Component of the State Case Registry

Activity	Expenditures
Planning	\$ 62,000
Program Management	426,770
SCR Development.	1,551,758
SCR Implementation	97,672
Total Expenditures	\$2,138,200

Source: Department of Revenue.

Alternative Methods and Strategies

Florida may be eligible to receive up to \$1.8 million in additional federal funding.

Florida's costs for developing and operating the State Case Registry and State Disbursement Unit are eligible for partial federal reimbursement (also known as federal financial participation). These costs were incurred to meet federal requirements under Title IV-D Program regulations, and as such 66% of the cost are eligible for reimbursement through federal matching funds.

The department is requesting federal reimbursement for costs incurred by the clerks association for upgrades to the CLERC System that are required for operation of the disbursement unit and Non IV-D component of the case registry. The department has requested \$1.4 million in federal reimbursement for the \$2.1 million expended for the development and implementation of the State Case Registry during Fiscal Year 1998-99.

⁹ Section 61.13(9), F.S.

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However, additional federal funds may be available that the department is not requesting. In 1998, the legislature directed that all depositories use the CLERC System to participate in the disbursement unit and Non IV-D component of the case registry. This required the 12 depositories, which were using their own systems to process IV-D case payment data, to develop the capability to both receive and transmit electronic data through the CLERC System.

The department should determine if federal reimbursement is available for costs associated with the conversion of the 12 depositories to the CLERC System. The local depositories have estimated their conversion costs to be \$1,676,825. Based on these estimated costs, the state could potentially receive an additional \$1,106,705 in federal funding.

Exhibit 3 Federal Reimbursement for Conversion Costs Could Recover \$1.1 Million in State and Local Funds ¹

	Without Federal Funding	With Federal Funding
State and Local Funds	\$1,676,825	\$ 570,120
Federal Match		1,106,705

¹Based on the regular federal financial participation rate of 66%.

Source: OPPAGA analysis of estimated costs provided by the Department of Revenue.

The department also should determine if federal reimbursement is available for more Fiscal Year 1998-99 CLERC System operational costs. The CLERC System was designed to automate child support payment processing and is currently used to transmit information associated with payments received by local depositories for IV-D cases to the department. In addition, all data associated with the Non IV-D component of the State Case Registry is provided by local depositories, via the

CLERC System. Accordingly, all operating costs of the CLERC System may be eligible for federal reimbursement.

The department currently plans to request federal reimbursement for only a portion of CLERC System Fiscal Year 1998-99 operational expenses. The department has based its request on a narrow interpretation of federal regulations. Under this interpretation, the department decided that only \$222,412 of the CLERC System's \$1,212,467 Fiscal Year 1998-99 operational expenses would be eligible for federal reimbursement.¹⁰

While the eligibility of the remaining operational costs is open to interpretation, the department should request that the U. S. Department of Health and Human Services make the determination rather than assuming that the full costs are not eligible for reimbursement. Approval of federal financial participation for all CLERC System operational expenses could result in the recovery of \$653,436 through additional federal funding.

Exhibit 4 Florida May Be Eligible for Up to \$0.7 Million in Additional Federal Funding for CLERC System Operational Expenses ¹

	Current Request	Recommended Request
Matched State Funds	\$ 75,620	\$ 412,239
Unmatched State Funds	990,055	
Federal Match	146,792	800,228
Total Funding	\$1,212,467	\$1,212,467
Additional Federal Funding		\$ 653,436

¹Based on the regular federal financial participation (FFP) rate of 66%.

Source: OPPAGA analysis of Department of Revenue data for actual Fiscal Year 1998-99 expenditures.

¹⁰ The department felt that because these expenses have previously been determined as state costs they would not be eligible for federal reimbursement, even though the functionality of the system has changed.

The unique configuration and location of the Non IV-D component of Florida's State Case Registry limits the application of alternative strategies to improve efficiency and effectiveness.

Florida is unique from other states because its Non IV-D information is sent via a private entity (the clerks association) to its child support enforcement automated system (the FLORIDA System). Most states send Non IV-D information directly to the child support enforcement automated system. The unique location and configuration of the Non IV-D component of the case registry, limits any comparison to methods used by other states.

We concluded that the configuration and location of the Non IV-D component of Florida's case registry, when viewed as a separate entity, is reasonably efficient and effective in its use of existing technology. However, the development and implementation of the State Disbursement Unit may impact the efficiency and cost-effectiveness of this approach and when viewed from the perspective of the system as a whole may present opportunities for applying alternative strategies. We plan to reexamine this issue in the context of the entire Child Support Enforcement Program during our justification review.

Recommendations —

To ensure that all required information is reported to the Federal Case Registry, we recommend that the department work with the clerks association to develop procedures to ensure that information on all Non IV-D support orders is reported to the State Case Registry. We also recommend that the department confer with the Office of State Court Administrator to facilitate the inclusion of social security number and date of birth information in all future support orders.

To ensure that Florida is maximizing its receipt of federal funding, we recommend that the department seek clarification from federal officials with the United States Department of Health and Human Services as to Florida's eligibility for additional federal financial participation for costs associated with converting local depositories to the CLERC System and for CLERC System operational expenses.

Agency Responses —

In accordance with the provisions of s. 11.45(7)(d), F.S., a draft of our report was submitted to the Executive Director of the Department of Revenue and to the Executive Director of the Florida Association of Court Clerks and Comptroller each to review and respond.

Both written responses have been reproduced herein (see page 8).

Department of Revenue

We concur with the preliminary findings and recommendations presented in OPPAGA's draft report, **Child Support Case Registry Is Operational, But Several Issues Should Be Resolved**. The Child Support Enforcement Program will take the appropriate steps to implement the recommendations.

We appreciate the professionalism displayed by your staff during this review. If further information is needed, please contact Tom Berger, our Inspector General, at 488-328.

/s/ L.H. Fuchs
Executive Director

Florida Association of Court Clerks and Comptroller

Thank you for providing the Florida Association of Court Clerks and Comptroller (FACC) with this opportunity to comment on your office's review of the Child Support Enforcement State Case Registry. Since the review covers functions and responsibilities for both the Department of Revenue and the clerks of circuit court local depositories, we will limit our comments to those findings and recommendations pertaining to the clerks of circuit court.

In general, we concur with the findings and recommendations. The FACC is committed to working with the Department of Revenue to continue making improvements in the gathering of Non IV-D case order information. As noted in your report, recent state law should facilitate this process by requiring all parties involved in a paternity or child support proceeding to provide required information.

Finally, we agree that Florida may be unique in placing the responsibility for the Non IV-D component of the State Case Registry with the clerks of circuit court. It should be pointed out that this approach however, which builds on an existing, distributed system, has allowed our state to successfully meet the deadlines contained in the Federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996.

Again, thank you for this opportunity to comment on your office's review of the Child Support Enforcement State Case Registry.

/s/ Roger H. Alderman (by KAK)
Executive Director

OPPAGA provides objective, independent, professional analyses of state policies and services to assist the Florida Legislature in decision-making, to ensure government accountability, and to recommend the best use of public resources. This project was conducted in accordance with applicable evaluation standards. Copies of this report in print or alternate accessible format may be obtained by telephone (850/488-0021 or 800/531-2477), by FAX (850/487-3804), in person or by mail (OPPAGA Report Production, Claude Pepper Building, Room 312, 111 W. Madison St., Tallahassee, FL 32399-1475).

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