

CALIFORNIA DEPARTMENT OF CHILD SUPPORT SERVICES



IMPACT OF REVENUE STABILIZATION FUNDING

March 2010



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EXECUTIVE SUMMARY

Family Code Section 17555 established requirements for the use of funding provided in the 2009 Budget Act to further the revenue collection responsibilities of local child support agencies. The statute requires the Department of Child Support Services (DCSS) to submit to legislative fiscal committees an interim summary of the impact of the augmentation on revenue collections and cost-effectiveness.

In the 2009-10 Governor's Budget, the Administration proposed an augmentation of \$18.7 million (\$6.4 million General Fund) for local child support agencies to maintain caseworker staffing levels in order to stabilize child support collections. Due to flat levels of funding for local child support agencies' basic administrative expenses and local cost increases, local staffing levels have declined in recent years. This has contributed to declines in child support collections. Without this proposed funding, the Department estimated that further staff cutbacks would result in an \$84.7 million decline in collections, reducing the amount of child support received directly by California's families, and leading to increased costs in the CalWORKS and Medi-Cal programs.

The Legislature approved the Department's request for revenue stabilization funding in the 2009 Budget Act, and directed that 100 percent of the new funds be used to maintain caseworker staffing levels. The Department issued specific claiming instructions to local child support agencies to ensure that the funds are used in compliance with the legislative directive, which specified that the revenue stabilization funds should be distributed to counties based on their performance on two key federal performance measures – Collections on Current Support, and Cases with Collections on Arrears. The Legislature also required each local child support agency to submit to the Department an Early Intervention Plan (EIP). All 52 local child support agencies submitted plans, and began implementation in July 2009.

Preliminary collection data for the first six months of 2009-10 indicates that the revenue stabilization funds have a positive effect of maintaining statewide child support collections levels. This is a significant achievement in the context of California's severe economic downturn. Local child support agencies were able to retain 245 casework staff using revenue stabilization funds.

Collection data and analysis that compares the first six months of 2009-10 to the first six months of 2008-09 shows:

Year Over Year Collection Change (6 months):	With Revenue Stabilization	Percent Change	w/o Revenue Stabilization	Percent Change
Total Collections	-\$3.4 m	-0.3%	-\$60.6 m	-6.1%
Assistance Collections	\$20.8 m	10.8%	\$11.1 m	5.8%
NonAssistance Collections	-\$24.2 m	-2.8%	-\$75.2 m	-8.7%
General Fund	\$9.9 m	10.8%	\$ 5.3 m	5.8%

These findings indicate that the revenue stabilization funding has the expected positive impact on child support collections for California’s families and the State General Fund. Specifically:

- Total distributed collections are largely unchanged, down by only 0.3 percent (\$3.4 million). Without the retained staff, collections would have declined 6.1 percent (\$60.6 million) based on the amount of marginal return on collections each worker produces.
- Collections on behalf of current and former public assistance recipients are up 10.8 percent (\$20.8 million), resulting in \$9.9 million additional State General Fund reimbursement. Without the retained staff, public assistance collections would have increased by only 5.8 percent based on the amount of marginal return on collections each worker produces (\$11.1 million), resulting in \$5.3 million State General Fund reimbursement.
- Non-public assistance collections (direct to families) are down 2.8 percent (\$24.2 million). Without the retained staff, collections would have declined 8.7 percent (\$75.2 million)

In addition, preliminary reports from local child support agencies indicate that the early intervention strategies are increasing the engagement of parents in their child support cases and positively influencing payment behavior.

With continued revenue stabilization funding and the local child support agencies’ focused efforts on early intervention techniques, these positive outcomes will continue to improve the overall performance of the state’s child support program.

Statutory Requirements

This interim summary is submitted pursuant to Family Code Section 17555 which required the use of funding provided in the 2009 Budget Act to further the revenue collection responsibilities of local child support agencies. Specifically, the 2009 Budget Act provided an augmentation of \$18.7 million (\$6.4 million General Fund) to local child support agencies to maintain caseworker staffing in order to stabilize child support collections. The statute requires DCSS to submit to the fiscal committees of the Legislature a summary of the impact of the augmentation on revenue collections and cost-effectiveness.

The statute requires that an additional oral briefing be provided during the spring subcommittee review process. Further, the law requires that DCSS provide an annual report on the cost-effectiveness of this augmentation, including an assessment of caseload changes over time, at the end of each year that the augmentation is in effect.

Revenue Stabilization Funding

In the 2009-10 Governor's Budget, the Administration proposed an augmentation of \$18.7 million (\$6.4 million General Fund) for local child support agencies in order to stabilize caseworker staffing and avoid a projected loss in child support collections. The Legislature approved the proposal, and required that 100 percent of the funding be dedicated to maintaining caseworker staffing levels in order to stabilize child support collections.

In recent years, funding for the basic administrative expenses of the local child support agencies has been held relatively flat, while operating costs have continued to rise. As a result, local child support agency staffing levels declined significantly between 2002-03 and 2007-08. Casework staff declined by 517 positions, from 5,020 to 4,503, or 10.3 percent, while total local child support agency staffing levels dropped from 10,217 to 8,282, or 23.4 percent over that time period.

At the same time, casework staff collection productivity increased dramatically. In 2002-03 the marginal collections per caseworker was \$255,110 and in 2006-07 the marginal collection per casework staff was \$465,251. Collections per caseworker increased \$210,141 per caseworker, or 82 percent, over this time period. For 2009-10, the DCSS estimated that without additional funding, local child support agencies would need to reduce an additional 259 staff, including 182 casework staff, due to local inflationary costs.

Caseworker reductions of this magnitude would have a negative impact on child support services and collections. A DCSS analysis found that without additional funding, the staffing reductions projected for 2009-10 would result in an estimated decline in child support collections of \$84.7 million (\$6.7 million General Fund).

In addition, a reduction in child support collections of this magnitude would have a negative impact on the amount of child support received directly by California's families, as well as lead to increased expenses in the CalWORKs and Medi-Cal programs. Based on an Urban Institute study¹ of California's child support program, each additional dollar of child support collected represents a cost avoidance of ten cents on public assistance costs. This means that the child support collections for 2009-10 potentially would have resulted in a loss of \$70.2 million in child support to families, as well as an increase of \$6.1 million in CalWORKs costs and \$800,000 in Medi-Cal costs (at a cost to the General Fund of \$2.6 million).

In order to avoid the projected loss in child support collections and the negative impacts of such a loss on California's families and public assistance programs, the Legislature approved increased funding of \$18.7 million (\$6.4 million General Fund) in the 2009 Budget Act. The Legislature further directed that 100 percent of the new revenue stabilization funds be used to maintain caseworker staffing levels.

In order to ensure that the new funding would be used solely for the purpose for which it was intended, DCSS issued specific instructions to local child support agencies for submitting claims for the revenue stabilization funds. Allowable expenses were limited to documented personal services expenses (salaries and benefits only) incurred in implementing Early Intervention Plans (discussed below). The statutory requirements associated with the revenue stabilization funding specified that the funds should be distributed to counties based on their performance on two key federal performance measures – Collections on Current Support, and Cases with Collections on Arrears.

The DCSS developed a funding allocation methodology consistent with the statutory requirements. Initially the Department created a base allocation for each local child support agency by first calculating the distribution of funds based on each county's share of revenue-generating Full Time Equivalent (FTE) staff to the statewide total of revenue-generating FTEs. Then the base allocations were adjusted based on the county's percent of Collections on Current Support compared to the statewide percentage level. Finally, the base allocations were further adjusted based on the county's percent of Cases with Collections on Arrears compared to the statewide percentage for that measure. The DCSS advised the local child support agencies of their individual allocations and notified them that the increased funding was available for expenditure effective July 1, 2009.

¹Urban Institute. Cost Avoidance and Cost Recovery in California's Child Support Program: SFY 2000-01. Laura Wheaton, February 27, 2004.

Methodology of Revenue Stabilization Results To-Date. In 2009-10, LCSAs were able to retain 245 caseworker staff with the Revenue Stabilization funding. In order to calculate the impact that these retained caseworker staff had on child support collections, the DCSS calculated the marginal return on collections for each caseworker staff retained. The marginal return for casework staff for 2008-09 (the last year for which the department has complete and validated child support collections data), was \$498,000. This amount was multiplied by the 245 retained caseworkers and adjusted for the \$50 disregard payments to produce a half-year amount of \$60.6 million. Had these staff not been retained, child support collections would have declined by this amount which would have been 6.1 percent less than the 2008-09 collections for this same time period. Because these staff were retained, collections only declined by 0.3 percent from the 2008-09 collections level.

Preliminary Results. The DCSS reviewed preliminary collection data for the first six months of 2009-10 and found that the revenue stabilization funds are having the effect of maintaining statewide child support collections. This is a significant achievement in the context of California’s severe economic downturn. The retention of casework staff has had a positive impact on collections.

Comparing the time period July – December 2009 to the same period for 2008, six month collection data and analysis shows:

Year Over Year Collection Change (6 months):	With Revenue Stabilization	Percent Change	w/o Revenue Stabilization	Percent Change
Total Collections	-\$3.4 m	-0.3%	-\$60.6 m	-6.1%
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These findings indicate that the revenue stabilization funding is having the expected positive impact on child support collections for California’s families and the State General Fund. Specifically:

- Total distributed collections are largely unchanged, down by only 0.3 percent (\$3.4 million). Without the retained staff, collections would have declined 6.1 percent (\$60.6 million).
- Collections on behalf of current and former public assistance recipients are up 10.8 percent (\$20.8 million), resulting in \$9.9 million additional State General Fund reimbursement. Without the retained staff, public assistance collections would have been up by only 5.8 percent (\$11.1 million), resulting in \$5.3 million State General Fund reimbursement.

- Non-public assistance collections (direct to families) are down 2.8 percent (\$24.2 million). Without the retained staff, collections would have declined 8.7 percent (\$75.2 million)

At this time, DCSS is unable to report on the impact of revenue stabilization on the statewide child support program's cost-effectiveness. Statewide cost-effectiveness is calculated at the end of the federal fiscal year, after all of the local child support agencies' claims against the year's budget allocations are made, and the accounting records are closed out.

Early Intervention

The Legislature adopted additional statutory requirements for the use of the revenue stabilization funds, specifying that each local child support agency submit to DCSS an EIP with all components to take effect upon receipt of their additional budget allocation. Early intervention provides a proactive approach to establishing accurate orders for support and promoting consistent, reliable payments to families by engaging the clients early in the child support enforcement process. The intent is to build a culture of compliance, in which parents support their children willingly and reliably, thus benefiting families by improving payment rates. Early intervention has been proven effective in California and jurisdictions around the country, increasing collections as well as improving performance on several key federal performance measures. In addition, the National Child Support Enforcement Strategic Plan focuses on early intervention to increase collections and prevent the unnecessary build-up of arrears.

In March 2009, DCSS advised local child support agencies that in order to receive an allocation of revenue stabilization funds, they would be required to develop and submit EIPs consistent with guidelines developed by DCSS. The guidelines required the development of early intervention strategies that would be ready for implementation by July 1, 2009. More than one approach could be included in the EIP; e.g., measures to ensure the engagement of the noncustodial parent during the process of establishing or modifying an order, and/or prompt intervention measures when payments are missed. Personal interaction with clients was a critical component. A description of how results would be measured was a required component as well.

In order to assist the local child support agencies in developing their plans, at the March 2009 Child Support Directors' Association meeting, DCSS facilitated a session which focused on early intervention. Presentations were made by six local child support agencies on successful models implemented in their counties. Early intervention break-out sessions focused on practices deployed in establishing new orders and following up on new orders and missed payments.

To further promote and disseminate successful early intervention techniques, DCSS developed an Early Intervention Child Support Collections Training for Trainers program. This program, developed in collaboration with local child support agencies and the California Franchise Tax Board, focused on telephone techniques, negotiation skills, and conflict and case resolution. A series of Training for Trainers sessions were held in April and May 2009.

The DCSS followed up with the local child support agencies to provide technical assistance and feedback on their EIPs.

Once the EIPs were determined to meet the requirements, they were shared with the other local child support agencies. All local child support agencies submitted EIPs eligible for revenue stabilization funding, consistent with legislative requirements. Each local child support agency was required to develop a methodology to measure the impact of its EIP efforts.

In January 2010, changes were implemented in California's automated system that will promote proven early intervention enforcement strategies statewide. New tasks, automated letters and work lists will focus staff on prompt follow-up after child support orders are established or modified, after income withholding orders are issued and when payments through income withholding stop.

Local Child Support Agency Early Intervention Experience To-Date

California's local child support agencies began to implement their EIPs beginning July 1, 2009. The plans contain a wide range of early intervention strategies. A common approach of the local agencies' intervention efforts occurs in the early stage in the life of a child support case. Child support agency staff, custodial parties, and noncustodial parents generally have their first contact during the intake process, which typically involves interviews and the initial collection of information about the case participants and their economic circumstances. At this stage, the intent of early intervention is to engage the parents through effective outreach and education about the child support program, and the establishment of clear expectations about the process of providing reliable support for their children.

The plans incorporate a wide range of communication strategies and practices, including the following:

- Phone calls, including personal contacts and automated dialing.
- Modification of call center hours to reach clients during key hours.
- Appointment cards / postcards.
- Business / wallet cards.
- Thank you notes and messages.
- Text messaging.
- Email.
- Orientation sessions.

Another common element is a focus on improvements to the court process. Some local child support agencies worked with their Superior Court Commissioners to expedite processing and collecting payments in early intervention cases, by:

- Providing court orders to parents at the close of the hearings.
- Meeting with parents immediately after court hearings to discuss their responsibilities.
- Requesting payments in court.

A focus of some of the plans is to improve the interface between employers and child support agencies. Some agencies have engaged in outreach to employers or streamlined the line of communication with employers in order to increase collections from wage assignments through income withholding orders to employers. Strategies in this area include:

- Employer emails and updates.
- Employer outreach, including phone calls.
- Modification to local child support agency websites.
- Prompt follow-up after income withholding orders are issued.

Post-judgment early intervention activities include enforcement activities to make sure current information is up-to-date, monitoring whether noncustodial parents are paying on time, and identifying and intervening promptly when a case becomes delinquent. Strategies include:

- Increasing the intensity and timeliness of contact for delinquent cases.
- Using different methods of contacting delinquent obligors promptly.

Each local child support agency's plan describes methods to monitor the impact of early intervention activities. These approaches include monitoring performance on the federal child support performance measures, designating control groups, and tracking and comparing data for each type of early intervention strategy, either manually or through automated approaches.

Preliminary Results. In preparing this interim summary for the Legislature, DCSS requested that a number of the local child support agencies summarize the preliminary results of their early intervention projects. Specifically, feedback was requested from five local child support agencies with very large caseloads and one agency with a medium-sized caseload, representing 52 percent of California's total child support caseload.

These local child support agencies report positive preliminary early intervention project results, generally in comparison with control groups or the previous year's same period:

- San Mateo County Department of Child Support Services – more stipulations, fewer default orders, and more income withholding orders.
- Orange County Department of Child Support Services – increased distributed collections and increased per case collections for two out of three strategies, and an increased percentage of child support collected for all three strategies.
- San Bernardino County Department of Child Support Services – increased current support percentage for the strategy for which preliminary data is available.
- Los Angeles County Child Support Services Department – increased appearances by noncustodial parents and custodial parties at prejudgment settlement conferences, increased submittals of Income and Expense declarations, and increased numbers of child support orders, increased payments, and increased referrals for order modification.
- Sacramento County Department of Child Support Services – increased payment rate.
- San Diego County Department of Child Support Services – faster processing of initial court orders, increased collections per case, more timely payment of child support, and a reduction in cases with no payment in the first 90 days.

These preliminary reports suggest that many of the early intervention strategies are increasing the involvement of parents in their child support cases and also positively influencing payment behavior. Despite the negative economic trends, it is expected that revenue stabilization funding and the corresponding retention of caseworker staff, in addition to the employment of early intervention strategies, will have a positive impact on California's collections trends.

The Department anticipates that the continued use of revenue stabilization funding for early intervention activities will also result in improved performance on key federal performance measures such as Collections on Current Support, Cases with Collections on Arrears, and Cost-Effectiveness.

Highlights from these local child support agency early intervention projects are described in more detail in Appendix A.

Future Updates

Pursuant to Family Code Section 17555, DCSS will update the Legislature on the impact of revenue stabilization funding by providing an oral briefing during the spring subcommittee review process. Further, in accordance with the statutory requirement, DCSS will provide an annual report on the cost-effectiveness of the revenue stabilization augmentation, including an assessment of caseload changes over time, at the end of each year that the augmentation is in effect.

Appendix A

Highlights: Local Child Support Agency Early Intervention To-Date

San Mateo County Department of Child Support Services

The San Mateo County Department of Child Support Services implemented a comprehensive EIP effective July 2009. Historically, San Mateo County's child support staff have monitored cases, and reacted with appropriate enforcement actions only when an obligor had not made a payment. The EIP reversed this strategy to focus on proactive efforts to aid in compliance and ensure a payment is made according to the court order. The EIP is preventative in nature and is founded on the philosophy that personal interaction with clients is a mutually beneficial approach. It consists of a targeted approach to prevent child support delinquency and ultimately improve performance in key federal/state performance measures, such as the percent of current support collected. The crux of the plan is proactive consistent communication with child support clients. The goal is to establish a collaborative working relationship that ultimately increases client cooperation and compliance with their child support obligation.

San Mateo County's development process for the EIP included a review of the current case process flow and analysis of potential early intervention opportunities from case inception through enforcement. One of the program's goals is to provide an increased "continuum of care," using early intervention techniques that focus efforts from case opening to 60 days post judgment. A key element of the plan is the dissemination of information in an educational, collaborative, and non-punitive manner that communicates to clients the direct benefits of their increased participation and cooperation in the legal child support process. Every potential for personal interaction with clients is an opportunity to develop and nurture this relationship. Each proactive communication is an investment in the development of that collaborative relationship that can provide a consistent return on investment throughout the life of a case. Additionally, information gathering and case analysis by child support staff to determine the next case action will focus more on benefits of cooperation with the program, than on punitive consequences of noncooperation.

The plan is divided into two distinct parts; i.e. early intervention activities performed (1) pre-judgment and (2) post-judgment. A primary goal for the Case Initiation and Establishment Units is to establish a realistic order that promotes compliance in the order establishment process through increased personal communication and commitment from both the obligee and obligor. This should result in a reduced number of new child support orders obtained via the default process and a corresponding increase in the number of stipulations. Increased client involvement in the order establishment process increases the potential for consistent collections and overall cooperation with the San Mateo County office's efforts.

A primary goal for the Enforcement Units is to increase immediate post-judgment compliance with the current child support obligation and prevent the accumulation of uncollectible arrears. Their focus is on the period immediately following order establishment and concentrates on obtaining child support payments within the first 90 days post-judgment. This should result in both a high level of compliance for the first few months after an order is obtained and continued compliance throughout the life of the case. Another strategy is the proactive delivery of information, to both the obligor and potentially any respective employer, which promotes the development of a collaborative relationship between the obligor, employer and the child support office.

San Mateo County EIP designates cases that have the potential to result in monetary child support judgments into two categories: Active and Control. Active cases go through the program's varied early intervention activities. Control cases follow the standard non-early intervention approach to order establishment and enforcement. The development of two distinct pools of cases gives the program the ability to perform a comparative analysis of results. San Mateo County designated a maximum of 20 new cases per month for the project.

San Mateo County's early intervention activities consist of the following:

- Custodial party intake interview.
- Noncustodial parent early intervention phone call.
- Pre-judgment early intervention appointment with noncustodial parent.
- Service of Process in-house (in the office).
- Delivery of a Child Support Kit, which is a binder that contains informative materials and is designed for client recordkeeping.
- Post-Service contact with noncustodial parents.
- Postcard sent after service is executed.
- Outbound Dialing Campaign to noncustodial parents who have been served.
- Expedited filing of an Answer in response to a Summons & Complaint
- Meet and confer held before court hearing.
- Immediate and consistent contact/follow up with noncustodial parent post-judgment.
- Immediate and consistent contact/follow up with custodial party post-judgment.
- Immediate and consistent contact/follow up with the employer post-judgment.
- Early review of compliance with court order.

Preliminary Results. At the time these results were compiled, San Mateo County's EIP had been in place for approximately five months. The program notes that a larger sample size is needed to develop more concrete findings, but summarizes some preliminary findings to date:

- 124 total cases to date – 63 Active and 61 Control.
- About 50 percent of all cases involve custodial parties currently receiving public assistance.
- 65 percent of Active cases had a face-to-face custodial party intake interview.
- 84 percent of Active cases had proactive telephone contact with the noncustodial parents prior to filing of the Summons and Complaint, while 92 percent of Control cases had no such phone contact.
- All noncustodial parents on Active cases were offered an early intervention appointment.
- 41 percent of those contacted by phone agreed to attend an early intervention appointment, successfully completed their appointment, and received a Child Support Kit.
- 30 percent of Active cases were served in-house compared to only 16 percent of Control cases.
- Of those noncustodial parents that came in for their early intervention appointment, 70 percent signed a stipulation. This contrasts to the roughly 30 percent stipulation percentage for new orders in non-early intervention cases.
- Only one Active case did not result in resolution after the early intervention appointment.
- The office expedited filing of answers on all cases where the noncustodial parent chose to complete an Answer.
- Only 30 percent of Active cases had orders obtained via Default judgment compared to 64 percent of Control cases.
- 64 percent of Active cases with a monetary order had an Income Withholding Order issued compared to only 30 percent of Control cases.
- For Active cases with an Income Withholding Order issued, 57 percent made their full payment the 1st month of their obligation, 80 percent their 2nd month, 100 percent their 3rd and 4th months post-judgment.
- For Active cases with no Income Withholding Order issued, 80 percent did not make their 1st month payment and 50 percent did not make their 2nd month payment.
- It is worth noting that for Control cases, more data is needed on post-judgment compliance. Only 6 percent of Control cases are far enough along to report payments so the sample pool is limited, compared to 25 percent of Active cases.

Orange County Department of Child Support Services

In July 2009, the Orange County Department of Child Support Services implemented five early intervention strategies designed to enhance collections by prompt intervention in cases, either at the very beginning of an order, or at the first sign of delinquency. Preliminary findings are presented for the following two strategies:

Employer Focus: Develop and maintain an Employer Portal for direct phone/email access to answer questions and concerns, provide outreach to employer group, and develop and distribute employer assistance tools.

Special Call Groups: Designate staff to initiate personal calls to noncustodial parents on cases with recently-entered court orders and also to make collection calls to stratified delinquency groups. Maximize usage of outbound dialer.

Project A: Contact noncustodial parents/clients within 30 days after order is established. Explain the terms of the order, answer questions, list payment options and state the penalties for non-payment.

Project B: Contact noncustodial parents/clients if they are 45-60 days delinquent on their payments. Investigate non-payment, offer assistance (modifications, payment options), and explain penalties for non-compliance.

Preliminary Results. For the projects analyzed, Orange County examined a combined group of early intervention cases for the months of July and August of 2009 and assessed whether the early intervention strategies resulted in improved performance.

Project Name	Number of Cases Analyzed	How Orange County Measured Performance	Preliminary Indications: Did Early Intervention Improve Performance Thus Far?
Employer Focus	830	Compared performance three months before vs. three months after early intervention	Yes
Special Call Group Project A (Contact clients within 30 days after order is established)	322	Compared performance between cases for Special Call Group Project A vs. a control population of 93 cases	Yes
Special Call Group Project B (Contact clients if they are 45-60 days delinquent on their payments)	1,157	Compared performance three months before vs. three months after early intervention	Mixed Results

For the Employer Focus project and the Special Call Group Project A, there was a measurable improvement in performance when comparing data three months before vs. three months after the implementation of early intervention. More specifically, for Special Call Group Project A, there was a noticeable increase in performance compared to a control population. For Special Call Group Project B, results were mixed, with declines witnessed primarily for Distributed Collections and Per Case Collections.

Orange County also examined key performance measures – Distributed Collections, Per Case Collections and Compliance (Percent of Current Support Collected) – for each of the three early intervention projects below:

Project Name	Measure	Comparisons		Variance	% Change	Improvement?
<u>Employer Focus</u>		3 Months Before E.I	3 Months After E.I			
(n=830 cases)*	Distributed Collections	\$680,569	\$698,159	\$17,590	2.6%	↑
	Per Case Collections	\$902	\$911	\$9	1.0%	↑
	Compliance	59.2%	64.8%	5.6%	9.5%	↑
<u>Call Group Proj. A</u> (call within 30 days after order is established)		Control Group (n=93)	Intervention Group (n=322)			
(n=322 cases)*	Distributed Collections	\$30,302	\$180,049	N/A	N/A	N/A
	Per Case Collections	\$348	\$564	\$216	62.1%	↑
	Compliance	33.7%	36.8%	3.1%	9.2%	↑
<u>Call Group Proj. B</u> (call when 45-60 days delinquent)		3 Months Before E.I	3 Months After E.I			
(n=1,157 cases)*	Distributed Collections	\$906,419	\$835,334	-\$71,085	-7.8%	↓
	Per Case Collections	\$790	\$724	-\$66	-8.4%	↓
	Compliance	43.3%	46.6%	3.3%	7.6%	↑

* Number of cases are representative samples used. Samples were derived from the Data Repository with the exception of the Control Group, which originated from Orange County Department of Child Support Services. Financials reported were derived from the CS-1257 detail data. Reported performance figures were based on open cases that matched with the CS-1257 data.

- For the Employer Focus project, there was a positive change for all three measures, with compliance receiving the largest percent increase. It appears that increased or enhanced communication with employers assists obligors with meeting their obligations. Anecdotally, many employers asked for an on-line portal where they could update employee data, download wage orders, medical orders, etc.
- For the Call Group Project A, there were positive improvements to both Per Case Collections and Compliance when compared to the control group. It appears that contacting the noncustodial parent/client early after the establishment of an order has a positive effect when compared to the control group which did not receive contact. Further examination

of the month-to-month trends indicate higher payments per case achieved in the earlier months compared to the control group. This would indicate payments being distributed faster to families for cases that received an early intervention contact from Orange County vs. cases not receiving contact. This data is preliminary, and has not been separated by order establishment type; there may be a greater increase in compliance behavior among cases established without much participation by obligors (default orders).

- However, for Call Group Project B, although there was a positive increase in compliance, the other two measures (Distributed Collections and Per Case Collections) declined. These mixed findings indicate that contacting noncustodial parents had little effect on increasing performance. However, although declines were evident for Distributed Collections and Per Case Collections, contacting noncustodial parents may have prevented substantial declines in performance indicative of the downturn in the economy. With such a short study time and small control groups, any conclusions about long-term efficacy of this intervention would be speculative.

Orange County notes that the results presented thus far are preliminary and may change as a greater time span of data is captured in the future. Therefore Orange County recommends that the data be re-analyzed in another three to six months, and significance testing be performed (significance testing would statistically confirm whether there were significant improvements in performance due to early intervention) in order to confirm the conclusions made. Data for the other initiatives revealed sample sizes too small for analysis; however they will be re-assessed in the future. Splitting the test groups by aid status, establishment type, demographics, etc. would yield better data for making planning decisions.

San Bernardino County Department of Child Support Services

The San Bernardino County Department of Child Support Services implemented several early intervention projects designed to engage noncustodial parents in the child support process and increase the likelihood that they will meet their child support obligation. This includes interaction with those parents at four critical steps in the life of a child support case:

- Prior to service of a Summons and Complaint.
- Before and after the court hearing.
- After establishment of a default order.
- At the initial point that a case with a support order becomes delinquent.

Two early intervention strategies which are used to promote performance and maximize collections are Pre-Judgment Appointments, and San Bernardino's Early Court Intervention Project. As described below, these strategies

emphasize the establishment of a cooperative working relationship with noncustodial parents, ensuring that they are fully informed of their rights and responsibilities under the child support program. These strategies also focus on ensuring that the orders accurately reflect the noncustodial parents' ability to pay, thereby increasing the likelihood that they will meet their child support obligations. By doing so, these strategies support the goals of improving performance and maximizing collections.

Pre-Judgment Appointments Strategy. To increase the involvement of noncustodial parents in their child support cases, appointments are scheduled for these parents to meet with caseworkers prior to the cases being heard in court, or the orders being established by default. The purpose of the appointments is to engage noncustodial parents in both the child support process and their case, at the earliest opportunity. This provides the parent with an opportunity to learn about his/her rights and responsibilities under the child support program, and sets the tone for a more cooperative working relationship between the parent and the local child support agency. This early contact also provides an opportunity to reach a stipulated agreement with the noncustodial parent on the order, increasing the likelihood that the parent will meet his/her child support obligation.

Appointments are set at the point that the Summons and Complaint is sent for service. Noncustodial parents meet with caseworkers who explain the requirements of the child support program, verify case information, and discuss the possibility of a stipulation. Those noncustodial parents who agree to stipulate are asked to make an initial payment at the time of stipulation. In some cases, those who do not agree to stipulate, choose to file an Answer with the court. The filing of the Answer also ensures the noncustodial parent's involvement in the case and increases the likelihood that he/she will meet the child support obligation.

Preliminary Results. During 2009, 1,741 stipulations were signed by noncustodial parents. Approximately 50 percent of all of those noncustodial parents who met with caseworkers agreed to stipulate. Of those who did not stipulate, 105 decided to file an Answer with the court.

Data is being collected regarding the payment performance of the cases in which a stipulation has been signed to determine the extent to which the San Bernardino County Pre-Judgment Appointment program has improved performance and increased collections.

Early Court Intervention Project Strategy. Following a court hearing to establish or modify a child support order, caseworkers meet with the noncustodial parent and provide information regarding the new order. The parent's employment information is verified, and he/she is provided with a Payment Answer Kit which includes information regarding the program and how to make payments. Any questions which the parent may have are answered,

and he/she is asked to make an initial payment. The court process can be confusing and parties frequently have questions regarding the court rulings. This process ensures that the noncustodial parent understands the court's ruling, and is fully aware of his/her obligations at the conclusion of the hearing.

The Early Court Intervention Project was initially implemented as a pilot in the Victorville Superior Court in February 2009, and then expanded to include the San Bernardino County Superior Court in August 2009.

Preliminary Results. The Early Court Intervention Project has been very successful as shown below. The Percent of Current Support Collected is higher than for the general caseload, which was 50.5 percent at the end of Federal Fiscal Year 2009. Payments toward arrears on these cases have also helped to improve performance on the Cases with Collections on Arrears performance measure.

ACTIVITY	VICTORVILLE	SAN BERNARDINO
Interviews Conducted	175	241
Current Support Collected	\$268,218	\$123,259
Percent of Current Support Collected	64.33%	64.46%
Payments toward Arrears	\$93,039	\$24,971
Just Ask Payments Collected	\$380	\$10,898

Los Angeles County Child Support Services Department

Los Angeles County Child Support Services Department implemented several early intervention projects designed to improve the overall processes of the department and increase total collections. Two strategies in particular have had early quantifiable results, including prejudgment settlement conferences and stern invitation letters.

Overall, Los Angeles County reports that the results for the initial months of implementation indicate that these early intervention projects have proven both effective and successful. As of November 1, 2009, the projects' collections were \$1,526,596, while the goal for that time period was \$1,075,000. The actual collections from early interventions are 42 percent above the projects' November goal. Los Angeles County has interviewed 404 noncustodial parents and 496 custodial parties at prejudgment settlement conferences resulting in more than just collections, as described in further detail below. While stern invitation letter appointments were designed to garner collections, they have resulted in additional positive child support actions as well. Specifically, an

additional 2,517 noncustodial parents have been interviewed, 1,166 payments that have been received, and 905 cases are being scheduled for order modification.

Prejudgment Settlement Conference Strategy. With this strategy, Los Angeles County identifies cases where Summons and Complaints have been served and no income information is available. In all cases that meet the established criteria, the caseworker mails a letter to the noncustodial parent and the custodial party inviting them to a prejudgment settlement conference. The parties are asked to bring their most recent income information to the attorney conference. The objective of this strategy is to decrease the number of presumed income default judgments, and to increase the number of support orders based on actual income, by conducting prejudgment settlement conferences.

Preliminary Results. This early intervention strategy is designed to increase support orders, paternities established, current support, and total collections by encouraging both parties to stipulate to a child support order. Stipulated orders save the county time and resources, and pay more regularly than default orders.

The appearance rate for noncustodial parents and custodial parties scheduled for prejudgment settlement conferences increased from 25.8 percent in July to 33.5 percent in November 2009 for noncustodial parents. The rate of appearances for custodial parties increased from 28.7 percent in July to 37.2 percent in November 2009. Caseworkers contact the noncustodial parents and custodial parties two days before the appointment date to remind each of the appointment. These outreach calls contribute to the increase in appearances. In previous projects the appearance rate for both noncustodial parents and custodial parties was 10 percent. The participation of both parties illustrates the success of this approach.

The number of Income & Expense declarations has increased from 30.4 percent in July to 38.2 percent in November 2009. The declarations are important to the process as they allow the caseworker to obtain financial information. There was also an increase of child support orders obtained from 45.7 percent in July to 49.1 percent in November 2009.

The prejudgment settlement conference allows for interaction between the case participants and caseworker. During this conference problems or issues are identified and many are resolved. This outreach creates a working relationship between the noncustodial parent and/or custodial party and the caseworker. It helps the participants to view Los Angeles County staff as valuable resources who are able to assist them understand the child support process.

Stern Invitation Letter Strategy. For this strategy, Los Angeles County identifies cases in which noncustodial parents are not receiving public assistance. The Child Support Officers send stern invitation letters to the

noncustodial parents informing them of a courthouse appointment with an attorney. The purpose of the appointment is to allow the noncustodial parents to explain their failure to pay support, and for Los Angeles County staff to explain that the failure to comply with a support order can result in either a contempt charge or possible criminal prosecution. The letters also inform the noncustodial parents that they should be prepared to make a payment on the appointment date. The objective of this strategy is to encourage frequent and consistent support payments on previously non-paying cases, and to prevent further arrears accumulation. In addition, the strategy is designed to ensure that support order amounts are accurate.

Preliminary Results. The stern invitation letter project was implemented in July 2009 and is designed to increase collections on current support, arrears, and total collections.

Los Angeles County reports that its preliminary analysis of the project shows positive results. The program finds that when noncustodial parents appear and an attorney educates them on the importance of making payments regularly and provides the consequences of failing to pay support, noncustodial parents are making payments and cases are being referred for order modification. In July 2009 the program scheduled a total of 622 appointments and 29 percent of the noncustodial parents appeared. In subsequent months, the number of scheduled appointments increased dramatically to over 2,000 per month, and on average 24 percent of the noncustodial parents appeared. More importantly, 46 percent of the noncustodial parents who appeared made payments that totaled over \$240,000. Also as a result of the meetings, 905 cases have been referred for modification due to the noncustodial parents reporting a change in their financial circumstances. Without these appearances, the cases might not have been identified for order modification. Furthermore, self-employed noncustodial parents that are not subject to wage withholding are identified and encouraged to sign up to make automatic electronic payments.

Sacramento County Department of Child Support Services

In July 2009, Sacramento County Department of Child Support Services implemented an EIP with six components. The overall goal is to increase the level of case participation by noncustodial parents by engaging them proactively throughout the various phases of their case. By increasing the level of staff communication with noncustodial parents, and increasing the participation of these parents, Sacramento County seeks to build a positive working relationship with clients, enhance the level of customer service, and ultimately increase collections. Two of the components of the EIP are discussed below.

Default Intervention Strategy. This strategy is to initiate phone contact with the noncustodial parent prior to the filing of a request to enter a default judgment. During the call, a caseworker will explain the process and answer any questions. If the noncustodial parent is willing to come into the office and

meet with a child support officer, the program will delay the filing of the default by 10 days so that efforts can be made to arrive at a stipulated agreement. If an agreement cannot be reached, the child support officer offers to assist the noncustodial parent in filing an Answer with the court.

Preliminary Results. Over a three-month period while this project was conducted, 603 cases were monitored to determine whether payments were received after a money support order had been obtained. There were two groups identified: a group which had been contacted prior to obtaining the court order and a group of cases for which contact had not been made. Sacramento County found that payments were made on 72 percent of those cases in which a contact had been made at the default intervention phase of the EIP. This is in comparison to a 32 percent payment rate for those cases in which no contact had been made with the noncustodial parent.

These preliminary findings would suggest that there is a strong correlation between the engagement of the noncustodial parent and obtaining collections.

Post-Judgment Strategy. Each child support caseworker is given a listing of his/her cases which have a new support order, yet for which there was no payment received after 30 days of obtaining the order. Staff monitor the case for payment for a period of approximately 90 days. During this 90-day period, the caseworker will attempt multiple contacts with the non-paying noncustodial parents and conduct various locate activities. At the end of 90 days, if a payment has not been received, the case will be reviewed with attorney staff for the next appropriate action, including Orders of Examination or Contempt actions.

Preliminary Results. A case specific vignette from the Post-Judgment Project illustrates the benefit of early communication with noncustodial parents. In this case, an order for a noncustodial parent to pay child support for his one-year-old son was obtained on August 11, 2009. An Income Withholding Order which was issued immediately after the order was obtained, was returned to the office stating the noncustodial parent did not work for the employer that Sacramento County had on file. As a result of the Early Intervention Project, the caseworker confirmed that the noncustodial parent was not currently incarcerated or on any governmental assistance program. After calling the noncustodial parent, a promise was obtained from him that he would send in a payment the next day. Further, it was discovered that he had just been hired at a new job. The new employer information was obtained and an Income Withholding Order was generated and mailed. For the month of December, the full current support amount was paid along with a payment toward the arrears owed on the case.

San Diego County Department of Child Support Services

In July 2009 San Diego County Department of Child Support Services began a "Post Order 0-60 Day Early Intervention Process." This process was

established to maintain contact with the noncustodial parent from the order establishment through first payment. The contact was broken into five phases:

Phase 1: Post Court Order Review – At time of the stipulation or order after hearing, a Child Support Officer will talk with the noncustodial parent regarding the order. They will discuss the wage assignment process; provide a wallet card with the order and payment information, envelopes to make payments, and an informational packet; and attempt to obtain a first payment.

Phase 2: Immediate Court Order Processing – Charging instructions for new orders and modifications are created within 24 hours of the orders being established.

Phase 3: Automated Dialer – An automated dialer calling campaign is conducted to contact all noncustodial parents with a valid phone number within four to eight days of the accounts being opened.

Phase 4: 0-60 Day Case Review – Staff will contact the noncustodial parent, custodial party and employers, if needed, between 15-20 days after the accounts have been opened. Staff will work non-traditional hours to attempt calls after-hours Monday through Friday and possibly Saturday to assist in successful contact with the noncustodial parent. Additional follow-up calls will be made to the noncustodial parent and custodial party 30-40 days after the accounts have been opened, if there has been no payment.

Phase 5: Automated Dialer – An automated dialer calling campaign is conducted to contact all noncustodial parents with a valid phone number between 42-48 days of no payment being received.

Preliminary Results. To assess the impact of Phase 2 and Phase 4 of the plan, San Diego County reviewed cases with accounts created during a one-month period of time. Using October 2008 as the baseline, as early intervention had not yet been implemented, San Diego County compared cases from August and September 2009. The cases were tracked for three months to determine payment behavior of participants.

For the Phase 2 – Immediate Court Order Processing strategy, San Diego County found that the amount of time needed to open the accounting records after the order had been established significantly decreased. In October 2008, it took 10-30 days to open the accounts after an order was established. After implementation of early intervention, accounts were opened within 1-2 days of the order being established.

For the Phase 4 – 0-60 Day Case Review strategy, San Diego County reviewed the cases from “Account Open Date” to “First Payment Date,” and computed the

length of time it took to receive a payment, and the "Average Dollars Collected per Case." The results, shown in the table below, demonstrate:

- The average dollars collected per case increased from \$82.20 in October 2008 to \$122.14 in September 2009.
- Payments received in the first 60 days increased from 8 percent in October 2008 to an average of 35 percent in August and September 2009.
- The cases with no payment in the first 90 days decreased from 76.4 percent in October 2008 to 55 percent in September 2009.

Accounts Created 10/01/2008-10/31/2008; Payment data through 01/16/2009

Baseline Control Month October 2008: Account Open Date to First Payment Date					
	0-30 Days To Payment	31-60 Days To Payment	61-90 Days To Payment	No Payment in First 90 Days	Total
Total	7	6	25	123	161
October 2008 % Of Total	4.3%	3.7%	15.5%	76.4%	100.00%
Total \$ Collected	\$1,268.69	\$2,722.88	\$9,243.22	\$0.00	\$13,234.79
Average \$ Collected/Case	\$82.20				

Accounts Created 08/01/2009-08/31/2009; Payment data through 11/13/2009

Experimental Month August 2009: Account Open Date to First Payment Date					
	0-30 Days To Payment	31-60 Days To Payment	61-90 Days To Payment	No Payment in First 90 Days	Total
Total	79	39	20	232	370
August 2009 % Of Total	21.4%	10.5%	5.4%	62.7%	100.00%
Total \$ Collected	\$18,903.47	\$11,826.74	\$3,302.67	\$0.00	\$34,032.88
Average \$ Collected/Case	\$91.98				

Accounts Created 09/01/2009-09/30/2009; Payment data through 12/11/2009

Experimental Month September 2009: Account Open Date to First Payment Date					
	0-30 Days To Payment	31-60 Days To Payment	61-90 Days To Payment	No Payment in First 90 Days	Total
Total	90	34	24	184	332
September 2009 % Of Total	27.1%	10.2%	7.2%	55.4%	100.00%
Total \$ Collected	\$21,435.67	\$10,566.70	\$8,548.74	\$0.00	\$40,551.11
Average \$ Collected/Case	\$122.14				