



DEPARTMENT OF CHILD SUPPORT SERVICES

CALIFORNIA TECHNOLOGY AGENCY



California Child Support Automation System (CCSAS) Annual Summary 2012

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1. INTRODUCTION

In 1999, the legislature passed Assembly Bill 150 which directed the Department of Child Support Services (DCSS) to develop, implement, maintain and operate a new statewide child support system. The California Child Support Automation System (CCSAS) Project contract was initiated in State Fiscal Year (SFY) 2003/04 to create a single statewide child support system that automates and centralizes all child support activities, including: locating absent parents; establishing paternity; and obtaining, enforcing, and modifying child support orders. In December 2008, the conversion of all county local child support agency (LCSA) operations to the single statewide system was completed.

CCSAS consists of two major components: the State Disbursement Unit (SDU) and the Child Support Enforcement (CSE) system. The SDU was fully implemented in May 2006. The system currently collects, processes, and distributes all child support payments in California. The CSE provides a central database and case management system to support child support enforcement activities in all LCSAs.

Per Section 17561 of the Family Code, the California Technology Agency (CaTA), formerly the Office of the Chief Information Officer, and DCSS are required to produce an annual report to the appropriate policy and fiscal committees of the Legislature by March 1 of each year. The report should include the ongoing operation of the CCSAS, including the following components:

- (a) A clear breakdown of funding elements for past, current, and future years (Section 2).
- (b) Descriptions of active functionalities and a description of their usefulness in child support collections (Section 3).
- (c) A review of current considerations relative to federal law and policy (Section 4).
- (d) A policy narrative on future, planned changes to CCSAS and how those changes will advance activities for workers, collections for the state, and payments for recipient families (Section 6).

Consistent with this direction, DCSS and CaTA have developed this CCSAS Annual Summary. Sources for the report include the May 2011 Advance Planning Document Update (APDU) and the SFY 2012/13 Proposed Governor's Budget.

2. FUNDING

Federal and state funding for CCSAS was first approved in SFY 2003/2004 to initiate system development. In December 2008, California received federal certification of CCSAS, successfully concluding the state's efforts to create a single uniform system. Ongoing funding for the CCSAS project is scheduled for the operation and maintenance activities.

CCSAS continues to receive federal financial participation (FFP) in the amount of 66 percent and State General Fund at 34 percent. Specific 2011 and 2012 CCSAS costs include:

- The transition of CCSAS CSE host system from the contracted business partner's (BP) e-Business Hosting Center (eBHC) to the state's Office of Technology Services (OTech).
- The replacement of BP application maintenance and system operations staff with a combination of state and contract staff to form CCSAS maintenance and operations (M&O) team.
- The re-procurement of the SDU services contract.
- The replacement of outdated county equipment and software used by the project staff. The equipment replacement is based on the original implementation schedule for CCSAS.

Table 1 CCSAS CSE Project Cost Categories

SERVICE CATEGORY	DEFINITION
Development	Development costs include: significant application software changes such as the redesign of a child support system's enforcement module; implementation of new electronic interfaces; development of a graphical user interface to replace character based user interfaces; installation of a document imaging component to the system; and application system migration from a mainframe-based architecture to a client-server architecture.
Operations	Operations costs include: state staff, operational expenses, and contract services to provide an operating environment that meets the availability and reliability requirements that are critical to the child support program. Operations activities include: production oversight, problem management, configuration and asset management, network and system administration, host and desktop hardware and software refresh, application modifications and testing, user help desk, central print and imaging, technical infrastructure and architectural support, Enterprise Customer Service Solution (ECSS) support, and application hosting.
Local Technical Support	Local technical support staff costs continue throughout the life of the CCSAS project. Local technical support costs include: LCSA staff, contract support, and Operating Expenses & Equipment costs for support of local networks and desktop infrastructures.

Table 2 CCSAS CSE Project Costs

BUDGET CATEGORY	ACTUAL 2003/04- 2008/09	BUDGET SFY 2009/10	BUDGET SFY 2010/11	BUDGET SFY 2011/12	BUDGET SFY 2012/13	TOTAL
Development	867,571,574	31,206,533	3,304,959			902,083,066
Operations	257,286,614	59,021,167	104,032,961	76,885,248	74,776,412	572,002,402
Local Technical Support	533,810,996	26,050,246	32,899,158	32,899,158	35,007,994	660,667,552
TOTAL CCSAS Cost	1,658,669,184	116,277,946	140,237,078	109,784,406	109,784,406	2,134,753,020

** Costs reflected in the table above update Table 5-1 of the 2011 APDU to reflect the SFY 2012/13 Governor's Budget. These amounts will be included in the 2012 APDU.

Table 3 CCSAS SDU Project Costs

BUDGET CATEGORY	ACTUAL SFY 2004/05	ACTUAL SFY 2005/06	ACTUAL SFY 2006/07	ACTUAL SFY 2007/08	ACTUAL SFY 2008/09	BUDGET SFY 2009/10	BUDGET SFY 2010/11	BUDGET SFY 2011/12	BUDGET SFY 2012/13	TOTAL
One-Time Costs										
State Administration	2,331,554	1,489,000	1,292,764	1,329,382						\$6,442,700
SDU SP Services		13,377,288	11,385,426	1,204,394			3,962,000	1,060,000		\$30,989,108
Subtotal	\$2,331,554	\$14,866,288	\$12,678,190	\$2,533,776			\$3,962,000	\$1,060,000		\$37,431,808
Continuing Costs										
SDU - LCSA	76,024	788,850	1,228,031	860,089	4,484,719	295,000	295,000	295,000	295,000	\$8,617,713
SDU SP Services		8,891,612	30,819,992	23,840,727	25,828,022	21,022,944	22,372,000	18,091,000	14,671,000	\$165,537,297
Subtotal	\$76,024	\$9,680,462	\$32,048,023	\$24,700,816	\$30,312,741	\$21,317,944	\$22,667,000	\$18,386,000	\$14,966,000	\$174,155,010
TOTAL SDU Cost	\$2,407,578	\$24,546,750	\$44,726,213	\$27,234,592	\$30,312,741	\$21,317,944	\$26,629,000	\$19,446,000	\$14,966,000	\$211,586,818

1. Actual Costs through 2007/2008 from SDU Post-Implementation Evaluation Report (PIER); SFY 2008/2009 actual expenses from CalStars.
2. State Admin Costs from Special Project Report (SPR) #4 (other contracts).
3. For SFY 2010/2011, the one-time cost of \$3.962 million reflects the initial transition payment to the new vendor (ACS).
4. For SFY 2011/2012, the one-time cost of \$1.0 million reflects the final transition payment to existing vendor (Bank of America).
5. SFY 2012/2013 reflects the full-year impact of the change in SP vendors.

3. SYSTEM FUNCTIONALITY

CCSAS functionality continues to provide the following attributes that positively impact the cost effectiveness of the Child Support Program (CSP), both by increasing collections and by decreasing and containing costs.

3.1 Worker Effectiveness

1. Statewide Access to Data – Regardless of their geographic location, caseworkers can view data for any case or case member. Case transfers occur within the system with minimal manual effort.
2. Ease of Use – DCSS enhanced the CSE Guideline Calculator layout and display to make this tool more user friendly for Court and LCSA staff.
3. Electronic Storage/Retrieval of Documents – DCSS Central Scan receives, scans and uploads county case documents into CSE for caseworkers. DCSS Central Scan is made up of two teams: Backfile and Day Forward.

In 2011, DCSS implemented a new process to enable the counties to send stored county paper documents to DCSS Central Scan for imaging. This workload focused on documents that were created prior to the CSE system, now called “Backfile”. In 2011, eight participating counties completed their “Backfile” workloads. In addition to the centralized effort, the Los Angeles County “Backfile” Scanning effort was implemented. This allowed scanning and uploading of “Backfile” documents to be performed on a local level saving the state thousands of dollars in shipping and labor costs. The estimated thirteen million pages of case records located in Los Angeles county has now been reduced by approximately two million pages since the effort started in September 2011.

DCSS Central Scan’s secondary production team is the “Day Forward” group. Their sole responsibility is to scan and upload current documents generated by the counties into the CSE system. This is an ongoing workload to continue providing caseworkers with electronic documentation.

4. e-Filing with California Courts – CCSAS functionality provides a standard interface with the courts to transmit forms to the courts electronically. Thirteen types of forms, including the most frequently used, (i.e., Summons and Complaints, Amended Proposed Judgments, Defaults and Proofs of Service) are included in this capability. E-Filing saves substantial time for caseworkers as well as court personnel.

Currently, there are seven counties participating in e-Filing: Los Angeles, Orange, Riverside, San Bernardino, San Diego, San Francisco and San Joaquin. DCSS is also working with the Administrative Office of the Courts (AOC) to provide appropriate automated interfaces with the new Court Case Management System.

3.2 Customer Service

1. Self Service Website – With the single statewide Self Service Website, customers have more than just payment information at their fingertips. After entering their participant or social security number and a personal identification number, customers can access case-specific information as well as information regarding payments made by non-custodial parents and payments sent to custodial parties. This is done over a secured connection and the customer is not required to speak to a child support representative. If customers wish to communicate with a representative, they are able to send a confidential inquiry and receive responses via the website. Customers can also update their contact information and obtain information about appointments at their convenience. During 2011, the Self Service Website pages were visited approximately 6.5 million times, averaging approximately 543,953 hits per month. This is a 1.1 million increase from last year.

In 2011, DCSS enhanced the Self Service Website to be available to customers through their mobile devices.

2. Automated Phone System - The Automated Phone System, known as the Enterprise Customer Service Solution (ECSS), is a single statewide phone system that enables all customers to authenticate and quickly obtain information about their child support case through its self service capabilities or if requested by the customer, they can transfer to a county or state representative for assistance. LCSAs and the state effectively utilize this system, which has contributed to performance and customer service improvements in the area of caller wait times and call abandonment. In 2011, the statewide average customer wait time was 2.5 minutes. This is a decrease from the 3+ minute wait time in 2010. The program's average abandonment rate was also reduced from 14 percent to 10 percent in 2011.

One of the key features of the ECSS statewide platform is the support it affords the department's disaster recovery and business continuity efforts. The redundancy and flexibility of ECSS ensures that the services can be delivered in times of local outages or emergencies. The other benefit is directly related to cost and operational efficiencies. ECSS has allowed counties to establish shared service call centers that enabled LCSAs to transition their calls to other LCSAs better equipped to service callers. This cost effective way of sharing services allows LCSAs to focus their resources on enforcement related performance activities. There are now nine shared services call centers answering calls for the customers of 30 counties.

3. SDU Self Service Options - The SDU provides both credit card and bank account online payment options to non-custodial parents over the Internet and via telephone using the SDU's toll free number. Customers can also set up recurring payments and employers can set up Electronic Funds Transfers. Since SFY 2005/06, electronic payments have increased from 17 percent of total to 66 percent for SFY 2010/2011. Since SFY 2005/2006, electronic disbursements have increased from 10 percent of total disbursements to 82 percent.

These self service options not only reduce customer service resources, but improve payment consistency and reduce errors, thus improving total distributed collections.

4. Electronic Payments and Disbursements – Electronic payments and disbursements are faster, more accurate and less expensive to process than paper checks. With CCSAS, employers are able to use bank transfers, debit cards and credit cards to remit payments. Total combined electronic payments and disbursements increased from 14 percent in SFY 2005/2006 to 74 percent in SFY 2010/2011.

3.3 Program Performance

DCSS is committed to continuously monitoring, measuring and evaluating its performance in order to improve California's child support program. DCSS receives a portion of its funding from the federal government based on an incentive system implemented under the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. In order to qualify for these federal incentive payments, California's child support program must achieve or exceed performance thresholds in key areas. If the program performance falls short, California may lose vital federal incentives and face financial penalties.

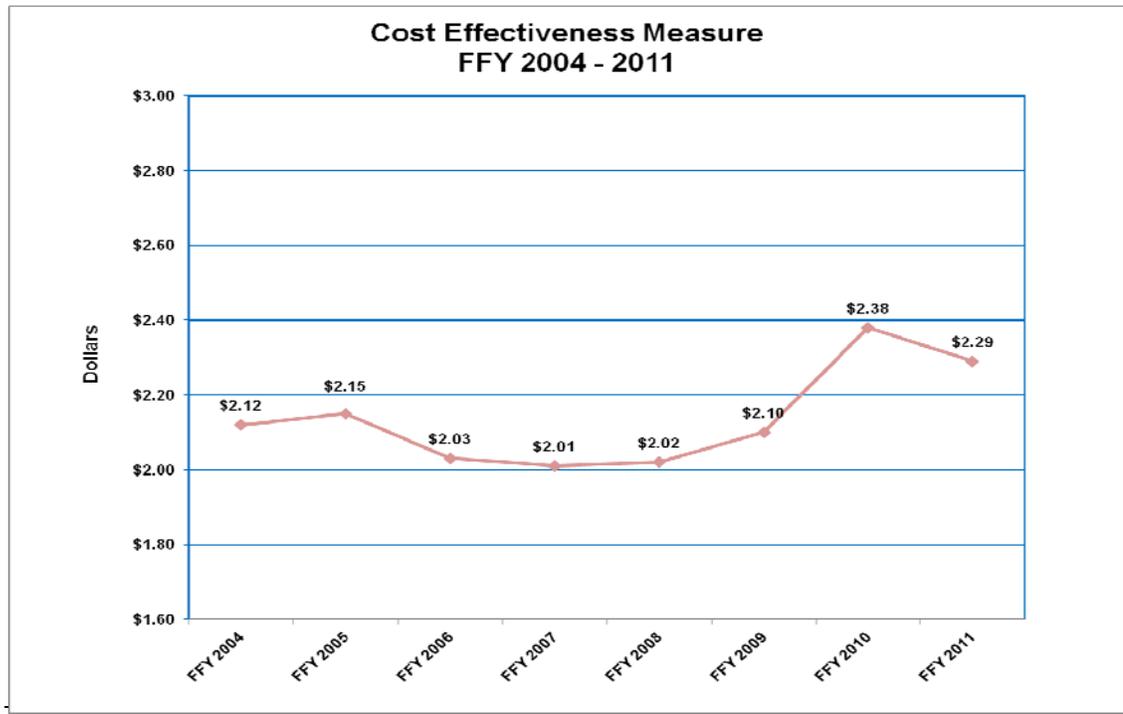
In 2011, DCSS reached its highest levels of performance in the history of the program in three of five performance measures. In addition, California excelled in its performance of the remaining performance measures:

- Paternity Establishment Percentage (PEP) - Maintained California's performance above 100 percent, at 107.0 percent. Statewide PEP measures the total number of children born out-of-wedlock for whom paternity was acknowledged or established during the FFY compared to the total number of children born out-of-wedlock during the previous FFY.
- Percent of Cases with a Child Support Order - Increased California's performance to 85.8 percent, an improvement of 3.3 percentage points over the previous year, an all time high for the California child support program. This measure compares the number of child support cases with support orders against the total caseload.
- Current Collections Performance - Increased California's performance to 58.6 percent, an improvement of 2.6 percentage points over the previous year, an all time high for the California child support program. Since FFY 2000, California has continued to improve each year in this measure. This measure compares the amount of current support collected to the total amount of support owed.
- Arrearage Collections Performance - Increased California's performance to 61.6 percent, an increase of 1.3 percentage points over the previous year, an all time high for the California child support program. This measure has improved each year since FFY 2004. This measure compares the number of

cases with child support arrearage collections to the total number of cases owing arrearages during the FFY.

- **Cost Effectiveness** – This measure compares the total amount of distributed collections to the total amount of expenditures for the FFY. This comparison is expressed as the ratio of distributed collections per one dollar of expenditure. California’s cost effectiveness has improved since CCSAS was fully implemented. For example, California’s cost effectiveness was \$2.01 in FFY 2007 and \$2.29 for FFY 2011.

The apparent decrease from \$2.38 in FFY 2010 to \$2.29 in FFY 2011 is attributable to federal cash claiming rules requiring expenditures be reported in the month of payment, not the month the expense was incurred. Because the state Budget Act of 2010 was not signed until October 2010, DCSS had to delay making payments from FFY 2010 to FFY 2011, a shift of \$13.6 million. If DCSS had paid expenditures in the correct federal fiscal year, FFY 2010 would have been \$2.35 not \$2.38 and FFY 2011 would have been \$2.37 not \$2.29.



- **Distributed Collections** – California’s distributed collections increased from \$2.245 billion in FFY 2010 to \$2.256 billion in FFY 2011, an increase of 0.5 percent.

4. LAW AND POLICY CONSIDERATIONS

Changes to state and federal law sometimes result in amendments to the child support program. Occasionally, these amendments also result in changes to the CCSAS system.

4.1 Data Reliability Audits (DRA)

Pursuant to section 452(a)(4)(C)(i) of the Social Security Act, the federal Office of Child Support Enforcement (OCSE) is required to conduct audits to assess the completeness, reliability, and security of system data as well as the accuracy of reporting for state child support enforcement systems. States are required to meet a 95 percent data reliability standard in specified performance indicators. California passed the FFY 2010 audit in March 2011 and exceeded all of the minimum requirements.

4.2 Changes in Federal Law and Policy

Assembly Bill 1349 (Chapter 185, Statutes of 2011) allows a presumed parent to file a motion with the court to set aside a voluntary declaration of paternity that was signed by another man; provides that a voluntary declaration of paternity would be void if at the time the voluntary declaration of paternity was signed, the child already had a presumed parent; and permits a sperm donor to be treated as the natural father if agreed to in writing by the woman and the donor prior to conception. The impact of this legislation on the child support program is not immediate. Cases involving these fact patterns will likely be dealt with judicially.

4.3 Guideline Calculator Mandates

Annual updates to the Guideline Calculator address changes in state and federal tax laws and related requirements. The counties and courts are required by federal law to use the Guideline Calculator to calculate child support order amounts. State law requires that the Guideline Calculator be certified each year by the AOC.

5. ACCOMPLISHMENTS

1. Establish Realistic Support Guidelines – As required by state and federal law, the AOC conducted the quadrennial review of California’s Child Support Guidelines. A draft report was released for public comment. Research demonstrates that non-custodial parents are more likely to pay child support if the ordered amount reflects their ability to pay. If the ordered amount is too high, many obligors with incomes at or below poverty level cannot pay their court-ordered support in full and simply “drop out” of the system. DCSS worked with AOC and other stakeholders to evaluate and develop recommendations for changes to the guidelines for calculating support. There was a focus on low income obligors and the low income adjustment.
2. Transitioned CSE Maintenance and Operations to State Management – In 2010, management of the CSE system, including 26 business processes, were transitioned to the state from the BP. In 2011, DCSS successfully executed a contract to augment the staffing required for the state to maintain and operate the CSE system. DCSS supports the CSE system through a blended workforce of civil servants and contractor staff who provide all of the maintenance and enhancement technical support.
3. Data Center Hosting Migration – DCSS, OTech and IBM successfully transitioned CSE hosting from the IBM Data Center in San Jose, California to the centralized state data center in Sacramento, California. The project refreshed the server equipment at the state’s data center and utilizes OTech’s managed services for hosting support and maintenance.
4. Improve Statewide Employer Data Processing - Nearly two-thirds of California’s child support collections are received through employee wage withholding. Based on the successful practices in other states, new business practices were implemented involving collection, maintenance and verification of employer records. In addition, a new electronic and paper form was developed to enable employers to provide updated record information to DCSS. These measures along with more outreach programs, will improve customer relations, increase the accuracy of information and increase the number of withholding orders, thereby improving collections.
5. Explore Centralizing and Consolidating LCSA Functions – In alignment with DCSS’ Strategic Plan, DCSS and the LCSAs have identified and are implementing focused efforts for greater efficiency and increased cost effectiveness in the use of program resources. These efforts include, but are not limited to: further expansion of shared and centralized services; increased uniformity by sharing best practices statewide; enhanced consistency of business processes through statewide training; and the use of improved technology to increase automated services. With the statewide ECSS providing business continuity, there has also been an expansion of “Shared Service” call centers.

In an effort to improve efficiency and provide excellent customer service, a call center efficiency analysis is being conducted to determine the most efficient, cost-effective model of operation that also provides excellent customer service.

6. Employment Verification Service Interface – Many employers use service providers to provide their automated employment and income verification services, including large employers, the federal government and some California state departments. These service providers maintain a nationwide database of employment, income and health insurance information obtained from their client employers or payroll service providers. In 2011, DCSS contracted with the largest verification service provider, The Work Number (TWN), to provide an on-line search capability for LCSA staff, as well as, a batch matching process. A file of noncustodial parents who are delinquent in their support is matched against TWN data and the resulting matches are provided to LCSA staff, which manually generates income withholding orders. Information from the online searches and batch matching with TWN is used to establish and modify support orders, issue income withholding orders and take other enforcement actions to collect support.
7. Cellular Phone Data Match – DCSS worked with the four largest cellular telephone companies to match non-compliant obligors with cellular phone account information and then provided the matching information to the LCSAs to update case information and to contact the obligors. Sprint, Verizon and T-Mobile provided approximately 145,000 matches. DCSS is still working with AT&T to complete a successful match.
8. Electronic Income Withholding Orders - CCSAS expanded its capability to electronically transmit income withholding orders (e-IWOs) to additional employers registered to use the OCSE portal. This new group of employers increased the total number of employers and payroll processors participating in the portal to 2,297. An OCSE study showed that the first check from the employer is received 2-4 weeks earlier using e-IWO, increasing collections, avoiding of arrears, and improves performance on federal performance measures.
9. State Disbursement Unit (SDU) Re-procurement – The SDU contract provides collection and disbursement services for child support payments. The current contract was executed in December 2004 and expires in February 2012. In 2011, DCSS entered into an agreement with ACS State & Local Solutions, Inc. to provide collection and disbursement services. As a result of this competitive procurement, DCSS lowered costs associated with this service.

6. PLANNED SYSTEM CHANGES

1. Employer Data Processing — DCSS proposes to develop portal functionality to allow employers to enroll and update the information CSE uses to conduct child support business. The portal will provide online notification, employment verification, exchange of electronic documents, maintaining employer data and submittal of employee information (e.g., new hire, medical insurance, and termination of employment). This is expected to improve the effectiveness of wage assignments in collecting child support payments.
2. Re-Design of the Department of Motor Vehicles (DMV) State Licensing Match Interface – DCSS intends to work with DMV to re-design the interface that performs the state licensing match function which is used to suspend or revoke drivers' licenses for obligors who are not paying their child support. The current interface does not provide reliable results and is heavily labor intensive. DMV is also working with Franchise Tax Board (FTB) and Board of Equalization (BOE) to implement Assembly Bill 1424 (Chapter 455, Statutes of 2011) to provide suspension functionality for their tax collection programs. DCSS has been included in this planning effort with the intention that a single interface will be designed for all of the enforcement programs.
3. SDU Transition – DCSS began work on the transition to move all the collection, disbursement and banking functions to a new service provider. This transition will be completed in early 2012.
4. CSE Usability - The CSE system will become a bit easier to use in 2012. DCSS is incorporating changes recommended by LCSA and DCSS staff during two usability workshops. The focus of the workshops was to identify relatively quick CSE system fixes that would directly address and support the daily operational needs of CSE system users while reducing users' repetitive stress, reducing the time to complete processes within the CSE system and reducing data entry errors.
5. Improve Efficiency in Filing Liens on Real Property – California law provides that a judgment lien on real property is created by a notice of support judgment for child, family or spousal support. Effecting the lien requires LCSAs to record the lien by sending a notice to the county recorder in the county in which the non-custodial resides and in counties in which he or she could reasonably be expected to acquire property. Liens are generated by CCSAS and mailed to county recorders with the exception of two counties (Los Angeles and Orange), where they are filed electronically. DCSS' goal is to electronically record liens with as many county recorders as feasible by participating, along with FTB, BOE, and the Employment Development Department in the California e-Recording Transaction Network Authority Government-to-Government portal access.
6. Automate Levy Process – In FFY 2011, DCSS issued nearly 500,000 levies to financial institutions through the Financial Institution Data Match program. Levies are automatically generated by CCSAS when an asset is matched to a

delinquent obligor. Levy documents are mailed to financial institutions where they are manually processed. DCSS is working with OCSE, the California Bankers' Association, Washington State, US Bank and other financial institutions to develop processes to electronically transmit levies to major banks. OCSE will work with interested states to develop a portal to facilitate the processes, thereby serving as a middleman between the states and the banks. This will allow each state to develop a single interface with the OCSE portal, as opposed to individual interfaces with various banks.

7. Incorporate the Central Case Registry Document Tracking Database into CSE - The California Central Registry Database Tracking system is a legacy application. The database is used to track manual and automated referrals and status requests received from intergovernmental agencies (e.g. other states, foreign countries) and to monitor daily referral and status requests inventories, including staff performance, and compliance to federally-mandated timeframes. The database is also used to produce several reports that capture information for compliance audits and executive management. This effort will add information about Central Case Registry into the CSE system.