



DEPARTMENT OF CHILD SUPPORT SERVICES



CALIFORNIA TECHNOLOGY AGENCY



California Child Support Automation System (CCSAS) Annual Summary 2013

March 1, 2013

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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 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. 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 (CTA) 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 implementation of CCSAS, including the following components:

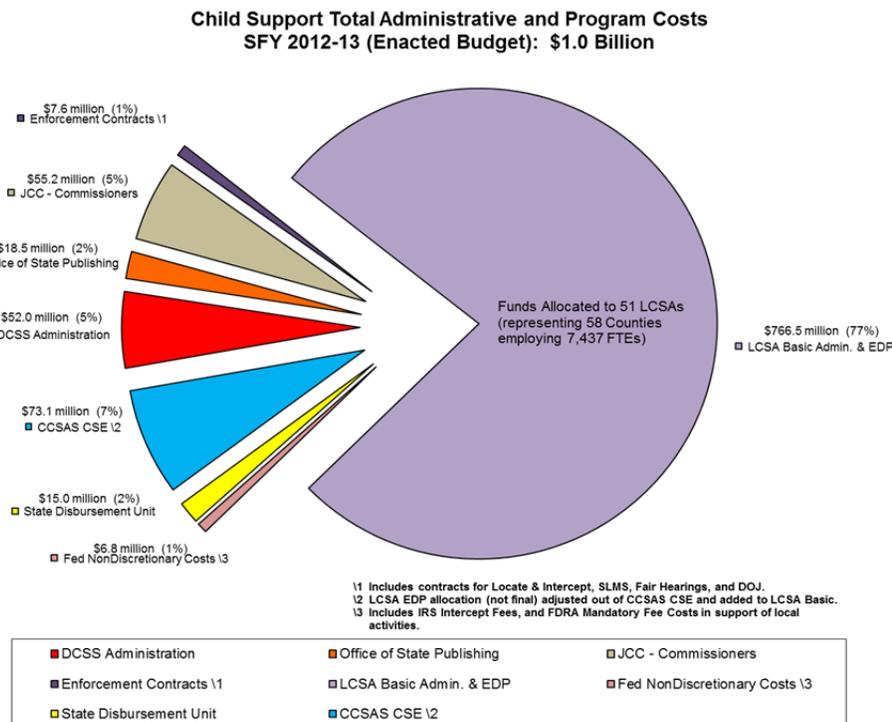
- (a) A clear breakdown of funding elements for past, current, and future years (Section 2).
- (b) Descriptions of active functionalities and a description of their usefulness in child support collections (Section 3).
- (c) A review of current considerations relative to federal law and policy (Section 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 CTA have developed this CCSAS Annual Summary. Sources for this report include the June 2012 Annual Advance Planning Document Update (APDU), the SFY 2012-13 Budget Act, and the SFY 2013-14 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.

CCSAS continues to receive federal financial participation (FFP) in the amount of 66 percent and State General Fund at 34 percent. Ongoing CCSAS funding supports required maintenance and operations activities. The pie chart below depicts how the CCSAS CSE and CCSAS SDU compare to the total budget for DCSS.



The 2012-13 Budget included the following reductions to the CCSAS budget:

- \$2,941,000 to reflect statewide reductions made pursuant to the Budget Act of 2012.
- \$2,379,137 to reflect operational efficiency reductions made pursuant to Budget Letter 11-29.
- \$297,545 to reflect actual expenditures and eliminate salary savings pursuant to the Budget Act of 2012.
- \$349,842 to reflect OTech Rate Reductions.

During the May 24, 2012 meeting of the Assembly Budget Sub-Committee #1 for Health and Human Services, the Legislature requested that DCSS report on two issues, directly related to CCSAS, via this report:

- Issue #1 – Reduce Funds for CCSAS.

California implemented statewide budget reductions in SFY 2012-13. As a part of this effort, the CCSAS budget was reduced by \$2,941,000. This reduction caused the Department to reduce and delay ongoing maintenance and operation activities. Specifically, postponed CSE environments and software upgrades.

- Issue #2 – Revert Funds Associated with CCSAS.

In SFY 2011-12, California's Budget Act included authority for DCSS to reappropriate unspent funds from SFY 2010-11 to SFY 2011-12 to ensure the successful implementation of the CCSAS Project. The reappropriation was not required and the funds were reverted to the General Fund based on the original year of appropriation. Throughout the history of the CCSAS Project, schedule changes sometimes made it necessary to move funds from one fiscal year to the next.

Original Year of Appropriation	Original GF Appropriation (Budget Act)	Year(s) of Reappropriation	GF Available for Reappropriation	Year of Reversion	General Fund Reversion
2010-11	\$328,838,000	2011-12	\$10,155,103	2011-12	\$10,155,103
2009-10	\$280,332,000	2010-11	\$9,916,913	2010-11	\$9,916,913
2008-09	\$345,197,000	2009-10	\$9,745,076	2009-10	\$9,745,076
2007-08	\$315,744,000	2008-09	\$12,754,056	2008-09	\$12,754,056
2006-07 **	\$555,019,000	2007/08 – 2009/10 \a	\$16,383,614	2009-10	\$183,000
2006-07 **	\$555,019,000	2007/08 – 2008/09 \b	\$13,463,000	2008-09	\$10,345,000

** Most of the reappropriation from SFY 2006-07 was reverted at the end of SFY 2008-09. A portion was carried to the end of SFY 2009-10.

\a \$16.3 million GF reappropriated from SFY 2006-07 to 2009-10

\b \$3.1 million GF reappropriated from SFY 2006-07 to 2008-09

Table 1 CCSAS CSE Project Cost Categories

The table below provides detailed definitions of cost categories shown in Table 2 of this report.

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

The table below provides the total CCSAS CSE actual and projected costs through SFY 2013-14. In addition, it depicts the recent budget reductions including the OTech rate reductions since the last published APDU.

Tasks	Actual 2003/04 - 2008/09	Budget SFY 2009/10	Budget SFY 2010/11	Budget SFY 2011/12	Budget SFY 2012/13	Budget SFY 2013/14	TOTAL
Development	867,571,574	31,206,533	3,304,959	-	730,000	-	\$902,813,066
Operations	257,286,614	59,021,167	104,032,960	76,885,248	74,046,412	74,776,412	\$646,048,813
Local Technical Support	533,810,996	26,050,247	32,899,158	32,899,158	35,007,994	35,007,994	\$695,675,547
TOTAL 2012 APDU	\$1,658,669,184	\$116,277,947	\$140,237,077	\$109,784,406	\$109,784,406	\$109,784,406	\$2,244,537,426
Statewide Reductions					(2,941,000)	(2,941,000)	(\$5,882,000)
Operational Efficiency Reductions				(1,440,000)	(2,379,137)	(2,379,137)	(\$6,198,274)
Eliminate Salary Savings				(297,545)	(297,545)	(297,545)	(\$892,635)
OTech Rate Reductions				(875,877)	(349,842)	(349,842)	(\$1,575,561)
TOTAL Revised Budget	\$1,658,669,184	\$116,277,947	\$140,237,077	\$107,170,984	\$103,816,882	\$103,816,882	\$2,229,988,956

Table 3 CCSAS SDU Project Costs

BUDGET CATEGORY	ACTUAL 2004/05 - 2008/09	BUDGET SFY 2009/10	BUDGET SFY 2010/11	BUDGET SFY 2011/12	BUDGET SFY 2012/13	BUDGET SFY 2013/14	TOTAL
One-Time Costs							
State Administration	6,442,700						\$ 6,442,700
SDU SP Services	25,967,108		3,962,000	1,060,000			\$ 30,989,108
Subtotal	\$ 32,409,808		\$ 3,962,000	\$ 1,060,000			\$ 37,431,808
Continuing Costs							
SDU - LCSA	7,437,713	295,000	295,000	295,000	295,000	295,000	\$ 8,912,713
SDU SP Services	89,380,353	21,022,944	22,372,000	18,091,000	14,671,000	14,671,000	\$ 180,208,297
Subtotal	\$ 96,818,066	\$ 21,317,944	\$ 22,667,000	\$ 18,386,000	\$ 14,966,000	\$ 14,966,000	\$ 189,121,010
TOTAL SDU COST	\$ 129,227,874	\$ 21,317,944	\$ 26,629,000	\$ 19,446,000	\$ 14,966,000	\$ 14,966,000	\$ 226,552,818

1. Actual Costs through 2007-08 from SDU Post-Implementation Evaluation Report Economic Analysis Worksheets; SFY 2008-09 actual expenses from CalStars.

2. State Administration Costs can be found in SDU SPR #4 (other contracts).

3. For SFY 2010-11, the one-time cost of \$3.962 million reflects the initial transition payment to the new Service Provider (SP) vendor (ACS)

4. For SFY 2011-12, the one-time cost of \$1.060 million reflects the final transition payment to the previous SP vendor (BoFA).

5. SFY 2012-13 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, both by increasing collections and decreasing and containing costs.

3.1 Worker Effectiveness

- 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.
- Electronic Storage/Retrieval of Documents – DCSS Central Scan receives, scans and uploads county case documents into CSE for caseworkers. DCSS Central Scan’s primary 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 provide caseworkers with electronic documentation.

DCSS Central Scan’s secondary production team was established to receive, scan, and upload all county case documents generated prior to the implementation of the CSE system. This “Backfile” effort has reduced the need for storage space within individual counties. In addition to the centralized effort, DCSS has worked with Los Angeles County Child Support Services Department and developed a local level scanning process that is saving the state thousands of dollars in shipping and labor costs.

- 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 actively working with additional courts to expand the use of e-filing.

3.2 Customer Service

- 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 2012, the Self Service Website pages were visited approximately 7.5 million times, averaging approximately 622,000 hits per month. This is a 1 million increase from last year.
- 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 2012, the statewide average customer wait time was 2.44 minutes. This is a slight increase from the wait times in 2011. The program's average abandonment rate also increased slightly from 10 percent to 11 percent in 2011. These small increases may be attributed to the success of the Self Service Website as the simpler issues are managed there, leaving the more complex issues to be resolved through human intervention over the phone.

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.

- 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 68 percent for SFY 2011-2012. Since SFY 2005-2006, electronic disbursements have increased from 10 percent of total disbursements to 76 percent.

These self-service options not only reduce the need for resources to provide customer service, but improve payment consistency and reduce errors, thus improving total distributed collections.

- 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 72 percent in SFY 2011-2012.

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 federal fiscal year (FFY) 2012, DCSS reached its highest levels of performance in the history of the program in all performance measures except Paternity Establishment. In addition, California excelled in its performance of the remaining performance measures:

- Paternity Establishment Percentage – Maintained California's performance above 100 percent, at 101.6 percent. Statewide Paternity Establishment Percentage 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 87.9 percent, an improvement of 2.1 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 61.4 percent, an improvement of 2.8 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 current support owed.
- Arrearage Collections Performance – Increased California's performance to 63.5 percent, an increase of 1.9 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 \$2.47 for FFY 2012.

4. LAW AND POLICY CONSIDERATIONS

Changes to state and federal law often result in amendments to the Child Support Program. Occasionally, these amendments also result in changes to the CCSAS system.

4.1 Data Reliability Audits

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 2011 audit in March 2012 and exceeded all of the minimum requirements.

4.2 Changes in State Law and Policy

Assembly Bill 1727 (Chapter 77, Statutes of 2012). In lieu of filing and serving a motion and a notice of motion, this bill allows an obligor to request ex parte relief to terminate a wage assignment order, if past due support and interest has been paid in full, and if any of the following conditions exist: the spouse to whom spousal support is owed is remarried or deceased, the child for whom child support is owed is emancipated or deceased, there is no longer a current support order, a previous stay of wage assignment was improperly terminated, or there has been an inability to deliver payment to the obligee for a period of six months.

Assembly Bill 1751 (Chapter 637, Statutes of 2012) requires all California state departments and other specified agencies to provide information, including a parent's name, social security number, address, telephone number, place of employment or other contact information, to county child welfare agencies and county probation departments that administer federal programs for foster care and child and family services. This bill also requires the information exchange to be done through an automated process to the extent feasible.

Assembly Bill 2392 (Chapter 646, Statutes of 2012) changes the California statewide uniform guideline for determining child support by increasing the threshold at which a low-income adjustment (LIA) may be applied to a child support obligation from \$1,000 of net disposable monthly income to \$1,500. The LIA will be indexed to the California Consumer Price Index and adjusted annually.

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 Administrative Office of the Courts.

5. ACCOMPLISHMENTS

- Re-Design of the Department of Motor Vehicles State Licensing Match Interface – During 2012, DCSS completed a comprehensive business analysis of all State Licensing match (SLM) program partners. The result was several recommended CSE system interface changes that would improve the entire SLMs program and improve effectiveness, usability, and accountability. These changes are being negotiated with each SLMs partner and are expected to take between two and three years to complete.
- SDU Transition – DCSS completed the transition to move all the collection, disbursement, and banking functions to a new service provider. This transition was completed in early 2012.
- CSE Usability – DCSS and LCSA staff collaborated to identify 42 items that resulted in quick system fixes in CSE over the course of a twelve (12) month period. Fixes were generally aimed at improving the user experience in CSE while reducing processing time and data entry errors. The success of the workshop extended beyond the CSE user experience as it strengthened the relationship between DCSS and LCSA business/program and technical staff.
- Automate Levy Process – In FFY 2012, DCSS issued over 520,000 levies to financial institutions through the Financial Institution Data Match program. Levies are automatically generated by the CSE system when an asset is matched to a delinquent obligor. Levy documents are mailed to financial institutions where they are manually processed. DCSS is continuing to work with OCSE, and several key financial institutions (US Bank, Bank of America, Wells Fargo, and Chase) to design a new electronic bank levy process. OCSE serves as the facilitator and lead entity to develop a portal concept and universal approach to executing and processing bank levies. This will allow each state to develop a single interface with the OCSE portal, and significantly modernize our business relationship with financial institutions who remain critical partners in the child support community.
- Incorporate the California Central Case Registry Document Tracking Database into CSE –The Central Case Registry Database was a legacy application. The database was 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 was also used to produce several reports that capture information for compliance audits and executive management. The batch processing and official record-keeping functionality of the legacy database was successfully implemented into CSE in October 2012, making CSE the system of record for all activities and workloads associated to CCR's mandated responsibilities. The reports required to monitor compliance to the federally mandated timeframes were completed in December 2012.

6. PLANNED SYSTEM CHANGES

Section 17561 of the Family Code requires DCSS and CTA to jointly produce an annual report to the policy and fiscal committees of the Legislature on the ongoing implementation of CCSAS. CCSAS has been in maintenance and operations since October 2011 and has no major implementation efforts planned.

As a result of the completion of the project, DCSS will be closing out the CCSAS Project in 2013 with a Post Implementation Evaluation Report.