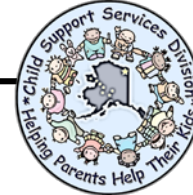


State of Alaska  
Department of Revenue



# Child Support Services Division

## **FY17 Budget**

A Presentation to the House Finance Subcommittee  
February 10, 2016

Carol Beecher,  
Director  
Alaska Child Support Services Division





# Child Support Services Mission



To collect and disburse child support payments

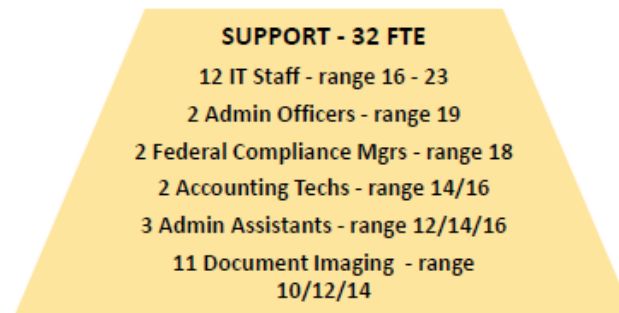
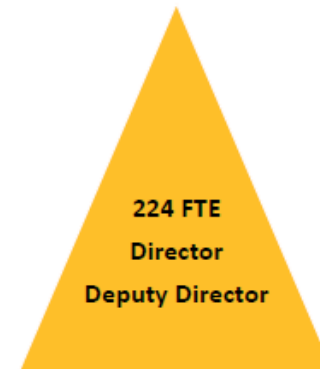
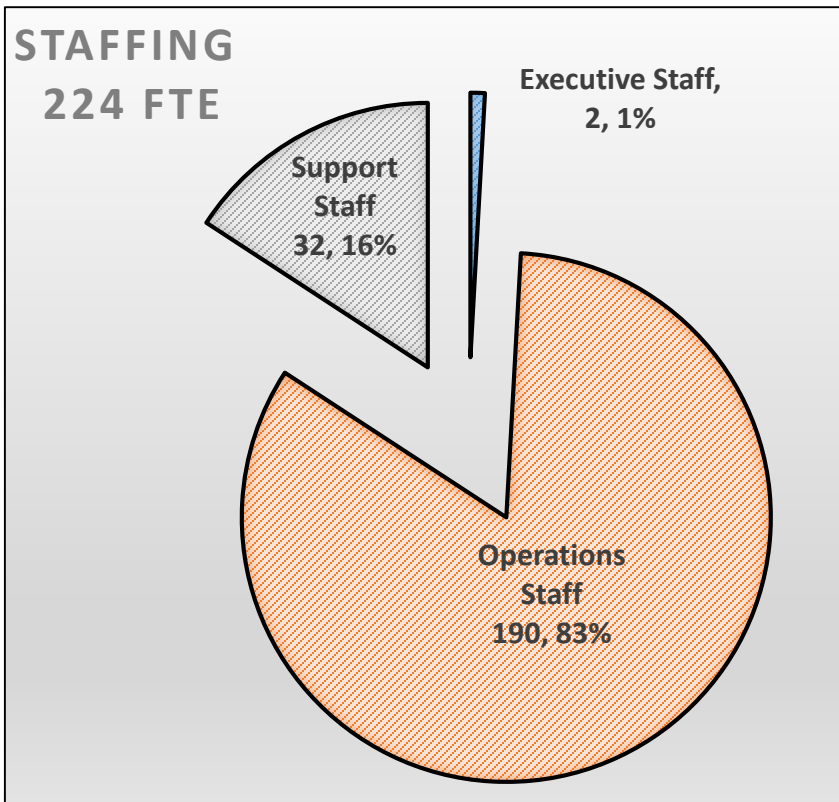


## Primary Activities:

1. Locate non-custodial parents
2. Establish legal fatherhood (paternity)
3. Establish and enforce child support orders

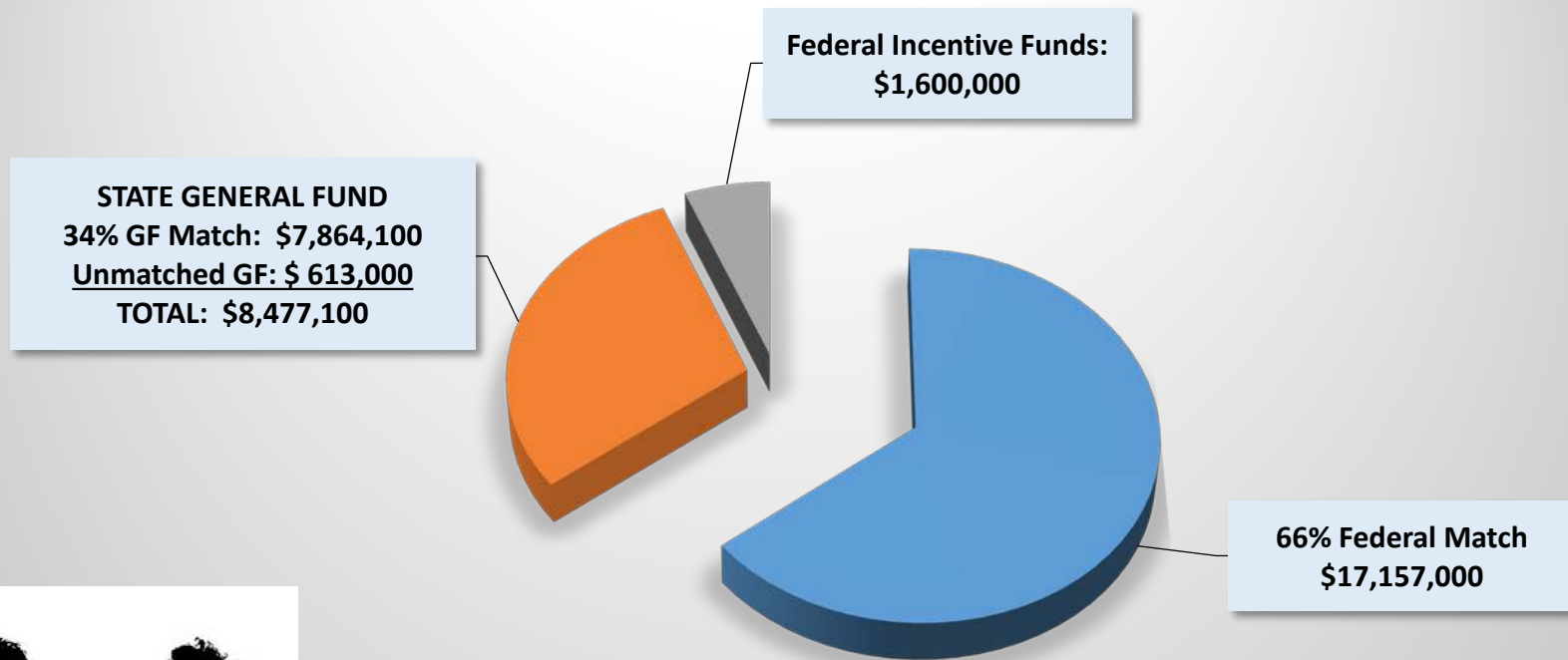


# Child Support Services - Structure





# Child Support Services – Funding





# Child Support Services – Federal Performance Measures

**FFY16&17 Federal Incentive = \$1,600,000**

## **FFY 15 Performance Measures**

- **Paternity Establishment = 99% (2<sup>nd</sup>)**
  - (Total # of children in FFY born out-of-wedlock with PATY established/# children born out-of-wedlock in previous FFY)
- **Order Establishment = 92.8% (7<sup>th</sup>)**
  - (Number of IV-D cases with Support Orders During Fiscal Year/Total number of IV-D cases during the Fiscal Year)
- **Current Collections = 54.6% (42<sup>nd</sup>)**
  - (Number of Dollars Collected for Current Support in IV-D Cases/ Total Dollars Owed for Current Support in IV-D Cases)
- **Arrearage Collections = 67% (12<sup>th</sup>)**
  - (Total number of eligible IV-D cases paying towards arrears/ Total number of IV-D cases with arrears due)
- **Cost-Effectiveness = \$3.87 (\$3.82 in FFY14)**
  - (Total IV-D Dollars Collected/Total IV-D Dollars Expended)





# Child Support Services - Budget



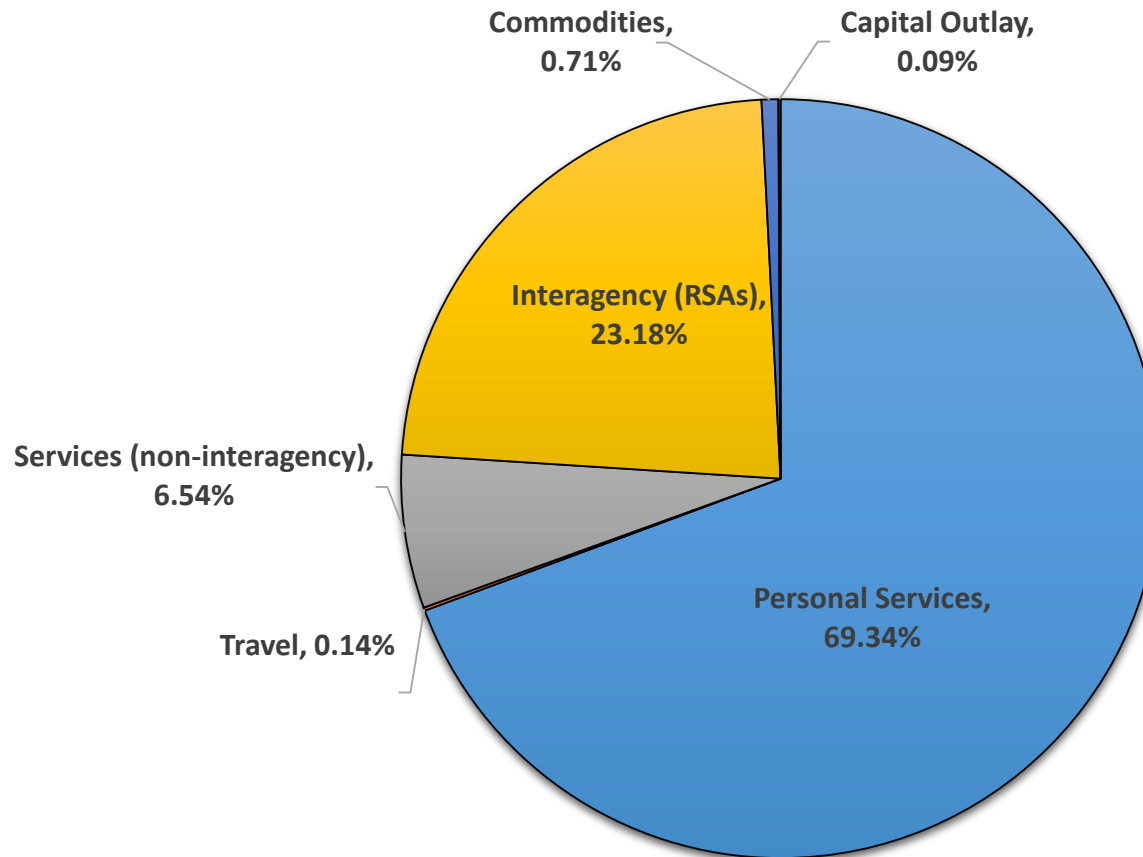
	Authorized		Gov's Proposed	
	FY16	Cuts	FY17	Cuts
<b>Total</b>	\$28,321,000		\$27,531,200	
○ Federal Receipts	\$17,589,300		\$17,157,000	
○ GF Match	\$ 8,221,000		\$ 7,864,100	
○ General Fund (unmatched)	\$ 664,700		\$ 664,100	
○ GF Program Receipts (PATY tests)	\$ 46,000		\$ 46,000	
○ Federal Incentives Payment	\$ 1,800,000**		\$ 1,800,000**	
○ <b>TOTAL CUTS</b>		<b>(\$1,016,300)</b>		<b>(\$ 789,800)</b>
○ <b>FY17 Capital Improvement Request:</b>			<b>\$ 1,700,000</b>	

- \*\*NOTE: Federal Incentives FFY 16 & FFY17 - federal payment was 1.6, state authorized amount was 1.8.



# Child Support Services – Expenditures

**CSSD Budget Allocation - FY16**





# Child Support Services – FY 17 Cuts



## **FY17 FTE = 224**

6 FTE cuts (2 vacant/4 filled)

2 Senior Managers (range 21)

2 Auditors (range 21)

1 Investigator (range 18)

1 Supervisor (range 16)

- \$ 686,000

- \$3,800 furlough

**- \$689,800 personal services**

## **Program Fee Pass-Through**

\$25 Fee (after first \$500 collected  
on never assisted cases) =

**- \$100,000 (unmatched) GF cut**





# Child Support Services- Capital Request = \$1.7M

## Re-platform Case Management System



### CURRENT SITUATION:

- 20 + year old legacy, mainframe based system
  - Hierarchical Structure
  - Old Computer Programming Languages
  - Cannot Find Skilled Staff
  - High Maintenance Cost
- Completed Feasibility Study
  - New System - \$70Million +
  - State Portion ~ \$30 Million

### PLAN FORWARD:

- Stage 1: Re-platform System
  - Convert Old Languages to New
  - Move to Web Based Platform

### Capital Request:

State Funds:	\$1.7M
Federal Match:	\$3.0M

# Child Support Services – Collections

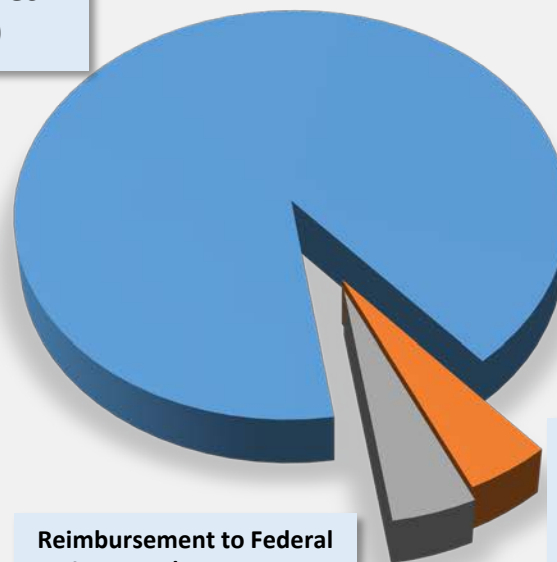


## Where Does the Money Go?

**FY15 Total Collections ~\$117,500,000**

Cost to Operate CSSD:	<b>\$8,500,000</b>
Reimbursement to GF:	<b><u>\$5,000,000</u></b>

**Directly to Families:  
\$107,500,000**



**Reimbursement to Federal  
for TANF/Fostercare:  
\$5,000,000**

**Reimbursement to  
State General Fund for  
TANF/Fostercare:  
\$5,000,000**

# Child Support Services – Goals & Accomplishments



## *1. Improve Environment for Increased Collections*

- Ongoing Training
- Credit Card Payments (in process)
- Web Payment Portal (in process)

## *2. Improve Efficiency of Distribution of Child Support*

- Debit-cards/electronic deposit
  - Reduced: 8,000 checks to 1,200/month
- Electronic Wage-Withholding (E-IWO)
- Cost Effectiveness Measure: \$3.87 per every dollar expended

## *3. Improve Customer Service*

- Direct Access for Verification Requests from Banks/Mortgage/etc.
  - Reduced requests by 50%
- Provide Extensibility (staff can join queue from desk)



# Child Support Services – Turning Challenges Into Opportunities

## Recruitment & Retention

- **Challenges:**
  - 17 Caseworker Vacancies
  - Growing Caseload (69,000)
  - Reduced Funding
- **Opportunities:**
  - Rethink work Processes
    - Using What We Have
  - Identify Efficiencies
    - Caseload Stratification

## Case Management System

- **Challenges:**
  - 20+ yr Legacy Mainframe
  - Finding Required Skill Sets
  - “Silver Tsunami” (retirements)
  - No System Replacement Funds
- **Opportunities:**
  - Replatform system to web
  - Fix work-arounds
  - Use MICS funding to enhance
  - Robust/Flexible
  - Modern Languages



# QUESTIONS?



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