

State of Alaska
Department of Revenue



Child Support Services Division

FY17 Budget

A Presentation to the House Finance Subcommittee
February 10, 2016

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Child Support Services Mission



To collect and disburse child support payments

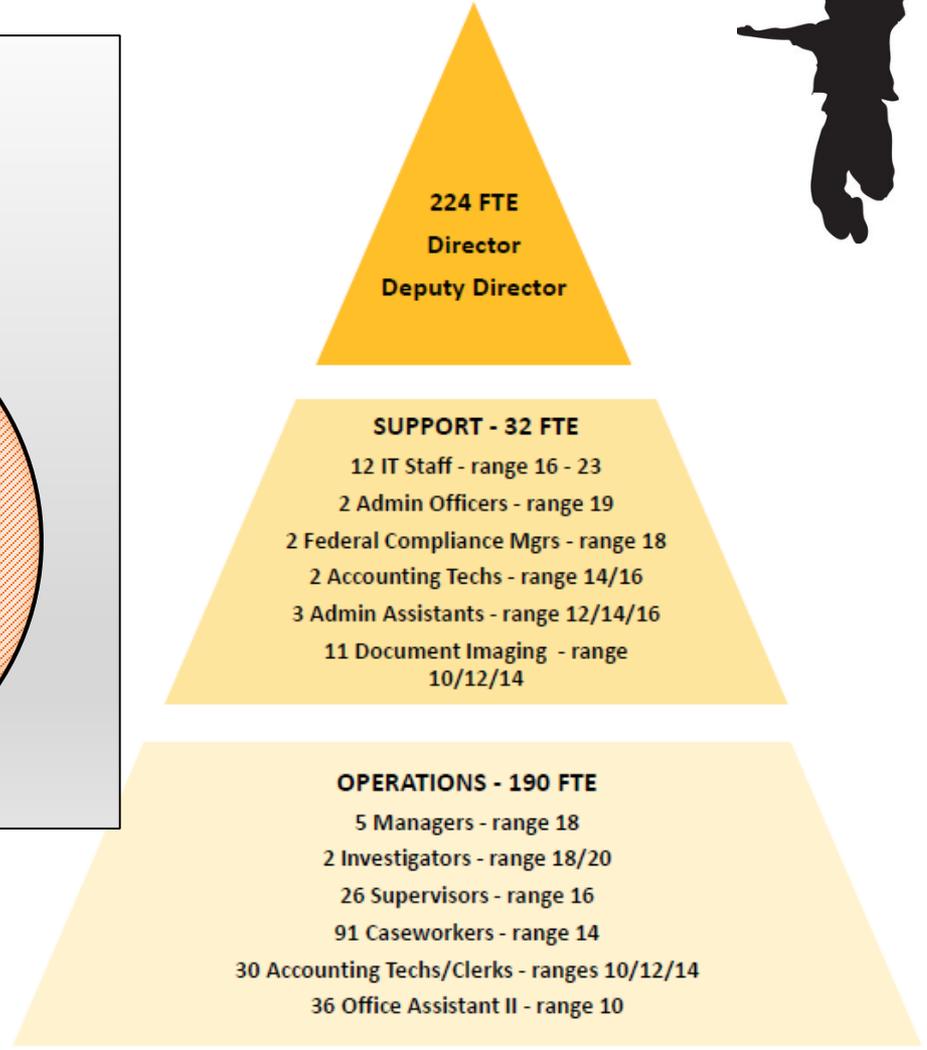
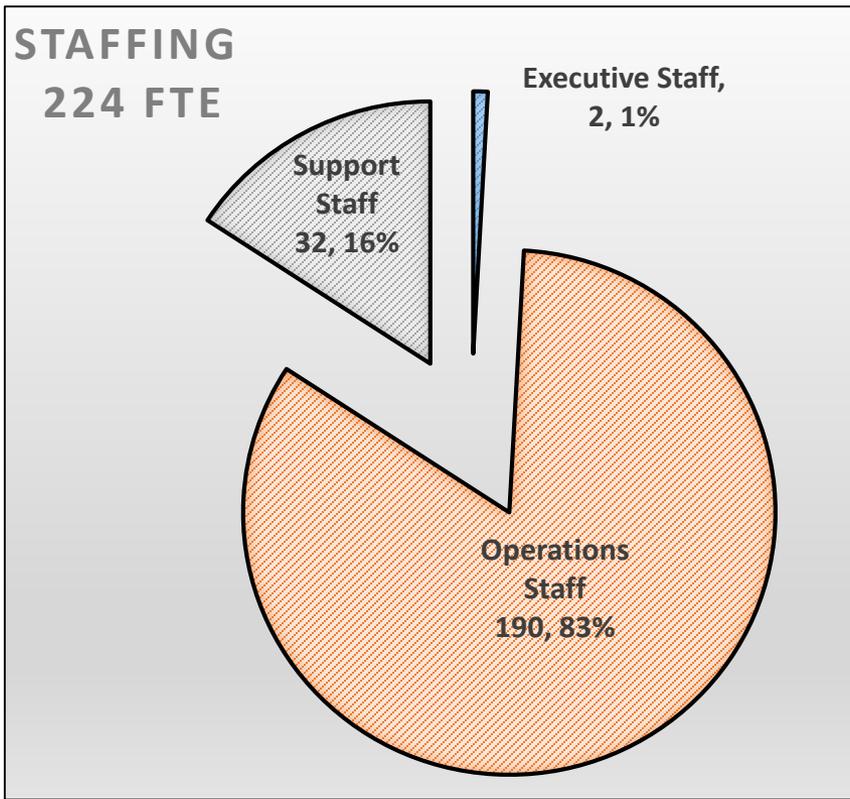


Primary Activities:

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

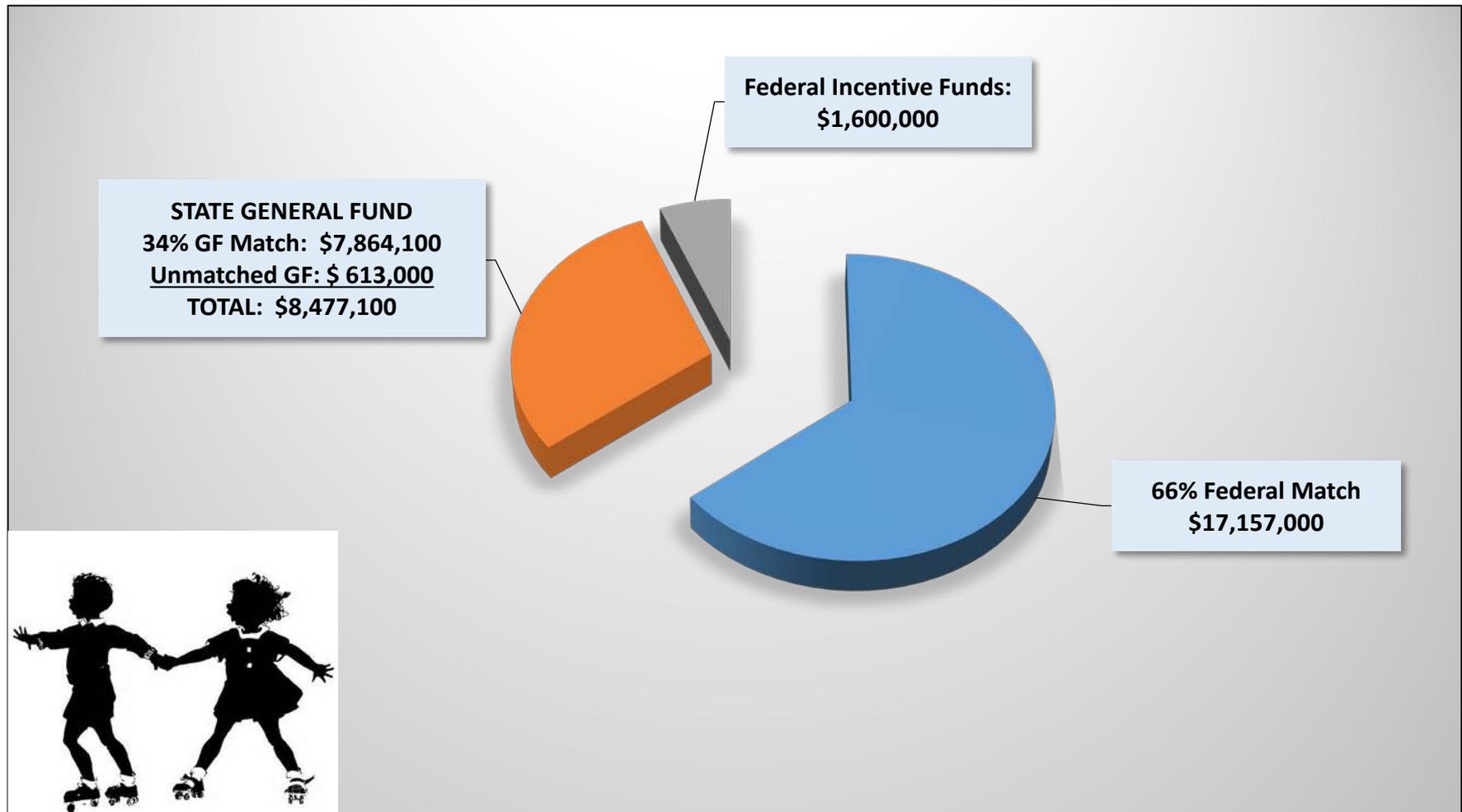


Child Support Services - Structure





Child Support Services - Funding





Child Support Services – Federal Performance Measures

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

FFY 15 Performance Measures

- **Paternity Establishment = 99% (2nd)**
 - (Total # of children in FFY born out-of-wedlock with PATY established/# children born out-of-wedlock in previous FFY)
- **Order Establishment = 92.8% (7th)**
 - (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% (42nd)**
 - (Number of Dollars Collected for Current Support in IV-D Cases/ Total Dollars Owed for Current Support in IV-D Cases)
- **Arrearage Collections = 67% (12th)**
 - (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



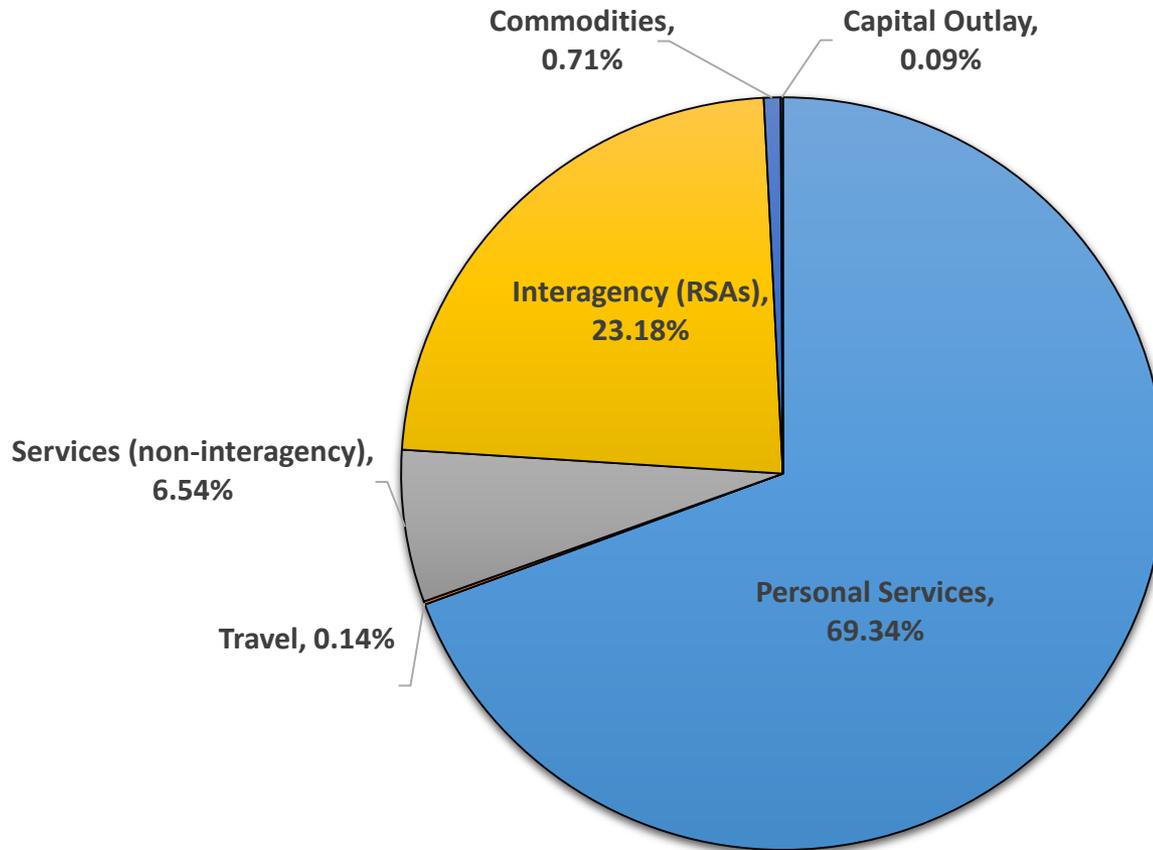
| | Authorized | | Gov's Proposed | |
|--|----------------|----------------------|---------------------|---------------------|
| | FY16 | Cuts | FY17 | Cuts |
| Total | \$28,321,000 | | \$27,531,200 | |
| ○ Federal Receipts | \$17,589,300 | | \$17,157,000 | |
| ○ GF Match | \$ 8,221,000 | | \$ 7,864,100 | |
| ○ 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** | |
| ○ TOTAL CUTS | | (\$1,016,300) | | (\$ 789,800) |
| ○ FY17 Capital Improvement Request: | | | \$ 1,700,000 | |

○ **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

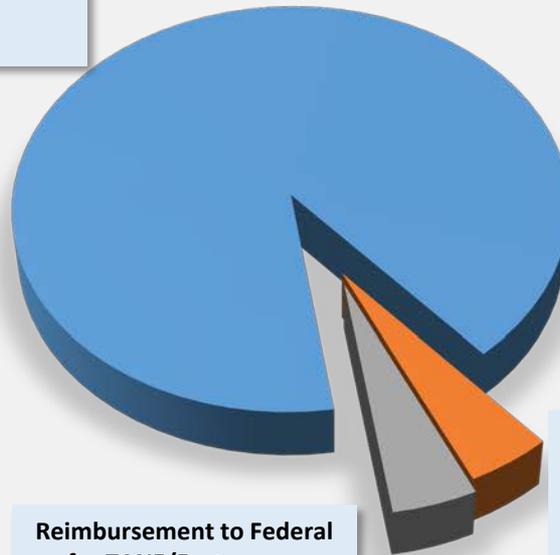


Where Does the Money Go?

FY15 Total Collections ~\$117,500,000

| | |
|-----------------------|--------------------|
| Cost to Operate CSSD: | \$8,500,000 |
| Reimbursement to GF: | \$5,000,000 |

**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

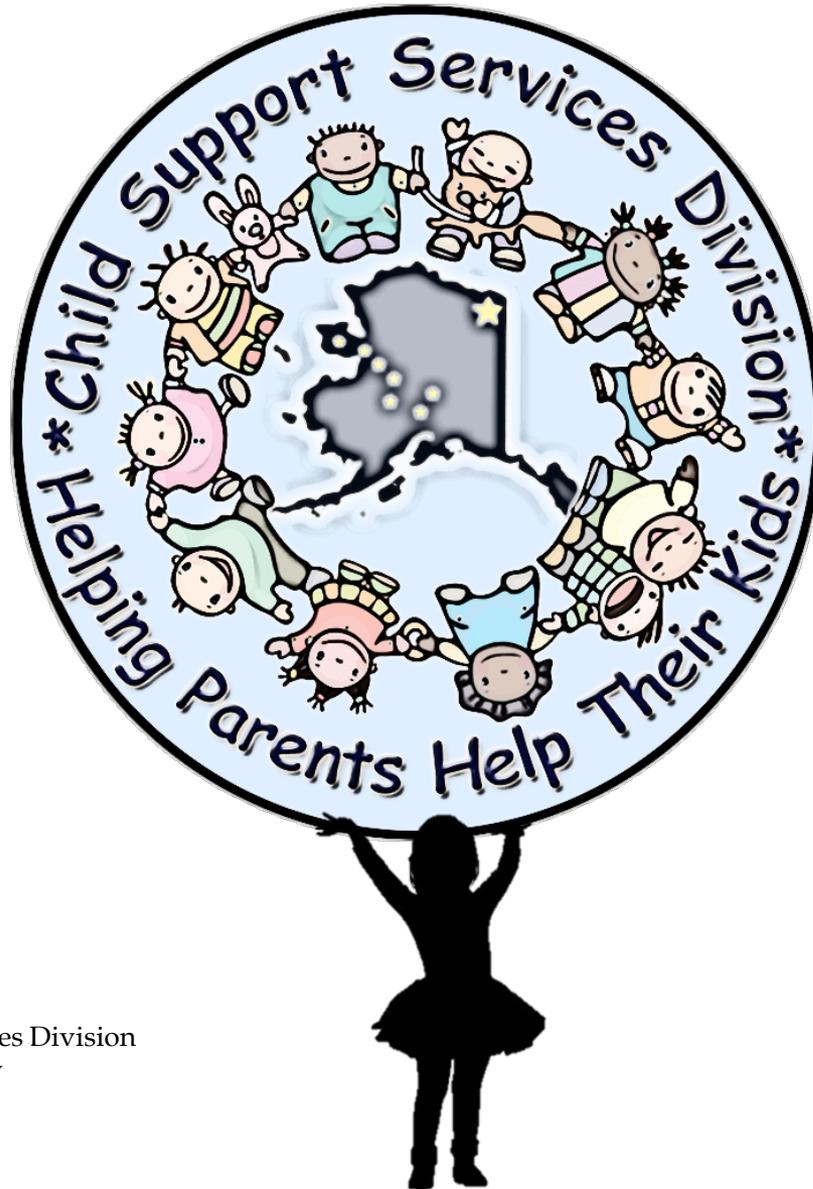
- **Challenges:**
 - 17 Caseworker Vacancies
 - Growing Caseload (69,000)
 - Reduced Funding
- **Opportunities:**
 - Rethink work Processes
 - Using What We Have
 - Identify Efficiencies
 - Caseload Stratification

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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