

**DIVISION OF CHILD
SUPPORT (DCS)
PERFORMANCE AUDIT**

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REPORT DIGEST

JUNE 28, 2000



STATE OF WASHINGTON

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DIVISION OF CHILD SUPPORT (DCS) PERFORMANCE AUDIT

This study was an initiative of the Joint Legislative Audit and Review Committee in response to legislative interest in the performance and funding of Washington's child support program. The Division of Child Support (DCS), within the Economic Services Administration of the Washington State Department of Social and Health Services (DSHS), provides child support services to custodial parents who are current or former recipients of public assistance, and to anyone who requests such services.

The mission of DCS is "to improve the lives of children and benefit families and taxpayers by providing quality child support services in a fair and fiscally responsible manner." The child support program is centrally administered and services are provided at no cost to parents through nine DCS field offices. Services include locating non-custodial parents; establishing paternity; establishing, reviewing, and modifying financial and medical support orders; collecting current and past due child support; enforcing medical support obligations; collecting child support across interstate lines; and processing payments.

MAJOR FINDINGS

1. State programs for providing child support services are primarily governed by Title IV-D of the Social Security Act of 1974 and other subsequent federal acts. The Division's mission, goals, objectives, and operations are consistent with state legislative intent and requirements of the federal Office of Child Support Enforcement. Further, we did not find any examples of Division activities or services that extend beyond legislative intent or federal requirements.
2. Washington's child support program has a good reputation among its peers. DCS has been proactive in participating in pilot projects, establishing a state child support registry, computerizing many routine functions and forms, and identifying ways to improve activities and services.
3. The Division is facing new challenges that have fiscal and case management implications. The primary challenges are:
 - Changes in child support caseload profile – Washington's successful welfare reform has meant a decline in public assistance cases, which reduces the state's federal incentive payments.
 - A shift in focus from collections to the broader scope of providing child support-related services (e.g., paternity establishment, medical support collection, and programs for non-custodial parents) – This is reflected in the use of non-financial performance measures by the federal Office of Child Support Enforcement for awarding incentive payments to states.
 - Coordination with Washington's WorkFirst and Welfare-to-Work programs – The purpose of such coordination efforts is to allow integrated services (e.g., assistance in employment and training) to both custodial and non-custodial parents through statewide Community Services Offices.

4. Washington's child support program is driven primarily by federal mandates, and much of its focus is on meeting those mandates. However, these federal mandates are not sufficient in themselves for addressing policymakers' expectations with respect to state-specific information about resource management and program performance. Specifically, DCS cannot adequately answer the following broad questions about staffing needs, or how staffing levels and their allocation relate to performance:

- How many staff are needed to handle current and projected caseloads?
- How should staff be allocated among local offices?
- How much does it cost to manage a case and how is this changing by case type?
- How should resources and efforts be prioritized to help DCS achieve its goals and improve overall agency performance?

CONCLUSIONS AND RECOMMENDATIONS

This report has noted the Division of Child Support's success in meeting federal mandates and priorities. It has also found that the Division has been improving its performance on several measures. We believe the Division can build upon this success by refocusing some of its efforts on addressing needs for information on resource management and program performance.

1. *To determine if it is cost-effective to recover part of its expenses for providing services to non-public assistance clients, DCS should study the feasibility of collecting fees for any of its services from such clients, and present its findings with recommendations to the legislature.*
2. *To prioritize resources, allocate staff, and maximize performance, DCS should:*

(a) Employ an on-going, cost-effective method of measuring the amount of time the staff spend on different types of cases and activities in relation to outcomes.

(b) Maintain historical data electronically and capture on-going program changes in a level of detail appropriate for budgeting purposes and for measuring, analyzing, and monitoring performance.

3. *To know how well the state's child support program is doing with respect to its outcomes, DCS should improve its performance measurement system by establishing (and reporting to the Office of Financial Management) additional performance measures that answer the following questions:*

- *What percent of cases are receiving the full child support amount?*
- *What percent of cases are receiving child support payments on a regular basis?*
- *What percent of cases have support payments due in arrears for more than a given period of time (e.g., six months, one year, three years, etc.)?*
- *How many cases were diverted from receiving welfare because the collection of child support by the Division was a contributing factor?*
- *What are the net collections (total collections minus total expenditures) per case?*

4. *To improve its performance on child support collections, DCS should submit a plan to the legislature that contains goals and strategies for improving its performance on the following indicators: percent of cases with collections, percent of current support amount collected, and percent of past-due support amount collected.*

Committee Addendum

On June 28, 2000, the Joint Legislative Audit and Review Committee adopted the following addendum to the final report:

Follow-up on the audit recommendations is a high priority for the Committee. In addition, follow-up activities shall include looking at issues such as the Conference Board, video conferencing, data and data sharing, welfare fraud, staffing, training, and staff turnover.