



**State of Alaska
Department of Revenue
Child Support Services Division**

**Self-Assessment Review
FFY 2009**

March 30, 2010

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Executive Summary

This Self Assessment Review measures the division's compliance with the Code of Federal Regulations (CFR) for federal fiscal year 2009.

CSSD exceeded federal compliance requirements for all measured criteria except Expedited Processes at the 12-month tier. Even so, that criterion's score is within the 6% margin of error. The greater worry is that performance in Expedited Processes has been trending downward for three years.

A stable level of performance was found in most areas measured. The declines in Establishment and Expedited Processes were statistically significant and will need a plan to correct their downward trend in performance.

Based on the previous years' results we do not think the small decline in Review and Adjustment is a problem.

Staff vacancies, training for new employees and turnover continued to create some problems (primarily in the establishment of orders), just as in 2008. Our agency-wide vacancy rate for the year was 9.1%, which was 3.4 points lower than in 2008. Our prior year's expectation to see general improvement for establishment of orders in Expedited Processes was not realized and our performance in reviewing and modifying orders also declined. We expected fewer people leaving our employment and anticipated a stable or slightly improved performance for 2009, and saw our vacancy rate decline slightly but performance among the caseworker teams was mixed.

Using statistics from the OCSE-157 Report, CSSD's active IV-D caseload shrank in size from 44,554 to 43,915 (1.4% smaller than in FFY 2008). The number of open cases with orders dropped to 92% (down 1%, which indicates a growing backlog). The agency

distributed \$99.5 million in child support in FFY 2009. This is about \$3.7 million less than last year, but that decline was expected. In FFY 09 we did not see the federal economic stimulus payout or Alaska's Energy Rebate and we had a significantly smaller Permanent Fund Dividend. These events boosted the 2008 numbers by about \$9 million.

The audit review period was October 1, 2008 through September 30, 2009. It included a detailed review of 505 cases (including the hard files). The sample was determined seeking a 90% confidence level and a +/- 2% maximum error of estimate. The review was conducted in accordance with 45 CFR 308.

The following table depicts the percent of cases in compliance by category:

| Criterion | Cases That Required Action | Cases Compliant With Time Frames | Efficiency Rate: 2009 | Federal Minimum Standard | Last Year: 2008 |
|--|-----------------------------------|---|------------------------------|---------------------------------|------------------------|
| Case Closure | 21 | 21 | 100% (+/- 7%) | 90% | 100% |
| Paternity/Establishment | 58 | 46 | 79% (+/- 4%) | 75% | 88% |
| Expedited Processes within 6 months | 29 | 23 | 79% (+/- 6%) | 75% | 80% |
| Expedited Processes within 12 months | 28 | 25 | 89% (+/- 6%) | 90% | 93% |
| Enforcement | 429 | 397 | 93% (+/- .7%) | 75% | 93% |
| Disbursement | 343 | 330 | 96% (+/- 1%) | 75% | 96% |
| Medical Support Enforcement | 82 | 73 | 89% (+/- 3%) | 75% | 86% |
| Review and Adjustment | 280 | 249 | 89% (+/- 1%) | 75% | 92% |
| Interstate Services, Overall | 129 | 120 | 93% (+/- 3%) | 75% | 91% |
| Initiating Interstate | 80 | 74 | 93% (+/- 4%) | 75% | 89% |
| Responding Interstate | 49 | 46 | 94% (+/- 5%) | 75% | 96% |
| TOTAL CASES | 505 | | | | |

Details of the case results are in the subsequent report text. In addition, we are submitting the optional report categories titled, Program Direction and Program Service

Enhancements. Note that overall audit results have a margin of error of +/- 2%, with a 90% confidence level.

Introduction

The Alaska Child Support Enforcement Agency (CSEA) was created under the Department of Health and Social Services (H&SS) on July 1, 1976. In its first year of operation, seven employees managed a caseload of 8,800 child support cases. All support orders were established through judicial process. A year later, the agency was moved from H&SS to the Department of Revenue where it remains today. In 1978, the CSEA was empowered with administrative enforcement capabilities. In April 1981 CSEA was renamed the Child Support Enforcement Division (CSED). In 2004, the name changed again to Child Support Services Division (CSSD). Today, CSSD has 231 full time employees who manage 43,915 active IV-D child support cases, of which 40,300 cases have support orders. In FFY 2009 CSSD distributed \$99.5 million (as reported on OCSE Form 157), of which about \$15.8 million was from the state's annual Permanent Fund Dividend (PFD).

The PFD is a significant part of the Alaskan economy, paying about \$820 million dollars to the population in FFY 2009 (about \$1305 per applicant). With the economic recovery proceeding slowly, we expect the FFY 2010 PFD to be approximately the same. The PFD itself helps all families, and for those people owing child support, it helps them pay their child support with money that does not come directly from their paychecks. The money the PFD contributes to the economy significantly affects CSSD's annual collections as it filters through local businesses and turns up as wages and assets for nearly every resident. By matching CSSD information with the data kept by the Permanent Fund Dividend Division we are also able to locate many people who owe or are owed child support.

Sampling Methodology

In accordance with 45 CFR 308, we extracted a systematic random sample of the statewide caseload. This sample gives a 90% confidence level with a +/- 2% margin of error. We perform one self assessment review per year and it is oriented on the federal fiscal year. CSSD employs two internal auditors who perform the review. Automated review tools are not used. All records are maintained by CSSD. The auditors report to the IV-D director.

We did not omit any segment of the IV-D universe from the sampling process. The population, numbering 45,484, consisted of every IV-D case that was open as of September 30, 2009, and included every IV-D case closed during the audit period, October 1, 2008 through September 30, 2009. For this review, we excluded all Non-IV-D cases in the population, and those interstate-limited enforcement cases associated with simply intercepting the annual PFD (instead of receiving full services).

A minimum sample of 318 cases was required. To improve our statistical accuracy we took a sample of 505 cases. The skip interval was 90. We used Microsoft Excel to generate a random starting number between 1 and 90. A system programmer extracted the audit sample from the online caseload. Of the 505 cases reviewed, 25 had no measurable actions or were excluded for other reasons. The exclusion rate was 5%.

Scope of the Review

We performed the audit in compliance with 45 CFR 308. As in the past, we held Interstate Initiating to a more restrictive standard. We did so because the CFR only requires that a case be initiated within 20 days of receiving the information needed to complete the interstate forms. It does not set any standards for soliciting that information from the

custodian of the children or answering their questions. We determined that we should measure this preliminary process as a way of determining the quality of the service we provide to the public. The following additional criteria provide a more accurate assessment of the agency's provision of Interstate services:

- A General Testimony packet, or a Registration of Foreign Order packet, should be sent to the custodial parent within a reasonable amount of time (30 days), if it is required to initiate a case.
- Follow-up actions should occur until we receive the information needed to process the case. (Such actions will include contacting the custodial parent about returning the initial paper work, or supplying any other information if the case was already initiated to another state). The time allowed for these follow up actions varies from 30 to 90 days based on whether the case was already initiated and what type of follow up action can reasonably be expected to produce a positive result.
- Timely responses should be made to other states and case parties to facilitate customer service, not just to meet CFR requirements. The CFR sets a response timeframe for Status Requests and for information requests from other states. We expanded this requirement to include contacts with case parties and attorneys, allowing up to 30 days to reply or forward a query to the other state.

The internal auditors reviewed case record information from both online case records and physical case files. We recorded our findings in a Microsoft Access database.

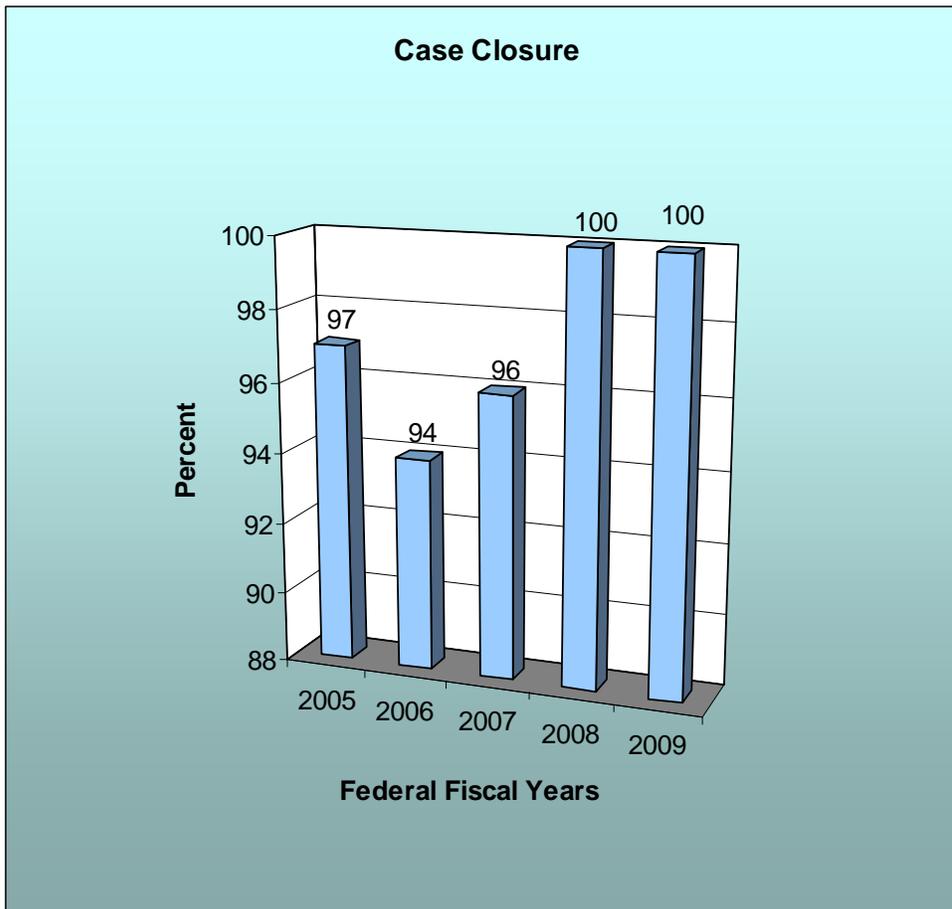
Category 1: Program Compliance

Review Criteria in Compliance

We calculated all percentages by dividing the number of cases that had no measurable errors into the total-cases-measured for the criterion. Fractional numbers were rounded up when the fraction equaled .5 or greater, and were rounded down if it was .4 or less. The charts show five-year histories to better illustrate overall performance.

Case Closure: 100% (Minimum Acceptable: 90%)

There were no errors in the 21 cases measured. This criterion remained compliant. The five-year average efficiency rate was 97%.



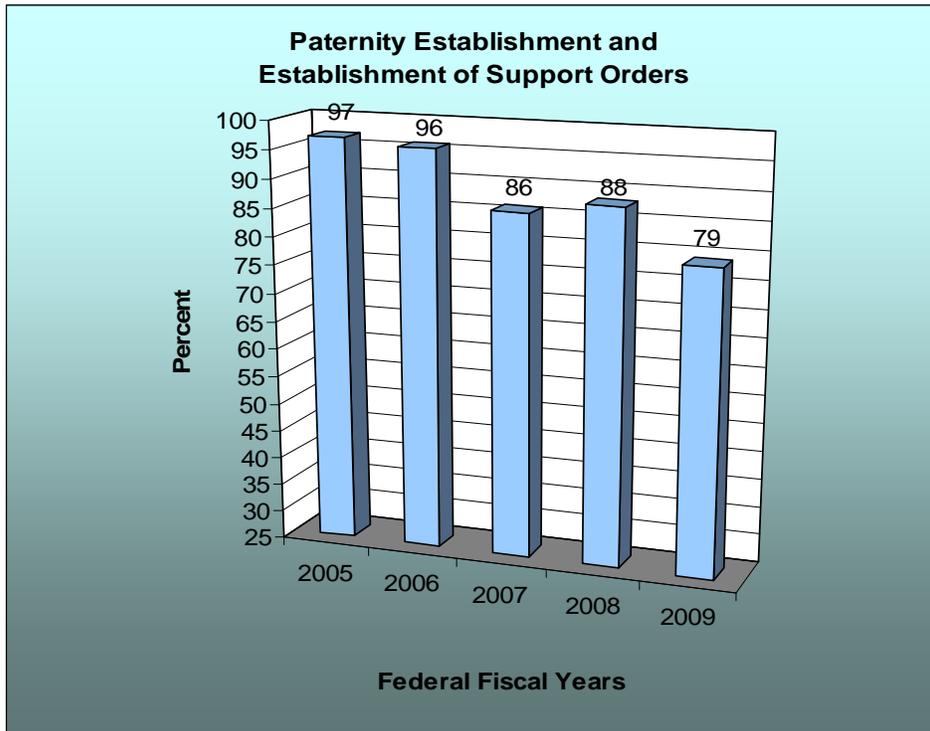
Paternity and Support Order Establishment: 79% (Minimum Acceptable: 75%)

There were twelve errors in the 58 cases measured. This criterion remained compliant with federal guidelines. The five-year average efficiency rate was 89%.

The efficiency rate has declined 9% since last year, and 17% from three years ago (FFY 06). Division staff must closely examine the training and casework of the establishment teams in order to reverse the downward trend in accuracy and timeliness. Staffing levels must also be evaluated to see if extra workers will be needed to eliminate the growing backlog of cases awaiting order establishment.

The total number of new orders established for the year was 1,160 (a decline of 25% from FY 08's 1550). The prior year showed that we had 93% of our open cases with orders, but for this year, we fell by one point. Alaska has the highest percentage nationwide of cases with orders (narrowly edging out South Dakota, according to statistics provided by Policy Studies Institute of Colorado).

The division will aim to reach an 85% efficiency rate for FFY 2010, as well as working to achieve the 94% goal for "Cases with Orders" (Line 2 on the OCSE 157).



Expedited Processes: Within 6 months: 79%; within 12 months: 89%.
(Minimum Acceptable: 75% and 90% respectively)

The 6-month criterion was compliant with CFR, but the 12-month was marginal.

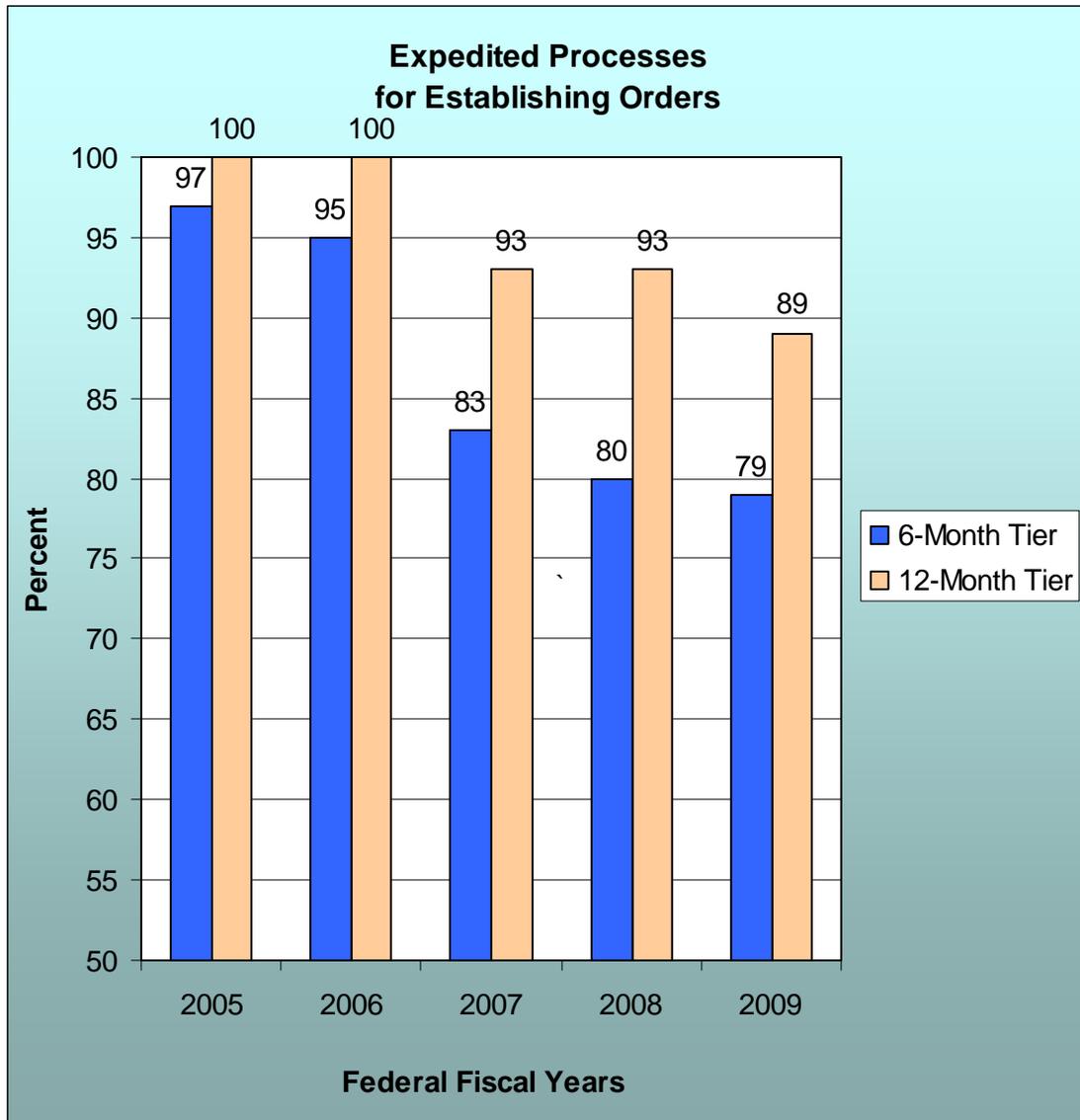
Altogether, we measured 29 cases for expedited processes. We measured 29 cases for the 6-month timeframe and 28 cases for the 12-month timeframe. At the 6-month tier, there were 6 errors. We did not meet our goal of 83% efficiency. At the 12-month tier, we found 3 errors. We did not reach our goal of 94% efficiency.

The five-year average for the 6-month tier was 87% (the same as last year). For FFY 2010 we will set the goal of 81% compliance, with 1% annual increases thereafter.

The five-year average for the 12-month tier was 95%. Management will conduct refresher training for paternity staff and emphasize meeting the timelines set in 45 CFR 303.5 and 303.101. The current efficiency rate was within the margin of error, but was likely below the minimum threshold of 90%. The likelihood of failure in this criterion is so high that we must closely examine our processes and correct the problems causing the decline in performance. As part of the process to identify the problems, the internal auditors will perform a focused audit on expedited processes in the first half of 2010.

Note: The Expedited Processes criterion measures the time allowed under the CFR to establish child support orders. The timeframe measured begins with the initial service of documents on the noncustodial parent and ends with the establishment of a child support order. At least 75% of the cases must have an order established within 6 months of serving the noncustodial parent with a notice of a paternity complaint or of a duty to support a child. A minimum of 90% of the cases must have an order established within 12 months.

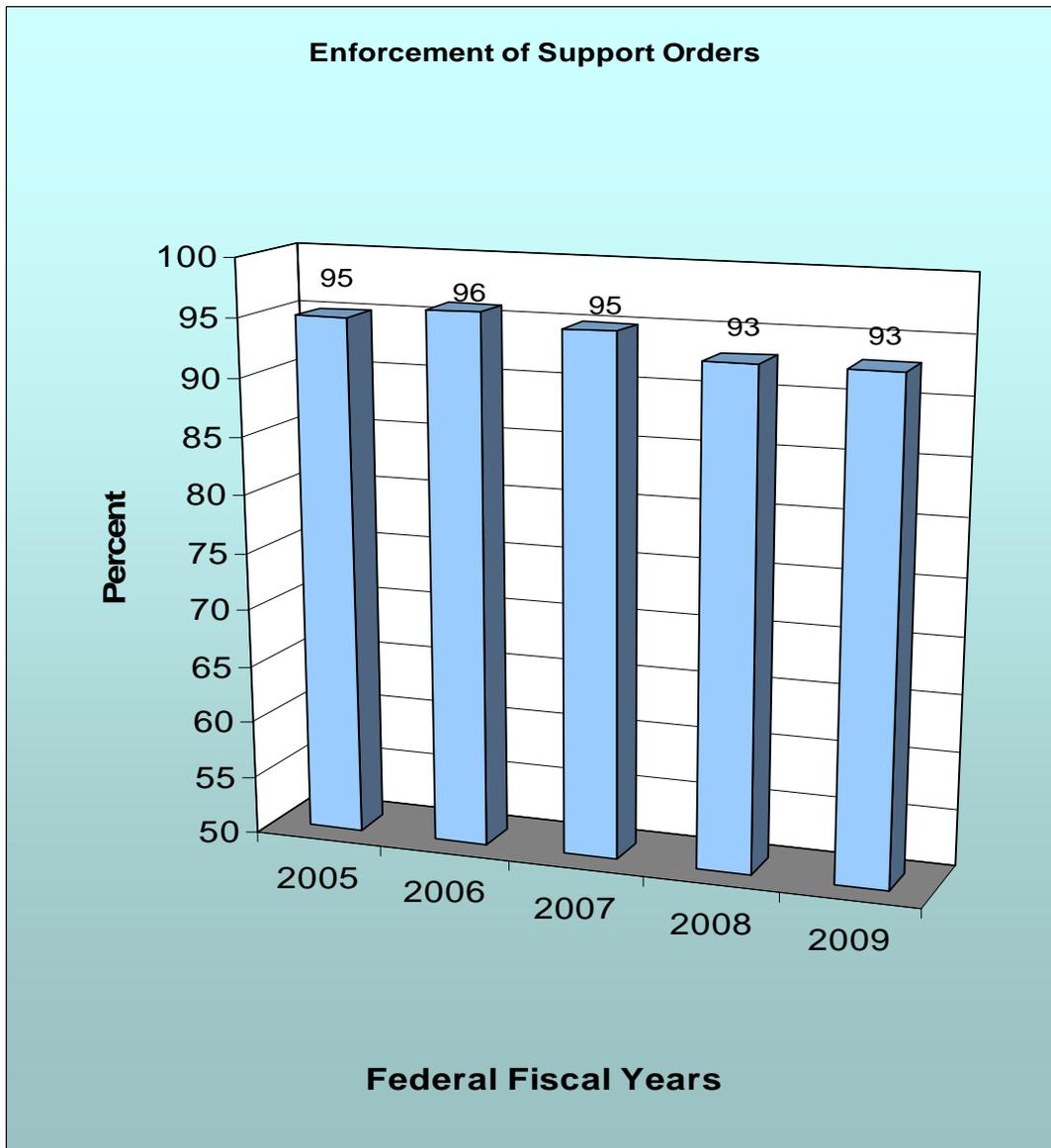
[Chart follows]



Enforcement: 93% (Minimum Acceptable: 75%)

There were 32 errors in the 429 cases measured.

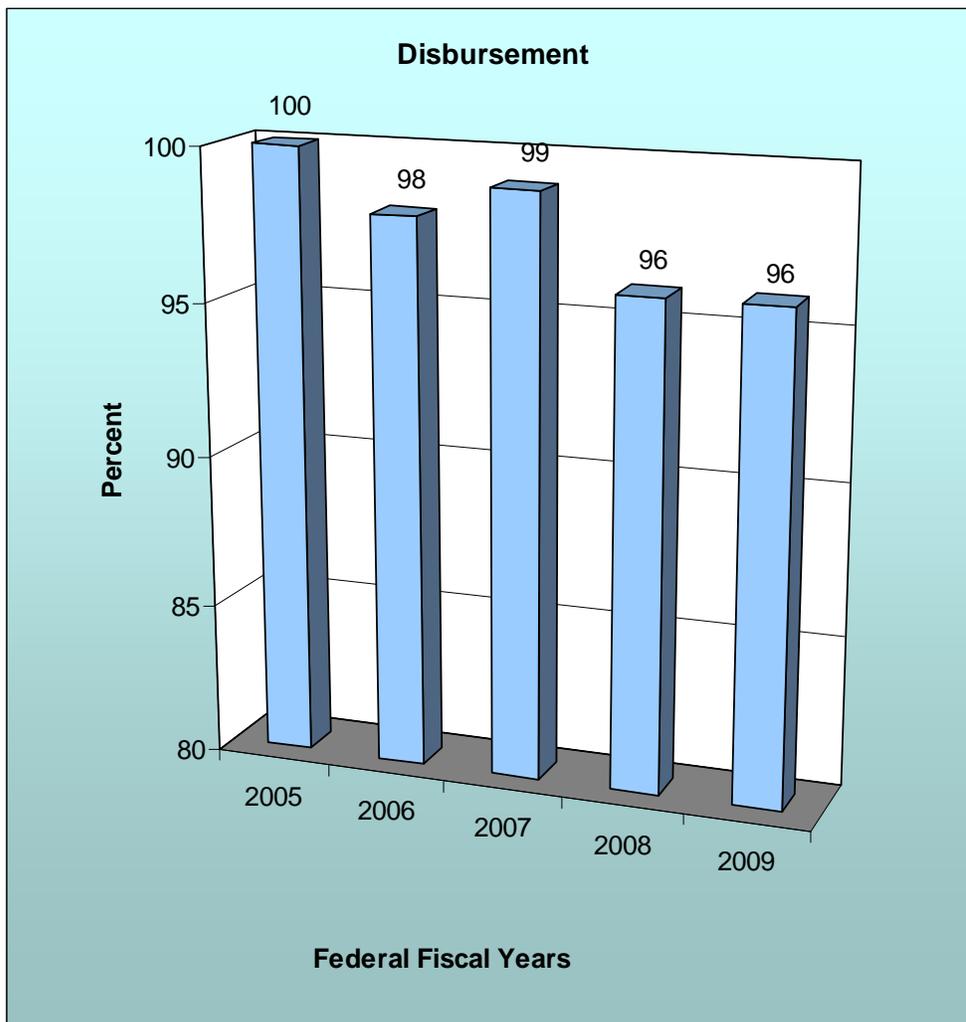
This criterion remained compliant. The five-year average performance was 94%. The enforcement teams will work to maintain this level of efficiency.



Disbursement: 96% (Minimum Acceptable: 75%)

There were 13 errors in the 343 cases measured.

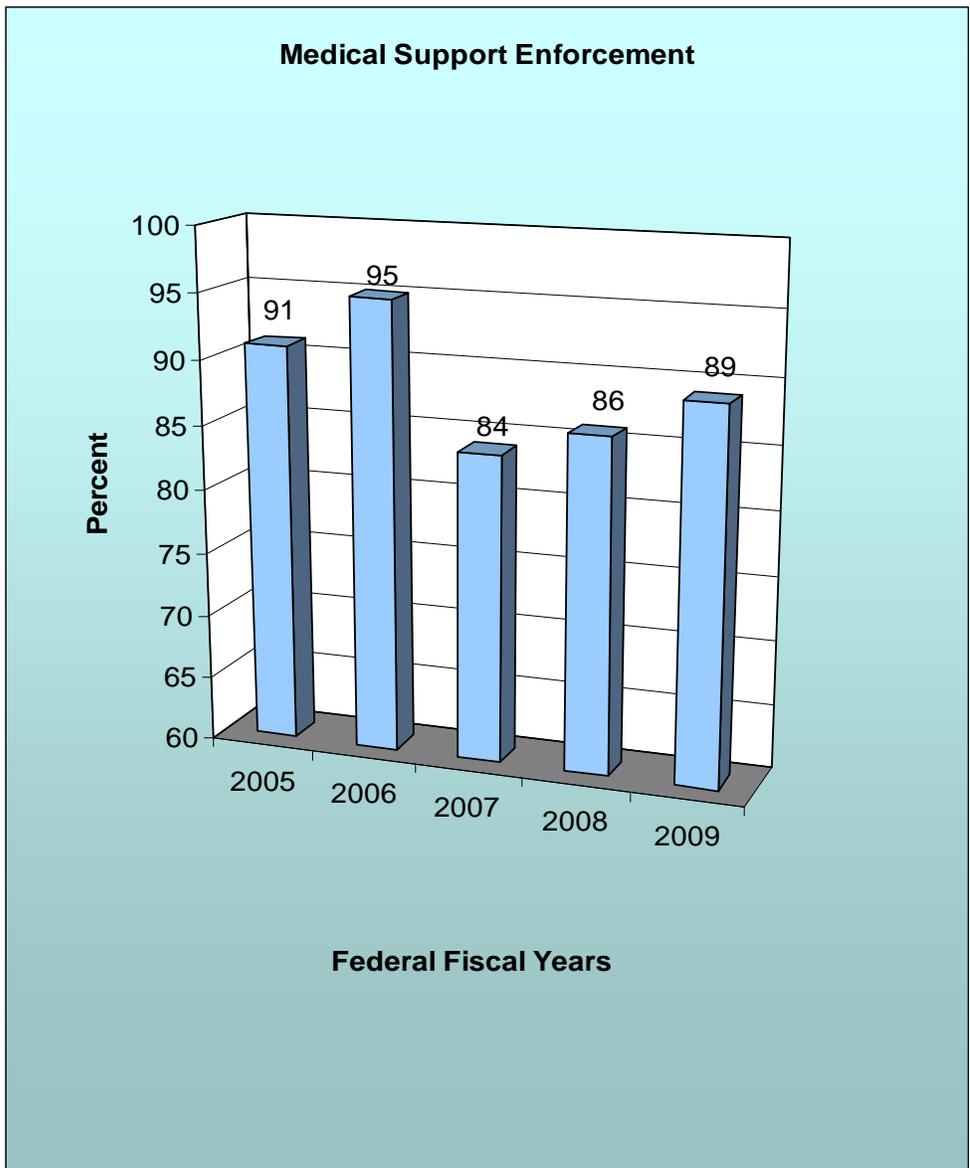
This criterion remained compliant. The five-year average performance was 98%.
The agency will work to maintain this level of efficiency.



Medical Support Enforcement: 89% (Minimum Acceptable: 75%)

There were 9 errors in the 82 cases measured.

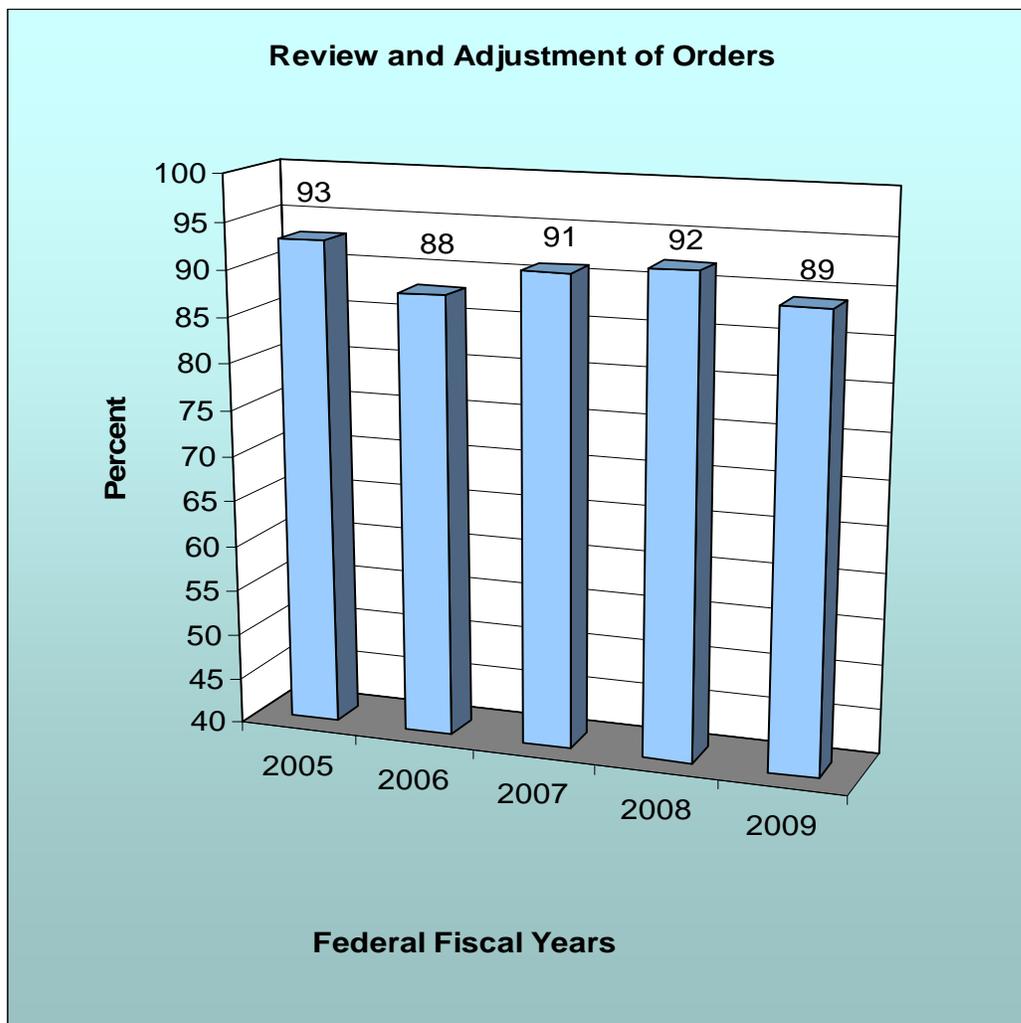
This criterion remained compliant. The five-year average performance was 89%. Management will continue training for caseworkers to ensure incoming information is reviewed and NSTAR is updated with any new information concerning insurance coverage. A goal of 90% efficiency is the target for FFY 2010.



Review and Adjustment of Support Orders: 89% (Minimum Acceptable: 75%)

There were 31 errors in the 280 cases measured.

This criterion remained compliant. The five-year average performance remained 91%. Performance remained consistent. The agency's target for next year is 90%.



Interstate Services: 93% (Minimum Acceptable: 75%)

There were 9 errors in the 129 cases we measured. This criterion remained compliant. Ninety-two percent was a performance composite for Central Registry, Initiating and Responding actions. Interstate performance remained stable.

The Initiating subcategory was 93% in compliance. There were 80 cases measured. Six had errors. The errors were as follows:

- Two errors were because we took too long to initiate the case to another state.
- In three cases, we did not provide new, important, information to the other state.
- In one case, we did not forward a case party's request for review within 20 days.

The Responding subcategory was 94% in compliance. Of the 49 cases measured, we found three errors.

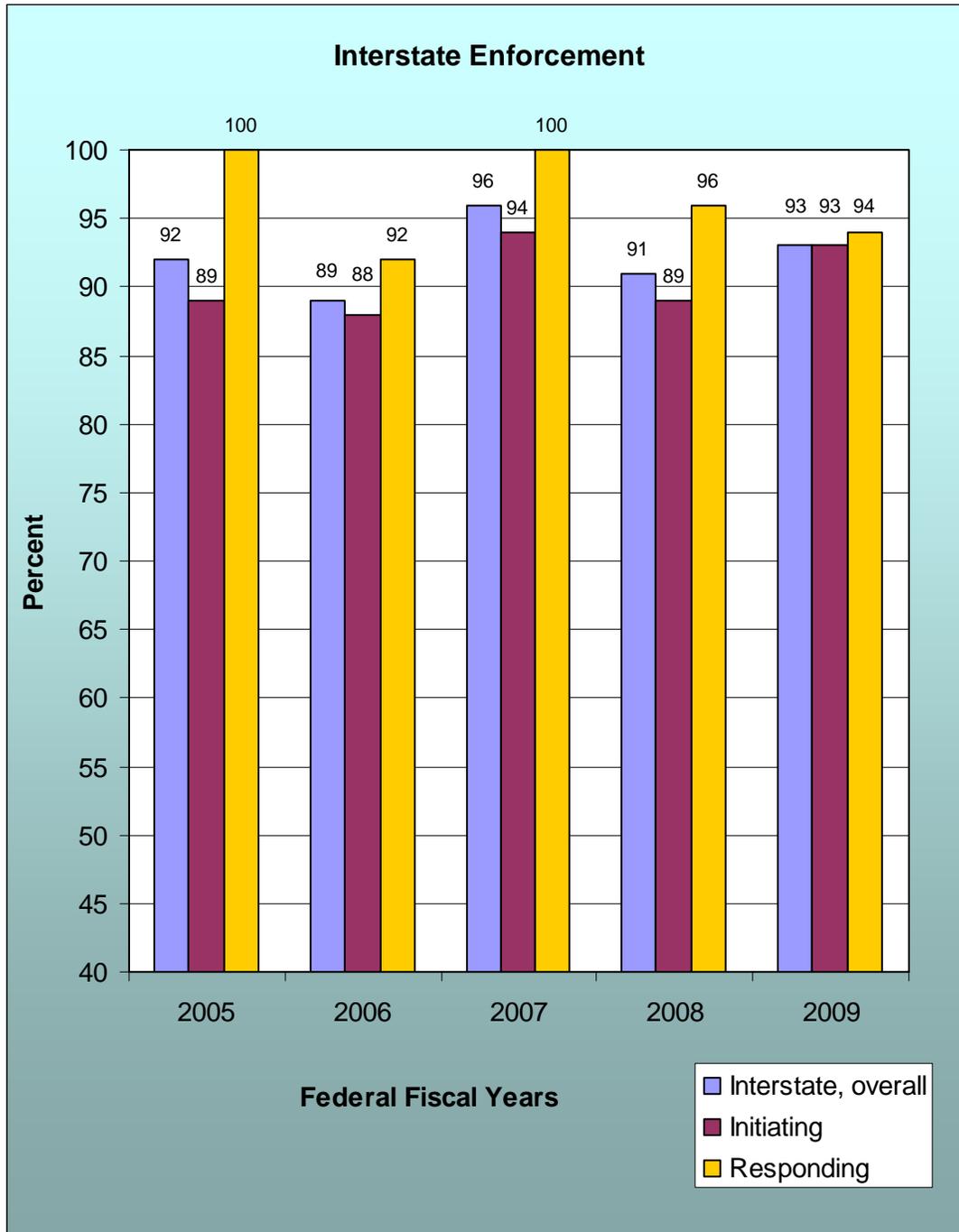
- In one case, we did not acknowledge receipt of a referral within 10 days.
- In two cases, we did not reply to a status request within 5 days.

The five-year averages for interstate were:

- Overall – 92%
- Initiating – 90%
- Responding – 96%

The goals for the interstate teams will be to remain current with incoming mail, and to ensure necessary information is requested in a timely manner so cases can be worked as soon as possible. More details are in the Program Direction comments in part 2 of this report.

[Chart Follows]



Category 2: Program Direction

Introduction

A detailed discussion of each review criterion follows. We include the level of performance, prior audit findings and the current audit findings in this section. Goals and targets are also laid out here. In the event a criterion falls below the mandated minimums, a corrective action plan will also be included here.

With the economic downturn, we had to deal with a hiring freeze, potential budget cuts, and strict control of spending on normal expenses. Vacancy rates declined from 2008, but we still had to authorize substantial overtime for caseworkers to meet our basic requirements. These challenges detracted from our efforts to improve the collection of child support, but we continue to look for ways to automate functions and use technology to work smarter.

Case Closure: 100%. (Minimum Acceptable: 90%)

Of 21 cases measured, there were no errors.

Prior Audit Findings. We will continue periodic training in order to maintain the present compliance level. Supervisors will ensure that all employees are aware of the importance of performing these actions correctly.

Current Audit Findings. The division will work to maintain this level of compliance. Supervisors will ensure that all employees are aware of the importance of performing these actions correctly.

Paternity and Order Establishment: 79%. (Minimum Acceptable: 75%)

Of 58 cases measured, twelve had errors.

Four teams make up the Establishment Section: Intake, Paternity, Support Order Establishment and Modification. The Section did not keep up with the number of cases needing order establishment. A backlog of cases developed that was not addressed until late in 2009 and early 2010. A corrective action plan is currently being developed. The steps taken so far focus on getting new IV-A referrals reviewed and their cases setup within the prescribed time frame. All IV-A referrals are logged in and tracked for case set up, additional review and completion. Once the case setup is completed, it is moved from the intake team to the paternity or order establishment teams. The establishment process is under review by management to determine an effective method of dealing with the backlog. We are presently reviewing all incoming mail to determine the volume of work staff faces, as well as the staffing levels. 2009 saw a 6-month hiring freeze for state workers in the middle of the review period, but it was rescinded in time for us to hire and start training a number of new employees. Our vacancy factor for the Establishment section reached 22% during the year. Although that number is quite high, it is slightly lower than the 26% level we found in FY 08. By the end of the review period the section was fully staffed, though they still had about 17-18% of their workers in training. The full corrective action plan will not be ready by the time this report is published. Further comments will be included in our next report. In FYs 05-06, we addressed backlogs by temporarily reassigning staff and authorizing overtime until the problem was resolved. By FY 08, the compliance rate was back to a historical norm. We will consider this course of action again. Our two-year goal is to raise our current 79% efficiency rate to the five-year average of 88%. For the current year, our goal is a more modest 84% (which is in line with our average performance when the "high-output" years of 2005-06 are excluded).

In spite of the current setback in order establishment, Alaska can report that we ranked first in the nation for FY 2008. Our overarching goal will be to recover that position in the upcoming year.

| Paternity and Support Order Establishment | | | |
|--|----------------------------|------------------|--------------------|
| Reason for Error | Number of Cases with Error | Percent of Total | Cumulative Percent |
| Over 20 days to open case | 1 | 8% | 8% |
| Exceeded 90 day limit to serve Obligor; original order modification not involved | 10 | 83% | 92% |
| Failed to perform locate per CFR 303.3 | 1 | 8% | 100% |
| | | | |
| TOTAL | 12 | 100% | |

Prior Audit Findings. Our accuracy and timeliness for order establishment improved 2%. Staff vacancies had a negative impact on the time needed to obtain an order, but a larger percentage of the cases measured this year obtained a final order for support. A breakdown of the measured actions is as follows:

- 48% of all the cases with any measured actions had an order established during the audit review period. In 2007, only 35% of the measured cases had new orders.
- Four errors occurred because we did not open a case within 20 days
- We had three errors because we did not serve a notice of financial responsibility within 90 days
- There were no errors for performing locate functions

Last year's finding that welfare cases were taking longer than 20 days to open was still a problem, but some progress was made. We will find ways to reduce the time needed to open a new case when public assistance or foster care is involved. In the next review, the auditors will examine the effectiveness of the new interface between CSSD and the Office of Children's Services and determine if it improves the speed with which foster care cases are opened. The establishment section has set a goal of 90% for the next year's efficiency rate.

Current Audit Findings. The establishment section failed to meet our goal of 90% set in last year's report. Our accuracy and timeliness for order establishment declined 9%.

A breakdown of the measured actions is as follows:

- 41% of all the cases with any measured actions had an order established during the audit review period. In 2008, we saw 48% with orders established, while 2007 had only 35% of the measured cases had new orders.
- One error occurred because we did not open a case within 20 days.
- We had ten errors because we did not serve a notice of financial responsibility within 90 days (this is seven more than last year and amounts to 17% of the measured establishment cases). This directly resulted in the agency's poor performance in the expedited processes criteria.
- There was one error for not performing locate functions within 75 days.

The finding that welfare cases were taking longer than 20 days to open was reported in 2007 and 2008. During the current review, we found the problem had grown worse and cases were taking 3-6 months to be set up. Initial review of the problem indicates the slowdown may be the result of procedures used by the intake team. Management is presently reconsidering the process and the duties of the intake staff. A cursory review of the results of the new interface with the IV-E agency (Office of Children's Services) showed that the interface is substantially more effective than the old "manual search & query" method, but it still requires substantial caseworker knowledge and effort to incorporate the information into our database. A small number of issues were reported for programming "fixes" and other work to improve the interface is ongoing.

Expedited Processes: 6-Month Tier 79%; 12-Month Tier 89%.
(Minimum Acceptable: 75% and 90% respectively)

CSSD may have passed both criteria in this audit, but statistical margin for error is great enough that we must find the agency compliant at the 6-month tier but marginal at the 12-month tier. We measured 29 cases for the 6-month timeframe and 28 for the 12-month timeframe. This sample is small and has a +/-6% margin of error. The agency auditors will perform a focused audit in 2010 to determine a more reliable measurement.

Prior Audit Findings. Of the eight total errors, one was caused by delays in a court action. Of the seven errors under the control of the agency, five errors could have been avoided if caseworkers had used online information (in NSTAR) to speed up the location and service of documents. In the remaining two cases, one appeared to be caseworker error and the other was caused by the noncustodial parent avoiding service. It appears that most of these errors were due to vacancies or inadequately trained employees. The establishment section has 44 authorized fulltime employees and supervisors, of which 11 new employees were hired during the year, three required extensive leave, and two were promoted. With 36% of the staff not performing at full capability during the year, this decline in performance was expected. In addition, the section supervisors will develop training and procedures so caseworkers will review certain morning mail messages to facilitate process service.

Current Audit Findings. Of the nine total errors in six cases, two errors on one case were the result of not getting an order at all. That case was a federal foster care case undergoing our administrative process to obtain an order. The reason for the delay is not apparent, so we ascribe it to caseworker error and not extenuating circumstances. One error was due to the length of time it takes to proceed through the courts when the parties file the initial action and both paternity disestablishment and establishment are added to the divorce process. We had four administrative cases with six total errors. One case saw a long delay (11 months) after the service of paternity paperwork when the parent avoided service of later documents. Two cases saw delays of 8 months and 10 months to commence the establishment process; these must be counted as worker errors, with a possible mitigating factor being the growing backlog of cases.

It appears that most of these errors were due to vacancies or inadequately trained employees. The establishment section has 44 authorized fulltime employees and supervisors, and like 2008 there were a large minority of staff in training, on loan to another Section, or on leave. In all, the vacancy factor for 2009 was about 22% while in 2008 it was about 26%.

The five-year average for performance at the 6-month tier was 87% and at the 12-month tier it was 95%. The primary goal for the team should be to eliminate the backlog of

cases awaiting initial service of process and those cases awaiting reissue of the order documents. The secondary goal should be to improve the efficiency rate 4% in each criteria to 83% and 93%. This level of performance has been shown to be achievable and sustainable in the past.

6-Month Tier Analysis

We examined the 6-month tier to see if a broader pattern existed. In FFY 2008 our ability to establish an order within six months diminished to the lowest level since 2001, and now 2009 is lower yet. The downtrend is certain. Management should continue the process review; it may be necessary to either reassign staff on a long-term basis or change the duties and workflow for the staff in the establishment section.

Three of the six cases with errors failed primarily because of mishandled files or the long delays between an unserved notice's return and the reissue for process service. In one case, we started to take action after three months, but then stopped for 8 months before resuming. In one case, we served the paternity paperwork but had trouble serving the child support order for 11 months. The court case was an action filed by the parties to disestablish paternity, reestablish paternity and then get a divorce with support order was understandable and unavoidable (at 10 months start to finish, we may characterize that case as having a rather quick resolution, considering what the parents tried to accomplish).

It was apparent from the large number of files waiting to be reissued for service or the new files waiting their turn to have original paperwork prepared, that delays of 6-7 months (as of the end of the review period) were the norm. In January of 2010 a count of the cases still waiting for action dated back to early August, 2009 and numbered approximately 700. Though most (about 80%) of the cases were new or had recently had paternity established, many were waiting for a caseworker to reissue them for process service or service by certified mail.

| Expedited Processes 6-Month Tier | | | |
|--|----------------------------|------------------|--------------------|
| Reason for Error | Number of Cases with Error | Percent of Total | Cumulative Percent |
| Lack of action in a timely manner | 4 | 67% | 67% |
| Paternity service was followed by an evasive NCP who delayed the final order | 1 | 17% | 84% |
| Court case took 10 months to resolve | 1 | 16% | 100% |
| | | | |
| TOTAL | 6 | 100% | |

12-Month Tier Analysis

All three errors measured under the 12-month criterion were due to mishandling the cases. Delays introduced by caseworkers, which might also be described as the backlog, show that it is common for 3-6 months to pass from first receiving a case until positive action is taken to issue the notices and serve them. Those cases not served by certified mail on the first attempt are then destined for the file cabinets where they await reissue, locate or process service; a wait that increased from about 4 months to 6 months over the course of the review period.

| Expedited Processes 12-Month Tier | | | |
|--|----------------------------|------------------|--------------------|
| Reason for Error | Number of Cases with Error | Percent of Total | Cumulative Percent |
| Files waited extended periods of time to have notices issued or served | 3 | 100% | 100% |
| | | | |
| TOTAL | 3 | 100% | |

For 2008 the section saw about 36% of the staff either new or only partially trained. By the end of the 2009 audit period, only four staff members were still in training (about 9%). This factor alone should allow the teams to reduce the back log of cases awaiting service of process.

Note: The Expedited Processes criterion measures the time allowed under the CFR to establish child support orders. The timeframe measured begins with the initial service of documents on the noncustodial parent and ends with the establishment of a child support order. At least 75% of the cases must have an order established within 6 months of serving the noncustodial parent with notice of a paternity complaint or of a duty to support a child. A minimum of 90% of the cases must have an order established within 12 months.

Enforcement: 93%. (Minimum Acceptable: 75%)

We measured 429 cases, and found 32 errors. Performance was stable compared to the past 5 years. Average performance over the past 5 years remained at 94%. 138 cases “passed” due to wage withholding payments during the last quarter and an additional 132 passed as a result of non-wage withholding collections during the review period.

| Enforcement of Support Orders | | | |
|--|----------------------------|------------------|--------------------|
| Reason for Error | Number of Cases with Error | Percent of Total | Cumulative Percent |
| Locate- failed to initiate address locate | 9 | 28% | 28% |
| Case not submitted for Federal Offset/IRS | 9 | 28% | 56% |
| No withholding order issued to incarcerated Obligor | 4 | 13% | 69% |
| Withholding order not issued to employer within two days | 3 | 9% | 78% |
| Failed to complete asset/employer locate | 6 | 19% | 97% |
| Over 20 days to open case | 1 | 3% | 100% |
| | | | |
| TOTAL | 32 | 100% | |

Prior Audit Findings. Principle findings for FFY 2008 remain the same as last year. Automated locate, employer reporting and withholding order issuance systems continue to perform the bulk of normal enforcement tasks. Issues to resolve this year fall

into two areas: caseworkers not checking their Morning Mail to find noncustodial parents who were recently incarcerated (our interface with the Dept. of Corrections runs weekly); and failing to update our system so cases can be submitted to the Federal Offset Program for tax refund offsets. Both of these areas have seen consistent rates of errors in the past three years, but it appears there is a simple way to correct them in the normal course of casework.

Training and vacancy issues also affected the enforcement teams. Out of 53 caseworkers and supervisors, they had 8 new hires, two promotions, nine departures and ended the year with six vacancies. About 30% of their positions were either in training or vacant for most of the year.

Managers and supervisors will develop training for staff that shows them how to quickly check the IRS and Morning Mail screens to find key information that requires their attention.

For the review period, we found one error in opening a case within 20 days of receiving an application. It appears the use of updated case-opening checklists is helping the case workers keep up with their assigned priorities.

Last year we reported that our growth in collecting ongoing monthly support obligations (MSO) is stagnant. Between 2002 and 2007, our MSO collections increased from 54% and 57%. For 2008, our collection rate was 58%. We expect the new distribution rules will have a positive impact on MSO collections in FFY 2010. The size of the impact remains to be seen, especially in light of the current economic situation. It may be two more years before we see net gains in collecting ongoing support.

Current Audit Findings. Locate issues were again the biggest factor in case failures; 15 errors this year compared to 12 last year. Other criteria saw failure rates common to recent years. The second most common error was miscoding a case and preventing a submission to the IRS for tax refund offset. In third position was failing to issue a withholding order within two days. This last problem is only partially the result of order processing delays from the establishment section.

The most common reason for the locate errors appeared to be that the caseworker did not recognize that locate was needed or the Morning Mail (a system-based reminder that

prompts the worker to look at a case) reminders had been closed out so nothing prompted the worker to resume locate efforts. In one case the locate reminder was assigned to an inactive/vacant position so no one checked the morning mail. Locate errors accounted for 47% of all the errors in the enforcement category. It seems likely the only way to reduce this error rate is to provide additional refresher training to staff.

Of the seven cases that failed the requirement to issue a withholding order in two days, one was because of delays getting the new order set up and transferred to the enforcement team. The other six were the result of caseworkers not taking action or having the reminder coded wrong so morning mail did not prompt a follow-up action. Overall, the error rate is not worrisome, but it might be reduced if management provides refresher training to caseworkers regarding address and asset locate as well as reviewing cases where the noncustodial parent is incarcerated.

Disbursement: 96%. (Minimum Acceptable: 75%)

We measured 343 cases, and found 13 errors. Average performance over the past 5 years was 98%.

| Disbursement | | | |
|---|----------------------------|------------------|--------------------|
| Reason for Error | Number of Cases with Error | Percent of Total | Cumulative Percent |
| Hold because receipt amount is less than \$5.00. Not cost effective to cut a check. | 4 | 31% | 31% |
| Obligor had multiple cases. Proper distribution was uncertain pending research | 4 | 31% | 62% |
| Incorrect TANF coding prevented disbursement within 2 days. | 2 | 15% | 77% |
| Miscellaneous | 3 | 23% | 100% |
| | | | |
| TOTAL | 13 | 100% | |

Prior Audit Findings. We have no new findings to report in this review. The accounting staff is handling the agency's financial matters adequately. The amount of money on hold as of September 30, 2008 was \$797,000. The \$370,000 increase over FFY 2007 was due to receipt of about \$2 million from the Economic Stimulus Package in June/July, and then the receipt of \$6.5 million from our PFD/Energy Rebate intercepts. This large sum of money could not be fully processed in the short time available (or in the case of the stimulus money, some of it had to hold for 6 months). Although this is an increase over 2007, it is still below historic highs from 2004 and earlier. Accounting staff addressed the money on hold after the end of the fiscal year.

CSSD continues to increase the use of Electronic Funds Transfer (EFT). More information will be found under Program Service Enhancements, later in this report.

Current Audit Findings. We have no new findings to report. In reviewing our disbursements as reported on our annual 157 report, we do note, however, that the agency is maintaining its efficiency rating even as the amount of money collected has grown from \$92 million in 2004 to nearly \$100 million in 2009.

Money on hold was \$415,000. This is an acceptable amount and is being managed properly by accounting staff.

EFT accounted for about 55% of dollars collected and disbursed. For individual transactions (payments) the incoming numbers show that EFT was slightly less than half, while nearly 58% of transactions outbound were via EFT. About 2400 employers send money to us by EFT. 2873 people currently collect their support via a debit card.

Medical Support Enforcement: 89%. (Minimum Acceptable: 75%)

We measured 82 cases, and found 9 errors. Average performance over the past 5 years was 89%.

| Medical Support Enforcement | | | |
|--|----------------------------|------------------|--------------------|
| Reason for Error | Number of Cases with Error | Percent of Total | Cumulative Percent |
| Did not determine availability of insurance (failed to issue the NMSN) | 9 | 100% | 100% |
| | | | 100% |
| TOTAL | 9 | 100% | |

Prior Audit Findings. With 92 cases measured and only 13 errors, we saw a 2% improvement in efficiency. Errors were caused by three things: not following up on known information, not issuing the National Medical Support Notices (NMSN) and not telling the custodian when insurance was obtained. The main problem was not following up on information at hand (6 errors). In four cases we had issued the NMSN and received some information back; however we did not follow up on positive “hits.” (In two of the four we knew that the person would be eligible for insurance in the future.) In two other cases we had information on the court order stating one or both parties had insurance through their employers but we did not follow up to confirm or update our system. The final two errors were for not informing the custodian that we had obtained insurance information for the child.

Since eight of the thirteen errors were due to case work not being performed, management will implement refresher training on handling medical information for all caseworkers. A goal of 90% efficiency is the target for FFY 2009.

Current Audit Findings. Procedures put into effect in 2007 appear to be working as intended. Steady improvement in compliance is shown for the past 3 years. All errors this year were due to not issuing the national medical support notice. Seven of the nine errors appear to be directly attributable to caseworkers not reviewing case facts and taking action; two errors were due to exclusionary “flags” or codes on the case that prevented the NMSN from being issued or prevented the caseworker from getting a prompt to review the case for medical support action.

The goal for the agency in 2010 should be to attain an efficiency rate of 91%.

Review and Adjustment: 89%. (Minimum Acceptable: 75%)

Of 280 cases measured, there were 31 errors (27 for the failure to send Notices of Rights to Request a Review triennially - (NRRR)). Twenty-six of these were due to exclusion codes left on cases from past years, and one was an error in coding the order as “expired” when it wasn’t. The exclusion codes preventing the NRRR notices is a repeat finding. Previously we reported that this type of error should be declining as years advance and old case-codings are corrected; however, a new cause of the errors has been observed. The new cause is the result of modifying orders which did not include the NRRR language. The form used for the modified order does not include the NRRR language either, and our automated system skips over the “new order” as it is less than 3 years old, therefore no NRRR is generated. This is a programming issue or a problem with the content of the original and modified order documents. We are examining the best way to address the problem. At present the priority is fairly low since the Review category is substantially compliant with federal regulations. Since we are planning a focused audit of this area, we’ll look more closely at the issue of older orders that lack the NRRR language and modification orders that also lack the language.

The number of errors found this year has increased over last year, but is still within the historical range of 20-35 errors out of similar sized samples. We still see this as a manageable problem requiring no special action.

Average performance over the last five years was 91%.

| Review and Adjustment of Orders | | | |
|---|----------------------------|------------------|--------------------|
| Reason for Error | Number of Cases with Error | Percent of Total | Cumulative Percent |
| Failed to issue Notice of Right to Request Review every three years | 27 | 87% | 87% |
| Modification requested by case party but not completed within 180 days (review period expired prior to modification of order) | 2 | 7% | 94% |
| Failed to perform locate as needed | 2 | 6% | 100% |
| TOTAL | 31 | 100% | |

Prior Audit Findings. Overall errors are down again this year, with a cumulative decrease of about 38% since FFY 2006. The problem with old exclusion codes is decreasing as predicted. Current efficiency is acceptable.

Thirty of the 304 cases measured had orders modified or reviews conducted that resulted in denials of a modification. Twenty-two of the 30 cases (73%) were modified, or denied a modification, in 180 days or less (as required by 45 CFR 303.8). Of note here though is that 18 of the 30 actions took place in court (60%), which is far more than FFY 2007 (36%). This high percentage of court actions in 2008 appears to explain the decrease in orders modified within 180 days. (Court actions, on average, take about 83 days longer than administrative actions.) The auditors will look at this aspect of performance again next year to see if a negative trend is developing.

Current Audit Findings. Current efficiency is acceptable.

Nineteen of the 280 cases measured had orders modified or reviews conducted that resulted in denials of a modification. Twelve of the 19 cases (63%) were modified, or denied a modification, within 180 days (as required by 45 CFR 303.8). In order to validate these findings and research the delays found in the review process, the agency will perform a focused audit on review and adjustment cases during 2010. We had nine administrative and three court cases that were completed within 180 days of the request; three administrative and four court cases required from 7 to 15 months to reach resolution.

Interstate Services: 93%. (Minimum Acceptable: 75%)

Ninety-three percent is the performance composite for Central Registry, Initiating and Responding cases. Of the 129 cases measured, 9 had errors.

| Initiating Interstate Reason for Error | Number of Cases with Error | Percent of Total | Cumulative Percent |
|---|----------------------------------|---------------------|-----------------------|
| Failed to initiate to other state within 20 days | 2 | 33% | 33% |
| New information not provided to other state | 3 | 50% | 83% |
| Did not forward a request for review within 20 days | 1 | 17% | 100% |
| | | | |
| TOTAL | 6 | 100% | |

| Responding Interstate Reason for Error | Number of Cases with Error | Percent of Total | Cumulative Percent |
|---|----------------------------------|---------------------|-----------------------|
| Over 10 days to acknowledge referral | 1 | 33% | 33% |
| Over 5 days response to status request | 2 | 67% | 100% |
| | | | |
| TOTAL | 3 | 100% | |

For the review period, we found no errors in issuing general testimonies to custodians, nor soliciting necessary information from case parties.

Prior Audit Findings. The Interstate Section suffered vacancies as did other parts of the agency. The section has 25 caseworkers and three supervisors, but about half of the staff was not fully trained for the duration of the year. All three supervisors were newly promoted in the review period. Among the caseworkers about ten positions were vacant for a substantial period and, once filled, remained in training throughout the remainder of the fiscal year. In addition, six caseworkers were on extended leave during the year. This

appears to be the reason for the declines reported in this review. Performance in FFY 2007 was significantly better than in 2008. During the next review, we will compare vacancy rates and examine whether training is completed in 2009.

Current Audit Findings. Overall performance is acceptable and improving, and the interstate teams should make efforts to maintain this level of performance. For 2010, the agency should set the goal of 93% compliance for the interstate category. The prior year's goal of 90% was met. The five-year average for all interstate actions was 92%.

Initiating Interstate Analysis

This subcategory was 93% in compliance. This five-year average was 91%.

Of the 80 cases measured, 6 had errors. The errors can be attributed to case handling errors. Management should remind staff of the tight timeframes associated with the CFR requirements for interstate cases.

Responding Interstate Analysis

This subcategory was 94% in compliance. This five-year average was 96%.

Forty-nine cases were measured. Three errors occurred as noted above. Performance in this area is highly acceptable and consistent with past years.

In addition to the criteria in 45 CFR 308, we measured actions that are necessary to process an initiating case successfully. Such actions include sending appropriate documents (such as the General Testimony, and Paternity Affidavits) to the custodial parent within a reasonable timeframe (30 days is considered a reasonable span of time to take such actions). The team must also provide follow up support as necessary, and respond to inquiries from case parties to facilitate customer satisfaction. Responding interstate caseworkers will strive to maintain current level of performance.

Management Issues:

CSSD resolved all management issues from prior audits.

The Deficit Reduction Act mandated changes to distribution. Those programming changes were made and we are ready to report on them for the 2010 federal fiscal year.

We are currently considering ways to improve data reliability for medical support enforcement. One benefit is that we will be better able to enforce medical support orders and obtain insurance for children. This is an ongoing process and we anticipate reporting on it in the future. Even though the issue of auditing medical coverage cases for data reliability is on hold, we are working to clean up our data and continue enforcing the CFR requirements.

Management must decide the best way to approach the backlogs in the Establishment section and to increase compliance for the establishment or modification of orders in a timely manner. A corrective action plan is being developed at this time, but we have not yet completed our research into the nature and all the causes of the problems.

The biggest impact on division-wide performance appears to be the 9.1% vacancy rate for the year. Vacancies have declined but are still above normal, anticipated numbers. A more normal vacancy rate would be 4-7%.

Category 3: Program Service Enhancements

CSSD took several steps to improve services to child support clients:

- During FFY 2009 our Anchorage Customer Service Reception area and our Phone Bank handled 66,517 phone calls and over 10,500 walk-ins. Our field offices in Juneau, Fairbanks and Wasilla handled approximately 15,700 phone calls plus 10,000 walk-ins. Division wide (including all of our caseworkers not already counted above) we normally take or make around 140,000 phone calls per year. CSSD continues to offer extended hours for our Anchorage Customer Service Center. This includes sample collection for genetic testing, in-house process service and notarization of state documents. Improved customer service should increase the number of orders served on noncustodial parents and decrease the time it takes to get a final support order.
- People within the Division who speak, read or write foreign languages, and are willing to volunteer their skills, were organized into an in-house translation service (for informal needs, not for court testimony). At present, we have 7 people who can communicate in German, Hindi, Polish, Russian, Samoan, Tagalog, Ukrainian, and Vietnamese.
- Our Outreach Program is still in place and working well. CSSD staff traveled to nine communities and met with people who have little or no opportunity to meet a caseworker. Staff traveled approximately 6,500 miles (4,800 miles were by air) to visit these towns. Outreach is especially valuable in Alaska where cultural differences and isolation make it harder to help case parties. In past years we visited more than a dozen remote towns and villages, and will serve many of them again in 2010. Our representative also takes genetic test samples for paternity cases which saves CSSD money because we do not have to fly the families to a hub city for testing.

- The towns visited in FFY 2009 were:
 - ⇒ Barrow
 - ⇒ Dillingham
 - ⇒ Fairbanks
 - ⇒ Homer
 - ⇒ Juneau
 - ⇒ Kenai & Soldotna
 - ⇒ Kotzebue
 - ⇒ Kodiak
 - ⇒ Nome

- CSSD's outreach program is our first point of contact for all 236 federally recognized tribes in Alaska, and for all Tribal Programs that affect child support. CSSD presently has two people working outreach to remote areas. They are the primary face we show to many of our clients, some of whom have little contact with modern life and may speak English poorly or not at all. This type of direct contact is far more effective with village residents than trying to do business over the phone or by mail. We are presently offering our assistance, as needed, to the following tribal entities.
 - ⇒ Bristol Bay Native Association, Cook Inlet Tribal Corporation, Tanana Chief's Conference, Central Council Tlingit-Haida, Association of Village Council Presidents and Kodiak Area Native Association operate Tribal TANF programs.
 - ⇒ Federal funding was granted for comprehensive IV-D program operation by Central Council Tlingit-Haida. Cooperation between CSSD and this tribe is improving and we referred over 700 cases to them by the end of 2009.
 - ⇒ Aleutian-Pribilof Island Association was approved for their 2-year startup funding. They are still working on the process.
 - ⇒ The Association of Village Council Presidents and Tanana Chief's Conference are still considering IV-D programs.
 - ⇒ Tribal Courts - We track tribal child support orders that affect our cases and we serve as the central registry for their orders.

- Our outreach team works on tribal child support cases. Communication between the tribes and CSSD is mainly done through email and written transmittals. Currently we have provided information on over 700 cases (an increase of over 100 compared to last year). Information provided includes supplying copies of court and administrative orders, current financial information and employer information. Services we provide include locating obligors, sending withholding orders to the Alaska Permanent Fund Dividend and adding tribal orders to the State Central Registry.

- Recurring local outreach meetings in and near Anchorage help address the needs of civic and military organizations, and case parties in Alaska's core population area. The primary places we target for outreach services are:
 - ⇒ Brother Francis Homeless Shelter
 - ⇒ Operation Stand Down (for veterans who need help)
 - ⇒ Alaska Federation of Natives annual Conference (in Fairbanks)
 - ⇒ Rural Small Business Conference
 - ⇒ Family Care Court (focusing on women and their children)
 - ⇒ AWAIC (for women in crisis) – we provide indirect assistance as requested
 - ⇒ Alaska Family Law Self Help Center (where the public gets help with child support matters without needing an attorney)
 - ⇒ Matanuska Susitna Family Services Fair
 - ⇒ Cook Inlet Tribal Council's (Correctional Center) Bridge to Success Reentry Program
 - ⇒ Cook Inlet Tribal Council's Fatherhood Program
 - ⇒ Office of Children's Services
 - ⇒ Veterans Administration Domiciliary
 - ⇒ Victims for Justice – we provide indirect assistance as requested

- In FFY 2009 CSSD maintained partnerships with agencies and individuals in the private sector to present “Town Hall” clinics in rural areas and around Anchorage. Getting more of our stakeholders involved in their child support cases and making them aware of the vital issues is critical to improving services to the many children of those parents.

The following are partners with CSSD:

- ⇒ Alaska Native Justice Center
 - ⇒ Disability Law Center of Alaska
 - ⇒ Alaska Legal Services
 - ⇒ Alaska Business Development Center
 - ⇒ Veteran’s Administration Domiciliary (for homeless or in-need veterans)
 - ⇒ Various local shelters for people in need
 - ⇒ Various private attorneys who deal in Family Law
-
- State correctional facilities are on our list of places to visit as often as is practicable (which may be once per year or once every other year):
 - ⇒ Anvil Mountain in Nome
 - ⇒ Fairbanks Correctional Center
 - ⇒ Lemon Creek in Juneau
 - ⇒ Palmer Correctional Center in Palmer
 - ⇒ Highland Mountain Women’s Facility in Eagle River
 - ⇒ Cook Inlet Correctional Complex in Anchorage
 - ⇒ Point MacKenzie Correctional Farm at Pt. MacKenzie
 - ⇒ Matanuska-Susitna Pre-Trial Facility
 - ⇒ Wildwood Correctional Center in Kenai
 - ⇒ Yukon Kuskokwim Correctional Center
 - We advertised our outreach efforts via local newspapers, radio shows, responding to open radio forums, public service announcements, flyers to other government offices and our website.

- CSSD continues to circulate specialized booklets, brochures and a video for the public. Most were revised during 2007-08. Materials distributed include:
 - ⇒ Child Support for Children in State Custody
 - ⇒ OCSE DVD explaining paternity establishment (provided to hospitals & birthing centers)
 - ⇒ Video produced by Alaska CSSD: “Building a Healthy, Happy Child”
 - ⇒ Electronic Funds Transfer for Employers
 - ⇒ Child Support If You Are Incarcerated
 - ⇒ Employers' Guide to Wage Withholding (including a special section on the National Medical Support Notice)
 - ⇒ Judicial Reference Guide for Judges, Magistrates and Masters in Alaska Courts
 - ⇒ Direct Deposit of Child Support, For Individuals
 - ⇒ Review and Adjustment of Orders (including the forms to make a request for a modification)
 - ⇒ How to contact and do business with CSSD (by phone, on line or in person)
 - ⇒ Brochures about establishing paternity and why it is important to children
 - ⇒ Child Support a Guide for Parents
 - ⇒ New Hire Reporting Informational Guide (for employers)
 - ⇒ How noncustodians can make child support payments via Western Union
 - ⇒ Child Support Services FAQ and list of contacts

- CSSD and the Alaska Court System continued to maintain the *pro se* support order modification service, which we implemented in 2001. This collaboration enables the public to take a more direct hand in getting their support orders modified in court. The court system maintained their customer service center in order to help people help themselves. Anecdotal evidence indicates the public continues to be very happy with this service.

- In 2009 the Alaska Supreme Court was ready for final testimony on the revision to our support guidelines. Final testimony has not been heard as of this writing however. Revisions are expected in FFY 2010.
- CSSD cooperates with state and local police agencies to get child support collections from people who are arrested. Following the arrest, and if the person is carrying cash, the police contact CSSD to see if a child support debt exists. Then CSSD serves a withholding order on the police department for the money being held. In FFY 2009 over \$67,900 was collected via cash and property withholding orders, which is down \$22,000 from last year, but we made up the loss in passport revocation.
- The division has three investigators who work on criminal and difficult to enforce cases. Eight cases were successfully prosecuted. The investigators processed 87 cases for passport “releases” and were able to compel parents to pay over \$260,000 – an increase of \$43,000 over FY 08.
- Currently 2873 individuals use debit cards issued by JP Morgan as their means to receive child support payments (an increased of almost 27% from last year). In 2004 a few more than 100 individuals used debit cards. Employers sending payments by Electronic Funds Transfer (EFT) increased almost 18% to 2,373. EFT and the banking system's Automated Clearing House (ACH) are the preferred methods for accepting and issuing payments. We continue to advocate wider use of EFT in our daily contacts with the public and those employers with whom we deal. For FFY 2009, outgoing EFT/ACH transactions were 55.3% of our total disbursements and incoming transactions were 55.2% EFT/ACH. Upside is payments are disbursed within CFR guidelines. Downside is custodial parents’ loss of contact since the money is sent directly to a bank account instead of an address.

- In 2008 the agency proceeded with enhancements to the Stellent imaging system, and in 2009 we added to its functionality and the variety of forms being imaged instead of stored in a hard file. The usefulness of this technology continues to grow and staff is adjusting to it well. Stellent allows orders and other documents to be scanned and then viewed online by all caseworkers. It is still too early to place a dollar value on the expected savings but we have already found substantial benefits when dealing with customers in person or on the phone. We are instantly able to access numerous imaged documents during our conversations with an individual.

- CSSD maintains a web site with numerous features including:
 - ⇒ Links to state and federal web sites
 - ⇒ A directory of employees to help clients contact us by fax or email
 - ⇒ A summary of CSSD services
 - ⇒ News covering child support related events and issues
 - ⇒ Online forms availability where numerous forms, including an application for services, may be ordered from a home computer
 - ⇒ A support guidelines calculator (to estimate child support)
 - ⇒ Recent case payment information (individuals may inquire on their own case)
 - ⇒ Information for employers about new Hire Reporting, child support laws and income withholding orders
 - ⇒ Frequently asked questions
 - ⇒ Employer information
 - ⇒ Press releases
 - ⇒ CSSD regulations
 - ⇒ CSSD publications
 - ⇒ News about CSSD staff visiting remote towns and villages

Our web site, <http://childsupport.alaska.gov>, continually evolves to provide more and better service to the public and to agency workers. On January 8, 2008, we changed

internet-tracking software to Google Analytics. It currently gets about 70,000 page views per month. From July 1, 2008 to June 30, 2009 (State of Alaska's Fiscal Year) we had 563,907 visitors with over 841,705 page views. A total of 128 countries or territories visited the website. In March we began providing online child support financial statements. At the time we only advertised this resource on our CSSD home page. From July 1, 2008 to June 30, 2009 we reported 8,419 views of the child support statements page. Having online statements available for clients to obtain payment information themselves may be a reason the number of customer service phone calls decreased.

- We also have an Intranet Homepage for our staff to use in downloading work related information and news, as well as an online employee phone directory. The page also has a link to CSSD policies and regulations. This intranet asset helps answer questions that would otherwise go to administrative staff or system support workers.

Conclusion

Alaska's Child Support Services Division can once again report that it has substantially met the federal requirements for basic performance. The self assessment review also shows improvements in some areas but declines in others. For those categories where we did not meet our goals, the division will review our processes and work to correct the shortcomings.