



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

**Self-Assessment Review  
FFY 2008**

**March 20, 2009**

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The audit review period was October 1, 2007 through September 30, 2008. It included a detailed review of 506 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:

| <b>Criterion</b>                       | <b>Cases That Required Action</b> | <b>Cases Compliant With Time Frames</b> | <b>Efficiency Rate: 2008</b> | <b>Federal Minimum Standard</b> | <b>Last Year: 2007</b> |
|--|-----------------------------------|---|------------------------------|---------------------------------|------------------------|
| Case Closure                           | 23                                | 23                                      | <b>100%</b> (+/- 7%)         | 90%                             | <b>96%</b>             |
| Paternity/Establishment                | 59                                | 52                                      | <b>88%</b> (+/- 4%)          | 75%                             | <b>86%</b>             |
| Expedited Processes within 6 months    | 30                                | 24                                      | <b>80%</b> (+/- 6%)          | 75%                             | <b>83%</b>             |
| Expedited Processes within 12 months   | 29                                | 27                                      | <b>93%</b> (+/- 6%)          | 90%                             | <b>93%</b>             |
| Enforcement                            | 424                               | 395                                     | <b>93%</b> (+/- .7%)         | 75%                             | <b>95%</b>             |
| Disbursement                           | 329                               | 316                                     | <b>96%</b> (+/- 1%)          | 75%                             | <b>99%</b>             |
| Medical Support Enforcement            | 92                                | 79                                      | <b>86%</b> (+/- 3%)          | 75%                             | <b>84%</b>             |
| Review and Adjustment                  | 304                               | 281                                     | <b>92%</b> (+/- 1%)          | 75%                             | <b>91%</b>             |
| Interstate Services,<br><b>Overall</b> | 122                               | 111                                     | <b>91%</b> (+/- 3%)          | 75%                             | <b>96%</b>             |
| Initiating Interstate                  | 78                                | 69                                      | <b>89%</b> (+/- 4%)          | 75%                             | <b>94%</b>             |
| Responding Interstate                  | 44                                | 42                                      | <b>96%</b> (+/- 5%)          | 75%                             | <b>100%</b>            |
| <b>TOTAL CASES</b>                     | 506                               |   |                              |                                 |                        |

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 44,554 active IV-D child support cases, of which 41,538 cases have support orders. In FFY 2008 CSSD distributed \$103.2 million (as reported on OCSE Form 157), of which about \$19 million was from the state's annual Permanent Fund Dividend (PFD) and a one-time State Energy Rebate.

CSSD intercepted both the PFD and energy rebate money to pay child support debts, and in so doing increased our annual collections by approximately 9.5% over FFY 2007. The PFD is a significant part of the Alaskan economy, paying about \$1.2 billion dollars to the population in FFY 2008. The energy rebate contributed another \$720 million. With the current economic downturn, we expect the FFY 2009 PFD to be substantially less; which means we will collect less in child support from the PFD. 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 (154,236 cases) from the sampling process. The population, numbering 44,925, consisted of every IV-D case that was open as of September 30, 2008, and included every IV-D case closed during the audit period, October 1, 2007 through September 30, 2008. For this review we excluded all Non-IVD cases in the population.

A minimum sample of 320 cases was required. To improve our statistical accuracy we took a sample of 506 cases. The skip interval was 89. We used Microsoft Excel to generate a random starting number between 1 and 89. A system programmer extracted the audit sample from the online caseload. Of the 506 cases reviewed, 30 had no measurable actions or were excluded for other reasons. The exclusion rate was 6%.

## 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.

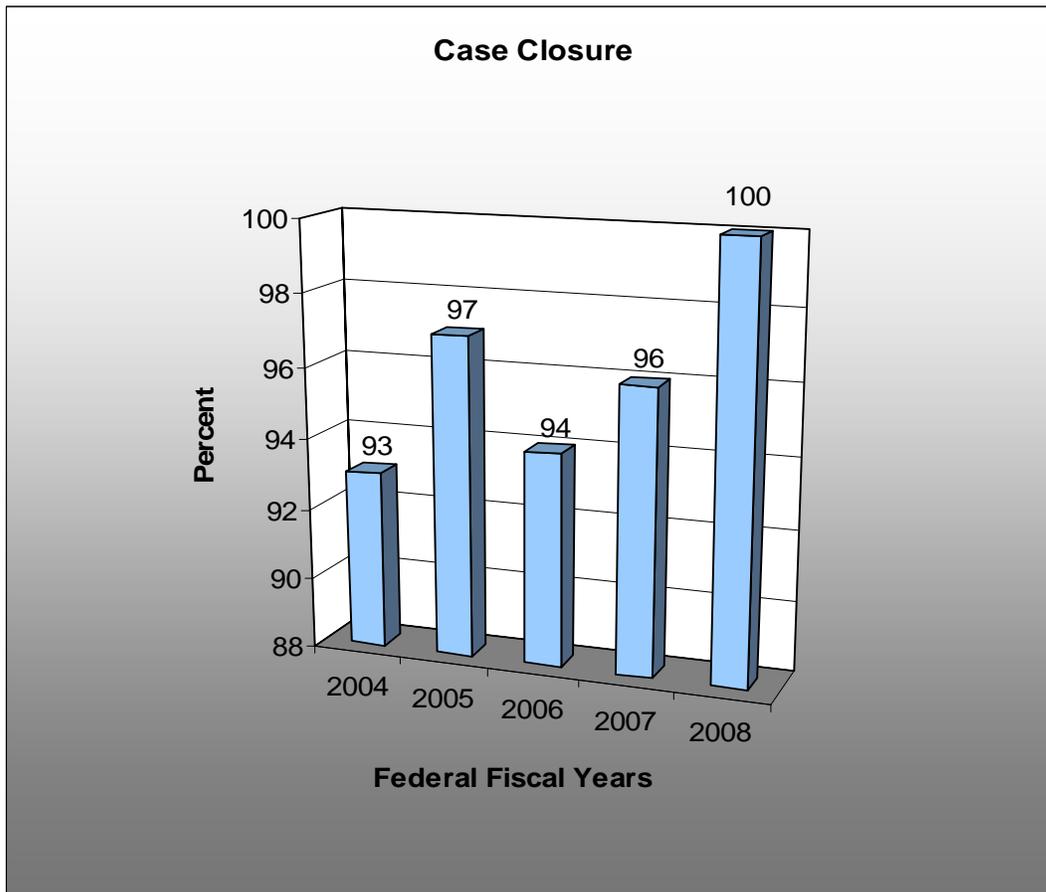
## Category 1: Program Compliance

### 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 23 cases measured. This criterion remains compliant. The five-year average efficiency rate is 96%.

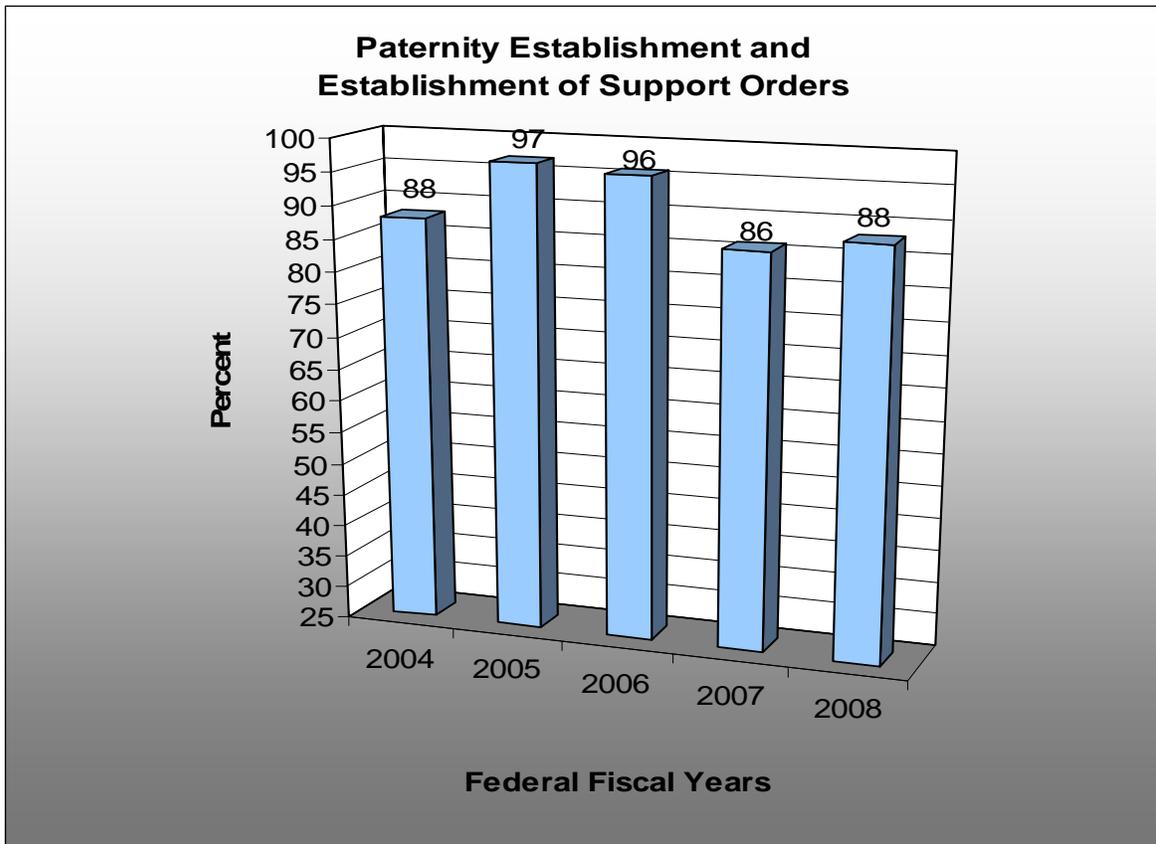


**Paternity and Support Order Establishment:** 88% (Minimum Acceptable: 75%)

There were seven errors in the 59 cases measured. This criterion remains compliant with federal guidelines. The five-year average efficiency rate is 91%.

The total number of new orders established for the year was 1,550. The two prior years showed that we had 92% of our open cases with orders, but for this year we improved by one point to 93%. Alaska has the 2<sup>nd</sup> highest percentage nationwide of cases with orders.

The division will aim to reach a 90% efficiency rate for FFY 2009, as well as working to achieve the 94% goal for “Cases with Orders” (Line 2 on the OCSE 157).



**Expedited Processes:** Within 6 months: 80%, within 12 months: 93%.  
(Minimum Acceptable: 75% and 90% respectively)

These criteria remain compliant.

Altogether, we measured 30 cases for expedited processes. We measured 30 cases for the 6-month timeframe and 29 cases for the 12-month timeframe. At the 6-month tier, there were 6 errors. At the 12-month tier, we found 2 errors.

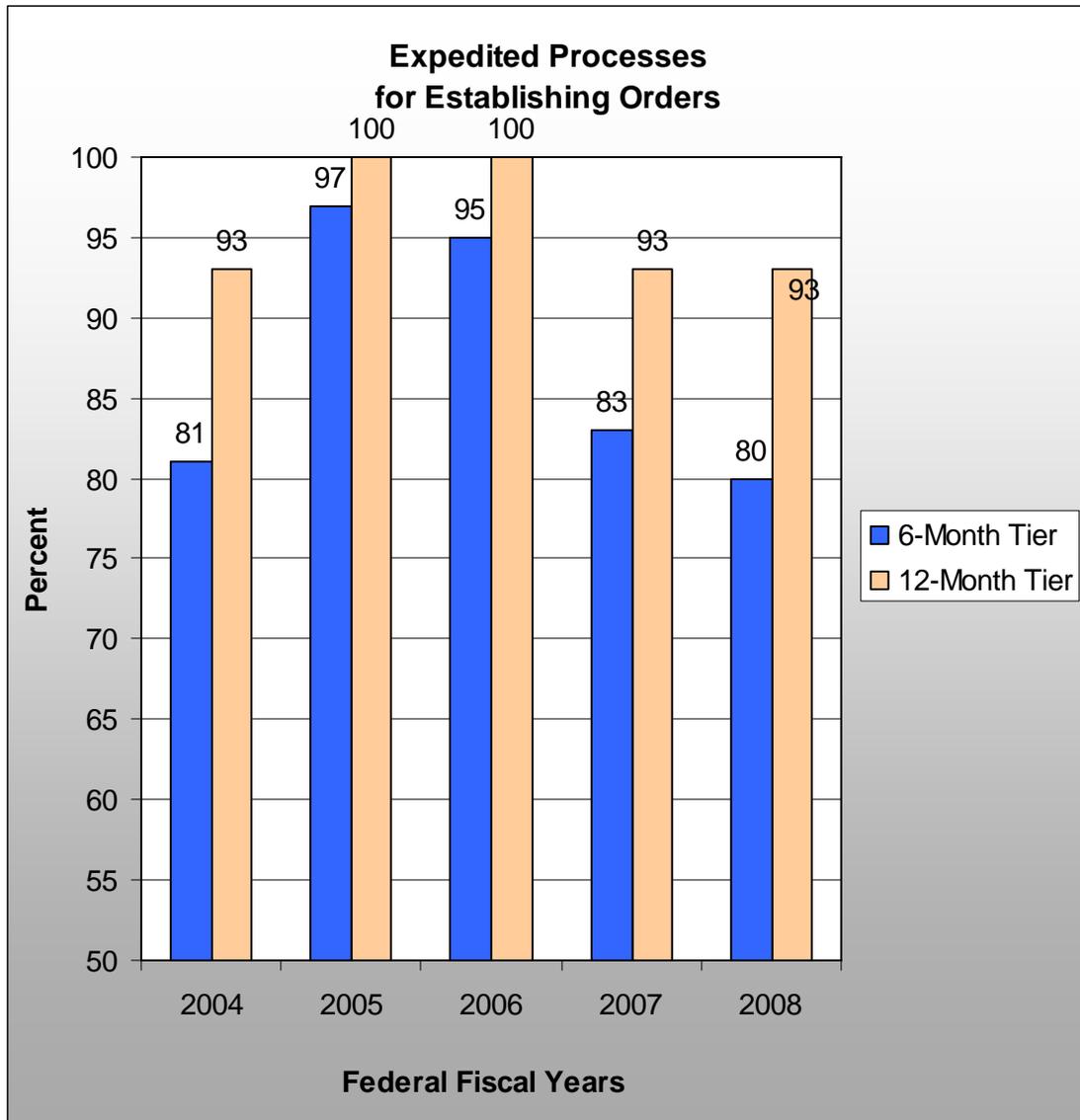
The five-year average for the 6-month tier is 87% (the same as last year). For FFY 2009 we will set the goal of 82% compliance, with 1% annual increases thereafter.

The five-year average for the 12-month tier is 96%. 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 is good, but we will work to achieve at least a 94% rate in FFY 2009.

We identified two procedural changes that should correct four out of six errors in Expedited Processes. Further details are discussed in Program Direction page 16.

*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.*

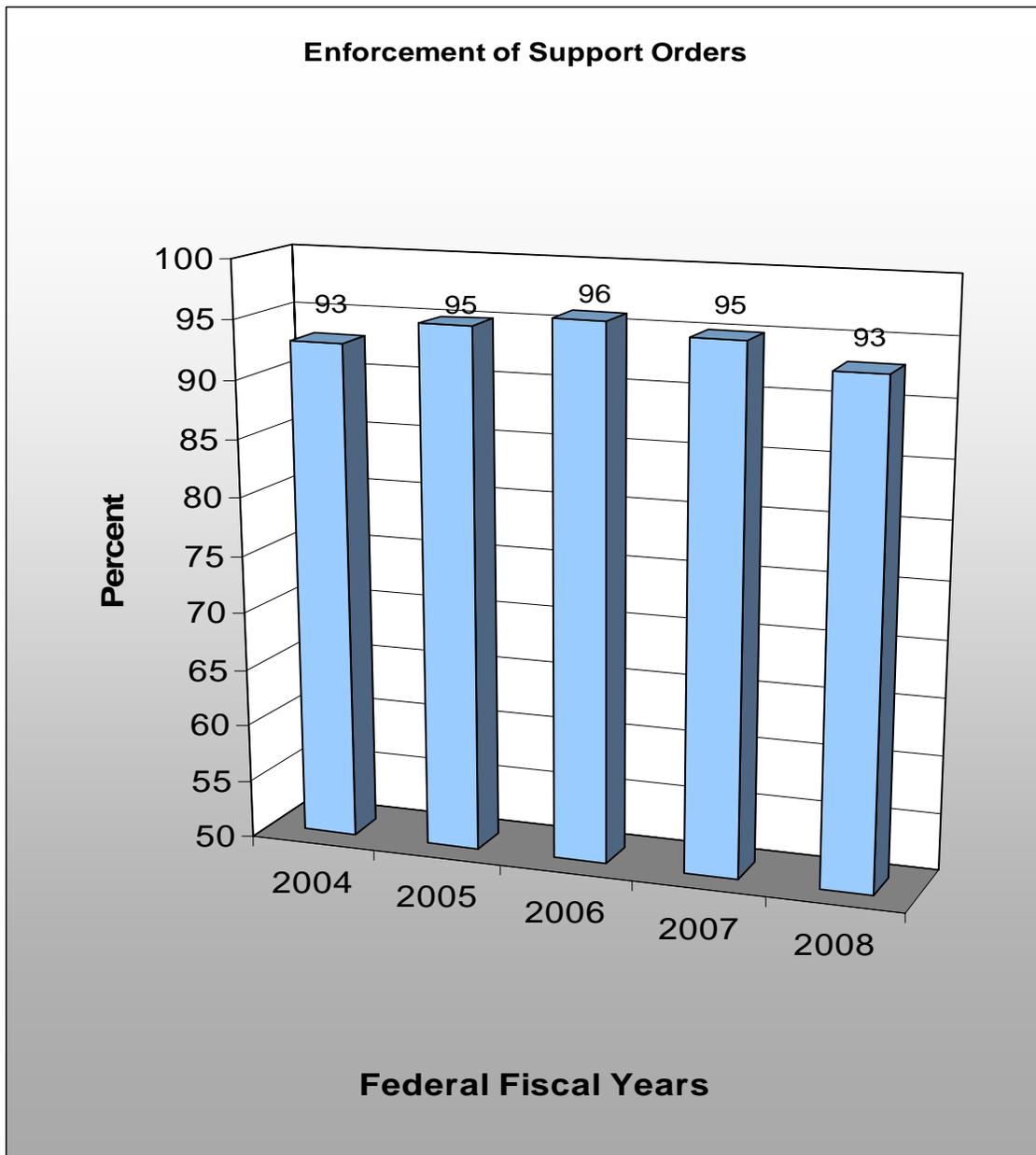
[Chart follows]



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

There were 29 errors in the 424 cases measured.

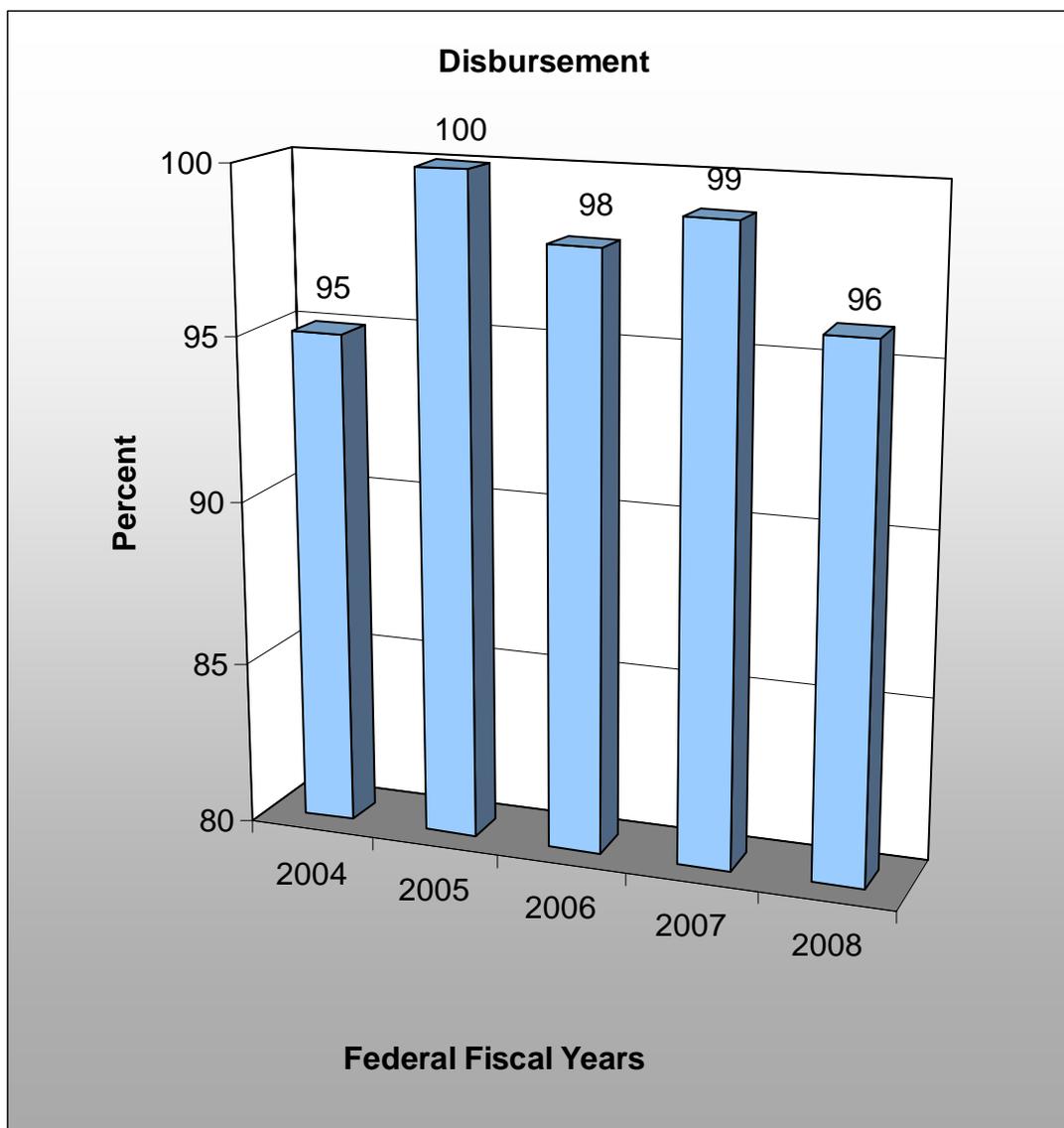
This criterion remains compliant. The five-year average performance is 94%. The enforcement teams will work to maintain this level of efficiency.



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

There were 13 errors in the 329 cases measured.

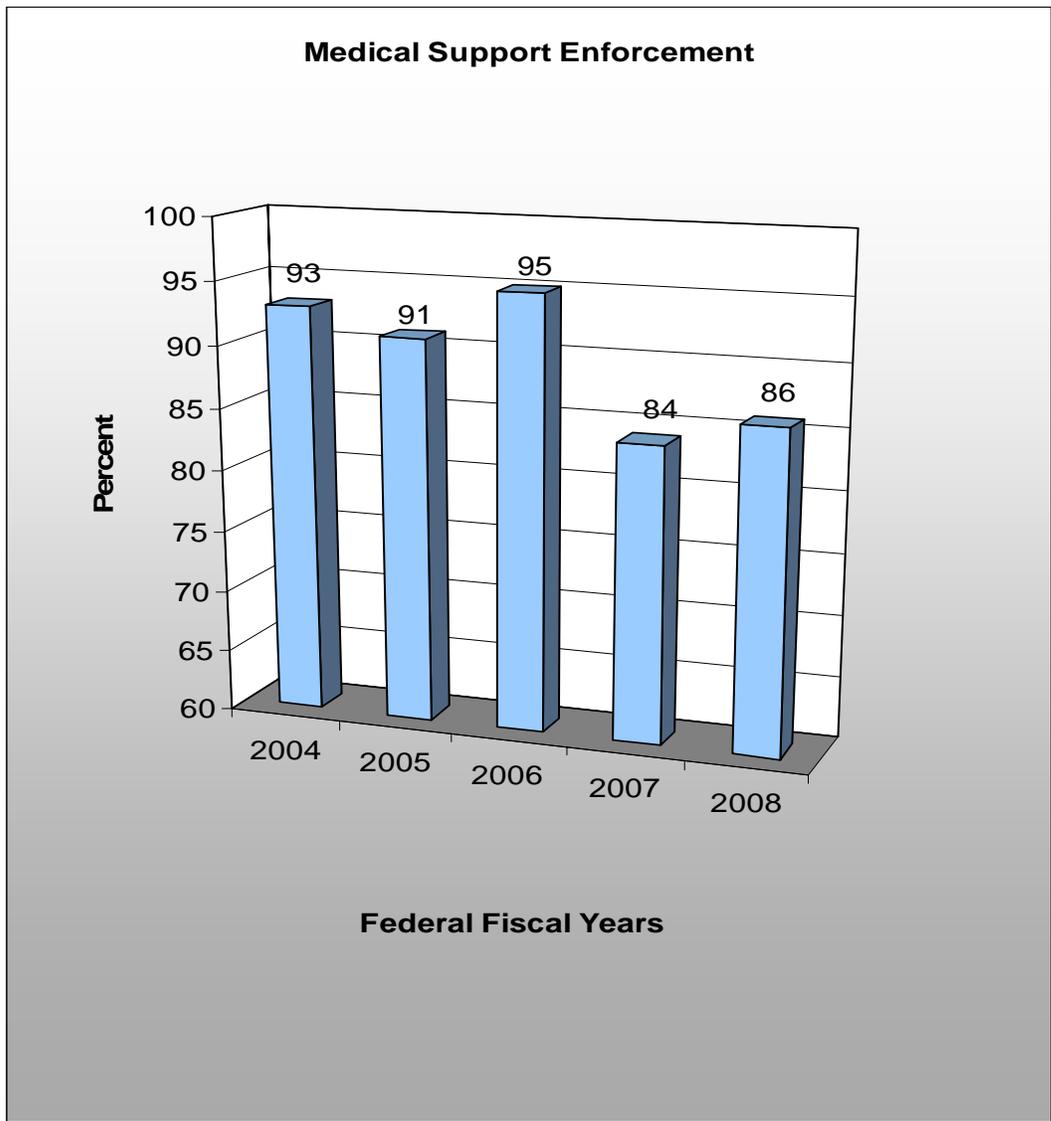
This criterion remains compliant. The five-year average performance is 98%. The agency will work to maintain this level of efficiency.



**Medical Support Enforcement:** 86% (Minimum Acceptable: 75%)

There were 13 errors in the 92 cases measured.

This criterion remains compliant. The five-year average performance remains at 90%. Management will provide additional training to 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 2009.

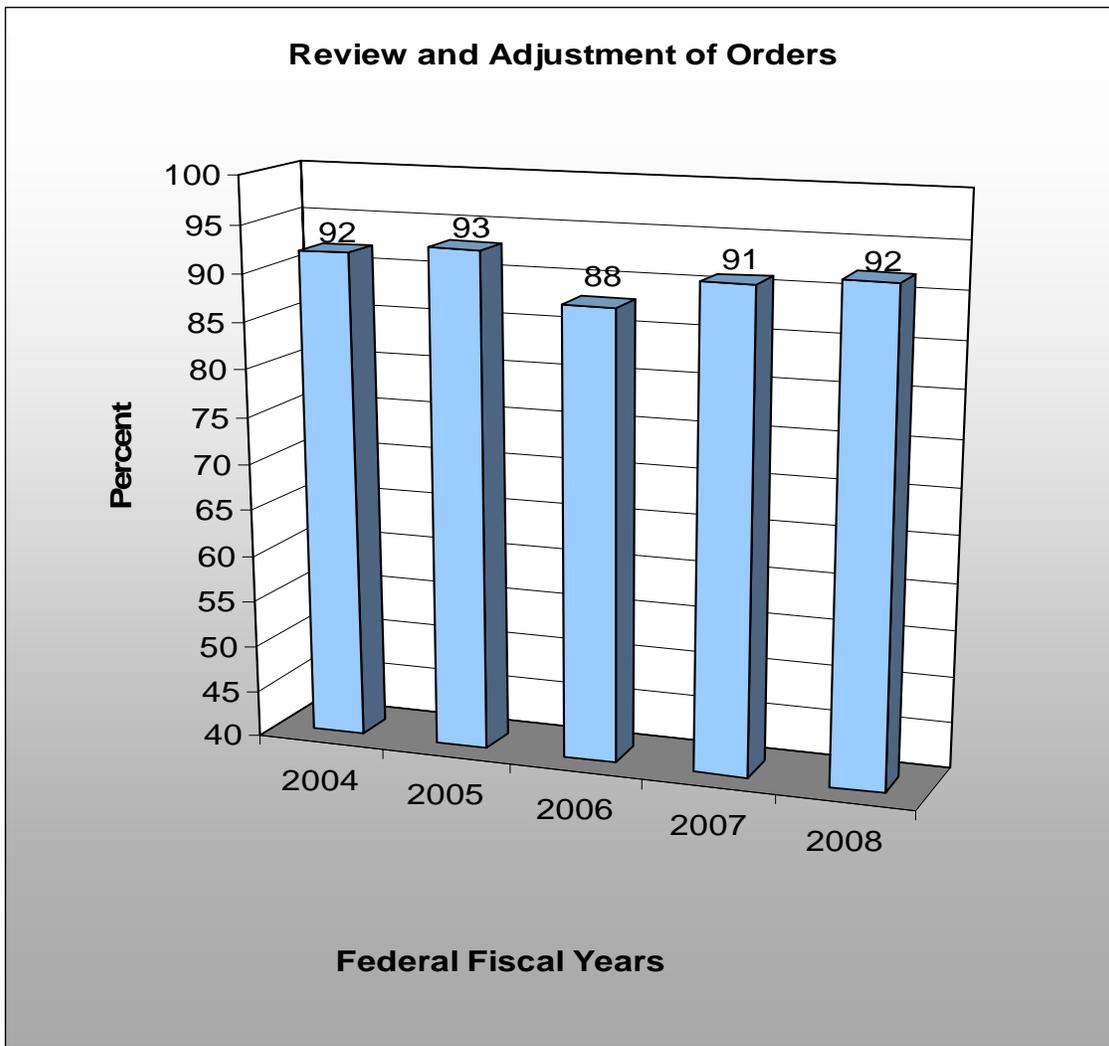


**Review and Adjustment of Support Orders:** 92% (Minimum Acceptable: 75%)

There were 23 errors in the 304 cases measured.

This criterion remains compliant. The five-year average performance is 91%.

Performance remains consistent. The agency will work to maintain this rate of efficiency.



**Interstate Services:** 91% (Minimum Acceptable: 75%)

There were 11 errors in the 122 cases we measured. This criterion remains compliant. Ninety-one percent is a performance composite for Central Registry, Initiating and Responding actions.

**The Initiating** subcategory is 89% in compliance. There were 78 cases measured. Nine had errors. The errors were as follows:

- Six errors were because we took too long to initiate the case to another state.
- In one case, we did not supply requested information to the responding state within 30 days or tell them when we would provide it.
- In one case, we did not provide new, important, information to the other state.
- In one case, we did not inform the other state that we had received an IRS tax offset.

**The Responding** subcategory is 96% in compliance. Of the 44 cases measured, we found two errors.

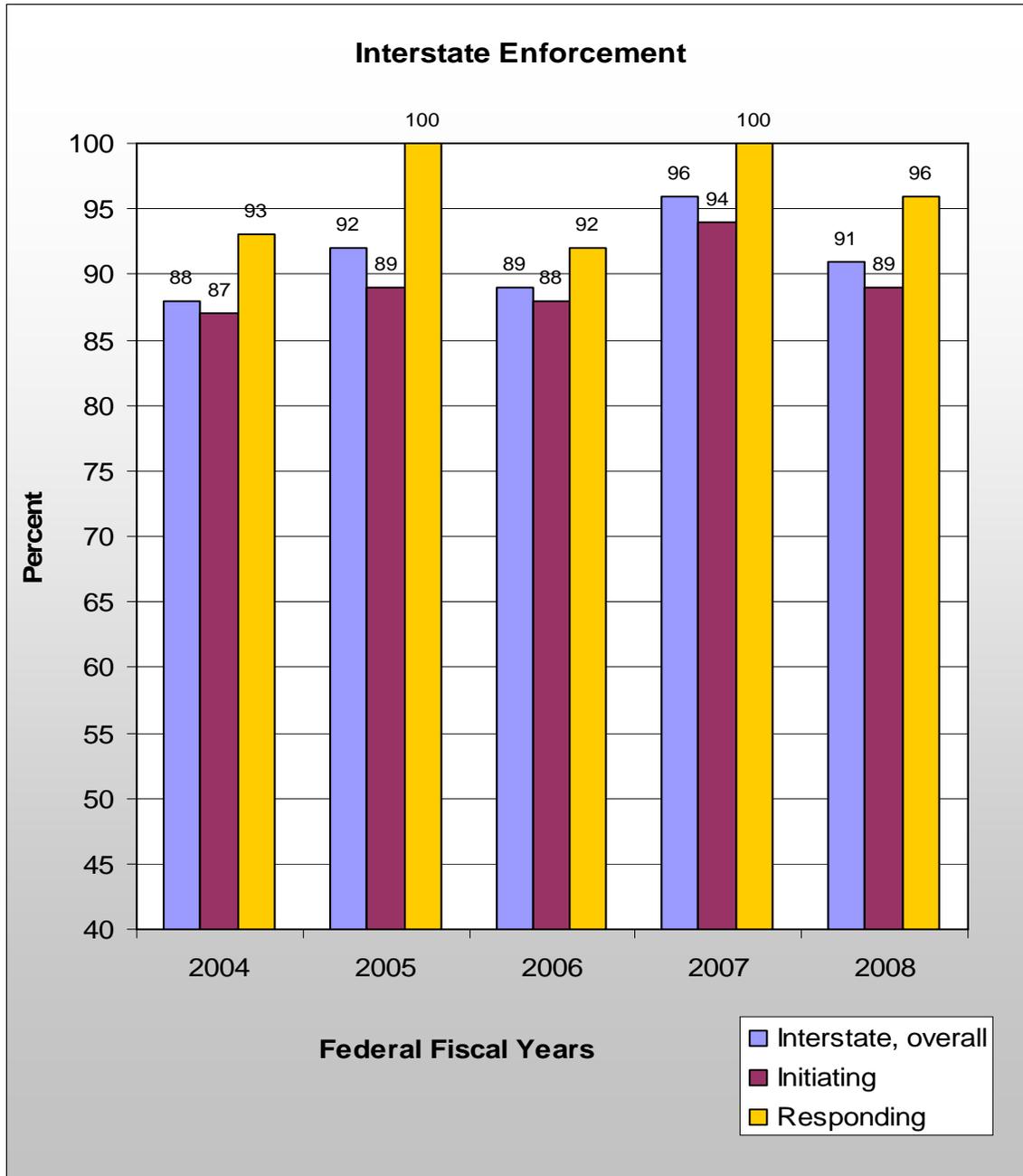
- In one case, we did not acknowledge receipt of a referral within 10 days.
- In one case, we did not reply to a status request within 5 days.

**The five-year averages for interstate are:**

- Overall – 91%
- Initiating – 89%
- 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 are finding ways to deal with a hiring freeze, potential budget cuts and strict control of spending on normal expenses. These challenges detract 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 23 cases measured, there were no errors.

**Prior Audit Findings.** Ongoing training should continue in order to maintain the present compliance level.

**Current 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.

**Paternity and Order Establishment: 88%. (Minimum Acceptable: 75%)**

Of 59 cases measured, seven had errors.

The establishment section made adequate progress in obtaining support orders for children. Alaska can also report that for three years running (2005-07) and presumably, for the current year, we are the state with the 2<sup>nd</sup> highest ratio of support orders to open cases.

Although it appears our 2008 efficiency rate is lower than in 2006, we need to consider a relevant circumstance. The very high efficiency rates for FFYs 05-06 were due in part to reassigned personnel in key areas with backlogs. Since that time, work assignments returned to normal, as has the vacancy rate for employees. Accordingly, we have seen a return to normal accuracy and accomplishments. For the years 2002-2004 we saw performance improve from 74% to 88%. FFY 2007 performance was 86% and we now see for FFY 2008 an efficiency rate of 88%. The average score for the years 2002-08 is 88% (including the two “high” years); however if we exclude the two years with extra staff assigned to tasks, we see an average of 84%.

| Paternity and Support Order Establishment  |                            |                  |                    |
|--|----------------------------|------------------|--------------------|
| Reason for Error   | Number of Cases with Error | Percent of Total | Cumulative Percent |
| Over 20 days to open case  | 4                          | 57%              | 57%                |
| Exceeded 90 day limit to serve Obligor; original order modification not involved   | 2                          | 29%              | 86%                |
| Did not modify an existing order to add children; paternity was established but we did not take action to serve our child support order within 90 days | 1                          | 14%              | 100%               |
| Failed to perform locate per CFR 303.3   | 0                          | 0%               | 100%               |
| <b>TOTAL</b>   | <b>7</b>                   | <b>100%</b>      |                    |

**Prior Audit Findings.** FFY 2007 is the first full year measured following a change in supervision for the establishment section and the rebuilding of the section (the change in supervision occurred in May 2006). In 2005-06 several procedures were changed and staff reassigned. Several vacancies remained unfilled in 2006-07 and the combination of circumstances led to a decline in production that was only fully addressed in 2007. At this time the section is essentially fully staffed and training is proceeding well. A significant backlog in case referrals from the Division of Public Assistance (DPA) persists. During the review period, some cases took five months to be set up. This problem is the main issue facing the section at this time. It should be pointed out that in spite of the backlog of DPA cases, non-welfare case applications are current (and are being set up within time frames). Procedural changes and a full staff seem to be addressing the performance issues. If a significant improvement is not made in the next audit period, a corrective action plan will be developed for the section.

**Current 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.

**Expedited Processes:** 6-Month Tier 80%; 12-Month Tier 93%.  
(Minimum Acceptable: 75% and 90% respectively)

CSSD passed both criteria in this audit. We measured 30 cases for the 6-month timeframe and 29 for the 12-month timeframe. There were a total of 6 errors at the 6-month tier and 2 errors at the 12-month tier. One of these errors was caused by delays in the court system.

**Prior Audit Findings.** The small sample size may account for the fluctuation in the performance scores. The five-year averages however are consistent and should be looked at as the true indicators of success.

The five year average for performance at the 6-month tier was 87% and at the 12-month tier it was 96%.

**Current 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.

### 6-Month Tier Analysis

We examined the 6-month tier to see if a broader pattern existed. Performance remains relatively consistent over the longer term. Five of the prior seven years had efficiency rates between 80% and 87% (we excluded 2005 and 2006). In FFY 2008 our ability to establish an order within six months diminished to the lowest level since 2001. Whether we are currently in a decline or simply returning to historical levels remains to be seen. We know the high-score years of 2005 and 2006 were due to temporarily reassigned staff who eliminated the backlog.

We had two case errors where we missed a possible opportunity to serve the noncustodial parent while they were incarcerated. We need to review our automated interface with Department of Corrections and see if we can utilize it more efficiently. In two cases we had employer information but did not attempt to serve the noncustodial parent at his employer. Income and employment information available on the employer screens could have been provided to the process servers. The fifth case was out of compliance because the caseworker did not take action in a timely manner.

| Expedited Processes 6-Month Tier               |                            |                  |                    |
|--|----------------------------|------------------|--------------------|
| Reason for Error                               | Number of Cases with Error | Percent of Total | Cumulative Percent |
| Lack of service on the Obligor while in jail   | 2                          | 33%              | 33%                |
| Lack of service on the Obligor at his employer | 2                          | 33%              | 67%                |
| Lack of action taken in a timely manner        | 1                          | 17%              | 83%                |
| Court case took seven months to resolve        | 1                          | 17%              | 100%               |
| <b>TOTAL</b>                                   | <b>6</b>                   | <b>100%</b>      |                    |

### 12-Month Tier Analysis

One error was due to the noncustodial parent avoiding service of our administrative child support order; that order is still not served even though paternity was established in 2007. We could have served him while he was incarcerated. The second error may also

have been avoided if the caseworker used information received from the Department of Corrections. We will conduct refresher training for paternity staff and emphasize meeting the timelines set in 45 CFR 303.5 and 303.101.

| Expedited Processes 12-Month Tier                   |                            |                  |                    |
|---|----------------------------|------------------|--------------------|
| Reason for Error                                    | Number of Cases with Error | Percent of Total | Cumulative Percent |
| Obligor was avoiding/delaying support order service | 1                          | 50%              | 50%                |
| Lack of service on the Obligor while in jail        | 1                          | 50%              | 100%               |
| <b>TOTAL</b>  | <b>2</b>                   | <b>100%</b>      |                    |

We expect a higher level of employee retention and a smaller staff turnover rate for the following year. New employees in the order establishment section should reach a mature level of training during 2009 and thereby improve overall efficiency in serving notices and obtaining orders. Management will examine current procedures to streamline order establishment within six months.

*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 424 cases, and found 29 errors. Performance was stable compared to the past 5 years. Average performance over the past 5 years remained at 94%.

| Enforcement of Support Orders  |                            |                  |                    |
|--|----------------------------|------------------|--------------------|
| Reason for Error   | Number of Cases with Error | Percent of Total | Cumulative Percent |
| Locate- failed to initiate address locate                                | 11                         | 38%              | 38%                |
| Case not submitted for Federal Offset/IRS                                | 7                          | 24%              | 62%                |
| No withholding order issued to incarcerated Obligor                      | 4                          | 14%              | 76%                |
| Withholding order not issued to employer within two days                 | 3                          | 10%              | 86%                |
| Failed to suspend driver's license when no other action possible on case | 2                          | 7%               | 93%                |
| Failed to complete asset/employer locate                                 | 1                          | 3%               | 97%                |
| Over 20 days to open case  | 1                          | 3%               | 100%               |
| <b>TOTAL</b>   | <b>29</b>                  | <b>100%</b>      |                    |

**Prior Audit Findings.** Automated locate, employer reporting and withholding order issuance systems are responsible for maintaining a high level of compliance. Most actions measured focus on location efforts and issuing withholding orders which are not affected by continuing shortages of staff since the computer manages these actions with little case worker intervention. The main problem is not measured here, in fact: it is the failure to increase collections on monthly current support. The OCSE-157 report points out a stagnant growth rate for this critical component of child support. Management should continue exploring ways to increase collections on ongoing monthly obligations. It is expected that the new distribution rules effective in October 2009 will have an impact on these collections, but the size of the impact is not yet known.

**Current 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.

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

We measured 329 cases, and found 13 errors. Average performance over the past 5 years was 98%.

| Disbursement   | Number of Cases | Percent of Total | Cumulative Percent |
|--|-----------------|------------------|--------------------|
| Reason for Error   | with Error      |                  |                    |
| Hold because receipt amount is less than \$5.00. Not cost effective to cut a check                     | 6               | 46%              | 46%                |
| Redistribution of a 2006 payment   | 1               | 8%               | 54%                |
| Unknown destination for disbursement as the custodian was in jail                                      | 1               | 8%               | 62%                |
| Change of custody  | 1               | 8%               | 69%                |
| Obligor had multiple cases. Proper distribution was uncertain pending research                         | 1               | 8%               | 77%                |
| Verified funds prior to release; \$5000 personal check was received and held until it cleared the bank | 1               | 8%               | 85%                |
| Miscellaneous  | 2               | 15%              | 100%               |
| <b>TOTAL</b>   | <b>13</b>       | <b>100%</b>      |                    |

**Prior Audit Findings.** The staff maintained control over distribution and disbursement of child support, and further reduced undistributed collections to \$324,545 (a 23% reduction from 2006). In FFY 2004 the undistributed collections amounted to about \$1 million. We do not count future holds, bad-address holds and IRS holds in these figures.

**Current 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.

**Medical Support Enforcement:** 86%. (Minimum Acceptable: 75%)

We measured 92 cases, and found 13 errors. Average performance over the past 5 years was 90%.

| Medical Support Enforcement                       |                            |                  |                    |
|---|----------------------------|------------------|--------------------|
| Reason for Error                                  | Number of Cases with Error | Percent of Total | Cumulative Percent |
| Did not determine availability of insurance       | 9                          | 69%              | 69%                |
| Failed to enforce insurance provision (NMSN only) | 2                          | 15%              | 85%                |
| Failed to notify the custodial parent             | 2                          | 15%              | 100%               |
| <b>TOTAL</b>                                      | <b>13</b>                  | <b>100%</b>      |                    |

**Prior Audit Findings.** All the errors in medical enforcement stemmed from the agency failing to issue National Medical Support Notices (NMSN) when employers were known. Withholding orders were issued in each case. One common occurrence was the case having a medical enforcement exclusion code on it that prevented the NMSN's issuance. The exclusion codes are usually used for cases where the custodian is ordered to provide insurance or the children are eligible for Indian Health Service benefits. The eleven error cases had other reasons for having been excluded however. The recommended course of action is for management to review the use of and reasons for the exclusion code. The

safest use we can recommend is to reserve the code only for cases where the custodial parent is ordered to provide health coverage.

**Current 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.

**Review and Adjustment:** 92%. (Minimum Acceptable: 75%)

Of 304 cases measured, there were 23 errors (22 for the failure to send Notices of Rights to Request a Review triennially). Twenty of these were due to exclusion codes left on cases from past years, but two were the result of failing to send the notice to both parties (we notified the noncustodial parent, but not the custodial parent). This is a repeat finding, and one that is gradually being corrected as the “old cases” are reviewed by case workers. The number of errors found this year has decreased steadily over the last three years by about 38%. 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   | 22                         | 96%              | 96%                |
| Modification requested by case party but not completed within 180 days (review period expired prior to modification of order) | 1                          | 4%               | 100%               |
| <b>TOTAL</b>  | <b>23</b>                  | <b>100%</b>      |                    |

**Prior Audit Findings.** Twenty-two of the cases had orders modified or reviews that resulted in denials of a modification. Three of the cases (36%) were done by the courts and the length of time to complete the review could not be determined from the record at hand. Of the other 19 cases, 16 were done in less than 180 days. Three cases took over 180 days and each of those were conducted by judicial process. Looking only at those 19 cases, we can say that 84% of the cases were reviewed in 180 days or less. The current findings are consistent with historical findings.

**Current 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.

**Interstate Services:** 91%. (Minimum Acceptable: 75%)

Ninety-one percent is the performance composite for Central Registry, Initiating and Responding cases. Of the 122 cases measured, 11 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   | 6                          | 67%              | 67%                |
| Over 30 days to supply information requested       | 1                          | 11%              | 78%                |
| New information not provided to other state        | 1                          | 11%              | 89%                |
| IRS offset information not provided to other state | 1                          | 11%              | 100%               |
| <b>TOTAL</b>                                       | <b>9</b>                   | <b>100%</b>      |                    |

| Responding Interstate                  |                            |                  |                    |
|--|----------------------------|------------------|--------------------|
| Reason for Error                       | Number of Cases with Error | Percent of Total | Cumulative Percent |
| Over 10 days to acknowledge referral   | 1                          | 50%              | 50%                |
| Over 5 days response to status request | 1                          | 50%              | 100%               |
| <b>TOTAL</b>                           | <b>2</b>                   | <b>100%</b>      |                    |

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

**Prior Audit Findings.** Incoming mail proved the problem with the replies to status requests: delays in handling or giving the requests the wrong priority when distributing the mail apparently caused the delay in both error cases. Responses to telephonic, email and fax

requests are timely in all of the observed cases. Overall performance has declined slightly, which means the goal of a 2% improvement for 2006 was not met.

As a performance goal, the division should aim to improve compliance by at least 2% for 2007. Refresher training on mail handling and prioritizing should be performed.

- Average performance for all Interstate functions over the past 5 years was 89%.
- Average performance for the Initiating functions over the past 5 years was 87%.
- Average performance for the Responding functions over the past 5 years was 93%.

2006 performance, when compared to the 5-year average, appears to be either static or a slight improvement (though the numbers are so close together we can't say with statistical certainty).

**Current 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.

#### **Initiating Interstate Analysis**

This subcategory is 89% in compliance.

Of the 78 cases measured, 9 had errors. The largest category of errors was not sending an interstate transmittal to another state within 20 days, which happened in six cases. These errors appeared to be the result of the case worker not following up on an

action or not handling new information promptly. This error rate is consistent with the prior years. Internal prioritizing of the workload appears successful in other regards. Case-workers are soliciting required information from custodians in a timely manner.

The agency will work to regain at least a 90% level of performance.

### **Responding Interstate Analysis**

This subcategory is 96% in compliance.

Forty-four cases were measured; 15 more than in FFY 2007. Two 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.

Preparations for reporting medical support numbers are complete. The Deficit Reduction Act mandated changes to distribution. Those programming changes are underway and will be done in time for the next 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.

The biggest impact on division-wide performance appears to be the 12.5% vacancy rate for the year. 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 2008 our Anchorage Customer Service Reception area and our Phone Bank handled 75,088 phone calls (up about 7% from last year) and 10,524 walk-ins (up about 3% from last year). Our field offices in Juneau, Fairbanks and Wasilla handled approximately 16,400 phone calls plus 10,000 walk-ins. Division wide (including all of our caseworkers not already counted above) we normally handle around 140,000 phone calls per year. In an effort to enhance service, CSSD has extended Anchorage Customer Service business hours. We also expanded Anchorage and field office customer service duties to include 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.
- A new automated return phone messaging system allows us to place a confidential message in our system instead of leaving the message on an unsecured answering machine. The notified party can then retrieve the secured message at their convenience.
- Our Enforcement section simplified the medical withholding order form. It's now more user friendly for employers when they calculate medical withholding amounts. We reviewed other forms so pertinent information is easily visible which will allow caseworkers to process them faster. Procedure manuals and checklists continue to be updated to improve employee efficiency and accuracy.
- 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 11 people who can communicate in French, German, Hindi, Ilocano, Laotian, 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 9,000 miles (7,000 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 2009. 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 (upfront savings were over \$8,000). A success story for the outreach program was an obligor they helped who had a default order with over \$400,000 owed. When all was said and done his arrears were reduced to just \$16,000 and he paid them in full.
  
- The towns visited in FFY 2008 were:
  - ⇒ Barrow
  - ⇒ Dillingham
  - ⇒ Dutch Harbor
  - ⇒ Fairbanks
  - ⇒ Homer
  - ⇒ Juneau
  - ⇒ Kenai & Soldotna
  - ⇒ 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. It is an essential tool for

drawing people in from the service fringe to the core of our process. 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. All 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 about 539 cases to them by the end of 2008.
  - ⇒ Aleutian-Pribilof Island Association was approved for their 2-year startup funding. This process is in its second year of funding.
  - ⇒ The Association of Village Council Presidents and Tanana Chief's Conference are still considering IV-D programs.
  - ⇒ Kodiak Area Native Association
  - ⇒ Tribal Courts - we track tribal child support orders that affect our cases.
- Our outreach team works on tribal child support cases. Communication between the tribes and CSSD is mainly done through email and transmittals. Currently we have provided information on 539 cases. 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 2007 CSSD formed or 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
    - ⇒ Alaska Bureau of Vital Statistics
    - ⇒ Disability Law Center of Alaska
    - ⇒ Alaska Legal Services
    - ⇒ Alaska Bureau of Vital Statistics (In Hospital Acknowledgment Program)
    - ⇒ 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 2008 the Judicial Council Committee completed their review of support guidelines and referred their recommendations to the Alaska Supreme Court. Revisions are pending in FFY 2009.
  - 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 2008 over \$93,000 was collected via cash and property withholding orders, which is 58% more than last year.
  - The division has three investigators who work on criminal and difficult to enforce cases. The investigators processed cases for passport revocation and in those cases they were able to compel parents to pay over \$217,000. In the rush to get their passport, many

people applied during 2007 and 2008 and paid off their outstanding debts. In ten years when these new passports expire, we should see another bubble in this type of collection. In the meantime, collections from passport revocations have returned to the approximate level we saw in FFY 2005.

- In 2005 we created a Special Collections Unit to work on those cases where the obligor parents had the worst record of making their support payments. This was part of the Special Collections Grant Project funded by the federal government. New cases are regularly added and old cases are removed from the Special Collections Unit once the obligor is making consistent payments. As of September 30, 2008 we had 1314 active cases and received collections on 50% of them. Cumulative collections amounted to \$3.9 million, of which just over \$3 million went to families and \$875,000 was retained to reimburse Alaska for public assistance expended. Collections increased by \$2.3 million over the previous year's cumulative total of \$1.6 million.
- Electronic Funds Transfer (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 them in our daily contacts with the public and employers. For FFY 2008, outgoing EFT/ACH transactions were 64% of our total disbursements. Incoming transactions are now 52% EFT/ACH. For FFY 2008 we collected over \$30.6 million via EFT.
- Two thousand two hundred seventy one individuals currently use debit cards issued by JP Morgan as their means to receive child support payments. This is about 138% increase from last year (953). In 2004 slightly more than 100 individuals used debit cards. We also have 2019 employers making child support payments electronically.
- In 2008 the agency proceeded with enhancements to the Stellent imaging system. Stellent allows orders and other documents to be scanned and then viewed online by all caseworkers. At present we are only imaging child support orders. Once enhancements are completed, we will scan most documents. We expect a substantial reduction in

space needed to store files. It is still too early yet 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 an imaged order during our conversations with the 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. We had 150,000 visitors with over 600,000 page views.

- 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 met all the federal requirements for basic performance. The self assessment review also shows that improvements in some areas are consistent and that goals, plans and expectations for all sections of the office are likely to be met in the future.