

CALIFORNIA DEPARTMENT OF CHILD SUPPORT SERVICES

P.O. Box 419064, Rancho Cordova, CA 95741-9064



March 1, 2018

The Honorable Holly J. Mitchell, Chair
California State Senate
Joint Legislative Budget Committee
State Capitol, Room 5100
Sacramento, California 95249-0079

**SUBJECT: CALIFORNIA CHILD SUPPORT AUTOMATION SYSTEM
ANNUAL SUMMARY 2018**

Dear Senator Mitchell:

The California Department of Child Support Services and the California Department of Technology jointly submit the enclosed annual summary to the appropriate policy and fiscal committees of the Legislature about the ongoing operation of the California Child Support Automation System (CCSAS).

Sources for the report include the May 2017 Advance Planning Document Update and the state FY 2018-19 Proposed Governor's Budget.

If you have any questions or concerns regarding the Annual Summary Report, please contact me at (916) 464-5300.

Sincerely,

MICHAEL WILKENING
Acting Director

Enclosure

The Honorable Holly J. Mitchell

March 1, 2018

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cc: California Health and Human Services Agency
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DEPARTMENT OF CHILD SUPPORT SERVICES

CALIFORNIA DEPARTMENT OF TECHNOLOGY



California Child Support Automation System (CCSAS)

Annual Summary 2018

March 1, 2018

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1. INTRODUCTION

In 1999, California enacted Assembly Bill 150 (Aroner), Chapter 479, Statutes of 1999. The legislation directed the California Health and Human Services Agency and the Department of Child Support Services (DCSS) to develop, implement, maintain, and operate a new statewide child support system. As a result, the California Child Support Automation System (CCSAS) Project was initiated in State Fiscal Year (SFY) 2003-04 to establish a single statewide child support system that automates and centralizes all child support activities such as: establishing paternity; obtaining, enforcing, and modifying child support orders; locating absent parents; and collecting and disbursing support payments. By December 2008, all county Local Child Support Agency (LCSA) operations were consolidated into CCSAS. In January of 2014, California concluded the project through the Post Implementation Evaluation Report process.

CCSAS consists of two major components: State Disbursement Unit (SDU) and Child Support Enforcement (CSE) system. The SDU collects, processes, and distributes all child support payments. The CSE provides a central database and case management system to support child support enforcement activities at all LCSAs.

Per Family Code Section 17561, beginning in 2010, the California Department of Technology and DCSS shall submit an annual report by March 1 of each year to the appropriate policy and fiscal committees of the Legislature on the ongoing implementation of CCSAS. The report shall include the following components:

- (a) Clear breakdown of funding elements for past, current, and future years (Sec. 2).
- (b) Descriptions of active functionalities and a description of their usefulness in child support collections by local child support agencies (Sec. 3).
- (c) Review of current considerations relative to federal law and policy (Sec. 4).
- (d) Policy narrative on future, planned changes to CCSAS and how those changes will advance activities for workers, collections for the state, and payments for recipient families (Sec. 5).

Consistent with this statute, DCSS and the California Department of Technology have developed this CCSAS Annual Summary Report.

2. FUNDING

Federal and state funding for CCSAS was first approved in SFY 2003-04 to initiate system development. In December 2008, California received federal certification of CCSAS, successfully concluding the state's efforts to create a single uniform system. CCSAS continues to receive 66 percent Federal Financial Participation (FFP) and 34 percent State General Fund (GF) to support required Maintenance and Operations (M&O) activities.

The SFY 2018-19 CCSAS budget includes the following adjustments:

- Staffing Costs – An increase of \$559,000 in SFY 2017-18 and ongoing for higher retirement contribution rates and an increase of \$2,225,000 in SFY 2017-18 and \$2,257,000 in SFY 2018-19 and ongoing for higher employee compensation rates.

Table 1 CCSAS CSE Project Cost Categories

Below are definitions for the cost categories shown in Table 2 of this report.

COST CATEGORY	DEFINITION
Development	Development costs include: significant application software changes such as the redesign of a child support system's enforcement module; implementation of new electronic interfaces; development of a graphical user interface to replace character based user interfaces; installation of a document imaging component to the system; and application system migration from a mainframe-based architecture to a client server-architecture.
Operations	Operations costs include: state staff, operational expenses, and contract services to provide an operating environment that meets the availability and reliability requirements that are critical to the child support program. Operations activities include: production oversight, problem management, configuration and asset management, network and system administration, host and desktop hardware and software refresh, application modifications and testing, user help desk, central print and imaging, technical infrastructure and architectural support, Enterprise Customer Service Solution (ECSS) support, and application hosting.
Local Technical Support	Local Technical Support costs include: LCSA staff, operational expenses, and contract support costs to support local networks and desktop infrastructures.

Table 2 CCSAS CSE Project Costs

The table below reflects the total CCSAS CSE actual and projected costs through SFY 2018-19.

TASKS	ACTUAL 2003-04 thru 2013-14	ACTUAL SFY 2014-15	BUDGET SFY 2015-16	BUDGET SFY 2016-17	BUDGET SFY 2017-18	BUDGET SFY 2018-19	TOTAL
Development	902,073,292	-	-	-	-	-	\$ 902,073,292
Operations	555,629,865	59,646,913	71,072,440	71,860,440	74,642,440	74,674,440	\$ 907,526,538
Local Technical Support	671,403,274	30,867,766	35,007,994	35,007,994	35,007,994	35,007,994	\$ 842,303,016
TOTAL CCSAS COST	\$ 2,129,106,431	\$ 90,514,679	\$ 106,080,434	\$ 106,868,434	\$ 109,650,434	\$ 109,682,434	\$ 2,651,902,846

Table 3 CCSAS SDU Project Costs

The table below reflects the total CCSAS SDU actual and projected costs through SFY 2018-19.

BUDGET CATEGORY	ACTUAL 2004-05 thru 2013-14	REVERSAL SFY 2011-12 ^{2/}	ACTUAL SFY 2014-15	BUDGET SFY 2015-16	BUDGET SFY 2016-17	BUDGET SFY 2017-18	BUDGET SFY 2018-19	TOTAL
One-Time Costs								
State Administration	12,406,977	(2,835,287)	-	-	-	-	-	\$ 9,571,690
SDU SP Services	32,866,965	(1,469,028)	-	-	-	-	-	\$ 31,397,937
Subtotal	\$ 45,273,942	\$ (4,304,315)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 40,969,627
Continuing Costs								
SDU - LCSA	8,341,110	(219,875)	-	-	-	-	-	\$ 8,121,235
SDU - SP Services	179,125,247	(17,080,419)	-	-	-	-	-	\$ 162,044,828
SDU - State ^{1/}	16,907,850	-	14,339,760	14,966,000	14,966,000	14,966,000	14,966,000	\$ 91,111,610
Subtotal	\$ 204,374,207	\$ (17,300,294)	\$ 14,339,760	\$ 14,966,000	\$ 14,966,000	\$ 14,966,000	\$ 14,966,000	\$ 261,277,673
TOTAL SDU COST	\$ 249,648,149	\$ (21,604,609)	\$ 14,339,760	\$ 14,966,000	\$ 14,966,000	\$ 14,966,000	\$ 14,966,000	\$ 302,247,300

1. Beginning in SFY 2013-14, DCSS' Subvention Tables rolled the SDU budget onto one line.

2. The SFY 2011/12 SDU expenditures were double counted in the 2016 and 2017 CCSAS Annual Summary Reports. This adjustment reverses the duplicated expenditures.

3. SYSTEM FUNCTIONALITY

This section lists and describes CCSAS functions that positively impact worker effectiveness, customer service, and program performance within the Child Support Program.

3.1 Worker Effectiveness

- Statewide Access to Data: Regardless of their geographic location, caseworkers can view data for any case or case member. Case transfers occur within the system with minimal manual effort increasing the time caseworkers have available to provide customer service and increase program performance.
- Electronic Storage/Retrieval of Documents:
 - Central Scan – Each month, DCSS Central Scan receives and uploads between 10,000 and 20,000 pages of county case documents into CSE for smaller counties where it is not cost efficient to have a local scanning solution. This effort enables county personnel in smaller LCSAs to focus on collection and enforcement duties, and continues to reduce the need for physical storage space within DCSS and county offices.
 - Local Scan - In September 2016, DCSS implemented a local scanning process within many LCSAs. Local Scan reduces the number of documents shipped from the LCSAs to DCSS, which reduces shipping costs, improves document security, and allows case information to be electronically available within CSE sooner.
- E-Filing with California Courts: CSE functionality provides a standard interface with the courts to provide the capability to transmit forms electronically; including some of the most frequently used forms (e.g., Summons and Complaints, Proofs of Service, and Judgments). E-Filing saves substantial time for caseworkers as well as court personnel.

Currently, there are 17 counties utilizing e-Filing for one or more available form sets: Fresno, Kern, Los Angeles, Merced, Monterey, Napa, Orange, Riverside, San Bernardino, San Diego, San Francisco, San Joaquin, San Mateo, Santa Barbara, Santa Cruz, Solano and Stanislaus. DCSS will continue to expand the use of e-Filing to additional courts and LCSAs in 2018. DCSS will also be expanding the number of form sets available for e-Filing for all current and prospective e-Filing counties in 2018. E-Filing improves worker effectiveness and enhances customer service.

- E-Correspondence: DCSS implemented Electronic Correspondence Case Update Notifications (e-Correspondence) in January 2015 to provide child support participants with the option of accessing documents online and receiving courtesy e-mail notifications for appointments and payments instead

of receiving documents through traditional mail. E-Correspondence improves worker effectiveness and enhances customer service.

3.2 Customer Service

- The Enterprise Customer Service Solution is comprised of the Self-Service Website and the statewide Automated Phone System.
 - Self-Service Website: The Self-Service Website provides a direct point of access for customers to have more than just payment information at their fingertips. After entering their user login information, customers can access case-specific information as well as information regarding payments made by non-custodial parents and payments sent to custodial parties. This is done over a secured connection and does not require the customer to speak to a child support representative. If customers wish to communicate with a representative, they are able to communicate confidentially through the website and email responses are provided within 48 business hours. Customers can also update their contact information and obtain information about appointments. In SFY 2016-17, the Self-Service Website had 10.4 million visits.
 - Automated Phone System: The Automated Phone System is a single statewide Interactive Voice Response (IVR) phone system that enables all customers to authenticate and quickly obtain information about their child support case through its self-service capabilities or, if requested by the customer, they can transfer to a county or state representative for assistance. The IVR received 4.5 million calls in SFY 2016-17. Approximately 1.9 million calls were resolved by the self-service IVR and approximately 2.7 million were forwarded to a program representative.

The ECSS platform supports a virtual and enterprise business model for contact centers. During the past several years, many LCSAs have taken advantage of this technical infrastructure to establish centers of excellence, or shared services call centers. This approach has enabled LCSAs to focus resources and provide a more consistent service delivery. In addition, the ECSS statewide platform supports the department's disaster recovery and business continuity efforts and ensures services can be delivered in times of local outages or emergencies.

- Mobile Web and Mobile App: DCSS introduced a Mobile App in June 2013 to allow convenient mobile access to our Self-Service Website for customers. In SFY 2016-17, an average 77 percent of all transactions on DCSS' Self-Service Website occurred on a mobile device (smartphone or tablet). This percentage is consistent with the previous SFY, however, during the last half of SFY 2016-17, transactions were trending up 1-2 percentage points. Customers are able to access account and payment information and find county information to frequently asked questions using the Mobile App. Since its introduction, the Mobile App has had 225,000 total downloads as of June 30, 2017; of the total downloads, 151,000 were to Android devices and 73,000 were to Apple devices.

- **Electronic Payments and Disbursements:** Electronic payments and disbursements are faster, more accurate and less expensive to process than paper checks. With CCSAS, non-custodial parents and employers are able to make one-time or recurring payments by electronic debit from a checking or savings account, or with a Visa or MasterCard branded debit or credit card. The SDU provides both credit card and bank account online payment options over the Internet and via telephone using the SDU toll-free number. Electronic disbursements include an electronic prepaid debit card with payments going directly to the customer's card account and direct deposit with payments directly deposited to a customer's savings or checking account. The total number of paper checks disbursed decreased by 32 percent while electronic disbursements increased by 10 percent from SFY 2015-16 to 2016-17. Total combined electronic collections and disbursements increased from 14 percent in SFY 2005-06 to 83 percent in SFY 2016-17.
- **Convenient Payment Options:** In 2015, DCSS implemented two new child support payment options: MoneyGram and PayNearMe. These new payment options are beneficial for customers who are unable to submit paper checks to the SDU or make electronic payments online or over the telephone.

MoneyGram is a money transfer company that processes cash or debit card payments at 6,200 retail locations throughout California, reducing the need for customers to travel to a local child support office. As of September 2017, there have been 64,000 payments made via MoneyGram totaling \$16,293,000 in collections.

PayNearMe is a money transfer company that processes cash child support payments and is available at 7-Eleven and Family Dollar locations throughout California. As of September 2017, there have been 50,000 payments made via PayNearMe totaling \$11,095,000 in collections.

DCSS partnered with TouchPay in August 2015 to rollout an automated cash, check, credit and debit card payment system using kiosk technology in Marin County. In January 2017, DCSS rolled out 77 TouchPay kiosks statewide in the local child support offices. Using the TouchPay kiosk is as simple as using an ATM. With easy to follow step-by-step instructions, payments can be made in minutes. This self-service payment option reduces the waiting time for customers that want to make a payment and does not require the assistance of an LCSA representative.

As of September 2017, 109,000 payments have been made to TouchPay totaling \$28,140,000 in collections. DCSS is currently working with county government offices to place kiosks in sheriff offices and court houses in the near future.

DCSS continues to explore other payment options for our customers. All current payment options are listed at:

[https://www.childsup.ca.gov/payments/statedisbursementunit\(sdu\).aspx](https://www.childsup.ca.gov/payments/statedisbursementunit(sdu).aspx)

3.3 Program Performance

DCSS is committed to continuously monitoring, measuring, and evaluating its performance in order to improve California's Child Support Program. DCSS receives a portion of its funding from the federal government based on an incentive system implemented under the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. In order to qualify for these federal incentive payments, California's Child Support Program must achieve or exceed performance thresholds in key areas. If the program performance fails to meet minimal standards, California may lose vital federal incentives and face financial penalties.

Federal Fiscal Year (FFY) 2017 data continues to exceed minimum thresholds and reflect California's strong results in the federal performance measures.

- Paternity Establishment Percentage: The Statewide Paternity Establishment Percentage (PEP) measure for California in FFY 2017 was 94.3 percent, a decrease of 4.3 percentage points from the previous year. Statewide PEP measures the total number of children born out-of-wedlock for whom paternity was acknowledged or established during the FFY compared to the total number of children born out-of-wedlock during the previous FFY. The alternate paternity measure, IV-D PEP measured 101.4 percent for FFY 2017, a decrease of 0.3 percentage points from the previous year. IV-D PEP measures the total number of children, in cases falling under the purview of Part D of Title IV of the Social Security Act (IV-D) in the fiscal year, who have been born out-of-wedlock and for whom paternity has been established, compared to the total number of children in the IV-D caseload at the end of the preceding fiscal year that were born out-of-wedlock.
- Percent of Cases with a Child Support Order: California's FFY 2017 performance increased to 91.2 percent, an improvement of 0.8 percentage points over the previous year, and an all-time high for the California Child Support Program. This measure compares the number of child support cases with support orders compared to total caseload.
- Current Collections Performance: California's performance decreased to 66.5 percent in FFY 2017, a decrease of 0.5 percentage points from the previous year. This measure compares the amount of current support collected to the total amount of current support owed.
- Arrearage Collections Performance: California's performance increased in FFY 2017 to 66.4 percent, a decrease of 0.3 percentage points over the previous year. This measure compares the number of cases with child support arrearage collections to the total number of cases owing arrearages during the FFY.
- Cost Effectiveness: In FFY 2017, California's cost effectiveness increased to \$2.52, an increase of \$0.01 over the previous year. This measure compares the total amount of distributed collections to the total amount of expenditures for the FFY. This comparison is expressed as the ratio of distributed collections per one dollar of expenditure.

4. LAW AND POLICY CONSIDERATIONS

Changes to state and federal law often result in amendments to the Child Support Program. Occasionally, these amendments also result in changes to the CCSAS system.

4.1 Data Reliability Audits

Pursuant to Section 452(a)(4)(C)(i) of the Social Security Act, the federal Office of Child Support Enforcement is required to conduct annual audits to assess the completeness, reliability, and security of system data as well as the accuracy of reporting for state child support enforcement systems. States are required to meet a 95 percent data reliability standard in specified performance indicators. In August 2017, California passed all eight performance indicator lines in the FFY 2016 audit with at least 98 percent reliability.

4.2 Changes in Law and Policy

The Governor signed legislation for the 2017 session related to child support services that affect either the SDU or CSE components of CCSAS.

- Assembly Bill 976 (Berman, Chapter 319, Statutes of 2017) Electronic filing and service. This bill expands permissive electronic filing (e-filing) and service to additional case types and clarifies rules about e-filing and service relating to electronic signatures, timing, notice, and transmission. The changes can be grouped into the following categories: (1) clarifying the rules about electronic signatures, date of delivery, and express consent, (2) expanding e-filing and delivery to other courts such as criminal, probate, and juvenile, and (3) making technical changes including removing obsolete or outdated provisions of law, and adopting various conforming changes. The bill also allows courts, by local rule, to mandate e-filings of civil court documents, subject to specified conditions, but grants DCSS an exemption until January 1, 2019 to comply with any mandate that the department or LCSAs do not have the capacity or functionality to meet. The bill requires a non-electronic alternative be available to any party claiming e-filing constitutes a hardship, and states that unrepresented persons are exempt from mandatory e-filing.
- Senate Bill 380 (Bradford, Chapter 729, Statutes of 2017) CalWORKs: child support. This bill enables a custodial party (CP) receiving cash aid under the California Work Opportunity and Responsibility to Kids (CalWORKs) program to exclude certain children (step/half-siblings) from the number of needy persons used to calculate the family's maximum aid payment (MAP), allowing receipt of full child support collections for those children. The bill also prohibits child support received for an excluded child from being considered as income for establishing eligibility for aid and grant determination.
- Senate Bill 469 (Skinner, Chapter 730, Statutes of 2017) Child support guidelines: low-income adjustments. This bill would extend the

January 1, 2018 sunset date for California Family Code (FC) section 4055(b)(7) to January 1, 2021 thereby maintaining \$1,500 per month, adjusted annually for cost of living increases, as the threshold to qualify for a low-income adjustment (LIA) for purposes of establishing a child support order.

4.3 Guideline Calculator Mandates

Counties and courts are required by federal law to use the Guideline Calculator tool to calculate child support order amounts. Annual updates to the Guideline Calculator address changes in state and federal tax laws and related requirements. State rules and regulations require the Guideline Calculator to be certified each year for the period of April 1 through March 31. In addition, Family Code 4054 requires the Judicial Council to perform a periodic review of economic indicators and other contributing factors to analyze the fairness and appropriateness of the application of the Guideline Calculator.

5. PLANNED SYSTEM CHANGES

Throughout M&O, DCSS will continue system improvements for corrective, preventive, and adaptive changes that keep the services and system focused on continued effective and efficient case management. These changes are focused on improving the overall efficiencies of CCSAS to meet customer service needs.

E-Filing and Forms - Legislative changes (AB 976) require the expansion of electronic filing services. California will expand and enhance the development, maintenance and filing of CSE forms to comply with these legislative changes.

Infrastructure - Ongoing initiatives continue to improve DCSS's ability to maintain, correct, and adapt CSE in a more consistent and controllable environment. These changes position the system for longevity and ease of continued maintainability.