

CALIFORNIA DEPARTMENT OF CHILD SUPPORT SERVICES

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



March 1, 2019

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

**SUBJECT: 2019 CALIFORNIA CHILD SUPPORT AUTOMATION SYSTEM
ANNUAL SUMMARY**

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 2018 Advance Planning Document Update and the state FY 2019-20 Proposed Governor's Budget.

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

Sincerely,

A handwritten signature in cursive script, appearing to read "David Kilgore".

DAVID KILGORE
Director

Enclosure

The Honorable Holly J. Mitchell

March 1, 2019

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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 2019

March 1, 2019

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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 2019-20 CCSAS budget includes the following adjustments:

- Staffing Costs – An increase of \$354,000 in SFY 2018-19 and ongoing for higher retirement contribution rates and an increase of \$2,259,000 in SFY 2018-19 and \$2,269,000 in SFY 2019-20 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 2019-20.

TASKS	ACTUAL 2003-04 thru 2014-15	ACTUAL SFY 2015-16	BUDGET SFY 2016-17	BUDGET SFY 2017-18	BUDGET SFY 2018-19	BUDGET SFY 2019-20	TOTAL
Development	902,073,292	-	-	-	-	-	\$ 902,073,292
Operations	615,276,775	62,884,438	71,860,440	74,642,440	77,287,440	77,297,440	\$ 979,248,973
Local Technical Support	702,271,041	32,847,460	35,007,994	35,007,994	35,007,994	35,007,994	\$ 875,150,477
TOTAL CCSAS EXPENDITURES	\$ 2,219,621,108	\$ 95,731,898	\$ 106,868,434	\$ 109,650,434	\$ 112,295,434	\$ 112,305,434	\$ 2,756,472,742

Table 3 CCSAS SDU Project Costs

The table below reflects the total CCSAS SDU actual and projected costs through SFY 2019-20.

BUDGET CATEGORY	ACTUAL 2004-05 thru 2013-14	ACTUAL SFY 2015-16	BUDGET SFY 2016-17	BUDGET SFY 2017-18	BUDGET SFY 2018-19	BUDGET SFY 2019-20	TOTAL
One-Time Costs							
State Administration	9,571,690	-	-	-	-	-	\$ 9,571,690
SDU SP Services	31,397,937	-	-	-	-	-	\$ 31,397,937
Subtotal	\$ 40,969,627	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 40,969,627
Continuing Costs							
SDU - LCSA	8,121,235	-	-	-	-	-	\$ 8,121,235
SDU - SP Services	162,044,828	-	-	-	-	-	\$ 162,044,828
SDU - State ^{1/}	31,247,610	14,678,595	14,966,000	14,966,000	14,966,000	14,966,000	\$ 105,790,206
Subtotal	\$ 201,413,673	\$ 14,678,595	\$ 14,966,000	\$ 14,966,000	\$ 14,966,000	\$ 14,966,000	\$ 275,956,269
TOTAL SDU COST	\$ 242,383,300	\$ 14,678,595	\$ 14,966,000	\$ 14,966,000	\$ 14,966,000	\$ 14,966,000	\$ 316,925,896

^{1/} SFY 2019-20 costs are subject to change pending the procurement of a successive SDU vendor.

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, improves worker effectiveness, and enhances customer service.

Currently, there are 19 counties utilizing e-Filing for one or more of the 13 available form sets: Fresno, Kern, Los Angeles, Merced, Monterey, Napa, Orange, Riverside, San Bernardino, San Diego, San Francisco, San Joaquin, San Luis Obispo, San Mateo, Santa Barbara, Santa Clara, Santa Cruz, Solano and Stanislaus. DCSS will continue to expand the use of e-Filing to additional courts and LCSAs in 2019. DCSS will also be expanding the number of form-sets available for e-Filing from 13 to over 60; which includes all legal form-sets the LCSA may file with the court. Fresno will be the first county to implement the expanded form-sets in 2019. Enhanced e-Filing functionality will also include the ability to e-File legal pleadings with attachments, the capacity to scan, upload, and e-File documents returned by case participants, and

electronic signature application on legal filings. The expanded version of e-Filing will be available for implementation in eligible counties after May 2019.

- 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 2017-18, the Self-Service Website had 97 million visits.
 - 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 2017-18, an average 80 percent of all transactions on DCSS' Self-Service Website occurred on a mobile device (smartphone or tablet). Using the Mobile App, customers are able to access account and payment information, find county contact information, and search frequently asked questions. Since its introduction, the Mobile App has had 300,000 total downloads as of June 30, 2018; of the total downloads, 193,000 were to Android devices and 107,000 were to Apple devices.
 - 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 3.7 million calls in SFY 2017-18. Approximately 1.2 million calls were resolved by the self-service IVR and approximately 2.5 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.

- 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. In 2017-18, DCSS consolidated the number of electronic disbursements issued to each custodial party, resulting in a 12 percent decrease in electronic disbursements from SFY 2016-17. Total combined electronic transactions have increased from 14 percent of total transactions in SFY 2005-06 to 81 percent in SFY 2017-18.
- Convenient Payment Options: DCSS accepts alternative payment options that are beneficial for customers 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 4,149 retail locations throughout California, reducing the need for customers to travel to a local child support office. While implementation of the program began in July 2014, as of September 2018, there were a total of 90,000 payments made via MoneyGram totaling \$23,088,000 in collections.
 - PayNearMe is a money transfer company that processes cash child support payments and is available at 7-Eleven, CVS, Ace Cash Express and Family Dollar locations throughout California. As of September 2018, there were a total of 91,000 payments made via PayNearMe, totaling \$20,304,000 in collections.
 - DCSS partnered with TouchPay in January 2017 to rollout an automated cash, check, credit and debit card payment system using kiosk technology. 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 2018, a total of 324,000 payments have been made through the kiosks totaling \$85,758,000 in collections. DCSS is currently working with county government offices to place kiosks in sheriff offices and court houses in the near future.

- DCSS began accepting PayPal payments, through Value Payment Systems, in March 2018. PayPal is an online payment service that allows individuals to transfer funds electronically. As of September 2018, there were a total of 2,000 payments made via PayPal, totaling \$495,000 in collections.

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) 2018 data continues to exceed minimum thresholds and reflect California's strong results in the federal performance measures. The numbers highlighted below reflect preliminary numbers for FFY 2018.

- Paternity Establishment Percentage: The Statewide Paternity Establishment Percentage (PEP) measure for California in FFY 2018 was 93.6 percent, a decrease of 0.7 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 101.8 percent for FFY 2018, an increase of 0.4 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 2018 performance increased to 91.6 percent, an improvement of 0.4 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 remained at 66.5 percent in FFY 2018. 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 2018 to 66.8 percent, an increase of 0.6 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 2018, California's cost effectiveness remained at \$2.52. 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. OCSE has yet to begin their audit of California's FFY 2017 data.

4.2 Changes in Law and Policy

The Governor signed legislation for the 2018 session related to child support services that affect either the SDU or CSE components of CCSAS.

- Assembly Bill 2684 (Bloom, Chapter 876, Statutes of 2018) Parent and child relationships. This bill, as of January 1, 2020, expands the voluntary declaration of parentage procedures to unmarried couples, including, but not limited to, unmarried same-sex couples who have children using assisted reproductive technology.
- Assembly Bill 2802 (Committee on Judiciary, Chapter 439, Statutes of 2018) Insurance payments: interception. This bill, as of January 1, 2020, requires insurers to report insurance claims relating to life insurance, disability income insurance, annuities, and property and casualty insurance totaling at least \$1,000 to DCSS for the purpose of identifying claims tied to individuals who owe past-due child support obligations.
- Assembly Bill 3248 (Committee on Judiciary, Chapter 504, Statutes of 2018) Judiciary omnibus. This bill extends the deadline for DCSS to comply with the electronic filing of court documents mandate from January 1, 2019 to

January 1, 2021. This bill changes child support emancipation provisions by extending a child support obligation when documented medical conditions prevent full-time high school attendance; allows LCSAs to access and copy information from closed child support hearings; prohibits the SDU from sending family support collections to private collection agencies; and requires all payments from the SDU be sent directly to families, as specified.

- Senate Bill 695 (Lara, Chapter 838, Statutes of 2018) Professions and vocations: applications and renewals: individual tax identification number. This bill requires licensing entities including DCSS, the Department of Public Health, the Commission on Teacher Credentialing, and the Emergency Medical Services Authority to accept a licensee's individual tax identification number (ITIN) in lieu of a social security number for purpose of complying with federal and state law requirements. This bill also modifies the personal information of obligors required to be maintained by DCSS and LCSAs, to include ITINs or other uniform identification numbers.

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.