

**JOINT LEGISLATIVE AUDIT AND REVIEW COMMISSION
OF THE VIRGINIA GENERAL ASSEMBLY**

**Final Report:
Child Support
Enforcement**

House Document No. 15

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Philip A. Leone

Preface

House Joint Resolution 553 of the 1999 General Assembly Session directed JLARC to evaluate the State's child support enforcement activities, including the caseload, management, employment levels, and workload of the Division of Child Support Enforcement (DCSE). DCSE is the largest division in the Department of Social Services in terms of staff and budget, and is responsible for collecting and enforcing child support in the State. DCSE serves about one-fourth of Virginia's children, and its caseload comprises over 390,000 cases. DCSE is funded primarily with federal funds.

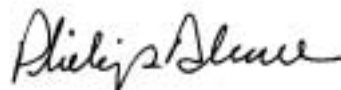
The first phase of this study was completed in December 1999. The interim report found that DCSE's reported caseload size, while substantial, appeared to be somewhat overstated because some cases could be closed or could be excluded from the caseload figure due to minimal work activity. In response to this finding, DCSE initiated a case closure project, which resulted in the closure of more than 69,000 cases. The interim report also found that the dramatic decline in the welfare caseload and several federal funding changes were causing DCSE, for the first time, to experience a budget deficit and increased budget instability. The 2000 General Assembly allocated funds to cover most of the projected deficits through 2002, but it is likely more funds will be needed.

This final report examines the child support enforcement program in more detail, and addresses such issues as district office performance, the adequacy and appropriateness of staffing levels, and management of the program. In addition, it responds to the study mandate by providing recommendations as to "how the program can be improved to better meet the needs of our children."

The study found that while Virginia's program has enjoyed a good national reputation over the years, the federal performance expectations are becoming more demanding. In order to maintain or improve overall performance, Virginia will need to improve staffing levels. Of the 105 additional staff recommended in this report, 74 positions are to replace DCSE's recent elimination of federally funded contract positions.

The major finding of the two-year review is that additional resources are needed, especially staff resources, in order to improve the State's ability to collect child support on behalf of Virginia's children. The larger policy question, however, is whether the State desires to improve the child support enforcement program and whether there is a willingness to provide the resources that might be required.

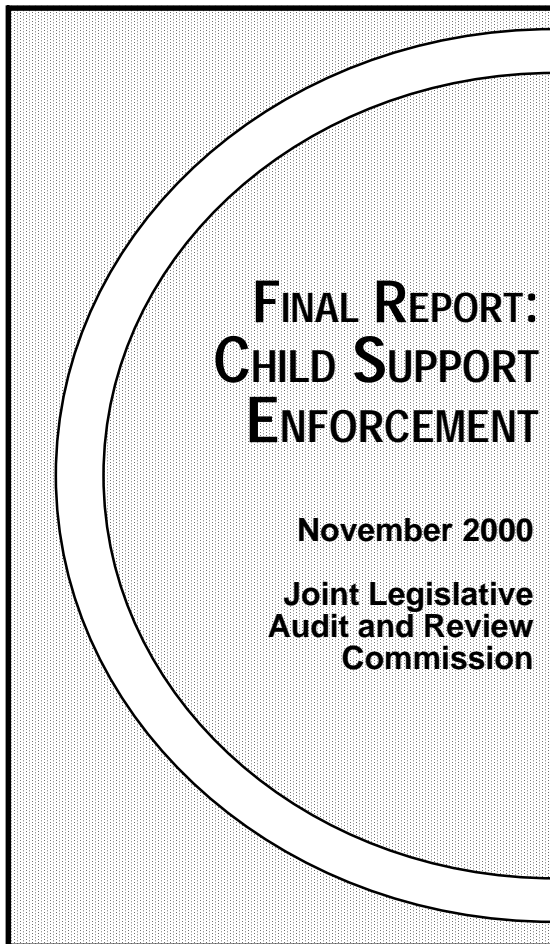
On behalf of the JLARC staff, I wish to express our appreciation for the assistance and cooperation provided during this review by the Division of Child Support Enforcement and the Department of Social Services.



Philip A. Leone
Director

November 14, 2000

JLARC Report Summary



FINAL REPORT: CHILD SUPPORT ENFORCEMENT

November 2000

Joint Legislative
Audit and Review
Commission

The child support enforcement program is a federal and State partnership to collect child support. The program works to ensure that children are supported financially by both parents. Child support is defined as the financial resources contributed by noncustodial parents to their children to provide the necessities of life (food, shelter, clothing, and medical support). State child support enforcement programs locate noncustodial parents (the parent that owes support), establish paternity, establish and enforce child support payment orders, and collect and disburse child support payments.

Chapter 13 of the *Code of Virginia*, titled "Support of Dependent Children and Their

Caretakers," provides for a child support enforcement program in Virginia. The *Code* states in §63.1-249 an intent:

to promote the efficient and accurate collection, accounting and receipt of support for financially dependent children and their custodians, and to further the effective and timely enforcement of such support while ensuring that all functions in the Department of Social Services, [the State agency administering the program] are appropriate or necessary to comply with applicable federal law.

The Division of Child Support Enforcement (DCSE) in the Department of Social Services (DSS) is responsible for administering Virginia's child support enforcement program. DCSE is the largest division in DSS in terms of budget and staff. As of June 2000, DCSE had 394,669 cases in its caseload. DCSE's mission is to promote strong, self-reliant families by delivering child support enforcement services, as provided by law. This mission is carried out primarily by 22 district offices throughout the State, four of which are operated by two private companies.

Child support is a crucial part of many families' financial viability. Currently, about 25 percent of children in Virginia receive child support enforcement services from the State. Child support has become an essential part of the State's human services system, particularly with the implementation of welfare reform and its focus on making families self-sufficient. Non-payment of child support, or payment in an untimely fashion, can cause hardships not only on the custodial parent, but also the children. When payments are not received, families must often turn to public assistance programs.

Based on the increased importance of the program, concerns about potential staffing shortages at DCSE, and an interest in ideas to improve the program, HJR 553 requested JLARC to review the activities of the Division of Child Support Enforcement, including the district offices. HJR 553 required that “the study should, among other things deemed relevant, examine the caseload, management, employment levels, and workload of the State and local OCSE [district DCSE] offices and make recommendations as to how the program can be improved to better meet the needs of our children.”

To address these broad issues, the study was conducted in two phases. An interim Phase I report was presented to the Commission in December 1999. The first phase included a review of the child support enforcement caseload and funding. There were two major findings from the Phase I study. First, DCSE’s reported caseload size, while substantial, appeared to be somewhat overstated because some cases could be closed or could be excluded from the caseload figure due to minimal work activity. In response to this, DCSE initiated a case closure project, which resulted in the closure of more than 69,000 cases. Second, the study found that the dramatic decline in the welfare caseload and several federal changes were causing DCSE, for the first time, to experience a budget deficit and increased budget instability. The federal government continues to examine the funding of the child support enforcement program; consequently, DCSE’s budget deficits are projected through the next biennium.

Phase II of the review examines the child support enforcement program in more detail, and addresses such issues as the local implementation of the program, adequacy and appropriateness of staffing levels, office technology, and management of the program, as directed by the mandate.

The conclusions of the second phase of the study are:

- Virginia’s child support enforcement program has enjoyed a good national reputation and has been a leader in a number of areas over the years. However, federal performance expectations for funding purposes are becoming more demanding and DCSE’s performance results have been mixed under new State and federal performance evaluations.
- Performance levels and staffing levels across district offices vary substantially. This is a concern, because the ability of custodial parents and children to receive the support that is due them should not depend on the district in which they live and whether that office has been more or less successful in securing proper resource levels.
- Staffing concerns have recently been exacerbated by the loss of most of the district offices’ federally funded contract staff (74 staff of 94 contract positions are being eliminated, of which 62 positions have already been phased out). Staffing needs to be provided to each office to ensure that cases can be worked effectively, and to ensure that an appropriate mix of staff (such as caseworkers and support staff) is in place.
- DCSE should consider implementing technology improvements and a series of other strategies for managing and improving services, some of which require improvements in processes, but do not cost additional money.

- Several recent and proposed federal changes are causing DCSE to experience budget deficits and increased budget instability. Options are presented in the report to address DCSE’s funding needs.

DCSE Has Enjoyed a Good National Reputation, But Faces Heightened Federal Expectations

Virginia’s child support enforcement program has been considered one of the better child support enforcement programs by the federal government. Several of the reforms and enforcement tools first implemented by DCSE have been viewed as models by the federal government, which has required other states to implement similar reforms.

Although Virginia’s program overall has been viewed positively in the past, more recent evaluation results, which have been based on heightened federal expectations, have yielded somewhat mixed results. The federal government is beginning to hold states to a higher standard and increased accountability. Specifically, the federal government has revised the way it evaluates states’ performance for incentive funding purposes. The federal government is changing from a single measure for evaluating program performance to multiple measures for incentive funding purposes. It is also planning to place a cap on the overall amount that is awarded to the states.

Also, DCSE recently conducted a self-assessment, as required by federal legislation, through which case records were reviewed to assess whether all required actions were taken within required timeframes and whether actions were taken in accordance with federal requirements. DCSE found that the program’s performance on most measures (six of eight) was below federal efficiency rate benchmarks.

The Caliber of Child Support Enforcement Services Varies Among Districts

The ability of custodial parents and children to receive the support that is due them should not depend on the district in which they live and whether that office has been more or less successful in securing proper resource levels. However, as shown in the table below, there is a substantial range in performance among the district offices.

These performance problems are more acute in some district offices than others, as shown in the “report card” on page IV (discussed in Chapter II). The data show that these differences are associated with differences in staffing-related factors (such as caseload size per caseworker, caseload size per total staff, and the percentage of time caseworkers spend on clerical activities), and external factors over which DCSE has little control (such as population density, the percentage of welfare cases in the caseload, and median household income).

Summary of District Office Variability on Performance Measures			
Performance Measure	Lowest Performance Level	Average Performance Level	Highest Performance Level
Paternity establishment percentage	52%	80%	97%
Percentage of support orders established	34%	66%	82%
Percentage of current support collected	48%	56%	62%
Percentage of cases paying toward arrears	42%	50%	58%
Cost effectiveness ratio	\$3.68	\$5.42	\$7.81
TANF collections per TANF case	\$217	\$385	\$480

District Office Report Card

	FEDERAL PERFORMANCE MEASURES					OTHER	RANKINGS	
	% of Cases with Paternity Established	% of Cases with Support Orders	% of Current Support Collected	% of Cases Paying Toward Arrears	Collections to Cost Ratio	Average TANF Collections per TANF Case	OVERALL RATING	NUMERICAL RANKING
Abingdon	●	●	○	○	○	●	○	17
Alexandria*	○	○	○	○	○	○	○	22
Arlington*	○	○	○	●	○	○	○	21
Charlottesville	●	●	●	●	●	○	●	15
Chesapeake*	●	○	●	●	●	●	●	11**
Danville	●	●	●	●	●	●	●	5
Fairfax	○	○	●	○	●	○	○	19
Fredericksburg	●	●	●	●	●	●	●	4
Hampton*	○	○	●	●	●	●	●	10
Henrico	●	●	●	●	●	●	●	6
Lynchburg	●	●	●	●	○	●	●	14
Manassas	○	○	○	●	●	●	○	16
Newport News	●	●	●	●	●	●	●	7
Norfolk	●	●	●	○	●	●	●	11**
Petersburg	○	○	●	●	●	●	●	13
Portsmouth	●	●	○	○	○	●	○	18
Richmond	●	●	○	○	○	○	○	20
Roanoke	●	●	●	●	○	●	●	8
Suffolk	●	●	●	●	●	●	●	1
Verona	●	●	●	●	●	●	●	2
Virginia Beach	●	●	●	●	●	○	●	9
Winchester	●	●	●	●	●	○	●	3

Key: ● = High: Office is in top third of district offices on performance measure.

● = Medium: Office is in middle third of district offices on performance measure.

○ = Low: Office is in lowest third of district offices on performance measure.

* Privatized offices.

** These offices are both ranked as 11 because the average performance level across all indicators is the same.

This means that an office's performance may be enhanced or hindered by the office's particular internal and external characteristics.

Recommendation. DCSE should develop district office level performance goals that are tied to the five federal performance goals and the additional

TANF performance measure. In the short term, DCSE should set individual performance goals for each district office based on the prevailing or typical performance achieved by other offices with similar characteristics. In the long term, if staffing issues are addressed, DCSE should determine an appropriate per-

centage increase in performance for each group of offices with similar external characteristics.

DCSE's Elimination of Most of the Federally-Funded Contract Staff Increases the Staffing Challenges

Sixteen of the 22 district managers interviewed for the study thought that their office had too high a workload to effectively manage, and about three-quarters of caseworkers and over 40 percent of other staff thought that their workload levels were too high. District managers and staff indicated that high workload levels limit the ability of the office to work all the cases that deserve attention, to ensure quality on the cases they do work, and to provide responsive customer services.

Caseload and staffing data from June 2000 showed that district offices managed an average of 444 cases per staff person, including contract staff. One of the consequences of this is that most caseworkers report that a third of their time is spent on clerical duties in lieu of proactively working cases. Some sources indicate a range of 350 to 400 cases per total staff is an appropriate standard for effective management of cases.

These staffing concerns have recently been exacerbated by the loss of most of the district offices' federally funded contract staff (74 staff of 94 contract positions are being eliminated, of which 62 positions have already been phased out). This reduction of contract staff is being made because DSS will not allow DCSE to increase its budget over FY 2000 levels, and DCSE management gave other expenditures (such as the interactive voice response system, computer operations, and privatized offices) a higher priority. The frozen budget and the contract staff cuts are being made in spite of the fact that, at the present time, approximately 98

percent of DCSE's administrative budget is paid with federal funds (in the future, given recent federal legislation, between 66 percent and 98 percent of the administrative budget will be paid with federal dollars). The loss of contract staff will be felt the hardest in the western region of DCSE, where about 16 percent of the total staff are contract staff.

To address the staffing issues and the loss of contract staff, JLARC staff developed an estimate of the total number of staff and the number of support staff that each district office needs in order to be more equally staffed, and to either maintain or improve their overall performance. Staffing recommendations include reducing the caseload per total staff in all district offices to 400, which would improve collections, and developing a support staffing standard to improve the ratio of support staff to caseworkers.

The additional staff are expected to translate to more dollars being collected for child support payments, although the magnitude cannot be predicted with certainty. A national study has shown that collection rates are tied to funding and staffing. States with higher cost and staffing ratios tend to have higher collection rates. In Virginia, DCSE found in a staffing demonstration project that a district office increased collections by \$3.00 per dollar spent (from \$6.50 to \$9.50) following the addition of staff, and about \$1.80 of this increase was attributed to the additional staffing.

***Recommendation.* DSS, in conjunction with DCSE, should request the appropriate level of funding for increasing its Maximum Employment Level (MEL) by 105 positions. These positions will replace 74 lost contract positions and improve the staffing levels of the district offices. DCSE should develop a staffing plan to ensure that these positions are targeted to the district offices to meet caseload and support staffing standards.**

Actions to Use New Strategies to Enhance Performance Are Recommended

This report provides numerous recommendations to improve DCSE's performance and addresses the mandate to "make recommendations as to how the program can be improved to better meet the needs of our children." If implemented, these recommendations could result in increased federal funding for Virginia's child support enforcement program and better services being provided to the customers who rely on these services. Many of the strategies require improvements in processes, but do not cost additional money.

Technological improvements include:

- develop a plan to re-engineer the Automated Program to Enforce Child Support (APECS);
- make other office technologies available to all offices; and
- improve customer access to child support enforcement services by developing an interactive Internet site and reevaluating the current voice response system.

Other potential improvements would include:

- improve communication and oversight of the program;
- improve the availability and coordination of training programs;
- provide more uniform customer services with better trained and compensated staff;
- develop a better mechanism for monitoring the services provided by private contractors; and
- share some of the best practices of district offices and suggested staff improvements for the program.

State Options for Addressing Funding and Resource Needs

Most of the funding for Virginia's child support enforcement program comes from federal funds (less than two percent came from State general funds in FY 2000). However, several recent federal changes are causing DCSE to experience budget deficits and increased budget instability. The projected budget deficit for FY 2001 and FY 2002 is \$6 million each year. During the 2000 General Assembly session, funds were included to address most of the projected deficits (\$4.8 million for FY 2001 and \$4.6 million for FY 2002), but additional general funds may be needed. The projected annual deficits could increase an estimated \$9.0 million per year if pending federal legislation passes.

State options for addressing the continued projected funding shortfalls and the advantages and disadvantages of each are provided. The larger policy question, however, is whether the State desires to improve the child support enforcement program and whether there is a willingness to provide the resources that might be required. The timetable for making this determination is almost immediate, due to changes that are proceeding at the federal level. Four options, the advantages and disadvantages of which are discussed in Chapter V, include:

- **Option One.** Give DCSE a larger general fund appropriation to replace lost federal funding. The needed funding is \$1.5 additional general funds each year through 2002 and could be an additional \$9.0 million per year.
- **Option Two.** Give DCSE a general fund appropriation that is above and beyond the lost federal funding to address the recommendations in this report (the State share of these additional costs ranges from between two and 32 percent).

- **Option Three.** Eliminate the \$50 income disregard that is given to welfare clients, which will reduce the deficit by approximately \$3.0 million annually.

- **Option Four.** Charge fees to clients for child support enforcement services.

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I. Introduction

Child support is defined as the financial resources contributed by noncustodial parents to their children to provide the necessities of life (food, shelter, clothing, and medical care). The child support enforcement program, a federal and state partnership to collect child support, works to ensure that children are supported financially by both parents. State child support programs locate noncustodial parents (the parent that owes support), establish paternity, establish and enforce child support payment orders, and collect and disburse child support payments. Support can be made by voluntary arrangements or it can be ordered by the courts or a child support agency. While programs vary considerably from state to state, their services are available to all parents who need them.

Collecting child support is difficult for a variety of reasons. It has been said that one of the major difficulties results from the fact that child support involves three highly emotional issues: money, children, and broken relationships. In addition, collecting child support is difficult because many custodial parents head poor families that receive welfare, while others are at a risk of becoming impoverished. According to a recent U.S. General Accounting Office study, nearly two-thirds of the 13.7 million American women and men raising children alone did not receive any child support in 1995. An Urban Institute study found that about 70 percent of poor children eligible for child support were not getting it in 1996.

National trend data indicates that child support enforcement will continue to be a concern in the near future. Although it appears that the rate of growth in the number of single parents has stabilized, one-parent families still comprise nearly 32 percent of all families, up from 13 percent in 1970. In addition, the number of families with mothers who have never married has increased fifteenfold from 248,000 to 3.8 million since 1970. In these cases, paternity must be established before the fathers have a legal obligation to financially support their children. Further, the number of children living apart from their fathers has increased 280 percent from 1960 to 1995, and that increase from the 1960 base is estimated to grow to 440 percent by 2005.

In 1975, Congress established the child support enforcement program to ensure that legally responsible persons contribute toward the financial support of their children to the best of their ability. The program is a critical aspect of the states' human service delivery systems because it is one of the key ways to keep single parents and their children off public assistance. Child support has been considered particularly important in the era of time-limited public assistance, because it is a critical source of income for families after they leave the welfare rolls. A recent study by the Urban Institute found that women who did not receive child support had a 31 percent chance of returning to welfare after six months off the rolls, while women who received up to as little as \$100 a month had only a nine percent chance of returning to welfare.

The child support enforcement program is also critical because of its cost recovery role. Payment of child support can also help the federal and state governments

recover some of the public assistance payments made to needy families because the federal and state governments are allowed to retain a portion of child support payments collected on behalf of TANF families.

In 1999, the increasing size of Virginia's child support enforcement caseload, concerns about the adequacy of staffing to handle the caseload, and the program's potential budget deficit prompted the General Assembly to request a JLARC study of the effectiveness of Virginia's child support enforcement program. This study was conducted in two phases. The Phase I report (*Interim Report: Child Support Enforcement*, January 2000) analyzed the factors that are impacting the funding for child support enforcement services and provided funding options to offset these changes. The report also examined the size and characteristics of the child support enforcement caseload.

This Phase II report examines several issues in more detail, and addresses issues such as performance of the district offices, staffing levels, management and oversight of the program, and ways the program can be improved. The remainder of this chapter provides: background information on the child support enforcement program, including information on the federal child support enforcement program; a discussion of the general characteristics of Virginia's child support enforcement program, including organization, funding, workload, staffing levels, and caseload and client characteristics; and an update on Phase I of the study. The approach and organization of this study are outlined at the end of this chapter.

THE CHILD SUPPORT ENFORCEMENT PROGRAM IN THE U.S.

Before examining the child support enforcement program, it is important to understand the basic case processing steps that a child support enforcement agency follows to collect support from noncustodial parents. The five basic steps are:

- **Intake** – opening the case and determining what services are needed.
- **Locate** – finding the noncustodial parent.
- **Establish Paternity** – legally establishing the father of the child.
- **Establish a Support Order** – establishing a support order, which legally obligates the noncustodial parent to pay child support.
- **Collect Support or Enforce the Order** – receiving and distributing child support to the family, or attempting to enforce the support order if the non-custodial parent fails to pay support.

These steps are described in more detail in Exhibit 1. The remainder of this section provides background information on the child support enforcement program in the U.S.

Exhibit 1

Steps in the Child Support Enforcement Process

Intake

Intake is the initial opening of the case. It involves gathering necessary case information and determining what types of child support enforcement services are needed. The child support agency obtains information from the custodial parent about the noncustodial parent, such as name, social security number, date of birth, address, and place of employment.

Locate the Noncustodial Parent

The first major step in the child support enforcement process is often locating the noncustodial parent. This can be a relatively simple task if the custodial parent has the noncustodial parent's address, social security number, and place of employment, or it can be extremely difficult if the custodial parent lacks basic information on the noncustodial parent. Locate efforts can include: direct contact with individuals; contacts with public and private institutions, such as credit bureaus or state and federal income tax agencies; and use of computer database searches.

Establish Paternity

Paternity establishment is the identification of the legal father of a child. Without paternity establishment, children have no legal claim on their father's income. Paternity is established in either of two ways: (1) through voluntary acknowledgement by the father, or (2) if contested, through a determination made on the basis of scientific (blood or DNA) and testimonial evidence. Paternity can be established judicially (by the courts) or administratively (by a qualified employee of the child support agency).

Establish a Support Order

A child support order legally obligates noncustodial parents to provide financial support for their children (and medical insurance coverage when available at reasonable cost) and stipulates the amount of the obligation. The child support enforcement agency helps in the determination of a child's financial needs and the extent to which the noncustodial parent can provide financial support and medical insurance coverage. Support orders are subject to periodic review and adjustment at least every three years in public assistance cases and upon parental request in non-public assistance cases. Support orders can be established judicially or administratively.

Collect Support or Enforce the Order

The child support enforcement agency receives and processes all child support payments, and then distributes them to the custodial parent. If a child support payment is not received, the agency must enforce payment. To enforce payment on delinquent cases or to ensure regularity and completeness of current accounts, child support enforcement agencies have a wide array of techniques at their disposal, such as federal and state tax intercepts, garnishments, liens, and wage withholding, among others.

The Federal Child Support Enforcement Program Has Evolved Over the Years

The federal child support enforcement program was created in 1950. At that time, the program focused on obtaining support for children who were receiving public assistance benefits. Child support establishment and collection for children who were not receiving public assistance was considered a domestic relations issue that should be dealt with at the state level by the courts.

In 1975, Congress enacted Title IV-D of the Social Security Act (also called the Child Support Enforcement and Paternity Establishment Program), which created a federal-state program for the establishment and enforcement of child support obligations. Title IV-D required every state to create or designate a single and separate organizational unit responsible for the state's child support enforcement program (also referred to as the IV-D program). It also required families receiving public assistance to assign (turn over) their right to receive child support to the state. This allowed the state to keep a portion of the child support payment, which was used to reimburse the state for the family's public assistance payment. This cost recovery goal was often viewed as the main goal of the program by states.

The federal government has made several other significant changes to the child support enforcement program over the years. (Exhibit 2 summarizes the major federal child support legislation since 1975.) One change made in 1984 was to expand the child support enforcement program to all children, not just those receiving public assistance. More recently, two federal acts—the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) and the Child Support Performance and Incentive Act of 1998—have made other significant changes to the child support enforcement program.

Under PRWORA, each state must operate a child support enforcement program that meets federal requirements in order to be eligible for welfare funds. One of the major impacts of PRWORA was a shift in the emphasis of the child support enforcement program from cost recovery to improving the self sufficiency of families. Since child support payments are viewed as a key way to keep families off of public assistance, child support has become an integral part of PRWORA. Recent and proposed federal legislation emphasizes this new theme by trying to increase the amount of money that gets passed on to families and decrease the amount states can keep for cost recovery.

The Child Support Performance and Incentive Act of 1998 also made several changes to the child support enforcement program. The most significant change alters the federal government's method for awarding incentive payments to states, which was discussed in detail in the Phase I report. The performance measures on which the incentives are based have changed. Instead of basing states' performance on collections only, performance will now be based on five measures: paternity establishments, cases with support orders, current support collections, past-due support collections, and cost effectiveness (Chapter II discusses this new incentive program in more detail).

Exhibit 2

Major Federal Legislation Affecting the National Child Support Enforcement Program

1975	Social Security Amendments (PL 93-647). Comprehensive child support legislation that enacted Title IV-D of the Social Security Act. Officially established the child support enforcement program.
1984	Child Support Enforcement Amendments (PL 98-378). Required equal services for public assistance and non-public assistance families, mandatory practices (such as mandatory income withholding for past-due support payments), federal incentives, and improved interstate enforcement.
1988	Family Support Act (PL 100-485). Increased emphasis on enforcement remedies and simplified procedures for establishing paternity. Required states to automate procedures. Mandated wage withholding for all support orders, current and past-due.
1992	Child Support Recovery Act (PL 102-521). Made it a federal crime to fail to pay past-due child support obligation for a child living in another state. Uniform Interstate Family Support Act (UIFSA) Model Act. Streamlined the processing of interstate cases. UIFSA was revised in 1996.
1993	Omnibus Budget Reconciliation Act (OBRA) (PL 103-66). Simplified paternity establishment process and established medical support provisions for all children.
1996	Personal Responsibility and Work Opportunities Reconciliation Act (PRWORA) (PL 104-193). Part of a comprehensive revamping of the welfare system, including new guidelines for paternity establishment, distribution, collections, and federal and state automation. Mandated implementation of UIFSA, federal and state case registries, and the national New Hire Directory, and emphasized “family first” distribution.
1998	Child Support Performance and Incentive Act. Made several changes to the child support enforcement program, the most significant of which altered the federal government’s method for awarding incentive payments to states. Deadbeat Parents Punishment Act. Provided for felony penalties for egregious failure to pay child support.
Source: JLARC staff analysis of “Child Support Enforcement Orientation” (developed by the Office of Child Support Enforcement) and the 1998 Green Book, published by U.S. House Ways and Means Committee.	

More recent federal changes that have been implemented or are being proposed at the national level for the program include: simplifying the distribution system to ensure that more families leaving welfare receive their child support payments, booting the cars of delinquent parents (which has been done in Virginia for some time), denying passports to parents who owe more than \$2,500 in past-due support (the current amount is \$5,000), ensuring that states have procedures in place to encourage noncustodial parents to work, and requiring more frequent updating of child support orders.

The Federal and State Governments Both Have Important Roles in the Child Support Enforcement Program

Basic responsibility for administering the child support enforcement program is left to the states, but the federal government plays a major role. The Office of Child Support Enforcement (OCSE) is responsible for administering the program at the federal level. OCSE provides technical assistance and funding to states and also operates the Federal Parent Locator Service, which uses computer matching to locate noncustodial parents.

The federal government places several requirements on the states in terms of administering the program. For example, each state must designate a “single and separate” organizational unit of state government to administer the program. In addition, states must have plans that set forth the details of their program, and these plans must be approved by OCSE. States must also: develop cooperative agreements with courts and law enforcement officials to assist the child support agency in administering the program; cooperate with other states in locating noncustodial parents, establishing paternity, and enforcing support orders; operate a parent locator service to find absent parents; and maintain full records of collections and disbursements. States are also required to use several enforcement tools and techniques, including:

- imposing liens against real and personal property for amounts of overdue support;
- withholding state tax refunds payable to a parent who is delinquent in support payments;
- reporting the amount of overdue support to a consumer credit bureau;
- withholding, suspending, or restricting the use of drivers’ licenses, professional or occupational licenses, and recreational licenses of noncustodial parents who owe past-due support; and
- performing quarterly data matches with financial institutions.

States are also required to petition to include medical support as part of any child support order whenever health care coverage is available to the noncustodial parent at a reasonable cost.

The states do have some flexibility in administering the program. For example, the law allows programs to be administered either at the state or local level. Some states’ programs are administered by local government agencies, such as district attorneys offices; some states have hybrid systems in which some counties have state-administered programs and some counties have locally-administered programs; and some states’ programs are administered centrally. Virginia has a centralized system, in which the program is administered centrally and services are provided by 18 State-operated offices and four privately operated (but State-supervised) offices.

States also have flexibility in the way they establish support orders and paternity. States can establish paternity and child support orders either by judicial or administrative processes. In states with a judicial process, all child support cases must go through the courts. Virginia is one of ten states in which support orders can be established through administrative means. An administrative process has many benefits. Orders can be established more quickly because documents do not have to be filed with the court clerk, and problems associated with scheduling court time are eliminated. In addition, an administrative process saves money because of reduced court costs and attorney fees. Cases still go through the courts if an administrative action is contested or if the force of the courts is necessary. However, in Virginia, court action is the last resort due to the other enforcement remedies that are available.

VIRGINIA'S CHILD SUPPORT ENFORCEMENT PROGRAM

Chapter 13 of the *Code of Virginia*, titled "Support of Dependent Children and Their Caretakers," provides for a child support enforcement program in Virginia. The *Code* states in §63.1-249 an intent:

to promote the efficient and accurate collection, accounting and receipt of support for financially dependent children and their custodians, and to further the effective and timely enforcement of such support while ensuring that all functions in the Department of Social Services [the State agency administering the program] are appropriate or necessary to comply with applicable federal law.

In Virginia, the Division of Child Support Enforcement (DCSE) in the Department of Social Services (DSS) is the "single and separate" organizational unit that is responsible for administering the child support enforcement program. DCSE is the largest division in DSS in terms of budget and staff. DCSE's mission is to promote strong, self-reliant families by delivering child support enforcement services, as provided by law.

Virginia's child support enforcement program was established in 1975. At that time, DCSE had responsibility only for public assistance child support cases; non-public assistance cases were handled by the courts. In the mid-1980s, DCSE assumed responsibility for non-public assistance cases when the State designated DSS as Virginia's child support enforcement agency and required the courts to transfer 60,000 to 70,000 non-public assistance cases to DSS.

The transition of cases from the judicial system to DCSE was difficult, and DCSE was overwhelmed by the number of new cases. This resulted in a class action law suit alleging failure to comply with federal regulations. DSS voluntarily entered into an interim consent agreement, which went into effect in 1990 and is still in effect today. The consent agreement requires DSS to complete tasks such as payment pro-

cessing and case management activities in accordance with time frames and performance requirements.

Because of these problems and because DCSE requested a substantial number of new positions, the Department of Planning and Budget conducted a major study of DCSE in 1988. As a result, more district offices were established, DCSE's maximum employment level (MEL) was increased, and new State legislation was passed to strengthen and streamline the child support enforcement process, including streamlined appeal procedures and immediate wage withholding. DCSE also adopted a standardized regional and district office structure, the goal of which was to place child support services as closely as possible to customers, provide a clear chain of command and accountability, make the best feasible use of technology available at the time, and satisfy judicial requirements to have services available in every judicial district.

DCSE Has a Three-Tiered Organizational Structure

During the fieldwork phase of this study, DCSE was operating under a three-tiered organizational structure composed of the central office, two regional offices, and 22 district offices. However, in August 2000, DCSE underwent a reorganization that created a third region and redistributed functions in the central office.

DCSE's central office is responsible for overall administration and management of the program. There are two major units within the central office:

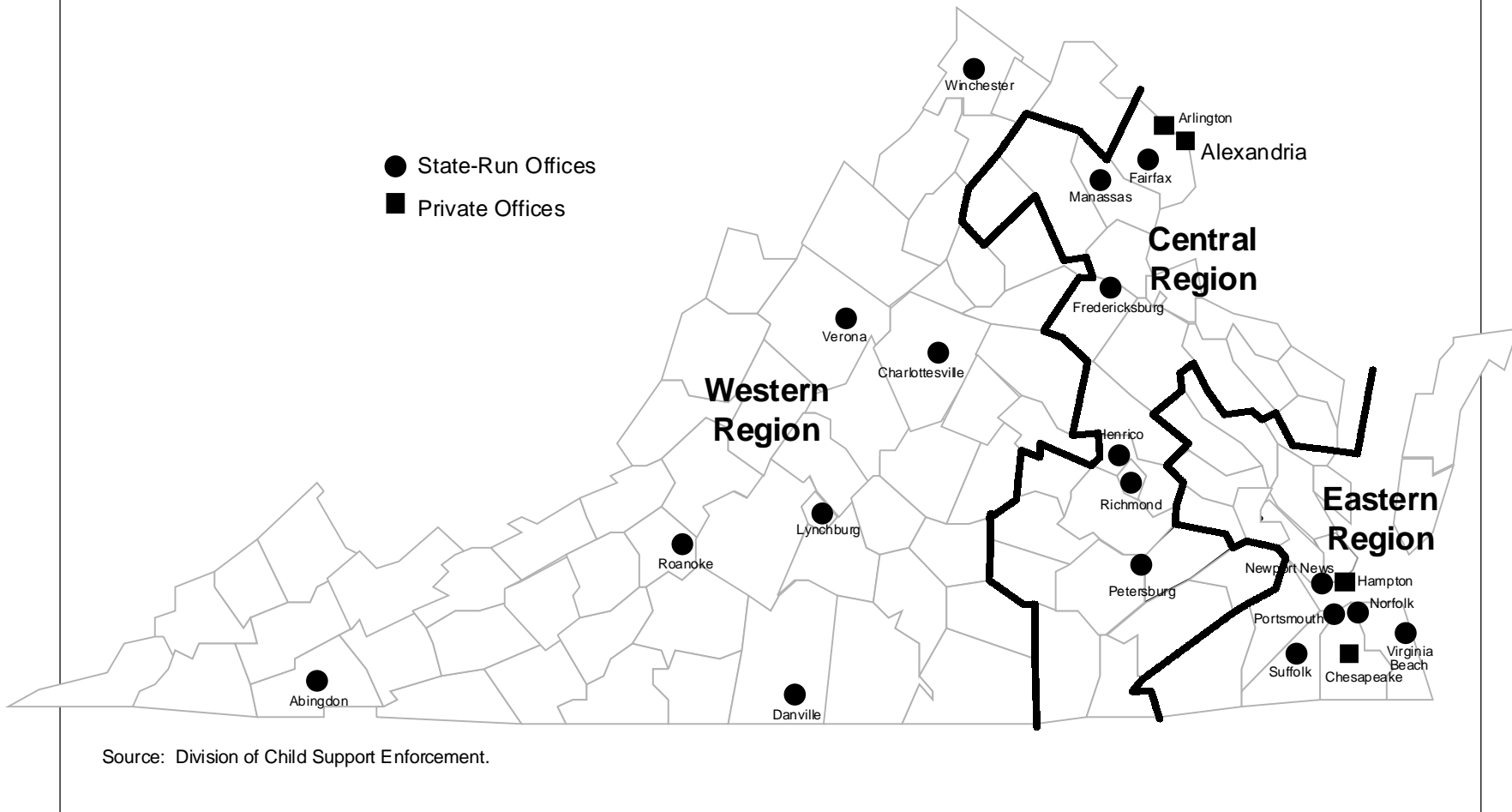
- **Director's Office** – responsible for planning and setting the overall direction of the program, and serving as the main liaison between Virginia and the federal government. Also responsible for managing the central office customer services unit and providing staff development and training.
- **Program Administration and Support** – responsible for several policy and operational functions, such as evaluating and monitoring the district offices, monitoring legislation, developing the State plan, managing DCSE's regulatory process, interpreting policy, managing grants, and contract management.

There are also several units in DSS that provide assistance to DCSE. The Division of Information Services provides DCSE's technology and information services; the Division of Finance receives and disburses child support payments and handles DCSE's budget; the Division of Human Resources Management assists with all human resources-related needs, such as hiring; and the Chief Deputy Commissioner's office is responsible for conducting hearings in cases where clients want to appeal DCSE decisions.

Most service delivery is carried out through a network of district offices (see Figure 1). There are three regional offices – a central office in Richmond, an eastern office in Virginia Beach, and a western office in Roanoke – and 22 district offices. In

Figure 1

Office Locations of the Virginia Division of Child Support Enforcement



Source: Division of Child Support Enforcement.

addition, several of the district offices have caseworkers co-located at local departments of social services and other sites on a part-time basis to increase citizen accessibility to child support enforcement services.

The regional offices serve as a coordination point between the DCSE director and the 22 district offices. They also provide training and technical assistance, handle complaints regarding the district offices, and serve as a central point for gathering statistics from the district offices. The district offices are responsible for carrying out the major child support enforcement functions at the local level — locating absent parents, establishing paternity, establishing support orders, and enforcing child support orders. Four of the 22 district offices have been privatized (Alexandria, Arlington, Chesapeake, and Hampton), but still receive supervision and monitoring from the regional and central offices.

Most of the Funding for Virginia's Child Support Enforcement Program Comes from Federal Funds

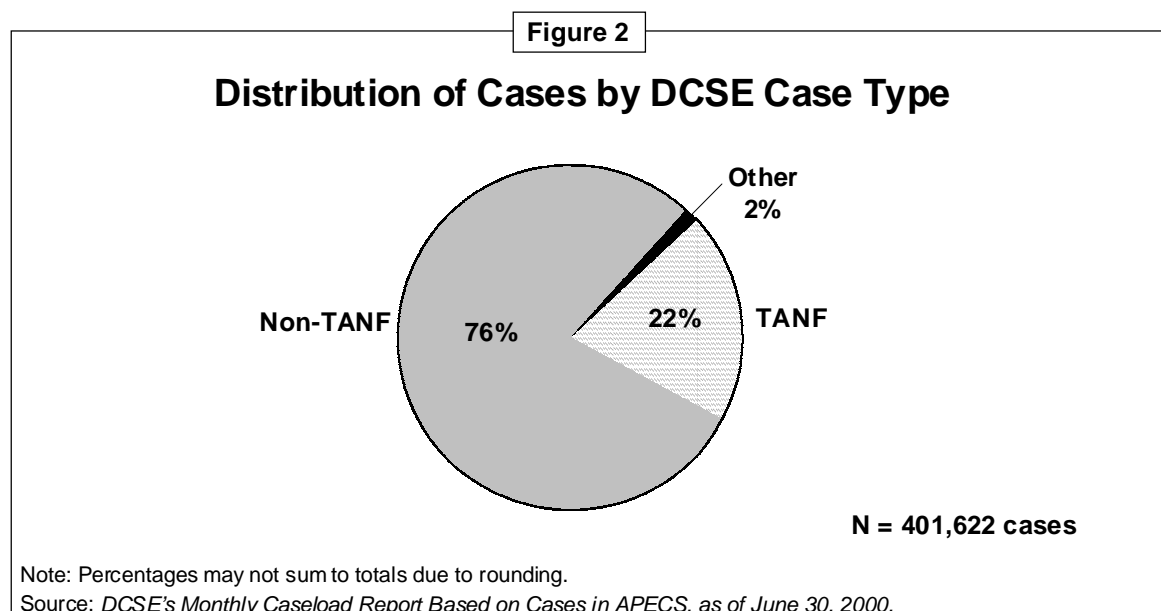
DCSE is funded primarily with federal funds. In FY 2000, less than two percent of DCSE's budget came from the State general fund. The federal funding comes from three sources. First, the federal government reimburses DCSE for 66 percent of its administrative costs (and 90 percent of its paternity testing costs). Second, the federal government allows DCSE to keep almost half of the child support it collects on behalf of Temporary Assistance for Needy Families (TANF) recipients to reimburse the State for TANF benefits – this is referred to as retained collections. Third, the federal government pays DCSE an incentive payment. In the past, this incentive payment was based on how much DCSE collected for both TANF and non-TANF cases. A new system is being phased in beginning in FY 2000. Under the new system, DCSE's incentive payment will be based on DCSE's performance on five performance measures established by the federal government.

DCSE's FY 2000 appropriation, after adjustments, was \$453 million. Less than two percent (approximately \$7 million) of DCSE's FY 2000 funding was from State general funds, most of which were used to address DCSE's budget shortfall. Of DCSE's total appropriation, the greatest portion (about 84 percent) was the child support that DCSE collected on behalf of custodial parents, while 16 percent (approximately \$73 million) was funding available for DCSE to spend on its operations. (The Phase I report provided a more detailed explanation of DCSE's funding structure.)

DCSE's Workload Increased Substantially from FY 1986 to FY 1997

DCSE delivers child support services to approximately 547,000 children, which is 25 percent of all Virginia's children. As of June 30, 2000, DCSE had 394,669 open child support cases. This figure is lower than the number of children served because there can be several children on each case.

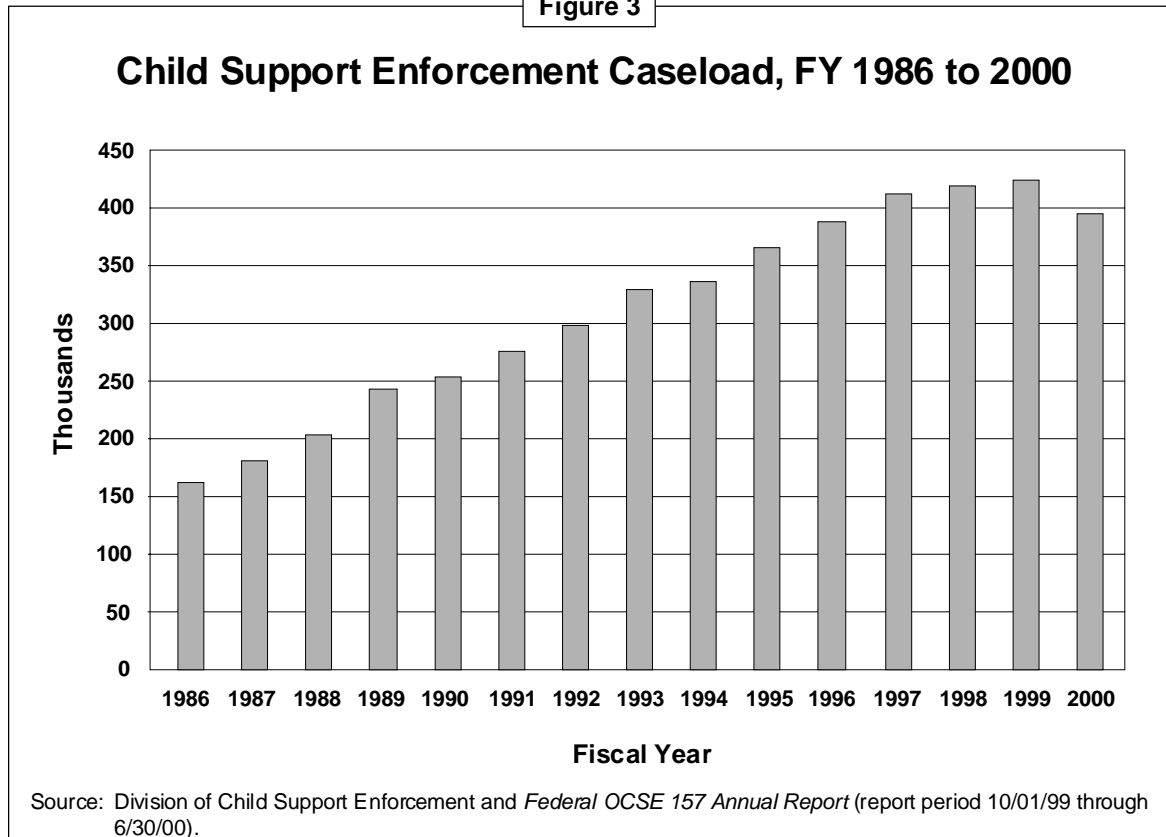
There are 12 different types of child support enforcement cases. In general, these 12 case types can be categorized into three groups: TANF, non-TANF, and “other” cases. TANF cases are cases where the custodial parent receives welfare benefits. All single-parent TANF clients are required to open a child support enforcement case. Non-TANF cases include Medicaid cases and cases where the custodial parent requests services from DCSE. As shown in Figure 2, 76 percent of DCSE’s cases are non-TANF cases. “Other” cases are mainly cases that did not request DCSE’s services but are required by federal law to flow through DCSE because they have income withholding orders.



Child support enforcement cases can also be categorized according to in-state or interstate status. The majority of DCSE’s cases, 74 percent, are in-state cases, which are cases that are initiated in Virginia and the noncustodial parent lives in Virginia. The remaining 26 percent of cases are interstate cases, which generally are cases that are initiated in Virginia but the noncustodial parent lives in another state. A case is also categorized as interstate if it is initiated in another state, but the noncustodial parent lives in Virginia. DCSE staff state that interstate cases are generally more time consuming to work than in-state cases.

DCSE’s overall caseload (TANF and non-TANF cases combined) increased each year over the prior year from 1986 to 1999. Figure 3 shows the increase in the overall caseload that has occurred. Across the period, the average annual rate of increase was about 7.7 percent, and the caseload more than doubled over these years. However, the overall growth rate has slowed in recent years, and the caseload actually decreased in 2000 because DCSE closed approximately 69,000 cases as part of a case closure project that was initiated in December 1999, following a Phase I JLARC study recommendation.

Figure 3

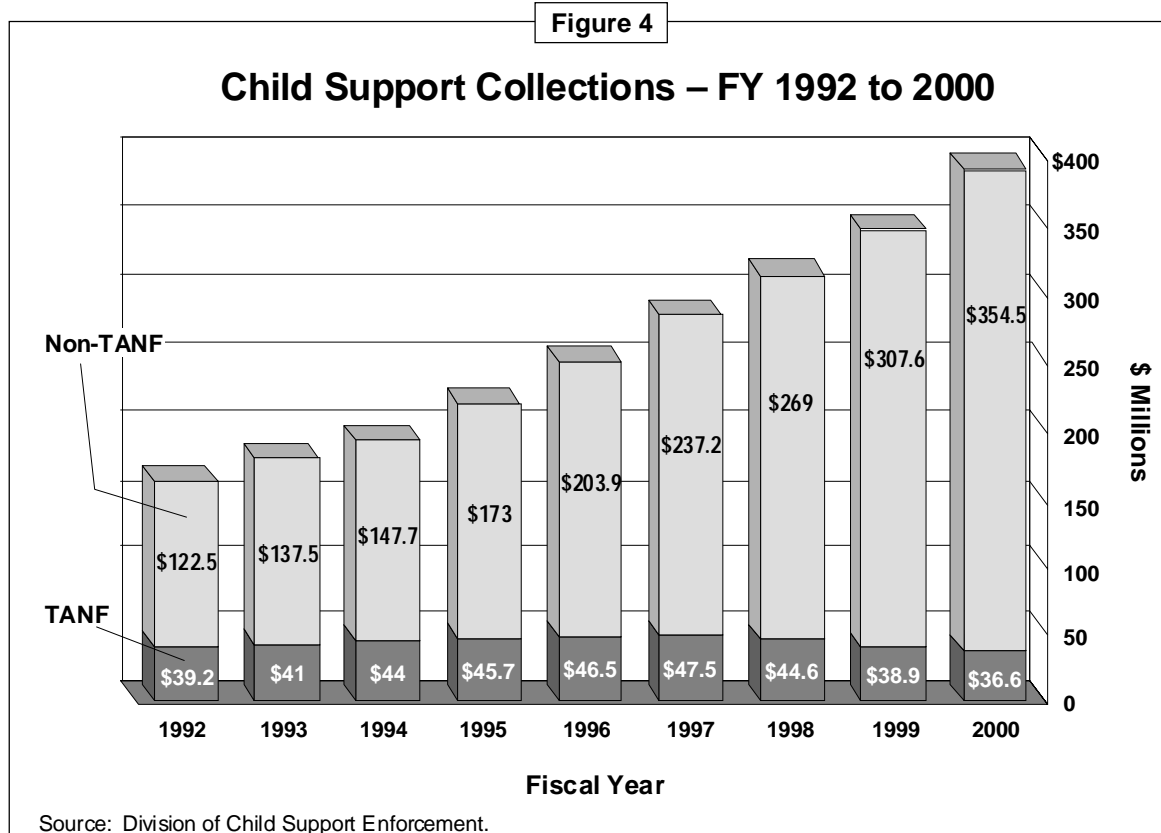


Another trend in recent years is that DCSE's TANF caseload has been declining, while the size of the growth in its non-TANF caseload has accounted for the overall caseload increase. Virginia's TANF caseloads have declined as welfare reform has been implemented against the backdrop of a strong economy, and this appears to have had an impact on DCSE's TANF caseload. DCSE's TANF caseload decreased by 30 percent when the July 1999 figure is compared with July 1994. DCSE's non-TANF caseload increased by 61 percent during the same time period (many of these non-TANF cases are former TANF cases), and more than offset the TANF caseload decline. Therefore, DCSE's total caseload increased 24 percent during this period.

In addition to the overall caseload increases, the division's total collections have been increasing. Figure 4 shows the increase in collections since FY 1992. As shown in the chart, the collections from TANF cases began to decrease in FY 1998 as welfare rolls declined, while collections from non-TANF cases have increased each year.

Caseworker Staffing at DCSE Has Not Kept Pace with the Caseload at the State Offices

DCSE is the largest division in DSS. Today, DCSE comprises 56 percent (887 positions) of DSS' total MEL of 1,584.5 positions. In addition, DCSE funds 66 positions



within other divisions at DSS. Of DCSE's current MEL of 887, eight percent of DCSE's positions are located at the central office, and the remaining 92 percent are located at the regional and State-operated district offices throughout the State (staff at the four privatized offices are not included in the reported number of DCSE's staff positions). DCSE's current vacancy rate is five percent.

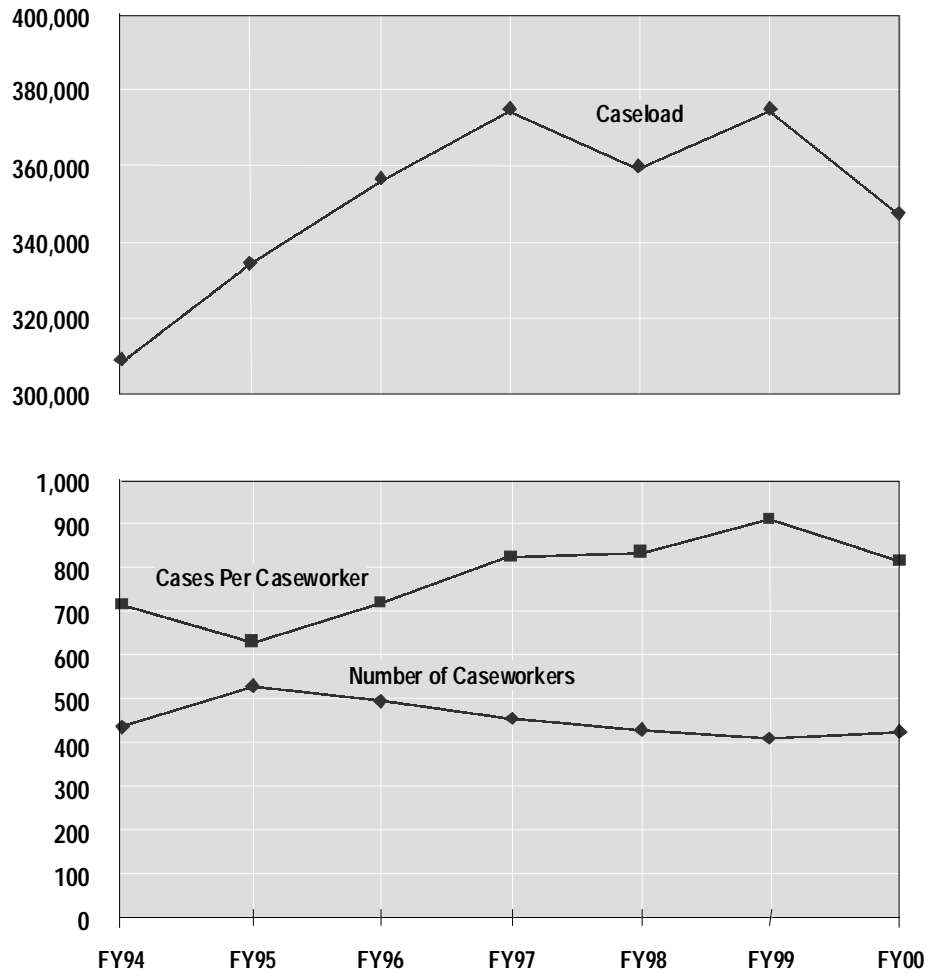
DCSE funds 66 positions in DSS' central office that perform child support enforcement-related activities but do not report directly to the Director of DCSE. The DSS positions include 41 positions in the Division of Finance, 17 positions in the Division of Information Services, two positions in the Division of Human Resources Management, and six positions in the Inspector General's Office.

At the State-operated district offices, there are 810 positions (including 52 positions that perform legal services). Approximately 55 percent of these positions are classified as caseworkers. The remaining positions at the district offices are administrative, financial, and support staff, who perform tasks such as opening new cases, responding to customer questions and concerns, and making adjustments to client accounts.

Figure 5 shows that the growth in DCSE's caseload has led to an increase in the caseload handled per caseworker at the State offices. At the State offices (excluding the private offices' caseloads and staff), the data show a rise in the State caseload

Figure 5

**Caseload Growth vs. Number of Caseworkers:
Division of Child Support Enforcement**



Note: Excludes staffing and caseloads from privatized offices (Alexandria, Arlington, Chesapeake, and Hampton); also excludes contract staff.

Source: Division of Child Support Enforcement.

per caseworker from FY 1995 to FY 1999. The caseload per caseworker decreased somewhat in FY 2000 because of DCSE’s case closure project.

DCSE has made use of contract staff and wage staff over the years. As of March 2000, there were 94 contract staff used in the district offices. Most of these positions were used to offset vacancies and the address need for additional staff to work the caseload. At the time of the JLARC staff analysis, 63 contract staff worked in the western region district offices and 31 worked in the eastern region district offices (the central region had not been created). These staff perform all levels of child support enforcement activities, including customer services, special projects, and case

management. In addition, DCSE funds 23 wage staff in the Division of Finance. According to the Director of DCSE, in order to meet the proposed FY 2001 DSS budget ceiling for his division, most of the 94 contract staff will be eliminated over the next few months as their current contracts expire. The elimination of these staff could greatly impact the district offices that depend on these staff to offset vacancies and low staffing levels.

DCSE Works with a Diverse Group of Clients

DCSE works with three main client groups: custodial parents, noncustodial parents, and children. The custodial parent is the parent who has custody of the child and who receives the child support on behalf of the child. The noncustodial parent is the parent who owes the child support. As of April 2000, there were 372,660 noncustodial parents and 293,507 custodial parents in DCSE's caseload (this is an unduplicated count, since noncustodial parents and custodial parents can be on more than one case).

As shown in Figures 6 and 7, 88 percent of noncustodial parents are men, while 94 percent of custodial parents are women. The largest percentage (40 percent) of noncustodial parents and custodial parents are in the 30 to 40 age range. Figures 6 and 7 also show that 53 percent of noncustodial parents are black and 35 percent are white. Hispanics comprise four percent of noncustodial parents, and the "other" category includes American Indians and Asians. The race distribution for custodial parents is similar to noncustodial parents.

According to JLARC staff's analysis of DCSE's caseload, 62 percent of cases had an employed noncustodial parent in March 2000. When looking only at TANF cases, 45 percent of cases have a noncustodial parent who is not employed, compared to 35 percent of non-TANF cases. The high unemployment rate among noncustodial parents is one of the reasons collecting child support is difficult.

Figure 8 shows the age distribution of the 547,039 children in DCSE's caseload as of April 2000. Within this group, about nine percent are actually 21 years and older. In most cases, these individuals are still reported because they are owed past-due child support. They could also be cases where the support order requires the noncustodial parent to pay child support after age 18 because the child has special needs. Most cases (76 percent) involve only one child. Eighteen percent of cases involve two children, four percent involve three children, and one percent involves four or more children.

Figure 6

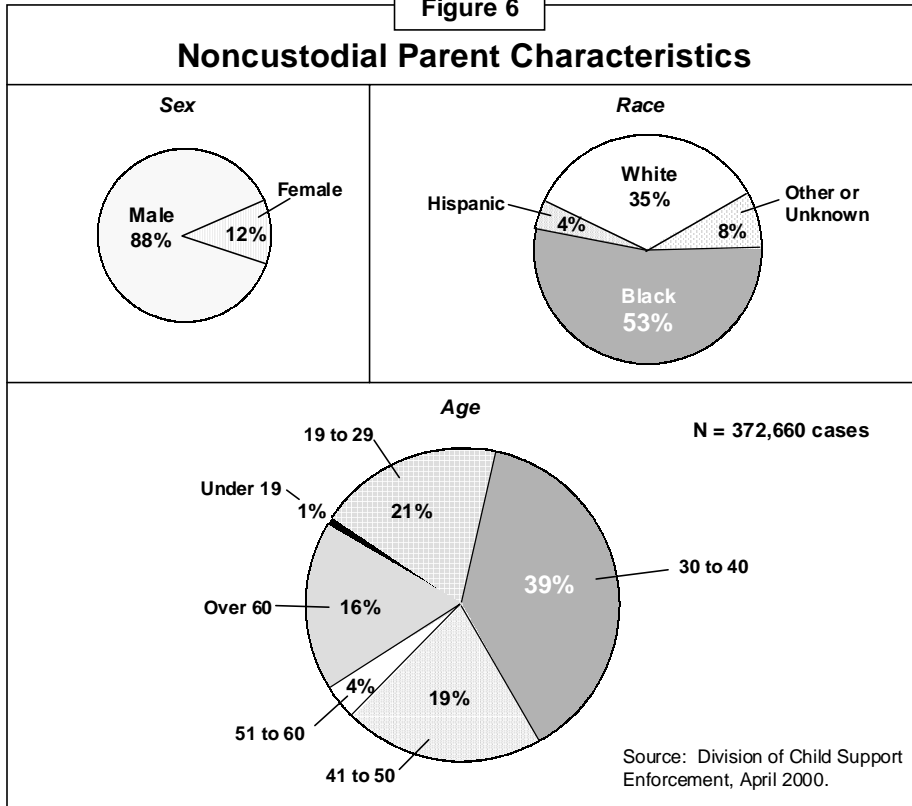
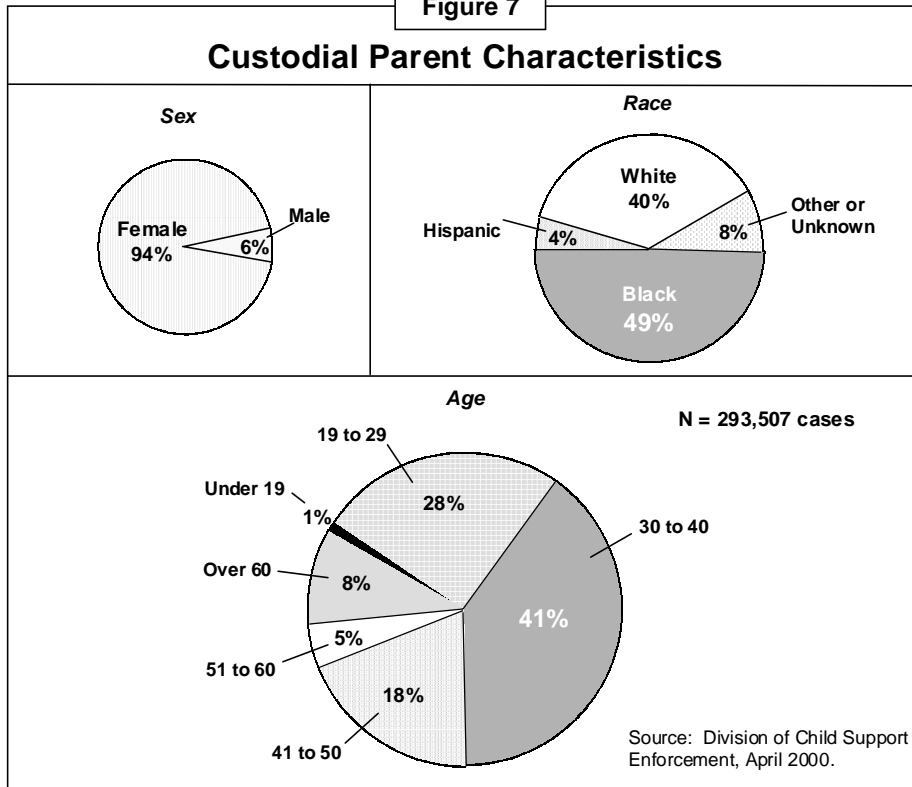
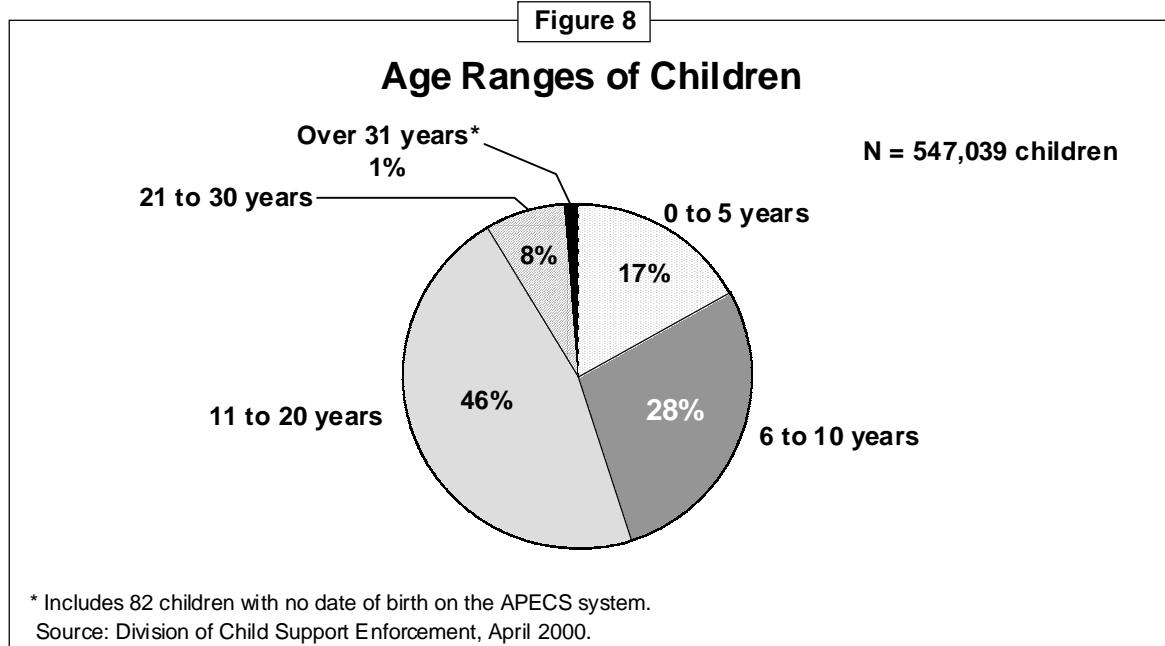


Figure 7





PHASE I FOLLOW-UP

JLARC's study of child support enforcement was conducted in two phases. Phase I, which was completed in December 1999, addressed certain caseload and funding issues. Specifically, the study assessed how a more accurate caseload figure might be developed by excluding inactive cases or cases that could be closed from the caseload. The study also reviewed DCSE's recent budget deficit situation, and identified several options for addressing the deficit.

There were two major findings from the Phase I study. First, DCSE's reported caseload per caseworker, while substantial, may be somewhat overstated because some cases could be closed or excluded from the caseload figure due to minimal work activity. Second, the study found that the dramatic decline in the welfare caseload and several federal changes were causing DCSE, for the first time, to experience a budget deficit and increased budget instability. The following sections present summaries of the Phase I findings, and updates on each issue.

DCSE Has Closed 69,676 Cases in Response to JLARC's Case Closure Recommendation

The Phase I report analyzed DCSE's caseload to describe the characteristics of DCSE's caseload and to determine DCSE's active, workable caseload per caseworker. At the time, the caseload per caseworker was 878. JLARC staff's analysis, however, determined that 9 to 26 percent of DCSE's cases could be closed or were inactive. Therefore, the adjusted caseload per caseworker was 648 to 803, which was still high, but not quite as overwhelming as 878.

JLARC staff estimated that 46,000 cases (approximately ten percent of DCSE's caseload) met DCSE's case closure criteria, and could potentially be closed. The Phase I report discussed how these cases could negatively impact DCSE's future federal funding because of the way that federal incentive payments are calculated (refer to the Phase I report for additional information). As a result of this finding, DCSE initiated a state-wide case closure project in December 1999 to close these cases. As of August 2000, DCSE's district offices had closed 69,676 cases. (However, because new cases were opened during the same timeframe, the caseload had only decreased by approximately 22,000 cases as of June 2000.)

According to DCSE, 39 percent of the cases were closed because a current support order did not exist and the past-due balance was less than \$500; 20 percent of the cases were closed because DCSE was unable to contact the custodial parent; 16 percent were closed because the applicant requested closure of the case; seven percent were closed because the location of the noncustodial parent was unknown; six percent were closed because the applicant was not cooperative; four percent were closed because DCSE could not establish paternity; three percent were closed because there was a duplicate case on the system; and two percent were closed because the noncustodial parent was deceased. DCSE indicated that additional cases will likely be closed in the upcoming months when the time period for the intent to close notification expires.

The General Assembly Addressed DCSE's Short-Term Deficit by Providing Additional General Fund Dollars

The Phase I report provided information on DCSE's funding structure, and the reasons for DCSE's funding deficit. In 1999, DCSE experienced a budget deficit, which required DCSE for the first time to request general fund dollars to operate the child support enforcement program. The JLARC study found that, for the most part, DCSE's funding deficit was caused by factors out of DCSE's control, such as new federal initiatives and a declining welfare caseload.

The interim report stated that in the short term, a general fund appropriation to replace the lost federal funding "may be the best approach" to address the deficit. In response to this, the 2000 General Assembly appropriated an additional \$5.8 million (for a total of \$7.0 million) in general funds for FY 2000 to DCSE to "provide general fund support for child support enforcement due to federal action reducing revenues."

DCSE is still projecting deficits for FY 2001 and in the future. According to DCSE, the projected deficits for FY 2001 and FY 2002, before the addition of any general fund money, is \$6.0 million a year (see Table 1). During the 2000 General Assembly session, funds were included to address most of the projected deficits (\$4.8 million for FY 2001 and \$4.6 million for FY 2002), but additional general funds may be needed. The projected annual deficits could increase an estimated \$9.0 million per year if the Child Support Distribution Act of 2000 passes the U.S. Senate. This bill (also referred to as H.R. 4678) passed the U.S. House of Representatives in September 2000, and was referred to the Senate.

Table 1

DCSE Revenue/Expenditure Summary, FY 2000 – 2002 (Projected)			
	FY 2000 ¹	FY 2001 ¹	FY 2002 ¹
Revenues			
Federal incentives	\$6,000,000	\$6,600,000	\$7,260,000
Retained TANF collections	\$17,368,650	\$16,425,592	\$15,538,684
Other ²	\$2,999,297	\$77,201	\$0
Total revenues	\$26,367,947	\$23,102,793	\$22,798,684
Expenditures			
State share of operating expenses ³	\$(24,083,722)	\$(24,336,233)	\$(24,560,378)
\$50 disregard payout	\$(3,375,983)	\$(3,207,184)	\$(3,046,825)
Other	\$(5,950,270)	\$(1,918,669)	\$(1,349,354)
Total expenditures	\$(33,409,975)	\$(29,462,086)	\$(28,956,557)
Total surplus/(deficit)	\$(7,042,028)	\$(6,359,293)	\$(6,157,873)
General funds allocated to address the deficit	\$7,042,028	\$4,802,780	\$4,563,291
Additional general funds needed	\$ 0	\$(1,556,513)	\$(1,594,582)

¹Numbers are estimates.
²This includes special grant awards plus prior-year incentive adjustments (incentive payments are estimated and paid in advance, and then adjusted at the end of each fiscal year).
³Federal government reimburses the state for 66 percent of its general operating expenditures, 90 percent of its paternity testing expenditures, and 80 percent for selected automation enhancements.

Source: DCSE projections for FY 2000-2002, and 2000 Appropriation Act.

H.R. 4678 would mandate that states pass through all child support collected for families formerly receiving TANF directly to those families by 2005. Virginia and several other states currently use this money, referred to as retained collections, to fund their child support programs. According to the National Conference of State Legislatures, states that finance their child support systems through retained collections will experience a large financial loss under a mandated pass-through.

To address DCSE's longer term deficits, the Phase I report stated that, JLARC's "analyses of DCSE's staffing and work loads should help provide some further direction on whether DCSE's resource levels need to be increased, remain about the same, or can be cut." Chapters IV and V will provide recommendations on ways to improve the program and options to address future deficits.

JLARC REVIEW

HJR 553 directs JLARC to evaluate the activities of the Division of Child Support Enforcement, including the "local offices." (Although the study mandate refers to the local offices, they will be referred to as district offices throughout this report

to be consistent with DSS terminology and to differentiate between local social services offices.) The mandate required that “the study should, among other things deemed relevant, examine the caseload, management, employment levels, and workload of the State and local OCSE [district DCSE] offices and make recommendations as to how the program can be improved to better meet the needs of our Virginia’s children” (see Appendix A).

To address these broad issues, the study was conducted in two phases. An interim Phase I report was presented to the Commission in December 1999. Phase I addressed two issues that were of concern to the General Assembly and DCSE:

- Will current funding sources for child support enforcement meet future needs?
- What is DCSE’s active, workable caseload?

During JLARC staff’s analysis of DCSE’s caseload data, it became clear that there was considerable variability in the performance levels of the 22 district child support offices. Therefore, one of the priorities for Phase II was to examine the effectiveness and efficiency of the child support enforcement program at the local level by determining what factors are associated with these differences in performance. Phase II also addresses the adequacy of staffing levels, the automated child support system, and central office management and oversight of the program, as directed by the mandate. Specific issues addressed in Phase II are as follows:

- How effective and efficient is the child support enforcement system at the local level?
- Are the district offices’ resources (staffing levels and office technology) appropriate and used well to accomplish DCSE’s mission efficiently and effectively?
- Do the central and regional offices provide adequate management and oversight of the child support enforcement program?

Research Activities

Research activities for this phase consisted of five major tasks: (1) structured interviews, (2) surveys, (3) site visits, (4) analysis of performance and staffing data, and (5) document reviews. The research for this phase was completed between January and August 2000. However, interviews, site visits, data analysis, and documents reviewed during Phase I were also used.

Structured Interviews. Interviews were conducted with staff from DCSE’s central office, as well as staff from the Department of Social Services who work on child support enforcement activities. JLARC staff also interviewed DCSE staff at the regional and district offices (discussed below). In addition, JLARC staff discussed

privatization issues with staff from Policy Studies Inc. (PSI), one of DCSE's contractors, and with staff at Lockheed Martin in Northern Virginia during a site visit in Phase I of the study.

Surveys. Since the focus of this phase of the study was on the district offices, it was important to solicit input directly from district office staff. Therefore, during the summer of 2000, JLARC staff mailed 842 surveys to all DCSE staff in the district offices. JLARC staff developed four different surveys that were tailored to four staff classifications: district managers, supervisors, caseworkers, and other child support enforcement staff, such as fiscal staff, customer services staff, and other support staff. For the district managers, JLARC staff administered both a comprehensive written survey and a telephone survey (some managers were interviewed face to face rather than on the telephone). The overall response rate across all surveys was 73 percent. The response rates for individual staff surveys were as follows:

- District managers: 100 percent (22 responses),
- Supervisors: 87 percent (47 responses),
- Caseworkers: 70 percent (335 responses), and
- Other Staff: 73 percent (212 responses).

The district manager survey asked the managers what internal and external factors they felt impacted the performance of their offices. It also asked about staffing levels, best practices, the Automated Program to Enforce Child Support (APECS) and voice response systems, training, and central and regional office management and oversight. The other surveys asked about the percentage of time spent on specific activities, the usefulness of APECS and the voice response system, training received in the past year, workload, and ways to improve child support enforcement services.

Site Visits. JLARC staff conducted site visits at four offices during Phase II of the study: Charlottesville, Henrico, Richmond, and Hampton. (During Phase I of the study, JLARC staff conducted site visits at six district offices and one regional office.) The goals of these site visits were to interview district office staff, tour the district offices, and observe the APECS and voice response systems from a district office perspective. JLARC staff visited the Hampton office, which is operated by PSI, to observe the management of a private child support enforcement office (during Phase I, JLARC staff visited the Arlington private office operated by Lockheed Martin).

Analysis of Performance and Staffing Data. To address the study issues regarding district office performance and the adequacy of staffing levels, JLARC staff analyzed various data, including performance data that DCSE reports to the federal government, staffing data, and data from the surveys. JLARC staff also collected various data from external sources such as the U.S. Census Bureau and the Weldon Cooper Center for Public Service.

Document Reviews. JLARC staff reviewed various federal and State child support enforcement documents, including federal and State strategic plans, federal and State regulations, DCSE management and statistical reports, performance/man-

agement audit reports from other states, and General Accounting Office reports on child support enforcement.

REPORT ORGANIZATION

This final report is organized into five chapters, including this introduction. Chapter II examines district office performance, and develops a methodology for setting performance goals for the district offices. Chapter III describes and analyzes DCSE's staffing levels and provides options for improving staffing levels. Chapter IV discusses ways to improve Virginia's child support enforcement program through technology, including APECS, the voice response system, and other office technologies. Chapter V discusses ways to improve Virginia's child support enforcement program through program changes and addressing funding needs. It includes findings and recommendations in the areas of program management, training, potential options for centralization or privatization of functions, customer services, and best practices. It also presents funding options for the child support enforcement program.

II. Child Support Enforcement Performance

Virginia's statewide child support enforcement program has been regarded as one of the top child support enforcement programs in the country, largely because Virginia has been a leader among the states in implementing federal reforms and utilizing new enforcement tools. However, the federal government is beginning to hold state child support enforcement programs to more rigorous standards, and in order to receive its fair share of federal funding, Virginia will need to improve its performance.

This improvement needs to begin at the district office level. JLARC staff's analysis of caseload and performance data during Phases I and II of the study found substantial variations in performance among the district offices. For example, the percentage of cases with support orders in the district offices ranges from 34 percent to 82 percent, a wide variation. The Phase I report also found that there were substantial differences among the district offices in terms of caseload management factors, such as the percentage of cases with no significant action in more than one year.

In Phase II of the study, JLARC staff analyzed the district offices to determine the potential reasons for the differences in performance at the district office level. Six performance measures were selected to evaluate district office performance, five of which are new federal performance measures. JLARC staff's analysis found that there are six major factors that are associated with the district offices' performance on the six measures: caseload size per caseworker, caseload size per total staff, percentage of time caseworkers spend on clerical activities, TANF cases as a percentage of total cases, population density, and median household income. Three of these factors are external factors that are beyond DCSE's control, and three are internal factors related to staffing (in theory, DCSE should have control over staffing but it is limited to some extent to the number of staff allowed by DSS). This analysis supports the district managers' claims that a lack of staff is a problem in the district offices. It also supports their assertions that, when comparing offices for evaluation purposes, central and regional office management should not simply compare offices based on caseload size and collections. Additional performance measures, and other internal and external factors, should also be taken into account when evaluating district office performance.

Based on this analysis, performance goals should be tailored for each office, given the internal and external factors that are associated with the office's performance. In the short term, DCSE should work to address the staffing-related differences among the offices (this will be discussed in more detail in Chapter III). As this is occurring, the offices should be expected to achieve a specified performance level for offices with similar characteristics. In the long term, once internal factors are addressed, DCSE should monitor trends to determine an appropriate percentage increase in performance for each office, potentially using 100 percent eligibility for federal incentives as the ultimate goal.

This chapter presents the results of JLARC staff's analysis of district office performance. The first section provides data on DCSE's overall statewide performance.

The remaining sections describe the performance analysis, and how this analysis can be used to set performance goals for each office.

VIRGINIA'S CHILD SUPPORT ENFORCEMENT PROGRAM HAS ENJOYED A GOOD NATIONAL REPUTATION, BUT CURRENT PERFORMANCE RESULTS ARE MIXED

As discussed in the Phase I report, Virginia's child support enforcement program generally has been regarded as one of the nation's best run programs. Several reforms and enforcement tools first implemented by DCSE have been adopted by the federal government and other states. In addition, DCSE fared well under the old federal funding system that used a state's collection rate as the main barometer for awarding incentive funds. However, the federal government is changing from a single measure for evaluating program performance to multiple measures for incentive funding purposes. It is also planning to place a cap on the overall amount that is awarded to the states. At this time, it is unclear how Virginia will fare in this new funding system.

The federal government has also mandated a new self-assessment program, and Virginia's results on this assessment indicate that Virginia needs improvement in certain areas. Given these new federal requirements, it appears that Virginia will need to improve in order to meet these new standards and remain a high-performing state. The following section presents information on DCSE's statewide performance.

DCSE Has Had Mixed Results with New State and Federal Performance Evaluations

Although Virginia's program overall has been viewed positively in the past, current evaluation results have not been as positive, in part because the standards are being raised. The federal government is beginning to hold states to a higher standard and to increase accountability, and Virginia's recent performance results have been mixed. This section describes DCSE's performance using several different measures as the basis for evaluation: implementation of federal reforms and enforcement tools, the Department of Planning and Budget's performance measures, new federal incentive performance measures, and the new self-assessment report.

DCSE's Performs Well on the Implementation of Federal Reforms and Enforcement Tools, and the State's Performance Measures. In general, Virginia's child support enforcement program is considered a well-run program by the federal government. Several of the reforms and enforcement tools that DCSE has implemented in the past have been viewed as a model by the federal government, and the federal government has required other states to implement similar reforms and enforcement tools. Table 2 lists several events and enforcement tools that were first implemented

Table 2

Federal Reforms Implemented in Virginia Prior to Federal Requirements			
Event	Virginia Implementation Date	Federal Implementation Date	Years Ahead
Freeze and Seize: an enforcement tool that allows a child support enforcement agency to freeze a noncustodial parent's bank account and seize the money to pay arrearages.	1974	October 1996	22
Annual Self Assessment Reviews: an annual process whereby states assess the performance of their own child support enforcement system and report the results to the federal government.	1986	October 1997	11
State Disbursement Unit: a centralized unit that disburses child support payments to custodial parents.	1986	October 1998	12
New Hire Reporting: system in which employers are required to report newly hired employees to the child support enforcement agency within 20 days of hire. The agency then matches these employees against its noncustodial parent records.	July 1993	October 1997	4.2
Driver's License Suspension: an enforcement tool that allows the child support enforcement agency to suspend a noncustodial parent's drivers license once they reach a certain arrearage level (and after due process notices).	July 1995	October 1996	1.2
Adopted Uniform Interstate Family Support Act (UIFSA): allows for more streamlined processing of interstate cases.	July 1995	July 1997	2
System Certification: a requirement that all states have an automated data processing and information retrieval system for child support enforcement that is certified by the federal government (under the Family Support Act).	February 1996	October 1998	2.6
Distribution: a requirement that any child support collected on behalf of former TANF clients must be given to the family first (includes the current monthly support obligation and any arrearages accruing during the mandatory service period).	October 1998	October 2000	2
Automated Income Withholding: allows for automation of income withholding actions from new hire matches without worker intervention.	May 1999	April 2001	1.8

Source: Division of Child Support Enforcement.

by Virginia, or were in Virginia State law, and were later required by the federal government. Some examples of these initiatives include seizing bank accounts, creating a central unit to disburse payments, and requiring employers to report new hires.

In addition, DCSE staff point to a number of other factors that they believe indicate the strength of Virginia's child support enforcement program. Virginia was

one of the first two states to receive unconditional federal certification for its automated system. It has reportedly been a national leader in the use of the private sector for child support enforcement work. In addition, DCSE has initiated some nationally-recognized programs such as the KidsFirst Campaign, an initiative by DCSE to “get tough” on delinquent parents. As of March 2000, DCSE indicated that this campaign collected \$93.7 million in child support from 37,853 noncustodial parents.

DCSE is also meeting or exceeding the performance measures developed by the Department of Planning and Budget (DPB). Currently, these measures are the only concrete State goals that DCSE is required to meet. DCSE and DPB have identified the following three performance measures for the child support enforcement program: (1) percentage of enforceable cases (with paternity established and child support ordered) in the total child support enforcement program, (2) percentage of children in the child support caseload born out-of-wedlock who have had paternity established, and (3) percentage of current child support obligated amounts collected for the entire child support caseload. Two of these measures are identical to the measures used by the federal government to compute DCSE incentive payments under the new incentive system. As shown in Table 3, DCSE exceeded the goals set by DPB on all three measures.

Table 3

DCSE's Performance on DPB Performance Measures State Fiscal Year 2000		
DPB Performance Measures	DPB Goal	DCSE Performance
Percentage of caseload that is enforceable	65.5%	69.2%
Paternity established for children born out of wedlock	72%	79.9%
Current support collected	50%	54.2%

Source: DCSE memorandum dated July 14, 2000.

DCSE's Performance on the New Federal Performance Measures Meets 100 Percent Funding Eligibility on Two Measures, but Falls Short on Three. As stated earlier, the federal government recently changed the system for awarding incentive payments. One of the biggest changes involves the way the states' performance is evaluated. Instead of basing performance on collections only, performance will be based on five performance measures: (1) paternity establishments, (2) support order establishments, (3) current support collections, (4) past-due support collections, and (5) cost effectiveness. This new incentive system is being phased in over three years, with FFY 2000 being the first year of the phase-in.

Final statewide results were not available at the time of this report. As shown in Table 4, based on third quarter data, Virginia is eligible to receive from 60 to 100 percent of the incentive funds for each performance measure. DCSE estimates that Virginia will receive \$6.6 million in incentive funds in FY 2001.

As shown in Table 4, using this preliminary data, Virginia will be eligible to receive 100 percent of available funding on the paternity establishment and cost effectiveness measures. According to preliminary national data compiled by the federal government, 35 states appear to be eligible to receive 100 percent of available funding on the paternity establishment measure, nine states could receive 100 percent on the support order measure, four states could receive 100 percent on the current collections measure, five states could receive 100 percent on the arrears measure, and 12 states could receive 100 percent on the cost effectiveness measure. Poor performance on the first three of these five performance indicators could cause a state to receive a penalty of one to five percent of the TANF block grant. Virginia's performance exceeds the penalty level for all indicators.

Table 4

DCSE's Performance on Federal Performance Measures			
Performance Measure	Performance Level Required to Receive 100 Percent of Incentive	Virginia's Statewide Performance Level*	Percentage of Incentive for Which DCSE Is Eligible Based on Performance
Paternity establishment percentage	80%	80%	100%
Percentage of support orders established	80%	67%	77%
Percentage of current support collected	80%	56%	66%
Percentage of cases paying toward arrears	80%	50%	60%
Cost effectiveness ratio	\$5.00	\$5.42	100%

*Based on third quarter data; the final statewide average was not available at the time of this report.
Source: JLARC staff analysis of the *Federal OCSE 157 Report* (report period 10/01/99 through 6/30/00) and Federal Register, Vol. 64, No. 195 (Notice of Proposed Rulemaking, Child Support Enforcement Program; Incentive Payments, Audit Penalties).

DCSE's Performance on Most Measures of a Recent Self-Assessment Report Was Below Federal Efficiency Rate Benchmarks. The Self-Assessment Report represents another change in the way states are evaluated. Under the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996, states are required to assess the performance of their own child support enforcement program annually and submit a report of their operations to the federal Office of Child Support Enforcement (OCSE). This process replaces similar federal audits conducted in the past. OCSE sets performance goals, or benchmarks, for eight performance measures, and the report measures each state's performance in these areas. The eight performance measures are: (1) establishment of paternity and support orders, (2) expedited process, (3) review and adjustment, (4) securing and enforcing medical support, (5) enforcement of orders, (6) interstate timeframes, (7) disbursement of collections, and (8) case closure. The goal of the Self Assessment is to review case records to assess whether all required actions were taken within required timeframes, and whether actions were taken in accordance with federal requirements.

DCSE's most recent Self-Assessment Report (for the period July 1998 to June 1999) was released in April 2000. As shown in Table 5, DCSE achieved compliance on

Table 5

DCSE's Self-Assessment Results			
Performance Measure	Federal Efficiency Rate Benchmark	Efficiency Rate Achieved by DCSE	No. of Non-Compliant Cases in DCSE's Sample
Paternity/Support Orders	75%	58.7%	38
Expedited Process			
6 month time period	75%	36.7%	19
6-12 month time period	90%	43.3%	
Review and Adjustment	75%	70.6%	5
Medical Support	75%	61.0%	25
Enforcement	75%	80.0%	38
Interstate Timeframes	75%	67.5%	19
Disbursement	75%	99.3%	1
Case Closure	75%	56.8%	60
Source: DCSE's Self-Assessment Review Report (Review Period July 1998 – June 1999).			

only two measures: enforcement and disbursement. Virginia performs well below the benchmark on the paternity/support order, expedited process, and case closure measures. Although the report says that “Virginia DCSE is confident that the results of the review are an accurate representation of the state of compliance with federal regulations during the review period,” DCSE staff indicated to JLARC staff that they believe Virginia’s methodology for conducting the Self Assessment may be more rigorous than other states, and therefore DCSE’s results may look worse than other states. The federal government has provided limited guidance to states on assessment methodologies and has yet to provide feedback to any reports submitted by the states. The Self-Assessment review is discussed in more detail in Chapter V.

A VARIETY OF EXTERNAL AND INTERNAL CHARACTERISTICS ARE ASSOCIATED WITH SUBSTANTIAL PERFORMANCE DIFFERENCES AMONG DISTRICT OFFICES

Analyses conducted in Phases I and II of this study found that there are substantial differences in performance among the individual district offices. In order to improve its performance on a statewide level, DCSE needs to understand what is causing these performance differences at the local level so that the offices can improve their performance. During interviews, district managers cited various reasons for the differences in performance, including high caseloads, lack of staff, and a high number of interstate cases. This section presents the JLARC staff’s analysis of the potential reasons for the performance differences, and whether these differences are under the control of DCSE.

There Are Substantial Performance Differences Among the District Offices

To evaluate the performance of each district office, JLARC staff selected six performance measures. Five of the performance measures are measures the federal government recently selected to evaluate each state's performance for the purposes of awarding incentive funding. The five federal performance measures are: (1) paternity establishments, (2) support order establishments, (3) current support collections, (4) past-due support collections, and (5) cost effectiveness. JLARC staff selected these measures because the federal government determined that these are the key measures for evaluating a state's performance.

In addition to the five federal performance measures, JLARC staff selected an additional measure to evaluate the collection of child support on TANF cases. This measure was included because child support is an important source of income for TANF families once they leave the welfare rolls, and it is important to establish a child support payment while they are still on TANF so that the payment of child support will continue once they leave TANF. In addition, cost recovery is still an important goal of the child support program, so district offices need to ensure that TANF cases are given as much priority as non-TANF cases. Also, office performance on two of the five measures (percentage of current support collected and the cost effectiveness ratio) could potentially be enhanced by focusing on cases in which higher payments are due. Inclusion of a measure on TANF collections makes for a more comprehensive assessment, by considering whether all cases are being worked effectively.

JLARC staff's analysis of these six performance measures shows that there is substantial variability in performance among the district offices. Table 6 illustrates the wide ranges in performance for each measure.

Table 6

Summary of District Office Variability on Performance Measures			
Performance Measure	Lowest Performance Level	Average Performance Level	Highest Performance Level
Paternity establishment percentage	52%	80%	97%
Percentage of support orders established	34%	66%	82%
Percentage of current support collected	48%	56%	62%
Percentage of cases paying toward arrears	42%	50%	58%
Cost effectiveness ratio	\$3.68	\$5.42	\$7.81
TANF collections per TANF case	\$217	\$385	\$480

Source: JLARC staff analysis of the *Federal OCSE 157 Report* (report period 10/01/99 through 6/30/00) and DCSE's *Monthly Report of DCSE District Office TANF Performance Indicators, as of June 30, 2000*.

To illustrate how each district office compares to the other offices on these measures, JLARC staff developed a "report card" that summarizes each office's performance on the six indicators (see Table 7). To develop the report card, JLARC staff first ranked each district office according to its performance on each selected measure. The

Table 7

District Office Report Card

	FEDERAL PERFORMANCE MEASURES					OTHER	RANKINGS	
	% of Cases with Paternity Established	% of Cases with Support Orders	% of Current Support Collected	% of Cases Paying Toward Arrears	Collections to Cost Ratio	Average TANF Collections per TANF Case	OVERALL RATING	NUMERICAL RANKING
Abingdon	●	●	○	○	○	●	○	17
Alexandria*	○	○	○	○	○	○	○	22
Arlington*	○	○	○	●	○	○	○	21
Charlottesville	●	●	●	●	●	○	●	15
Chesapeake*	●	○	●	●	●	●	●	11**
Danville	●	●	●	●	●	●	●	5
Fairfax	○	○	●	○	●	○	○	19
Fredericksburg	●	●	●	●	●	●	●	4
Hampton*	○	○	●	●	●	●	●	10
Henrico	●	●	●	●	●	●	●	6
Lynchburg	●	●	●	●	○	●	●	14
Manassas	○	○	○	●	●	●	○	16
Newport News	●	●	●	●	●	●	●	7
Norfolk	●	●	●	○	●	●	●	11**
Petersburg	○	○	●	●	●	●	●	13
Portsmouth	●	●	○	○	○	●	○	18
Richmond	●	●	○	○	○	○	○	20
Roanoke	●	●	●	●	○	●	●	8
Suffolk	●	●	●	●	●	●	●	1
Verona	●	●	●	●	●	●	●	2
Virginia Beach	●	●	●	●	●	○	●	9
Winchester	●	●	●	●	●	○	●	3

Key: ● = High: Office is in top third of district offices on performance measure.

● = Medium: Office is in middle third of district offices on performance measure.

○ = Low: Office is in lowest third of district offices on performance measure.

* Privatized offices.

** These offices are both ranked as 11 because the average performance level across all indicators is the same.

Source: JLARC staff analysis of *Federal OCSE 157 Annual Report* (report period 10/01/99 through 6/30/00) and the *Comparative Report of DCSE District Office TANF Performance Indicators, as of June 30, 2000*.

top seven districts were assigned a “high” performance rating, the middle eight districts were assigned a “medium” rating, and the bottom seven districts were assigned a “low” rating. To determine the overall rankings, each office’s ranking was summed across the performance measures, and an average rank was calculated. Once this average rank was calculated, the offices were grouped into thirds for an overall rating

based on whether they had high, medium, or low performance. In addition, the average numerical ranking for each office is shown (with one being assigned to the highest-performing office and 22 being assigned to the lowest-performing office).

As shown in the report card, Suffolk, Verona, Winchester, and Fredericksburg are the highest-performing offices, while Fairfax, Richmond, Alexandria, and Arlington are the lowest-performing offices (Alexandria and Arlington are privatized offices). During interviews, it was indicated that DCSE management evaluated offices based on their total collections. The report card shows that, when other performance measures are taken into consideration, the offices with the highest total collections are not necessarily the top performers.

Some Factors Associated with Performance Are Beyond the Control of DCSE, While Others Are Within Its Control

The report card presents the high, medium, and low performing offices. However, the high-performing offices may not necessarily be the best managed offices, nor are low-performing offices necessarily managed badly, because performance can be substantially affected by a variety of internal and external factors. Therefore, the goal of the Phase II analysis was to determine what factors are associated with district office performance and should be taken into consideration when evaluating an office's performance.

Internal factors are defined as factors that are within the control of DCSE, such as staffing levels and training. It is important to note, however, that the district offices themselves do not have control over staffing levels. External factors are defined as factors that are largely out of DCSE's control, such as population density, extent of poverty, and the number of out-of-wedlock births in the district.

One of the first steps in the analysis was to determine what factors district managers believed were associated with their office's performance. The district manager survey asked district managers to rank the top five factors (both internal and external factors were provided) that they felt were most closely associated with their office's efficiency and effectiveness. Approximately 30 factors were considered in the ranking process. As shown in Table 8, district managers felt that internal factors related to staffing had the biggest negative impact on their offices. Many district managers cited high caseloads per caseworker and lack of support staff as major impediments to good performance.

Next, to determine what factors are associated with the performance of the district offices, JLARC staff developed a comprehensive list of internal and external factors. Exhibit 3 lists the internal and external factors used in the JLARC staff analysis.

JLARC staff then used a correlation procedure to initially examine which internal and external factors are correlated with each of the six performance measures.

Table 8

Factors that District Managers Feel Are Most Closely Associated with Their Offices' Efficiency and Effectiveness	
Question: What are the top five factors that <u>help</u> or <u>prevent</u> your office from being as efficient and effective as possible?	
<u>Top Five Factors that Help Efficiency and Effectiveness</u>	<u>Top Five Factors that Prevent Efficiency and Effectiveness</u>
<ol style="list-style-type: none"> 1. APECS system is effective (77%)* 2. Organizational structure of office (64%) 3. Ability to manage office independent of central/regional offices (64%) 4. Low staff turnover (45%) 5. Cooperative judicial system (45%) 	<ol style="list-style-type: none"> 1. Not enough support staff relative to caseload (55%) 2. Not enough caseworkers relative to caseload (50%) 3. Not enough total staff relative to caseload (36%) 4. Caseload size is unmanageable (32%) 5. High number of interstate cases (32%)
<small>*Percentages do not add up to 100% because survey respondents could choose multiple responses. Source: JLARC staff analysis of district manager written survey.</small>	

Then, a statistical technique called multiple regression was applied to identify the combination of factors, within and beyond the control of the district offices, that best explain why some offices perform better than others. The dependent variables used in the regression models were the six performance measures discussed previously. The independent variables were the internal and external factors listed in Exhibit 3.

Based on the analysis, at least two clear factors emerged as being highly associated with the district offices' performance on each performance measure, and several of the factors were associated with more than one performance measure. The factors that were found to be associated with performance are both internal and external:

- **Key Internal Factors** – caseload per caseworker, caseload per total staff, and the percentage of time caseworkers spend on clerical activities (self-reported data).
- **Key External Factors** – population density, TANF cases as a percentage of total cases, and median household income.

Table 9 (page 34) shows each performance measure and the key variables that are associated with performance for each measure. All associations with the performance measures are negative. For example, as the caseload per caseworker increases, the percentage of support orders established decreases. Using the two key factors identified for a performance measure, the offices were then grouped into four cells based on whether each office's data were high or low on these two factors. JLARC staff calculated a prevailing or average performance level for the offices in each cell. Table 10 illustrates an outcome from this process for the cost effectiveness performance measure. As shown in the table, the highest prevailing level of performance can be ex-

Exhibit 3

Internal and External Factors that May Be Associated with District Office Performance	
Factors Not in the Control of DCSE (External)	Factors Within the Control of DCSE (Internal)
<ul style="list-style-type: none"> • Total number of cases • Percentage of statewide caseload • Percentage of TANF cases in caseload • Percentage of interstate cases in caseload • Percentage of Medicaid-only partial services cases in caseload • Number of localities in district • Number of courts in district • Number of local DSS offices in district • Number of regional DSS offices in district • Square mileage • Population density • Total population • Total householders • Number of female householders • Percentage of households headed by females • Civilian labor force participation • Median household income • Unemployment rate • Poverty rate • Percentage of out-of-wedlock births • Number of live births • Number of teen live births • Number of teen pregnancies • Percentage of calls successfully handled by voice response system • Number of priority 1 customer services inquiries (July 1999 through March 2000) 	<ul style="list-style-type: none"> • Type of office (State-run or private) • Maximum Employment Level (MEL) • Filled MEL • Number of contract staff • MEL plus contract staff • Filled MEL plus contract staff • Number of support staff • Number of caseworkers • Caseload per specialist • Caseload per total staff • Percentage of staff that are contract • Number of support staff per caseworker • Estimated percentage of time caseworkers spend on clerical activities • Number of positions gained or lost in the past year • District manager's years of experience • Staff experience (average years) • Level of staff training • Percentage of staff that feel adequately trained • Type of staff in the customer services unit • Whether staff are co-located • District manager's perception of central/regional office management • District manager's perception of autonomy • District manager's perception of office workload (too high, about right, or too low) • Staff perceptions of the size of their workloads • Number of best practices used in district
Source: JLARC staff analysis.	

pected from offices with a low percentage of TANF cases and a low percentage of caseworker time spent on clerical activities (\$6.09 collected per dollar spent). The lowest prevailing level of performance can be expected from offices with a high percentage of TANF cases and a high percentage of caseworker time spent on clerical activities (\$4.60 collected per dollar spent). Appendix B describes in more detail the factors associated with each performance measure, and the average performance levels of the offices once categorized based on those factors.

Across the performance measures, the analysis supports district managers' and staff's assertions that district office performance can be hindered by a lack of staff,

Table 9

Key Internal and External Variables Associated with Individual Performance Measures	
Performance Measure	Key Variables Associated with Performance*
Paternity establishment percentage	Population density Caseload per total staff Percentage of time caseworkers spend on clerical activities
Percentage of support orders established	Caseload per caseworker Percentage of time caseworkers spend on clerical activities
Percentage of current support collected	TANF cases as a percentage of the total caseload Percentage of time caseworkers spend on clerical activities
Percentage of cases paying toward arrears	TANF cases as a percentage of the total caseload Percentage of time caseworkers spend on clerical activities
Cost effectiveness ratio	TANF cases as a percentage of the total caseload Percentage of time caseworkers spend on clerical activities
TANF collections per TANF case	Population density Median household income

*All associations with performance are negative.
Source: JLARC staff analysis.

Table 10

Performance Measure: Cost Effectiveness Ratio by Percentage of TANF Cases in the Caseload and Percentage of Time Caseworkers Spend on Clerical Activities			
	Caseworkers Spend <u>HIGH</u> Percentage of Time on Clerical Activities	Caseworkers Spend <u>LOW</u> Percentage of Time on Clerical Activities	AVERAGE Cost Effectiveness Ratio Based on Percentage of TANF Cases in Caseload
<u>HIGH</u> Percentage of TANF Cases in Caseload	\$4.60	\$5.04	\$4.81
<u>LOW</u> Percentage of TANF Cases in Caseload	\$5.65	\$6.09	\$5.90
AVERAGE Cost Effectiveness Ratio Based on Percentage of Time on Caseworkers Spend on Clerical Activities	\$5.13	\$5.66	

Source: JLARC staff analysis of all 22 district offices in Virginia.

particularly clerical staff, and other external factors beyond their control. Exhibit 4 summarizes the characteristics associated with the high-performing offices. It shows that many of the high-performing offices are able to perform well because they have both internal and external characteristics that promote good performance. Some of the lower performing offices are dealing with factors that inhibit performance, some of which are beyond their control. This is not to say, however, that the low-performing offices cannot improve. If internal staffing factors are addressed, low performing offices should be able to improve their performance (this will be addressed in Chapter III).

Exhibit 4

Characteristics of High Performing Offices	
Factors in the Control of DCSE	
<ul style="list-style-type: none"> • Lower caseload per total staff • Lower caseload per caseworker • Caseworkers spend a low percentage of time on clerical activities 	
Factors Not in the Control of DCSE	
<ul style="list-style-type: none"> • Rural population • Lower percentage of TANF cases in caseload • Lower median household income 	
Source: JLARC staff analysis.	

Performance Goals Should Be Developed Based on Internal and External Factors

As mentioned earlier, district managers stated throughout the district manager interviews that they think their offices have been unfairly compared to other offices for evaluation purposes simply based on caseload size and collections. The district managers believe that offices should be compared to other offices with similar characteristics besides caseload size, such as the percentage of interstate cases in the caseload or the number of localities in the district. The JLARC staff analysis of factors associated with performance supports their conclusions that there are other factors that should be taken into consideration, although not necessarily the ones they mentioned.

Based on the JLARC staff analysis, when comparing district offices for evaluation purposes, DCSE management should compare offices that have similar internal and external characteristics. In addition, DCSE should set performance goals for each office based on the office's internal and external characteristics. DCSE can use the tables in Appendix C to determine which offices should be compared for each performance measure. The appendix also presents the average performance level for each group of offices based on the regression analysis, but the data used to calculate these averages is third quarter data. DCSE will need to recalculate these averages when final OCSE 157 data becomes available (a description of how the averages were calculated is included in a separate technical appendix, which is available upon request from the JLARC office). These averages will also need to be recalculated on a periodic basis for future years.

Since the new federal incentive system is being phased in over a three-year period (it will be fully phased in by 2002), DCSE should also phase in a strategy for

setting performance goals for each office. Initially, DCSE should work to address the staffing factors that are inhibiting performance. Each office should be given the resources necessary to achieve their goal to the degree possible (the specific staffing levels needed to do this will be discussed in Chapter III). (If this does not occur, then DCSE should continue to compare district offices that have similar internal and external characteristics.) During this time period, for each performance measure, DCSE should set individual performance goals for each district office. Districts already at or above the average achieved across the offices with similar characteristics should strive for further progress, while districts below the average should strive to at least achieve the average performance level. For example, as shown in Table 10, the two factors that are associated with the cost effectiveness performance measure are the percentage of TANF cases in the caseload and the percentage of time caseworkers spend on clerical activities. Therefore, the following performance goals should be set:

- **Offices that have a high percentage of TANF cases and whose caseworkers spend a high percentage of time on clerical work** (Alexandria, Lynchburg, Manassas, Newport News, and Portsmouth) should have a cost effectiveness ratio of \$4.60. For offices that are at or above \$4.60, their goal should be to improve their performance by a set amount to be determined by DCSE based on trend data (discussed below).
- **Offices that have a high percentage of TANF cases and whose caseworkers spend a low percentage of time on clerical work** (Abingdon, Charlottesville, Norfolk, Richmond, and Roanoke) should have a cost effectiveness ratio of \$5.04. For offices that are at or above \$5.04, their goal should be to improve their performance by a set amount to be determined by DCSE.
- **Offices that have a low percentage of TANF cases and whose caseworkers spend a high percentage of time on clerical work** (Arlington, Danville, Fairfax, Hampton, and Petersburg) should have a cost effectiveness ratio of \$5.65. For offices that are at or above \$5.65, their goal should be to improve their performance by a set amount to be determined by DCSE.
- **Offices that have a low percentage of TANF cases and whose caseworkers spend a low percentage of time on clerical work** (Chesapeake, Fredericksburg, Henrico, Suffolk, Verona, Virginia Beach, and Winchester) should have a cost effectiveness ratio of \$6.09. For offices that are at or above \$6.09, their goal should be to improve their performance by a set amount to be determined by DCSE.

In the longer term, once the new federal incentive system is implemented in 2002, and assuming all districts are on the same playing field in terms of staffing, the performance goals for each district office should be revised. DCSE should determine an appropriate percentage increase in performance for each group of offices with similar external characteristics. This percentage increase should be based on trend data for each group of offices.

When developing these longer term goals, DCSE's overall goal should be to receive the maximum federal performance incentive (that is, to be eligible for 100 percent of the incentive). In other words, each district office's goal should contribute to an overall DCSE goal that results in DCSE being eligible for 100 percent of the available incentive for each federal performance measure (refer to Table 11). (The actual dollar amount that this translates into cannot be predicted at this time because it depends on how other states perform.) This may mean that a higher level of performance is expected of offices with favorable external characteristics.

Table 11

Performance Level Required to Receive 100 Percent of Incentive	
Performance Measure	Performance Level Required to Receive 100 Percent of Incentive
Paternity establishment percentage	80%
Percentage of support orders established	80%
Percentage of current support collected	80%
Percentage of cases paying toward arrears	80%
Cost effectiveness ratio	\$5.00
Source: <i>Federal Register</i> , Vol. 64, No. 195 (Notice of Proposed Rulemaking, Child Support Enforcement Program; Incentive Payments, Audit Penalties).	

Recommendation (1). DCSE should develop district office level performance goals that are tied to the five federal performance goals and the additional TANF performance measure. In the short term, DCSE should set individual performance goals for each district office based on the prevailing or typical performance achieved by other offices with similar characteristics. If the office is already achieving the prevailing or typical performance level, the goal should be to increase performance by a percentage established by DCSE.

In the long term, if staffing issues are addressed, DCSE should determine an appropriate percentage increase in performance for each group of offices with similar external characteristics. This percentage increase should be based on trend data for each performance measure for similar groups of offices. When developing these longer term goals, DCSE's overall goal should take into consideration the performance levels that are required to achieve the maximum federal performance incentive. In addition, DCSE should conduct ongoing evaluations to monitor changes in internal and external factors that are associated with performance.

III. Child Support Enforcement Staffing

The Division of Child Support Enforcement (DCSE) is responsible for providing child support services for one out of every four children in Virginia. As shown in Chapter II, a key factor associated with DCSE's performance of child support activities for Virginia's children is staffing.

Because DCSE serves such a large proportion of Virginia's children, the study mandate specifically directed JLARC staff to examine the employment levels and workload of the DCSE staff. The data examined for this study indicate that there is a system-wide problem with staffing that needs to be addressed if DCSE is to improve its overall performance in collecting child support. Two major findings support this conclusion. First, as has been claimed by DCSE staff, it appears that most of the district offices do not have adequate levels of staff. Caseload and staffing data from June 2000 showed that district offices managed an average of 444 cases per staff person, including contract staff. Second, it appears that most offices do not have the appropriate mix of staff. One of the consequences of this is that on average, caseworkers report that about one-third of their time is spent on clerical duties in lieu of proactively working cases.

These staffing concerns have recently been exacerbated by the loss of most of the district offices' federally-funded contract staff (74 staff of 94 contract positions are being eliminated, of which 62 positions have already been phased-out). To assess the staffing issues and the loss of contract staff, available child support staffing standards were reviewed. This review led to the development of an estimate of the total number of staff and the number of support staff that each district office needs in order to be more equally staffed, and to either maintain or improve their overall performance. A national study has shown that collection rates are tied to funding and staffing. States with higher cost and staffing ratios tend to have higher collection rates. In Virginia, DCSE found in a staffing demonstration project that a district office increased collections by \$3.00 per dollar spent (from \$6.50 to \$9.50) following the addition of staff, and about \$1.80 of this increase was attributed to the additional staffing.

INADEQUATE STAFFING AND HIGH WORKLOAD APPEARS TO HAMPER THE PERFORMANCE OF MANY DISTRICT OFFICES

During Phase I of the study, it became clear that there was great variability in the performance levels and workload across offices. This was an early indicator that at least some district offices may be inadequately staffed. The variability in the size of the workloads across the State-run district offices, which range from 663 to 979 cases per caseworker, suggested that there may be some equity issues in the distribution of staffing. Surveys of district managers and staff revealed overwhelming agreement that there are not enough staff in district offices given the current workload. These

same surveys found that most DCSE staff were also in agreement that their workload is too much. The consequences of this high workload are that cases are neglected, the quality of work suffers, and customer service suffers. This section presents the JLARC staff analysis of district caseloads per caseworker and per total staff, and the consequences of current staffing problems.

Caseload Size Per Caseworker Among Offices Varies Widely

A starting point for addressing the adequacy of staffing is to assess some measure of workload. DCSE uses a monthly staffing and caseload report to monitor workload and reallocate staff among offices as needed. This report provides information on the average number of cases per total staff and the average number of cases per caseworker (permanent and contract). The regional assistant directors used this report extensively in the past year to transfer 22 positions among the district offices when a vacancy occurred in an office that had a better caseload average.

Some district managers stated that this report presents an inaccurate picture of staffing needs in the district offices because the numbers used gloss over some important district office characteristics. For example, some offices utilize caseworkers for non-case related activities, such as customer service and computer support activities. Manassas, Fairfax, Henrico, and Richmond have caseworker-level staff, rather than program support technicians, assigned to customer services or computer support activities. The JLARC staff analysis adjusts for this factor, and the term “caseworker” is used in this report to refer only to those staff performing case-related work and excludes those caseworkers assigned full-time to non-casework activities.

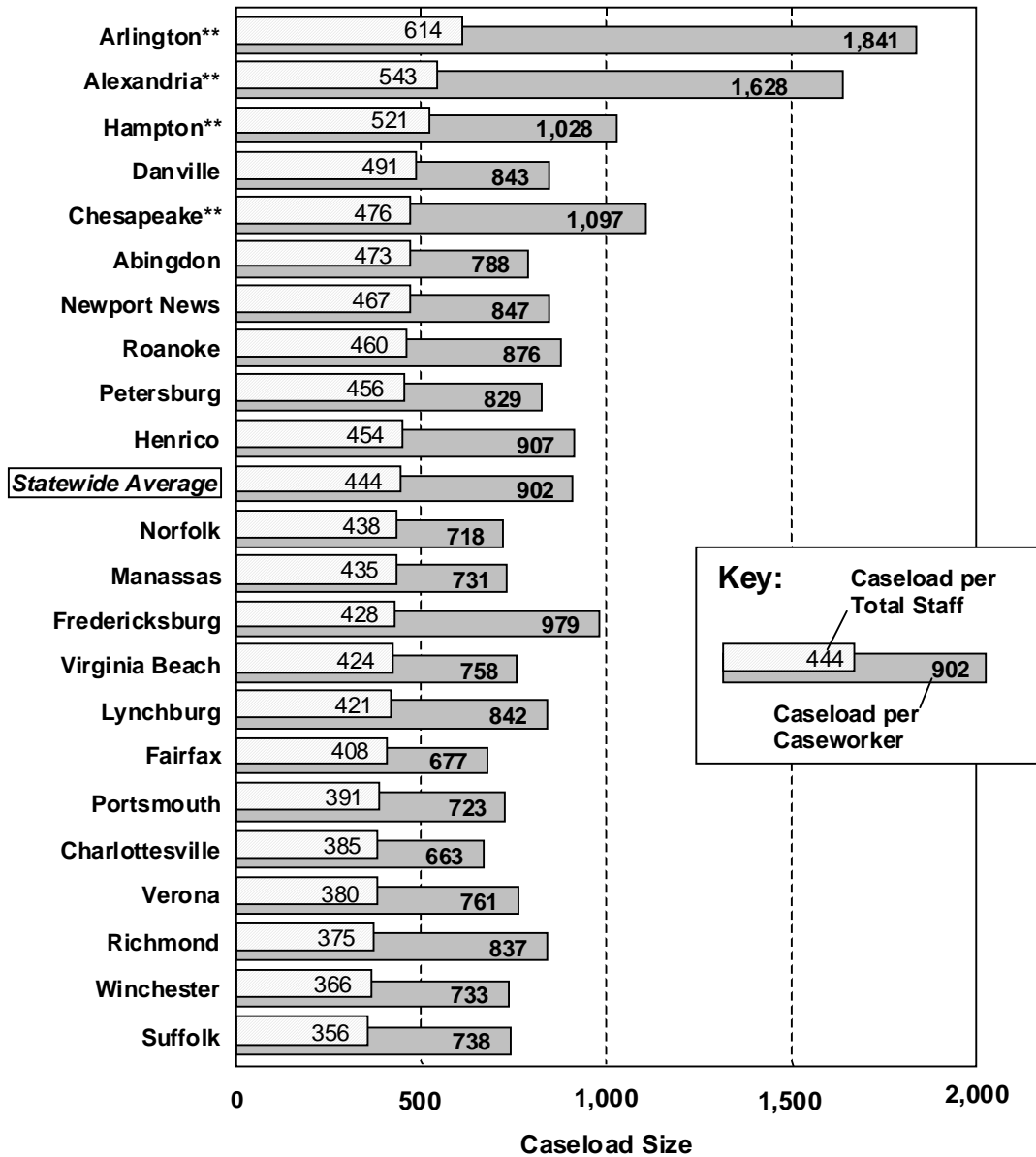
Figure 9 shows that staffing decisions based on the DCSE report have led to some inequity in the number of cases per total staff and in terms of the number of cases per caseworker. Workloads range widely for State-run offices: the number of cases per total staff ranges from a low of 356 in Suffolk to a high of 491 in Danville; and the number of cases per caseworker ranges from 663 in Charlottesville to 979 in Fredericksburg.

The privately run district offices have considerably larger caseloads per caseworker than the State-run offices. The offices in Northern Virginia (Alexandria and Arlington) have workloads of more than 1,600 per caseworker. The offices in Eastern Virginia (Chesapeake and Hampton) have workloads of more than 1,000 per caseworker.

The figure also demonstrates that offices with a similar workload per total staff of all types may have a very different workload level for caseworkers. For example, Manassas and Fredericksburg have 435 and 428 cases per staff member of all types, respectively. However, Manassas has 731 cases per caseworker compared to 979 in Fredericksburg. While they have similarly sized staff and caseloads, Manassas has more caseworkers than Fredericksburg. This indicates that these offices have a different mix of staff.

Figure 9

Comparison of District Office Caseload Per Caseworker and Caseload Per Total Staff*



*The number of total staff includes filled MEL positions and 94 contract staff positions.

**Privatized office.

Source: JLARC staff analysis of DCSE's March 2000 *Staffing Report* and *Federal OCSE 157 Annual Report* (report period 10/01/99 through 6/30/00).

Management and Staff Consider Current Staffing Inadequate

To assess the adequacy of staffing levels, JLARC staff analyzed interview and survey data from DCSE staff regarding staffing issues. Sixteen of the 22 district managers responded to the question, “How would you rate the typical amount of work that your office is expected to handle?” with “Too much, my office has too high of a workload to effectively manage.” Similarly, 74 percent of caseworkers agreed that the typical amount of work they are expected to handle is too much to effectively manage (see Table 11). However, fewer supervisors (44 percent) and other staff (40 percent) felt as overburdened. This difference can be explained in part by the fact that only caseworkers are assigned caseloads and therefore feel the stress of such a heavy workload. Those district managers and staff that reported that the workload was “too much” were then asked several questions to determine how a high workload affects the completion and the quality of their casework, as well as their ability to provide good customer service. There was broad agreement among these district managers and staff that all three of these areas were suffering due to a large workload. Staff who reported that their workload was “too much” were more likely than district managers to perceive that a large quantity of work goes uncompleted and that the quality of work is impacted by a heavy workload (see Appendix D, Table D-1 through Table D-3, for the complete survey results for those staff reporting that their workload was “too much”).

Table 11

Staff Responses to Survey Question: “How would you rate the typical amount of work that you are expected to handle?”			
Types of District Office Staff	Too little, I could handle more responsibility than I currently have	About Right	Too much, I have too many responsibilities to effectively complete my work
Supervisors (n=45)	2%	53%	44%
Caseworkers (n=348)	1%	24%	74%
Other Staff (n=201)	1%	59%	40%
Total Staff (n=594)	1%	38%	60%

Note: Rows may not sum to 100% due to rounding.
Source: JLARC staff survey of district office staff.

Most staff surveyed who reported that their workload was “too much” agreed with the statements that “there are cases that deserve attention that are neglected due to high workload” and “there are cases that should be handled more proactively or aggressively but are not due to high workload.” However, district managers were more likely than staff to feel that customer services diminished.

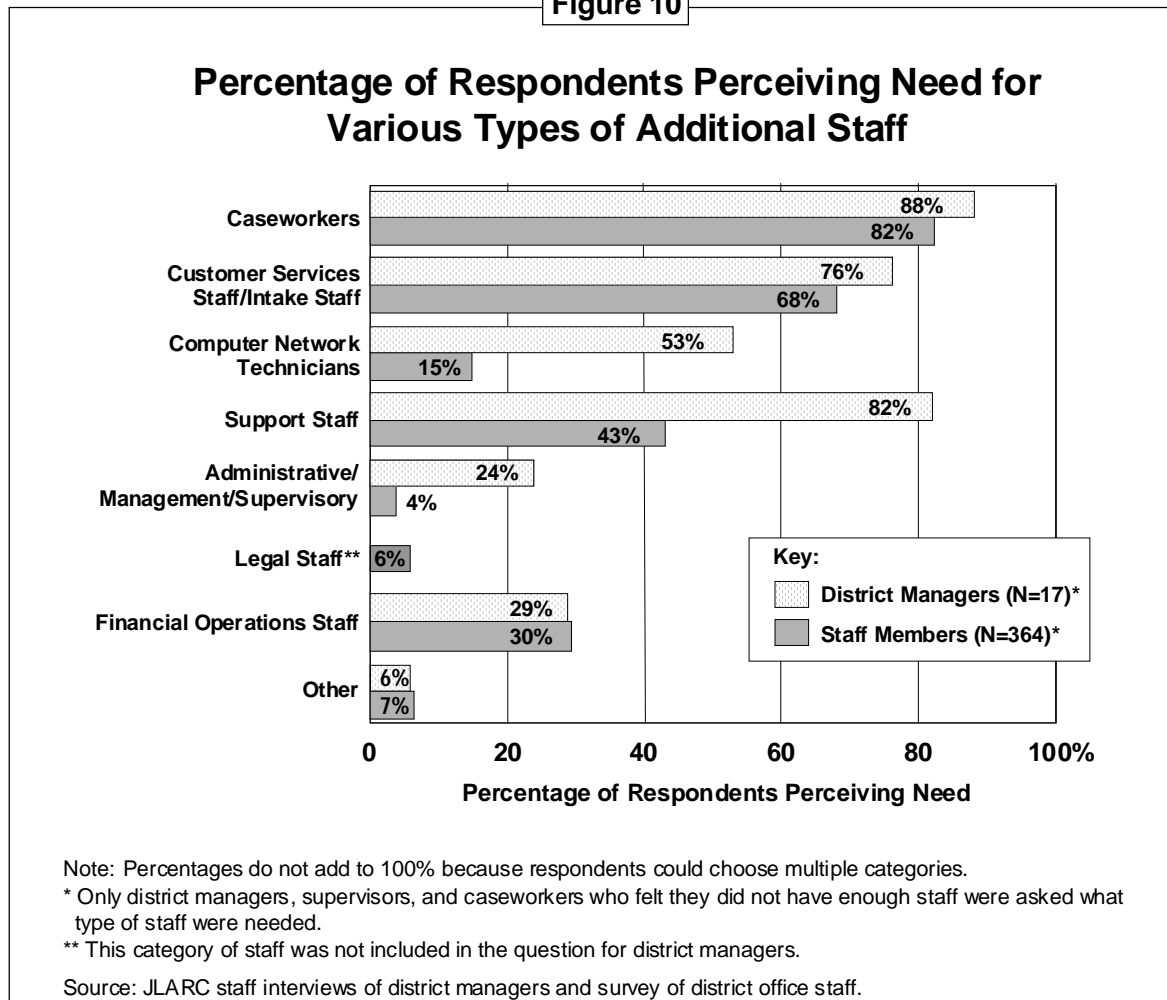
Central, regional, and district management, as well as district office staff, demonstrate overwhelming agreement that DCSE’s district offices are inadequately staffed. The Director of DCSE, the regional assistant directors, 77 percent of district

managers, and 89 percent of staff survey respondents indicated that they do not have enough staff to meet caseload and customer needs.

Furthermore, when the percentage of staff perceiving the need for additional staff is evaluated for each district office separately, there continues to be significant agreement. In all but two district offices, most staff feel additional staff are needed (see Appendix D, Table D-4). The only exceptions occur in the Hampton and Chesapeake offices, which are privately run offices, where only 39 percent and 32 percent of staff, respectively, feel their office is inadequately staffed.

The district managers, supervisors, and caseworkers perceiving inadequate staffing were also asked what types of staff are needed (see Figure 10). District managers, supervisors, and caseworkers clearly agreed more caseworkers are needed. In addition, most district managers felt offices needed additional support staff. All levels of district office staff agreed that additional customer services and intake staff are needed.

Figure 10



Regression analysis was used to determine what internal and external factors, if any, were associated with the variation across district offices in the number of total staff. Based on this regression analysis, the size of the caseload is the single most important factor associated with the total number of staff in district offices. Caseload size alone explained 89 percent of the variance in the total number of staff in district offices. This finding supports what district managers and regional assistant directors reported during interviews, that the DCSE report of caseload and staffing information is the basis of staffing decisions. Thus, while district offices may be understaffed, there has been an attempt to equalize the understaffing.

A projected loss of contract staff and a lengthy hiring process to fill vacancies exacerbate the finding that offices are understaffed. As stated in Chapter I, DCSE district offices utilized 94 contract staff positions to offset vacancies and low staffing levels. Within the next few months, 74 of these 94 positions will be eliminated. This reduction of the use of contract staff is occurring for two reasons. First, DSS would not allow DCSE to increase its budget over FY 2000 levels. Second, DCSE had higher spending priorities that needed to be addressed within its budget ceiling. The DCSE director made the decision that contract staff are the “most expendable.” The frozen budget and the planned cuts are being made in spite of the fact that, at the present time, approximately 98 percent of DCSE’s administrative budget is paid with federal funds. In FY 2000, DCSE spent \$2.5 million on contract staff.

This loss will be felt the hardest in the western region, where 63 positions (or 16 percent of total staff) are contract staff. Of the 18 district managers in State-run offices, 15 indicated that contract staff are critical to their operations. While most district managers would prefer permanent staff over contract staff, the sentiments of these 15 district managers are captured by one manager’s comment, “We don’t know how we’d live without them.” For a small office like Verona, the loss of the five contract staff translates into an increase from 380 cases per staff member to 472 cases per staff member. In many other offices, contract staff similarly fill critical support functions. The lag time needed to advertise, hire, and train new (permanent and/or contract) staff will contribute to a lengthy period to recover from such losses.

In addition, there is strong agreement among staff and management that significant delays in filling vacancies makes it harder to cope with staffing inadequacies. According to one worker:

Vacancies aren’t filled in a timely manner. Therefore, we spend a lot of time filling in for different positions that haven’t been filled instead of concentrating on our main position.

When asked to rate the current hiring process, 74 percent of district managers rated it either “fair” or “poor.” This rating is due in part because of the number of weeks that typically lapse between the request to the central office to advertise for a position and the candidate accepting the position, which averages 13.5 weeks. Some managers mentioned they would rather keep a bad employee than go through the hiring process or risk losing the position to another office.

Recommendation (2). The Department of Social Services, in conjunction with the Division of Child Support Enforcement, should evaluate the departmental hiring process to find ways to streamline the process and to be more responsive to the district offices' personnel needs.

INAPPROPRIATE MIX AND USE OF POSITIONS IN SOME OFFICES APPEARS TO IMPEDE EFFICIENCY

While district offices appear to be systematically understaffed, several indicators demonstrate that if additional staff are made available, DCSE needs to strategically allocate these staff to ensure an appropriate mix of staff. Staff perceptions, as well as data gathered during a four-year DCSE demonstration project, concur that staff may not be appropriately allocated. Staff report that work is unfairly distributed and that caseworkers spend too much time on clerical activities. One supervisor illustrated the inappropriate use of staff in terms of her own responsibilities:

Not only do we have too few staff, but as people resign, we're not allowed to fill these positions. The work doesn't disappear, it's absorbed by someone else. Some of the clerical/support functions I have absorbed include copying, mailing posted documents, preparing certified and postal mails, handling customer service calls, typing petitions, and distributing mail.

This section presents the JLARC staff analysis of DCSE staff perceptions of the equity of their workload, the use of support staff to assist the caseworker with casework, and the need to reduce the time caseworkers spend on clerical duties.

A Majority of DCSE Staff Think that the Workload Is Unfairly Distributed Within Their District Offices

JLARC staff surveys of district managers and district office staff found that a majority report that work within the offices is not fairly distributed among staff. Table 12 shows that as the number of cases per caseworker in district offices increases, the average number of staff in each office perceiving an unfair workload distribution also increases.

Appropriateness of Staffing Allocations Across Districts Needs to Be Improved

One way to determine if the workload within offices may be unfairly distributed is to analyze whether district offices appear to have the appropriate mix of staff. For example, offices with fewer support staff relative to caseworkers may cause caseworkers to spend more time on clerical activities. JLARC staff analyzed DCSE staffing data to determine the ratio of support staff to caseworkers. Support staff are defined

Table 12

**Average Percent of Staff Reporting that Workload Is Not Fairly Distributed,
Shown by Caseworker Workload of Office**

<u>HIGH</u>	Caseload per Caseworker	65%
<u>MEDIUM</u>	Caseload per Caseworker	56%
<u>LOW</u>	Caseload per Caseworker	41%
Source: JLARC staff survey of district office staff and analysis of <i>Federal OCSE 157 Annual Report</i> (report period 10/01/99 through 6/30/00)		

as program support technicians, office services staff, and executive secretaries, thus including a broad array of support activities such as customer services, mail handling, filing, and intake. In addition to support staff, each office has additional staff that are not included in the support staff calculations, but are included in the number of total staff. These additional staff include the district manager, supervisors, and financial staff.

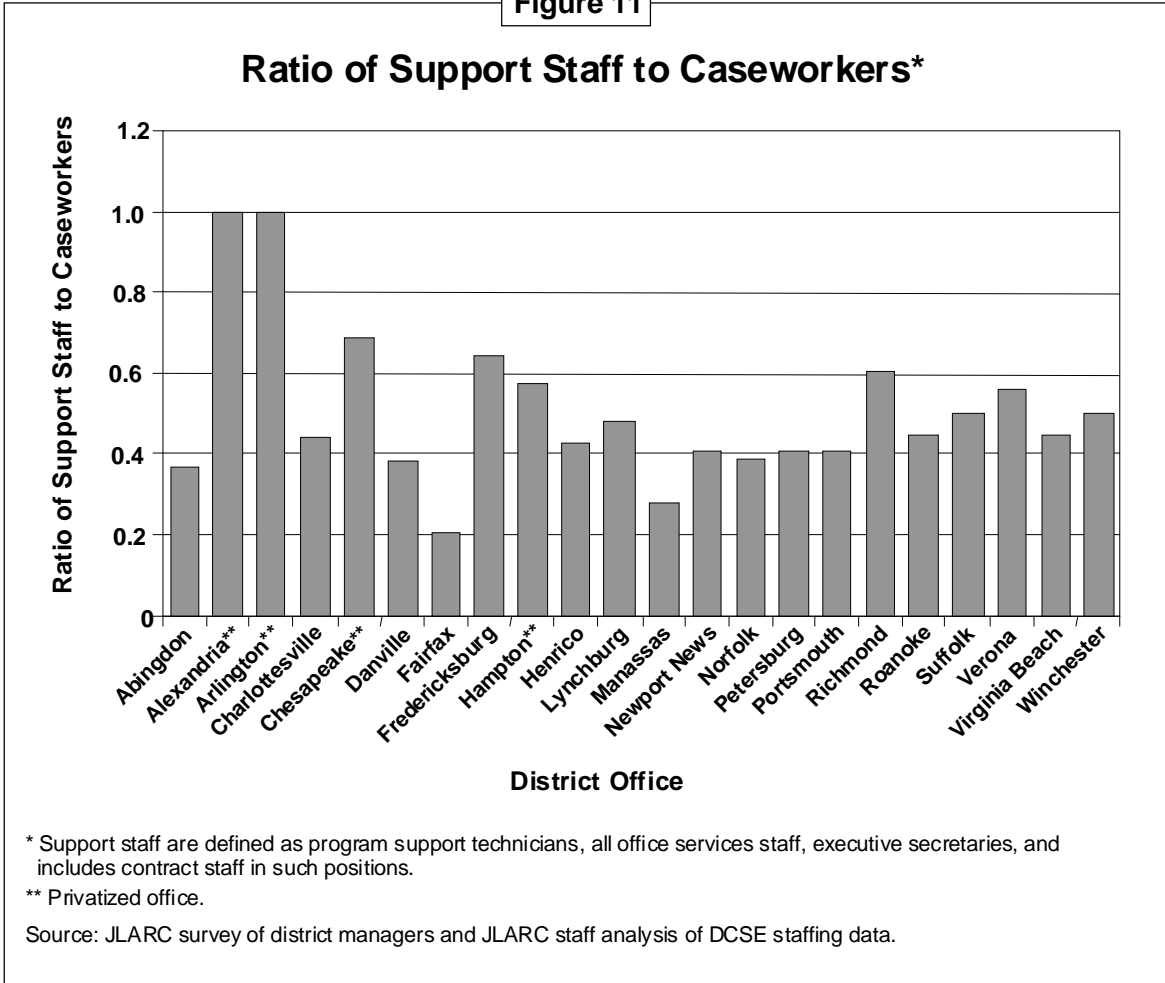
Figure 11 illustrates that there is a broad range in the ratio of support staff per caseworker across district offices. (This analysis included both MEL and contract positions.) The average among State-run district offices is 0.44 support staff per caseworker. The ratios in State-run offices range from 0.21 support staff per caseworker in Fairfax to 0.64 support staff per caseworker in Fredericksburg. The three highest performing district offices, Suffolk, Verona, and Winchester, average 0.52 support staff for every caseworker.

The Hampton and Chesapeake offices, which are private offices, have 0.58 and 0.69 support staff per caseworker, respectively. The Arlington and Alexandria district offices, two other private offices run by another company, have the highest ratios, with 1.00 support staff for every caseworker (each office has 12 staff: four caseworkers, four support staff, and the remaining staff are management and fiscal staff). These last two offices are the lowest performers in the State according to the report card in Chapter II, and demonstrate the negative impact of having too high of a ratio of support staff to caseworkers. These offices are staffed with mostly clerical staff and few professional staff.

Caseworkers Spend Too Much Time on Clerical Activities

The results of the district office performance analysis presented in Chapter II demonstrate that the percentage of time caseworkers spend on clerical activities is strongly associated with paternity and order establishment, collections of current support and arrearages, and the ratio of collections to cost. The JLARC staff analysis found that those offices where caseworkers reported spending less time on clerical activities tend to perform better.

Figure 11



The problem with caseworkers spending too much time on clerical work was first identified in a 1988 study completed by the Department of Planning and Budget, which found that 29 percent of caseworker time was spent on non-casework activities. Their recommendation, at that time, was that caseworkers could be redirected to establishment and enforcement activities if adequate support positions are provided. DCSE was given positions at that time to improve their performance in many areas, including reducing how much time was spent by caseworkers performing non-investigative work.

Twelve years later, DCSE is again failing to ensure that there is an appropriate use of staff. Since that time, district offices have lost support staff because central office management felt that the automation of several child support activities reduced the need for this type of staff. However, during both Phase I and Phase II interviews, the need for additional support staff was a common theme.

To assess the amount of time caseworkers spend on non-casework activities, JLARC staff asked caseworkers to respond to the following question: “in a typical week

in the past year, what percentage of your time was spent on paperwork or clerical activities (such as photocopying, mailing correspondence, etc.) that could be performed by support staff, if available?" Across all caseworkers in the State, an average of 32 percent of caseworker time was reported as spent on clerical activities alone. The time spent on clerical activities ranged from a low of 15 percent in Verona to a high of 70 percent in Arlington (see Appendix D, Table D-5).

In order to determine what factors, if any, were associated with the variation across district offices in the percentage of time caseworkers spend on clerical activities, regression analysis techniques were used. The regression analysis demonstrates that the number of cases per caseworker and the number of support staff per caseworker together are strongly associated with the percentage of time caseworkers spend on clerical activities, explaining 59 percent of the variation. As shown in Table 13, the results demonstrate that caseworkers average a much higher percentage of time on clerical activities in offices with larger workloads and fewer support staff per caseworker. The optimum combination occurs in offices with fewer cases per caseworker and more support staff per caseworker, where offices average 30 percent of caseworker time spent on clerical activities.

Table 13

Percent of Time Caseworkers Spend on Clerical Activities, Shown by Level of Caseload per Caseworker and Level of Support Staff per Caseworker			
	LOW Number of Support Staff per Caseworker	HIGH Number of Support Staff per Caseworker	AVERAGE
Higher Number of Cases per Caseworker	38%	36%	37%
Lower Number of Cases per Caseworker	32%	30%	31%
AVERAGE	35%	33%	

Source: JLARC staff analysis of various data, including JLARC staff survey of district office staff, DCSE staffing reports, and the *Federal OCSE 157 Annual Report* (report period 10/01/99 through 6/30/00).

STAFFING STANDARDS ARE NEEDED TO IMPROVE TOTAL NUMBER OF STAFF AND THE APPROPRIATE USE OF STAFF

At the present time, there are no national staffing standards for child support functions, such as determining the appropriate number of cases per total staff or per caseworker. Standards do not exist at the national level because of the complexity involved in creating a caseload or staffing ratio standard transferable across diverse program structures and caseload characteristics. While DCSE has never used caseload standards, their staffing demonstration project is a source for interim estimates until they complete a project to develop caseload standards by type of staff (which is scheduled to be completed late this year). In addition, Policy Studies Inc. (PSI), a national

firm that specializes in the privatization of both full-service child support offices and certain child support functions, utilizes a caseload per total staff standard and model office concept to guide how they staff full-service offices.

Based on the staffing information available from these two sources and DCSE's top performing offices, JLARC staff developed preliminary caseload and staffing standards to estimate the total staff needed, and the minimum number of support staff to be included, for each DCSE district office. In the long term, DCSE should continue to examine staffing levels and use by each district to further refine the position allocations to each office.

DCSE Staffing Demonstration Project Shows that Support Staff Improve Performance

The goal of the DCSE staffing demonstration project, conducted from 1994 to 1998, was to determine if staffing and caseload standards would improve operational efficiency, productivity, and quality of service, and prove cost-effective. The study involved determining optimal staffing levels, for each type of staff and overall, for two experimental offices. Staffing levels were determined by soliciting staff input and surveying staff on the amount of time it takes to accomplish specific case-related and clerical tasks.

The study design was such that one small office, Fredericksburg, would receive additional staff for only eight months, while a control office with similar characteristics would not receive any additional staff. Similarly, one large office, Roanoke, would receive additional staff for only eight months and increased automated case management and reporting, which was designed to facilitate work. For the large office component, two offices with similar characteristics were selected as controls. It is important to note that the additional staff provided to the experimental offices were used in different ways. The additional Fredericksburg staff were implemented in more supportive roles, while the additional Roanoke staff were integrated into critical operating roles and managed cases. While staffing levels fluctuated during the study, the Fredericksburg office began the experimental phase with a ratio of about 0.65 support staff per caseworker and the Roanoke office started with a ratio of about 0.45 support staff per caseworker. These ratios were derived based on the district manager input and detailed evaluation of appropriate ratios of all types of district office staff.

The results of the DCSE staffing demonstration showed that, prior to the experimental intervention, the Fredericksburg and Roanoke offices were significantly understaffed, by 33 percent and 28 percent, respectively. DCSE concluded that largely because of differences in the way the experimental interventions were applied between Fredericksburg and Roanoke, only Fredericksburg showed significant improvements. The Fredericksburg office increased performance (more locates, income withholdings, administrative obligations, and paternity establishments), as well as employee and customer satisfaction. Furthermore, Fredericksburg increased collections by \$3.00 per dollar spent (from \$6.50 to \$9.50), and approximately \$1.80 of the increase was attrib-

uted to additional staffing. While data were collected on the amount of time caseworkers spend on case-related and non-case-related clerical activities, DCSE has not analyzed it yet.

Regarding the Fredericksburg demonstration, the Director of DCSE stated “staffing at the level maintained (while less than optimal) was clearly cost-justified.” Commenting on the study overall in the DCSE Support Report (a division newsletter sent to locations around the State and the nation), he concluded:

In addition to confirming that our child support offices are understaffed, we learned that what is critical is how you use the additional staff. The Fredericksburg model – assigning additional staff to strategically review the caseload and then assist caseworkers – had a clear and powerful impact on most measures of productivity.

***Recommendation (3).* DCSE should perform a detailed workload analysis to determine what caseworker activities could be handled more efficiently and effectively by support staff to reduce the overall level of time caseworkers spend on non-case related activities. In addition, DCSE should periodically survey caseworkers to monitor the amount of time they spend on clerical activities and make appropriate adjustments.**

***Recommendation (4).* DCSE should ensure that the next phase of its staffing demonstration project, to determine caseload standards in two district offices, is completed. In addition, this project should consider the impact of external factors when determining appropriate ratios. In the future, DCSE should conduct an in-depth evaluation of staffing and caseload ratios in all of the district offices, and an experiment on the impact of the various ratio standards on staffing and office performance. One outcome of these efforts should be a staffing standard guide to allocate staff that is based on a variety of internal and external factors.**

Policy Studies Inc. (PSI) Utilizes a Total Staffing Standard

PSI pioneered full-service privatization of child support enforcement in 1991, and currently manages 19 full-service and part-service offices in seven states. They took over the operation of the Hampton and Chesapeake offices in April 1999. According to PSI staff, in order to determine how to staff a full-service office, they use a caseload standard and a model office concept. They recommend a maximum of 500 cases per staff member for offices with caseloads that require initial clean-up, and about 400 cases per staff in offices with cleaner caseloads. After establishing the number of staff needed for an office, they use their model office organization to allocate staff. PSI uses three teams. Two teams are full-service teams that perform all post-intake case processing functions. The strategy is that each team works the whole case. The third team performs customer service, intake, and fiscal activities.

Staffing Standards to Achieve High Performance Indicate a Need for Increased Support and Total Staffing Levels

Using the results from DCSE's staffing demonstration project, PSI staffing guidelines, and the staffing utilized in the top-performing offices as a guide, JLARC staff developed a series of steps to illustrate staffing standards and their impact for each district office. Ideally, staffing standards serve as a guide to more effectively allocate current and additional staff to improve overall performance in collecting child support payments. However, because of the projected loss of contract staff, the standards presented below also reflect what it will take to keep the offices at the level of performance that they were at in June 2000.

Two staffing standards are estimated. First, the caseload standard, which measures total number of cases per total office staff was developed. Second, the support staffing standard, which measures the number of support staff needed relative to caseworkers was developed. These standards were developed based on the following guidelines:

- This analysis is based on the State district offices continuing to perform their current functions. An increase or decrease in the function performed (for example, due to centralization or privatization of any functions) could change the number of positions that are considered appropriate.
- Private-run offices are excluded.
- The total staffing and support staff numbers needed for each district office take into account DSS' elimination of 74 of 94 contract staff (thus, many of the positions calculated are an offset to this reduction).
- The total caseload staffing standard is set at a maximum of 400 cases per total staff (total staff includes the district manager, financial staff, supervisors, clerical and program support staff, and caseworkers). This is the standard used by PSI for staffing an office with a clean caseload. DCSE's caseload is cleaner than last year because they have recently closed more than 69,000 cases. The caseload size of 350 is shown for comparison purposes. The three top performing offices (Verona, Winchester, and Suffolk) had less than 400 cases per total staff prior to the loss of contract staff.
- The ratio of support staff per caseworker is set at a minimum of 0.50 or one support staff for every two caseworkers. This is based on the average support staff ratio for the three top performing offices (Verona, Winchester, and Suffolk) prior to the loss of contract staff.
- A combined staffing standard sequentially incorporates the needed total staffing and minimum number of support staff. First, the number of total staff each district office needs to reach a maximum caseload per total staff of 400 is determined. Second, given the additional number of staff needed, the

number of those staff that should be support staff is determined, using the support staffing standard of 0.50.

These guidelines are illustrated in three steps.

Step 1. This step estimates the total number of staff needed by each office and is shown in Table 14. The number of total staff for each district office is calculated based on the number of total staff, vacancies that are to be filled, and contract staff (20 contract staff are still employed throughout the district offices). The cases per total staff, or workload measure, is simply the total caseload divided by the total number of staff, to get the average number of cases per worker. In this step, the number of additional staff needed to achieve the caseload standards of 400 and 350 were calculated. The standard of 350 cases per total staff is near the ratio that Suffolk, the highest performing office, had prior to the loss of contract staff (see Figure 9). Based on the 400 standard, the Roanoke district office needs the most staff (eleven additional staff), and the Suffolk and Portsmouth offices need no staff.

Table 14

Step 1: Staffing Levels Required for Caseload Standards of 400 and 350 Cases per Total Staff					
District	Forecasted Staffing Levels*			No. of Additional Staff Needed for Caseload Standards	
	No. of Total Staff**	Total Caseload	No. of Cases per Total Staff	400 Cases Per Total Staff	350 Cases Per Total Staff
Abingdon	43	21,281	495	10	18
Charlottesville	26	11,929	459	4	8
Danville	54	26,991	500	13	23
Fairfax	54	25,709	476	10	19
Fredericksburg	29	13,703	473	5	10
Henrico	48	20,870	435	4	12
Lynchburg	39	17,684	453	5	12
Manassas	39	18,271	468	7	13
Newport News	48	22,878	477	9	17
Norfolk	58	25,855	446	7	16
Petersburg	40	18,229	456	6	12
Portsmouth	36	14,465	402	0	5
Richmond	60	25,102	418	3	12
Roanoke	57	27,166	477	11	21
Suffolk	28	10,335	369	(2)	2
Verona	29	13,692	472	5	10
Virginia Beach	58	25,026	431	5	14
Winchester	21	8,793	419	1	4
TOTALS	767	347,979	Average = 451	103	228

Note: Calculations exclude private offices.

* Staffing levels exclude 74 contract staff positions that will be discontinued due to the budget being maintained at FY 2000 levels.

** Total Staff includes filled MEL positions, vacancies that are currently pending, and 20 remaining contract staff.

Source: JLARC staff analysis of various data including DCSE March 1, 2000 staffing report and *Federal OCSE 157 Annual Report* (report period 10/01/99 through 6/30/00).

Step 2. Table 15 shows the staffing standard for the number of support staff needed to support the caseworkers in each office (support staff include the staff who perform clerical, customer services, and case support functions). The number of support staff per caseworker is the number of support staff divided by the number of caseworkers. The optimum number of support staff to caseworkers was set at 0.50 based on the three top performing offices' ratio prior to the loss of contract staff.

Table 15

Step 2: Staffing Levels Required for Support Staffing Standard of 0.50 Support Staff Per Caseworker				
District	Forecasted Staffing Levels*			No. of Additional Staff Needed for Support Staffing Standard
	No. of Support Staff**	No. of Caseworkers***	No. of Support Staff Per Caseworker	0.50 Support Staff Per Caseworker
Abingdon	11	25	0.44	2
Charlottesville	6	15	0.40	2
Danville	14	28	0.50	0
Fairfax	5	33	0.15	12
Fredericksburg	8	11	0.73	(3)
Henrico	11	19	0.58	(2)
Lynchburg	6	17	0.35	3
Manassas	2	25	0.08	11
Newport News	11	25	0.44	2
Norfolk	12	36	0.33	6
Petersburg	9	22	0.41	2
Portsmouth	7	20	0.35	3
Richmond	13	25	0.52	(1)
Roanoke	15	31	0.48	1
Suffolk	6	14	0.43	1
Verona	7	16	0.44	1
Virginia Beach	12	33	0.36	5
Winchester	6	7	0.86	(3)
TOTALS	161	402	Average = 0.44	42

Note: Calculations exclude private offices.
 * Staffing levels exclude 74 contract staff positions that will be discontinued due to the budget being maintained at FY 2000 levels.
 ** Support Staff are defined as filled MEL positions including program support technicians, office services staff, executive secretaries, and 20 remaining contract staff.
 *** Caseworkers are defined as filled MEL positions including support enforcement specialists, and excluding those assigned to customer services or computer support duties.

Source: JLARC staff analysis of various data including DCSE March 1, 2000 staffing report and *Federal OCSE 157 Annual Report* (report period 10/01/99 through 6/30/00).

Step 3. Table 16 provides the overall staffing levels required to achieve 400 cases per staff (from Step 1) and the support staffing standard of 0.50 (from Step 2). The table shows what the total staff needed per office is, and then determines the

Table 16

Step 3: Staffing Levels Required for Recommended Ratios of 400 Cases per Total Staff and 0.50 Support Staff per Caseworker				
District	No. of Additional Staff Needed for Standards*		Recommended Allocation of Staff According to Standards*	
	400 Cases per Total Staff	0.50 Support Staff Per Caseworker	Minimum No. of Support Staff	No. of Other Staff (includes caseworkers)
Abingdon	10	2	2	8
Charlottesville	4	2	2	2
Danville	13	0	0	13
Fairfax	10	12	10	0
Fredericksburg	5	(3)	0	5
Henrico	4	(2)	0	4
Lynchburg	5	3	3	2
Manassas	7	11	7	0
Newport News	9	2	2	7
Norfolk	7	6	6	1
Petersburg	6	2	2	4
Portsmouth**	0	3	0	0
Richmond	3	(1)	0	3
Roanoke	11	1	1	10
Suffolk**	(2)	1	0	0
Verona	5	1	1	4
Virginia Beach	5	5	5	0
Winchester	1	(3)	0	1
Total	103	42	41	64
Total Additional Staff Recommended			105***	
<p>Note: Calculations exclude private offices. * Staffing levels used in calculations exclude 74 contract staff positions that will be discontinued due to the budget being maintained at FY 2000 levels. ** The calculations for Suffolk indicate that the office is overstaffed by two positions according to the recommended ratio of cases per total staff. However, the office needs one additional support staff according to the recommended ratio of support staff to caseworkers. Therefore, Suffolk does not need additional MEL positions, but DCSE may consider reclassifying one position to provide support. Similarly, Portsmouth is adequately staffed according to the recommended ratio of cases per total staff, but may consider reclassifying three positions to provide support. *** The total additional staff recommended is two positions greater than the sum of the number of additional staff needed for a caseload standard of 400 cases per total staff because the latter identifies Suffolk as having two more positions than is needed according to the standard, and it is not recommended that Suffolk lose two positions.</p> <p>Source: JLARC staff analysis of various data including DCSE March 1, 2000 staffing report and <i>Federal OCSE 157 Annual Report</i> (report period 10/01/99 through 6/30/00).</p>				

minimum number of the total staff that should be devoted to support activities. To meet the standards established in Table 16, a total of 105 additional staff are required, which breaks down to at least 41 support staff and 64 other staff. The other staff should be hired to ensure the appropriate mix of caseworkers and support staff.

The final staffing standard generates three basic scenarios: (1) a district office needs more total staff to meet the caseload standard than it needs support staff to meet the support staffing standard, (2) a district office needs less total staff to meet the caseload standard than it needs support staff to meet the support staffing standard, or (3) a district office does not need any more total staff, but it needs more support staff to improve its ratio of support staff to caseworkers (these offices would get no staff and should reexamine the use of their current staff).

To illustrate the first scenario, Abingdon needs ten additional staff to meet the 400 caseload standard. According to the support staffing standard, at least two of the additional ten staff should be support staff to meet the 0.50 ratio. The remaining eight staff positions should be allocated in such a way as to preserve the support staffing standard, or allocated for other positions not accounted for in the standard, if needed. The allocation of these other staff additions should take into account that decreasing the time caseworkers spend on non-clerical activities should increase the amount of time that is spent on casework activities.

To illustrate the second scenario, Fairfax needs ten additional staff to meet the 400 caseload standard. However, according to the support staffing standard, Fairfax needs 12 additional support staff, which is more than the caseload standard requires. Therefore, Fairfax should use all ten additional positions as support staff. Further, DCSE should evaluate the office's staffing allocations more closely, adding support staff and reassigning positions to support functions such that the support staffing standard is met.

The third scenario is illustrated with Suffolk. The Suffolk office needs no additional staff to meet the total staffing standard; in fact it has two more staff than suggested by this standard. However, because this is a high performing office and a caseload standard of 400 is the maximum workload, it should not lose its staff. Instead, in order to meet the need for one more support staff to meet the 0.50 staffing ratio, this office should evaluate how staff are used in order to increase the amount of support staff available.

DCSE Needs to Develop and Implement a Staffing Plan

JLARC staff's analysis on staffing and performance is based on the total staffing levels and performance outcomes as of June 2000. Based on this analysis, it appears that staffing levels are inadequate and more focus is needed on the appropriate mix of staff in order to improve overall performance of the district offices.

However, since June 2000, DCSE began the process of eliminating 74 contract positions that performed customer service, clerical, program support, and case management functions (62 of these positions have already been eliminated, the remaining 12 will be eliminated once current vacancies are filled). While contract staff are not the optimum way to staff the child support offices due to high turnover, staff in perma-

ment positions already carry full workloads and will not be able to adequately perform all of the duties these contract staff performed.

In FY 2000, DCSE paid \$2,534,742 for contract staff. According to DCSE’s director, approximately 98 percent of these funds were paid with federal funds (66 percent for the administrative share and 32 percent from special federal funds, such as collections and incentives; the remaining two percent from general funds).

The JLARC staff analysis found that 105 additional staff are needed to meet minimum staffing standards. However, only 31 of these positions are over and above the staffing levels in June 2000. The remaining 74 positions are to replace the loss of contract staff. Therefore, while strategically allocating these staff will put all offices on more equal footing, some offices will only maintain current performance levels, while some may improve.

There are three options for funding the 105 positions. Option one would be to hire all contract staff. Option two would be increase DSS’ maximum employment level (MEL) by 105 and hire all staff as State employees. The third option would be to hire a combination of contract and State staff. The projected funding required for each of these options is shown in Table 17.

Table 17

Funding Options for Addressing DCSE Staffing Needs			
Funding Options	Total Cost For FY 2001	Federal Share*	State Share*
Option 1: Hire all 105 staff as contract employees	\$2,831,325	\$1,868,674	\$ 962,651
Option 2: Hire all 105 staff as State employees	\$3,872,904	\$2,556,117	\$1,316,787
Option 3: Hire 74 as contract employees and 31 caseworkers as State employees	\$3,299,952	\$2,177,968	\$1,121,984
* The federal share of the costs are estimated at 66 percent and the State share at 34 percent.			
Note: Option 1 costs are based on FY 2000 costs (\$2,534,742) paid for 94 contract staff (\$26,965 per staff). Option 2 costs are based on hiring 61 staff at Grade 6, Step 10, including State benefits (\$33,136) and 44 staff at Grade 9, Step 10, including State benefits (\$42,082). Option 3 costs are based on hiring the remaining 31 positions as caseworkers at Grade 9, Step 10.			
Source: DCSE’s expenditures for contract staff in FY 2000 and JLARC staff analysis of the Department of Human Resource Management’s salary and employee benefits.			

The proportion of the federal and State share of the funding estimates for the three options are conservative because of the uncertain financial impact of the proposed federal changes to the child support funding streams. There are three federal funding streams: administrative costs (reimbursed at 66 percent), collections, and incentives. The 66 percent federal match is the only funding stream that is not under

review by the federal government. The federal match could be higher depending on the State's performance on collections and incentives (during FY 2000, federal funds paid for approximately 98 percent of all administrative costs when all funding streams were combined).

The three funding options also have varying advantages and disadvantages:

- Option 1. The advantages are that the State work force is not increased and the alternative is less expensive because employee benefits are not paid. The disadvantage is that contract staff tend to contribute to a high turnover and limit the ability to develop an experienced work force.
- Option 2. The advantage is that the State demonstrates a commitment to hiring a stable and experienced work force. The disadvantage is that the State work force is increased.
- Option 3. The advantage is that the increase to the State workforce is limited to hiring the professional staff that perform child support case work functions. The disadvantage is that contract staff, which likely will perform support staff, continue to experience high turnover, which disrupts the ability to reduce the time caseworkers spend on clerical activities.

Most of the additional staff are needed to maintain current performance levels, because they will simply be replacing lost contract staff that were present during the time of JLARC staff's analysis. The proposed additional staff that are over and above the lost positions (31 additional staff) will begin to address the staffing related factors for improving performance that are discussed in Chapter II and this chapter.

The additional staff are expected to translate to more dollars being collected for child support payments, although the magnitude cannot be predicted with certainty. Based on current DCSE performance, for every administrative dollar that is spent, \$5.42 is collected in child support payments. In addition, DCSE's staffing project demonstrated that the addition of staff and the appropriate use of staff can increase performance (more locates, income withholdings, administrative obligations, and paternity establishments), as well as employee and customer satisfaction. As previously mentioned, the district office in the study that received additional staffing increased collections by \$3.00 per every dollar spent (from \$6.50 to \$9.50) on administrative costs, and approximately \$1.80 of the increase was attributed to the additional staffing.

***Recommendation (5).* DSS, in conjunction with DCSE, should request the appropriate level of funding for increasing its Maximum Employment Level (MEL) by 105 positions. These positions will replace lost contract positions and improve the staffing levels of the district offices. DCSE should develop a staffing plan to ensure that these positions are targeted to the district offices to meet caseload and support staffing standards.**

IV. Ways to Improve Child Support Enforcement Through Technology

The study mandate for this review, HJR 553 from the 1999 session, requires that the study “make recommendations as to how the program can be improved to better meet the needs of our children.” Chapter II of this report showed the variability that exists in performance across the State, and Chapter III demonstrated that both additional staff and an appropriate mix of staff are needed to assist many of the offices in an effort to improve performance. However, there is a need to consider whether there are additional ways in which the child support enforcement program can be improved. This chapter examines technology issues. JLARC staff found that enhancements are needed to the program’s automated case management system, the program’s voice response system, and certain other office technologies in order to promote higher levels of district office efficiency and performance.

THE AUTOMATED PROGRAM TO ENFORCE CHILD SUPPORT (APECS) IS AN EFFECTIVE TOOL, BUT NEEDS MAJOR ENHANCEMENTS

Virginia was initially a leader in implementing the federal requirements to have a federally-certified system. The Automated Program to Enforce Child Support (APECS) system was designed to automate several child support enforcement functions, including mandated federal reporting, case management, financial management, and management reporting. As time has passed, Virginia’s system has experienced significant system and user problems. These problems include increased system downtime, slow processing time, inadequate capacity, and a lack of interface with DSS’ central automated case management system known as ADAPT. In addition, APECS has not been enhanced to make the work of the district office staff more efficient, and district managers and supervisors more effective.

APECS Is Antiquated and Needs Re-engineering

A 1998 JLARC report found APECS to be an antiquated system. The outdated information processing technology had insufficient capacity to store Virginia’s caseload information and to perform critical functions. Insufficient capacity resulted in reduced time the system was available for field staff to work cases and reduced system response time, and it required the archiving of large amounts of case information to prevent the databases from reaching capacity. At the time of the 1998 JLARC report, the Department of Social Services (DSS) had requested \$2.8 million for FY 1999 and \$748,000 for FY 2000 to re-engineer APECS in two phases.

Phase I of re-engineering APECS would have involved purchasing a new UNIX processor and converting the databases used for reporting and analysis from IMS (mainframe technology) to DB2 (modern relational database technology). Phase II would

have entailed converting the entire APECS database system to the UNIX system. The 1998 JLARC report concluded that the details of the re-engineering initiative had not been fully developed, and it was not clear, at that time, whether the project would be able to receive full federal approval and funding.

Currently, DSS has not completed either Phase I or Phase II of APECS re-engineering, and APECS continues in largely the same form it was in at the time of the 1998 JLARC report. However, several needed system enhancements have been provided as temporary patches to boost the capacity of APECS to store caseload information and to improve accessibility for field staff. According to the manager of the APECS unit, the priority of work on APECS is determined "by what we absolutely have to do for federal requirements." Projects have included activities to meet the requirements of recent federal mandates, including implementing welfare reform initiatives, passing an APECS data reliability audit, and passing the five-year re-certification of APECS.

The work done on these federally mandated projects will make future re-engineering activities both more and less difficult. To illustrate the benefit, DSS' Division of Information Services (DIS) now has sufficient hardware and software for the conversion of APECS to the UNIX system, thus reducing the overall funding needed. However, despite implementing recent APECS enhancements on the UNIX system where possible, welfare reform initiatives have increased the complexity of APECS, which will make the final system conversion more laborious.

DCSE's growing caseload has subsequently increased computer system usage, storage, and costs. APECS usage is measured in terms of the number of APECS transactions requested, the length of time the servers' central processing units (CPU) spend performing the requested transactions on data stored on tapes and disks, and the amount of data stored on tapes and disks. From July 1995 to June 2000, the number of monthly APECS transactions increased 128 percent, and the length of time spent on processing transactions over 200 percent (see Appendix E, Table E-1). Particularly large increases in system usage and costs occurred after the implementation of the new voice response system (VRS) in November 1999. This happened because the VRS accesses APECS to provide callers with case information. This increased burden makes completion of APECS re-engineering even more pressing.

The director of DIS estimates that the life-span of APECS in its current state is about one to two years (depending on how fast the State's caseload grows) and that the re-engineering process will also take about one to two years. Presently, there is no detailed workplan for the project, no DIS staff are working on the project, and there is no funding in place. While completion of Phase I activities will reduce mainframe storage, thus allowing for more caseload growth, there are no detailed contingency plans in place should APECS reach system capacity before the re-engineering conversions are complete. DCSE has submitted recommendations to DSS to re-engineer APECS because the system is outdated, not user friendly, makes it difficult to generate management data, and makes interfacing with other systems more complicated.

The director of DIS stated that current staffing levels are sufficient for maintaining APECS, but not for planning and implementing a large re-engineering project. DSS should issue a request for proposals for carrying out the re-engineering in order to allow current staff to focus on system enhancements. It is especially important to work on needed APECS enhancements now, since there will have to be a reprieve from enhancements to complete Phase II activities.

Recommendation (6). DCSE should issue a request for proposals to create a detailed project plan to complete Phase I and Phase II re-engineering of APECS to a DB2 database structure. DCSE should also plan contingencies to forestall APECS from reaching system capacity before re-engineering is complete. Prior to issuing a request for proposals, DCSE should submit its plan to the federal child support enforcement office to ensure it has a sufficient basis for federal reimbursement.

APECS Enhancements Are Needed to Increase Worker Efficiency

JLARC staff attended APECS demonstrations by supervisors, caseworkers, and staff, and surveyed district office staff on APECS' advantages, disadvantages, and needed improvements. As reported in Chapter II, when asked what factors improved their offices' efficiency and effectiveness, the most frequently cited factor by district managers was the APECS system. Also, for completing their work overall, 88 percent of staff rated APECS as "useful" or "very useful." While from the users' perspective APECS appears to be an effective tool for child support enforcement, district office staff reported several problems that need to be addressed.

ADAPT Interface and Access. Table 18 shows that 79 percent of supervisors and 44 percent of caseworkers report problems with APECS interfacing with the Application Benefit Delivery Automation Project (ADAPT). ADAPT, the automated eligibility determination and benefits calculation process for TANF, interfaces with APECS to update case status and information on shared cases. All types of staff cite system access problems, most notably the lack of access, training, and interface failures. Many staff who need access do not have it, and staff who are supposed to have access have not been assigned login ID's. Those who have access have received little or no training on how to use the ADAPT interface most effectively.

Staff also report widespread and time-consuming problems with incorrect information from ADAPT overriding APECS information. To illustrate, ADAPT will recognize that paternity has been established, when APECS requires additional proof; yet ADAPT overrides APECS and erroneously sends the case to the next status. This error appears to be caused primarily from variance in program policies between DCSE and TANF. Other errors that are more system-related include failures of ADAPT to update APECS when customers transition between non-TANF and TANF status. This can cause DCSE funds to be erroneously disbursed to clients receiving TANF grants, or delays in disbursing funds to customers discontinuing TANF. Staff report that some-

Table 18

Percentage of Child Support Enforcement Staff Reporting Problems with ADAPT			
“Do you have problems interfacing with the ADAPT system?”	Supervisors N=47	Caseworkers N=335	Staff N=201
Yes	79%	44%	24%
No	17%	37%	36%
Does not apply to my work activities	4%	19%	39%

Source: JLARC staff survey of district office staff.

times it is a simple matter to correct the error report of the ADAPT interface, but sometimes it is very complex.

DCSE and DIS staff are aware of the interface problems, and work to fix problems as they arise. However, according to the manager of the APECS unit, while the ADAPT-APECS interface needs to be completely re-engineered, they do not have the resources to do this in the near future.

Access to Other Databases. While problems plague the APECS-ADAPT interface, staff recognize the utility of this technology and want new access, increased access, or training on existing access to several databases, such as city jails, Virginia courts, Division of Motor Vehicles, Virginia Employment Commission, Electronic Parent Locator Network, On-line Automated Services Information System (OASIS), Medicaid, and Vital Records. DCSE should create a plan that outlines objectives related to improving training and access needs to other databases, and create time frames to complete the objectives.

Worklist Feature Needs Enhancements. One of the most apparently useful and yet frequently-cited APECS area needing improvement (as cited by users) is the worklist feature. A worklist is essentially a message system to notify caseworkers that something has happened, is about to happen, or needs to happen to a case they are assigned. While 88 percent of supervisors and 82 percent of caseworkers felt that worklists were useful, most complained that the number of worklists received is overwhelming. Of 722 events recognized by APECS, there are 345 possible events for which APECS will generate a worklist. Worklists may also be generated by workers for themselves or other workers. According to the manager of the APECS unit, the worklists have not been reviewed since 1996.

JLARC staff surveyed supervisors and caseworkers on which worklists were most and least useful, and how they could be improved. There was little agreement about which worklists were most and least useful. This may indicate that supervisors and caseworkers need additional training on the purposes of certain worklists and on how to use the worklists most efficiently and effectively.

When asked how worklists could be improved, caseworkers consistently requested: (1) that worklists be streamlined to include only critical information, (2) the

ability to delete multiple worklists at one time (by highlighting multiple worklists, or by designating all worklists of a certain type), and (3) that APECS be programmed to automatically delete a worklist when the related action is completed (presently each worklist must be individually deleted). One supervisor recommended “grouping worklists into one worklist per case.... That would allow the worker to review each needed item without having to sort through hundreds of individual worklists.” Another supervisor suggested APECS should “have filters available to categorize items so the caseworker can prioritize the worklists by groups.”

In response to the overwhelming number of worklists, the Policy Studies Inc. (PSI) office in Hampton provides its staff with a list of what they deem to be the 69 most critical worklists. This method may be one way to help staff prioritize which worklists they will use. Table 19 shows that twice as many caseworkers (77 percent) as supervisors (35 percent) said the caseworker decided worklist priority alone. Similarly, 60 percent of supervisors but only 11 percent of caseworkers reported supervisors having a say in worklist priority.

Table 19

Perception of Child Support Staff on Who Decides the Priority Given to Worklists	Respondent	
	Supervisor N=43	Caseworker N=336
	Supervisor decides	12%
Caseworker decides	35%	77%
Supervisor and specialist decide together	49%	7%
District manager decides	0%	1%
I do not use worklists as part of my work activities	N/A	10%
Other	5%	1%

Source: JLARC staff survey of district office staff.

Documents. Several issues arose regarding document generation. Based on staff comments and a review by JLARC staff, it appears that the customer letters that are generated from the system are not user friendly, and do not meet basic quality measures for formatting. Staff consistently requested more space for adding comments to letters, and for the name of the staff who generated the document to be listed to facilitate mailing and customer service. One worker reported spending about 30 minutes every day sorting through documents sent to the main printers in order to sign them. The problem is that there is no way to easily identify who generated the documents.

Printing. APECS documents must be sent to special printers centrally located in each office. It appears that many documents could be automatically generated, printed, and mailed from a central location. One of DCSE’s recent recommendations to DSS is to automate the notices of various case actions in APECS to “generate, print and mail notices automatically to save on administrative overhead.” Another related recommendation is to “modify legal requirements to permit computer-generated signatures and seals. This would

decrease paperwork.” Staff have also repeatedly requested the ability to print APECS documents to their desks to facilitate printing, signing, and mailing documents. District managers and caseworkers interviewed during site visits generally indicated that desktop printing would represent a “profound improvement.” One of the future tasks of the APECS staff is to enhance APECS to allow desktop printing. However, they do not have a detailed plan or the funds to complete the work at this time.

Other APECS enhancements that caseworkers and supervisors have repeatedly requested include: a single case overview screen of critical information and simplified accounting/financial screens. Additionally, despite APECS enhancements to improve system performance, staff continue to request faster response time.

APECS unit staff appear generally aware of these user issues, but have not been able to address them while also meeting the requirements of federally mandated welfare initiatives, data reliability audits, and APECS re-certification. As mentioned above, the APECS unit must spend all of its energy responding to the requirements of federal mandates, leaving little time to devote to APECS enhancements.

***Recommendation (7).* DCSE should evaluate what APECS enhancements could best increase worker efficiency and productivity, such as enhancements to increase access to and training on interfaces with other databases of state information, improve and streamline the worklist feature, improve documents, provide desktop printing, and implement electronically-generated signatures. A plan for implementing these changes should be created and periodically revised.**

***Recommendation (8).* The director of the Division of Information Systems should coordinate the activities of the APECS and ADAPT staff to improve the ADAPT-APECS interface and train staff supporting both systems to minimize errors and increase efficiency.**

APECS Needs to Be Enhanced to Increase Management Effectiveness

District office supervisors and managers currently have access to four types of reports on caseload, performance, and staffing: (1) hard-copy reports distributed monthly by the central office with current and trend data on caseload, performance, and staffing; (2) Control-D reports, which supervisors pull directly from APECS on a daily basis for information on case events performed by staff members; (3) case level data (for example, case type, case processing status, and total amount owed) from APECS, which is converted to Access and distributed monthly to district offices on CD-ROM; and (4) manual log reports generated by staff as they perform activities. While only the data provided on CD-ROM have *ad hoc* query capabilities, overall, district managers said the reports they currently receive are useful. There are some important limitations, however, DCSE is working to address some of these through implementing new reporting software.

Many staff reported spending an excessive amount of time on generating multiple manual logs of their activities for their supervisors to compile for internal reports and reports to the central office. Staff believe that their logs are less accurate than APECS, do not allow for the cross-referencing of data that APECS does, and are very time consuming. Sample copies provided to JLARC staff demonstrated that virtually all of the data contained in the logs could be accessed through APECS. DCSE should discontinue the use of manual reporting to: (1) save time by minimizing workers providing duplicative information, and (2) improve the report data reliability, especially considering APECS recently passed a federal data reliability audit. If needed data is not available on APECS, DCSE should determine the usefulness of the data and/or attempt to enhance APECS to provide it.

There are two problems concerning the CD-ROM reports. District managers reported that they are not always delivered on a timely basis, which reduces their usefulness. Furthermore, using the CD-ROM report data requires some expertise in using Access software. During interviews, district managers reported that they and their supervisors have varying levels of expertise to make effective use of the data. Despite these drawbacks, one PSI staff member said that, while not sophisticated, the CD-ROM reports are the most effective reporting system PSI deals with among its child support enforcement clients.

DCSE is working to improve its reporting capabilities through implementing new technology. PSI, in order to facilitate the operations of its Virginia offices, has offered, at no charge, to provide the State with its reporting software, Performance Results Information Systems Manager (PRISM). To take advantage of this offer, DCSE must adjust the data it currently converts to Access and distributes on CD-ROM to fit PRISM specifications. The director of DCSE wanted PRISM deployed several months ago. However, the lack of APECS staff to do more than work on federal mandates has delayed implementation.

JLARC staff received a demonstration of PRISM by PSI staff. PRISM is a Windows-based application based on an Excel database structure. It offers district, team, and worker level reports on caseload and performance, and incorporates goal tracking at all levels. It is easy to use, and provides data in both tabular and graphic form. Many critical reports may be easily accessed with a few mouse clicks, and *ad hoc* reports are also possible. For advanced manipulation, data may be exported to Excel, although this does not appear necessary. PSI states that managers would need only a one-day initial training session, and a half-day follow-up refresher in order to use the application effectively.

PRISM does not replace all of the reports currently available. Current plans are to generate the PRISM database monthly, while Control-D reports may be run daily. PRISM does, however, appear to replace and improve upon the Access data distributed monthly on CD-ROM, and potentially the monthly hard-copy reports from central office. DCSE should evaluate which reports to discontinue to prevent managers from being overwhelmed with too much, or duplicative, data. Report duplication should be minimized, and report value should be prioritized. DCSE, with PSI, should

evaluate the possibility of increasing the frequency of PRISM database captures, which would allow managers to have access to weekly or biweekly data rather than only monthly data, especially after APECS is re-engineered.

Recommendation (9). DCSE should complete activities for implementation of PRISM. Parallel activities should entail a review of all DCSE reports to: (1) determine which reports are necessary to reduce the overlapping of report content, (2) determine if manual report information can be obtained from APECS to reduce duplication of worker efforts, and (3) be sure all levels of management are trained and are using reports to their fullest value.

THE VOICE RESPONSE SYSTEM NEEDS TO BE RE-EVALUATED

An automated voice response system (VRS) handles incoming calls by providing customers a series of menu options. Using a touch-tone telephone, customers and employers can access general and account information, and request to speak with a customer service representative. DCSE needs to re-evaluate its new voice response system. It appears as if the system was implemented without full knowledge of the product and services provided. The system has problems which are causing many callers to be disconnected or experience long hold times, and this is consequently resulting in widespread customer dissatisfaction. Also, while VRS reports can be a highly effective customer service management tool, the reports DCSE currently receive are inadequate.

DCSE's Implementation of the VRS

In November and December 1999, DCSE implemented a new VRS. DCSE staff became aware of the need to replace its VRS equipment in March 1998, due to major equipment failures and Y2K non-compliance. However, DCSE did not issue a request for information (RFI) until January 1999, and the request for proposals (RFP) until March 1999. While the Department of Information Technology (DIT) was involved over several months in the development of the RFI and RFP, it did not notify DCSE until early 1999 that the VRS services requested were available under an existing State contract with MCI.

Based on an analysis of options in March 1999, the MCI option allowed DCSE to quickly address pressing issues but also allowed "DSS to develop [a] model for future IVR [Interactive Voice Response] service procurement" since, at that time at least, the MCI service could be cancelled with 30 days notice. DCSE decided to cancel the RFP and pursue VRS services through the State's contract with MCI. Implementation of the new VRS entailed providing service to ten district offices previously without a VRS. While there were some apparent benefits to choosing MCI, DCSE evidently made this decision without full knowledge of the product and services provided.

The New VRS Has Caused Customer Dissatisfaction

District office staff provided JLARC staff with a demonstration of the VRS system. Based on this demonstration, and on comments from staff, the menu options for providing customers and employers with information appear to be effective. District office staff agreed that the major benefit of having a VRS was that more customers could receive case and payment information without having to speak directly to staff. Customers appear to recognize this benefit as well, since about one third of district managers reported that customer use of the VRS has increased. While customers are using the VRS more, 53 percent of staff report that customers are not very satisfied with the service (see Table 20).

Table 20

Staff Perceptions of the New Voice Response System				
Questions	Respondent			
	Supervisors	Caseworkers/ Specialists	Other Staff	Total
Do you feel that the number of calls you handle in a typical week has:	(N=43)	(N=326)	(N=183)	(N=552)
Decreased	23%	21%	22%	22%
Stayed the same	47%	71%	11%	49%
Increased	30%	7%	52%	24%
N/A (private Offices)	0%	1%	15%	5%
How satisfied are customers with the new automated system?	(N=44)	(N=333)	(N=177)	(N=554)
Very satisfied	2%	0%	2%	1%
Satisfied	26%	17%	19%	19%
Not very satisfied	50%	58%	43%	53%
Don't know	20%	25%	36%	28%
Note: Columns may not sum to 100% due to rounding. Source: JLARC staff survey of DCSE staff.				

While it was expected that the VRS would reduce the number of calls taken by caseworkers and customer service staff, district managers reported this is not the case. Table 20 shows there was actually an increase in call volume according to 31 percent of supervisors and 54 percent of "other staff" (non-caseworker staff). The increased number of calls, coupled with system problems, have caused many callers to be disconnected or experience long hold times, and this is largely the cause of the widespread customer dissatisfaction.

Increased call volume appears to be caused by multiple factors. First, customers of district offices previously without a VRS were encouraged to use it. Second, demand may have increased since customers statewide were notified of the new and in some cases enhanced service options available. Finally, in technical terms, the system design allows more calls to be routed at one time to district offices' customer service

representatives and voice mail. Initially, the routing design was considered the main cause behind large numbers of customers being disconnected and experiencing long hold times. However, while the design of how calls are routed to district offices has been improved somewhat, according to one district manager the offices still “do not have enough live bodies to handle the calls.” It is unclear at this point if staffing is the major problem since inadequate management reports are not available.

Call Management Reports on the New VRS Are Inadequate

Inadequate management reports on caller activity provided by MCI have been problematic throughout implementation and continuing to date. In one office, there was a problem with how the VRS communicated with the office telephone system. The manager stated that it took longer to discover the problem because of inadequate call reports. Currently, district managers are e-mailed text files with daily reports on call activity and monthly summary reports. However, district managers complain that the reports are not user-friendly, are hard to read, and include voluminous pages of statistics on all offices, in addition to their own office. When district managers were asked about the VRS reports, 72 percent thought the daily reports were not useful, and 61 percent felt the monthly reports were not useful.

District managers repeatedly indicated they wanted more detailed information, including the average call length, the average time available to take calls, and the average time not available to take calls (which generally measures the amount of time spent performing follow-up on the previous call) for all district office staff. PSI staff stated they use a VRS with this level of detail because it is an important tool in effectively managing variable call volume and tracking staff performance.

DCSE staff stated that when they approached MCI about improved reporting, they were told it was not possible. DCSE staff were told that part of the reason the VRS reports are not providing the desired level of detail is that the VRS exists separate from the physical telephone systems in each district office. The VRS is basically a filter system, providing case information and transferring calls to the offices when appropriate. Furthermore, according to DCSE staff, only one telephone service company in Virginia provides a telephone system that allows for the desired level of call reporting detail. Staff at GovConnect, a private child support service company, indicated there were VRS systems that could probably bridge this gap. DCSE needs to evaluate its current telephone systems and the district offices' needs regarding call management reports, and determine what options are available to address the division's needs.

Some district managers said they tried to make use of the daily VRS reports but gave up because it took too long. JLARC staff spent several hours analyzing the daily reports for March 2000 to generate statistics that the monthly summaries do not provide. This analysis revealed that six months after initial implementation, the percentage of calls that the VRS failed to connect to the district offices ranges from three percent in Lynchburg to 48 percent in Charlottesville (see Table 21). DCSE needs to

Table 21

**Breakdown of Calls to VRS by District Offices for
Business Hours in the Month of March 2000**

District	Total Calls to VRS by District	Percent of All Calls	Average Number of Calls Daily	Calls Handled by VRS Without Being Forwarded	Calls Forwarded to Customer Service or Voice Mail	
					Successfully Answered	Not Successfully Answered
Abingdon	13,759	4%	598	27%	52%	21%
Charlottesville	12,128	3%	527	26%	25%	48%
Chesapeake	15,833	4%	688	47%	24%	28%
Danville	29,674	8%	1,290	67%	26%	7%
Fairfax	21,795	6%	948	45%	20%	35%
Fredericksburg	9,669	3%	420	33%	46%	21%
Hampton	17,442	5%	758	52%	37%	10%
Henrico	28,168	8%	1,225	50%	17%	33%
Lynchburg	9,539	3%	415	29%	68%	3%
Manassas	18,390	5%	800	51%	34%	14%
Newport News	23,806	7%	1,035	60%	31%	9%
Norfolk	30,005	8%	1,305	41%	21%	38%
Petersburg	12,102	3%	526	25%	32%	44%
Portsmouth	13,477	4%	586	47%	32%	22%
Richmond	22,665	6%	985	49%	30%	22%
Roanoke	30,350	8%	1,320	56%	21%	23%
Suffolk	5,462	2%	237	29%	62%	8%
Verona	11,066	3%	481	30%	38%	31%
Virginia Beach	25,487	7%	1,108	46%	29%	25%
Winchester	6,870	2%	299	31%	62%	7%
Statewide	357,687	---	15,552	42%	37%	21%

Note: Central Office numbers are not included in Statewide District Totals.
Note: Chesapeake information was missing for the last few days in March.
Note: Eastern Shore numbers were combined with Virginia Beach.
Source: JLARC staff analysis of DCSE VRS data for March, 2000.

work with MCI to: (1) determine why the failure rates vary so dramatically, (2) determine what an acceptable failure rate is, and (3) reduce high failure rates.

Since the VRS accesses APECS to provide case information, increased use of VRS has driven up the overall use of APECS. From October 1999 to June 2000 alone, there was a 33 percent increase in the number of times APECS was accessed (see the IBM transactions column in Appendix E, Table E-1), which translates into a monthly increase of about \$40,000. Overall, June 2000 costs for IBM APECS usage were about \$96,000 greater than October 1999 costs.

DCSE staff appear aware of some of the VRS problems. Recently DCSE began work to establish a workgroup to determine what problems district offices are having with the VRS and how to help offices deal with them. At this point, it does not

appear as if DCSE is considering all of the options available to correct the problems it has experienced and to provide adequate VRS service to the district offices and customers.

Recommendation (10). DSS, in conjunction with DCSE, should work with DIT and MCI to determine how MCI can provide more meaningful VRS reports. The division should determine why the rate of calls failing to be properly connected varies so much among district offices, and correct problems that are found.

Recommendation (11). DCSE should determine whether the VRS contract with MCI is cost-effective compared to available options. The division's evaluation should include whether other options provide better resources for system maintenance and the impact of improved call management and call reporting on the efficient use of staff and improved customer service.

INCREASED UTILIZATION OF OFFICE TECHNOLOGIES IS NEEDED

In addition to computer and telephone technologies, there are other office technologies that can improve district office efficiency and effectiveness, such as enhanced filing systems and document imaging. These technologies, some of which operate in conjunction with APECS, and some of which are separate from APECS, are currently used sporadically by district offices. Also, DCSE should expand its utilization of an intranet and the internet to facilitate communication and transactions both within DCSE, and between DCSE and customers and employers.

Office Technologies Are Not Available to All District Offices

Exhibit 5 summarizes the office technologies that are in use by at least one district office, and the office technologies that district managers would like implemented. Some technologies may not be available to all offices because the testing of an office technology for cost-effectiveness has not been completed, because district offices are not aware of what technology resources are available, or because resources are inequitably allocated.

There are several office technologies that DCSE should evaluate for statewide implementation. Two time-saving technologies successfully in use in DCSE offices that other offices would like to implement are filing by case number and file tracking with bar-coding. Throughout staff surveys, many mentioned that their filing systems were non-existent or were in poor shape, making it difficult to locate files when needed. Similarly, document scanning and imaging to electronically store correspondence and court orders would reduce physical file storage space and increase accessibility. DCSE should evaluate the possibility of storing scanned documents on APECS with case information to facilitate access statewide. Also, the use of digital cameras would im-

Exhibit 5

Office Technologies Already in Use And Improvements Needed in District Offices

	Office Technologies in Use by at Least One District Office	Additional Office Technologies and Improvements Needed
Filing	<ul style="list-style-type: none"> • File tracking with bar-coding • Filing system by case number 	
Document Imaging	<ul style="list-style-type: none"> • Document imaging/scanning (customer letters, court orders)/paperless office 	<ul style="list-style-type: none"> • Store scanned documents on APECS so accessible from anywhere in state.
Computer	<ul style="list-style-type: none"> • Macros • Email • Internet locating • Intranet for training and human resources* 	<ul style="list-style-type: none"> • Macros maintained through central office • Internet customer access • Internet kiosks at DSS and courthouses • Remote cellular laptop access to APECS • Use of digital camera for pictures of mother, putative father and children (cheaper, better picture, date/time stamp), could also use to ID walk-in customers • Thumb-print scanner to ID customers
Data Management	<ul style="list-style-type: none"> • CD-ROM monthly data 	<ul style="list-style-type: none"> • Real time version of data now captured on CD-ROM (presently it is last month's data) • PRISM
Printing/Copying	<ul style="list-style-type: none"> • Adequate number of copiers • Fax machines 	<ul style="list-style-type: none"> • Desktop printing
Telephone	<ul style="list-style-type: none"> • Telephone head-sets 	<ul style="list-style-type: none"> • New telephone equipment that allows for better call management reports • Screen pop - case pops onto APECS screen as call comes on line • Automatic dialing system – system dials customer phone number, and case pops onto APECS screen as call comes on line
Video	<ul style="list-style-type: none"> • Videoconferencing - to replace and expand co-location and increase communication between district and regional managers 	
Mail	<ul style="list-style-type: none"> • Letter folding machine • Electronic letter opener • Rubber signature stamps • Pre-printed envelopes • Computerized return receipt mail labels 	
Other	<ul style="list-style-type: none"> • Ergonomically designed workstations 	

*Office technology unique to private offices.

Source: JLARC staff interviews of district managers.

prove picture quality, facilitate access to photos throughout the State for identification purposes, and may be more cost-effective compared to the current use of Polaroid cameras.

***Recommendation (12).* DCSE should evaluate the potential for implementing office technologies proven effective and efficient in all district offices. DCSE should include in its evaluation filing by case number, file tracking with bar-coding, document imaging, and digital camera use.**

DCSE Should Expand Intranet and Internet Capabilities

Two critical and related office technologies that both central and district office staff have requested be enhanced are intranet and internet sites. An intranet is similar to the internet, or the web, but access is restricted to a specified group, such as DCSE staff only. The Governor's Executive Order 51 and Executive Order 65 encourage and provide support for implementing e-government solutions with web-based technology sooner rather than later. DCSE already has the internet and intranet technology in place, but it is not used to the fullest extent. Building comprehensive DCSE employee and customer services into these web sites would be efficient and effective solutions to several issues.

Expanded development of a DCSE intranet could improve the dissemination of information and communication. Central office policy staff expressed their desire for an intranet site to facilitate access to policy manuals and policy updates. Currently, paper and CD-ROM copies of the policy manuals are available to most, but not all staff, and are quickly outdated. Also, human resources could use an intranet site to maintain a current directory of DCSE staff to facilitate communication within the division. In the course of this evaluation, JLARC staff found the current hard copy directory for DSS staff to be inaccurate because of position turnover, and one district manager said the directory was outdated before it was even printed.

A DCSE intranet could also facilitate communication by surveying employees on their job satisfaction and ideas for improving DCSE. DCSE should also evaluate PSI's web-enabled Computer-Based Training programs to both facilitate and increase the amount of training available to State DCSE employees. District office staff could post up-to-date internet links, such as locate links and links to other states' child support enforcement sites to facilitate interstate case handling. Finally, an intranet could be a forum to share best practices and APECS or work-related efficiencies between district office managers and staff.

According to a survey by PSI, only a few states currently provide interactive or transactional on-line child support services for customers and employers. However, many states are considering the potential for an internet site, accessible at any time of the day, to minimize calls handled by customer service representatives.

According to PSI, web interactivity for DCSE customers and employers could include a wide range of services. Customers could access a support order calculator, a child support order modification assessment calculator (to minimize requests for unwarranted case reviews), on-line application forms, address and employment updates, and electronic payments. They could also e-mail customer service inquiries, and view case and payment status information. Employers could access the site to verify employment and medical coverage, obtain income withholding orders, authorize their bank to deposit current payments electronically, and view and modify income withholding amounts and reasons. Internet access could also facilitate the opportunity for customers and employers to complete customer satisfaction surveys.

One district manager suggested that DCSE make internet customer service accessible to all of its customers by placing internet kiosks at DSS offices and courthouses. The use of videoconferencing (between DCSE staff and customers visiting DSS offices) in tandem with internet kiosks could make the need for co-located DCSE staff obsolete, and allow for expanded access to more areas than are currently served by co-location. Implementing technology in this way also satisfies the Executive Order 65 mandate to make technology accessible to all Virginians.

DCSE staff state that the use of an intranet and the internet to improve communication within the department and customer services is not a priority with DSS. At the present time, no one is working on developing either of these areas.

***Recommendation (13).* DSS, in conjunction with DCSE, and under the guidance provided by Executive Order 51 and Executive Order 65 mandates, should create plans to expand the capacity to provide intranet and internet services to improve access to information for employees and customers.**

V. Ways to Improve Child Support Enforcement Through Program Changes and Addressing Funding Needs

In addition to the technology improvements discussed in the previous chapter, there are other ways in which State policymakers and DCSE can seek to improve the child support enforcement program. This chapter provides a number of recommendations to achieve these improvements, as was required by HJR 553 from the 1999 Session. JLARC staff found that: overall management and oversight of the program needs some improvement; training programs need to increase in availability and be better coordinated; customer services need to be provided more uniformly across the State; and the privatization of child support functions requires coordinated monitoring. Based on extensive staff interviews and surveys, this chapter highlights some best practices of district offices and suggests improvements for the program based upon these practices. Finally, State options for addressing the continued projected funding shortfalls are provided.

Some of the suggestions for improvement in this chapter can be accomplished with better management of current resources, and therefore are matters that DCSE can act upon. Other suggestions for improvement will require additional resources. These matters are not directly within DCSE's control, but should be considered by DSS and State policymakers.

PROGRAM MANAGEMENT AND OVERSIGHT OF CHILD SUPPORT ENFORCEMENT NEEDS SOME IMPROVEMENT

As stated previously, Virginia has enjoyed recognition among its peers as one of the nation's top child support programs the past several years. This recognition is due in part to DCSE's ability to implement new federal requirements prior to the established deadlines. However, because the federal government has increased the accountability of the states' child support enforcement programs, it is imperative that Virginia's management of the program continue to ensure that these requirements are met to the greatest extent possible.

HJR 553 specifically directs JLARC to examine the management of DCSE. Indicators of an effective management function include an organizational structure that promotes open communication and team building, and a strategic plan that guides the work of the division at all levels. In addition, for the child support enforcement function, it is feasible to set individual performance goals, with formal monitoring and evaluation to ensure that quality as well as quantity are achieved. This section describes potential improvements in DCSE's management performance in terms of communication between the three tiers of the organization, strategic planning, and monitoring and evaluation.

While the Central Office Gets High Marks, Regional Office Communication Mechanisms and Team Building Appear to Need Improvement

As described in Chapter I, DCSE is managed and operated as a three-tiered organizational structure composed of the central office, regional offices, and 22 district offices. Through surveys and follow-up telephone interviews, all 22 district managers were questioned on the oversight, guidance, and support they received from the two tiers above them.

The district managers overall were favorable in their rating of the central office management and communication. There were some concerns, however, regarding how well the regional offices were performing at that time.

During the time of the JLARC study, there were only two regional offices: an eastern office in Virginia Beach and a western office in Roanoke. These regional offices, the second tier of the DCSE organization, are the entities that most closely supervise the workload and performance of the district offices. Each regional office had responsibility for half of the State's caseload, or 11 district offices. The two regional offices had tremendous oversight responsibility with a minimal staff of four. The assistant directors who run these offices are out of the office an average of three days a week visiting the district offices to provide feedback and technical assistance. While these on-site visits are important to providing feedback to individual offices, absence from the office also resulted in some bottlenecks on approvals for personnel issues, customer service letters, and purchasing, and also for receiving timely feedback on some policy issues. In August 2000, DCSE created a third regional office, which will decrease the overall workload of the two existing regional assistant directors.

There appeared to be two concerns that district managers had with regional office management: limited communication with the central office and lack of team building. Communication is a problem, according to district managers, because they are required to funnel all communications to the central office through the regional offices. With the limited amount of staff each regional office has compared to the central office, the regional offices can become bottlenecks. Overly strict adherence to this chain of command for all matters impedes the ability of the central office to work effectively with the district office staff and vice versa.

The other major concern of district managers is that regional office management has not provided adequate leadership in promoting horizontal communication or team building. District managers claim that the regional assistant directors hold quarterly meetings of all the managers within their region, but the structured agenda does not allow time for interacting with other district managers, sharing best practices, or strategic planning. According to several district managers, most agenda items are simply informing them of issues that they be aware of, but not to solicit their input.

DCSE needs to reevaluate the current communication structure to determine which types of activities, such as purchasing and personnel decisions, must go through the regional offices and which types of activities, such as requests for policy clarifica-

tions and technical assistance, could go to the central office directly. This plan needs to be communicated to each level of DCSE staff. In addition, DCSE needs to develop a method for encouraging sharing of best practices across the district offices and team building for implementation of changes.

Strategic Planning Is Needed

While strategic plans can vary in their level of specificity, it is imperative for a program of this size, and with the federal changes on the horizon, to have an overall plan that guides the work of the division. This is necessary in order to ensure that resources are utilized effectively and efficiently, and that all staff are aware of the goals and objectives.

According to DCSE central office staff, the only strategic plan that exists is one that was completed in conjunction with a larger, department-wide plan, called the Strategic Plan for 2000-2002. This plan did not focus on each specific program area within DSS, such as child support enforcement, food stamps, or TANF. Instead, the department's plan centered around three broad goals: (1) strengthen communities to reduce the need for human and service intervention, (2) strengthen development of healthy families, protect Virginians in at-risk situations, and create opportunities for self-reliance, and (3) pursue and implement business processes to achieve best value for the taxpayers. DCSE staff felt that this global plan was not useful to DCSE because it was limited by the conflicting directions staff received on how to develop it, by instructions for staff not to recommend any changes that exceeded the current budget, and by the limited time provided to complete the process.

Other child support enforcement programs do have strategic plans, which guide their work. For example, in Florida, the child support enforcement program has a strategic plan that describes all improvements planned for the child support processes and special projects. This plan lists each process/project, and assigns someone who is directly responsible to see that it is completed within the established time frames. The plan identifies important stakeholders, lists expectations, describes outcomes, establishes short-term, intermediate, and/or long-term deadlines, and identifies the resources needed (such as legislative changes, budget changes, staffing, training, additional computer/technology support, policy updates, or contract needed).

***Recommendation (14).* DCSE should develop a strategic plan that guides all the activities of the division and ensures that it meets the established federal and State performance standards and legislative requirements to its greatest capacity. This plan should address the State and federal changes that impact the State's budget and the child support program. The plan should include measurable goals and objectives, establish short and long-term deadlines, identify all stakeholders, list expected outcomes, and identify all resources needed. In addition, each section of the plan should be assigned to a project manager for accountability purposes and to track progress toward implementation.**

Individual Performance Goals, and Improved Evaluation and Monitoring Are Needed

Chapter II provided a methodology for determining and setting district office performance goals based on the new federal standards. In order to meet these new statewide performance goals, each management level of DCSE must be a part of achieving this goal through the development and implementation of individual measurable performance goals. Performance goals must start at the lowest level and be geared toward the goals set for the district offices and then the State. At the present time, individual formal performance goals are not consistently found at any level.

The Director of DCSE stated that he has not required individual district office performance goals since he came to the program in 1997 because he did not want to micromanage the district offices and wanted time to build trust with them. He also instructed his regional assistant directors, who are responsible for the day-to-day oversight of the district offices, to do the same. This is true in spite of the assistant director's individual performance plan, which states:

the assistant director must clearly define the goals for their subordinates and their expected contribution to achieve overall agency goals. Proper documentation of how these goals were established, communicated, and monitored must be maintained.

Because setting performance goals has not been a priority at the upper management level, none of the State-run district offices has a formal set of performance goals. Therefore, it is difficult to hold the district managers accountable for the performance of their individual offices. In lieu of formal performance measures, some district managers have created their own performance goals to ensure that their offices continue to improve over the prior year's performance.

However, in order to ensure that the goal to achieve high numbers on the performance standards does not replace quality processing of individual cases, performance goals must address quality as well. The best way to achieve this is to have an effective monitoring and evaluation system at all levels: central, regional, and district.

Central Office Monitoring. The central office's Program Evaluation and Monitoring unit is responsible for monitoring and evaluating the district offices. This is primarily accomplished through an annual self-assessment review. The self-assessment is the federally mandated review that was discussed in Chapter II. This review is intended to be representative of the State as a whole, but is not intended to provide an adequate evaluation of district level offices.

During the last self-assessment audit, DCSE central office staff pulled random and focused samples from all offices and then reviewed 200 cases in the four private offices. The review of the private offices was not part of the federal requirements. JLARC staff questioned DCSE staff whether this special review of the private offices in absence of similar reviews in State offices was the best use of staff time for

monitoring purposes. DCSE since has determined that it will eliminate its special review of private offices and replace it with special reviews of four State-run offices during the next audit. The four State offices (Henrico, Lynchburg, Manassas, and Richmond) to be reviewed were chosen by the regional assistant directors.

This alternative still does not address the best use of staff time for monitoring purposes, because only two of these offices (Richmond and Manassas) are among the lowest performers in the State. A better alternative would be to utilize this central office staff to increase the sample size and review more cases at all of the offices. In addition to increasing case reviews at district offices, DCSE should consider expanding the audit to include the new federal incentive and the State performance measures. Even though the federal government does not appear to be giving the review of the self-assessments a high priority, Virginia still needs to design the self-assessment process to improve its monitoring capabilities.

Regional Office Monitoring. On-site monitoring of the district offices by the regional offices is difficult because there are limited staff to perform this function at the regional level. One method that the assistant directors utilize extensively to monitor performance of an office over time or in comparison to other offices is a review of the extensive management and statistical reports generated from DCSE's automated case management system. When the assistant directors notice that a district office's performance on a specific indicator has changed or declined, they target their efforts to determining what underlying problems at that office may be the cause. This often results in the office shifting additional resources to correct the problem area, which can lead to decreased performance in other areas.

District Office Monitoring. At the district level, most district managers utilize the same automated management and statistical reports as the regional directors to gauge their office's performance. Some managers develop their own reports to gauge the performance of their office or individual staff. Some managers utilize their supervisors to pull cases and perform quality assurance reviews. However, the district offices are not required to have an ongoing quality assurance program, so many do not.

Many district office staffs' responses to the survey indicated that they were being held to a "numbers game" and the quality of work suffered. One caseworker stated, "I think some supervisors avoid case reviews because they are afraid what they will find." Based on the responses to the supervisor surveys, in which a majority felt that they were not overburdened with the work they are expected to handle, the supervisors should be able to handle the addition of some quality reviews to their work activities.

The district offices should use the DCSE contract with Policy Studies Inc. (PSI) as a model for setting performance goals, but ensuring quality at the same time. In order to achieve the performance goals specified in the contract, PSI has developed team and individual staff outcomes-based goals and incentives. For example, in enforcement, goals are based on the percentage of total obligations paid, proportion of arrearage cases paying, and total collections. In order to ensure quality as well as

quantity, PSI has integrated its quality assurance and performance monitoring. Through this process, supervisors utilize automated productivity reports and audit case records to ensure compliance with federal requirements and time frames. Each quarter, when the team meets its overall performance goals and maintains quality, each staff person is eligible to receive an incentive, which can range from movie tickets to a financial bonus. PSI has found these methods translate to high audit compliance and improved staff performance.

Recommendation (15). DCSE should revise its self-assessment activities to monitor more cases across all State offices and to include a review on the performance of the federal and State performance standards in their audit.

Recommendation (16). DCSE should require performance goals for every level of staff at the district offices. In order to ensure quality case processing, DCSE should develop a statewide quality assurance plan that should be utilized by each district office. This plan should include a supervisory level review that is based on automated productivity reports and audits of case records. In addition, DCSE should determine the feasibility of implementing an incentive program to recognize and reward State-run district office staff based on the new State Classified Compensation Plan.

TRAINING AND STAFF DEVELOPMENT REQUIRES COORDINATION AND INCREASED AVAILABILITY

According to Policy Studies Inc., “training lays the foundation for success” in a child support enforcement program. Staff require training and development in a variety of areas, ranging from general program knowledge, child support functions, automated systems and software, interpersonal skills, and time management, in order to be successful in the job.

However, Virginia’s method for training and staff development suffers from a lack of availability and coordination. This section describes the need to increase the availability of DCSE training and to improve coordination, as well as develop supplemental methods to conduct some of the more routine aspects of child support enforcement training.

More Staff Training for Child Support Enforcement Should Be Available and Be Better Coordinated

DCSE has limited resources devoted to training. The central office has one staff member designated to provide training, the western region has two staff members, and the eastern regional office has one. Each of these training staff report to a different supervisor, so any coordination or sharing of training materials that does

exist is voluntary. The courses provided by these trainers include initial in-service training, fiscal training for non-fiscal staff, and training on specific child support functions. They are not able, within current resources, to offer training sessions on what has been referred to as “soft skills,” such as ways to improve management of cases, interviewing skills, time management, or ways to improve customer services.

Thirteen of the 22 district managers said that the training provided by the regional trainers to their office is good or excellent. They prefaced their remarks, however, that the answer was based on quality, not quantity. The regional assistant directors agreed that the availability of training needs improvement. The most frequently mentioned problem regarding DCSE training is that training is not available when needed.

In their responses to the JLARC staff surveys, all levels of staff felt they need additional training in a variety of areas, including:

- **Computer training.** This includes APECS, as well as other DSS systems, such as ADAPT. They also need general computer training on how best to use software programs such as: Oracle, Access, Excel, Word, and PowerPoint.
- **Child support function training.** This includes courses on establishment and working with the courts, fiscal, federal changes related to welfare reform, interstate processing, enforcement techniques, refresher courses on all functions, and cross training. They also need training on the use of the Internet for locate and other child support functions.
- **Interpersonal training.** This includes communication, team building, time management, stress management, supervisory training, interviewing skills, and ways to deal with difficult customers.

Lack of coordinated training was another common comment about DCSE’s current method of providing training. Prior to 1997, DCSE staff indicated that the central office coordinated training and all training staff reported to one supervisor. Since that time, however, training staff have been placed in each of the regional offices and no longer report to a supervisor at the central office. This decentralization of training has led to central office and regional office training staff developing their own methods for providing training, and any coordination that exists is limited to the regional level. This can lead to inconsistent training being provided, and duplicate training course being developed by the central and regional offices.

DCSE Needs to Find Ways to Supplement the Training Provided

During staff interviews and site visits, it was clear that there was not a consistent manner across the State to supplement training that is provided by the designated training staff. DCSE training staff do not routinely share their materials with district offices, so each district office appears to develop its own training materials and

methods, which can range from informal training methods to actual in-house training sessions. DCSE needs to evaluate its training capabilities and determine if there are additional ways to supplement the training that is available. Training should be divided into two categories: (1) routine, on-going training, and (2) non-routine training on new policies and procedures.

One method of supplementing DCSE training is to utilize community colleges and other computer training providers to train staff on computer software packages. DCSE has used this method extensively in the eastern region. This type of training continues to be an issue, however, because most district managers indicated during the interviews with JLARC staff that they need computer support staff. In fact, what they may need is better training on the use of the various software that is available. DSS staff interviewed for this study indicated that the district offices do not need a computer network technician on-site because DSS provides the Local Area Network (LAN) support and the computer hardware support is provided under the warranty services—both are a phone call away.

Another method to supplement DCSE's training is to contract training to outside trainers. This method has been used extensively by DSS to provide ongoing training to local social services workers. The potential advantages of outside training are that it could be made available where and when it is needed, the course curriculum could be developed in conjunction with the program staff, and trainers could be hired with experience in the subject area of the training.

Other methods to supplement the current training is to utilize more fully the training materials available on CD-ROMs through the federal Office of Child Support Enforcement, develop computer-based training, and use the "train the trainers" approach, which involves providing training to a staff person who, in turn, provides the training to others.

***Recommendation (17).* DCSE should evaluate its current training program and develop an annual plan to provide training that is coordinated across the State, is available when needed, and emphasizes effective caseload management. Each annual plan should be based on a training needs assessment that assesses the courses needed by staff and incorporates outcomes of the self-assessment review. DCSE should evaluate alternative training methods for providing routine training, such as computer-based training, use of outside trainers, and training supervisors to train their staff.**

CUSTOMER SERVICES NEEDS IMPROVEMENT

Customer services are, as the name implies, the services that are provided to customers to ensure that their questions and concerns can be addressed and to ensure that they are satisfied with the services provided by DCSE. Customers include non-

custodial parents, custodial parents, and employers, as well as the ultimate customer—the children who are the intended beneficiaries of the program. Customer services provided by DCSE include responding to customer inquiries and complaints via telephone and letter, and providing access to automated case information via a voice response system.

The quality of customer services at the district offices is often cited as a major problem. Clients reportedly have a difficult time getting through to the local child support offices via telephone, and when they do get through, it can often take a long time for their problem to be resolved. However, as stated earlier, DCSE customers can be difficult to satisfy because child support enforcement involves three highly emotional issues: money, children, and broken relationships. While the offices may work to improve customer services, customer satisfaction is difficult to achieve in child support enforcement.

There are ways, however, that customer services can be improved. First, DCSE needs to determine what priority customer service should have. If customer service is to have a high priority, then improvements should be made, including formalized monitoring of customer services inquiries, improved training and compensation for customer services representatives, and an improved voice response system. In addition, if payments are disbursed to customers in a timely manner, they will be more likely to be satisfied with DCSE's services. This section addresses the level of customer services that are available, the variety of ways that customer services are provided by the district offices, compensation issues, and the lack of effective training for customer services staff.

Customer Services Are Provided at All Levels of DCSE

The central, regional, and district offices all have roles in customer services. The central office has a customer services unit that responds to customer inquiries, concerns, and complaints via telephone, letter, and email. According to DCSE staff, the toll-free telephone number for the central office customer services unit is well publicized and it is often included on DCSE's correspondence to customers, so many customers call the central office instead of the district offices when they have a question or complaint. The central office also indicated that customers often "shop" for answers, and if they don't like the response received at the district or regional offices, they will call the central office. In addition to responding to telephone calls, the director's office often receives the "Priority 1" letters, which generally are letters that customers send to an official outside of DCSE, such as legislators, the Governor, or the Secretary of Health and Human Resources.

The regional offices have a relatively limited role in customer services. These offices provide limited monitoring of the customer services that are provided at the district offices. In addition, these offices receive calls from customers who do not feel that their questions or concerns were adequately addressed at the district office level.

Most customer services activities take place at the district offices. All district offices have designated customer services units that respond to customer inquiries, concerns, and complaints. Customer services can be very time consuming, so the goal of the district office customer services units is to answer as many calls as possible so that caseworkers can focus on casework rather than spending time on the telephone. The district offices also draft responses to Priority 1 letters and forward them, through the regional office, to the central office for the director's signature.

At all levels of DCSE, there are two general schools of thought on the priority that customer services should have: one view is that DCSE spends too much time on customer services, while another view is that DCSE can and should put more effort into customer services. A typical comment from DCSE staff with the latter view is: "customer service needs to be a priority. We need to put ourselves in our client's shoes." On the other side, some DCSE staff think that "DCSE has empowered its customers to demand access to DCSE at all times. Customers have the right to find out about their cases, but limits need to be set." Some believe that DCSE should limit customer access to DCSE to certain times of the day as other states do.

The District Offices Differ in the Way They Provide Customer Services

At the district office level, there are differences in the approach to customer services. Two of the main differences are the types of staff used to provide customer services and the way they monitor customer services.

Type of Staff Used for Customer Services. One of the main differences among district offices is the type of staff used in the customer services units. As shown in Table 22, most district offices use program support technicians (PSTs) as customer services representatives, or a combination of PSTs and another type of staff. Some districts, however, place a higher level of staff in customer services by using caseworkers as customer services representatives. These offices indicated that this level of staff can answer more complex questions, and they can also take action on cases, which PSTs cannot do.

Table 22

Types of Staff Used in District Office Customer Services Units		
Type of Staff	Number of Offices	Percentage of Offices
Caseworkers only	3	14%
Caseworkers and other staff	1	5%
Program support technicians only	10	45%
Program support technicians and other (non-caseworker) staff	6	27%
Other	2	9%

Source: JLARC telephone survey of DCSE district managers.

Some of the district managers in the offices that use caseworkers in customer services think that having caseworkers in customer services is a trade off – it may improve customer services, but casework may suffer because there may be fewer caseworkers in other areas, such as establishment and enforcement. When asked to rate the customer services staff in their office from excellent to poor, caseworkers and supervisors generally agree that their customer services units' services are good, and there is very little difference on average in the perception of customer services in offices staffed with caseworkers versus lower staff classifications, such as PSTs. In addition, the four offices staffed with caseworkers received 41 percent of the Priority 1 letters in FY 2000, while the remaining 18 offices received 59 percent.

The District Offices Differ in the Way They Monitor and Report on Customer Services. To ensure that customer services are being provided in a satisfactory manner, they need to be monitored to ensure that the customer's questions and concerns are addressed. In addition, customer services inquiries need to be reported to management in a systematic fashion so that trends can be analyzed and systemic problems can be resolved.

Currently, there does not appear to be a consistent method for monitoring and reporting customer services inquiries at the district offices. Some district offices have placed a higher priority on customer services by assigning a position to be a customer contact representative. This person monitors and maintains a log of all complaints in the office. In other offices, it is not clear how the office ensures that all calls are addressed. The private offices operated by PSI call a random sample (about two to three percent) of custodial and noncustodial parents to ask about the quality of services received.

In addition, there does not appear to be any analysis of district office customer services trends by DCSE management. Currently, the district offices are not required to summarize and report to management the types of customer services inquiries received. This could result in management not being aware of the types of concerns and complaints that exist in the field. According to the DCSE director, DCSE management keeps abreast of customer concerns and complaints by reviewing the Priority 1 letters received by DCSE (see Table 23).

As shown in the table, the Manassas district office has the highest number of priority letters, six letters for every 1,000 cases in their caseload, and Portsmouth the lowest (less than one letter for every 1,000 cases). However, these letters represent only a portion of the concerns and complaints received, and they may not always represent typical complaints.

There Are Varying Opinions on the Effectiveness of Customer Services Units

Although the average rating of customer services units by staff in the district offices was "good," there were conflicting opinions among the district office staff re-

Table 23

Priority 1 Customer Services Letters Received by the Central Office from July 1999 to June 2000			
District Offices	Number of Priority 1 Letters	Percentage of All Priority 1 Letters	Number of Priority 1 Letters per 1,000 Cases
Manassas	112	12%	6.1
Henrico	113	12%	5.4
Fairfax	123	13%	4.8
Winchester	32	3%	3.6
Fredericksburg	49	5%	3.6
Alexandria*	21	2%	3.2
Verona	35	4%	2.6
Arlington*	18	2%	2.4
Hampton*	43	5%	2.3
Newport News	51	6%	2.2
Chesapeake*	28	3%	2.0
Virginia Beach	48	5%	1.9
Danville	43	5%	1.6
Charlottesville	18	2%	1.5
Richmond	36	4%	1.4
Petersburg	26	3%	1.4
Lynchburg	25	3%	1.4
Abingdon	27	3%	1.3
Suffolk	12	1%	1.2
Norfolk	26	3%	1.0
Roanoke	27	3%	1.0
Portsmouth	13	1%	0.9

* Note: These offices are private-run offices.
Source: JLARC staff analysis of Division of Child Support Enforcement data.

garding the effectiveness of their offices' customer services units. In general, based on survey comments, district office caseworkers think that the customer services units do a good job answering routine questions, and they think that the customer services units free up their time to focus on casework. One caseworker stated:

they are essential and underpaid. They free a lot of time for workers to work that would be spent on the phone. Upset individuals are/can be calmer as they vent their emotions on the Customer Services representative by the time the workers get the calls. They are vital to smooth efficient operations.

Others, however, think that customer services units could do more. Many caseworkers think that customer services representatives often give out inaccurate information and that they should answer more calls instead of referring the calls to caseworkers. One caseworker stated that their customer services unit should "resolve

some of the calls and not just receive and refer.” Others think that their customer services units could do a better job if they had more staff and were better trained.

In addition, caseworkers indicated that customer services units are referring too many calls. All of the information to answer the most common inquiries (status of an action and requests for payment histories) should be available to the customer services units on the APECS system, so it is unclear why these types of inquiries would be referred to a caseworker. Some survey respondents indicated that customer services staff need to be trained to answer questions that are readily available in case notes on APECS.

Compensation and Lack of Effective Training May Be Inhibiting the Effectiveness of Customer Services Units

There are several factors that could be inhibiting the effectiveness of customer services units, including the general lack of an adequate, consistent training program for customer services representatives, and the compensation and grade level for PSTs, which may make it difficult for DCSE to obtain and retain good customer services staff.

Several of the caseworkers stated that customer services staff do not have sufficient training, which results in calls being transferred unnecessarily to the caseworkers and inaccurate information being provided to customers. Some districts do have formalized training programs for new customer services representatives. For example, the two-week training session provided to customer services staff in the offices operated by PSI could be considered a model. The training provided includes an introduction to child support enforcement, intranet training, APECS training, and financial training. In addition, the new representative spends about two days with each unit in the office (such as intake, establishment, and enforcement) to learn about their responsibilities. Finally, the representative is paired with a customer services representative until the lead customer services worker is comfortable that the new representative is ready to take customer calls.

Other offices, however, have more generalized training programs whereby new representatives are paired with a more experienced representative and learn by observing. Some offices have new representatives meet with staff in other areas to learn about other units' responsibilities. In addition, some customer services staff also receive regional or central office training on topics such as dealing with difficult people, but, because of training schedules, this training may not be provided until the representative has been on the job for several months.

In addition to training, the compensation level of the customer services representatives could be affecting the customer services units. As stated earlier, most customer services units are staffed with PSTs, which are grade six positions. These staff are required to have an in-depth knowledge of all aspects of the child support enforce-

ment program. They must also deal with customers who are usually not happy with DCSE services, and are sometimes irate.

During this study, many staff indicated that the Customer Services PSTs need to be upgraded. This is supported by the fact that customer services representatives in other agencies are a higher grade than DCSE's. For example, the Department of Social Services (DSS) has a call center that handles calls regarding DSS services and other human services programs. These staff were upgraded from grade six to grade seven about two years ago. In addition, the customer services representatives at the Department of Medical Assistance Services are grade eight; representatives at the Department of Motor Vehicles are grade seven, eight, and nine; and representatives at the Virginia Lottery are grade seven.

Recommendation (18). DCSE should develop a policy on how customer services should be staffed and monitored. This policy should be communicated to all staff levels so that DCSE's customer services philosophy is implemented consistently at all levels of DCSE and at the district offices. In order to address shortcomings in the current provision of customer services, DCSE needs to conduct the following activities:

- **Determine the appropriate type of staff to use as customer services representatives (caseworkers or program support technicians).**
- **Determine the appropriate level of compensation of customer services representatives. Program support staff should be upgraded to at least a grade seven to be consistent with other agencies and to enable DCSE to attract qualified candidates.**
- **Implement formal monitoring and tracking systems in all offices. This should include summarizing client concerns for management so that customer services trends can be monitored.**
- **Provide improved and consistent training for new customer services representatives. The goal should be to reduce inaccurate information being provided to customers and reduce the number of calls being transferred to caseworkers.**
- **Provide district office staff with the tools to provide consistent and accurate responses to customer services inquiries. This should include templates for letters and flip cards with responses to common telephone inquiries (such as those used by PSI).**
- **Reevaluate the current voice response system (discussed in Chapter IV).**

- **Design and implement an interactive Internet site where customers can apply for child support services online, check the status of payments, and communicate with DCSE staff (discussed in Chapter IV).**

Child Support Payment Disbursement Process Needs to Increase the Use of Electronic Payments

The processing and disbursement of child support payments is closely related to customer services and customer satisfaction. If customers are receiving their payments in a timely fashion, they are more likely to be satisfied with DCSE's services. DSS' Finance Division, which conducts DCSE's disbursement function, distributes 99.99 percent of child support payments within 48 hours of receipt. Therefore, the focus of JLARC staff's review of the disbursement process was on the use of electronic funds transfer (EFT) and direct deposit (EDI) to improve the performance of payment disbursement and reduce the staff time devoted to this effort.

Overview of the Disbursement Unit. The Division of Finance in DSS is responsible for child support payment processing and disbursement. The unit responsible for handling child support payments in the Division of Finance is responsible for various functions, including: payment processing and disbursement, incoming and outgoing EFT/EDI payments, payment transfers and adjustments, and tax intercept processing. The unit processed approximately 2.8 million transactions in FY 1999.

The unit has approximately 68 staff, 25 of which are P-14s (37 percent of the total staff). In addition to relying heavily on wage staff, this unit has mandatory overtime requirements. In order to meet revenue-processing goals, one-third of the staff work six-hour shifts on Saturday and extended shifts are utilized every Monday.

Use of Electronic Funds Transfer by Employers. Currently, about 70 percent of child support payments received by DSS are from employers (who have deducted child support from their employees' paychecks), yet only seven percent of payments are submitted electronically to DSS from these employers. All other payments must be processed manually. As of May 2000, approximately 300 employers/agencies submitted payments electronically.

The number of electronic payments processed has increased by 217 percent since July 1999, due in part to the State of Virginia's participation in submitting payments electronically. However, as of May 2000, only 19,849 payments were received electronically, which is still a small percentage of the total caseload of approximately 400,000. Division of Finance staff work to encourage employers to participate in electronic payment processing, but they also need to maintain good working relationships with employers.

According to Division of Finance staff, companies that remit more than \$20,000 per month to the Department of Taxation are required to do so electronically (although

this is only one payment); therefore, it should not be too burdensome on employers to remit child support payments electronically. DSS staff stated that DCSE's APECS system is able to interface with all types of EFT and EDI formats, so little work would need to be done on their side.

Within DSS last year, the Division of Finance staff submitted legislation for the General Assembly to request employers to submit child support enforcement income withholdings electronically to DSS. The benefits of this legislation would have been twofold: a reduction in the time a custodial parent has to wait to receive the funds, and a reduction in the staff overtime needed to process these funds. However, this proposed legislation was not part of the DSS legislative package for the 2000 General Assembly session.

Use of Direct Deposit (EDI) by Custodial Parents. Currently, about 27 percent of payments are disbursed to custodial parents electronically (this does not equate to 27 percent of cases because a single custodial parent can receive multiple payments in one month). The number of cases that are set up to receive payments by direct deposit has increased every month since July 1998. As of May 2000, the total number of cases set up to receive payments by direct deposit was 25,734, a 394 percent increase since July 1998. However, the percentage of cases receiving direct deposit is still a small percentage (approximately six percent) of the total caseload.

Direct deposit has two major benefits for custodial parents: (1) support payments are received faster because checks do not have to be mailed, and (2) checks cannot be lost or stolen. In addition, Division of Finance staff estimate that direct deposit is more cost effective. It costs \$.38 per payment to process a direct deposit payment, and \$1.10 to process a manual payment.

Recommendation (19). **The General Assembly may wish to consider requiring employers that have to submit tax payments electronically to the Department of Taxation to also submit child support payments electronically. In addition, DSS and DCSE staff should develop an informational brochure that is provided to all custodial parents in order to promote and encourage them to elect direct deposit of their child support payments.**

CENTRALIZATION OR PRIVATIZATION OF CHILD SUPPORT FUNCTIONS SHOWS MIXED RESULTS

Centralization of child support functions can produce efficiencies by having one entity perform activities that are currently performed by all district offices. Privatization of child support functions can also be useful when a considerable amount of State resources can be replaced with an outside entity, whose performance is tied to payment. In addition, private firms utilize the leading technology and can be cost-effective in the long run. DCSE has utilized private full-service child support offices when they could not get additional staff and needed additional offices to address large

caseloads. Moreover, DCSE has utilized the private sector for things that they do not have the expertise to do, or when another state agency (such as the Health Department) was not willing to assume this responsibility, such as paternity and genetic testing.

This section describes Virginia's experience with the privatization of entire district offices and certain child support functions. In addition, it discusses the need for better contract management to ensure the State receives the services it has paid for. Finally, this section provides comments by the district managers on additional functions that could be centralized and/or privatized.

Privatization of Full Service Offices Shows Mixed Results

DCSE began privatization of full-service offices in May 1994 in order to reduce the workload of some offices, reduce the geographic spread of district offices, and address the inability to hire more staff. At the present time, DCSE has four full-service offices operated by private companies. The success of these offices has been mixed. Two offices, located in Arlington and Alexandria, are run by Lockheed Martin IMS. The other two offices, located in Hampton and Chesapeake, are run by Policy Studies Inc. (PSI).

The Lockheed Martin contract runs for five years from January 1998 (the office opened in April 1998) until January 2003. As shown in Chapter II on performance, the Lockheed full service offices in Alexandria and Arlington are the two lowest performers in the State (ranked 21 and 22 on the report card). Part of the problem appears to be that they have an unusually high ratio of support staff to caseworkers. According to DCSE staff, the entire Arlington staff has turned over since April 2000. These contracts cost \$1.4 million in FY 99 and \$1.6 million in FY 2000.

DCSE is frustrated that these two offices with such overall low caseloads (Alexandria has 6,512 cases; Arlington has 7,363 cases) are performing so poorly. Recent performance problems include: focusing on obligated cases rather than establishing new obligations or paternity; closing cases without the proper notice of intent; poor relationships with local department of social services agencies; unacceptable customer service and case management; and the mismanagement of funds received from non-custodial parents (several child support checks were found in employees' desks). In response to these concerns, DCSE has sent a series of warning and alert letters as specified in the contract. Lockheed recently sent DCSE a corrective action plan, but DCSE staff indicated that it did not meet their expectations.

The other full-service privatization contract is with PSI. PSI's contract also runs for five years from December 1998 (these offices initially opened in 1994 under Lockheed and re-opened in April 1999 under PSI) until December 2003. On JLARC's report card, the Hampton office is ranked 10 and the Chesapeake office is ranked 11. These contracts cost \$3.3 million in FY 1999 and \$4.1 million in FY 2000 (the PSI offices have caseloads of 14,266 and 18,510).

PSI inherited these offices from another company. Based on PSI's response to the request for proposals to provide child support enforcement services, the new offices had to deal with major operational problems left by another private company. Problems that needed to be addressed included: sharply declining paternity establishments, declining order establishment rate, large establishment backlog, deficient TANF collections, inadequate use of judicial remedies, and non-compliance with audit standards.

PSI has not received any warning or alert letters from DCSE and is exceeding contract performance standards and earning incentive payments as a result. In addition to performing well, PSI has utilized its resources to pilot two projects in these offices. The Hampton office is piloting the impact of reducing caseworker caseload to 500 (this standard is different than the 400 cases per all staff in the office, which is discussed in Chapter III). The Chesapeake office is piloting the impact of closely monitoring cases that suddenly stop paying so that they can be located and begin paying again.

According to DCSE staff, one of the reasons that the eastern Virginia private offices are performing better than the northern Virginia private offices is that the contract was written differently. The PSI contract is much more specific about performance, and it also includes a performance incentive. The Lockheed contract just focused on collections. The PSI contract also provides that a district manager must always be in employment within specific time frames, and the office must have an adequate number of fiscal staff for checks and balances.

***Recommendation (20).* DCSE should develop a short-term and long-term transition plan for how to handle the poor performance at the Lockheed Martin IMS child support enforcement offices. In the short-term, DCSE, in conjunction with the Attorney General's office, should continue to monitor and evaluate these offices closely to determine whether additional remedies are needed and to determine whether there are grounds for ending the contract. In the long-term, DCSE should develop a plan to transition those offices back to State-run offices or seek private full-service child support enforcement services from another contractor.**

Privatization of Specific Child Support Functions Requires Better Contract Management

DCSE has also privatized individual child support functions with mixed results. It contracts with the following five companies:

- **Genetics and IVF Institute-Fairfax Identity Labs.** This group provides paternity assessment services using DNA genetic testing techniques. It has a one-year contract, which began in January 1996, with three one-year renewal periods. In FY 1999, it was paid \$1.5 million to test 17,940 samples; in FY 2000, it was paid \$1.3 million to test 15,371 samples.

- **GC Services.** This group provides billing and collection services for blood testing and legal fees. In addition, it was collecting delinquent child support accounts (this part of the contract was ended in March 2000). It has a two-year contract, which began on February 1997, with three one-year renewal periods. In FY 1999 it was paid \$2.2 million; in FY 2000, it was paid \$1.6 million.
- **Policy Studies Inc.** This group handles the new hire reporting operations and eliminated a 20,000 report backlog within one month following the contract. It has a two-year contract, which began in January 1997, with three one-year renewal periods. In FY 2000, it was paid \$702,148.
- **Best Mailing Service.** This group sends certified mail for the entire state for automated income withholding and driver's license suspension. DCSE has been utilizing limited mail contract services since 1996. The current contract began in June 2000 and has been paid \$1,092 in FY 2000. The previous contractor was paid \$41,184 in FY 2000.
- **Paternity Establishment Program.** This is a program with all 68 birthing hospitals in the State. Each hospital is paid \$20 to complete an Acknowledgement of Paternity (AOP), regardless of whether the mother requests child support services. In FY 1999, the hospitals were paid \$231,920; in FY 2000, they were paid \$261,500.

While the full-service private contracts are monitored by the regional assistant directors, these contracts for specific child support functions are developed and monitored by DCSE central office staff. However, there is no central unit responsible for all contracts; the contract administration unit is responsible for the first two contracts, APECS staff are responsible for the next two contracts, and the staff development unit monitors the final contract.

One private contract has caused problems in terms of potential overpayment of State funds for services that may not have been provided. As stated above, the GC Services contract was modified effective March 2000 so that the company no longer works on the hard-to-collect cases (cases where there is no collection after 90 days). This elimination of collection services from the GC Services contract was the result of a DCSE staff review of a sample of more than 15,000 cases billed in November 1999 to DCSE for payments.

According to DCSE staff, the majority of the cases reviewed did not reflect actions in which the vendor should be paid a commission. This review found the following reasons for non-payment of a vendor's commission:

- payments were received for more than six months with no indication of GC Services action;

- payments directly resulted from income withholdings as a result of new hire reporting information and not work done by GC Services;
- payments resulted from DCSE research or actions, such as driver's license suspension;
- payments resulted from information provided to DCSE by one of the parents;
- payment resulted from court actions; or
- payments resulted from actions by out-of-state child support agencies.

The first reason appears to indicate a lack of an adequate monitoring and auditing system by DCSE staff, since payments to the collection firm were allowed for more than six months. The other reasons, however, appear to result from the failure of DCSE's staff (mainly caseworkers) to retrieve cases on which they worked from the automated system.

Based on staff analysis of invoices, DCSE's solution was to assume only 30 percent of all collections made by GC Services during the billing time period of November 1999 through March 2000 were legitimate. On June 8, 2000, the director of DCSE wrote GC Services that there may have been "erroneous charges" by the company for the billing period. Because DCSE wanted to be fair to GC Services, DCSE offered to reimburse GC Services 60 percent, rather than 30 percent, of the submitted invoices. GC Services was paid \$742,644 of the outstanding invoice charges totaling \$1,237,740 million. GC Services met with DCSE staff on the issue and then responded by letter on August 2, 2000, stating that the company did not agree with DCSE's 40 percent discount of its invoices. In its letter to DCSE, GC Services stated:

Accounts were placed with GC Services for collections. Efforts to collect these accounts were made. The Department had the contractual responsibility to withdraw any account for which it was collecting money. The Department made no effort to recall any account...The Department's unilateral review of the record and finding that GC Service's collection efforts were not responsible for payments generated on accounts placed for collection is, in our opinion, neither credible or fair. We respectfully request payment of our outstanding invoices in the amount of \$495,535 be issued immediately.

To date, this outstanding balance remains unpaid. It appears that the end result of this contract problem is that public funds were paid to a contractor for work that State employees actually performed, but were contractually owed due to mismanagement of the contract by DCSE and the failure of caseworkers to retrieve cases they took collection actions on themselves. In order to ensure that the problem did not continue, DCSE did not renew the contract in March 2000. One consequence of this

action, however, is that some of the more difficult collection cases that this contractor pursued will most likely not be assumed by the field offices.

Recommendation (21). DCSE should ensure that future contracts with outside vendors should describe the performance expected of the vendors and the methods by which DCSE will provide oversight and audit functions. To this end, DCSE should centralize the contract management activities in the division and develop a methodology for providing ongoing oversight and audit functions of its contracts.

District Managers Believe that Additional Child Support Functions Could Be Centralized or Privatized

All district managers, regional assistant directors, and several central office management staff were asked two questions concerning centralization and privatization. First, they were asked if there are functions/activities currently performed by the district offices that could be better performed by the central office. Second, they were asked if there were functions that could be performed by other entities.

Thirteen of the 22 (59 percent) district managers indicated that there are functions that could be better performed at the central office and 16 (73 percent) think certain functions could be privatized. The functions mentioned by a least one manager are shown in Table 24. Some district managers stated that certain functions, such as customer services, locating noncustodial parents, and working on interstate cases, could be performed more effectively and efficiently by one group rather than each district

Table 24

District Managers' Responses to Additional Child Support Enforcement Functions that Could Be Centralized or Privatized			
Child Support Functions	Could Be Performed Better by the Central Office	Could Be Performed Better by Private Companies	Could Be Performed Better Either Way
Processing interstate cases			✓
Locating the noncustodial parent			✓
Customer services			✓
Generate and mail selected documents and letters from the automated system, such as non-payment letters	✓		
Perform case closure procedures	✓		
Fiscal operations	✓		
Paternity establishment		✓	
Computer services		✓	

Source: District managers' response to JLARC telephone interview, Spring 2000.

office handling the function themselves. Some managers think that a centralized or privatized customer services center could benefit by better management, better use of resources, better training and expertise development, and the increased use of office technology (at the present time, DCSE staffs a customer service unit at the central office and all the district offices). The locate function (the process of finding the non-custodial parent) is another function that was mentioned that could be centralized or privatized, because most of the actual work is done through automated matches and searches. Once the noncustodial parent was found, this information could be sent electronically to the district offices to perform the next steps such as establishing paternity, establishing a support order, and collecting support. The third function that some district managers mentioned that could be centralized or privatized is the processing of interstate cases. Twenty-six percent of all the child support enforcement cases are interstate cases, and they are very time-consuming to work. In some offices, this percentage is much higher, and they have to assign caseworkers to work solely on these cases.

Some district managers also think that there were certain routine functions that would be better handled by the central office, including mass mailings of specific letters, conducting the case closure procedures, and having more of the fiscal functions done by the central office for accountability and security reasons.

***Recommendation (22).* DCSE should form a workgroup of central office staff, regional staff, and the district managers to evaluate the cost effectiveness of having more child support enforcement functions centralized or privatized and to make recommendations.**

BEST PRACTICES AND STAFF SUGGESTIONS FOR IMPROVING THE CHILD SUPPORT ENFORCEMENT PROGRAM SHOULD BE SHARED AMONG THE DISTRICT OFFICES

Through interviews and surveys, DCSE staff were asked to answer two questions. First, district managers were asked “are there any best practices that your district office has implemented that have improved your performance and that may be beneficial to other offices?” Second, all staff surveyed were asked to respond to the question “what suggestions do you have to make the child support enforcement system in Virginia work better?” Their responses to these questions are found in this section.

Best Practices for Child Support Enforcement

Exhibit 6 provides a list of some of the best practices mentioned by the district managers during their interviews. District managers provided examples of best practices both for ways to improve a particular child support function and for ways to improve the overall delivery of child support services. Many of the best practices involved ways to make the best use of the customers’ time, by scheduling interviews at different

Exhibit 6

“Best Practices” Implemented by the District Managers for Child Support Enforcement Functions

Intake/Locate

- Conduct group intake sessions for custodial parents during non-routine times (such as Saturdays and evenings) to increase attendance. During the session, the custodial parents are provided an overview of child support services and their application for services is completed.*
- Use private process servers for interstate cases.
- Use the Internet as primary source to locate noncustodial parents.
- Send letters to welfare cases and follow-up with phone calls to get more information than they gave to the social services worker that opened the case.
- Use videoconferencing with local department of social services to provide one-stop processing for welfare and child support enforcement services.

Paternity/Order Establishment

- Utilize one visit to establish paternity and establish the order, rather than having the noncustodial parent make two appointments.
- Schedule paternity interviews with the noncustodial parent on the same day as blood testing is scheduled. Then if the noncustodial parent refuses to voluntarily acknowledge paternity, the blood test can be given during this initial visit.
- Go to noncustodial parents in jail, their work sites, and their homes to establish paternity.*
- Establish certain days when child support enforcement services will be provided at courts and local social service agencies and conduct interviews there.
- Complete an initial non-support petition if a noncustodial parent does not respond within 30 days of contact (this process has increased the number of paternities established because the noncustodial parent does not want to go to court).

Collections and Enforcement

- Schedule face-to-face interviews with noncustodial parents to improve their willingness to work with DCSE. At the interview, issues are identified and payment negotiated. (Probably easier in offices with small caseloads.)
- Motivate staff to perform better in collections and enforcement with incentive bonuses.*
- Have workers specialize in interstate cases.
- Use DCSE's CD-ROM to select cases that have not made a payment in 90 days and focus on these cases.
- File for revocation of a suspended sentence, if a noncustodial parent has a suspended sentence and misses one payment.

Overall

- Develop informational brochures for customers with common questions and answers.
- Develop a close relationship with local departments of social services to improve coordination on issues of welfare, foster care, and medical support with child support enforcement.
- Develop an internal training program for staff.
- Bring the supervisors of two district offices together to share ideas on ways to improve performance.
- Develop “macros,” which use existing Windows technology to perform multiple functions with less interaction by the worker. For example, macros have been developed that allow a worker to obtain all the documentation needed for court with one entry of the case number.
- Create a better filing system, which utilizes a bar coding system.
- Create an administrative unit to alleviate the amount of clerical work by caseworkers.
- Develop an alliance with neighboring states to improve processing of interstate cases.

* Best practice utilized in a private-run office.

Source: JLARC staff telephone interviews with all 22 district managers.

hours, combining activities to eliminate multiple trips to DCSE and/or local social services offices, and developing better information on the services available from DCSE. Additional best practices focus on ways to make the process work more smoothly, such as better cooperation with the local departments of social services, better training of staff, and the effective use of technology. Many of the district managers indicated that they may share their best practices with other district offices, but there is no recognition among their peers or their supervisor of the improvements these actions may produce. DCSE needs to continually promote the sharing of best practice ideas, and, as appropriate, promote the implementation of these practices across district offices.

Recommendation (23). DCSE, through the regional assistant directors, should convene the district managers to discuss the best practices listed to determine the feasibility of implementing some of the best practices in all district offices statewide. Sharing of methods to increase the performance of the offices should be an ongoing activity.

Dissemination of Private-Run Offices' Best Practices Should Enhance the Efficiency and Effectiveness of the District Offices

During a site visit, document reviews, and interviews with PSI staff, it was apparent that the Hampton and Chesapeake offices incorporate several of the concepts that are recommended in this report for improving performance of the State-run offices (during Phase I of the study, a site visit was conducted at the private-run offices by Lockheed Martin). In a short time, these practices have helped PSI make substantial improvements in the operations of two offices that had been floundering under a previous contract. Each of these best practices is discussed briefly below:

- Develop a strategic plan to improve child support services, based on an analysis of the district needs and the need to meet federal performance standards.
- Use staffing standards to staff the office at 500 cases per worker initially, prior to the initial case clean-up, and movement toward a standard of 400 cases per worker.
- Use an organization structure that is built on the team concept. Each “full service” team handles all post-intake child support establishment and enforcement functions and is responsible to ensure that each case receives the applicable child support enforcement services. Each team has a team leader, one court caseworker, four establishment caseworkers, two enforcement caseworkers, one new order caseworker, and one administrative assistant. This concept maximizes accountability, flexibility, and performance.
- Use an on-site program specialist to provide procedural training and conduct some of the quality assurance activities.

- Use a central training department to work with the district offices in assessing training needs, develop curricula that will improve staff performance, deliver training, and evaluate the effectiveness of training. In addition, provide computer-based training. Set a goal of providing at least 24 hours of training per staff per year.
- Provide training to customer services staff. Expose customer services staff to the same training as caseworkers. Provide each staff with flip cards divided by certain child support functions in order to give standardized answers. The most frequently asked questions and answers are provided.
- Conduct customer surveys on the quality of services received. PSI staff select two to three percent of the cases and the survey is conducted by the deputy manager. In addition, PSI staff analyze the information and discuss the results at the management team meetings.
- Ensure that quality, as well as quantity is achieved in the management of cases by developing individual performance goals, conducting quality assurance activities, and providing incentives when performance exceeds goals.
- Employ a file librarian who will manage the central filing system, maintain file security, and track files using bar-coding software and hardware.

***Recommendation (24).* DCSE should utilize the PSI contract and the way services are provided as a “best practices” model for the State-run offices.**

Staff Offer a Variety of Suggestions to Improve the Child Support Functions

More than 600 child support enforcement staff, located at all of the district offices, returned JLARC surveys that asked them about their work activities, the usefulness of APECS and voice response systems, training received in the past year, their perception of their workload, and ways to improve child support enforcement services. Many of their answers to some of the survey questions have been discussed throughout the report in aggregate form. Exhibit 7 provides a summary of the most common responses that staff had on ways to improve child support services. Their suggestions are presented within seven topical areas: staffing, employee benefits, workload, performance, training, customer services, and interagency cooperation. The most frequently mentioned suggestion was to increase staffing. These frontline staff felt that most improvements in the program depend first on DCSE central office recognizing this need. The district office staff put a lot of time and effort in responding to the survey, and their comments should be reviewed carefully by DCSE management to determine the feasibility of implementing the suggestions.

***Recommendation (25).* DCSE district managers should convene their entire office staff to discuss staff suggestions and to determine whether any**

Exhibit 7

DCSE Staff Suggestions on Ways to Improve Child Support Functions**Staffing Suggestions**

- Need more staff, more caseworkers, and more support staff.
- Use more permanent personnel.
- Review organizational structure to reduce numbers in supervisory and senior specialists roles and increase numbers of caseworkers.

Employee Benefits

- Allow flex-time, overtime with pay
- Show appreciation.
- Implement pay for performance with incentives, provide higher pay.

Workload

- Distribute the workload more evenly.
- Encourage more teamwork.
- Utilize generic caseloads.
- Provide dedicated time to work cases without interruptions.
- Stop giving caseworkers special projects.
- Allow staff to remain in an area without constantly moving them around.
- Provide better-defined job functions.

Performance

- Emphasize quality over quantity in caseload management.
- Provide adequate supplies.
- Consider staff input, encourage creativity.
- Hold workers accountable, get rid of “dead weight.”
- Get all hospitals and armed forces involved in the Paternity Establishment Program (PEP) program.
- Clean caseloads.
- Provide a workplan with performance goals.
- Reduce abuse of time by staff.
- Reduce manual reports when the information can be found on APECS.
- Address problems with the individual, not with the unit as a whole.
- Stop showing favoritism.
- Improve security procedures for staff, including security cameras, bulletproof glass for payment and reception areas, interview rooms with more than one exit, and two-way mirrors.

Training

- Provide more training for customer services workers and staff.
- Schedule regular staff meetings to receive policy updates.
- Provide training on computer skills.

Customer Services

- Don't allow walk-ins, schedule appointments on special days.
- Educate clients on what they should and should not expect.
- Educate employers on new hire reporting and health insurance.
- Develop handouts for the most common questions and answers.
- Provide phones with caller identification systems.
- Encourage district offices to be more visible in the localities they serve, through attendance at county fairs, government “open houses.”

Interagency Cooperation

- Improve relations with all local social services agencies; make DSS staff refer all legal documents related to child support enforcement to DCSE.
- Tell the judges that they need to be more decisive and stop letting noncustodial parents have so many chances; the courts, DSS, and DCSE need to work as a team.
- Expand co-location to other local social services agencies.

Source: JLARC staff analysis of surveys of child support enforcement staff.

of the improvements suggested can be implemented. This process should be repeated quarterly to ensure that the office benefits from the input of the frontline workers.

THE STATE HAS OPTIONS FOR ADDRESSING FUNDING AND RESOURCE NEEDS OF THE CHILD SUPPORT ENFORCEMENT PROGRAM

During Phase I of the study, JLARC staff reported that several federal changes were causing DCSE, for the first time, to experience a budget deficit and increased budget instability. In the past, Virginia experienced a “profit” because the State’s share of program revenues exceeded the State share of the program costs. From 1990 to 1998, DCSE returned more than \$37 million to the general fund. Virginia was able to place those “profits” in the general fund, where the funds could be used without restriction.

Since 1999, however, the child support program has been faced with a budget deficit rather than a profit. This deficit has occurred because DCSE’s expenses were more than the federal revenues received. In response to the projected deficits through FY 2002, the 2000 General Assembly appropriated \$7.0 million to address the deficit for FY 2000, \$4.8 million for FY 2001, and \$4.6 million for FY 2002. However, it is likely that additional general funds will be needed because deficits may be higher than allocated funds. In addition, new federal legislation, which appears likely to pass, could cause the annual deficit to grow an estimated \$9.0 million per year.

To further assess DCSE’s funding needs, JLARC staff conducted an analysis of DCSE’s staffing and workload in Phase II of this study, to determine whether cost savings could be found or whether there is a need for additional funding. Based on this analysis, it appears that DCSE’s resource levels need to be increased in order to improve overall performance and to utilize current resources more efficiently and effectively.

This report addresses the study mandate through a series of recommendations that would improve the child support program’s performance. The larger policy question, however, is whether State level policy makers wish to improve the child support program, and whether there is a willingness to provide the resources that it will take. The current child support funding structure and program cannot sustain the projected budget deficits. The State must develop a plan for the eventual loss of federal funds.

Four funding options for addressing Virginia’s projected deficit are described in Exhibit 8. Option one was the option chosen by the 2000 General Assembly, but it potentially could result in higher costs this session if pending federal legislation passes. Option two addresses the federal funding shortfall as well as the need for increased resources (the State share of these additional costs ranges from between two and 32 percent) based on the JLARC staff analysis of staffing across the district offices state-

Exhibit 8

Options for Addressing DCSE’s Projected Funding Deficit

Option	Advantages	Disadvantages
<p>1. Give DCSE a larger general fund appropriation to replace federal funding that has been lost.</p>	<ul style="list-style-type: none"> • Allows DCSE to provide services at the level it has provided in the past. • DCSE avoids risking a two-for-one loss of federal funds for the child support program by not meeting the maintenance of effort requirement under the new incentive system. • The State avoids risking a reduction of the TANF grant. (Under the new incentive system, the TANF grant could be reduced by up to five percent for poor performance. If DCSE is not given general funds to replace lost federal funds, staffing levels or services may have to be reduced, which could result in poor performance.) 	<ul style="list-style-type: none"> • Negatively impacts State’s general fund, to an extent projected below: <ul style="list-style-type: none"> – \$7.0 million in 2000 – \$6.4 million in 2001 – \$6.2 million in 2002 <p>Note: The 2000 General Assembly has already allocated general funds to cover most of the projected deficit (\$7.0 million in 2000, \$4.8 million in 2001, and \$4.6 million in 2002). However, pending federal legislation may increase the deficit projected by an estimated \$9.0 million per year.</p>
<p>2. Give DCSE a general fund appropriation that is above and beyond the federal funding that has been lost so that they can hire more staff and/or improve other resources.</p>	<ul style="list-style-type: none"> • Allows DCSE to improve and increase services to clients. • At a minimum, 66 percent of all administrative costs are reimbursed by the federal government. Some additional administrative costs (up to 32 percent) could be paid through other federal funds (retained collections and incentives). • Past studies have shown that states that spend more per case also have higher collections than states that spend less. In addition, the payment of child support can reduce the numbers of families that have to seek public assistance. • JLARC staff analysis of DCSE staffing and workload found that performance can be improved with adequate and appropriate staffing. 	<ul style="list-style-type: none"> • Negatively impacts the State’s general fund (the State share of these costs ranges from between two and 32 percent).

Exhibit 8 (continued)

Options for Addressing DCSE's Projected Funding Deficit		
Option	Advantages	Disadvantages
3. Eliminate the \$50 income disregard.	<ul style="list-style-type: none"> Helps to reduce DCSE's deficit (by \$3.2 million in FY 2001), and reduces the amount of general funds the State may have to provide DCSE. 	<ul style="list-style-type: none"> Takes money (\$50/month) from the children and families on public assistance. State would have to find other sources of funds to meet the TANF maintenance of effort requirement, which may be difficult. Noncustodial parent may be less likely to pay child support if none of the money is going to the child.
4. Charge fees to clients (application fees, annual service fees, or income tax offset fees) or charge a percentage service fee of all child support collections.	<ul style="list-style-type: none"> Provides an additional funding source besides general fund dollars. 	<ul style="list-style-type: none"> Since not all clients will pay, the clients that do pay will subsidize the program. Fee revenue will not be enough to fund entire program. There is little incentive to collect fees because DCSE gets to keep only 34 percent of these recovered costs (the remainder is returned to the federal government). Mandatory fees could serve as a barrier to applicants who do not have the means to pay for services, or could discourage clients from seeking services because fee is paid whether child support is collected or not. If fee was based on income, verifying income could be cumbersome and costly. Effort required to collect fees may not be worth the amount collected. Takes money away from children and families.

Source: JLARC staff review of various documents and interview notes.

wide. With regard to option three, the General Assembly has considered the issue of the income disregard before, and did not change it. The option could have a negative impact on the families involved. Option four, while providing an additional funding source in the form of client fees, has a number of substantial disadvantages that are enumerated in the exhibit.

Appendixes

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Appendix A

Study Mandate

**House Joint Resolution No. 810
1999 Session**

Directing the Joint Legislative Audit and Review Commission to study competitive sealed bidding procedures for the procurement of printing goods and services for the Commonwealth as administered by the Department of General Services through its Division of Purchases and Supply.

WHEREAS, the Virginia Public Procurement Act (§11-35 et seq.) was enacted to regulate the procurement of certain goods and services by public bodies; and

WHEREAS, the Department of General Services, through its Division of Purchases and Supply, administers the Act for the procurement by competitive sealed bidding of certain printing goods and services for the Commonwealth; and

WHEREAS, concerns have been expressed regarding how the Division of Purchases and Supply administers this procedure; and

WHEREAS, these concerns range from specific instances to broad policy, from acceptance of individual bids which do not conform to the original Request for Proposal to statutorily imposed preferences for recycled paper and paper products; now, therefore, be it

RESOLVED by the House of Delegates, the Senate concurring, That the Joint Legislative Audit and Review Commission be directed to study competitive sealed bidding procedures for the procurement of printing goods and services for the Commonwealth as administered by the Department of General Services through its Division of Purchases and Supply.

In conducting the study, the Commission shall examine (i) restrictions on the geographic location of bidders; (ii) changes in specifications from the original Request for Proposal; (iii) acceptance of bids which do not conform to the original Request for Proposal; (iv) bidding procedures involving printing by the Department of Corrections; (v) reciprocity with other states which impose restrictions upon nonresident printers; (vi) preferences regarding recycled paper and paper products used by agencies of the Commonwealth; (vii) other matters affecting the competitive sealed bidding process; and (viii) the need for any amendments to the Virginia Public Procurement Act.

All agencies of the Commonwealth shall provide assistance to the Commission, upon request.

The Joint Legislative Audit and Review Commission shall complete its work in time to submit its findings and recommendations to the Governor and the 2000 Session of the General Assembly as provided in the procedures of the Division of Legislative Automated Systems for the processing of legislative documents.

Appendix B

Regression Analysis Used to Determine Key Factors Associated with Performance Measures

This appendix describes in more detail the factors associated with each of the six performance measures, and the average performance levels of the offices once categorized based on those factors. The six performance measures are: percentage of cases with support orders, percentage of current support collected, percentage of arrears cases with a collection, cost effectiveness ratio, TANF collections per TANF case, and the paternity establishment percentage.

As stated in Chapter II, using multiple regression analysis, two key factors emerged as being highly associated with the district offices' performance on each performance measure. Once these factors were identified, the offices were grouped into four cells, based on whether each office's data were high or low on these two factors. A regression which captured high versus low standing by each office on the two key factors (through "dummy variables") was employed as a tool to calculate a prevailing or average performance level of the offices in each cell. The following sections describe the key factors associated with each performance measure.

Factors Associated with Support Order Establishment. The support order establishment performance indicator measures the percentage of cases in the caseload with a support order. (Support orders need to be established before DCSE can begin collecting child support on a case.) The percentage of support orders established in the district offices ranges from a low of 34 to a high of 82 percent.

Based on the regression analysis, there are two major internal factors that are associated with the establishment of support orders, both of which are related to staffing: caseload per caseworker and the percentage of time caseworkers spend on clerical activities. This finding supports DCSE staff's assertions, through interviews and surveys, that some offices may need more caseworkers and more clerical staff, and that caseworkers feel more overworked than other staff.

For purposes of this analysis, offices were grouped according to the percentage of time caseworkers spend on clerical activities and their caseload per caseworker (see Table B-1). In offices with high caseloads per caseworker, the average caseload per caseworker is 1,143. In offices with low caseloads per caseworker, the average caseload per caseworker is 729.

Based on this analysis, the optimal way to increase performance on this measure is to lower the time that caseworkers have to spend on clerical work and to reduce the caseload size per caseworker (in order to establish 72 percent of support orders collected). However, if only clerical time is lowered, the percentage of support orders established may increase by about 12 percentage points on average. Only

Table B-1 Performance Measure: Percentage of Support Orders Established by Caseload per Caseworker and Percentage of Time Caseworkers Spend on Clerical Activities			
	Caseworkers Spend <u>HIGH</u> Percentage of Time on Clerical Activities	Caseworkers Spend <u>LOW</u> Percentage of Time on Clerical Activities	AVERAGE Percentage of Support Orders Established Based on Caseload per Caseworker
<u>HIGH</u> Caseload per Caseworker	59%	70%	63%
<u>LOW</u> Caseload per Caseworker	61%	72%	69%
AVERAGE Percentage of Support Orders Established Based on Percentage of Time on Caseworkers Spend on Clerical Activities	59%	71%	

Source: JLARC staff analysis of all 22 district offices in Virginia.

reducing the caseload per caseworker may improve support order establishment by about six percentage points.

Factors Associated with the Collection of Current Support. The current support performance indicator measures the amount of current child support collected compared to the total amount owed. The percentage of current support collected in the district offices ranges from 48 to 62 percent. Based on regression analysis, the two major factors that are associated with the percentage of current support collected are the percentage of TANF cases in the caseload and the percentage of time caseworkers spend on clerical activities. Again, this reinforces the finding that the percentage of time caseworkers spend on clerical activities affects performance.

Table B-2 summarizes the results from this analysis. For purposes of this analysis, offices were grouped by their high or low status on the percentage of TANF cases in their caseload and the percentage of time caseworkers spend on clerical activities. In offices with high TANF caseloads, the average percentage of TANF cases was 26 percent. In offices with low TANF caseloads, the average percentage of TANF cases was 18 percent.

Table B-2 shows that in offices in which caseworkers spend less time on clerical activities, offices that have a smaller TANF caseload collect more of their current support (59 percent on average) than offices with higher TANF caseloads (54 percent on average). While the groupings used in Table B-2 show that offices in which caseworkers spend less time on clerical activities perform only one percentage point better on average on the measure for the percentage of current support

<p align="center">Table B-2</p> <p align="center">Performance Measure: Percentage of Current Support Collected by Percentage of TANF Cases in the Caseload and Percentage of Time Caseworkers Spend on Clerical Activities</p>			
	Caseworkers Spend <u>HIGH</u> Percentage of Time on Clerical Activities	Caseworkers Spend <u>LOW</u> Percentage of Time on Clerical Activities	AVERAGE Percentage of Current Support Collected Based on Percentage of TANF Cases in Caseload
<u>HIGH</u> Percentage of TANF Cases in Caseload	53%	54%	53%
<u>LOW</u> Percentage of TANF Cases in Caseload	58%	59%	58%
AVERAGE Percentage of Current Support Collected Based on Percentage of Time on Caseworkers Spend on Clerical Activities	56%	57%	

Source: JLARC staff analysis of all 22 district offices in Virginia.

collected, the regression model shows there is a strong association between the percentage of time caseworkers spend on clerical activities and the percentage of current support collected. Regarding performance evaluation, in those offices not impeded by a high percentage of clerical work done by caseworkers, having a larger TANF caseload emerges as a barrier that is not controllable by district offices.

Factors Associated with Collections on Arrears Cases. The arrears performance indicator measures the percentage of cases with a past-due balance in which the noncustodial parent has made payments toward their past-due balance. The percentage of cases paying toward arrears ranges from 42 to 58 percent in the district offices. Based on the regression analysis, the two major factors that are associated with collections on arrears cases are the same as the factors associated with collections on current support: the percentage of TANF cases in the caseload and the percentage of time caseworkers spend on clerical activities.

Table B-3 summarizes the results from this analysis. Offices with a low percentage of TANF cases had a five percentage point performance advantage. While Table B-3 shows that offices in which caseworkers spend less time on clerical activities perform at the same level as offices in which caseworkers spend a high percentage of time on clerical activities, the regression model shows there is a strong association between the percentage of time caseworkers spend on clerical activities and the percentage of arrears cases with a collection.

Table B-3			
Performance Measure: Percentage of Arrears Cases with a Collection by Percentage of TANF Cases in the Caseload and Percentage of Time Caseworkers Spend on Clerical Activities			
	Caseworkers Spend HIGH Percentage of Time on Clerical Activities	Caseworkers Spend LOW Percentage of Time on Clerical Activities	AVERAGE Percentage of Arrears Cases with a Collection Based on Percentage of TANF Cases in Caseload
HIGH Percentage of TANF Cases in Caseload	47%	47%	47%
LOW Percentage of TANF Cases in Caseload	52%	52%	52%
AVERAGE Percentage of Arrears Cases with a Collection Based on Percentage of Time Caseworkers Spend on Clerical Activities	49%	50%	
Source: JLARC staff analysis of all 22 district offices in Virginia.			

Factors Associated with the Cost Effectiveness Ratio. The cost effectiveness ratio measures the total child support dollars collected for every administrative dollar spent on the child support enforcement program. The cost effectiveness ratio ranges from \$3.68 to \$7.81 in the district offices. Since this ratio is dependent upon the amount of child support collected, it is understandable that the two major factors associated with the cost effectiveness ratio are the same as the factors associated with the collection of current support and arrears: the percentage of TANF cases in the caseload and the percentage of time caseworkers spend on clerical activities.

Table B-4 summarizes the results of this analysis. These results again reinforce those regarding the collection of current support and arrears. In those offices not already hampered by caseworkers spending a large portion of their time on clerical activities, a higher TANF caseload is a barrier to performance on the cost effectiveness ratio.

As with the other collection measures, based on this analysis, the optimum way to increase the cost effectiveness ratio in low TANF offices is to lower the time that caseworkers spend on clerical work, since the percentage of TANF cases in each office is beyond DCSE's control.

Table B-4
Performance Measure: Cost Effectiveness Ratio
by Percentage of TANF Cases in the Caseload
and Percentage of Time Caseworkers Spend on Clerical Activities

	Caseworkers Spend <u>HIGH</u> Percentage of Time on Clerical Activities	Caseworkers Spend <u>LOW</u> Percentage of Time on Clerical Activities	AVERAGE Cost Effectiveness Ratio Based on Percentage of TANF Cases in Caseload
<u>HIGH</u> Percentage of TANF Cases in Caseload	\$4.60	\$5.04	\$4.81
<u>LOW</u> Percentage of TANF Cases in Caseload	\$5.65	\$6.09	\$5.90
AVERAGE Cost Effectiveness Ratio Based on Percentage of Time on Caseworkers Spend on Clerical Activities	\$5.13	\$5.66	

Source: JLARC staff analysis of all 22 district offices in Virginia.

Factors Associated with Collections on TANF Cases. The average TANF collections per TANF case ranges from \$217 to \$480 in the district offices. Based on regression analysis, the two factors that were most closely associated with TANF collections per TANF case are both external factors: population density and median income.

Table B-5 summarizes the results of this analysis. Overall, districts with low median incomes actually have higher TANF collections per TANF case

Table B-5
Performance Measure: TANF Collections Per TANF Case
by Population Density and Median Household Income

	<u>HIGH</u> Median Income	<u>LOW</u> Median Income	AVERAGE TANF Collections Per TANF Case Based on Population Density
<u>HIGH</u> Population Density (Urban)	\$340	\$378	\$357
<u>LOW</u> Population Density (Rural)	\$392	\$430	\$409
AVERAGE TANF Collections Per TANF Case Based on Median Income	\$366	\$404	

Source: JLARC staff analysis of all 22 district offices in Virginia.

than districts with high median incomes. Offices with low median incomes collect \$415 per TANF case, while districts with high median incomes collect \$355 per TANF case.

Further analysis showed that many of the offices (63 percent) with low median incomes had high TANF caseloads. Therefore, these offices may focus more attention on TANF collections because they are a larger part of their total collections. It is more important for offices with high TANF caseloads to increase their TANF collections since TANF collections are a larger part of their total collections. This increased attention may be resulting in higher TANF collections per case.

Based on this analysis, offices with low population densities and low median incomes have the highest TANF collections per TANF case. In order to improve TANF collections per case in other offices, DCSE should examine these low income offices for best practices that can be used by other offices. In addition, these two external factors should be taken into consideration when evaluating the performance of the district offices on this measure.

Factors Associated with Paternity Establishment. The paternity establishment performance indicator measures the number of children born out of wedlock for whom paternity has been established as a percentage of the total number of children born out of wedlock the preceding year. The percentage of paternities established in the district offices ranges from 52 to 97 percent.

For the other five performance measures used in this analysis, there were two factors that were most strongly associated with performance in the regression analysis. For paternity establishment, however, three factors emerged as strong predictors: population density, the percentage of time caseworkers spend on clerical activities, and, alternatively, caseload per total staff.

Table B-6 summarizes the results from this analysis. For purposes of this analysis, offices were grouped according to the percentage of time caseworkers spend on clerical activities and their population density. In offices in which caseworkers spend a relatively high percentage of time on clerical activities, caseworkers spend an average of 46 percent of their time on these activities. In offices in which caseworkers spend a relatively low percentage of time on clerical activities, caseworkers spend an average of 24 percent of their time on these activities. Offices with high population densities had an average population density of 2,910, and offices with low population densities had an average population density of 123.

As shown in the top half of the table, offices in which caseworkers spend a low percentage of time on clerical activities and that also have low population densities (rural districts) are able to establish a higher percentage of paternities (91 percent) on average than other offices. In contrast, those offices in areas with high population density (urban areas) in which caseworkers spend a high percentage of time on clerical activities have a much lower paternity establishment rate (67 percent) on average.

Table B-6			
Performance Measure: Percentage of Paternities Established by Population Density and Percentage of Time Caseworkers Spend on Clerical Activities, and by Caseload per Total Staff			
	<u>HIGH</u> Population Density (Urban)	<u>LOW</u> Population Density (Rural)	AVERAGE Paternity Establishments Based on Percentage of Time on Caseworkers Spend on Clerical Activities
Caseworkers Spend <u>HIGH</u> Percentage of Time on Clerical Activities	67%	79%	73%
Caseworkers Spend <u>LOW</u> Percentage of Time on Clerical Activities	79%	91%	86%
AVERAGE Paternity Establishments Based on Population Density	73%	86%	
	<u>HIGH</u> Population Density (Urban)	<u>LOW</u> Population Density (Rural)	AVERAGE Paternity Establishments Based on Caseload per Total Staff
<u>HIGH</u> Caseload per Total Staff	70%	76%	76%
<u>LOW</u> Caseload per Total Staff	82%	88%	83%
AVERAGE Paternity Establishments Based on Population Density	73%	86%	
Source: JLARC staff analysis of all 22 district offices in Virginia.			

The results of this analysis make two clear points about the ability of district offices to establish paternities. First, rural areas are able to establish more paternities on average compared to more urban areas. Second, the percentage of time that caseworkers spend on clerical activities (in both rural and urban offices) appears to be associated with the percentage of paternities established. Therefore, since population density is not within the district offices' control, one way district offices may improve their paternity establishment performance is to reduce the amount of time caseworkers spend on clerical activities. Offices in both urban and rural areas in which caseworkers spend less time on clerical activities performed substantially better on this measure.

Examining the relationship between population density and caseload size per total staff (bottom half of Table B-6) reinforces the importance of population density and staffing in terms of paternity establishment. (For this analysis, offices with a high caseload per total staff had an average of 495 cases per total staff, and offices with low caseloads per total staff had an average of 401 cases per total staff.) In both types of offices, the average percentage of paternities established is greater

among offices with a lower caseload per total staff. This indicates that increased overall staffing may increase the percentage of paternities established.

Based on this analysis, when evaluating district office performance in terms of paternity establishment, DCSE management should recognize that higher population density is an uncontrollable barrier to performance. Furthermore, it appears that district offices may increase paternity establishment by reducing the amount of time caseworkers spend on clerical activities and/or by reducing the caseload size across all staff. Both solutions likely require additional staff or a different mix of staff.

Appendix C

Individual District Office Results on Performance Measures

Table C-1			
Performance Measure: Percentage of Support Orders Established by Caseload per Caseworker and Percentage of Time Caseworkers Spend on Clerical Activities			
	Caseworkers Spend <u>HIGH</u> Percentage of Time on Clerical Activities	Caseworkers Spend <u>LOW</u> Percentage of Time on Clerical Activities	AVERAGE Percentage of Support Orders Established Based on Caseload per Caseworker
HIGH Caseload per Caseworker	Average Percentage of Support Orders Established=59% Alexandria Arlington Danville Hampton Lynchburg Newport News Petersburg	Average Percentage of Support Orders Established=70% Fredericksburg Henrico Richmond Roanoke Chesapeake	63%
LOW Caseload per Caseworker	Average Percentage of Support Orders Established=61% Fairfax Manassas Portsmouth	Average Percentage of Support Orders Established=72% Abingdon Charlottesville Norfolk Suffolk Verona Virginia Beach Winchester	69%
AVERAGE Percentage of Support Orders Established Based on Percentage of Time on Caseworkers Spend on Clerical Activities	59%	71%	
Source: JLARC staff analysis of all 22 district offices in Virginia.			

Table C-2

**Performance Measure: Percentage of Current Support Collected
by Percentage of TANF Cases in the Caseload
and Percentage of Time Caseworkers Spend on Clerical Activities**

	Caseworkers Spend <u>HIGH</u> Percentage of Time on Clerical Activities	Caseworkers Spend <u>LOW</u> Percentage of Time on Clerical Activities	AVERAGE Percentage of Current Support Collected Based on Percentage of TANF Cases in Caseload
<u>HIGH</u> Percentage of TANF Cases in Caseload	Average Percentage of Current Support Collected=53% Alexandria Lynchburg Manassas Newport News Portsmouth	Average Percentage of Current Support Collected=54% Abingdon Charlottesville Norfolk Richmond Roanoke	53%
<u>LOW</u> Percentage of TANF Cases in Caseload	Average Percentage of Current Support Collected=58% Arlington Danville Fairfax Hampton Petersburg	Average Percentage of Current Support Collected=59% Chesapeake Fredericksburg Henrico Suffolk Verona Virginia Beach Winchester	58%
AVERAGE Percentage of Current Support Collected Based on Percentage of Time on Caseworkers Spend on Clerical Activities	56%	57%	

Source: JLARC staff analysis of all 22 district offices in Virginia.

Table C-3

**Performance Measure: Percentage of Arrears Cases with a Collection
by Percentage of TANF Cases in the Caseload
and Percentage of Time Caseworkers Spend on Clerical Activities**

	Caseworkers Spend <u>HIGH</u> Percentage of Time on Clerical Activities	Caseworkers Spend <u>LOW</u> Percentage of Time on Clerical Activities	AVERAGE Percentage of Arrears Cases with a Collection Based on Percentage of TANF Cases in Caseload
<u>HIGH</u> Percentage of TANF Cases in Caseload	Average Percentage of Arrears Cases with a Collection=47% Alexandria Lynchburg Manassas Newport News Portsmouth	Average Percentage of Arrears Cases with a Collection=47% Abingdon Charlottesville Norfolk Richmond Roanoke	47%
<u>LOW</u> Percentage of TANF Cases in Caseload	Average Percentage of Arrears Cases with a Collection=52% Arlington Danville Fairfax Hampton Petersburg	Average Percentage of Arrears Cases with a Collection=52% Chesapeake Fredericksburg Henrico Suffolk Verona Virginia Beach Winchester	52%
AVERAGE Percentage of Arrears Cases with a Collection Based on Percentage of Time on Caseworkers Spend on Clerical Activities	49%	50%	

Source: JLARC staff analysis of all 22 district offices in Virginia.

Table C-4

**Performance Measure: Cost-Effectiveness Ratio
by Percentage of TANF Cases in the Caseload
and Percentage of Time Caseworkers Spend on Clerical Activities**

	Caseworkers Spend <u>HIGH</u> Percentage of Time on Clerical Activities	Caseworkers Spend <u>LOW</u> Percentage of Time on Clerical Activities	AVERAGE Cost Effectiveness Ratio Based on Percentage of TANF Cases in Caseload
<u>HIGH</u> Percentage of TANF Cases in Caseload	Average Cost-Effectiveness Ratio=\$4.60 Alexandria Lynchburg Manassas Newport News Portsmouth	Average Cost-Effectiveness Ratio=\$5.04 Abingdon Charlottesville Norfolk Richmond Roanoke	\$4.81
<u>LOW</u> Percentage of TANF Cases in Caseload	Average Cost-Effectiveness Ratio=\$5.65 Arlington Danville Fairfax Hampton Petersburg	Average Cost-Effectiveness Ratio=\$6.09 Chesapeake Fredericksburg Henrico Suffolk Verona Virginia Beach Winchester	\$5.90
AVERAGE Cost Effectiveness Ratio Based on Percentage of Time on Caseworkers Spend on Clerical Activities	\$5.13	\$5.66	

Source: JLARC staff analysis of all 22 district offices in Virginia.

Table C-5

**Performance Measure: TANF Collections Per TANF Case
by Population Density and Median Household Income**

	HIGH Median Income	LOW Median Income	AVERAGE TANF Collections Per TANF Case Based on Population Density
HIGH Population Density (Urban)	Average TANF Collections per TANF Case=\$340 Alexandria Arlington Chesapeake Fairfax Henrico	Average TANF Collections per TANF Case=\$378 Hampton Norfolk Portsmouth Richmond Virginia Beach	\$357
LOW Population Density (Rural)	Average TANF Collections per TANF Case=\$392 Charlottesville Fredericksburg Manassas Newport News Suffolk Winchester	Average TANF Collections per TANF Case=\$430 Abingdon Danville Lynchburg Petersburg Roanoke Verona	\$409
AVERAGE TANF Collections Per TANF Case Based on Median Income	\$366	\$404	

Source: JLARC staff analysis of all 22 district offices in Virginia.

Table C-6

**Performance Measure: Percentage of Paternities Established
by Population Density and
Percentage of Time Caseworkers Spend on Clerical Activities,
and by Caseload per Total Staff**

	HIGH Population Density (Urban)	LOW Population Density (Rural)	AVERAGE Paternity Establishments Based on Percentage of Time on Caseworkers Spend on Clerical Activities
Caseworkers Spend HIGH Percentage of Time on Clerical Activities	Average Paternity Establishment Percentage=67% Alexandria Arlington Fairfax Hampton Portsmouth	Average Paternity Establishment Percentage=79% Danville Lynchburg Manassas Newport News Petersburg	73%
Caseworkers Spend LOW Percentage of Time on Clerical Activities	Average=79% Chesapeake Henrico Norfolk Richmond Virginia Beach	Average=91% Abingdon Charlottesville Fredericksburg Roanoke Suffolk Verona Winchester	86%
AVERAGE Paternity Establishments Based on Population Density	73%	86%	
	HIGH Population Density (Urban)	LOW Population Density (Rural)	AVERAGE Paternity Establishments Based on Caseload per Total Staff
HIGH Caseload per Total Staff	Average Paternity Establishment Percentage=70% Alexandria Arlington Chesapeake Henrico Hampton	Average Paternity Establishment Percentage=76% Abingdon Danville Newport News Petersburg Roanoke	76%
LOW Caseload per Total Staff	Average Paternity Establishment Percentage=82% Fairfax Norfolk Portsmouth Richmond Virginia Beach	Average Paternity Establishment Percentage=88% Charlottesville Fredericksburg Lynchburg Manassas Suffolk Verona Winchester	83%
AVERAGE Paternity Establishments Based on Population Density	73%	86%	

Source: JLARC staff analysis of all 22 district offices in Virginia.

Appendix D

Staff Perceptions of Workload, Need for Additional Staff, and Time Caseworkers Spend on Clerical Activities

Table D-1				
Percent of Staff Agreeing That the Typical Amount of Work That They Are Expected to Handle Is “Too Much” (Results Shown by District Office)				
District	Percent Agree Workload Is Too Much			
	Caseworkers (n=348)	Supervisors (n=45)	Other Staff (n=201)	All Staff (n=594)
Charlottesville	21%	0%	50%	25%
Hampton*	25%	50%	27%	28%
Norfolk	25%	50%	42%	35%
Chesapeake*	60%	100%	13%	35%
Arlington*	75%	0%	0%	38%
Danville	75%	25%	54%	64%
Manassas	75%	67%	63%	71%
Portsmouth	75%	0%	30%	52%
Suffolk	75%	50%	8%	36%
Richmond	77%	67%	42%	67%
Lynchburg	80%	0%	10%	50%
Verona	82%	0%	40%	62%
Roanoke	82%	100%	69%	79%
Fairfax	83%	100%	83%	84%
Petersburg	83%	67%	50%	70%
Abingdon	86%	50%	20%	64%
Winchester	86%	0%	25%	58%
Fredericksburg	88%	100%	71%	81%
Newport News	88%	0%	80%	81%
Virginia Beach	88%	50%	27%	64%
Alexandria*	100%	0%	33%	50%
Henrico	100%	0%	33%	73%
Statewide Avg.	74%	44%	40%	60%

*Privatized office.

Source: JLARC staff survey of district office managers and staff.

Table D-2

**Assessment of Consequences for Child Support Activities
by Those Staff Reporting Their Workload as “Too Much”**

Consequences	Strongly Agree	Agree	Disagree	Strongly Disagree
Consequences Related To The Quantity Of Work That Is Not Completed				
There are cases that deserve attention that are neglected due to high workload. (n=274)	78%	20%	2%	0%
There are cases that should be handled more proactively or aggressively but are not due to high workload. (n=274)	73%	25%	2%	0%
Consequences Related To The Quality Of Work Completed				
The quality of work on cases suffers due to high workload. (n=275)	53%	29%	13%	5%
The quality of case files and office documentation of cases suffers due to high workload. (n=274)	43%	32%	19%	6%
Consequences Related To Customer Services				
Customer service suffers due to high workload. (n=338)	36%	38%	19%	7%
At times, I am unduly impatient with customers due to high workload. (n=336)	13%	27%	36%	24%
Phone calls are not answered, or are not returned promptly, due to high workload. (n=335)	22%	31%	33%	15%
<p>Note: The number of respondents is lower for questions not related to customer services, because fewer staff perform such case-related activities. Note: Rows may not sum to 100% due to rounding.</p>				
Source: JLARC staff survey of district office staff.				

Table D-3				
Assessment of Consequences for Child Support Activities by Those District Managers Reporting Their Workload as “Too Much”				
Consequences (n=16*)	Strongly Agree	Agree	Disagree	Strongly Disagree
Consequences Related To The Quantity Of Work Not Completed				
1) There are cases that deserve attention that are neglected due to high workload.	56%	19%	6%	19%
2) There are cases that should be handled more proactively or aggressively but are not due to high workload.	56%	19%	6%	19%
Consequences Related To The Quality Of Work Completed				
3) The quality of work on cases suffers due to high workload.	31%	38%	31%	0%
4) The quality of case files and office documentation of cases suffers due to high workload.	25%	38%	31%	6%
Consequences Related To Customer Services				
5) Customer service suffers due to high workload.	56%	25%	6%	13%
6) At times, I am unduly impatient with customers due to high workload.	6%	63%	13%	19%
7) Phone calls are not answered, or are not returned promptly, due to high workload.	25%	50%	13%	13%
Note: Rows may not sum to 100% due to rounding. * Six district managers felt their workload was “about right,” and 16 felt their workload was “too much.” Source: JLARC staff survey of district managers.				

Table D-4

District Office Staff Perception of Need for Additional Staff

District (n=601)	Percent of District Office Staff Perceiving Need for Additional Staff
Abingdon	100
Alexandria*	83
Arlington*	100
Chesapeake*	32
Charlottesville	90
Danville	98
Fairfax	97
Fredericksburg	93
Hampton*	39
Henrico	96
Lynchburg	96
Manassas	100
Newport News	100
Norfolk	70
Petersburg	94
Portsmouth	83
Richmond	95
Roanoke	97
Suffolk	83
Verona	90
Virginia Beach	96
Winchester	92
Statewide	89

*Privatized office.

Source: JLARC staff survey of district office staff.

Table D-5

The Average Reported Percent of Time Caseworkers Spend on Clerical Activities, by District Office

District (n=333)	Average Percent of Time Caseworkers Spend on Clerical Activities (Caseworker Estimates)
Abingdon	28%
Alexandria*	68%
Arlington*	70%
Chesapeake*	26%
Charlottesville	26%
Danville	36%
Fairfax	47%
Fredericksburg	25%
Hampton*	35%
Henrico	29%
Lynchburg	39%
Manassas	45%
Newport News	37%
Norfolk	19%
Petersburg	36%
Portsmouth	49%
Richmond	22%
Roanoke	24%
Suffolk	31%
Verona	15%
Virginia Beach	28%
Winchester	32%
Statewide	32%

*Privatized office.

Source: JLARC staff survey of district office staff.

Appendix E

Detailed Information on DCSE's Use of DIT Resources

Table E-1

Percent Change in DCSE's DIT Resource Usage and Costs, and Projected Usage Increases for FY01

Date of Calculation	APECS Transactions Requested		Length of Time CPU* Spends Processing Transactions		Length of Time Processing Tape Transactions		Tape Storage		Disk Storage	
	Number	Cost	Seconds	Cost	Seconds	Cost	Megs	Cost	Megs	Cost
July 1995	9,787,346	\$81,920	37,825,108	\$185,343	343,379	\$27,470	3,552,000	\$7,566	114,017	\$57,009
October 1999**	16,806,865	\$126,556	93,366,434	\$214,743	1,042,469	\$51,081	7,885,945	\$7,294	325,091	\$68,269
Percent Change 7/95 to 10/99	72%	54%	147%	16%	204%	86%	122%	-4%	185%	20%
June 2000	22,355,288	\$168,335	122,106,073	\$280,844	1,122,946	\$55,024	8,234,421	\$7,617	249,090	\$52,309
Percent Change 7/95 to 6/00	128%	105%	223%	52%	227%	100%	132%	1%	118%	-8%
Percent Increase Projected FY01	5%		34%		40%		35%		41%	

Note: The DIT resource usage and costs reported for the IBM servers are for all of DSS, however, about 99 percent are APECS-related.
 * CPU stands for central processing unit.
 ** October 1999 is the month before DCSE began implementing the new voice response system.

Source: JLARC staff analysis of data provided by the Division of Information Services.

Appendix F

Agency Response

As part of an extensive data validation process, State agencies involved in a JLARC assessment effort are given the opportunity to comment on an exposure draft of the report. Appropriate technical corrections resulting from written comments have been made in this version of the report. Page references in agency response relate to the earlier exposure draft and may not correspond to page numbers in this version.

This appendix contains the response of the Department of Social Services.



SEP 29 2000

COMMONWEALTH of VIRGINIA

DEPARTMENT OF SOCIAL SERVICES

SEP 29 2000

Mr. Philip A. Leone
Director, Joint Legislative Audit and Review Commission
Suite 1100, General Assembly Building, Capitol Square
Richmond, Virginia 23219

Dear Mr. Leone:

This is in response to your letter of September 21, 2000, forwarding the exposure draft of your *Final Report: Child Support Enforcement*. We appreciate the thoughtful work that has gone into this report as well as the two others you have prepared on child support enforcement matters in the recent past: the just-completed technical report on *The Costs of Raising Children*; and last year's *Phase I* program report. The latter report, of course, laid the groundwork for the *Phase II Final Report* on which we offer comments today.

We believe that JLARC has well captured the status, complexities and challenges of the Commonwealth's child support enforcement program. We concur generally with the report's findings and recommendations, but have comments on the following:

- **Recommendation 5:** This relates to requesting funding to support a projected need for 105 additional positions, targeted to the district offices to meet caseload and support staff needs. The Department will closely examine ways to improve staff utilization and deployment and make better use of technology, to maximize the effective use of existing staff resources.
- **Recommendation 13:** This relates to expanding the capacity to provide Internet and Intranet services for the benefit of customers and employees. We concur with the recommendation and point out that the Division of Child Support Enforcement (DCSE) is implementing Executive Order 51 and is now working to achieve Tier 4 level. A major challenge is insuring the confidentiality of individual records.
- **Recommendation 16:** This proposes DCSE performance goals for every level of district office staff, under a statewide quality assurance plan, including an employee incentive program. We concur, and want to note that the Department has already initiated study of how best to accomplish such incentive awards as provided under the new State Classified Compensation Plan.

Mr. Philip A. Leone
Page Two

- Recommendation 18: This proposes the development of a policy on how customer services should be staffed and monitored. We concur, and want to relate this response to that on Recommendation 16, in terms of the flexibility we have under the new Compensation Plan.
- Recommendation 24: This cites the performance of Policy Studies, Inc. (PSI) in its contractor management of two district offices as a “best practice” model. We’re pleased with PSI’s performance, which equals that of state-run offices. Any areas in which they excel will be integrated into the practices of the state-run offices.
- Nomenclature Corrections: On page 13, the report lists the hearings function: this function now falls under the Chief Deputy Commissioner. On the same page, staff development and training now falls under the Director’s office, whereas Program Administration and Support now includes contract management, Non-IVD, Interstate Central Registry, and certain Locate functions.

Thank you for this opportunity to comment on the *Final Report*.

Sincerely,



Sonia Rivero
Commissioner

c: The Honorable Claude A. Allen
Secretary of Health and Human Resources

JLARC Staff

DIRECTOR: PHILIP A. LEONE
DEPUTY DIRECTOR: R. KIRK JONAS

DIVISION I CHIEF: GLEN S. TITTERMARY
● *DIVISION II CHIEF:* ROBERT B. ROTZ

SECTION MANAGERS:

PATRICIA S. BISHOP, FISCAL AND ADMINISTRATIVE SERVICES
JOHN W. LONG, PUBLICATIONS AND GRAPHICS GREGORY J. REST, RESEARCH METHODS

PROJECT TEAM LEADERS:

CRAIG M. BURNS ● CYNTHIA B. JONES
LINDA BACON FORD WAYNE M. TURNAGE
HAROLD E. GREER, III

PROJECT TEAM STAFF:

ARIS W. BEARSE ERIC H. MESSICK
KELLY D. BOWMAN ANNE E. OMAN
ASHLEY S. COLVIN JASON W. POWELL
GERALD A. CRAVER ● CHRISTINE D. WOLFE
● LISA V. FRIEL

FISCAL ANALYSIS SECTION:

WALTER L. SMILEY, SECTION MANAGER KIMBERLY A. MALUSKI
DANIEL C. ONEY

ADMINISTRATIVE AND RESEARCH SUPPORT STAFF:

KELLY J. GOBBLE BECKY C. TORRENCE
JOAN M. IRBY LISE E. VENNING
BETSY M. JACKSON

● Indicates JLARC staff with primary assignment to this project

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JLARC
Suite 1100
General Assembly Building
Capitol Square
Richmond, Virginia 23219
(804) 786-1258 Fax: 371-0101
<http://jlarc.state.va.us>

