

EXPENDITURE JUSTIFICATION - Child Support Enforcement Central Administration – 24800

Program Overview: Congress enacted Title IV-D of the Social Security Act, the Child Support Enforcement (CSE) program, to counteract the increasing tax burden of public assistance programs for children left unsupported by one or both parents, and to strengthen financial independence for children not currently receiving public assistance. Federal law requires each State to provide an effective, statewide CSE Program; failure to meet IV-D requirements will result in fiscal sanctions to both the TANF Block Grant and CSE programs. SRS is the designated IV-D agency for Kansas.

The CSE program is a joint federal, state (judicial and executive branches), county, and private operation which must satisfy numerous federal requirements. CSE provides a full range of child support services from the establishment of orders, including health coverage as appropriate, to modification and enforcement of those orders. Services are provided in all areas of the State by CSE regional staff and by contracts with most court trustees, one county attorney, and a variety of private sector providers (legal services, credit reporting, service of process, paternity testing, customer service, and the Kansas Payment Center). CSE services are not limited to persons receiving other SRS benefits. As required by federal law, any parent may ask for CSE's Title IV-D services, which include resources no other private or government agency has the legal authority to provide.

Object Code 5100: Salaries and Wages

Summary: The Child Support Enforcement positions are organized by the following functions: policy, receivables, self-assessment unit, interstate unit, training, automation, and fiscal. Among other responsibilities, these positions develop policy and procedure, manage several contracts such as the Kansas Payment Center (KPC) and enforcement contracts, provide training and support to regional CSE staff, oversee the distribution of collections and refunds, process recoveries, operate the parent locator service, process interstate requests, and monitor program performance. In addition, a Medical Unit within CSE Central Office recalculates and reactivates existing obligations for Medicaid related birth expenses and calculates recoverable Medicaid expenses for establishment purposes.

FY 2012: \$2,543,849 - This request funds 45.0 positions, including 1.0 unclassified regular position, and 39.0 classified regular positions as well as 5.0 unclassified temporary positions. The salaries include longevity bonuses, and a shrinkage rate of 5.2 percent. All fringe benefit rates observe the cost indices provided by the Division of the Budget.

FY 2013: \$2,584,369 - This amount continues funding for the present positions. It also includes funding for longevity bonuses, and maintains shrinkage at 5.2 percent. All fringe benefits conform to the indices issued by the Division of the Budget.

Object Code 5200: Contractual Services

Summary: Approximately 98.0 percent of the CSE contractual services are for contracts and fees. The majority of contracts are for the legal enforcement of child and medical support. CSE contracted services include those for legal enforcement, the Kansas Payment Center, the Office of Judicial Administration for clerks of court services, the customer service center, new hire data collection, genetic testing, service of legal process, and paternity verification. Other fees include payments to the Kansas Department of Administration for debt setoff services, federal fees for federal debt offset as well as payments for service of due process, costs to credit reporting agencies, and parent locator services.

FY 2012: \$25,486,114 – As stated above, the single largest cost in this category is contracts and fees. In FY 2012, these costs represent 98.0 percent of all contractual services. The next largest cost is communications at 1.2 percent of the total.

Communications decrease 0.9 percent in FY 2012. One mass mailing is planned for January or February 2012 to remind clients of their right to request a modification of their child support order. The following details the communications budget:

Communications			
Item	FY 2011 Actual	FY 2012 Current Year	FY 2013 Budget
<i>Postage</i>			
Base Postage	240,770	230,630	249,316
Postage for Mass Notifications	-	7,207	7,592
Central Mail	28,440	28,265	31,091
Subtotal - Postage	269,210	266,102	287,999
<i>Other Communications</i>			
Telecommunicatins	33,503	34,074	34,580
Other Communications (voice mail, cell phones)	5,424	5,183	5,181
Total	308,137	305,359	327,760

Legal enforcement contracts are the largest portion of all CSE fees and contracts. These contracts span the entire state and involve twelve entities who are responsible for enforcing child support orders. The Kansas Payment Center is the locus of all receipting and disbursement of child support payments. This federally mandated service has streamlined support payment processing, and simplified employer responsibilities in processing income withholding orders. Payments to the Office of Judicial Administration are for child support services provided by central staff and local clerks of court. The Customer Service Center improves the efficiency of CSE regional staff by handling routine communication with clients. Past due support can be collected by intercepting federal and state tax refunds and a portion of unemployment insurance payments.

NARRATIVE INFORMATION – DA 400
Division of the Budget
State of Kansas

AGENCY NAME: KS Department of Social and Rehabilitation Services
PROGRAM TITLE: Integrated Service Delivery
SUBPROGRAM TITLE: Child Support Enforcement Central Admin

The fees for debt set-off reflect the payments to the federal government and the Kansas Department of Administration for performing this service. The Kansas Department of Labor maintains the new hire database which records all hiring within the State, and information concerning the new employee and the employer. Other fees include genetic testing fees to establish paternity, paternity data matches, on-line inquiry into credit reporting records, national directories, other state agency and private records for address, employment, bank account and asset information. Standard state fees for buildings and maintenance of statewide automated systems are also included. The following table details the cost of contracts and fees. Because some contracts and fees are charged to both account code 526000 and 527000, the combined expenditures in these account codes are presented to improve the comparison from year to year.

Contractual Services and Fees

Item	FY 2011 Actual		FY 2012 Current Year		FY 2013 Allocated Budget	
	All Funds	State Funds	All Funds	State Funds	All Funds	State Funds
Legal Enforcement	\$11,602,318	\$2,177,288	\$12,087,483	\$2,919,744	12,981,017	3,223,546
KS Payment Center	4,605,994	2,082,830	4,970,722	1,846,109	5,119,844	2,146,238
Office of Judicial Administration	2,091,895	502,894	2,076,807	487,807	2,076,807	487,807
Customer Service Center	1,761,876	599,038	1,709,728	581,308	1,726,056	586,859
State Debt Set Off Fees	3,158,088	1,073,750	3,213,230	1,092,498	3,110,412	1,072,000
Federal Debt Set Off Fees	257,252	87,466	276,701	94,078	281,132	95,585
New Hires	200,000	68,000	210,000	71,400	210,000	71,400
Genetic Testing Fees	103,186	35,083	105,923	36,014	106,112	36,078
Process Server Fees	145,673	49,529	197,378	67,109	219,552	74,648
Paternity Data Match	4,070	1,384	7,494	2,548	7,494	2,548
Department of Revenue	60,000	20,400	60,000	20,400	60,000	20,400
Other Legal Fees	84,057	24,718	49,986	25,641	52,886	28,541
Administrative Fees:						
Monumental Building Surcharge	22,743	22,743	22,743	22,743	22,743	22,743
Dept Admin Enterprise Fee	4,224	1,504	4,193	1,425	4,193	1,425
Other	7,249	2,533	11,532	3,990	11,535	3,992
Total	\$24,108,625	\$6,749,161	\$25,003,920	\$7,272,815	25,989,783	7,873,811

In the current year, five major changes in expenditures occur:

- The total of all legal enforcement contracts increased by \$485,165 (4.2 percent). Three adjustments explain this overall increase: increases totaling \$614,665 are required by the original multi-year contracts; the restoration of \$237,009 in performance bonuses that was removed in 2011; a three percent reduction in the original contract amounts has been applied due to budget constraints reducing the total by \$366,509.

NARRATIVE INFORMATION – DA 400
Division of the Budget
State of Kansas

AGENCY NAME: KS Department of Social and Rehabilitation Services
PROGRAM TITLE: Integrated Service Delivery
SUBPROGRAM TITLE: Child Support Enforcement Central Admin

- The Kansas Payment Center contract increased by \$364,728 (7.9 percent). This reflects the terms of this multiyear contract.
- The customer service center contract decreases by \$52,148. This is from to a three percent reduction in the original contract amount due to budget constraints.
- State and federal debt set-off fees are countercyclical, and remain high due to the potential of a repeated economic recession. The state debt set-off fees increase by \$55,142 (1.7 percent) due to the continued high rate of unemployment insurance payment intercepts. Federal debt set-off fees, increase by \$19,449 (7.6 percent).
- Legal fees for service of due process increase by \$51,705 (35.5 percent). In 2011, there were two vendor changes to perform this function in the Wichita area and results declined significantly. This increase is primarily to stabilize the performance for service of due process in the Wichita area.

CSE expenditures are generally financed by 34.0 percent state funds and 66.0 percent federal matching funds. Exceptions occur for the Kansas Payment System, where 12.0 percent of expenditures are state-only costs, and the Office of Judicial Administration which will certify \$642,080 in state matching costs. The remaining significant departure from the standard matching requirement lies in the legal enforcement contracts. CSE receives federal performance incentive funds and \$3,500,000 of the enforcement contracts are being paid with these funds.

FY 2013: \$26,493,522 - The requested funds represent an increase of \$1,007,408 over FY 2012. As shown above, one mass mailing is included in 2013.

Four significant changes occur in contracts and fees:

- Legal enforcement contracts increase by \$893,534 (7.4 percent). Three adjustments explain this overall increase: increases totaling \$1,269,615 over the current 2012 amount that are required by the original multi-year contracts; an increase of \$17,521 in performance bonuses over 2012; a three percent reduction in the original contract amounts continues to be applied due to budget constraints reducing the total by \$393,602.
- The Kansas Payment Center contract increases by \$149,122 (3.0 percent). This reflects the terms of this multiyear contract.
- The customer service center contract increases by \$16,328 (1.0 percent). This reflects the terms of this multiyear contract. A three percent reduction in the original contract amount continues to be applied due to budget constraints.
- State and federal debt set-off fees decline gradually under the anticipation of a slow economic recovery.

Object Code 5300: Commodities

Summary: The main expenditures in this category are office and professional supplies.

FY 2012: \$27,652 – These expenditures include reference materials for legal work (e.g. statute supplements; session laws), communication supplies, stationery, computer software, forms and small equipment. The budgeted amount is a decrease of \$791 from FY 2011.

FY 2013: \$27,754 - The increase over FY 2012 is \$102. The office supply needs are projected to remain relatively constant.

Object Code 5400: Capital Outlay

Summary: Expenditures in this category represent major office equipment.

FY 2012: \$0 – No funds are requested for equipment in FY 2012.

FY 2013: \$0 – No funds are requested for equipment in FY 2013.

Object Code 5500: Grants and Assistance

Summary: The agency is required to cover certain receivables which occur when payments are made to non-TAF families but then must be recovered due to IRS negative adjustments, insufficient fund checks, misidentified payments, etc.

FY 2012: \$100,000 – This is an increase of \$95,564 from FY 2011. This amount is due to the unpredictability of adjustments and recoveries; the program has little control over these receivable amounts.

FY 2013: \$100,000 - Funding is held to the FY 2012 estimate.

NARRATIVE INFORMATION – DA 400
Division of the Budget
State of Kansas

AGENCY NAME: KS Department of Social and Rehabilitation Services
PROGRAM TITLE: Integrated Service Delivery
SUBPROGRAM TITLE: Child Support Enforcement Central Admin

Child Support Enforcement Caseload and Collection Summary

Item	FY 2011 Actual		FY 2012 Current Year		FY 2013 Allocated Budget	
	Average Monthly		Average Monthly		Average Monthly	
	Cases	Collections	Cases	Collections	Cases	Collections
TAF Related Cases	19,115	\$21,905,131	16,838	\$18,134,526	14,886	\$15,064,632
TAF Foster Care Cases	2,324	2,362,508	2,370	2,384,220	2,393	2,383,428
GA/Foster Car & Juvenile Justice Cases	4,601	5,446,024	4,332	5,353,848	4,337	5,547,945
Non TAF Cases	96,714	152,450,969	97,415	158,201,960	98,389	164,604,797
Interstate Cases	7,920	16,778,728	7,792	16,847,156	7,731	17,058,960
Total	130,674	\$198,943,360	128,747	\$200,921,710	127,736	\$204,659,762
Collection per Case		\$1,522		\$1,561		\$1,602
State Portion of Support Retained by KS		\$15,090,905		\$14,375,000		\$13,635,000