STATEMENT OF

JOSEPH A. JACKINS

ACTING EXECUTIVE DIRECTOR

CHILD SUPPORT ENFORCEMENT ADMINISTRATION

BEFORE THE

SENATE BUDGET AND TAXATION COMMITTEE

HEALTH AND HUMAN SERVICES SUBCOMMITTEE

FY 2007 BUDGET

MARCH 2, 2006

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MARCH 6, 2006

MEMBERS OF THE COMMITTEE, I AM JOSEPH A. JACKINS, ACTING EXECUTIVE DIRECTOR OF THE CHILD SUPPORT ENFORCEMENT ADMINISTRATION (CSEA) OF THE DEPARTMENT OF HUMAN RESOURCES (DHR). I AM PLEASED TO SHARE WITH YOU CSEA'S MAJOR ACCOMPLISHMENTS, GOALS AND CHALLENGES FOR THE FUTURE.

MISSION AND PURPOSE

THE MARYLAND CHILD SUPPORT ENFORCEMENT PROGRAM ENABLES, ENCOURAGES AND ENFORCES PARENTAL RESPONSIBILITY THROUGH INNOVATIVE PROGRAMS, PARTNERSHIPS, AND TECHNOLOGY, THEREBY CONTRIBUTING TO CHILD AND FAMILY WELL-BEING. WE ACCOMPLISH THIS BY COLLECTING AND DISTRIBUTING CHILD SUPPORT PAYMENTS AND BY PROVIDING MEDICAL SUPPORT SERVICES.

FY 2007 GOALS AND OBJECTIVES

DURING FY 2007 CSEA WILL CONTINUE TO ENHANCE EXISTING PROGRAMS AND OPERATIONS TO IMPROVE THE ECONOMIC INDEPENDENCE OF FAMILIES BY MAKING CHILD SUPPORT A RELIABLE SOURCE OF INCOME. OUR PROGRAMS ARE GEARED TOWARD ENSURING THAT BOTH TEMPORARY CASH ASSISTANCE (TCA) AND NON-TCA FAMILIES RECEIVE AND GAIN BETTER ACCESS TO CHILD SUPPORT SERVICES. CSEA WILL CONTINUE TO EXPLORE NEW INITIATIVES THAT ALLOW THE AGENCY TO MAXIMIZE OUTSOURCING, IMPROVE AUTOMATION, AND PROVIDE ENHANCED CUSTOMER SERVICE THROUGH ITS CUSTOMER CALL CENTER, E-CHILD SUPPORT WEBSITE, AND EXPANDED ELECTRONIC SERVICES FOR THE PAYMENT AND RECEIPT OF CHILD SUPPORT.

CSEA HAS ESTABLISHED PERFORMANCE GOALS ALIGNED WITH THE NEEDS OF OUR CUSTOMERS AND TO MAXIMIZE FEDERAL INCENTIVE FUNDING. CHILD SUPPORT INCENTIVES ARE AWARDED BASED ON FIVE PERFORMANCE MEASURES: PERCENT OF CHILDREN WITH PATERNITY ESTABLISHED, PERCENT OF CASES WITH SUPPORT ORDERS ESTABLISHED, PERCENT OF CURRENT SUPPORT COLLECTED, PERCENT OF ARREARS COLLECTED, AND COST EFFECTIVENESS. EACH YEAR, THE FEDERAL CHILD SUPPORT OFFICE CONDUCTS A DATA RELIABILITY AUDIT (DRA). THE PURPOSE OF THIS AUDIT IS TO DETERMINE THE RELIABILITY OF THE PERFORMANCE DATA USED TO CALCULATE INCENTIVE EARNINGS. FOR FFY 2004, MARYLAND WAS AWARDED $5.48 MILLION IN CHILD SUPPORT PERFORMANCE INCENTIVES. THESE INCENTIVE FUNDS MUST BE USED FOR PROGRAM ENHANCEMENTS.

FFY 2005 AND FFY 2006 PROGRAM HIGHLIGHTS AND INNOVATIONS

TOTAL COLLECTIONS

TOTAL CHILD SUPPORT COLLECTIONS FOR FFY 2005 WERE $ 473.0 MILLION WHICH REPRESENTED A $20.1 MILLION INCREASE AND EXCEEDED PRIOR YEAR COLLECTIONS BY 4.45%.

ADMINISTRATIVE EARNINGS WITHHOLDING

THE AUTOMATED ISSUANCE OF ADMINISTRATIVE EARNINGS WITHHOLDING NOTICES CONTINUES TO BE ONE OF THE MOST EFFECTIVE MEANS OF ENFORCING CHILD SUPPORT COLLECTIONS. LAST YEAR 69% PERCENT OF ALL CHILD SUPPORT COLLECTED WAS AS A RESULT OF EARNINGS WITHHOLDING.

THIS PROCESS BENEFITS CHILDREN AND FAMILIES THROUGH INCREASED COLLECTIONS. IN ADDITION, THIS PROCESS IS CRITICAL TO INCREASING PERFORMANCE ON CURRENT SUPPORT AND ARREARAGE COLLECTIONS. THIS PROCESS HIGHLIGHTS THE IMPORTANT ROLE THAT EMPLOYERS PLAY IN CHILD SUPPORT COLLECTIONS THROUGH REPORTING NEW EMPLOYEES TO THE NEW HIRE DIRECTORY AND DEDUCTING CHILD SUPPORT THROUGH EARNINGS WITHHOLDING. CSEA CONTINUES TO COORDINATE WITH EMPLOYERS TO IMPROVE COMMUNICATIONS AND PROGRAM EFFECTIVENESS.

ELECTRONIC PAYMENTS AND DISBURSEMENT

THE STATE DISBURSEMENT UNIT (SDU) IS RESPONSIBLE FOR PROCESSING ALL CHILD SUPPORT PAYMENTS CENTRALLY. TO ENHANCE COLLECTIONS AND DISBURSEMENT OF CHILD SUPPORT, CSEA IS WORKING DILIGENTLY TO INCREASE THE AMOUNT OF CHILD SUPPORT PAYMENTS RECEIVED ELECTRONICALLY FROM EMPLOYERS AND OTHER STATES. IN THIS REGARD, FILE RECONCILIATIONS WITH FEDERAL AGENCIES AND EMPLOYERS ARE ONGOING TO ALLOW FOR PROCESSING PAYMENTS ELECTRONICALLY. CSEA CONTINUES TO PARTICIPATE IN THE NATIONWIDE INTERSTATE CASE RECONCILIATION PROJECT TO FACILITATE THE FLOW OF ELECTRONIC PAYMENTS FROM OTHER STATES. ELECTRONIC PAYMENT SERVICES WILL BE AVAILABLE TO OBLIGORS WHEN WEB BASED AND TOUCH TONE TELEPHONE SERVICES ARE IMPLEMENTED IN MARCH 2006 UNDER OUR NEW SDU CONTRACT. TO PROVIDE BETTER CUSTOMER SERVICES AND REDUCE UNDISTRIBUTED COLLECTIONS, ELECTRONIC DISBURSEMENTS WILL BE ENHANCED THROUGH THE MANDATORY REQUIREMENTS FOR DIRECT DEPOSIT OR DEBIT CARD ENROLLMENT.

PRIVATIZATION AND DEMONSTRATION PILOT PROGRAMS

THE THIRD ITERATION OF PRIVATIZATION AND DEMONSTRATION PILOTS (WHICH RUN FOR SIX YEARS) HAS BEEN OPERATIONAL FOR APPROXIMATELY TWO YEARS. THE BALTIMORE CITY AND QUEEN ANNE'S COUNTY PRIVATIZATION PILOTS, OPERATED BY POLICY STUDIES, INC. (PSI), BEGAN ON JANUARY 1, 2004. DURING FEDERAL FISCAL YEAR 2005, BALTIMORE CITY MET GOALS FOR TOTAL DISTRIBUTED COLLECTIONS, PATERNITY ESTABLISHMENT, SUPPORT ORDER ESTABLISHMENT AND CURRENT SUPPORT COLLECTED BUT DID NOT MEET THE GOAL FOR CASES PAYING ARREARS. QUEEN ANNE'S COUNTY MET GOALS FOR TOTAL DISTRIBUTED COLLECTONS, PATERNITY ESTABLISHMENT, SUPPORT ORDERS ESTABLISHED BUT DID NOT MEET GOALS FOR CURRENT SUPPORT COLLECTED AND CASES PAYING ARREARS. IN THIS PERIOD BALITIMORE CITY, WHILE EXCEEDING THE COLLECTION GOAL BY $5.1 MILLION, REDUCED UNDISTRIBUTED COLLECTIONS BY $1.1 MILLION OR 53 PERCENT.

THE DEMONSTRATION SITES CONTINUE TO WORK CLOSELY TOGETHER TO EXPLORE INNOVATIVE TECHNIQUES TO MAXIMIZE CUSTOMER SERVICE AND PERFORMANCE. IN FFY 2005, THREE OF THE FOUR DEMONSTRATION SITES MET ALL PERFORMANCE GOALS (PATERNITY ESTABLISHMENT, SUPPORT ORDER ESTABLISHMENT, CURRENT SUPPORT COLLECTED AND CASES PAYING ARREARS) AND THE REMAINING SITE MET TWO OF THE FOUR GOALS (PATERNITY AND SUPPORT ORDER ESTABLISHMENT). ALSO, ALL FOUR SITES EXCEEDED COLLECTIONS FROM THE PREVIOUS YEAR. THESE SITES

IMPLEMENTED EARLY INTERVENTION STRATEGIES AS THE MEANS OF ENSURING RELIABLE PAYMENTS OF SUPPORT AND REDUCING THE BUILD UP OF LARGE ARREARS. AS REQUIRED BY STATUTE, THE NUMBER OF DEMONSTRATION SITES WAS EXPANDED TO TWELVE ON JULY 1**, 2005.**

MEETING CUSTOMER NEEDS

- **CALL CENTER OPERATIONS**

  CSEA CONTINUES TO CONTRACT WITH A PRIVATE VENDOR TO HANDLE CUSTOMER INQUIRIES. ITS PRIMARY GOAL IS TO PROFESSIONALLY HANDLE CUSTOMER TELEPHONE AND E-MAIL INQUIRIES BY PROVIDING ACCURATE AND TIMELY INFORMATION ABOUT THEIR CHILD SUPPORT CASES, UPDATING ROUTINE CASE INFORMATION AND ISSUING ROUTINE FORMS. THIS CUSTOMER FOCUSED ENDEAVOR CONTINUES TO BE AN EFFICIENT, COST EFFECTIVE PROCESS FOR MANAGING CUSTOMER INQUIRIES AND REMAINS A LONG TERM SOLUTION TO MEETING CUSTOMER NEEDS. THIS SOLUTION BENEFITS LOCAL CHILD SUPPORT WORKERS BY ENABLING THEM TO HANDLE MORE COMPLEX CASE PROCESSSING FUNCTIONS. TO ENSURE THE QUALITY AND EFFECTIVENESS OF THIS SERVICE, CSEA MONITORS CONTRACTOR PERFORMANCE AND COORDINATES REGULAR MEETINGS WITH THE CONTRACTOR AND LOCAL OFFICES TO RESOLVE ISSUES.

- **e-CHILD SUPPORT**

  THIS INNOVATIVE WEB-ENABLED CUSTOMER SERVICE INITIATIVE THAT PROVIDES CUSTOMERS 24 HOUR ACCESS FOR UPDATING AND EXCHANGING INFORMATION CONTINUES TO BE SUCCESSFUL. CUSTOMERS ARE ABLE TO OBTAIN UP TO 6 MONTHS OF PAYMENT HISTORY AND CASE INFORMATION, AND PROVIDE UPDATED INFORMATION, WITHOUT THE NEED TO CALL OR

APPEAR AT A CHILD SUPPORT OFFICE. TODAY, CUSTOMERS ACCESS THE CHILD SUPPORT WEB SITE OVER TWO (2) MILLION TIMES A MONTH. IN MARCH 2006, A LINK WILL BE ESTABLISHED TO THE SDU CONTRACTOR'S ELECTRONIC PAYMENT WEB SITE FOR USE BY EMPLOYERS AND OBLIGORS TO MAKE PAYMENTS ELECTRONICALLY. FUTURE ENHANCEMENTS WILL ALLOW EMPLOYERS AND OTHER STATES TO ACCESS, UPDATE AND EXCHANGE INFORMATION.

- **NON-CUSTODIAL PARENT PROGRAMS**

RECENT STUDIES HAVE SHOWN THAT LOW-INCOME OBLIGORS ARE RESPONSIBLE FOR APPROXIMATELY 70 PERCENT OF CHILD SUPPORT ARREARS ALTHOUGH THEY ONLY REPRESENT APPROXIMATELY 25 PERCENT OF THE CHILD SUPPORT POPULATION. SOME OF THE REASONS GIVEN ARE BARRIERS TO EMPLOYMENT AND CHILD SUPPORT ORDERS THAT ARE TOO HIGH RELATIVE TO THEIR ABILITY TO PAY. CSEA HAS DEVELOPED TWO INNOVATIVE PROGRAMS TO SUPPORT UNEMPLOYED AND /OR INCARCERATED OBLIGORS. AS AN ALTERNATIVE TO PUNITIVE ENFORCEMENT MEASURES, THE NON-CUSTODIAL PARENT EMPLOYMENT PROGRAM (NPEP) MAKES AVAILABLE TO LOW-INCOME NON-CUSTODIAL PARENTS THE EMPLOYMENT PROGRAMS THAT HAVE BEEN SO SUCCESSFUL IN REDUCING THE TCA ROLLS. IN PARTNERSHIP WITH THE DEPARTMENT OF PUBLIC SAFETY AND CORRECTIONAL CSEA AND DPSCS ASSIST INCARCERATED OBLIGORS WITH REQUESTS FOR MODIFICATION.

OPPORTUNITIES AND CHALLENGES

UNDISTRIBUTED COLLECTIONS (UDC) CONTINUE TO IMPACT CHILD SUPPORT

AGENCIES NATIONWIDE. TO MANAGE THIS PROCESS, CSEA ESTABLISED NEW PROCEDURES, PROVIDED ADDITIONAL TRAINING FOR CHILD SUPPORT ENFORCEMENT WORKERS AND IS ENHANCING DIRECT DEPOSIT AND DEBIT CARD DISBURSEMENT. WHILE REDUCING UDC CONTINUES TO BE A CHALLENGE, INITIATIVES BEING UNDERTAKEN BY THE DEPARTMENT WILL RENDER UDC MANAGEABLE.

THE RESULTS OF THE FFY 2003 AND FY 2004 DATA RELIABILITY AUDITS FOUND CSEA'S DATA WAS FOUND TO BE UNRELIABLE FOR PATERNITY ESTABLISHMENT. THIS RESULTED IN A LOSS OF INCENTIVES OF APPROXIMATELY $2 MILLION FOR EACH YEAR. ALSO, AS THIS FAILURE OCCURRED FOR TWO CONSECUTIVE YEARS, A ONE PERCENT (1%) PENALTY WAS IMPOSED AGAINST THE TANF BLOCK GRANT. AN EXTENSIVE CORRECTIVE ACTION PROCESS TO INCLUDE REVIEW AND CLEAN-UP OF ALL PATERNITY ESTABLISHMENT DATA THAT WOULD BE REVIEWED IN FFY 2005, STAFF TRAINING AND PENDING ERROR REDUCTIONS EDITS TO THE CHILD SUPPORT AUTOMATED SYSTEM (CSES). IN ADDITION, CSEA IS ESTABLISING A COMPLIANCE OFFICE THAT WILL FOCUS ON DATA RELIABLITY AND OTHER AUDIT FINDINGS.

CASELOAD MANAGEMENT CONTINUES TO BE A CHALLENGE DUE TO STAFF ATTRITION AND POSITION ABOLISHMENT DURING THE HIRING FREEZE. CSEA PLANS TO PROVIDE LOCAL OFFICES WITH ADDITIONAL STAFF RESOURCES THROUGH THE PROFESSIONAL SERVICES (INSOURCING) CONTRACT. WITH THE ISSUANCE OF THE REQUEST FOR PROPOSALS (RFP) WAS ISSUED ON JANUARY 24, 2006, WE ARE ON TARGET FOR CONTRACT IMPLEMENTATION IN EARLY FY 2007.

THE BUDGET RECONCILIATION ACT OF 2005, PASSED BY CONGRESS ON

FEBRUARY 1, 2006 CONTAINED THREE PROVISIONS THAT IMPACT CHILD SUPPORT FUNDING. THE THREE PROVISIONS INCLUDE:

FEDERAL REIMBURSEMENT FOR GENETIC TESTING IS BEING REDUCED FROM 90 PERCENT TO 66 PERCENT, EFFECTIVE OCTOBER 1, 2006. THIS WILL RESULT IN A LOSS OF APPROXIMATELY $122 THOUSAND IN FEDERAL FUNDS.

AN ANNUAL $25 FEE ON CASES THAT NEVER RECEIVED PUBLIC ASSISTANCE BENEFITS AFTER THE FIRST $500 IN COLLECTIONS IS EFFECTIVE IS EFFECTIVE OCTOBER 1, 2006. HOWEVER, THE LAW PROVIDES FOR DELAYED IMPLEMENTATION IF A CHANGE TO STATE LAW IS REQUIRED. SUCH LEGISLATION WILL BE NEEDED FOR CSEA TO COLLECT THE FEE FROM CHILD SUPPORT COLLECTIONS. ALSO, CHANGES TO THE CHILD SUPPORT ENFORCEMENT AUTOMATED SYSTEM (CSES) MUST BE MADE. THEREFORE, WE ANTICIPATE IMPLEMENTING THIS PROVISION IN FISCAL 2008. WE ESTIMATE REVENUES FROM THIS FEE WILL BE APPROXIMATELY $1.6 MILLION. SUCH REVENUES MUST BE SUBTRACTED FROM CHILD SUPPORT EXPENDITURES BEFORE DETERMINING THE FEDERAL MATCH.

THE 66 PERCENT FEDERAL MATCH FOR INCENTIVE EXPENDITURES IS BEING ELIMINATED EFFECTIVE IN FISCAL 2008. OUR 2008 BUDGET REQUEST WILL MAKE PROVISION FOR THIS LOSS IN FEDERAL FUNDING.

THIS ACT INCLUDED CHANGES TO CHILD SUPPORT PROGRAM POLICY. WE ARE REVIEWING THESE CHANGES TO DETERMINE THEIR IMPACT OF FOR MARYLAND.

PROPOSED LEGISLATION

HOUSE BILL 272 - AFFIDAVIT OF SUPPORT – THIS PROPOSED LEGISLATION WOULD AUTHORIZE THE ADMINISTRATION TO ESTABLISH AND COLLECT OBLIGATIONS FOR SUPPORT BASED ON THE VOLUNTARY AGREEMENT OF BOTH PARTIES. USING THIS PROCESS, THE SUPPORT AMOUNT WOULD BE SET IN ACCORDANCE WITH THE CHILD SUPPORT GUIDELINES. A SIGNED AFFIDAVIT OF SUPPORT BECOMES A SUPPORT OBLIGATION THAT HAS THE FULL FORCE AND EFFECT OF A COURT ORDER AND IS FULLY ENFORCEABLE UNDER STATE LAW. THE AFFIDAVIT COULD BE RESCINDED BY EITHER PARTY WITHIN SIXTY DAYS OF EXECUTION.

WE WILL CONTINUE TO MAKE PROGRESS WITH YOUR FAVORABLE SUPPORT OF THE BUDGET THAT IS BEFORE YOU.

Department Of Human Resources **Child Support Enforcement Administration**
Fiscal Year 2007 Budget

Child Support Program Enhancement

Total Funds	**$2,551,296**
General Funds	**$ 867,441**
No. of Positions	**0 FTE**

I. Summary of Request

CSEA is requesting additional funds to enhance the Child Support Enforcement System (CSES) to reduce data reliability errors, to fully implement medical support enforcement requirements, and to comply with federal enforcement and administrative garnishment requirements. These funds will be used to obtain services from vendors with expertise in these areas.

CSEA failed to meet the federally required Data Reliability Audit standard of 95% for the paternity establishment measure in FFY 2003 and FFY 2004. The FFY 2003 deficiencies were resolved but the FFY 2004 deficiencies related to case processing errors require system enhancements for long term resolution. The failures in these two years resulted in the loss of approximately $4 million in federal incentives. In addition, as this situation occurred two years in a row, DHR is being penalized 1% of the federal Block Grant for Temporary Assistance to Needy Families (TANF).

CSEA was found unsatisfactory in the Legislative Audit Report dated May 17, 2005. Two of the deficiencies were lack of timely enforcement actions and failure to garnish financial institution accounts. To resolve these issues, CSEA needs to fully implement administrative garnishment procedures and initiatives that will lead to better enforcement of delinquent cases.

CSEA needs to fully implement the requirement for establishment and enforcement of medical support obligations. The federal government will be establishing, beginning FFY 2008, a performance measure category for medical support enforcement and will be implementing in FFY 2009 incentive payments based on that measure. While CSEA has given some attention to the medical support requirement, resources that are necessary for full implementation have not been available.

II. Justification

Modifications to the child support system will eliminate case processing errors related to data reliability failures and provide for efficient data matching necessary for implementing an effective processes for the administrative garnishment of accounts and for health insurance enrollments.

CHILD SUPPORT ENFORCEMENT ADMINISTRATION
N00H00

Refer: **Legislative Analyst Issue**
Page 3

Budget Book: **Volume II, pages 442, and 446 - 447**

Analyst's Issue #1:

THE DEPARTMENT SHOULD EXPLAIN THE REASONING OF HAVING AN ANNUAL GOAL THAT COMPARES UNFAVORABLY TO RECENT PERFORMANCE.

Department's Response:

In past years, the Administration's policy has been to establish performance measure goals based on the prior year's actual. That methodology has served us well over the years. However, with the expansion of Demonstration sites to all non-privatized jurisdictions, the Department is exploring other methodologies for establishing goals that may be more in line with converting to a more performance driven operation.

CHILD SUPPORT ENFORCEMENT ADMINISTRATION
N00H00

Refer: **Legislative Analyst Issue**
Page 12

Budget Book: **Volume II, pages 442, and 446 - 447**

Analyst's Issue #2:

THE DEPARTMENT SHOULD SHARE WITH THE COMMITTEES THE PLAN FOR ADDRESSING THE FEDERAL CHANGES AND ASSURING THE CHILD SUPPORT PERFORMANCE MEASURES WILL NOT DECLINE AS A RESULT OF THE NEW LEGISLATION.

Department's Response:

Under the Deficit Reduction Act of 2005, three initiatives were enacted that impact funding. These initiatives are:

1. Reduction of the Genetic Testing federal matching rate from 90% to 66%. The Department anticipates that the loss in federal funds will be approximately $122,300. This will be made up from existing funds.

2. Imposition of a $25 collection fee on never TANF cases after the first $500 in collections: This will require State legislation and changes to the child support automated system to reduce this fee from child support payments, which we anticipate implementing in fiscal 2008. We anticipate implementing in fiscal 2008. Revenues from the fee will be offset against the child support administrative expenditures.

3. Elimination of the federal match for incentives: Currently, reinvestment fund incentives are being used to fund several core service contracts. To make up for the loss of federal matching funds for incentives, the Department anticipates using approximately $3.5 million in General Funds beginning in fiscal 2008. This matter has been discussed with the Department of Budget and Management (DBM). DBM is working with the Department to make the necessary adjustments so that no services will be affected.

CHILD SUPPORT ENFORCEMENT ADMINISTRATION
N00H00

Refer: **Legislative Analyst Issue**
Page 12

Budget Book: **Volume II, pages 442, and 446 - 447**

Analyst's Issue #3:

THE DEPARTMENT SHOULD PROVIDE THE COMMITTEES WITH DETAIL ABOUT WHERE THE 29 EXEMPTIONS ARE INTENDED TO WORK.

Department's Response:

The 29 exemptions are intended to work in the following jurisdictions and office:

Local Office	
Calvert DSS	0.5
Cecil DSS	1.0
Dorchester DSS	1.0
Harford	1.0
Howard	0.5
Montgomery OCSE	3.0
Prince George's OCSE	3.0
St. Mary's DSS	1.0
Somerset DSS	1.0
Talbot DSS	1.0
Washington DSS	1.0
Wicomico DSS	2.0
Worchester DSS	1.0
CSEA Headquarters	12.0

CHILD SUPPORT ENFORCEMENT ADMINISTRATION
N00H00

Refer: **Legislative Analyst Issue**
Page 14

Budget Book: **Volume II, pages 442, and 446 - 447**

Analyst's Issue #4:

THE DEPARTMENT SHOULD EXPLAIN THE BASIS FOR ARRIVING AT AN OPTIMAL CASELOAD LEVEL OF 450. THE DEPARTMENT SHOULD ALSO EXPLAIN THE REASON POSITIONS HAVE NOT BEEN REALLOCATED THROUGHOUT THE STATE TO BRING MORE JURISDICTIONALS CLOSER TO THE 450 GOAL.

Department's Response:

The belief that the optimal caseload level is 450 is not based on a study nor is there a national standard. The last time Department obtained additional child support staff in the 1980s and 1990s we were attempting to achieve a caseload ratio of 500 to one. There are many factors that go into determining the optimum case load level. Over the years, we attempted to keep up with new demands placed on the operation using automation. However, we believe that further analysis is needed at this time to evaluate our business processes in order to determine what the optimum level should be.

The Department's strategy is to provide resources to those jurisdictions that need them the most. The in-sourcing contract will be used for that purpose.

CHILD SUPPORT ENFORCEMENT ADMINISTRATION
N00H00

Refer: **Legislative Analyst Issue**
Page 14

Budget Book: **Volume II, pages 442, and 446 - 447**

Analyst's Issue #5:

THE DEPARTMENT SHOULD EXPLAIN THE REASONS FOR DELAYING THE IMPLEMENTATION OF THE "IN-SOURCING" INITIATIVE, AND THE DEPARTMENT SHOULD EXPLAIN WHEN AND WHY THE INITIATIVE WAS EXPANDED TO INCLUDE COUNTIES OTHER THAN PRINCE GEORGE'S COUNTY. ALSO, THE DEPARTMENT SHOULD ESTIMATE THE AMOUNT OF "IN-SOURCING" FUNDS THAT WILL BE CARRIED OVER TO FISCAL 2007.

Department's Response:

The Department did not intentionally delay the implementation of the "in-sourcing" initiative. The in-sourcing concept is a new cutting-edge method for providing additional resources to local offices. During development of the RFP extensive research and analysis of personnel and legal issues was required. In resolving these issues, cross Departmental coordination and approvals were required. In addition, it was necessary to ensure that the State's interest was protected and any risks were mitigated. Responses to the RFP were due on March 1, 2006. The Department anticipates that the contract start date will be June 1, 2006. However, this date is contingent on a smooth evaluation process and no protest of the contract award.

From its inception, in-sourcing was designed as a statewide initiative. Recognizing the limitations in available funds, the decision was made to provide staff for Prince George's County first and then provide staff to other jurisdictions as additional funding became available.

It is estimated that approximately $685,665 in reinvestment special funds would be carried over from fiscal 2006 to fiscal 2007.

CHILD SUPPORT ENFORCEMENT ADMINISTRATION
N00H00

Refer: **Legislative Analyst Issue**
Page 14

Budget Book: **Volume II, pages 442, and 446 - 447**

Analyst's Issue #6:

THE DEPARTMENT SHOULD EXPLAIN THE PLAN FOR FILLING STATE REGULAR POSITIONS THAT BECOME VACANT IN JURISDICTIONS WHERE IN-SOURCING CONTRACTS ARE HELD. SPECIFICALLY, THE DEPARTMENT SHOULD CLARIFY WHETHER VACANT POSITIONS WILL BE ABOLISHED AS THEY COME OPEN IN FAVOR OF GREATER PRIVATIZATION. THE DEPARTMENT SHOULD ALSO DISCUSS HOW MANAGEMENT RESPONSIBILITIES WILL BE COORDINATED BETWEEN LOCAL DEPARTMENT STAFF AND VENDOR STAFF.

Department's Response:

The in-sourcing initiative is not a privatization initiative as indicated by the RFP title, "Professional Employment Services". The purpose of this contract is to augment staff resources not replace existing staff. The Department's plan for positions that become vacant in jurisdictions with in-sourcing staff is to leave such positions in those jurisdictions. The Department does not plan to abolish positions as they become vacant. The Department will continue to seek exemptions from the hiring freeze to fill positions.

The vendor will be responsible for recruitment and evaluation of staff performance. Based on such evaluations, the vendor will be responsible for removing any staff that do not meet performance requirements and replace such staff if requested by the local department. The local department will be responsible for assigning work, providing on-the-job training and direction and providing the vendor with information about in-sourcing staff performance.

CHILD SUPPORT ENFORCEMENT ADMINISTRATION
N00H00

Refer: **Legislative Analyst Issue**
Page 14

Budget Book: **Volume II, pages 442, and 446 - 447**

Analyst's Issue #7:

THE DEPARTMENT SHOULD COMMENT ABOUT HOW THE DEMONSTRATION SITES ARE PERFORMING COMPARED TO THE PRIVATIZED COUNTIES AND THE REST OF THE STATE.

Department's Response:

In federal fiscal year 2005, the Demonstration sites performance in the four performance measure categories (paternity establishment, support order establishment, current support collected and cases paying arrears) exceeded that of Baltimore City. For paternity establishment and support order establishment, Queen Anne's County and the four demonstration sites exceeded the maximum performance levels (90% paternity establishment and 80% support order establishment). For current support collections and cases paying arrears, three of the four demonstration sites exceeded Queen Anne's performance.

All counties in the rest of the state, except one outperformed Baltimore City in all four performance standards. The one county outperformed the City in three of the four standards. Queen Anne's County outperformed all but two counties in paternity establishment, all but one county in support order establishment, five counties in current support collected and 10 counties in cases paying arrears.

For the rest of the state in paternity establishment, one demonstration site outperformed all other jurisdictions; a second demonstration site outperformed 12 jurisdictions; one outperformed four jurisdictions and one outperformed six. In support order establishment, one demonstration site outperformed 17 other jurisdictions; one outperformed 11 jurisdictions, one outperformed four jurisdiction and one outperformed 14 jurisdictions. In current support collected, one demonstration site outperformed 9 jurisdictions, two outperformed five; and one outperformed six. In cases paying arrears, two demonstration sites outperformed 18 other jurisdictions; one outperformed 15 jurisdictions; and one outperformed three jurisdictions.

CHILD SUPPORT ENFORCEMENT ADMINISTRATION
N00H00

Refer: **Legislative Analyst Issue**
Page 17

Budget Book: **Volume II, pages 442, and 446 - 447**

Analyst's Issue #8:

THE DEPARTMENT SHOULD CONDUCT AN ANALYSIS OF THE COST-EFFECTIVENESS OF THE CHILD SUPPORT OFFICES THROUGHOUT THE STATE (I.E., $1 SPENT ON THE PROGRAM BRINGS IN HOW MANY CHILD SUPPORT DOLLARS). ALSO, THE DEPARTMENT SHOULD COMPARE THE OUTCOMES OF BALTIMORE CITY TO SIMILAR JURISDICTIONS OUTSIDE THE STATE. THE DEPARTMENT SHOULD USE THIS INFORMATION TO DRAW CONCLUSIONS ABOUT WHICH DIRECTION CSEA SHOULD MOVE TOWARDS – PRIVATIZATION THROUGHOUT THE STATE OR IN CERTAIN JURISDICTIONS OR WORKING TOWARDS GETTING CASELOAD NUMBERS TO THE 450 LEVEL.

Department's Response:

The Department is currently collecting data to determine jurisdictional cost effectiveness. The Department will use this data, along with other outcome measures to compare the performance levels of the privatized operation and the State run operations. In addition, the Department will consider data from other states in analyzing Baltimore City's performance. Under existing State Law (Family Law Article, §§ 10-119.1 and 10-110.2, the privatization and demonstration pilots (which will comprise all non-privatized jurisdictions) will run through September 30, 2009. Therefore, the Department will use performance information to guide any decision regarding the future direction of the child support program.

CHILD SUPPORT ENFORCEMENT ADMINISTRATION
N00H00

Refer: **Legislative Analyst Issue**
Page 21

Budget Book: **Volume II, pages 442, and 446 - 447**

Analyst's Issue #9:

Finding 2: SUFFICIENT ACCOUNTABILITY AND CONTROL WAS NOT EXERCISED OVER UNDISBURSED FUNDS TOTALING $5 MILLION.

Department's Response:

The Department implemented procedures to reduce undistributed funds in three old bank accounts and to maintain each local office's current undistributed funds below one (1) percent of their annual distributed collections.

To reduce funds in the three bank accounts and to maintain current UDC at one percent, the following steps were taken:

1. Using a team consisting of eight (8) volunteers, over 83% of funds were disbursed from one of the bank accounts to their rightful owners or Abandoned Property. Also, the Department identified and transferred approximately $2.4 million from a second local bank account to the central bank account and plans to perform a cash analysis to verify the disposition of these funds. Of the remaining funds, approximately 63% were disbursed and research is continuing on the 37% remaining balance.

2. A smaller team is continually working to disburse funds from the third bank account to the rightful owners and to Abandoned Property. Forty-five percent of the funds in this account have been disbursed.

3. Monthly reports are distributed to local offices for their use in identifying and researching current cases with undistributed collections.

The Department anticipates that the undistributed funds in the three banks will be resolved in the near future and the accounts will be closed.

The Office of Legislative Audits' Special Review Report dated February 2006 rated Minimal Progress as the Current Status for this finding and noted in its cover letter to the Joint Audit Committee that most of the actions are still in progress as they relate to complex issues that require extensive time and effort to resolve.

CHILD SUPPORT ENFORCEMENT ADMINISTRATION
N00H00

Refer: **Legislative Analyst Issue**
Page 21

Budget Book: **Volume II, pages 442, and 446 - 447**

Analyst's Issue #10:

Finding 7: FOLLOW-UP ON EMPLOYERS OF OBLIGORS THAT FAILED TO WITHHOLD AND REMIT OBLIGOR WAGES WAS LACKING.

Department's Response:

The Department implemented a change to the automated child support system that corrected a problem that prevented the release of notices to employers who failed to remit child support payments after receiving an earnings withholding notice. Such notices are now being issued to employers.

The Office of Legislative Audits' Special Review Report dated February 2006 rated In Progress as the Current Status for this finding and noted in its cover letter to the Joint Audit Committee that most of the actions are still in progress as they relate to complex issues that require extensive time and effort to resolve.

CHILD SUPPORT ENFORCEMENT ADMINISTRATION
N00H00

Refer: **Legislative Analyst Issue**
Page 21

Budget Book: **Volume II, pages 442, and 446 - 447**

Analyst's Issue #11:

Finding 9: SOCIAL SECURITY NUMBERS OF OBLIGORS WERE NOT ALWAYS OBTAINED OR RECORDED POTENTIALLY REDUCING THE EFFECTIVENESS OF COLLECTION EFFORTS.

Department's Response:

Most Social Security Numbers are being obtained and steps are being implemented to ensure that such numbers are recorded in the automated system. Using a report of non-custodial parents with no social security numbers, CSEA monitors local office research and input of numbers into the automated system. In addition, CSEA is developing a standard Supervisory Review System which will determine whether the presence of social security numbers is documented in the system.

The Office of Legislative Audits' Special Review Report dated February 2006 did not review this findings but noted in its cover letter to the Joint Audit Committee that most of the actions are still in progress as they relate to complex issues that require extensive time and effort to resolve.

CHILD SUPPORT ENFORCEMENT ADMINISTRATION
N00H00

Refer: **Legislative Analyst Issue**
Page 21

Budget Book: **Volume II, pages 442, and 446 - 447**

Analyst's Issue #12:

Finding 11: DRIVER'S LICENSE SUSPENSION REFERRALS REJECTED BY THE MOTOR VEHICLE ADMINISTRATION WERE NOT INVESTIGATED AND REMAINED UNPROCESSED.

Department's Response:

The child support automated system coding prevented the receipt of possible matches from the Motor Vehicle Administration. A system change was implemented in December 2005 that corrected this problem. Local offices received the backlog of possible matches and are now are working to reduce it. Also, on a monthly basis new possible matches are made available to local offices for processing.

The Office of Legislative Audits' Special Review Report dated February 2006 rated In Progress as the Current Status for this finding and noted in its cover letter to the Joint Audit Committee that most of the actions are still in progress as they relate to complex issues that require extensive time and effort to resolve.

CHILD SUPPORT ENFORCEMENT ADMINISTRATION
N00H00

Refer: **Legislative Analyst Issue**
Page 22

Budget Book: **Volume II, pages 442, and 446 - 447**

Analyst's Issue #13:

Finding 13: FOLLOW-UP WITH DELINQUENT OBLIGORS WAS NOT TIMELY.

Department's Response:

The Department is developing a standardized Supervisory Review System for the purpose of determining, at the local level, compliance with enforcement as well as other case processing requirements. The Department plans to conduct a pilot that is planned for Spring 2006 and plans are to implement it statewide by the end of the calendar year.

The Office of Legislative Audits' Special Review Report dated February 2006 did not review this finding but noted in its cover letter to the Joint Audit Committee that most of the actions are still in progress as they relate to complex issues that require extensive time and effort to resolve.

CHILD SUPPORT ENFORCEMENT ADMINISTRATION
N00H00

Refer: **Legislative Analyst Issue**
Page 22

Budget Book: **Volume II, pages 442, and 446 - 447**

Analyst's Issue #14:

Finding 14: THE PERFORMANCE OF LOCAL CHILD SUPPORT SERVICES WAS NOT EFFECTIVELY MONITORED.

Department's Response:

The Department is monitoring Cooperative Reimbursement Agreement (CRA) contractor performance and is issuing quarterly reports that document contract compliance. In addition, CSEA is requiring Corrective Action Plans from CRA contractors whose performance is below contract goals. These plans are reviewed for adequacy and approved. If not adequate, CSEA requires Providers to resubmit the plan based on the curing of plan deficiencies.

The Office of Legislative Audits' Special Review Report dated February 2006 did not review this finding but noted in its cover letter to the Joint Audit Committee that most of the actions are still in progress as they relate to complex issues that require extensive time and effort to resolve.

CHILD SUPPORT ENFORCEMENT ADMINISTRATION
N00H00

Refer: **Legislative Analyst Issue**
Page 22

Budget Book: **Volume II, pages 442, and 446 - 447**

Analyst's Issue #15:

Finding 15: CSEA DID NOT CALCULATE THE COST-EFFECTIVENESS OF INDIVIDUAL LOCAL OFFICES TO HELP MAXIMIZE INCENTIVE FUNDS RECEIVED.

Department's Response:

The Department is developing a methodology to calculate the cost-effectiveness of individual local offices. A determination was made of cost components and data gathering based on those cost components will be completed in March 2006. It is anticipated that the development process will be completed for implementation at the beginning of federal fiscal year 2007.

The Office of Legislative Audits' Special Review Report dated February 2006 did not review this finding but noted in its cover letter to the Joint Audit Committee that most of the actions are still in progress as they relate to complex issues that require extensive time and effort to resolve.

CHILD SUPPORT ENFORCEMENT ADMINISTRATION
N00H00

Refer: **Legislative Analyst Issue**
Page 22

Budget Book: **Volume II, pages 442, and 446 - 447**

Analyst's Issue #16:

Finding 16: THE CENTRAL DISBURSEMENT ACCOUNT WAS NOT RECONCILED.

Department's Response:

The Department has eliminated the backlog and the reconciliation of the central disbursement account is now up-to-date, with two exceptions. The $2.1 million reconciling item is currently being researched. Also, the Department is determining the specific system reports that should be used to document transactions listed on the bank statement.

The Office of Legislative Audits' Special Review Report dated February 2006 rated In Progress as the Current Status for this finding and noted in its cover letter to the Joint Audit Committee that most of the actions are still in progress as they relate to complex issues that require extensive time and effort to resolve.

CHILD SUPPORT ENFORCEMENT ADMINISTRATION
N00H00

Refer: **Legislative Analyst Issue**
Page 22

Budget Book: **Volume II, pages 442, and 446 - 447**

Analyst's Issue #17:

Finding 17: THIRTEEN EMPLOYEES COULD PROCESS REFUNDS WITHOUT INDEPENDENT SUPERVISORY APPROVALS.

Department's Response:

The Department took steps to reduce the number of staff who roles allowed them to process refunds using the automated child support system. With the new State Disbursement Unit contract, the contractor is now responsible for processing refunds. The Department will monitor this contract to ensure that the appropriate separation of duties exists.

The Office of Legislative Audits' Special Review Report dated February 2006 did not review finding but noted in its cover letter to the Joint Audit Committee that most of the actions are still in progress as they relate to complex issues that require extensive time and effort to resolve.

CHILD SUPPORT ENFORCEMENT ADMINISTRATION
N00H00

Refer: **Legislative Analyst Issue**
Page 22

Budget Book: **Volume II, pages 442, and 446 - 447**

Analyst's Issue #18:

Finding 18: CSEA HAD NOT ESTABLISHED ADEQUATE CONTROLS TO PREVENT OR DETECT UNAUTHORIZED CHANGES TO CRITICAL DATA.

Department's Response:

The Department has established policy that requires supervisory approval of changes to critical data. To ensure that local offices are in compliance, the Department will include review of this process in its monitoring of local offices.

The Office of Legislative Audits' Special Review Report dated February 2006 rated In Progress as the Current Status for this finding and noted in its cover letter to the Joint Audit Committee that most of the actions are still in progress as they relate to complex issues that require extensive time and effort to resolve.

CHILD SUPPORT ENFORCEMENT ADMINISTRATION
N00H00

Refer: **Legislative Analyst Issue**
Page 22

Budget Book: **Volume II, pages 442, and 446 - 447**

Analyst's Issue #19:

Finding 19: CSEA DID NOT EFFECTIVELY MONITOR THE CENTRAL COLLECTION CONTRACTOR.

Department's Response:

The Department is monitoring the central collection contractor through periodic meetings, review of system generated daily reports related to receipts processing and data transfers, review of Minority Business Enterprise requirements, review and approval of invoices, and review and approval of deliverables. CSEA is implementing procedures to incorporate the monitoring activities into a quarterly written report that will document the results of all monitoring activities and any corrective actions required during the quarter.

The Office of Legislative Audits' Special Review Report dated February 2006 rated Substantial Progress as the Current Status for this finding and noted in its cover letter to the Joint Audit Committee that most of the actions are still in progress as they relate to complex issues that require extensive time and effort to resolve.

CHILD SUPPORT ENFORCEMENT ADMINISTRATION
N00H00

Refer: **Legislative Analyst Issue**
Page 22

Budget Book: **Volume II, pages 442, and 446 - 447**

Analyst's Issue #20:

Finding 20: PROPER INTERNAL CONTROLS WAS NOT ESTABLISHED OVER UNDELIVERABLE CHECKS.

Department's Response:

The Department implemented procedures to ensure proper controls over undeliverable checks. These procedures to included maintaining a daily log of returned checks, storing returned checks in a locked room with limited accessibility and providing change of address information to local offices for input into the child support automated system.

The Office of Legislative Audits' Special Review Report dated February 2006 did not review for this finding but noted in its cover letter to the Joint Audit Committee that most of the actions are still in progress as they relate to complex issues that require extensive time and effort to resolve.

CHILD SUPPORT ENFORCEMENT ADMINISTRATION
N00H00

SUMMARY OF RESPONSES TO ANALYST'S ISSUES

ISSUE #	ANALYST ISSUE	PROPOSED REDUCTIONS DOLLARS	PROPOSED REDUCTIONS POSITIONS	DHR POSITION	REASON/COMMENTS
1	REDUCE FUNDING FOR IN-SOURCING INITIATIVE. THE CONTRACT FOR THE IN-SOURCING INITIATIVE WILL NOT BE SIGHED UNTIL JUNE 2006, WHICH MEANS THE $2.2 MILLION ALLOCATED FOR FISCAL 2006 FOR THE IN-SOURCING INITIATIVE WILL BE NOT BE EXPENDED IN FISCAL 2006 AND CAN BE ENCUMBERED TO PAY FOR FISCAL 2007 SERVICES. THE FISCAL 2007 ALLOWANCE ALSO INCLUDES FUNDS TO COVER THE COSTS OF THE IN-SOURCING INITATIVE IN FISCAL 2007.	$748,000 GF $1,452,000 FF	0	DISAGREE	The Department disagrees with this recommendation. The in-sourcing initiative is funded with reinvestment special funds and not general funds. For this reason, general funds are not available for reduction in fiscal 2007. By operation of State law (Family Law Article, § 10-106.1 (c) (1) and (2), the unspent reinvestment funds from fiscal 2006 are automatically available for use in fiscal 2007. The Department is expecting to have the in-sourcing contract in place by June 1, 2006. This date anticipates no delays due to award contest and appeal. As such, the recommended reductions have a potential of eliminating in-sourcing funding altogether.

CHILD SUPPORT ENFORCEMENT ADMINISTRATION
N00H00

SUMMARY OF RESPONSES TO ANALYST'S ISSUES

ISSUE #	ANALYST ISSUE	PROPOSED REDUCTIONS DOLLARS	PROPOSED REDUCTIONS POSITIONS	DHR POSITION	REASON/COMMENTS
2	ADOPT THE FOLLOWING NARRATIVE: **COST-EFFECTIVENESS OF CHILD SUPPORT:** THE COMMITTEES ARE CONCERNED ABOUT THE FUTURE OF CHILD SUPPORT IN THE STATE. THE COMMITTEES REQUEST THAT THE DEPARTMENT OF HUMAN RESOURCES (DHR) PROVIDE A REPORT ON THE COST EFFECTIVENESS OF THE CHILD SUPPORT PROGRAM THROUGHOUT THE STATE WITH SPECIFIC ATTENTION TOWARD COST EFFECTIVENESS OF PRIVATIZATION. REPORT ON THE COST-EFFECTIVENESS OF CHILD SUPPORT DUE OCTOBER 1, 2006.	$0	0	AGREE	The Department agrees with the recommended action. The Department will provide the report on the cost-effectiveness of child support by October 1, 2006.

CHILD SUPPORT ENFORCEMENT ADMINISTRATION
N00H00

Refer: **Legislative Analyst Recommendation**
Pages 2 / 18

Budget Book: **Volume II, pages 442, and 446 - 447**

Analyst's Recommended Action #1:

REDUCE FUNDING FOR IN-SOURCING INITIATIVE. THE CONTRACT FOR THE IN-SOURCING INITIATIVE WILL NOT BE SIGHED UNTIL JUNE 2006, WHICH MEANS THE $2.2 MILLION ALLOCATED FOR FISCAL 2006 FOR THE IN-SOURCING INITIATIVE WILL BE NOT BE EXPENDED IN FISCAL 2006 AND CAN BE ENCUMBERED TO PAY FOR FISCAL 2007 SERVICES. THE FISCAL 2007 ALLOWANCE ALSO INCLUDES FUNDS TO COVER THE COSTS OF THE IN-SOURCING INITATIVE IN FISCAL 2007.

Department's Response: Disagree

The Department disagrees with this recommendation. The in-sourcing initiative is funded with reinvestment special funds and not general funds. For this reason, general funds are not available for reduction in fiscal 2007. By operation of State law (Family Law Article, § 10-106.1 (c) (1) and (2), the unspent reinvestment funds from fiscal 2006 are automatically available for use in fiscal 2007.

The Department is expecting to have the in-sourcing contract in place by June 1, 2006. This date anticipates no delays due to award contest and appeal. As such, the recommended reductions have a potential of eliminating in-sourcing funding altogether.

CHILD SUPPORT ENFORCEMENT ADMINISTRATION
N00H00

Refer: **Legislative Analyst Recommendation**
Pages 2 / 18

Budget Book: **Volume II, pages 442, and 446 - 447**

Analyst's Recommended Action #2:

ADOPT THE FOLLOWING NARRATIVE:

COST-EFFECTIVENESS OF CHILD SUPPORT: THE COMMITTEES ARE CONCERNED ABOUT THE FUTURE OF CHILD SUPPORT IN THE STATE. THE COMMITTEES REQUEST THAT THE DEPARTMENT OF HUMAN RESOURCES (DHR) PROVIDE A REPORT ON THE COST EFFECTIVENESS OF THE CHILD SUPPORT PROGRAM THROUGHOUT THE STATE WITH SPECIFIC ATTENTION TOWARD COST EFFECTIVENESS OF PRIVATIZATION. REPORT ON THE COST-EFFECTIVENESS OF CHILD SUPPORT DUE OCTOBER 1, 2006.

Department's Response: Agree

The Department agrees with the recommended action. The Department will provide the report on the cost-effectiveness of child support by October 1, 2006.

Department of Human Resources
FY 2007 Budget Highlights
Local Child Support Enforcement Administration
NG00.06

	FY 2006 Appropriation	FY 2007 Allowance	Changes
I. FUNDING [a]			
General Funds	13,013,078	13,949,515	936,437
Special Funds	150,178	140,740	(9,438)
Federal Funds	25,590,941	27,610,132	2,019,191
Reim. Funds	-	-	-
Total	38,754,197	41,700,387	2,946,190
II. PERSONNEL [a]			
Regular Positions:	616.75	616.75	0.00
Contractual Positions:	0.00	0.00	0.00

III. MAJOR CHANGES (In Thousands)

01 Salaries — 2,791

Increase in Salaries due to increase in Health Insurance, $1,511K; Step Increments, $700K; Fringe Benefits, $313K; Turnover Adjustment, $162K; Deferred Compensation Match, $129K; Recovery of Health Savings, $48K; Reclassifications, $45K; and Accrued Leave Payout, $16K; Offset by decrease for Salary Adjustment, ($133K).

03 Communications — (49)

Decrease in Communications to reflect current experience in Postage, ($38K); and Telephones, ($11K).

04 Travel — 8

Increase in Travel due to In-State-Conference, $10K; and Out-of-State Conference, $4K; Offset by decrease in In-State-Business Travel to reflect current experience, ($6K).

06 Utilities — 19

Increase in Utilities to reflect current expenditures plus 12% inflation adjustment, $8K; and due to new lease facitlies for Worcester County Child Support office, $11K.

08 Contractual Services — 113

Increase in Contractual Services due to Wicomico County Employment Service, $32K; Anne Arundel County Security Guards, $29K and Inter-government Agreement with the Anne Arundal County Government, $22K; Administrative Efficiency Reduction, $10K; Frederick County Security Guards, $9K; Services Contract- Equipment, $5K; Dorchester County Security Guards, $4K; Rental of Copier Machines, $2K; and Banking Fees, $1K; Offset by decrease due to Attorney Fees, ($1K).

09 Supplies — 53

Increase in Data Processing, $25K; Other Supplies and Materials such as Office furnishings, Coat Racks and Hangers for customer waiting rooms, $8K; Copier Services, $8K; Office Supplies, $7K; Promotional Expenses to reflect experience, $3K; and Printed Forms to reflect the experience, $2I

13 Fixed Charges — 11

Increase in Fixed Charges due to Non-Department of General Services (DGS) Rent, $32K; and Subscriptions, $3K; Offset by decrease due to DGS-Rent for St. Mary's County, ($11K), and Calvert County, ($5K); Lease escalation Clause, ($5K); and Cecil County Rental of Multi-Service Center, ($3K).

Total — 2,946

[a] **Reference Source: Maryland State FY 2007 Budget Book - Part II: Page 442**

FY 2007 Budget Highlights
Child Support Enforcement Administration
NH00.08

	FY 2006 Appropriation	FY 2007 Allowance	Changes
I. FUNDING [a]			
General Funds	3,474,298	4,375,440	901,142
Special Funds	8,833,070	9,056,451	223,381
Federal Funds	35,052,766	39,756,530	4,703,764
Reim. Funds	-	-	-
Total	47,360,134	53,188,421	5,828,287
II. PERSONNEL [a]			
Regular Positions:	88.50	88.50	0.00
Contractual Positions:	0.00	0.00	0.00

III. MAJOR CHANGES (In Thousands)

01 Salaries 284

Increase in Salaries due to increase in Health Insurance, $246K; Step Increments, $197K; Fringe Benefits, $50K; Deferred Compensation Match, $19K; Accrued Leave Payout, $17K;and Turnover Adjustment, $16K; Offset by decrease in Reclassifications, ($240K); and Salary Adjustment, ($21K).

03 Communications (38)

Decrease in Communications due to decrease in Telephones to reflect experience, ($36K); and Cellular Telephones, ($3K); Offset by increase in Postage, $1K.

04 Travel (2)

Decrease in travel due to In-State-Business Travel to reflect experience.

07 Vehicles 15

Increase in Vehicles due to Motor Vehicle Replacement of three vehicles, $13K; Repairs and Maintenance, $1K; and Gasoline and Oil, $1K.

08 Contractual Services 5,645

Increase in Contractual Services for the Baltimore City Privatization Contrac$1,589K; additional funds Enhance the Child Support Enforcement System (CSES) to reduce data reliability audit errors, $750K, and to implement the administration of financial institution data match accounts, $261K, the medical insurance support enforcement, $590K, and the enforcement of hard to collect cases, $950K; the Cooperative Reimbursement Agreement, $2,094K; Affiliated Computer Services State and Local Solutions, Inc (ACS) and Bank of America Contracts, $331K; New Hire Data Collection and Financial Institution Data Match Contract, $189K; University of Maryland Contract, $136K; Internal Revenue Service Referral, $38K; and Interagency Agreement/Parentage Affidavits, $38K; Offset by decrease in Call Center Contract, ($895K); The Dads Make A Difference contract, ($159K); Comptroller of Maryland Check Mailing Service, ($144K); Freight and Delivery, ($84K); Credit Reporting Services, ($30K); Office of Administrative Hearings, ($5K); Court Costs, ($3K); and Advertising, ($1K).

09 Supplies (9)

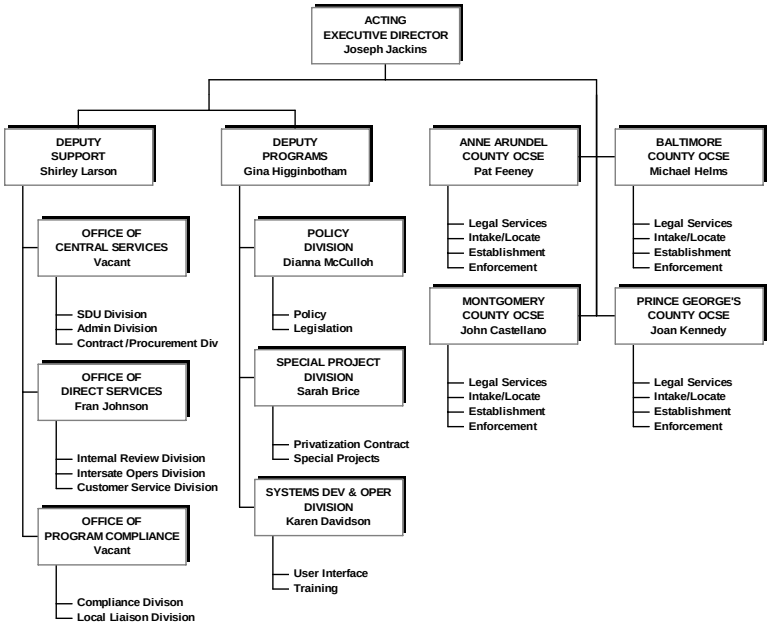
Decrease in Supplies due to reduction in Printed Forms, ($25K); and Data Processing, ($3K); Offset b increase in Office Supplies, $16K; and Promotional Expenses to reflect the experience, $3K

13 Fixed Charges (67)

Decrease in Fixed Charges due to Non-Department of General Services (DGS) Rent, ($110K); Lease Escalation, ($26K); and Insurance Coverage paid to State Treasury Office (STO), ($1K); Offset by an increase in Rent paid to DGS, $70K.

Total 5,828

[a] **Reference Source: Maryland State FY 2007 Budget Book - Part II: Page 447.**


ACTING
EXECUTIVE DIRECTOR
Joseph Jackins
DEPUTY
SUPPORT
Shirley Larson
DEPUTY
PROGRAMS
Gina Higginbotham
ANNE ARUNDEL
COUNTY OCSE
Pat Feeney
BALTIMORE
COUNTY OCSE
Michael Helms
OFFICE OF
CENTRAL SERVICES
Vacant
SDU Division
Admin Division
Contract /Procurement Div
OFFICE OF
DIRECT SERVICES
Fran Johnson
Internal Review Division
Intersate Opers Division
Customer Service Division
OFFICE OF
PROGRAM COMPLIANCE
Vacant
Compliance Divison
Local Liaison Division
POLICY
DIVISION
Dianna McCulloh
Policy
Legislation
SPECIAL PROJECT
DIVISION
Sarah Brice
Privatization Contract
Special Projects
SYSTEMS DEV & OPER
DIVISION
Karen Davidson
User Interface
Training
Legal Services
Intake/Locate
Establishment
Enforcement
MONTGOMERY
COUNTY OCSE
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Legal Services
Intake/Locate
Establishment
Enforcement
Legal Services
Intake/Locate
Establishment
Enforcement
PRINCE GEORGE'S
COUNTY OCSE
Joan Kennedy
Legal Services
Intake/Locate
Establishment
Enforcement