Colorado Model Office Project

EVALUATION OF COLORADO'S UNEMPLOYMENT COMPENSATION BENEFITS ATTACHMENT INITIATIVE

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INTRODUCTION

Beginning in October of 1994, Colorado's Automated Child Support Enforcement System (ACSES) began matching obligors in each county to the Department of Labor and Employment's (DOLE) computer system to identify obligors who have applied for or are receiving unemployment compensation benefits (UCB). If the obligor is receiving or applying for UCB, ACSES automatically attaches a wage assignment to DOLE with 2 exceptions: the child support order was entered before 1990 and there are no wage assignments on ACSES, or the order was a non-IV-D order when entered and there are no wage assignments on ACSES.

Each county technician must create and maintain a record of the AP including his/her name, social security number, verified order, ledger with the correct balances, and correct case category. ACSES runs a weekly extract for all AP cases in categories 1, 2, 3, and 9 with orders, matching by names and social security numbers to DOLE's system. ACSES creates a UCB-AP record. The county technician reviews this record and calculates the correct percentage for the UCB attachment. The state ACSES support staff review the listings daily and enter the percentages withheld. DOLE automatically withholds the percentage entered from the obligors' weekly benefits.

By automatically attaching wage assignments to obligors' unemployment compensation benefits through DOLE's system, the child support enforcement unit hoped to obtain more money for child support and reach obligors they were not able to in the past.

METHODS

In order to evaluate the effectiveness of the automation of the Unemployment Compensation Benefit (UCB) initiative, we gathered data on total child support collections from unemployment compensation benefits in the 39 months prior to (January 1991-September 1994) and 39 months (October 1994-December 1997) following automation of the UCB initiative. Similarly, we collected the monthly totals of unemployment insurance benefits paid for the 39 months prior to and following automation.

All figures were entered into a computerized database. To better understand patterns in UCB collections, we also reviewed the Labor Department's data on the total number of individuals in the labor force for the periods before and after automation, as well as the unemployment rate and total number of individuals filing new claims for this period.

The qualitative aspect of this evaluation consisted of telephone interviews with county supervisors to assess the impact of this initiative. Specifically, the county workers were questioned about their problems with the program, perceived impact on payments, reasons obligors contact the agency, and the standard percentage withheld. They were also asked to give their overall reaction to UCB.   The following presents the results of these investigations.

FINDINGS

To determine the impact of the automation of UCB attachments, total child support collections by month for the 39 months prior to and following automation were examined. At the start of our baseline data collection period (January 1991) the unemployment rate in Colorado stood at 5.5. At the close of our data collection (December 1997) the comparable figure was 2.7. Given the dramatic decline in unemployment, we might expect to see total UCB expenditures decline significantly during our study period. In actual fact, UCB payments remain relatively stable over time. (see Table 1). This apparent anomaly is easily explained when we consider the overall growth in the state's labor force. In

January 1991 the state had 1,713,212 individuals in the workforce. By December, 1997 this figure has risen to 2,195,933 individuals. Not surprisingly, the increased number of individuals in the workforce more than offset the decline in unemployment.

	1991	1992	1993	1994	1995	1996	1997
Table 1 **Unemployment Insurance Benefits Paid Monthly 1991-1997**							
JAN	17,663,230	19,661,100	17,109,601	17,555,703	18,743,438	20,052,990	19,121,275
FEB	16,254,763	18,570,565	17,487,909	18,732,881	17,352,031	19,618,302	17,795,601
MAR	16,866,954	20,520,067	20,053,974	21,563,231*	18,858,228	18,654,516	17,357,317
APR	16,169,681	17,056,062	14,994,250	15,856,290	15,329,931	18,136,141	16,304,867
MAY	16,461,900	14,953,500	13,664,370	15,567,867	17,296,012	16,681,993	13,303,319
JUN	13,732,680	14,348,404	14,533,038	16,469,932	15,585,531	17,183,057	12,541,044
JUL	15,982,679	16,482,263	12,907,252	13,628,958	13,512,613	17,246,639	13,149,355
AUG	13,587,602	13,310,568	13,046,683	15,322,666	15,556,840	13,624,845	11,738,210
SEP	12,549,096	14,217,989	12,122,758	12,388,100	12,010,085	12,345,973	11,129,959
OCT	14,156,607	12,243,706	11,474,203	11,897,949*	13,360,952	13,788,919	9,966,818
NOV	13,149,916	12,799,808	14,051,652	14,679,364	13,896,222	12,658,714	11,462,134
DEC	16,165,979	17,625,918	16,333,224	15,695,761	13,795,542	15,531,397	13,930,395
TOTAL	182,741,094	191,789,956	177,778,920	189,258,728	185,297,430	195,523,492	167,800,30
* Figures in the shaded area indicate the period following automation of the ACSES UCB intervention.							

Unlike UCB payments child support collections from UCB show a relatively steady increase between our start date (January, 1991) and end date (December, 1997) (see Table 2). There is a decline between the 1996 and 1997 figures. We do not know whether the dip in collections in December of 1997 represents the start of a downturn. However, the decline in collections does perfectly mirror the decline shown in December, 1997 UCB payments.

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	1991	1992	1993	1994	1995	1996	1997
						Table 2	
			UCB Wage Assignment Collections Net Amount Collected				
JAN	$51,204	$97,142	$115,797	$104,115	$82,462	$193,439	$170,472
FEB	72,802	131,479	120,107	144,677	14,897	158,353	178,948
MAR	77,642	130,564	118,445	122,026	148,710	261,678	175,095
APR	76,109	153,823	111,658	100,679	157,797	199,278	177,982
MAY	65,373	107,414	77,342	111,156	149,320	166,544	108,456
JUN	49,283	97,073	69,738	68,265	97,246	151,971	78,605
JUL	51,372	92,755	91,908	56,642	352,688	168,784	96,542
AUG	51,230	62,986	78,151	70,515	81,569	117,794	73,041
SEP	37,138	79,241	87,401	51,443	143,646	120,394	64,244
OCT	38,169	86,879	76,160	96,285*	90,480	90,318	73,439
NOV	45,312	68,756	91,752	99,602	93,641	79,524	71,643
DEC	49,388	88,877	77,705	125,263	110,327	95,465	124,226
TOTAL	665,022	1,196,990	1,116,164	1,150,668	1,522,783	1,803,542	1,392,693

* Figures in the shaded area indicate the period following automation of the ACSES UCB intervention.

Figure 1 is a graphic presentation of child support collections from UCB prior to and following the automation intervention. The graph does show a noteworthy increase in collections following the 1994 automated interface between child support and the Department of Labor and Employment's UCB division. The rise in UCB collections beginning in 1994 cannot be attributed to a corresponding increase in UCB payments. As Figure 2 indicates, UCB payments remain relatively constant over time and show no marked increase in 1994.
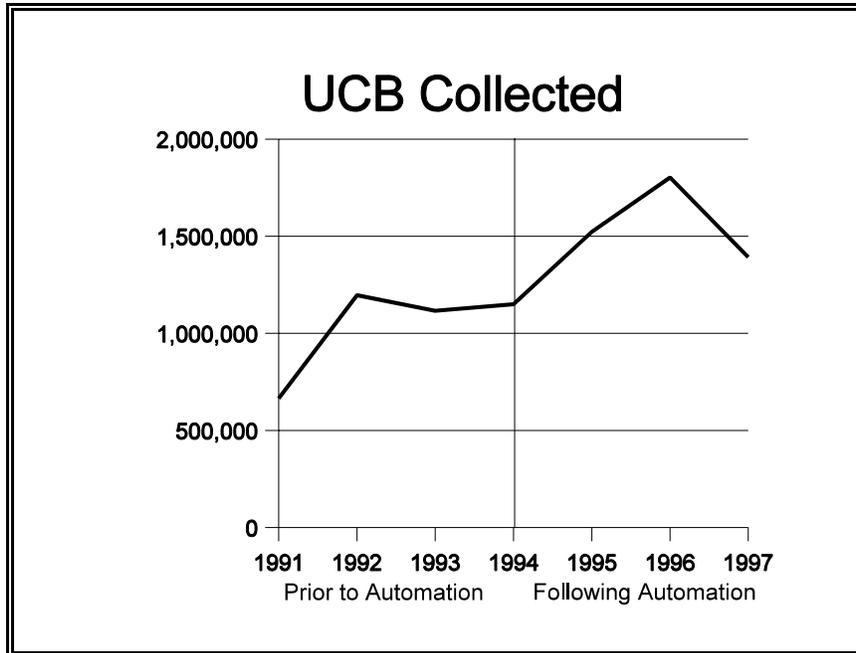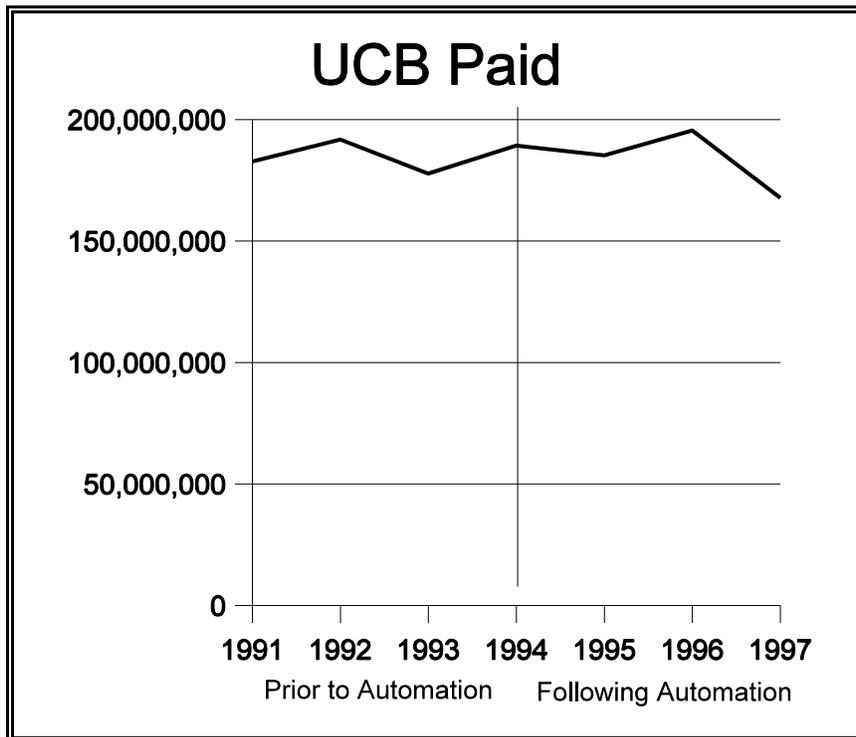
Figure 1

Figure 2

REACTIONS OF COUNTY SUPERVISORS

Overall, the reactions of county supervisors toward the automation of the UCB attachments have been favorable. All supervisors agree that the automatic attachment is a "useful enforcement tool." Since the initiation of automatic UCB attachments in October of 1994, each county has successfully implemented and eagerly pursued this avenue of child support enforcement.

Initial problems in the programming of ACSES have been addressed and an effort has been made to correct the problems. However, problems still exist that many county supervisors and state-level employees have noted. The biggest problem in the programming is with cases that are closed or where the standard percent deducted is reduced. There is a lag time between the technician closing the case or making the change manually on ACSES and the modifications being made on the Department of Labor and Employment's computer system. This process can take two weeks which ultimately affects a payment or two. Consequently, county technicians receive some calls from obligors who are upset that s/he experiences reduced benefits after a case closure.

All county supervisors interviewed agreed that the standard percent withheld is "just right." Each county receives a number of requests to reduce the percentage and in most instances this is handled by the technician working the case. Most counties require documentation before reducing the standard 55 percent withheld, whether it be an income/expense report the obligor has filled out, or proof that the obligor has another open case of which the county is unaware. One supervisor reported that "percentages are reduced only in rare cases, mostly hardship cases."

County supervisors give high marks to the automation of the UCB attachments to collect child support. Most comment on the ease of the program and note that few mistakes are made. As one supervisor noted, "this program requires little work for the technicians, they use a formula to get the right amount the obligor owes, which leads to very few mistakes."

Another commented, "by having it automatic it brings in money we had to search for before." UCB is one aspect of enforcement remedy that workers don't have to "work at" very hard. Perhaps the following comments by a county supervisor summarizes reactions to UCB best:

> By having the entire process automated it is hard to make a mistake with UCB attachments. It is not a real time-consuming initiative for the technicians, it requires minimal work and produces good results.

CONCLUSIONS

Automating the attachment of Unemployment Compensation Benefits represents an improvement over earlier methods of intercepting UCB payments to delinquent obligors. The automation intervention has allowed collections from UCB to increase steadily, despite the fact that UCB payments have remained relatively stable.

Not surprisingly, county supervisors are pleased with this automation intervention. It is seen as an intervention that produces results with minimal demands on technician time.

In an era of higher unemployment, the UCB attachments will presumably be significantly higher than at present. As a result it is likely that the true benefits of this intervention will only be seen over time.