REPORT OF

THE

STATE AUDITOR

CHILD SUPPORT ENFORCEMENT
DEPARTMENT OF HUMAN SERVICES

PERFORMANCE AUDIT
JUNE 1999

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June 22, 1999

Members of the Legislative Audit Committee:

This report contains the results of a performance audit of the Colorado Child Support Enforcement Program. The audit was conducted pursuant to Section 2-3-103, C.R.S., which authorizes the State Auditor to conduct audits of all departments, institutions, and agencies of state government. The report presents our findings, conclusions, and recommendations, and the responses of the Division of Child Support Enforcement.

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OFFICE OF THE STATE AUDITOR **REPORT SUMMARY**

J. DAVID BARBA, C.P.A.
State Auditor

COLORADO CHILD SUPPORT ENFORCEMENT
REPORT SUMMARY
June 1999

Authority, Purpose, and Scope

This audit of the Colorado Child Support Enforcement Program was conducted under authority of Section 2-3-103, C.R.S., which authorizes the State Auditor to conduct performance audits of all departments, institutions, and agencies of state government. The audit was conducted in accordance with generally accepted government auditing standards.

The purpose of the audit was to evaluate the administration of child support under the Title IV-D program. Procedures included reviewing documentation, analyzing data, and interviewing staff at the Division of Child Support Enforcement, other state agencies, and county child support enforcement units. Audit work was performed from August 1998 through March 1999.

This report contains 13 recommendations for improving child support enforcement in Colorado. We would like to acknowledge the efforts and assistance extended by staff at the Division of Child Support Enforcement and the Colorado county child support enforcement units. The following summary provides highlights of the audit comments, recommendations, and responses contained in the report.

Caseload Management

As part of our audit, we evaluated how Colorado county child support enforcement units are managing their caseloads. We selected a sample of 407 cases to evaluate. We found that improvements could be made, including:

- Closing cases that meet closure criteria. We found that county child support enforcement units were not always closing cases that could be closed according to state and federal case closure criteria.

- Reducing the amount of prior year support due. We found that non-custodial parents owed back support (e.g., over one year past due) of about $847 million in Federal Fiscal Year 1998. Total support owed was over $1 billion.

For further information on this report, contact the Office of the State Auditor at (303)866-2051.

- Adopting better case management practices. We found problems ranging from inaccurate data entry to lack of required enforcement efforts in 80 of the 407 cases in our sample. These problems can be costly to parents and the State and limit program effectiveness.

- Continuing to work with counties that fail to comply with state regulations. We found instances in our case file review where data in ACSES were not accurate and federal time requirements were not met. The Division does not impose sanctions on counties that have ongoing problems with compliance.

- Identifying ways to increase the amount of federal incentives received by the State. We found the Division needs to improve program performance in order to increase the amount of federal incentives received by the State. The State can increase federal revenue by as much as $2.5 million for good performance.

We recommend that the Division take steps to improve its management of the State's child support enforcement cases. Specifically, the Division should 1) train counties on the benefits of closing cases that meet closure criteria; 2) improve management of prior year support due; 3) identify cases that have gone for long periods of time with no activity, develop an agency letter on the use of monitoring tools, and provide additional training; 4) impose sanctions on counties that do not make a good faith effort to comply with state regulations; and 5) continue to improve efforts to maximize federal incentives.

Administrative Issues

In addition to improvements in case management, we identified other areas for improvement. These include:

- Ensuring policies on charging interest are consistent statewide. We found that 30 of the 63 counties are charging interest, often inconsistently. The Division has contracted with a private firm for an evaluation of the cost-effectiveness of interest charges on past due child support collections.

- Ensuring interest calculations are correct. We found that the counties currently charging interest on past due obligations do not always calculate the charges in accordance with the law. Neither the Division nor the counties were able to provide information on how much interest has been charged, collected, or written off as uncollectible. Because the Division does not have information on interest charges already collected, we were unable to determine if non-custodial parents over- or underpaid in the past.

- Improving notification to non-custodial parents on interest charges. We found that non-custodial parents do not receive regular statements outlining the total amount due and any interest charges that have accrued.

- Clearing disbursements on hold. We found that the county child support units failed to disburse almost $300,000 in disbursements that had been held over 180 days. This disbursement is required by state regulations.

- Ensuring genetic testing services are provided in the most cost-efficient manner. We found that genetic testing costs reported in the counties' 1998 plans range from $50 per person to about $90 per person, depending upon the county.

We recommend that the Division take steps to improve its administration of the Child Support Enforcement Program. Specifically, the Division should 1) implement consistent interest policies statewide; 2) include reviews of interest charges in its regular county evaluations and determine the extent and materiality of inaccurate interest payments; 3) notify non-custodial parents of charges and interest applied; 4) require counties to clear all disbursements held over 180 days; and 5) determine the most cost-efficient way to provide genetic testing services.

Organizational Structure

Finally, we reviewed the Child Support Program's overall organization and operations and found that improvements could be made. Specifically, we found that differences among the counties result in inefficiencies and inconsistencies in the way child support enforcement services are provided statewide.

We recommend that the Division continue to work with the counties to review and analyze the costs and benefits of various alternatives for organization of the Program. For example, among the alternatives the Division could consider are:

- Regionalization of operations.

- Increased privatization. Other states that have privatized various aspects of their child support programs report increased efficiency and effectiveness in their programs.

- Functional reorganization. All locate and enforcement functions could occur at the state level, while intake and establishment of paternity and support could be maintained at the local level.

The Division generally agrees with our recommendations. Responses can be found in the Recommendation Locator on pages 5 - 7.

RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary	Agency Addressed	Agency Response	Implementation Date
1	28	Review caseload to determine if there are open cases that meet closure criteria and train counties on the benefits of closing those cases.	Division of Child Support Enforcement	Agree	July 2000
2	30	Improve management of prior year support due; consider privatizing collections for difficult cases.	Division of Child Support Enforcement	Agree	July 2000
3	37	Review caseloads to identify cases that have gone for long periods of time with no activity; develop an agency letter on the use of monitoring tools (e.g., calendar reviews); and provide additional training on caseload management.	Division of Child Support Enforcement	Agree	July 2000
4	42	Continue to work with counties that are not in compliance with state regulations. Impose sanctions on those counties that have ongoing problems with compliance and that do not make good faith efforts to improve.	Division of Child Support Enforcement	Agree	July 1999
5	46	Continue efforts to maximize amounts received from federal incentives.	Division of Child Support Enforcement	Agree	July 2000

RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary	Agency Addressed	Agency Response	Implementation Date
6	51	Review results of the study on charging interest on past due child support amounts, and implement appropriate recommendations statewide. Propose any needed statutory changes. If the decision is made to charge interest, modify the reporting system to calculate and track interest charges.	Division of Child Support Enforcement	Agree	September 30, 2000
7	54	Ensure that counties currently charging interest calculate charges correctly.	Division of Child Support Enforcement	Agree	July 2000
8	55	If interest should continue to be charged based on the results of the interest study, notify non-custodial parents of the charges and interest applied.	Division of Child Support Enforcement	Agree	September 30, 2000
9	59	Notify non-custodial parents when a disbursement has been on hold for 60 days. Require counties with disbursements on hold for over 180 days to submit a plan for clearing these amounts. Clear all pre-1994 disbursements on hold by December 31, 1999. Review ACSES reports on disbursements transferred to the abandoned collections account. Seek legal interpretation on whether disbursements on hold fall under the Unclaimed Property Act.	Division of Child Support Enforcement	Agree	December 31, 2000
10	61	Train county staff on how to document application fees.	Division of Child Support Enforcement	Agree	September 30, 1999

RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary	Agency Addressed	Agency Response	Implementation Date
11	63	Work with the counties to determine the most cost-efficient way to provide genetic testing services and then make any needed changes.	Division of Child Support Enforcement	Agree	Continuous August 1999
12	64	Implement the Federal Office of Child Support Enforcement recommendations related to New Hire Reporting, and evaluate whether the recommendations could be applied to all enforcement actions.	Division of Child Support Enforcement	Agree	July 2000
13	70	Continue to work with the counties to review and analyze the costs and benefits of various alternatives for administering Colorado's Child Support Enforcement Program.	Division of Child Support Enforcement	Agree	Continuous August 1999

Overview of Child Support Enforcement

Background

The Child Support Enforcement Program (commonly called the IV-D Program) is an intergovernmental program involving federal, state, and local governments. The Program was created in January 1975 under Title IV-D of the Social Security Act of 1974. This law represented the first major effort by the federal government to establish a comprehensive national child support program. Each state was required to enact a child support enforcement program that reflected federal requirements. The federal Office of Child Support Enforcement, in the U.S. Department of Health and Human Services, oversees the programs nationwide. All 50 states, the District of Columbia, Guam, Puerto Rico, and the Virgin Islands operate child support enforcement programs.

Child support enforcement programs serve two populations: families receiving public assistance and those who do not receive public assistance but voluntarily apply for child support services. The public assistance population includes families receiving Temporary Assistance to Needy Families (TANF), Medicaid, or Foster Care Services.

State child support enforcement agencies are responsible for all activities leading to securing financial support and medical insurance coverage for children from non-custodial parents. The agencies provide four principal services: (1) locating non-custodial parents, (2) establishing paternity, (3) establishing and enforcing child support orders, and (4) collecting support payments. To meet federal requirements and receive federal funds, state child support enforcement programs must have federally approved plans indicating compliance with federal laws and regulations and must operate in accordance with those plans. The Department of Health and Human Services can levy financial penalties against states found substantially out of compliance with their plans.

History of the Child Support Enforcement Program

The Child Support Enforcement Program has changed since it was created in 1975. The initial purpose of the Program was to recover funds paid out in Aid to Families

with Dependent Children (AFDC) grants, under Title IV-A of the Social Security Act, from the non-custodial parent, most often the father. The law required that AFDC recipients assign their rights to receive child support payments to the state as a condition of receiving aid. A secondary purpose of the law was to help AFDC recipients get off and stay off public assistance after they began receiving regular child support payments.

Subsequent federal legislation has significantly changed the Child Support Program. The program now focuses on obtaining financial and medical support for children from both parents and aids families in becoming self-sufficient. The U.S. Congress believed that earlier enforcement of child support obligations for families not receiving public assistance could help prevent these families from needing support in the form of welfare benefits.

The first major legislative change came with the Child Support Enforcement Amendments of 1984, which required improvements in state and local child support enforcement programs in four areas: 1) mandatory practices; 2) federal financial participation and audit provisions; 3) improved interstate enforcement; and 4) equal services for public assistance and non-public assistance families.

The second major legislative change came with the Family Support Act of 1988. This Act:

- Required immediate wage withholding for child support orders issued or modified on or after November 1, 1990, unless there is good cause or a written agreement.

- Mandated the use of child support guidelines by judges and other judicial decision makers.

- Required review and adjustment of orders.

- Set program standards and time frames for such processes as case initiation.

- Required states to develop automated systems.

The third major legislative change came in 1996 when the United States Congress passed the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA), a comprehensive welfare reform bill. The Act restructured the AFDC program — renamed Temporary Assistance to Needy Families (TANF) — to reduce the welfare rolls by requiring work in exchange for time-limited aid. PRWORA also contained several new measures that were intended to strengthen and improve the efficiency of state child support programs by expanding the authority of the state

child support agency. Specifically, PRWORA requires states to operate a child support enforcement program in accordance with certain requirements in order to receive TANF block grant funding.

Many of the PRWORA changes pertain to the implementation of statewide automated systems. For example, states are required to implement:

- A statewide automated data processing and information retrieval system.
- An automated central registry of all IV-D cases and all other support orders established or modified in the state after October 1, 1998.
- A state-operated automated directory of new hires.
- A centralized, automated unit for the collection and disbursement of support payments.
- A system for suspending drivers', professional, occupational, and recreational licenses of delinquent non-custodial parents.
- A system to conduct quarterly data matches with financial institutions to identify resources of delinquent non-custodial parents.

In addition, PRWORA reformed the Child Support Enforcement Program and required states to adopt new initiatives, including:

- Altering the payment collection and distribution policies to pay families their current support, post-assistance arrears, and pre-assistance arrears before the state receives its share of any reimbursement for past public assistance costs.
- Implementing procedures for the voluntary acknowledgment of paternity and the resolution of contested paternity cases.
- Developing a process for annual self-assessments of the state program.
- Adopting the Uniform Interstate Family Support Act to streamline and improve child support actions for interstate cases.
- Authorizing state agencies to administratively order support; issue liens by operation of law; order income withholding; issue subpoenas; increase monthly support to include arrears; change payees; obtain access to specified records; seize payments from a variety of sources; and force property sales.

- Implementing provisions for intercepting unemployment compensation benefit payments.

- Enacting laws to void fraudulent transfers of property.

- Denying passports for non-custodial parents with an arrearage balance exceeding $5,000.

- Requiring review and adjustment of support orders at least once every three years when requested by either parent.

- Processing non-IV-D child support payments as discussed later.

Appendix A summarizes federal legislation on child support enforcement from 1950 to 1998.

Colorado's PRWORA Implementation Status

Colorado has made progress in implementing PRWORA requirements. It was one of the first states to have its statewide automated data processing system, ACSES (Automated Child Support Enforcement System), certified by the Federal Office of Child Support Enforcement.

Colorado had already implemented many of the PRWORA initiatives before the Act went into effect, including:

- Centralized state disbursement unit, the Family Support Registry.

- Administrative process for child support orders and voluntary paternity acknowledgment.

- Processes to suspend drivers' licenses and report child support obligations to credit bureaus.

- Mandatory inclusion of medical insurance in support orders.

- Offsets of unemployment compensation and workers' compensation benefits.

- Laws to void fraudulent transfers of property.

House Bill 97-1205, which was passed by the Colorado General Assembly in 1997, mandated the implementation of the remaining PRWORA initiatives. At this time,

the State has either completely implemented or is in the process of implementing the remaining initiatives according to federal guidelines and time frames.

Colorado's Child Support Enforcement Program

The 1974 federal legislation that created the Child Support Program required each state to designate a single agency to administer the IV-D child support enforcement program. The legislation allowed the child support program to be state- or county-administered as long as a single state agency provided statewide oversight. The single and separate child support agency in Colorado is the Division of Child Support Enforcement, Colorado Department of Human Services. According to its approved child support enforcement plan, Colorado's IV-D program is state-supervised and county-administered. The Program is:

> Administered by political subdivisions of the State and mandatory on such political subdivisions. . . . The Division oversees the 63 counties that administer the program. Each county utilizes the standard rules and procedures promulgated by the state office. Further, each county utilizes a singular computer system, ACSES (Automated Child Support Enforcement System), to document, maintain, and process child support actions.

Colorado statutes allow this delegation of administration. According to Section 26-1-118, C.R.S.:

> The county departments or other state designated agencies, where applicable, shall serve as agents of the state department and shall be charged with the administration of public assistance and welfare and related activities in the respective counties in accordance with the rules and regulations of the state department.

Additionally, the Colorado Child Support Enforcement Act allows counties to administer the program. According to Section 26-13-102.5(1), C.R.S.:

> Delegate child support enforcement unit means the unit of the county department of social services or its contractual agency which is responsible for carrying out the provisions of this article.

State Operations

The Colorado Division of Child Support Enforcement supervises the counties by establishing rules and regulations, monitoring performance, and providing technical assistance and training. In State Fiscal Year 1998, the Division had 71 FTE, and was organized into three major sections:

- **Systems** maintains Colorado's automated child support systems:
  - **ACSES** is Colorado's child support enforcement case management system. It became operational statewide in 1988. The Federal Office of Child Support Enforcement has certified that ACSES met federal requirements twice — in 1989 and 1997.
  - **Family Support Registry (FSR)** is the central payment processing center for IV-D payments. The FSR provides a single location to receive and distribute these payments. Payments are required to be distributed to the custodial parent within two business days of their receipt. The Division has contracted with a private firm for operation of the FSR.
- **Policy and Evaluation** sets policy for the Program and evaluates work processes and performance outcomes to measure compliance with federal regulations.
- **Operations** includes paternity establishment, interstate, and state enforcement units:
  - **Paternity** is responsible for the procedures that help in the goal of meeting the federal requirements for establishing paternity for children born out-of-wedlock. For example, federal law has set a requirement that states have a paternity establishment rate of 90 percent.
  - **Interstate** operates the State Parent Locator Services and acts as an intermediary for clients, county departments, and other states' child support agencies. About 35 percent of Colorado's cases have one of the parents residing in another state.
  - **State Enforcement** designs and operates the automated enforcement tools, such as credit bureau reporting, driver's license suspension, and professional/occupational license suspension. It also trains county staff on these tools.

County Operations

Each Colorado county is responsible for operating the Child Support Program within its respective county. However, counties have chosen different approaches to operating their programs. There are 47 child support units statewide. Seventeen county departments of social services have chosen to contract their programs with other entities:

- Arapahoe has a contract with the Arapahoe County District Attorney's Office.

- El Paso has a contract with a private company.

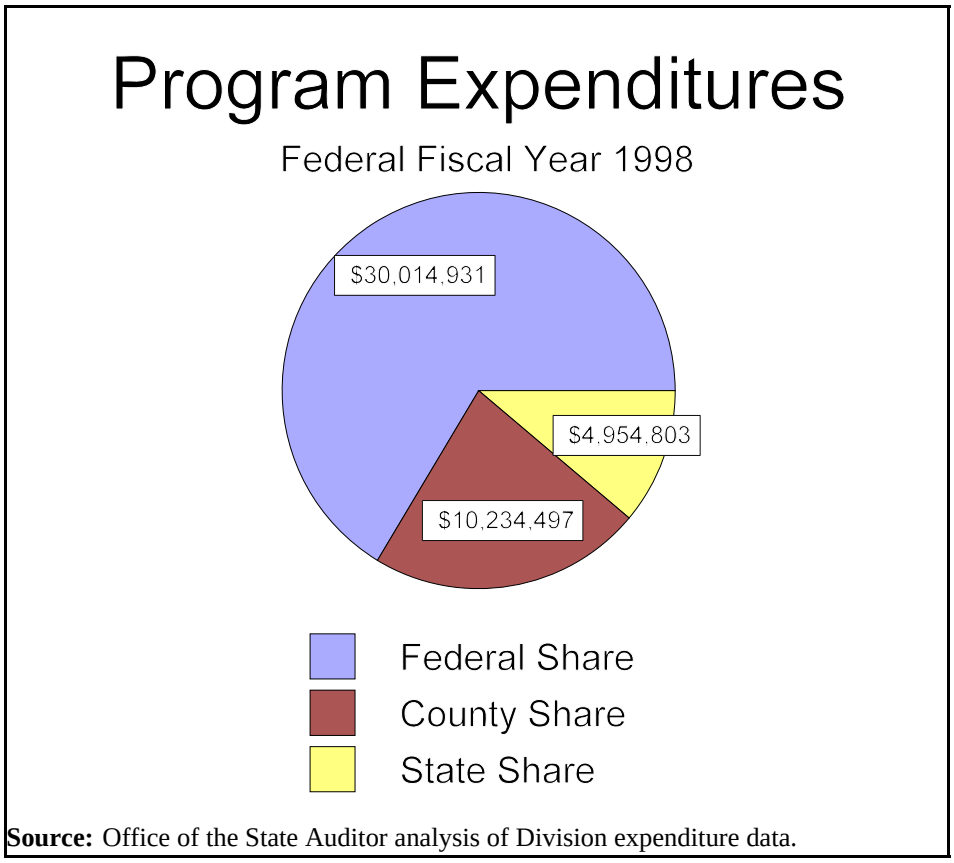
- Fifteen counties have contracts with other counties:

  - Douglas, Elbert, and Lincoln contract with Arapahoe (Arapahoe County District Attorney's Office)
  - Teller contracts with El Paso
  - Clear Creek and Gilpin contract with Jefferson
  - San Miguel contracts with Delta
  - Park contracts with Fremont
  - San Juan contracts with La Plata
  - Ouray contracts with Montrose
  - Baca contracts with Prowers
  - Mineral contracts with Rio Grande
  - Jackson contracts with Grand
  - Hinsdale contracts with Gunnison
  - Phillips contracts with Sedgwick

The contracting county is still responsible for its program. All counties must submit annual plans to the Division. County child support work includes following federal regulations for intake; establishing the legal obligation to provide support; locating non-custodial parents; financial assessment; establishment of the amount of support; collecting and distributing child support payments; and enforcing support orders. County staff, including program administrators, legal technicians, clerical staff, and bookkeepers, carry out these tasks. About 600 FTE were approved for county child support units in State Fiscal Year 1998. Additionally, each county unit contracts for legal services with either a public or private attorney.

Budget and Funding for the Colorado Child Support Program

In Federal Fiscal Year 1998 the Colorado Child Support Program expenditures totaled about $45 million statewide. Funding for the Program comes from federal, state, and county sources. As the following exhibit shows, the federal government is responsible for 66 percent of the program's administrative costs. The State and counties are responsible for the remaining 34 percent.



Source: Office of the State Auditor analysis of Division expenditure data.

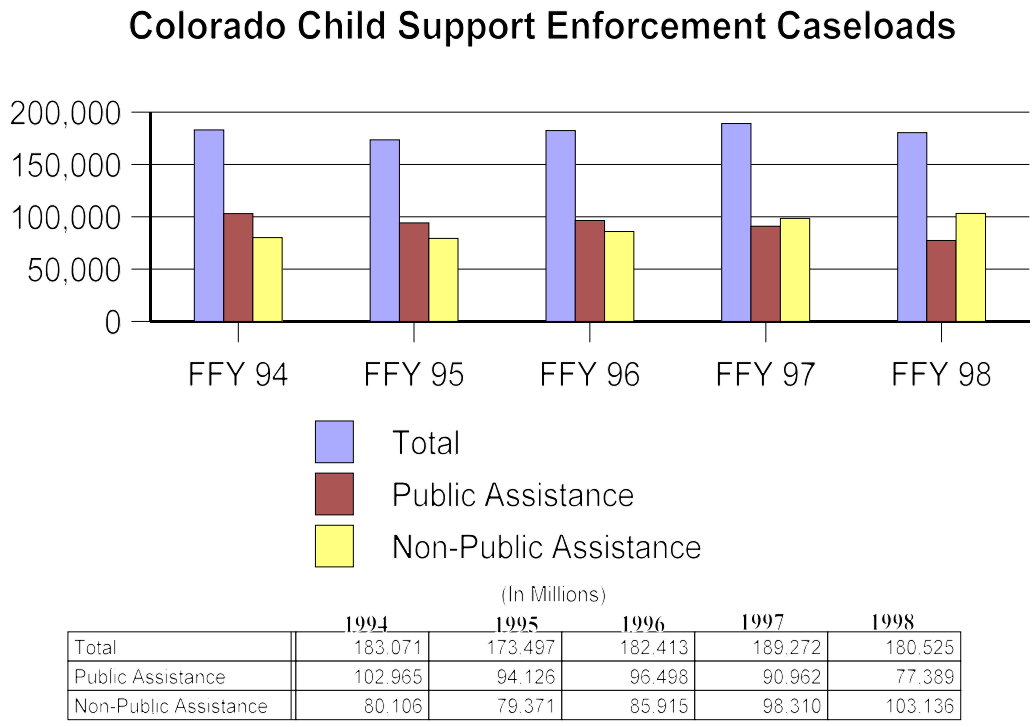
In addition to federal reimbursements for regular program costs, the State receives incentive payments from the federal government. The incentive amount is currently based on the State's cost-effectiveness ratio (collections per dollar of administrative costs). The State distributes all federal incentive monies to the counties based on their cost-effectiveness ratios. In Federal Fiscal Year 1998 the State received and then passed through to the counties about $5.7 million in federal incentives. The State also passes one-half of its share of the collections recovered as reimbursement for public assistance payments to the counties as incentives. In Federal Fiscal Year 1998 the State's half share of collections paid to counties was about $3.9 million.

Caseloads

The mission of the Colorado Child Support Enforcement Program is to "assure that all children receive financial and medical support from each parent. This is accomplished by locating each parent, establishing paternity and support obligations, and enforcing those obligations."

According to Division records, in Federal Fiscal Year 1998 the Colorado Child Support Program had 180,525 open cases. The Program's services are available to all parents with custody of their minor children who need or are owed child support. Families receiving assistance under the Temporary Assistance to Needy Families Program (TANF), Medicaid, and Foster Care receive child support enforcement services automatically. For these families, payments that are collected go toward reimbursing the county, state, and federal governments for assistance payments made to the families. If a family begins to consistently receive child support and its income is high enough, the family is able to leave the TANF program. Families not receiving TANF payments can voluntarily pay $20 and receive child support services. Support payments collected for these families go directly to the custodial parent.

As shown in the following chart, Colorado's total child support caseload has varied between Federal Fiscal Years 1994 and 1998, from a low of 173,497 in 1995 to a high of 189,272 in 1997. The percentage of non-public assistance cases has increased from 44 percent in 1995 to 57 percent in 1998.



(In Millions)

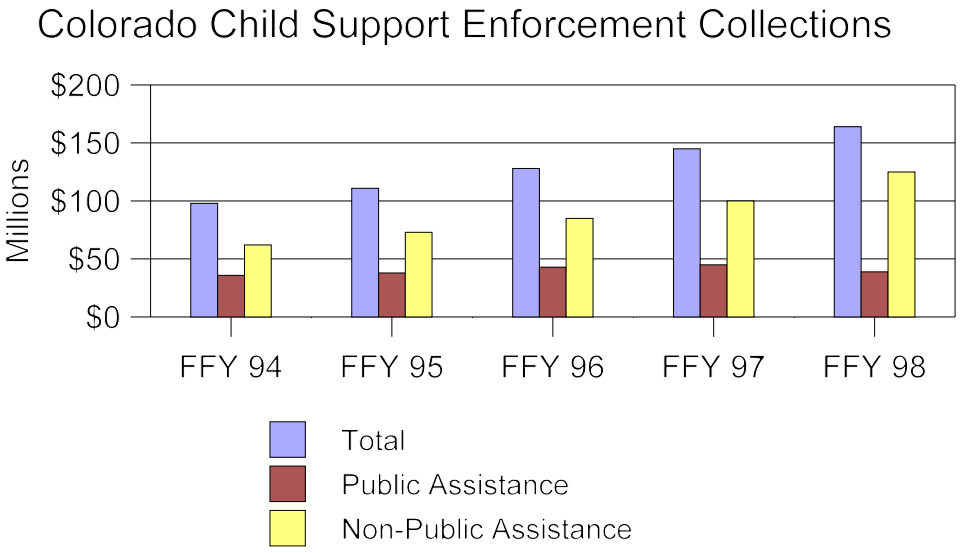
	1994	1995	1996	1997	1998
Total	183.071	173.497	182.413	189.272	180.525
Public Assistance	102.965	94.126	96.498	90.962	77.389
Non-Public Assistance	80.106	79.371	85.915	98.310	103.136

Source: Office of the State Auditor's analysis of Division data.

Collections and Distributions

According to Division records, in Federal Fiscal Year 1998 the Colorado Program collected and distributed about $164 million in child support payments. The Program is responsible for receiving and processing child support collections and distributing child support payments on behalf of the custodial parents.

Statewide collections have increased by about 68 percent from $98 million in Federal Fiscal Year 1994 to $164 million in Federal Fiscal Year 1998 as shown in the following chart. Non-public assistance collections have more than doubled, with an increase of 103 percent, while the percentage of public assistance collections has decreased from 37 percent in Federal Fiscal Year 1994 to 24 percent in Federal Fiscal
Year 1998.

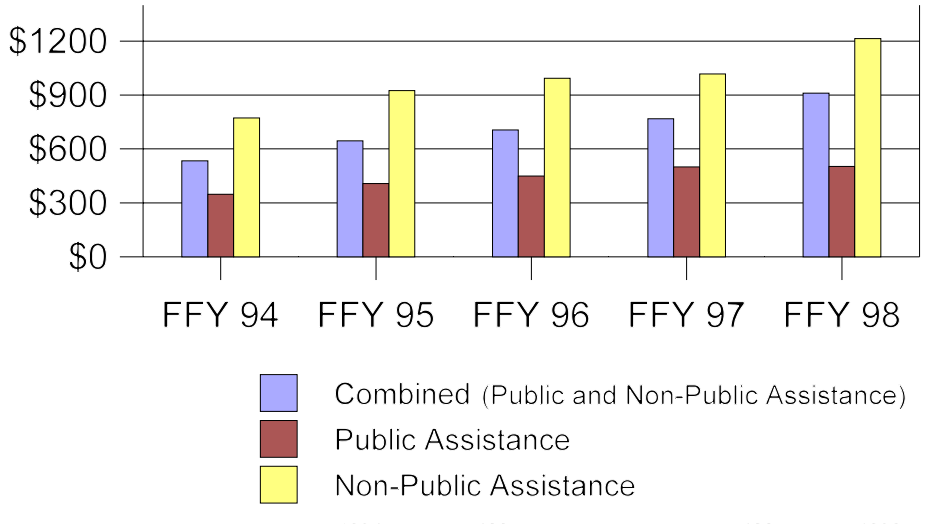


	1994	1995	1996	1997	1998
Total	$98	$111	$128	$145	$164
Public Assistance	$36	$38	$43	$45	$39
Non-Public Assistance	$62	$73	$85	$100	$125

Source: Office of the State Auditor's analysis of Division data.

There has also been a 70 percent increase in statewide collections per case, from $534 per case in Federal Fiscal Year 1994 to $910 per case in Federal Fiscal Year 1998. As the following chart shows, both public assistance and non-public assistance cases have also experienced an increase in collections per case. The collections per public assistance case increased 44 percent over the past five federal fiscal years compared with a 57 percent increase for non-public assistance cases.

Colorado Child Support Enforcement Collections Per Case



	1994	1995	1996	1997	1998
Combined	$534	$645	$705	$768	$910
Public Assistance	$348	$408	$449	$500	$503
Non-Public Assistance	$772	$924	$993	$1017	$1214

Source: Office of the State Auditor's analysis of Division data.

Non-IV-D Child Support in Colorado

The Department of Human Services' federally mandated IV-D Child Support Program is not the only child support program in Colorado, nor are the Division of Child Support Enforcement and the counties the only public entities in the State providing child support services. A judge can order child support payments not subject to Title IV-D to be made to the clerk of the court for remittance to the person entitled to receive the payments or to be made directly from the non-custodial parent to the custodial parent. Generally, these non-IV-D cases involve divorced parents who have not received and do not currently receive public assistance, and who have not applied for IV-D services.

Currently child support payments made through the judicial system are processed by Colorado courts. Ten front range courts have contracted with a bank for automated payment processing and disbursement. The remaining courts process payments manually. Although the Judicial Department does not have figures on the number of child support cases handled by the Colorado courts, it reports that the courts

process about 25,750 child support payments monthly, or about 309,000 payments annually.

The new welfare reform act (PRWORA) requires each state to establish a "State Disbursement Unit" for the processing of child support payments for all IV-D orders and non-IV-D orders issued after January 1, 1994, in which the income of the non-custodial parent is subject to withholding. In July 1999 the Family Support Registry will begin collecting and distributing child support payments that are currently made through the judicial system. By July 2000 all child support payments in Colorado, except those which are paid by the non-custodial parent directly to the custodial parent, will be processed by the Family Support Registry. There are no data on the number of non-custodial parents who pay the custodial parent directly. However, according to Division records, the Family Support Registry currently processes about 974,000 IV-D child support payments annually.

Caseload Management
Chapter 1

Background

The Colorado Child Support Enforcement (IV-D) Program is state-supervised and county-administered. In other words, the county child support enforcement units manage the State's caseload by carrying out the day-to-day operations of the Program. According to the Division's March 1999 *Annual Program Evaluation Report*, "counties have chosen different approaches to operating the CSE [child support enforcement] program." One of the Division's oversight roles is to monitor county performance to ensure that cases are handled properly and that federal, state, and local governments and custodial parents receive the money owed to them.

IV-D child support enforcement consists of eight distinct phases: 1) intake and case initiation; 2) location of non-custodial parents; 3) establishment of paternity; 4) establishment of support orders; 5) enforcement of support orders; 6) collection and distribution of child support payments; 7) review and adjustment of orders; and 8) case closure. Not all cases require all of these services. For example, because there is a presumption of paternity if a child was born during a marriage, paternity establishment services may not be needed. Support orders may be established through the court system or administratively by county child support enforcement staff.

All actions on a child support case are supposed to be entered into the State's Automated Child Support Enforcement System (ACSES) by county staff. ACSES also contains financial and demographic data on parents, including names, addresses, telephone numbers, social security numbers, support order amounts, and other personal financial information.

We evaluated how the Colorado county child support enforcement units are managing their caseloads. Our review included an analysis of:

- Compliance with federal child support requirements, including timeliness of mandated actions.
- Collection efforts and results.
- Accuracy and completeness of case data.

We found that management of the State's child support enforcement cases could be improved. Specifically, the Division should:

- Review its caseload to determine if there are open cases that could be closed.
- Evaluate options for reducing prior year support due (child support owed for more than one year).
- Adopt better case management practices.
- Work with counties that are not in compliance with state regulations and impose sanctions on counties that fail to make a good faith effort to improve.
- Continue to improve efforts to maximize federal incentives.

The Division Oversees County Performance

The Division of Child Support Enforcement promulgates regulations, provides training and technical support to county staff, and oversees county operations. It monitors counties through routine monthly reports. Additionally, the Division has used three other principal monitoring techniques in the past year: 1) self-assessment, 2) county compliance and performance reporting, and 3) a root cause analysis of county performance problems.

The Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996 required state child support agencies to perform their own self-assessment. This requirement has replaced federal compliance audits of state programs. The first self-assessment reports under PRWORA were due in March 1999. States were required to review a random sample of cases to "measure compliance with Federal CSE [child support enforcement] criteria" for case closure, establishment of paternity and support orders, expedited processes, medical support, interstate services, enforcement of orders, review and adjustments of orders, and distribution of payments.

The Division selected a statistically valid sample of 408 cases to evaluate during a one-year period (September 3, 1997, to September 2, 1998). Ninety-five of the four hundred and eight cases had no case action required and, as a result, were not included in the "efficiency rates" presented by the Division. Federal child support regulations specify compliance rates that must be met for each of the criteria for a state "to be in substantial compliance." Although the analysis showed the State was in substantial compliance with federal requirements, the Division identified 72 errors in cases reviewed against specific federal criteria. See Appendix B for summary of the Division's self-assessment analysis.

Counties Submit Compliance and Performance Data Quarterly

The Division developed the Compliance and Performance Report to review and monitor county operations. It has published the report quarterly since October 1997. The purpose of the report is to provide "county CSE units with information concerning CSE program compliance and performance." The report includes county achievements measured against five program goals: 1) paternity establishment percentage, 2) percentage of caseload with orders, 3) collection rates for current support, 4) percentage of cases with arrears payments, and 5) public assistance/non-public assistance collections. The December 1998 report also included county units' cost-effectiveness ratios. As discussed later, the first four measures and the cost-effectiveness ratio for the State are the measures that will be used for federal incentives beginning in Federal Fiscal Year 2000.

Over half of the 63 counties met their goals for the first three performance measures. Twelve counties met their goals for percentage of cases with arrears payments. All but four of the counties met their goals for collections on non-public assistance cases. However, the goals for collections on public assistance cases were met by only three counties. Total collections for public assistance cases have decreased because the public assistance caseloads have declined significantly. See Appendix C for Compliance and Performance Report year-end results for Calendar Year 1998.

Root Cause Analysis Pointed Out Areas of Concern

As a part of its self-assessment process, the Division developed its Root Cause Analysis to provide in-depth examination of the areas in which counties did not perform sufficiently. Using county scores from the Compliance and Performance Report, the Division selected six counties whose performance was below standards: Arapahoe, Douglas, El Paso, Elbert, Huerfano, and Pueblo. Division staff reviewed county operations and records. The evaluations identified problems in all six counties. Areas in which the counties needed to improve included attendance at training; case closure practices (as discussed below); working of locate activities (to find the non-custodial parents); case management practices; and enforcement procedures.

Additionally, the evaluation teams found that all six counties were understaffed according to state standards. The six counties reviewed were required to develop corrective action plans to "raise their program compliance and performance." The Division is monitoring the counties' performance through quarterly reports. Five of the counties reported to us that the Root Cause Analysis was very beneficial and

should help them improve their operations. We encourage the Division to continue its efforts in analyzing county problems.

Closing Cases in Accordance With Federal and State Criteria Would Improve Caseload Management

One way Colorado could improve its caseload management is to ensure that cases that meet federal and state closure criteria are closed. Currently the State's caseload includes many cases that could be closed because there is little potential of obtaining a child support payment. These cases have often been in a locate category for several years with no success. Additionally, in many instances no information (e.g., social security number or date of birth) is known about the non-custodial parent.

As discussed later in this chapter, we reviewed a statistically valid sample of 407 active child support cases. We identified 38 open cases, or 9 percent of the total sample, that met federal and state case closure criteria. The counties took action to close all 38 cases as a result of our questions. Applying this 9 percent rate of cases needing to be closed to the state caseload of 180,525 in Federal Fiscal Year 1998, 16,247 cases could be closed under federal and state closure criteria.

Eliminating cases where the probability of receiving a payment is remote will allow counties to concentrate on cases where the likelihood of collection is greater. In addition, streamlining the caseload should reduce costs. The Federal Fiscal Year 1998 average cost per case for the State as a whole was $250. However, the cases that could be closed may be less costly to maintain because there may be less activity on these cases. Using a conservative amount of $50 per case that could be closed, we estimate that about $812,350 may have been spent on these cases in Federal Fiscal Year 1998.

Counties Decide if a Case Should Be Closed

Currently counties decide when to close a case. We found that many counties either decide to keep cases open because they may "someday" collect from the non-custodial parent or the cases are "lost" in the caseload and are not monitored to determine if they meet closure criteria.

Federal and state regulations include various reasons for when a case may be closed. According to state regulations adopted in May 1999 under the State's emergency rulemaking process, cases may be closed for a variety of reasons, including:

- There is no longer a current support order and arrearages are under $500 or unenforceable under state law.

- The non-custodial parent or putative father is deceased and no further action, including levy against the estate, can be taken.

- Paternity cannot be established because:

  – The child is at least 18 years old and action to establish paternity is barred by a statute of limitations.

  – A genetic test or a court or administrative process has excluded the putative father and no other putative father can be identified.

  – The IV-D agency has determined that it would not be in the best interests of the child to establish paternity in a case involving incest or forcible rape, or in any case where legal proceedings for adoption are pending.

  – The identity of the biological father is unknown, and cannot be identified after diligent efforts, including at least one interview by the Title IV-D agency with the recipient of services.

- The non-custodial parent's location is unknown, and the State has made regular attempts using multiple sources to locate the non-custodial parent:

  – Over a three-year period when there is sufficient information to initiate automated locate efforts.

  – Over a one-year period when there is not sufficient information to initiate automated locate efforts.

The federal regulations for child support case closure changed effective April 1999. The revised regulations give more authority to close cases, especially those in which there is little chance of collecting support. According to the federal Office of Child Support Enforcement report accompanying the new regulation:

> This final rule balances our concern that all children receive the help they need in establishing paternity and securing support, while being responsive to administrative concerns for maintaining caseloads that include only those cases in which there is adequate information or likelihood of successfully providing services.

The Division Should Provide Training on New Case Closure Regulations

As discussed above, the Division conducted a Root Cause Analysis to identify problems and solutions for counties whose performance was low. One of the "universal factors" identified was case closure. The Root Cause Analysis reports for the six counties either stated that the county "could close more cases" or "could potentially close more cases." Reports for four counties stated that closing more cases could result in improved performance measures in meeting statewide goals (e.g, the cases with arrears with payments). One report also stated that the county "understood the importance for closing cases that are appropriate for case closure ... and were interested in developing procedures to make the process more effective."

Closing cases in which there is little possibility of receiving a payment should help improve case management. The Division should encourage counties to close cases that meet state and federal closure criteria. The Division should review the child support caseload to determine if there are open cases that meet these criteria and provide training to county staff on its new regulations.

Recommendation No. 1:

The Division of Child Support Enforcement should improve its management of cases by:

a. Reviewing its caseload to determine if there are open cases that meet federal and state closure criteria.

b. Training counties on the new state regulations on case closure and the benefits of closing cases that meet closure criteria.

Division of Child Support Enforcement Response:

Agree. The Division will coordinate a case review project during the time period of August 1999 through July 2000 which will include training counties on the newly revised federal case closure criteria and will request counties review their caseloads and close cases meeting the revised case closure criteria. The training will include education regarding the federal performance criteria and the impact case closure could have on the performance measures.

The Division Should Evaluate Options for Increasing Collections on Difficult Cases

According to Division reports, non-custodial parents in the state caseload owe over $1 billion in child support. About $847 million (81 percent) of the $1 billion is child support that has been owed for more than one year. This past due child support is called "prior year support due."

Although Colorado's caseload represents only 1 percent of the total caseload for the nation, its prior year support due represents over 2 percent of the total back support due nationwide. Colorado's average prior year support amount per case is almost twice as much as the national average. In Federal Fiscal Year 1997 (the most recent year for which nationwide data were available), Colorado's average prior year support due was $4,400 per case compared with the national average of $2,263 per case, according to the Office of Child Support Enforcement Fiscal Year 1997 Preliminary Data Report. According to the Division, Colorado, unlike most other states, includes child support obligations owed before a case was opened in its prior year support due. In other words, a court may order child support for a period before paternity or the support order was established.

Prior year support is often more difficult to collect than current support. Colorado's collection rate on prior year support due was 5.5 percent in Federal Fiscal Year 1997, while its collection rate for current support was 47.8 percent.

The Division should evaluate options for improving management of prior year support due. States responding to our survey reported the following methods they use to manage prior year support due:

- Close child support cases in which there is little chance of collecting a payment. As discussed in the previous section, Colorado's child support caseload includes many cases that could be closed pursuant to federal case closure regulations.

- Classify prior year support due as a "doubtful" account after a certain amount of time (such as three years after the case is opened). Currently the Division does separate child support obligations into current (under one year) or prior year (over one year). It does not distinguish or track how long the prior year obligations have been owed.

- Actively pursue collections through enforcement remedies, such as tax intercepts. Colorado currently has tax intercepts, as well as other enforcement tools, in place.

- Contract with private firms for the collection of child support on difficult cases. Several firms nationwide specialize in collecting past due child support. Some Colorado counties have contracted with a firm to collect past due child support on difficult cases.

The Division should take steps to help the counties reduce the prior year support due balances. As we discuss later, reducing the amount of prior year support due and closing cases with little possibility of collection can help increase federal incentives. The Division should evaluate alternatives, including increased privatization of collections on difficult cases.

Recommendation No. 2:

The Division of Child Support Enforcement should improve its management of prior year support due. The Division should consider privatizing collections for difficult cases and closing old cases.

Division of Child Support Enforcement Response:

Agree. During the time period of August 1999 through July 2000, the Division will evaluate alternatives for managing the prior year support owed. The Division will train counties on the newly revised federal case closure criteria and request that counties review their cases to determine if any can be closed using the revised federal case closure criteria. As cases close, one of the results could be reduction in the prior year support owed balance.

During this same twelve month period, the Division will survey other states who have privatized collections on difficult cases to obtain the cost benefit ratio for this undertaking. The Division will provide this information to county IV-D Administrators and will continue to encourage counties to use all available resources to collect arrearages including their authority to privatize collections for difficult cases when appropriate.

Counties Should Improve Their Management of Cases

As discussed previously, we reviewed a statistically valid sample of 407 cases. Our review included analyzing case information contained in the State's automated system, ACSES, for January 1, 1989, through December 31, 1998. We reviewed all

actions on each case from initiation through the most recent actions taken. We followed up with the counties on all issues/concerns identified.

The Division has established 10 categories for the IV-D child support cases. The 407 cases in our sample were in the following categories as shown in the following table.

Composition of Sample of Child Support Cases by Category

Category	Number of Cases	Percent of Sample
Intake	N/A	N/A
Enforcement of Existing Orders		
Paying non-custodial parents	67	16.5 %
Enforcement of support orders	63	15.5 %
Locate non-custodial parent and enforce support order	99	24.3 %
Establishment of Child Support Orders		
Establish support order (non-custodial parent located)	23	5.7 %
Locate non-custodial parent and establish support order	26	6.4 %
Establishment of Paternity		
Establish paternity (non-custodial parent located)	13	3.2 %
Locate and establish paternity	41	10.1 %
Establish paternity (difficult case)	1	0.03 %
Suspense*	74	18.2 %
Totals	407	100.0 %

Source: Office of the State Auditor analysis of 407 Colorado child support cases, March 1999.

***Note:** The major reason cases are put in suspense is when another county is the enforcing county. Also according to counties we contacted, cases are put in suspense when there is little chance of collecting payments now but collections may be possible in the future, such as cases in which non-custodial parent is incarcerated.

Cases are also classified by eight class and status types that represent to whom the child support payments are due. The following table shows the class and status of the cases in our sample.

Composition of Sample of Child Support Cases by Class/Status		
Class/Status	**Number of Cases**	**Percent of Sample**
Due to State		
Assigned/current support due: Support is "assigned" to the State for repayment of current public assistance expenditures.	51	12.5 %
Assigned/former arrears due: Support is assigned for payment of former public assistance expenditures.	128	31.4 %
Assigned/closed: Support was assigned for repayment of public assistance expenditures, but the case is closed.	9	2.2 %
Due to State and Custodial Parent		
Dual/assigned and non-assigned arrears: Back child support is owed to both the custodial parent and the State for repayment of public assistance expenditures.	7	1.7 %
Dual/current support due and assigned/non-assigned arrears: Current support is due the custodial parent as well as back support due the custodial parent and/or the State.	126	31.1 %
Due to Custodial Parent		
Non-assigned current support due: Current support is due the custodial parent.	59	14.5 %
Non-assigned current support and non-assigned arrears: Current and back child support is due the custodial parent.	11	2.7 %
Non-assigned/closed: All child support was due the custodial parent, but the case is closed.	16	3.9 %
Totals	407	100.0 %

Source: Office of the State Auditor analysis of 407 Colorado child support cases, March 1999.

We also identified the public assistance status of the 407 cases in our sample as shown in the following table:

Composition of Sample of Child Support Cases by Public Assistance Status

Status	Number of Cases	Percent of Sample
Current public assistance recipient	65	16.0 %
Former recipient of public assistance	281	69.0 %
Never received public assistance	60	15.0 %
Foster Care	1	less than 1%
Totals	407	100.0%

Source: Office of the State Auditor analysis of 407 Colorado child support cases, March 1999.

Note: Public assistance is defined as Temporary Assistance to Needy Families and the former Aid to Families with Dependent Children.

Two hundred ninety (71 percent) of the four hundred seven cases had support orders. Counties had established 187 of these orders (either through the courts or through administrative processes), and 103 had been established before the IV-D child support case, usually as part of a divorce action. The following table summarizes data on amounts ordered, owed, and paid for these cases:

Averages and Ranges for Support Orders for Cases in Sample

Amount of monthly support ordered	Average: $201 Range: $50 to $1,022
Total amount owed (current support, plus delinquencies, arrearages, and judgments)	Average: $8,902 Range: $0 (all paid) to $75,757
Total amount paid	Average: $5,365 Range: $0 to $48,264
Total paid in Federal Fiscal Year 1998	Average: $1,103 Range: $0 to $7,152

Source: Office of the State Auditor analysis of sample of 407 Colorado child support cases, March 1999.

The Division Should Ensure Appropriateness of Actions Taken

In 327 (80 percent) of the cases we found no problems with the way the cases were handled. That does not mean that child support was collected in those cases or that non-custodial parents were located. It means that all appropriate actions were taken to try to find those parents in order to establish and collect support for their children.

However, in 80 (20 percent) of the cases we found problems that we verified with the counties. If the 20 percentage is applied to the Federal Fiscal Year 1998 caseload of 180,525, over 36,000 cases could have been problematic. As discussed below, problems ranged from inaccurate data entry to lack of required enforcement efforts. Some problems resulted in incorrect enforcement actions, including collection of the wrong amounts from non-custodial parents. In other cases, enforcement actions have not been carried out properly and the need to correct problems has diverted staff from other duties. Problems we identified have resulted in paternities not being established, support orders not being established, and support orders not being enforced. Thus payments are not being collected. Forty-five of these eighty cases have support orders; the non-custodial parents for these cases owe over $456,000 in current and back support to the families and the local, state, and federal governments.

Lack of Action

All 80 cases had at least one problem in which specific action on a case was needed. For example:

- **Cases kept open that could have been closed.** As discussed earlier in this Chapter, we identified 38 cases that could have been closed according to federal criteria. The counties took action to close all of these cases after we brought them to their attention. Keeping cases open that could be closed takes staff and financial resources away from cases where there is a better chance of collecting support for custodial parents and the local, state, and federal governments.

- **Cases assigned to the wrong class/status or category**. Thirteen cases were assigned to the wrong class/status or category. For example, one case was classified as a current support due case, although the children were born in 1968 and 1969; the case should have been classified as an arrears case. Counties took action to correct the mistakes in these cases after we brought them to their attention.

- **Cases that "slipped through the crack."** Counties did not fully work 13 cases, sometimes for several years. For example, a non-custodial parent agreed to a wage assignment, in which child support payments are taken out of paychecks, in May 1998. However, the county did not issue the wage assignment because it "lost track of the case." Support ordered for this case from May 1998 through January 1999 was $1,715.

Problems also occurred in the following areas:

- **Location of non-custodial parents.** Location actions were problematic for seven cases. Counties did not make sufficient efforts to locate the non-custodial parent. For example, a case was in "locate" for six years, including after the non-custodial parent had been located in November 1998. The technician reported that the case had been "overlooked" but did begin action after we raised the issue. When a case is in locate, child support payments are not being collected.

- **Establishment of paternity**. Paternity actions were lacking for three cases. For example, paternity was not established, because the information on ACSES was incorrect.

- **Support orders.** There were nine cases in which there were discrepancies regarding support orders. For example, one county "lost track" of a support order; the court had misplaced it. Another county located a non-custodial parent in 1993 but did not pursue support until 1998. Another support order has been pending since May 1995. In a fourth case, a non-custodial parent who became disabled submitted the completed paperwork for a review and adjustment in September 1997. The review never occurred and the current technician on the case was unaware of the request. As a result, the non-custodial parent's support obligation and/or debt may be higher or lower than the support guidelines require.

- **Collections and ledgers.** Child support obligations ordered and collected are tracked on case ledgers. We identified problems in five cases for these areas. For example, in one case payments from the non-custodial parent were over- collected because the "tech did not terminate IA [income assignment] timely." In another case, the county said it "should have stopped the MSO [monthly support obligation] since 1995."

Problems With Enforcement Limit Program Effectiveness

We also identified problems with enforcement of support orders in six cases in our sample. Many of these problems were caused by inaccurate information. In all of the cases, either the custodial or non-custodial parents were affected. For example, problems included:

- Two cases in which the wrong person was identified as the non-custodial parent. For example, an individual was identified as the non-custodial parent. Even though he provided documentation proving he was not the parent, enforcement actions to attach his wages and intercept income tax refunds were taken. The problem was not corrected for three years.

- One case in which the county did not take action to obtain child support for the family for eight months.

- One case in which the county did not follow up for one year after an income assignment had been made, but payments from the employer were not received. The non-custodial parent worked for a day-labor firm.

One of the reasons counties reported for their failure to manage cases properly is a lack of understanding and knowledge of case management practices. Some counties reported they do not prioritize cases but work them "when we get to them." Many counties have developed their own prioritization systems because caseload management is left to the discretion of the individual county and worker. As long as federal and state regulations are met, the Division allows each county to manage cases as it chooses.

ACSES includes "triggers" to alert staff of which cases to work. However, county staff do not always respond timely to these triggers. For example, the Root Cause Analysis done by the Division showed that some counties had a backlog of work. One large county had "29,555 unworked locates." The same county had almost 3,000 "calendar reviews messages" to follow up on. According to the Root Cause Analysis report, although the Division has not developed a policy on calendar reviews, it believes them to be important:

> . . . calendar reviews were designed as a useful time management tool that alerts a worker to a specific case based on the present, compelling facts of the case. It is the State CSE Office's position that using calendar reviews provides for staff to work in an efficient manner to improve their CSE performance.

Additionally, 26 of the 30 counties responding to our survey question on assistance needed from the Division wrote of their need for more training. Several of the counties wrote that the Division's training is "excellent."

As a part of its monitoring of county operations, the Division should review existing county policies and procedures to ensure all child support cases are worked on the basis of an established case management policy. The Division issues agency letters to communicate with the counties on various aspects of child support enforcement operations. It should develop an agency letter on the use of calendar reviews. It should also provide additional training on case management. Enhanced training, better procedures for case review, and streamlining the caseload should improve collections.

Recommendation No. 3:

The Division of Child Support Enforcement should ensure appropriate actions are taken on child support cases by:

a. Reviewing existing caseloads to identify cases that have gone for long periods of time with no activity to determine appropriate disposition.

b. Developing an agency letter on the use of monitoring tools, such as calendar reviews.

c. Providing additional training on caseload management, including calendar reviews.

Division of Child Support Enforcement Response:

a. Agree. During the time period of August 1999 through July 2000, the Division will request that counties review their cases to determine if any can be closed using the revised federal case closure criteria and to ensure that all cases are in the proper category on the Automated Child Support Enforcement System (ACSES). The Division agrees that all child support cases must be given the attention needed to maximize the chances of collecting child support.

b. Agree. By December 31, 1999, the Division will produce an agency letter providing counties instruction on the use of monitoring tools including calendar reviews.

c. Agree. The ACSES provides all information to support caseload management. During the time period of August 1999 through July 2000, the division will train counties on the efficient use of these mechanisms:

- Management reports
- Calendar review messages
- Locate response information

The Division Should Ensure Counties Comply With Regulations

ACSES is a comprehensive, statewide, automated child support case management system. State and county staff enter case information in a number of data screens. They also maintain a computerized narrative that documents the activity on each case. However, as we tried to obtain and analyze information during this audit, it became apparent that the State's ACSES system does not include all data needed to effectively manage the cases. In addition, although all information about a case is supposed to be maintained in ACSES, data are not consistently and accurately entered by some staff.

Reviewing our sample, we found eight cases in which data in ACSES were not accurate, including:

- A monthly support obligation was mistakenly put in ACSES as $270 when it was $540.
- The parents' marital status was incorrectly entered in ACSES.
- Support order information was not included in ACSES.
- The non-custodial parent's employer history was listed incorrectly in the chronology.

Federal Time Requirements Were Not Met for All Cases

We found instances in 70 cases of the counties not meeting the federal time requirements for specific child support enforcement actions. According to the Division, the federal Office of Child Support Enforcement sets "the goal for time

frames to be indicators that action needs to be taken." The federal Office does not penalize states for not meeting these time frames.

The following table shows the federal time requirements and the number of cases in our sample that did not meet the requirements according to the data in ACSES.

Federal Time Requirements for Child Support Actions and Number of Cases in Sample Not Meeting the Requirements

Requirement	Number of Cases Not Meeting Requirements
Case initiation: The county must open the case within 20 days of receiving an application from a custodial parent for a referral from the TANF agency. [This requirement went into effect on October 1, 1990.]	52 of the 284 cases established after October 1, 1990.
Location of the non-custodial parent: The county must access all appropriate sources within 75 days of determining that location is necessary.	8 of 345 cases needing locate services exceeded the 75-day limit. 20 cases had no locate sources accessed because the custodial parent was unable to provide needed information on the non-custodial parent, e.g., social security number and date of birth.
Paternity establishment: The county should take the actions needed to establish paternity within 90 calendar days of locating the non-custodial parent.	3 of the 159 cases needing paternity established exceeded the 90-day limit.
Establishment of support order: The county is required to establish support orders within 90 days of a successful parent locate or successful paternity determination. The agency must document [in ACSES] unsuccessful attempts to serve process on the non-custodial parent.	7 of the 187 support orders established by county child support units exceeded the 90-day limit.

Source: Office of the State Auditor analysis of 407 child support cases.

Colorado counties have a variety of tools to compel non-custodial parents to comply with child support orders, including wage withholding of support payments, federal tax refund intercepts, liens against real or personal property, reporting to credit bureaus, and criminal sanctions. One hundred eighty-four (63 percent) of the non-custodial parents in our sample were not complying with their support order. These cases represent over $2 million in current and back support owed:

- $905,400 is owed for reimbursement of public assistance expenditures.
- $704,800 is owed as current support to families and for reimbursement of public assistance to former recipients.
- $409,400 is owed to families for current and/or back support.

We found that counties do not always take actions to enforce all child support orders. Enforcement actions are critical to the success of the Program. Of the 290 cases in our sample with support orders, we found:

- At least one enforcement action was taken in 243 cases (84 percent).
- No enforcement actions were taken in 32 cases (11 percent). If this percentage is applied to the Federal Fiscal Year caseload of 180,525, about 14,100 cases would have had no enforcement actions.
- We could not tell if any enforcement actions were taken in 15 cases (5 percent).

We found that in those cases where enforcement actions were taken, over twice as many non-custodial parents were complying with the support order.

Colorado Child Support Regulations Require Counties to Maintain Case Records in ACSES and to Comply With Requirements

According to state regulations, each county child support enforcement unit must "maintain records in ACSES." Specifically, the ACSES records are to include:

- A chronological listing of information, including contacts with the parties.
- Actions taken to establish or modify a support obligation, establish child support debt, establish parentage, or enforce a support obligation, including the dates and results.

- Identification of the reasons for and date of case closure.

- Any other significant actions taken regarding the case as deemed necessary for caseload documentation and management.

Other state regulations require that the counties comply with federal time requirements and other standards for case initiation, paternity establishment, establishment of support orders, and enforcement of orders. County staff are required to change case categories "as prescribed by the State immediately on ACSES when the case is ready for the next activity in order to provide documentation that the time frames have been met." Additionally, "the State Department of Human Services may impose sanctions against county departments of social services that do not comply with the rules."

The State Should Impose Sanctions on Counties That Fail to Comply With Requirements

Timeliness of actions taken on child support cases is important. For example, opening a case by establishing a case record and entering relevant information into ACSES is the first step in the child support process. If this action is not completed in a timely manner, the remainder of the process will be unduly delayed. Since the support process is largely dependent upon the automated system, no action can take place until the case is entered into ACSES. Timeliness is particularly important in locating the non-custodial parent since initial information can become stale and unusable, resulting in lost opportunities for support establishment. Locating the non-custodial parent and verification of that parent's income is essential in establishing and enforcing child support orders.

The Division has recognized that some counties have struggled to comply with federal/state requirements and have not documented the files completely. As discussed previously, the Division monitors counties quarterly through the Compliance and Performance Reports. It has also begun to take action to identify the "root cause" of county problems. However, the Division has not imposed sanctions on counties that do not comply. According to state regulations:

> If a county fails to comply with the requirements of Title IV-D of the Social Security Act, and the federal and state rules and regulations which govern the operations of the CSE program, the state department may reduce or withhold incentive payments or take other actions as provided for in state statute or department regulations.

In addition, the federal government can impose financial penalties on states that do not comply with program requirements. A work group on federal penalties issued its report in February 1999. States may be assessed penalties of 1 percent of their TANF grants if they do not comply with paternity and support order establishment requirements.

We found that there are few, if any, repercussions for counties that fail to comply with the state and federal regulations. Sanctions have never been imposed on a county for failure to comply with regulations. Although the Division may wish to start with the more positive methods of working with counties, it should consider imposing sanctions on county units that consistently fail to comply.

Recommendation No. 4:

The Division of Child Support Enforcement should continue to work with the counties that are not in compliance with state child support regulations, including those on documenting cases. It should impose sanctions on those counties that have ongoing problems with compliance and that do not make good faith efforts to improve.

Division of Child Support Enforcement Response:

Agree. The Division is committed to improving compliance rates and will continue to work with counties to improve compliance and performance, including documentation of cases. Recent federal regulations require that states conduct their own child support program self-assessment. The Division embraced these new regulations and developed a comprehensive IV-D evaluation process to: assess county compliance and performance; take corrective action to improve appropriate areas; and to monitor ongoing county compliance and performance levels. As a part of this county assessment, the Division will impose penalties as necessary pursuant to Staff Manual Volume 6, Section 6.140, for counties who do not make good faith efforts to improve their compliance with federal and state statutes, rules and regulations.

Better Case Management Could Increase the Amount of Federal Incentives Received by the State

In addition to increasing the amount of support collected for custodial parents and the State, better case management can also increase the amount of federal incentives received by the State. The federal government provides monetary incentives to states meeting established performance criteria.

The amount of federal incentives received by states is currently based on the State's cost-effectiveness ratio. States are guaranteed a minimum of 6 percent of their public assistance caseload collections and 6 percent of their non-public assistance caseload collections as an incentive. States may earn a maximum of 10 percent of their collections based solely on their cost-effectiveness ratios. However, the total amount of non-public assistance incentive payments is capped at 115 percent of the public assistance incentive payment. The following table shows the cost-effectiveness ratios needed for each incentive percentage rate.

Cost-Effectiveness Ratios Needed for Each Incentive Percentage Rate

Cost-Effectiveness Ratio*	Percentage of Collections for Incentive
Less than $1.40	6.0 percent
At least $1.40	6.5 percent
At least $1.60	7.0 percent
At least $1.80	7.5 percent
At least $2.00	8.0 percent
At least $2.20	8.5 percent
At least $2.40	9.0 percent
At least $2.60	9.5 percent
At least $2.80	10.0 percent

Source: 45 CFR 304.12 (Code of Federal Regulations)

***Note:** Dollars collected per dollar of administrative expenditures.

The total cost-effectiveness ratio is calculated by adding the public assistance ratio and the non-public assistance ratio. The total represents the amount collected for every dollar spent. Nationally, almost $4.00 in child support payments are collected for every $1.00 spent to administer the program. However, Colorado collects only $3.00 for every dollar spent. In Federal Fiscal Year 1997 (the most recent year for which nationwide information is available), Colorado ranked 38th of the 54 U.S. jurisdictions in its total cost-effectiveness ratio. (See Appendix D for a listing of the 54 jurisdictions and their cost-effectiveness ratios).

Colorado's Low Cost-Effectiveness Ratios Have Reduced Federal Dollars Available for the Program

In Federal Fiscal Year 1996 Colorado's cost-effectiveness ratio was $2.82, and it ranked 40th out of the 54 U.S. jurisdictions. Although Colorado's cost-effectiveness ratio improved slightly in Federal Fiscal Year 1997, at $3.07 Colorado still ranked 38th out of the 54 U.S. jurisdictions. Because of its low cost-effectiveness ratios, Colorado has received incentives at the minimal rate of 6 percent for public assistance caseload collections for the past five years. Its incentive rate for non-public assistance caseload collections has varied between 6.5 and 8.0 percent. In Federal Fiscal Year 1997 Colorado received $5,852,748 in incentives. However, in Federal Fiscal Year 1998 Colorado received $5,687,847 in federal incentives, a decrease of 3 percent from Federal Fiscal Year 1997.

The Federal Incentive System Is Changing

The current federal incentive system has been criticized by many child support enforcement stakeholders, including state child support agency directors, because it 1) focuses solely on one aspect of the Child Support Program — the cost-effectiveness ratios; and 2) all states receive an incentive regardless of their performance. According to a February 1997 federal Office of Child Support Enforcement report:

> Most child support experts believe that this incentive system has no real incentive effect because all States receive the minimum six percent of incentives. This incentive system also does not reward States for other important aspects of child support enforcement, such as paternity establishment.

PRWORA required that the Secretary of Health and Human Services, in consultation with state directors of IV-D programs, recommend to Congress a new incentive

funding system for state child support enforcement programs "which is to be based on program performance." On the basis of these recommendations, Congress passed the Child Support Performance and Incentive Act of 1998, which specifies the formula for incentive payments beginning in Federal Fiscal Year 2000 (October 1, 1999, - September 30, 2000).

New Performance Measures Have Been Established

The new incentive system will measure state performance in the five areas that are believed to be the "most important measures in determining the success of the child support program." The amount of incentive will be based upon the established standards of performance. These measures are:

- **Establishment of paternities** compares out-of-wedlock births in the child support caseload with paternity established to the total number of out-of-wedlock births in the caseload.

- **Establishment of child support orders** shows the percentage of the child support caseload that has support orders. It also measures how well the agency is keeping up with case backlogs and intake.

- **Collection on current child support owed** focuses on the proportion of current support due that is collected on child support cases.

- **Payment on cases with arrears** focuses on how well states are doing at collecting some amount of money on those cases having an arrearage. The measure specifically counts paying cases, and not total arrears dollars collected because "states have very different methods of handling certain aspects of arrears cases, such as their ability to writeoff bad debt or debt which is almost certainly 'uncollectible.'"

- **Cost-effectiveness** assesses the total dollars collected for each dollar expended. Currently cost-effectiveness is the only measure on which states are being judged.

In order to receive the minimum amount of incentives available for paternity and support order establishment, the establishment rates must be at least 50 percent or a state must show substantial improvement over the prior year's performance. The minimum performance level is a 40 percent collection rate for collections on current support and payments on cases with arrears. The cost-effectiveness ratio has a minimum performance level of $2.00. Maximum incentives are received when the performance level is 80 percent or above for the first four measures and $5.00 for the cost-effectiveness ratio. See Appendix E for the standards and the scales.

Colorado Needs to Continue to Improve Its Performance

In addition to improving its performance in order to increase collections for custodial parents and the local, state and federal governments, Colorado needs to improve its performance to maximize the amount of federal incentives received by the State. States with greater service levels and efficiency will benefit the most from this new incentive system, while states with poor productivity and case management could lose funding.

For example, using a model that assumes each state has an equal amount of federal incentive monies available to them, under the new federal incentive system Colorado would receive about $5.6 million in incentives based upon its performance levels for Calendar Year 1998. However, using the same methodology, we estimate that Colorado could earn federal incentives of about $8.1 million if it achieves the maximum service level rates by Federal Fiscal Year 2000. Federal incentives help the Colorado Child Support Program operate. These payments benefit the counties. Although currently incentives may be used for any social services program, beginning in Federal Fiscal Year 2000, federal incentive payments must be reinvested in child support programs.

The ways to enhance the Division's and county child support units' caseload management that we identified earlier in this chapter will also improve the State's performance levels and could increase the amount of federal incentives received by Colorado. For example, we estimate that closing cases that meet federal case closure criteria could result in an increased incentive payment of over $340,000 in Federal Fiscal Year 2000. Also, if the amount of prior year support due is reduced, the State's performance under the measure for payments on cases with arrears should improve. The Division should continue to work with the counties to identify additional ways to increase the rates at which it meets performance goals and improves its caseload management.

Recommendation No. 5:

The Division of Child Support Enforcement should continue to improve its efforts to maximize federal incentives by working with counties to ensure that performance goals are met and caseload management is improved.

Division of Child Support Enforcement Response:

Agree. The Division has already begun the process to implement the changes to the federal incentive structure. During the next twelve months, the Division will promulgate the rules which outline the incentive distribution formula and train all county staff on the formula and potential impact case management has on meeting the various performance levels.

Administrative Issues

Chapter 2

Background

As discussed in the Overview section of this report, the Colorado Child Support Program is state-supervised and county-administered. Thus, the Division of Child Support Enforcement is responsible for overseeing the counties, who in turn are responsible for the day-to-day actions taken on a case.

We reviewed numerous financial issues related to the Division's administration of the Colorado Child Support Program. We found state-level administration of the Program could be improved. Specifically, the Division of Child Support Enforcement should:

- Review recommendations made in its interest study and implement appropriate changes.
- Notify parents when an undeliverable payment is being held and require counties to clear out all undeliverable payments held for more than 180 days.
- Train counties to document application fees.
- Work with the counties to determine the most cost-efficient way of providing genetic testing services.

The Division Is Evaluating the Effectiveness of Charging Interest on Past Due Child Support Obligations

Colorado statutes give counties the option of charging interest on past due child support obligations. According to statute, county child support enforcement units may charge interest on any child support arrearages or debt due. In addition, counties that choose to charge interest also have the right to waive any interest charged to an account. Currently 30 of the 63 counties have chosen to charge interest. As a result, parents are treated differently depending on which county is

enforcing their case. Additionally, some parents have multiple cases, each in a different county. In these situations, the same parent may have interest charged in one case, but not in others.

Although almost half of the counties charge interest, neither the Division nor the counties were able to provide information on how much interest has been charged, collected, or written off as uncollectible. ACSES, the Division's automated system, does not identify interest charges separately from other amounts owed. The Division does not track interest charges or payments. This information is only available on a case-by-case basis at the county level. Both Division and county staff told us they believe very little interest is actually collected because most charges are "written off" as a part of lump sum settlement negotiations.

The interest rates for child support accounts are mandated by Colorado statutes and change depending on the time frame for which the interest is being charged. When interest is charged on child support arrearages, it is calculated at the rate that was in existence at the time the arrearage occurred. For example, a case that was being charged interest on past due support accrued since 1985 would have three different interest rates. Additionally, statutes have changed how interest is compounded. Prior to 1979 only simple interest was authorized to be charged on past due child support. From June 1979 to May 1994 annual compounding was permitted. In 1994 that law was changed to allow monthly compounding. The following table shows the time periods and the respective interest rates.

Colorado Child Support Interest Rates on Past Due Obligations

Rate	Date	Statute
8 percent simple	July 1975	Section 5-12-101, C.R.S.
8 percent compounded annually	June 1979	Section 5-12-101, C.R.S.
12 percent compounded annually	July 1986	Section 14-14-106, C.R.S.
12 percent compounded monthly	May 1994	Section 14-14-106, C.R.S

The Division recently developed PC-based software for calculating interest charges. However, the Division has not distributed this software to all counties. According to Division management, it does not have the resources needed to provide technical support to the counties on the use of the software. Currently Denver County is the only county using the software. ACSES does not include an interest module. Many counties have expressed their frustration at the lack of automated programs to calculate interest. Twenty-nine of the fifty-one counties responding to our survey said they did not charge interest. Reasons they gave included:

- Charging interest is too labor-intensive. It is a "nightmare" to calculate.

- There is too much involved to charge interest and there is no tracking of interest charges in ACSES.

- The county does not have enough resources or "good procedures" to ensure consistency of interest charges from case to case.

According to discussions we had with county IV-D administrators, counties do not agree on the effectiveness of charging interest. Some counties believe it is an appropriate enforcement tool and especially useful in negotiating settlements. Other counties believe interest charges do not result in increased collections. Federal laws and regulations are silent on interest charges. Ten of the thirty-one states responding to our survey reported that they charge interest, seven sometimes charge interest, and fourteen never charge interest.

The Division applied for and received a federal grant to evaluate the cost-effectiveness of interest charges on Colorado's child support collections. The study should be completed by September 2000. The Division should use the results of this evaluation to develop and implement statewide policies on interest. Statutory changes should be proposed so that policies adopted by the Division can be consistent across all counties. For example, if interest is to be charged, it should be charged statewide and ACSES should be modified to calculate and track interest charges.

Recommendation No. 6:

The Division of Child Support Enforcement should improve its financial management of child support cases by:

a. Reviewing the results of its study on charging interest on past due child support amounts and implementing any appropriate recommendations statewide.

b. Proposing statutory changes necessary to ensure that interest-charging policies are consistent statewide.

c. Modifying ACSES to calculate and track interest charges if the decision is made to charge interest.

Division of Child Support Enforcement Response:

a. Agree. The Division has already begun the process of analyzing all issues associated with charging interest on unpaid child support obligations. In October 1998, the Division was awarded a federal grant to develop and test a variety of procedures aimed at enhancing the efficiency of child support offices and increasing child support collections. One of the initiatives included in this grant is to assess the costs and benefits of collecting interest on child support arrears. The focus of the study will answer three questions:

1. Will charging interest on a statewide automated basis increase child support collections?

2. If yes, will it be cost-effective (i.e., will the marginal increase in child support collections be greater than the cost of realizing the increased collections)?

3. If no, should the calculation of interest for unpaid child support obligations in IV-D cases be prohibited statewide?

The activities required by the study will be performed by a private contractor who will provide its recommendations to the Division by September 30, 2000.
b. and c. Agree. Upon receipt of the recommendations from the contractor, the Division will review and analyze the recommendations and implement those which the Department supports.

Interest Calculations Are Not Always Correct

While the Division is evaluating the effectiveness of charging interest, it needs to ensure the accuracy of current and past due interest charges. As discussed previously, 30 Colorado counties currently charge interest on past due obligations. However, we found that counties do not always calculate the charges in accordance with the law.

Problems we identified for the 30 counties that charge interest include:

- One county compounded interest on a daily basis, rather than monthly as has been required since 1994.

- One county compounded interest on a monthly basis before monthly compounding was authorized in 1994. This county now compounds interest on both a "periodic" (e.g., whenever it receives a payment) and a monthly basis.

- One county had developed software to calculate interest charges, but the software did not conform to statutes. The software compounded interest monthly for a 14-year, 9-month period in which annual compounding was required by statute (July 1979 - April 1994). The county changed its software after we brought the problem to its attention.

- Three counties charged interest on some cases but not on others. For example, two counties calculate interest only when requested to do so by the non-custodial parent. According to state rules, if a county decides to charge interest, it must charge interest on all cases unless a non-public assistance custodial parent requests that it not be calculated.

- Several counties calculate interest at different phases of a case. For example, one county calculates interest only after a lump sum payment has been negotiated. Another calculates interest as cases are reviewed for adjustment of orders. A third calculates interest before a case is closed.

- Twenty-two counties do not have written procedures for charging interest. State rules require that county child support units develop written procedures for their operations.

We also reviewed 23 interest calculations for 9 cases from two different counties. We found:

- Only three calculations were done correctly.

- Three of the calculations resulted in underassessments of interest ranging from $348 to $3,461.

- Seventeen calculations resulted in overassessments ranging from $3 to $6,770.

Non-custodial parents were overassessed a total of $20,509 in these cases.

The Division Has Recently Developed a Policy on Interest Charges

The Division has developed a new statewide policy on interest charges that was distributed to the counties in May 1999. The policy explains how interest is to be calculated. In addition, the policy directs counties to review interest calculations for accuracy 1) when an administrative review is requested by one of the parents, 2) when a lump sum settlement is negotiated, or 3) when a case is prepared for closure. The new policy does not address cases that have already closed. Some cases that were paid in full may have been assessed interest charges incorrectly, and the non-custodial parents may have already paid the incorrect amount. Since the State does not have information on interest charges collected, we were unable to determine if non-custodial parents have overpaid or underpaid in the past. According to the Division, interest was not collected on any of the nine cases in our review. Because of the importance of potential erroneous collections, we believe the Division should review a sample of closed cases to determine the extent and materiality of over or underpayment on closed cases. The Division should also determine if adjustments are appropriate. Finally, the Division also should work with counties to ensure consistent and accurate application of interest charges.

Recommendation No. 7:

The Division of Child Support Enforcement should ensure that the counties currently charging interest calculate those charges correctly. Specifically, it should improve its management of interest charges by:

a. Including reviews of interest in its regular county evaluations (e.g., Root Cause Analysis) to ensure compliance with state policy.

b. Determining the extent and materiality of inaccurate interest payments on closed cases and determining if adjustments are appropriate.

Division of Child Support Enforcement Response:

a. Agree. Beginning August 1, 1999, the Division will include reviews of interest when conducting Root Cause Analysis for counties who assess interest on past due child support obligations.

b. Agree. The Division agrees that the twenty-three calculations concerning nine cases contained in the report had problems with over or under assessment of interest. However, there was ***no collection of interest*** in any

of these cases. (In the survey conducted by audit staff, county staff reported they use the interest calculation primarily as a negotiation tool in attempting to settle the case for a lump-sum payment.) The Division believes that the collection of interest is not an issue of materiality. The Division will select a statistically valid sample of closed cases from counties who assess interest on unpaid child support obligations. During the period of August 1999 through July 2000, the cases in the sample will be reviewed to determine if the calculation of interest was computed correctly and validate whether any interest was collected inappropriately.

Non-Custodial Parents Should Be Notified of Interest Charges

Non-custodial parents do not receive regular statements outlining the total amount due and any interest charges that have accrued. Approximately 6 percent of non-custodial parents with support orders receive a monthly notice that states the monthly amount due, but does not address interest charges or the total support obligation.

Counties that charge interest do not keep a running total of the amount of interest due. Currently the only way a non-custodial parent can learn how much he owes in total is to contact the enforcing county child support unit. When a non-custodial parent requests the information, the county worker may take several days to calculate the interest amount and add it to the total amount due. If the Division decides that interest should continue to be charged based on the results of its study, it should ensure that non-custodial parents owing interest are notified of the charges and interest rates applied.

Recommendation No. 8:

If the Division of Child Support Enforcement decides that interest should continue to be charged based on the results of its interest study, it should ensure that non-custodial parents are periodically notified of the charges and interest applied.

Division of Child Support Enforcement Response:

Agree. Upon receipt of the recommendations from the contractor by September 30, 2000, the Division will review and analyze the recommendations and will implement those which the Department supports. If the decision of the Department is to continue to assess and collect interest on unpaid child support obligations, the Division will develop a periodic

notice to notify non-custodial parents of the interest charged and how the collection of interest was applied to the past due child support obligation.

Disbursements on Hold Should Be Cleared

Sometimes the State receives child support payments that cannot be distributed to the custodial parent because the parent cannot be located. These payments are known as disbursements on hold. In November 1997 the State had about $1.5 million in disbursements on hold. By February 1999 disbursements on hold had been reduced to about $882,000 through a concerted effort on the part of the Division. However, about $299,250 (34 percent) of this amount had been held for over 180 days.

Disbursements on hold are required by state regulations to be researched quickly to locate the custodial parent so that the payment may be released. However, we found that cases with disbursements on hold are not treated consistently among all of the county child support units. Although the payments are initially received and held by the Family Support Registry, the county child support unit is responsible for researching, locating the parent, and releasing the payment. According to state regulations:

- Counties must access "all appropriate local, state, and federal sources to determine the location of the payee."

- If the payee cannot be located within 90 calendar days, the payment should be applied to any assigned arrears for reimbursement of former public assistance costs.

- If there are no assigned arrears, the county should determine if previous distributions from the non-custodial parent's account have ever been distributed incorrectly. For example, if there is an overpayment of child support, the disbursement on hold should be distributed to the non-custodial parent.

- If neither parent can be located within 180 calendar days and there are no assigned arrears, the disbursement on hold should be transferred to the child support abandoned collections account by the 181st day.

  – Money in the abandoned collections account is to be used to pay the costs of the IV-D program.

- The non-custodial parent may request payment of the disbursement be sent to him or her after it has been transferred.

Of the $108,145 in disbursements on hold that have been distributed since September 1998, $33,825 was distributed to either the custodial or non-custodial parent or reallocated to arrears owed to the local, state, and federal governments for reimbursement of public assistance expenditures. The remaining $74,320 was transferred to the abandoned collections account.

Counties Had a Year to Clear All Disbursements on Hold for Over 180 Days

The State has been criticized by non-custodial parents for keeping disbursements on hold for long periods of time. In January 1998 the Division and the counties agreed that all disbursements on hold over 180 days would be cleared by December 31, 1998. However, we found that as of February 1999, 42 counties had 1,113 disbursements on hold for over 180 days. As shown by the following table, three counties are responsible for most of these.

Child Support Disbursements on Hold as of February 1999

County	Number of Cases	Dollar Amount	Percent of Total Dollar Amount
Denver	811	$215,425	72.0%
Arapahoe	103	$41,863	14.0%
Jefferson	21	$7,626	2.5%
Others	178	$34,336	11.5%
Total	1,113	$299,250	100.0%

Source: Office of the State Auditor analysis of disbursement on hold data, March 1999.

Some Disbursements Have Been Held for Several Years

Before the Family Support Registry was established in 1994, county child support enforcement units received and distributed payments. We found that about 43 percent of the disbursements on hold for over 180 days are pre-Family Support Registry. These disbursements are held in county child support accounts. As shown by the following table, Denver is responsible for most of the pre-Family Support

Registry disbursements on hold. About 56 percent of Denver's total disbursements on hold are at least five years old.

Pre-1994 Child Support Disbursements on Hold as of February 1999			
County	**Number of Cases**	**Dollar Amount**	**Percent of Pre-1994 Disbursements on Hold**
Denver	370	$119,672	93.0%
Montezuma	15	$3,997	3.1%
Archuleta	7	$3,948	3.1%
Douglas	4	$587	0.5%
Clear Creek	1	$300	0.2%
Alamosa	1	$100	0.1%
Elbert	3	$64	0.0%
Total	401	$128,668	100.0%

Source: Office of the State Auditor analysis of disbursement on hold data, March 1999.

Denver County told us it has not been able to clear out its pre-Family Support Registry disbursements on hold due to lack of staff.

The Division Should Increase Notifications of Disbursements on Hold

Non-custodial parents are not routinely notified of the disbursements on hold in their accounts. These parents may have information needed to locate the custodial parents. Also, they should be informed about their right to request that disbursements on hold be returned to them if the custodial parent is not located.

Neither non-custodial parents nor custodial parents are informed when disbursements on hold are transferred to the abandoned collections account. Additionally, the Division does not make any effort to notify the public of parents who may be owed money from disbursements on hold accounts. Under the State's Unclaimed Property Act (Section 38-13-111, C.R.S.), the public must be notified of other types of abandoned property. According to state law, descriptions of the abandoned property and its owners must be published in a general circulation newspaper annually. It is unclear whether the Unclaimed Property Act applies to child support disbursements on hold. Additionally, the Division has concerns that publishing the names of parents would violate the confidentiality of child support records.

The Division needs to take an active role in managing disbursements on hold so that they are treated consistently in each county. Disbursements held for over 180 days should be cleared, and efforts should be taken to locate and notify the parents. The Division should review ACSES reports on disbursements transferred to the abandoned collections account. The Division should seek legal interpretation on whether disbursements on hold fall under the Unclaimed Property Act.

Recommendation No. 9:

The Division of Child Support Enforcement should improve the management of disbursements on hold by:

a. Notifying non-custodial parents when a disbursement has been on hold for 60 days.

b. Requiring all counties with disbursements on hold for over 180 days to submit a plan for clearing out all these disbursements.

c. Requiring all pre-Family Support Registry disbursements on hold to be cleared by December 31, 1999.

d. Reviewing ACSES reports on disbursements transferred to the abandoned collections account.

e. Seeking legal interpretation on whether disbursements on hold fall under the Unclaimed Property Act.

Division of Child Support Enforcement Response:

a. Agree. The Division agrees that notifying non-custodial parents could assist counties in locating families so that current collections can be forwarded to families. The Division is undertaking a major redesign of the locate function on the ACSES. This will be included in Phase II of the project which will be implemented no later than December 31, 2000.

b. Agree. The Division and counties are committed to clearing all disbursements on hold. The Division will ensure that all counties who have outstanding disbursements on hold will submit a plan to the Division by September 30, 1999 reflecting the process they will use to clear all disbursements over 180 days.

c. Agree. There are only five counties in the State who have outstanding pre-Family Support Registry disbursements on hold because the Division and counties have made tremendous strides in clearing all of these disbursements. The Division will work with these five counties to ensure the balances are eliminated by December 31, 1999.

d. Agree. As noted in letters (b) and (c) effective August 1999, the Division will work with counties to ensure that disbursements are not on hold longer than 180 days. In the event that a limited number of payments remain on hold past the 180 days, each month the Division will review the ACSES monthly report which reflects cases with collections which were on hold and that were subsequently moved to the abandoned collection account. If problems are identified during this monthly review those counties will be instructed to follow the regulations concerning clearing disbursements on hold.

e. Agree. By October 1, 1999, the Division will seek a legal interpretation on whether disbursements on hold fall under the Unclaimed Property Act.

The Division Should Train Counties On Documenting Application Fees

Not all Colorado counties have implemented a policy to charge a $20 fee for non-public assistance cases. State regulations require that counties charge $20 for non-public assistance applicants for child support services. Counties may waive the fee "in cases where the county director determines that the imposition of such a fee would cause undue financial hardship." However, when a county waives the fee, the $20 must be paid by the county from its child support enforcement funds. The county-paid fees are not reimbursable by the federal government. Counties use the application fees received from the custodial parents to reduce the costs of the child support enforcement program.

In our sample of 407 cases, 11 (31 percent) of the 35 non-public assistance cases in which the custodial parent applied for services in Colorado were not charged a fee. If this percentage is applied to cases that had never received public assistance in Federal Fiscal Year 1998, about 5,036 cases would not have been charged a fee. This could represent $100,720 in uncollected fees that had to be absorbed by the counties.

Currently there is no statewide information on the amount of money counties have collected in fees. In addition, information is not available on the amount or number

of fees that have been waived. County staff should receive additional training on how fees should be documented.

Recommendation No. 10:

The Division of Child Support Enforcement should improve the collection of fees for non-public assistance applications by training county staff on how to document these fees.

Division of Child Support Enforcement Response:

Agree. By September 30, 1999, the Division will train counties to use the rules at Staff Manual Volume 6, section 6.201.2(B)(8) which allows county directors of social services to pay the fee out of child support enforcement funds for families where imposition of the fee would cause an undue financial hardship. The training will also instruct counties to use the ACSES Users Guide, C.2.1.1 which explains the data fields on ACSES for recording the fee and entering information into these fields. The fields on ACSES include a "Paid By" where the user identifies who paid the application fee. One of the choices for this field is "County."

The Division Should Determine the Most Cost-Efficient Manner of Providing Genetic Testing Services

When a child is born out-of-wedlock or the presumption of paternity is contested, paternity must be determined. At the time a case is initially opened, if paternity has not already been established, the county's first action must be to establish it. Paternity can be established two different ways. The first is by the alleged father's voluntary acknowledgment of paternity. If the alleged father does not voluntarily acknowledge paternity, paternity can be established through blood or genetic testing. Once the mother names the alleged father(s), all three parties (mother, child, alleged father) must undergo genetic testing in order to conclusively determine paternity.

County child support units are responsible for all costs associated with genetic testing. However, the counties are reimbursed by the federal government for 90 percent of the costs. If paternity is proven conclusively, the child support unit enters a judgment against the father for the full amount of the genetic services. Any costs

subsequently recovered from the father are used to reimburse the federal government and the county.

All Colorado counties have privatized genetic testing functions. There are four different laboratories in the State that provide counties with genetic testing services. However, according to the 1998 plans submitted by the counties to the Division, the laboratories charge disparate amounts for genetic testing services. In 1998, laboratory charges ranged from a low of $50 per person to about $90 per person for genetic testing. The higher charges were reported for smaller counties.

According to state regulations, counties, or the Division on behalf of counties, must competitively procure genetic testing services at a reasonable cost. Also, state statutes require agencies to use the most efficient methods possible and consider the cost of the program, as well as the impact of the program on Colorado citizens, when implementing the goals of federal statutes. If all paternity testing was done at the current lowest price of $50 per test, we estimate there would be annual statewide savings of over $57,000.

The Division should evaluate the costs of genetic testing services and determine the most cost-efficient manner of providing these services. One option would be for the Division to encourage counties to work with each other and enter into a collective agreement with a laboratory for genetic testing services. A second option is for the Division to enter into a statewide contract, or contracts for genetic testing. The contract would be open to competitive bidding by all of the laboratories in the State, and should result in the lowest cost per test. At the very least the Division should continue to provide counties with information on each county's costs associated with genetic testing so that it can be used when procuring services. The Division has previously provided counties with this type of information. However, according to Division documents, the last time this information was provided was in May 1997. According to Division staff, updated cost information will be distributed again in July 1999.

Recommendation No. 11:

The Division of Child Support Enforcement should work with the counties to determine the most cost-efficient manner of providing genetic testing services and then make any necessary changes.

Division of Child Support Enforcement Response:

Agree. The Division will continue to work with counties to determine the most cost efficient manner of providing genetic testing services. Effective August 1999 and every year thereafter, the Division will issue an agency letter providing the names of all vendors who have been contracted to provide genetic testing in Colorado and the fees being charged to each county by these vendors.

Colorado Evaluated the Costs and Benefits of Implementing PRWORA

As discussed in the Overview section of this report, House Bill 97-1205 required the State to implement the welfare reform requirements for child support enforcement. It also directed the Division of Child Support Enforcement to evaluate and report on the cost and effectiveness of each of the initiatives implemented by the Bill. During the course of this audit, we reviewed the Division's *Legislative Report - A Summary of the Cost and Effectiveness of HB 97-1205* (December 31, 1998) to determine its accuracy and completeness. Overall, we found the methodology used by the Division to determine the costs associated with implementing the requirements to be sound. The Division reported costs of about $1.5 million for State Fiscal Year 1998 and estimated costs to be about $2.4 million in State Fiscal Year 1999.

In its report, the Division stated that the implementation of PRWORA requirements had resulted in increased child support collections of about $4.7 million for State Fiscal Year 1998. It estimated that collections resulting from PRWORA requirements would increase by about $9.3 million in State Fiscal Year 1999. However, we found that the increase in collections attributable to New Hire Reporting and Commercial Driver's License suspension may be overstated. Once an enforcement notice is issued to a non-custodial parent, any payments that are received subsequently are attributed to that action. If two different enforcement actions are taken at once, collections are attributed to both actions. Also, collections may be indefinitely attributed to an enforcement action once a notice is sent.

The federal Office of Child Support Enforcement is currently devising a method of determining the effectiveness of New Hire Reporting that will limit the time frame collections are attributed to the action. The Division should implement the federal Office's recommendations and evaluate whether they could be applied to all enforcement actions in order to determine their effectiveness.

Recommendation No. 12:

The Division of Child Support Enforcement should implement the federal Office of Child Support Enforcement's recommendations related to New Hire Reporting and evaluate whether the recommendations could be applied to all enforcement actions in order to determine their effectiveness.

Division of Child Support Enforcement Response:

Agree. The Division will use the methodology developed by the federal Office of Child Support Enforcement in measuring the collections that result from the New Hire Reporting. The Division will also evaluate during the time period of August 1999 through July 2000 whether this methodology could be applied to other enforcement actions in determining their effectiveness.

Organizational Structure

Chapter 3

Background

Federal laws and regulations do not specify the type of organizational structure for U.S. child support enforcement programs. However, federal regulations require that each state program has an approved state plan that:

> . . . is in effect in all political subdivisions of the State in accordance with equitable standards for the administration that are mandatory throughout the State.

According to federal regulations, state plans may be:

- State-administered.
- Administered by the political subdivisions of the State and mandatory on such political subdivisions.
- State-administered in certain jurisdictions and locally administered in others in which it is mandatory.

Within this framework, there is a wide variety of organizational structures in the 54 U.S. child support programs. Forty-one programs are state-administered, and thirteen are state-supervised and county-administered. Forty-one programs are located in state departments of human/social services, five are in state departments of revenue, two are in state offices of the attorney general, one is in the department of economic security, one is in the department of administration, one is in the department for workforce development, and three are not reported. Twenty-eight of the state-administered programs have regional offices located throughout the state.

Child support services provided in Colorado have changed significantly with many of the welfare reform (PRWORA) requirements. As discussed previously in the report, PRWORA required the implementation of multiple initiatives in the State's automated systems. These systems have consolidated many locate and enforcement actions and centralized them at the state level instead of having each county perform the functions individually. These functions are no longer performed on a case-by-case basis because states can now use mass case processing to match their entire

caseload against other federal and state databases in order to locate non-custodial parents and to enforce support orders. These federal changes have resulted in a more uniform program nationwide.

Colorado is 1 of the 13 U.S. jurisdictions that has a state-supervised, county-administered child support enforcement program. The Division of Child Support Enforcement is ultimately responsible for the provision of child support services in Colorado and is accountable to the federal Office of Child Support Enforcement for the quality of these services. The Division supervises the county child support offices, which currently oversee the day-to-day functions on a case.

Organizational Structure Can Affect Program Efficiency

The state of Massachusetts reorganized its Child Support Program several years ago in order to improve program efficiency. Before reorganizing, the Massachusetts Child Support Program had 46 local offices around the state providing services. The Program now has six regional centers and two satellite offices. The state claims that it saves over $8 million per year in expenditures as a result of the reorganization. According to staff of the Massachusetts Child Support Program, regionalizing the child support offices has increased the efficiency of its Program.

As we mentioned earlier in the report, Colorado's Child Support Program is structured similarly to Massachusetts' program before the reorganization. Child support services in Colorado are provided by 47 county child support units and the state office. One benefit associated with the Program's current structure is good local access for parents. When custodial and non-custodial parents have a question or problem, they can go to the child support unit in their county for help. However, since the responsibility for program functions is scattered among many different units, service provision is often inefficient and inconsistent.

Differences Among Counties Result in Inefficiencies and Inconsistencies

Colorado's 63 counties vary widely on the size of their child support caseloads and the number and specialization of staff. Caseload sizes range from 19 in Mineral County to 39,735 in Denver County. [See Appendix F for listing of caseloads by county.] Number of staff range from less than 1 FTE to 143 FTE. The large and medium-sized counties have been able to specialize job functions. For example, some staff are assigned to intake functions while others work on enforcement actions. However, in small counties, staff perform all types of functions.

Through our survey of counties and discussions with county staff, we identified numerous inefficiencies and inconsistencies in the manner in which child support enforcement services are provided statewide. For example:

- **Counties with small caseloads**. In these counties there is typically one staff person who handles not only child support enforcement but also child welfare and TANF cases. In our county survey these staff noted that it is often difficult to perform all of their duties in a timely manner.

- **Separation of duties between the counties and the Division.** Under the current structure the state office and the county child support units are responsible for different steps in the enforcement of child support cases. The selection of cases for many enforcement remedies (e.g., drivers' license suspension, credit bureau reporting) is automated and overseen by the Division. However, the counties are responsible for ensuring that case information is current and accurate. When the counties fail to do this, cases may be wrongly selected for an enforcement remedy. Non-custodial parents must then resolve the problem at both the state and county levels.

Inconsistencies in services among counties include:

- **Follow-up on complaints**. The State does not have one single point of contact for parents reporting complaints. When complaints are made to a county office, each county has its own procedures for following up on the complaint. Complaints received by the Division are generally referred to the county child support office for resolution. Several of the parents who contacted us stated that they believe they have been handed off from one child support unit to another and have gotten the "runaround" on their complaint.
- **Charging of interest**. As discussed in Chapter 2, not all counties charge interest. Thirty of the 63 counties charge interest, and 33 do not charge interest. Even within counties that do charge interest, interest is not charged on every case. Some counties responded to our survey that they charge interest on all arrears calculations, while other counties charge interest on a case-by-case basis. The amount of interest charged for all of the counties cannot be determined because several of the counties do not track these amounts. As a result of these inconsistencies, non-custodial parents are treated differently from county to county.

- **Charging of the application fee for non-public assistance cases**. Thirty-seven of the fifty-one counties responding to our survey waive the $20 application fee, while eight counties never waive the fee, four counties do not have policies on waiving the fee, and two counties did not respond.

- **Monitoring cases for closure**. Some counties review case closure reports, some review cases, others close cases when the bookkeeper notifies the technician that the ledger is paid in full, and some counties only close cases as a last resort.

- **Controls over adjustments to payment ledgers**. Five of the counties responded that they have no controls over ledger adjustments because there is one staff person in the office who handles all of the duties.

- **Assignment of case numbers**. Case numbers for the same "family" are also inconsistent among counties. A "family" can have a case in several counties if the custodial parent has received public assistance in different counties at different times. Each county will assign the case a different case number. This practice leads to confusion among all of the parties involved, including the Division, the counties, and the "family."

Colorado Should Evaluate Child Support Program Organization and Operations

Colorado statutes (Section 24-78-104(2)(c), C.R.S.) require state agencies to use the most efficient methods possible when implementing the goals of federal statutes. With the Child Support Enforcement Program evolving nationwide into a uniform system with increased centralization and automation, the Division should evaluate alternatives to the Program's current organization and operations in order to identify ways of improving its efficiency and effectiveness. Alternatives the State could consider are discussed below.

Consider Regionalizing

The first alternative to consider is "regionalizing" the Program. Regionalization has already begun to occur at the county level. As we discuss in the Overview section of the report, 15 small counties have contracted with other larger counties to provide child support enforcement services for their county. These smaller counties recognize that it is more cost-effective and efficient to pay the larger county to provide services than it is for the smaller county to maintain staff to work a few cases.

Regionalization could also help solve staffing issues for some counties. Many counties attribute their failure to appropriately work cases and comply with state and federal regulations to low staffing levels. In order to aid counties in determining the appropriate number of staff needed to manage their caseloads effectively, the

Division and the counties developed staffing level standards based on a formula that takes into consideration size of the county, number of cases, and availability of administrative support. Statewide, county child support enforcement units are staffed at 80 percent of the recommended level. We did not conclude on staffing levels, because we believe that problems such as case closure need to be addressed before staffing is evaluated. Our review of county plans and the Division's staffing reports showed that 42 of the 55 counties with designated child support staff were staffed lower than 90 percent of the recommended levels. These include four counties with large caseloads: Adams, Arapahoe, El Paso, and Jefferson. These four counties account for about 41 percent of the State's total caseload. See Appendix F for a staffing breakdown for each county.

Consider Privatization

The second alternative the Division could consider is the effect greater privatization would have on the efficiency and effectiveness of the Program. There are various models for privatization of child support programs. In Colorado privatization is already occurring on many different levels. For example, several counties contract with private firms to collect on difficult cases. El Paso County has contracted out the management of its entire Child Support Program to a private company. The Division contracts with a private company for the operation of the Family Support Registry, which collects and distributes child support payments for the State. Other states that have privatized various aspects of their child support programs report increased efficiency and effectiveness in their programs.

Consider Functional Reorganization

Finally, among numerous alternatives the Division could consider is splitting the Program's operations on a functional, rather than on a geographic, basis. That is, all locate and enforcement functions could occur at the state level, while intake and establishment of paternity and support would be maintained at the local level. This transition is already beginning to occur naturally as a result of welfare reform. With the development and implementation of statewide automated systems, many enforcement functions are being handled at the state level. However, county staff are still responsible for overseeing these functions and ensuring all appropriate steps are taken. Reorganizing the Program in this manner would require changes in the current funding structure. The Division would need to retain a portion of the federal incentives currently passed through to the counties or receive a larger appropriation in order to cover the expenditures for locate and enforcement functions.

The Division should evaluate the cost-benefit of implementing the alternatives discussed above, as well as any other alternatives, in order to identify ways to improve the administration of Colorado’s Child Support Enforcement Program.

Recommendation No. 13:

The Division of Child Support Enforcement should continue to work with the counties to review and analyze the costs and benefits of various alternatives for administering the Child Support Enforcement Program. It should implement any changes that would improve program effectiveness and efficiency, and eliminate inconsistencies in service provision.

Division of Child Support Enforcement Response:

Agree. The Division will continue to use the IV-D Task Force as a vehicle to develop and structure the child support enforcement program and to assist in assessing the cost/benefit of any proposal and alternative administrative structures for the program in Colorado.

APPENDICES

Appendix A

Federal Legislative History of Child Support Enforcement

The first federal child support enforcement legislation was passed in **1950**, and required state welfare agencies to notify appropriate law enforcement officials when providing Aid to Families with Dependent Children (AFDC) for children abandoned or deserted by a parent [Section 402 (a)(11) of the Social Security Act 42 USC 602 (a)(11)]. The same year, the National Conference of Commissioners on Uniform State Laws, and the American Bar Association approved the ***Uniform Reciprocal Enforcement of Support Act*** (URESA), which was subsequently amended in 1952, 1958, and 1968.

The *Social Security Amendments* of 1965, Public Law 89-97, allowed a state or local welfare agency to obtain from the Secretary of Health, Education and Welfare the address and place of employment of an absent parent who owed child support under a court order for support.

The *Social Security Amendments* of 1967, Public Law 90-248, allowed states to obtain from the Internal Revenue Service the addresses of absent parents who owed child support under a court order for support. In addition, each state was required to establish a single organizational unit to establish paternity and collect support for children receiving AFDC. States were also required to work cooperatively with each other under child support reciprocity agreements.

The *Social Security Amendments* of 1974, Public Law 93-647, created Part D of Title IV of the Social Security Act [Sections 451, et seq.; 42 USC 651, et seq.].

In **1976**, **Public Law 94-566** required state employment agencies to provide absent parents' addresses to state child support enforcement agencies.

In **1977**, **Public Law 95-30** made several amendments to Title IV-D, and the *Medicare-Medicaid Antifraud and Abuse Amendments*, Public Law 95-142, established a medical support enforcement program.

The *Social Security Disability Amendments* of 1980, Public Law 96-265, increased federal matching funds for the costs of developing, implementing, and enhancing approved automated child support management information systems. In another provision, the law authorized use of the Internal Revenue Service to collect arrearages on behalf of non-AFDC families. The law also provided state and local IV-D agencies access to wage information held by the Social Security Administration.

The *Adoption Assistance and Child Welfare Act* of 1980, Public Law 96-272, contained four amendments to Title IV-D of the Social Security Act: making Federal Financial Participation for non-AFDC services available on a permanent basis; allowing states to receive incentive payments on all AFDC collections; requiring states to claim reimbursement for expenditures within two years;

and imposing a 5 percent penalty on AFDC reimbursement for states not having effective child support enforcement programs.

The *Omnibus Reconciliation Act* of 1981, Public Law 97-35, added five amendments to the IV-D provisions: authorizing the IRS to withhold all or part of certain individuals' federal tax refund for collection of delinquent child support obligations; requiring IV-D agencies to collect spousal support for AFDC families; requiring IV-D agencies to collect fees from delinquent absent parents; mandating that child support obligations assigned to the state were no longer dischargeable in bankruptcy proceedings; and imposing on states a requirement to withhold a portion of unemployment benefits from delinquent absent parents.

The *Tax Equity and Fiscal Responsibility Act* of 1982, Public Law 97-248, included the following provisions affecting the IV-D program: Federal Financial Participation was reduced, as were incentives to the states; the mandatory non-AFDC collection fee was repealed; members of the uniformed services on active duty were required to make allotments from their pay when arrearages reached a 2-month delinquency; and states were allowed to reimburse themselves for AFDC grants paid to families for the first month in which the collection of child support is sufficient to make a family ineligible for AFDC.

The *Omnibus Budget Reconciliation Act* of 1982, Public Law 97-253, provided for the disclosure of information obtained under authority of the Food Stamp Act of 1977 to various programs, including state child support enforcement agencies.

Also in **1982**, **the *Uniformed Services Former Spouses' Protection Act*** authorized treatment of military retirement or retainer pay as property to be divided by state courts in connection with divorce, dissolution, annulment, or legal separation proceedings.

The *Child Support Enforcement Amendments* of 1984, Public Law 98-378, featured provisions that required critical improvements in state and local child support enforcement programs in four major areas: mandatory practices; federal financial participation and audit provisions; improved interstate enforcement; and equal services for welfare and nonwelfare families.

The *Tax Reform Act* of 1984, Public Law 98-369, included two tax provisions pertaining to alimony and child support: revising the rules relating to the definition of alimony; and providing that the $1000 dependency exemption for a child of divorced or separated parents generally be allocated to the custodial parent.

The *Omnibus Budget Reconciliation Act* of 1986, Public Law 99-509, included one child support enforcement amendment prohibiting the retroactive modification of child support awards.

The *Omnibus Budget Reconciliation Act* of 1987, Public Law 100-203, required states to provide child support enforcement services to all families with an absent parent who receive Medicaid and who have assigned their support rights to the state, regardless of AFDC status.

The *Family Support Act* of 1988, Public Law 100-485, emphasized the duties of parents to work and support their children, and in particular, emphasized child support enforcement as the first line of defense against welfare dependence.

The *Omnibus Budget Reconciliation Act* of 1989, Public Law 101-239, made permanent the requirement that Medicaid benefits continue for four months after a family loses AFDC eligibility as a result of the collection of child support payments.

The *Omnibus Budget Reconciliation Act* of 1990, Public Law 101-508, permanently extended the federal provision allowing states to ask the IRS to collect child support arrearages of at least $500 from non-custodial parents' income tax refunds.

The *Child Support Recovery Act* of 1992, Public Law 102-521, imposed a federal criminal penalty for the willful failure to pay a past due child support obligation that is greater that $5,000 or has remained unpaid for longer than a year, with respect to a child who resides in another state.

The *Ted Weiss Child Support Enforcement Act* of 1992, Public Law 102-537, amended the Fair Credit Reporting Act to require consumer credit reporting agencies to include information on child support delinquencies, provided or verified by state or local CSE agencies, which antedate the report by seven years.

The *Omnibus Budget Reconciliation Act* of 1993, Public Law 103-66, increased the percentage of children for whom the state must establish paternity, and required states to adopt laws requiring civil procedures to voluntarily acknowledge paternity. In addition, states were required to adopt laws to ensure the compliance of health insurers and employers in carrying out court or administrative orders for medical child support, and forbidding health insurers to deny coverage to children who are not living with the covered individual, or who were born outside of marriage.

The *Full Faith and Credit for Child Support Orders Act* of 1994, Public Law 103-383, required each state to enforce a child support order of another state, with conditions and specifications for resolving issues of jurisdiction.

The *Bankruptcy Reform Act* of 1994, Public Law 103-394, protects child support from being discharged in bankruptcy.

The *Small Business Administration Reauthorization and Amendments Act* of 1994, Public Law 103-403, requires that recipients of financial assistance not be more than 60 days delinquent in paying child support.

The *Social Security Amendments* of 1994, Public Law 103-432, requires state IV-D agencies to periodically report parents at least two months delinquent in paying child support to credit bureaus; modifies the benchmarks under the Paternity Establishment Percentage formula used to determine the states' substantial compliance; and requires DHHS to provide free access for the Justice

Department to the Federal Parent Locator Service in cases involving unlawful taking or restraint of a child and/or the making or enforcing of a child custody determination.

The *Personal Responsibility and Work Opportunity Reconciliation Act* of 1996 (PRWORA), Public Law 104-193, is a comprehensive bipartisan welfare reform plan that dramatically changes the nation's welfare system, requiring work in exchange for time-limited assistance, and including the most sweeping crackdown on non-paying parents in history. Provisions include: a national New Hire Reporting system; streamlined paternity establishment; uniform interstate child support laws; computerized statewide collections; tough new penalties; a "family first" policy; and access and visitation programs.

The *Child Support Performance and Incentive Act* of 1998, Public Law 105-200, provides for an alternative penalty procedure for states that fail to meet federal child support data processing requirements and reforms federal incentive payments for effective child support performance.

The *Deadbeat Parents Punishment Act* of 1998, Public Law 105-187, makes it a felony for any person to willfully fail to pay child support for a child who resides in another state, or to travel across state lines with the intent to evade child support obligations.

Appendix B

Colorado Child Support Self-Assessment Review Results (September 2, 1997 - September 3, 1998)			
Criteria	**Federal Compliance Rate**	**Division's Findings on Compliance Rate**	**Errors Found**
Case closure: Cases may be closed under 12 circumstances.	90%	95%	1 of 22 cases reviewed was closed in error.
Establishment: Includes case initiation, and establishing paternity and support orders within required time frames and by correct procedure.	75%	82%	17 of 94 cases reviewed had an error.
Expedited process: Support orders must be established: -within 6 months for 75% of cases -within 12 months for 90% of cases	6 mos = 75% 12 mos = 90%	6 mos = 79% 12 mos = 100%	19 cases were reviewed: 15 were completed within 6 months and 4 within 12 months.
Enforcement of support order: Case must receive an income assignment collection during the last quarter of the review period or, if appropriate, be submitted for a federal and state tax refund offset.	75 %	84%	35 of the 214 cases reviewed had enforcement errors.
Medical support: Medical support orders must be established and enforced.	75%	81%	12 of the 63 cases reviewed had errors.
Interstate services: State must provide services within required time frames as the: - initiating state (custodial parent lives in the state). - responding state (non-custodial parent lives in the state).	Initiating = 75% Responding = 75%	Initiating = 80% Responding = 100%	5 of the 25 initiating cases reviewed had errors.
Review and adjustment of orders: Orders must be reviewed if requested by either party or if IV-D determines appropriate.	75%	95%	1 of the 19 cases reviewed was not handled correctly.
Distribution of collections: Child support collections must be distributed to families within required time frames.	85%	99%	1 of the 94 cases reviewed was in error.
Source: Colorado Child Support Enforcement Annual Program Evaluation Report, March 1999.			

Appendix C

Compliance and Performance Report Data

		Paternity Establishment Percentage		Current Support Collections		Cases Paying on Arrears		Cases With Orders	
		Goal = 71.5%		Goal = 54%		Goal = 56%		Goal = 64%	
County	Size	Actual	Percent of Goal Met	Actual	Percent of Goal Met	Actual	Percent of Goal Met	Actual	Percent of Goal Met
Adams	Large	68.4%	96.0%	59.6%	110.0%	42.0%	75.0%	73.0%	114.1%
Arapahoe	Large	71.5%	100.0%	56.7%	105.0%	38.0%	68.0%	59.0%	92.2%
Boulder	Large	62.3%	87.0%	66.4%	123.0%	48.0%	86.0%	68.0%	106.3%
Denver	Large	69.3%	97.0%	49.1%	91.0%	36.0%	64.0%	69.0%	107.8%
El Paso	Large	55.0%	77.0%	52.6%	97.0%	35.0%	63.0%	49.0%	76.6%
Jefferson	Large	81.0%	113.0%	65.9%	122.0%	46.0%	82.0%	74.0%	115.6%
Larimer	Large	74.3%	104.0%	59.9%	111.0%	48.0%	86.0%	73.0%	114.1%
Mesa	Large	87.1%	122.0%	65.0%	120.0%	51.0%	91.0%	84.0%	131.3%
Pueblo	Large	80.7%	113.0%	45.7%	85.0%	44.0%	79.0%	63.0%	98.4%
Weld	Large	83.8%	117.0%	56.7%	105.0%	47.0%	84.0%	74.0%	115.6%
Alamosa	Medium	65.6%	92.0%	67.6%	125.0%	54.0%	96.0%	58.0%	90.6%
Chaffee	Medium	74.2%	104.0%	73.8%	137.0%	51.0%	91.0%	71.0%	110.9%
Conejos	Medium	80.2%	112.0%	62.8%	116.0%	59.0%	105.0%	81.0%	126.6%
Delta	Medium	62.1%	87.0%	74.5%	138.0%	52.0%	93.0%	64.0%	100.0%
Douglas	Medium	68.1%	95.0%	60.0%	111.0%	43.0%	77.0%	58.0%	90.6%
Eagle	Medium	63.9%	89.0%	57.9%	107.0%	52.0%	93.0%	64.0%	100.0%
Fremont	Medium	88.2%	123.0%	59.6%	110.0%	53.0%	95.0%	77.0%	120.3%
Garfield	Medium	86.1%	120.0%	59.7%	111.0%	56.0%	100.0%	77.0%	120.3%
Huerfano	Medium	81.3%	114.0%	54.7%	101.0%	37.0%	66.0%	48.0%	75.0%
La Plata	Medium	89.2%	125.0%	72.1%	134.0%	61.0%	109.0%	81.0%	126.6%
Las Animas	Medium	70.4%	98.0%	75.5%	140.0%	51.0%	91.0%	67.0%	104.7%
Logan	Medium	75.3%	105.0%	75.2%	139.0%	52.0%	93.0%	73.0%	114.1%
Moffat	Medium	58.6%	82.0%	73.4%	136.0%	46.0%	82.0%	55.0%	85.9%
Montezuma	Medium	53.4%	75.0%	60.0%	111.0%	45.0%	80.0%	53.0%	82.8%
Montrose	Medium	75.8%	106.0%	69.3%	128.0%	44.0%	79.0%	73.0%	114.1%
Morgan	Medium	63.1%	88.0%	71.7%	133.0%	56.0%	100.0%	69.0%	107.8%
Otero	Medium	86.4%	121.0%	65.9%	122.0%	51.0%	91.0%	80.0%	125.0%
Prowers	Medium	72.4%	101.0%	75.1%	139.0%	49.0%	88.0%	66.0%	103.1%
Rio Grande	Medium	75.7%	106.0%	56.9%	105.0%	53.0%	95.0%	68.0%	106.3%
Saguache	Medium	78.8%	110.0%	57.1%	106.0%	54.0%	96.0%	54.0%	84.4%
Teller	Medium	47.6%	67.0%	49.3%	91.0%	42.0%	75.0%	55.0%	85.9%
Archuleta	Small	74.8%	105.0%	68.6%	127.0%	43.0%	77.0%	68.0%	106.3%
Baca	Small	59.6%	83.0%	75.9%	141.0%	42.0%	75.0%	65.0%	101.6%
Bent	Small	81.6%	114.0%	86.5%	160.0%	66.0%	118.0%	67.0%	104.7%
Cheyenne	Small	30.0%	42.0%	88.4%	164.0%	70.0%	125.0%	74.0%	115.6%

Compliance and Performance Report Data

		Paternity Establishment Percentage		Current Support Collections		Cases Paying on Arrears		Cases With Orders	
		Goal = 71.5%		Goal = 54%		Goal = 56%		Goal = 64%	
County	Size	Actual	Percent of Goal Met	Actual	Percent of Goal Met	Actual	Percent of Goal Met	Actual	Percent of Goal Met
Clear Creek	Small	83.8%	117.0%	67.9%	126.0%	64.0%	114.0%	73.0%	114.1%
Costilla	Small	68.4%	96.0%	76.5%	142.0%	63.0%	113.0%	45.0%	70.3%
Crowley	Small	66.9%	94.0%	69.8%	129.0%	49.0%	88.0%	72.0%	112.5%
Custer	Small	61.9%	87.0%	82.4%	153.0%	53.0%	95.0%	61.0%	95.3%
Dolores	Small	76.9%	108.0%	68.4%	127.0%	40.0%	71.0%	70.0%	109.4%
Elbert	Small	70.1%	98.0%	68.0%	126.0%	48.0%	86.0%	69.0%	107.8%
Gilpin	Small	96.4%	135.0%	78.7%	146.0%	60.0%	107.0%	86.0%	134.4%
Grand	Small	71.7%	100.0%	85.2%	158.0%	52.0%	93.0%	65.0%	101.6%
Gunnison	Small	69.0%	97.0%	86.5%	160.0%	55.0%	98.0%	74.0%	115.6%
Hinsdale	Small	100.0%	140.0%	46.8%	87.0%	28.0%	50.0%	50.0%	78.1%
Jackson	Small	52.9%	74.0%	67.2%	124.0%	30.0%	54.0%	62.0%	96.9%
Kiowa	Small	76.9%	108.0%	88.8%	164.0%	53.0%	95.0%	74.0%	115.6%
Kit Carson	Small	93.8%	131.0%	73.4%	136.0%	50.0%	89.0%	93.0%	145.3%
Lake	Small	66.1%	92.0%	65.0%	120.0%	47.0%	84.0%	70.0%	109.4%
Lincoln	Small	70.8%	99.0%	69.3%	128.0%	51.0%	91.0%	69.0%	107.8%
Mineral	Small	62.5%	87.0%	33.3%	62.0%	25.0%	45.0%	68.0%	106.3%
Ouray	Small	70.0%	98.0%	44.5%	82.0%	32.0%	57.0%	73.0%	114.1%
Park	Small	78.3%	110.0%	53.1%	98.0%	43.0%	77.0%	63.0%	98.4%
Phillips	Small	83.3%	117.0%	94.2%	174.0%	61.0%	109.0%	79.0%	123.4%
Pitkin	Small	57.6%	81.0%	50.0%	93.0%	45.0%	80.0%	78.0%	121.9%
Rio Blanco	Small	68.5%	96.0%	68.3%	126.0%	41.0%	73.0%	52.0%	81.3%
Routt	Small	101.2%	142.0%	81.3%	151.0%	72.0%	129.0%	90.0%	140.6%
San Juan	Small	75.0%	105.0%	51.8%	96.0%	44.0%	79.0%	85.0%	132.8%
San Miguel	Small	62.9%	88.0%	71.7%	133.0%	55.0%	98.0%	62.0%	96.9%
Sedgwick	Small	77.1%	108.0%	91.2%	169.0%	53.0%	95.0%	84.0%	131.3%
Summit	Small	93.1%	130.0%	91.9%	170.0%	55.0%	98.0%	79.0%	123.4%
Washington	Small	80.0%	112.0%	70.6%	131.0%	39.0%	70.0%	60.0%	93.8%
Yuma	Small	85.6%	120.0%	85.7%	159.0%	56.0%	100.0%	94.0%	146.9%

Compliance and Performance Report Data

County	Size	IV-A Collections		Non-IV-A Collections		Cost-Effectiveness Ratio
		IV-A Collections	Percent of Goal Met	Non-IV-A Collections	Percent of Goal Met	
Adams	Large	$3,319,230	61.0%	$12,487,143	126.0%	$6.47
Arapahoe	Large	$2,709,831	75.0%	$12,204,480	116.0%	$4.95
Boulder	Large	$1,737,677	69.0%	$6,036,560	115.0%	$7.11
Denver	Large	$8,905,735	73.0%	$19,552,312	116.0%	$4.78
El Paso	Large	$3,428,490	78.0%	$13,502,421	117.0%	$13.28
Jefferson	Large	$3,718,086	62.0%	$17,831,328	119.0%	$10.45
Larimer	Large	$1,833,536	67.0%	$7,039,230	124.0%	$7.51
Mesa	Large	$1,929,327	69.0%	$5,567,776	124.0%	$8.41
Pueblo	Large	$2,927,172	71.0%	$6,379,899	120.0%	$6.34
Weld	Large	$1,788,771	71.0%	$6,662,741	124.0%	$8.42
Alamosa	Medium	$235,967	75.0%	$825,543	127.0%	$6.49
Chaffee	Medium	$159,696	72.0%	$820,967	125.0%	$5.96
Conejos	Medium	$122,620	72.0%	$402,529	137.0%	$5.66
Delta	Medium	$630,206	82.0%	$1,554,661	114.0%	$7.37
Douglas*	Medium	$198,674	73.0%	$1,162,314	123.0%	
Eagle	Medium	$106,943	71.0%	$702,788	117.0%	$4.70
Fremont	Medium	$790,371	74.0%	$1,751,619	119.0%	$7.61
Garfield	Medium	$498,038	70.0%	$2,041,578	116.0%	$6.71
Huerfano	Medium	$78,691	65.0%	$236,624	128.0%	$3.53
La Plata	Medium	$368,699	71.0%	$1,733,527	125.0%	9.44
Las Animas	Medium	$220,103	74.0%	$816,222	127.0%	$5.79
Logan	Medium	$218,665	59.0%	$1,043,530	125.0%	$6.64
Moffat	Medium	$119,813	64.0%	$639,469	118.0%	$8.69
Montezuma	Medium	$215,425	67.0%	$732,883	101.0%	$7.40
Montrose	Medium	$399,358	86.0%	$1,706,033	114.0%	$7.11
Morgan	Medium	$436,107	71.0%	$1,577,896	120.0%	7.69
Otero	Medium	$488,052	62.0%	$1,533,920	122.0%	$10.82
Prowers	Medium	$302,421	68.0%	$947,783	117.0%	$8.65
Rio Grande	Medium	$243,625	79.0%	$440,222	120.0%	$4.81
Saguache	Medium	$80,742	58.0%	$227,836	115.0%	$3.77
Teller*	Medium	$59,113	59.0%	$374,591	98.0%	
Archuleta	Small	$67,317	51.0%	$490,951	107.0%	$8.51
Baca*	Small	$29,473	70.0%	$150,784	117.0%	
Bent	Small	$85,194	70.0%	$411,277	146.0%	$7.71
Cheyenne	Small	$10,127	62.0%	$53,299	116.0%	$3.97
Clear Creek*	Small	$60,037	81.0%	$474,654	105.0%	
Costilla	Small	$68,060	75.0%	$120,749	124.0%	$3.16
Crowley	Small	$94,681	80.0%	$271,818	137.0%	9.36
Custer**	Small	$25,797	63.0%	$109,609	140.0%	$(1,538.87)
Dolores	Small	$10,937	31.0%	$57,181	90.0%	$2.07

Compliance and Performance Report Data

County	Size	IV-A Collections		Non-IV-A Collections		Cost-Effectiveness Ratio
		IV-A Collections	Percent of Goal Met	Non-IV-A Collections	Percent of Goal Met	
Elbert*	Small	$54,041	59.0%	$293,814	112.0%	
Gilpin*	Small	$11,992	42.0%	$151,256	117.0%	
Grand	Small	$48,540	79.0%	$363,723	138.0%	$7.29
Gunnison	Small	$32,040	36.0%	$431,632	118.0%	$8.44
Hinsdale*	Small	$3,021	111.0%	$29,918	1026.0%	
Jackson*	Small	$2,463	34.0%	$30,813	108.0%	
Kiowa	Small	$9,064	129.0%	$59,865	111.0%	$3.44
Kit Carson	Small	$30,986	63.0%	$277,194	118.0%	$7.75
Lake	Small	$54,603	66.0%	$269,663	125.0%	$4.39
Lincoln*	Small	$30,732	48.0%	$187,287	111.0%	
Mineral*	Small	$2,702	107.0%	$4,813	69.0%	
Ouray*	Small	$7,934	72.0%	$65,828	105.0%	
Park*	Small	$29,933	52.0%	$201,207	121.0%	
Phillips*	Small	$25,083	48.0%	$198,799	112.0%	
Pitkin	Small	$12,022	44.0%	$159,850	93.0%	$33.52
Rio Blanco	Small	$44,082	62.0%	$331,140	103.0%	$8.92
Routt	Small	$107,174	65.0%	$808,930	125.0%	$16.43
San Juan	Small	$12,558	54.0%	$27,649	130.0%	
San Miguel*	Small	$28,865	57.0%	$124,678	124.0%	
Sedgwick	Small	$22,796	40.0%	$169,364	135.0%	$6.00
Summit	Small	$44,541	88.0%	$465,945	127.0%	$4.47
Washington	Small	$17,126	44.0%	$188,939	116.0%	$8.42
Yuma	Small	$78,942	65.0%	$548,840	129.0%	$7.04

Source: Compliance and Performance Report, December 31, 1998.

***Note:** The cost-effectiveness ratio has been omitted for these counties. Because these counties contract with another county for child support services their expenditures and collections may be counted in the other counties' figures. Therefore, the cost-effectiveness ratios may be skewed.

****Note:** Custer County was not billing all of its child support costs to the Child Support Enforcement Program. According to Division staff, this problem has been identified and actions have been taken to correct the problem.

Appendix D

Comparison of Child Support Collections Per Dollar of Total Administrative Expenditures for 54 U.S. Jurisdictions

Federal Fiscal Year 1997

	Jurisdiction	IV-A	Non-IV-A	TOTAL
1	Pennsylvania	$0.91	$6.66	**$7.57**
2	Michigan	$1.00	$5.76	**$6.76**
3	Indiana	$1.18	$5.00	**$6.18**
4	South Dakota	$1.16	$4.64	**$5.80**
5	Wisconsin	$0.80	$5.00	**$5.80**
6	Puerto Rico	$0.11	$5.27	**$5.38**
7	Virginia	$0.84	$4.39	**$5.23**
8	Ohio	$0.59	$4.60	**$5.19**
9	North Dakota	$0.95	$4.19	**$5.14**
10	Iowa	$1.20	$3.68	**$4.88**
11	New Jersey	$0.76	$4.03	**$4.79**
12	Oregon	$0.69	$3.96	**$4.65**
13	Maryland	$0.52	$3.89	**$4.41**
14	Louisiana	$0.76	$3.57	**$4.33**
15	Rhode Island	$2.10	$2.23	**$4.33**
16	South Carolina	$0.79	$3.51	**$4.30**
17	Maine	$1.96	$2.27	**$4.23**
18	Minnesota	$0.75	$3.39	**$4.14**
19	Alabama	$0.57	$3.57	**$4.14**
20	District of Columbia	$0.77	$3.33	**$4.10**
21	Missouri	$0.83	$3.22	**$4.05**
22	Massachusetts	$1.05	$2.99	**$4.04**
23	West Virginia	$0.65	$3.38	**$4.03**
24	New York	$1.12	$2.89	**$4.01**
25	New Hampshire	$0.72	$3.28	**$4.00**
26	Georgia	$1.08	$2.81	**$3.89**
27	Washington	$0.97	$2.91	**$3.88**
28	Tennessee	$0.70	$3.15	**$3.85**
29	Kentucky	$0.91	$2.89	**$3.80**
30	Nebraska	$0.43	$3.27	**$3.70**
31	Texas	$0.63	$2.97	**$3.60**
32	Vermont	$1.07	$2.50	**$3.57**
33	Alaska	$1.11	$2.37	**$3.48**
34	Florida	$0.71	$2.74	**$3.45**
35	Wyoming	$0.49	$2.85	**$3.34**
36	Mississippi	$0.71	$2.44	**$3.15**
37	Connecticut	$1.32	$1.77	**$3.09**
38	**Colorado**	**$0.92**	**$2.15**	**$3.07**
39	Kansas	$0.72	$2.34	**$3.06**
40	Oklahoma	$0.91	$2.12	**$3.03**
41	Utah	$0.71	$2.15	**$2.86**
42	North Carolina	$0.70	$2.13	**$2.83**

Appendix E

Standards and Scale Scores
New Federal Child Support Enforcement
Incentive System

The Child Support Performance and Incentive Act of 1998 made significant changes to the formulas for federal incentive payments to the 54 U.S. child support jurisdictions. Beginning in Federal Fiscal Year 2000, the incentives will be based on scores on five performance measures: Paternity Establishment Percentage, Establishment of Support Orders, Collections on Current Support Due, Collections on Arrearages, and Cost-Effectiveness Ratios. U.S. child support programs earn scores based on their performance levels for each measure. The following tables show the performance levels and respective scores.

Performance Percentage Scales for Paternity Establishment Percentage and Establishment of Child Support Orders	
Performance Levels	**Applicable Score Percentage**
Above 80 percent	100
79 to 80 percent	98
78 to 79 percent	96
77 to 78 percent	94
76 to 77 percent	92
75 to 76 percent	90
74 to 75 percent	88
73 to 74 percent	86
72 to 73 percent	84
71 to 72 percent	82
70 to 71 percent	80
69 to 70 percent	79
68 to 69 percent	78
67 to 68 percent	77
66 to 67 percent	76

Performance Percentage Scales for Paternity Establishment Percentage and Establishment of Child Support Orders	
Performance Levels	**Applicable Score Percentage**
65 to 66 percent	75
64 to 65 percent	74
63 to 64 percent	73
62 to 63 percent	72
61 to 62 percent	71
60 to 61 percent	70
59 to 60 percent	69
58 to 59 percent	68
57 to 58 percent	67
56 to 57 percent	66
55 to 56 percent	65
54 to 55 percent	64
53 to 54 percent	63
52 to 53 percent	62
51 to 52 percent	61
50 to 51 percent	60
0 to 50 percent*	0

Source: Child Support Performance and Incentive Act of 1998.

***Note:** If the Paternity Establishment Percentage or the Establishment of Child Support Orders performance levels for a state for a fiscal year are less than 50 percent but exceed by at least 10 percentage points the performance levels for the state for the immediately preceding fiscal year, then the applicable percentage with respect to the state's performance levels is 50 percent.

Performance Percentage Scales for Collections on Current Child Support Due and Collections on Child Support Arrearages	
State Performance Levels	**Applicable Score Percentage**
Above 80 percent	100
79 to 80 percent	98
78 to 79 percent	96
77 to 78 percent	94
76 to 77 percent	92
75 to 76 percent	90
74 to 75 percent	88
73 to 74 percent	86
72 to 73 percent	84
71 to 72 percent	82
70 to 71 percent	80
69 to 70 percent	79
68 to 69 percent	78
67 to 68 percent	77
66 to 67 percent	76
65 to 66 percent	75
64 to 65 percent	74
63 to 64 percent	73
62 to 63 percent	72
61 to 62 percent	71
60 to 61 percent	70
59 to 60 percent	69
58 to 59 percent	68
57 to 58 percent	67
56 to 57 percent	66

Performance Percentage Scales for Collections on Current Child Support Due and Collections on Child Support Arrearages	
State Performance Levels	**Applicable Score Percentage**
55 to 56 percent	65
54 to 55 percent	64
53 to 54 percent	63
52 to 53 percent	62
51 to 52 percent	61
50 to 51 percent	60
49 to 50 percent	59
48 to 49 percent	58
47 to 48 percent	57
46 to 47 percent	56
45 to 46 percent	55
44 to 45 percent	54
43 to 44 percent	53
42 to 43 percent	52
41 to 42 percent	51
40 to 41 percent	50
0 to 40 percent*	0

Source: Child Support Performance and Incentive Act of 1998.

***Note:** If the Collections on Current Support or Collections on Child Support Arrearages levels of a state for a fiscal year is less than 40 percent but exceeds by at least 5 percentage points the current performance levels of the state for the immediately preceding fiscal year, then the applicable performance level is 50 percent.

Performance Percentage Scales for Cost-Effectiveness Ratios	
State Performance Levels	**Applicable Score Percentage**

Performance Percentage Scales for Cost-Effectiveness Ratios	
$5.00	100
$4.50 to $4.99	90
$4.00 to $4.50	80
$3.50 to $4.00	70
$3.00 to $3.50	60
$2.50 to $3.00	60
$2.00 to $2.50	40
$0.00 to $2.00	0
Source: Child Support Performance and Incentive Act of 1998.	

Appendix F

Staffing Levels of County Child Support Enforcement Units Compared to Recommended Staffing Levels				
County	**Total Cases**	**Recommended FTE**	**Approved FTE**	**Percent of Recommended FTE**
Adams	15,710	60.21	53.00	88 percent
Alamosa	1,060	6.50	5.00	77 percent
Arapahoe	17,162	61.17	49.00	80 percent
Archuleta	496	3.57	2.00	56 percent
Baca*	214	1.50	0.50	33 percent
Bent	402	3.06	1.65	54 percent
Boulder	6,615	24.79	23.00	93 percent
Chaffee	688	4.88	3.25	67 percent
Cheyenne	36	0.26	0.50	192 percent
Conejos	449	3.26	2.50	77 percent
Costilla	242	1.53	1.50	98 percent
Crowley	325	2.60	1.00	38 percent
Custer	99	0.70	0.50	71 percent
Delta	1,774	9.51	7.10	75 percent
Denver	39,735	150.49	143.00	95 percent
Dolores	110	0.72	0.75	104 percent
Douglas*	1,247	7.12	2.00	28 percent
Eagle	731	5.31	3.75	71 percent
El Paso	25,786	86.48	52.50	61 percent
Elbert*	278	1.98	0.95	48 percent
Fremont	2,368	10.00	9.90	99 percent
Garfield	1,823	9.35	9.00	96 percent
Grand	277	2.28	1.50	66 percent
Gunnison	283	1.80	0.50	28 percent

Staffing Levels of County Child Support Enforcement Units Compared to Recommended Staffing Levels				
County	**Total Cases**	**Recommended FTE**	**Approved FTE**	**Percent of Recommended FTE**
Huerfano	550	3.80	1.35	36 percent
Jefferson	15,853	59.91	50.00	83 percent
Kiowa	49	0.34	0.50	147 percent
Kit Carson	177	1.38	1.20	87 percent
La Plata	1,325	8.81	6.00	68 percent
Lake	339	2.49	2.00	80 percent
Larimer	7,445	27.45	26.85	98 percent
Las Animas	1,435	7.69	6.00	78 percent
Lincoln*	184	1.38	0.75	54 percent
Logan	1,069	6.58	4.90	74 percent
Mesa	4,810	20.69	18.40	89 percent
Moffat	846	5.88	2.25	38 percent
Montezuma	1,545	7.59	3.20	42 percent
Montrose	1,678	9.31	6.00	64 percent
Morgan	1,898	10.01	9.25	92 percent
Otero	1,788	9.22	4.86	53 percent
Park*	196	1.30	1.10	85 percent
Phillips*	137	1.02	1.00	98 percent
Pitkin	107	0.72	0.25	35 percent
Prowers	1,399	7.90	4.25	54 percent
Pueblo	10,764	38.41	36.00	94 percent
Rio Grande	864	5.30	4.50	85 percent
Rio Blanco	388	2.30	1.05	46 percent
Routt	389	3.35	1.40	42 percent
Saguaache	432	2.72	1.80	66 percent
San Miguel*	108	0.92	0.15	16 percent

Staffing Levels of County Child Support Enforcement Units Compared to Recommended Staffing Levels

County	Total Cases	Recommended FTE	Approved FTE	Percent of Recommended FTE
Sedgwick	130	1.06	1.00	94 percent
Summit	219	1.72	3.00	174 percent
Teller*	626	3.80	0.35	9 percent
Washington	230	1.50	0.90	60 percent
Weld	6,975	27.48	24.30	88 percent
Yuma	402	3.02	0.75	25 percent
Totals	182,267	744.12	599.66	80 percent

Source: Calendar Year 1999 Recommended Staffing for Local Child Support Enforcement Units, Division of Child Support Enforcement.

***Note 1:** Counties that contract with other counties may have designated staff. Those staff are located at the contracted county.

Note 2: Other counties that contract do not have designated staff. Those counties and their respective caseloads are: Clear Creek (295), Gilpin (85), Hinsdale (22), Jackson (28), Mineral (19), Ouray (65), and San Juan (32)

Note 3: The approved FTE level is the level each county is approved for by the Division. Although a county may have an approved FTE level, all positions may not be filled. For example, because the county was "plagued with turnover, which defeats the staffing level," Pueblo has six vacancies or an actual FTE level of 30.

Note 4: The total number of cases does not equal the total caseload for Federal Fiscal Year 1998 mentioned earlier in the report due to the fluctuation of caseload size. According to the Division of Child Support Enforcement, the total caseload size fluctuates throughout the year. This chart shows the caseload as of August 1998. Also, the chart does not include the 546 cases listed for the seven counties in Note 2.

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