

Report to the General Assembly

North Carolina

Child Support Program

pursuant to S.L. 2009-451, Senate Bill 202

Prepared by the North Carolina Department of Health and Human Services,
Division of Social Services

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Purpose of Report

North Carolina General Statute 110-129.1 requires the Department of Health and Human Services (DHHS) to develop and implement performance standards for all Child Support (CS) offices across the State. In developing these performance standards, DHHS has evaluated private and public child support models and national standards as well as other successful collection models. The performance standards must include the following categories:

- a) Cost per collection
- b) Consumer satisfaction
- c) Paternity establishments
- d) Administrative costs
- e) Orders established
- f) Collections on arrearages
- g) Location of non-custodial parents
- h) Other related performance measures

DHHS must monitor the performance of each office and implement a system of reporting that allows each county office to review its own performance as well as the performance of other county offices. The Department has implemented a program to reward its child support enforcement offices for exemplary performance.

The Department is required to publish an annual performance report that includes statewide and individual office performance data. This report is designed to provide insight into the current status of the child support program. Its focus will be on the following:

- a) Historical data on the child support program
- b) Current program standards and plans for additional standards
- c) Reward system for child support offices with exemplary performance

Historical Data

North Carolina Child Support (NCCS) was created under federal mandate in July 1975. Federal funding for the program includes a financial participation rate of 66% of all program costs. Additionally, there is incentive funding for program

performance and the recovery of funds paid under the Temporary Assistance for Needy Families Program (TANF).

The North Carolina Department of Health and Human Services oversees the administration of the Child Support Program in accordance with federal and state law with the purpose of securing financial support from parents for dependent children and reimbursement to the State for public assistance paid on behalf of their children. Through the local child support agencies, child support services are provided to over 432,000 cases. Other options for citizens who need child support services include county Clerks of Superior Court, that provide limited enforcement services, private legal representation, or by contract with a private collection agency.

The Child Support Program is a state supervised – county administered program. North Carolina has three models for the administration of the Program. There are 76 offices operated by the county Department of Social Services, 7 offices operated by the county manager, 17 offices operated by a private vendor and 1 office operated by the Modoc Tribe of Oklahoma for the Cherokee Indian Reservation.

Program Standards

The Child Support Program aligned with the DHHS Excels Mission, Values and Goals to achieve program performance measures and focus on family centered practices.



The purpose of Project Excels is to change the culture of DHHS by stressing excellence and service. To be effective in ensuring all North Carolinians enjoy optimal health and well-being, all DHHS employees will strive to make DHHS the best managed agency in state government. The cultural and management changes the Department desires include:

- 1) transforming the approach to delivery and management of services from a silo approach to a coordinated, interrelated and open approach; and
- 2) improving decision making and accountability based on solid information/data that looks at the whole and ensures the greatest benefit from available resources rather than protection of turf, beliefs or agenda.

In keeping with the Department's new culture, the Child Support Program implemented ***Child Support Excels***, a strategic plan to improve performance

and customer service for North Carolina families. Building on experience gained through our prior strategic plan, "Journey to Excellence," **Child Support Excels** focuses on three core DHHS objectives:

- 1. Results-oriented** - an approach to management that requires setting clear goals, strategies and performance expectations. As part of the results-oriented objective, NCCS intends to focus on collections, cases under order and cost effectiveness.
- 2. Family customer focus** – directing attention to more interaction with families in order to identify and meet the customers' needs. In an effort to promote a collaborative working relationship with parents, NCCS encouraged local child support offices to adopt an interactive customer service approach allowing customers direct access to county child support staff. This approach coincided with the planned change for the Customer Service Center (CSS). Effective January 1, 2011, the CSS no longer accepts forwarding of all calls as part of a standard operating practice that does not give child support customers the option to contact their local case manager. However, in order to ensure business continuity, consideration is given to special requests to forward all calls to the CSS for special situations or temporary circumstances that negatively impact the operations of local child support offices.

NCCS recognizes the need for more education regarding child support services and more father-focused initiatives. In county child support offices, case managers, administrative staff and supervisors are the professionals who work one-on-one with custodians, non-custodial parents and other partners in providing services. These professionals deal with legal, personal, emotional and professional aspects of the job every day. Staffing is a critical factor to program success and there is a demonstrated need for effective advanced training in customer service skills. The goals are to provide comprehensive customer service training and resources to child support staff and equip them with practical tools to improve their skill levels in this area.

- 3. Collaboration** - working more efficiently and effectively with others, inside and outside the lines of authority, to achieve our goals. Using values of visionary leadership, customer-driven excellence, organizational and personal learning, valuing employees and the rewards of respect as guides, the program will achieve new levels of customer service and collections for all family members.

Statewide Program Goals and Performance

Each year NCCS establishes goals for each county child support agency and the state as a whole, based on standard incentives measurements set forth by the Federal Office of Child Support Enforcement (OCSE). In return, OCSE allocates incentive payments to the 50 states and 4 territories. Goals are shared with each county and monitored by the NCCS Central Office. NCCS Program Representatives work with each county to meet any needed improvement.

For SFY11, the statewide performance goals are as follows:

Program Goal	SFY 11 GOAL
Percent Paternity Established	102.30% *
Percent Cases Under Order	83.45%
Percent Collection Rate	66.32%
Percent of Cases with Arrears collected	65.20%
Cost Effectiveness:	\$5.34

* OCSE formulas allow percentages in excess of 100%

State Fiscal Year Historical and Current Performance

	2008	2009	2010	2011
Non-custodial Parent Location	87.48%	87.78%	87.61	87.39%
Paternity Establishment	100.12%	99.64%	100.27%	100.78%
Cases Under Court Order	81.71%	82.18%	82.01%	82.15%
Collection Rate	66.42%	66.27%	65.45%	65.03%
Cases Paying Towards Arrears	64.88%	64.96%	63.69%	64.29%
Cost Effectiveness	\$5.38 *	\$5.34 *	\$5.34 *	\$5.47 *
Total Amount Collected	\$690,049,755	\$702,308,470	\$694,696,759	\$698,493,769

*Collected for every dollar expended

Source: Office of Child Support Enforcement 157 Report from DHHS Client Services Data Warehouse

It should be noted that the performance goal for medical support has been suspended pending the establishment of federal regulations regarding Health Care Reform.

In addition, the program is evaluated through state and federal OCSE Self Assessments reports. NCCS continues to work with birthing hospitals to give parents of children born out of wedlock the opportunity to establish paternity at that time. The overall paternity establishment rate for the State exceeds 99%. While the State's cost effectiveness is above the federally mandated standard to allow for maximum reimbursement, we are seeking additional measures and practices that will continue to enhance program performance. Standards are in place for quality performance as well. NCCS has established a quality performance standard requiring a 96% quality compliance target.

Approximately six years ago, NCCS initiated a new case management performance monitoring assistance process to help county offices to improve on their federally mandated case management standards. The Automated Collections and Tracking System (ACTS) allows the State to monitor each office without necessitating a physical visit to the office being monitored. This monitoring is carried out by NCCS Program Representatives on a monthly basis and monthly and quarterly performance information is provided to all county offices. An annual report from this data is also provided to all child support offices.

Program Service Enhancements

The North Carolina Child Support Program has initiated the adoption of a vision of excellence and service to be identified as Child Support ***Excels***. The following are some of the enhancements / values either presently in use or under development.

Family Customer Focus

In striving to provide excellent customer service to all customers, North Carolina Child Support offers several methods of communicating with program participants in addition to maintaining the focus of direct customer service delivery at the county level. We have developed a process to measure consumer satisfaction by routinely surveying clientele for satisfaction with services provided. Surveys have been taken since April 2001 to help update and revise the operations of our Interactive Voice Response Unit (IVR) and new customer service processes. Survey results indicate a 74.5% rate of satisfaction with the program. During the economic recession, the Child Support Program has continued to maintain current program goals. The NCCS Central Office is constantly seeking new, more effective methods and practices to improve services for the customers in need of child support services

Technology Services

Interactive Voice Response System (IVR)

Through a toll-free telephone call, the IVR offers NCCS program participants information on payments and case activities. It has been in operation since May 2001. In 2011, approximately 5.6 million telephone calls were received from participants. The IVR provided information that was sufficient for more than 85% of all callers. Of the 5.6 million callers, approximately 824,000 opted to speak directly with a Customer Service Representative who could answer additional questions, as well as direct and document the participants' requests.

Currently, there is a DHHS Excels Initiative to move towards a new service delivery model for the Customer Service Call Center. This would be an expansion of integrated DHHS Call Center operations that would provide a higher level of transparency and customer service to the public. Toward that end, effective July 1, 2011, DHHS implemented the reorganization of the NC CARE-LINE toll-free lines. This resulted in the integration and consolidation of the CARE-LINE call center functions. The IVR was realigned to enhance self service options for callers seeking information. In addition, callers with more complex questions in service areas can opt out to speak with a Child Support Call Center Representative.

With the implementation of this efficiency, from July 1, 2011 through December 31, 2011 there were approximately 234,000 CARE-LINE calls received. 75% of those calls were handled through the enhanced IVR and approximately 59,602 customers opted to speak with a representative. The Child Support staff embraced this new task full force, along with the current child support calls and the results were excellent.

eChildSupport

The echildsupport website ("<http://www.ncchildsupport.com>") provides registered users (custodial, non-custodial parents, employers, and child support staff) with detailed information about their child support cases in North Carolina. It contains the same case-specific information as the NC DHHS Customer Service Center's Interactive Voice Response (IVR) and more. The website has been in operation since February 2002, and continues to be an extremely valuable tool.

Currently, there are over 310,071 registered users with over 17,000 individuals accessing the site each day to easily obtain payment and case-related information 24 hours a day. It is also available to the general public, with no registration required, to obtain general information including child support guidelines and interactive guideline worksheets. The Administrative Office of the Courts has established a link to the site to allow judges, attorneys and other interested parties access to these worksheets.

Child Support participants are becoming more technologically savvy, taking advantage of the web site in record numbers. They expect to be able to log on to the web site to get information about their cases or to send a request for information not shown on the web site. Information requests from the web site are sent to child support using the companion Electronic Customer Service Tracking System (eCSTS). See description below. Due to the volume of hits, the echildsupport web site experiences a significant amount of downtime during peak periods. Without capacity upgrades, the level of service to which child support customers are accustomed may be diminished.

Electronic Customer Service Tracking System

The Electronic Customer Service Tracking System (eCSTS) is the companion tracking system to the echildsupport (ncchildsupport.com) web site. This web-based system expedites the delivery of web inquiries from child support customers and the public to the Customer Support staff and reduces the time from receipt of a request to response. When a customer sends in an inquiry through NCChildSupport.com, the tracking system creates a task for the agent to research and complete. The system has the ability to track all inquiries and to query these records. The tracking system is also integrated with our Automated Collection and Tracking System (ACTS) and supports communication with county child support staff. The system tracks all forms of communication such as phone calls, emails, letters and complaints to be managed by one system in one online location. This system has logged in over 300,000 emails and tasks. As with echildsupport, the companion tracking system is in need of an upgrade to be able to respond quickly to customer inquiries.

The Automated Dialer

Automated telephone messages offer a proactive approach for reminding participants of scheduled hearings, appointments, first payment due on a new child support order and pending delinquency of a court order. In addition, the program utilizes these services for program updates such as office address changes and debit card expirations. The Automated Dialer has been in operation since July 2004. In 2011, the monthly average number of records delivered to the Automated Dialer for calls to be made to participants was approximately 33,400.

Collaboration

Insurance Match Program

Through a cooperative agreement, North Carolina has partnered with the Office of Child Support Enforcement (OCSE) Insurance Match Initiative. Individuals owing past due child support are compared to information that is maintained by insurers concerning insurance claims, settlements, awards, and payments.

OCSE matches the tax intercept file submitted by North Carolina Child Support with claim information provided by Insurance Service Office, participating state workers' compensation agencies, and the U.S. Department of Labor. The NCCS Insurance Match Coordinator reviews a report listing potential insurance claims and provides the data to county offices for review and follow-up on the insurance settlement information as appropriate.

Electronic Income Withholding

The Income Withholding Order (IWO) process has been a critical part of the child support program for many years. In almost all states, a paper IWO is mailed to an employer to initiate collection of support through income withholding. In an effort to improve the efficiency and effectiveness of the IWO process, the Federal Office of Child Support Enforcement initiated a project in August 2004 called the electronic Income Withholding Order (e-IWO) to enable states and employers to exchange IWO documents electronically.

North Carolina began its participation in the eIWO process in 2005, to send income withholding orders/notices through electronic transmission for the Department of Defense (DFAS). Since then we have successfully joined forces with 10 companies and currently in the implementation process for several more North Carolina companies.

North Carolina Child Support Shout Out

Collaboration of the North Carolina Child Support Central Office and county child support offices resulted in attitudes moving from a perceived competitive atmosphere among offices towards recognition of each office's strengths, embracing differences and being mindful of the requirements and realities of the use of comparative data regarding county performance.

In an effort to further open the door to collaboration, NCCS began development of the *Child Support Shout Out*, a monthly email notification to state-wide child support staff recognizing exceptional customer service in terms of collections by individual child support workers. Both county agencies and individuals are

recognized and new ideas and information regarding successful methods used to obtain the collections are shared.

Results-Oriented - The Reports

Through collaborative efforts and with the intent to meet requirements of monitoring as well as providing performance data to all counties in a comparative way, North Carolina Child Support has re-evaluated performance measures. Outdated or less useful reports were revised or deleted with a focus on making reporting more flexible and user friendly. New and revised reports assist county child support offices in identifying performance standards and levels.

Examples include:

The Incentive Goal Report – This report is used to compare current performance in the federal incentive areas against established goals. It reports progress in:

- Percentage (%) current support paid;
- Percentage (%) of cases under court order;
- Percentage (%) of cases paying towards arrears;
- Percentage (%) paternity established; and
- Total net allocated collections.

This report is generated monthly and offers the ability to sort data by office and program representative.

Agent Statistical Report - This report allows offices to utilize the Data Warehouse to easily retrieve and review agent activities in the following event categories:

System Locates Filed	Support Orders Established Other Completed
System Locates Completed	Support Orders Modified Completed
Manual Locates Filed	Support Orders Modified Other Completed
Manual Locates Completed	Review, No Modification, Completed
Paternity Filed	Enforcement Withhold Completed
Paternity Completed	Enforcement Other Filed
Support Orders Established Filed	Enforcement Other Completed
Support Orders Established Completed	Enforcement Other Hearing Completed

County Quarterly Report and Narrative

North Carolina Child Support is required to monitor the performance of each office and implement a system of reporting that allows county offices to review their own performance and the performance of other offices. NCCS developed a quarterly report which contains essential performance results in a central location and allows the ability to sort and filter data various ways. The Microsoft Excel workbook contains 5 worksheets which are as follows:

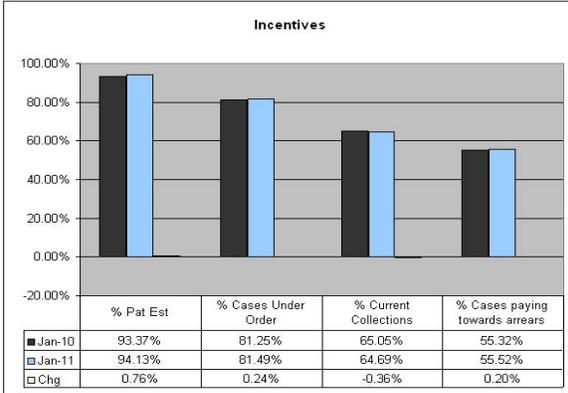
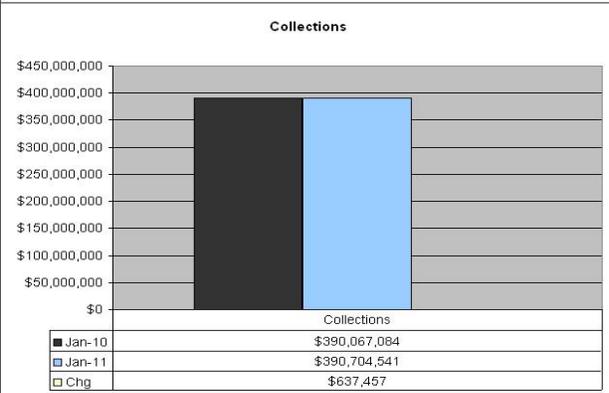
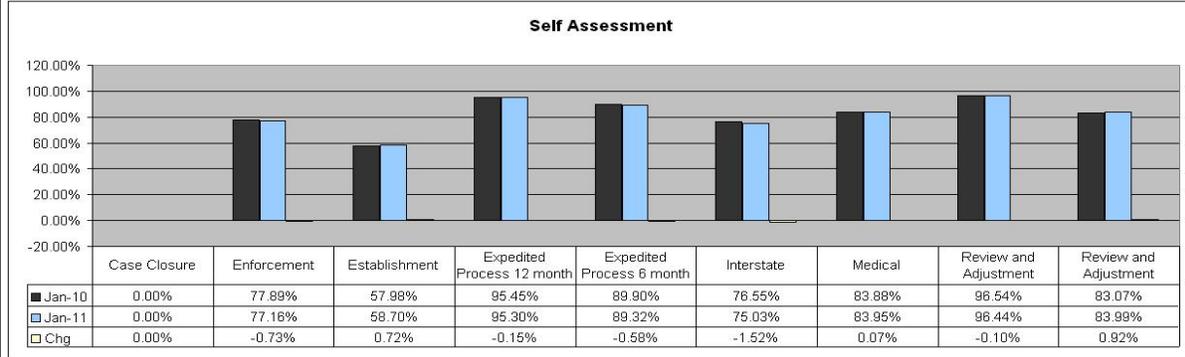
- 5 Factor Report – The report can be sorted by county, caseload size, cases/agent, and current unemployment data for comparison of 5 factors - Collections per unfrozen staff, and the four incentive percentages – % Collection Rate, % Cases Under Order, % Paternity Establishment, and % Payment to Arrears.
- Incentive Goal Report – Four incentives and total net allocated collections with respective goals as well as calculated percentages of goals obtained are shown and can be sorted by office and/or regional representative.
- Staffing Report – Staffing levels including supervisors, agents and clerical staff can be shown by office and/or regional representative.
- Agent Activity Report – Data from the Agent Statistical Report with per agent activity calculations is based on staffing data from the staffing report. The report can be sorted by office and/or regional representative.
- Self-Assessment Scores - All categories of self assessment as mandated by the Federal Office of Child Support Enforcement are listed. The report can be sorted by regional representative.

The following is a sample of the statewide performance report.

STATEWIDE

Self Assessment is for a 12 mth period. Collections and Incentives are SFY as of the end of the report mth.

Caseload
 Jan-10 426756
 Jan-11 431387
 Chg 4631



Current Reward Program for Exemplary Performance

NCCS continues a reward system that was initiated in SFY 2001 to honor county child support offices for high performance. In addition to performance awards for offices, an award of *Employee of the Year* was implemented in SFY 2005. Recommendations solicited from across the state are judged by a panel of DSS Directors, Child Support professionals, attorneys and others for contributions to the Child Support Program, office performance and community service. The current winner of the *Employee of the Year* award is Mecklenburg County Child Support Agent, Ms. Audrey L. Terry. Certificates in both categories are presented at the North Carolina Child Support Council (NCCSC) Annual Training Conference.*

**The NCCSC is a private non-profit organization that is not a part of the North Carolina state government.*