

Secretary of State Audit Report

Kate Brown, Secretary of State

Gary Blackmer, Director, Audits Division



Management Practices That Could Increase Child Support Collections

Summary

Nearly one in five Oregon children live in poverty, and one strategy to address this need is enforcement of child support payments by non-custodial parents. Oregon's Child Support Program (Program), administered by the Oregon Department of Justice, is responsible for establishing and enforcing child support payment obligations to ensure that children have the financial support of both of their parents.

The Program consists of two primary partners, the Department of Justice, Division of Child Support and the county District Attorneys. The county District Attorney offices (county offices) are primarily responsible for cases in which the children are not receiving or have not received public assistance, while the Division of Child Support state offices (state offices) provide services mainly to families who are receiving or have received assistance in the form of cash assistance, health insurance, or foster or juvenile care. The state offices also provide services for the 10 county offices that do not have a child support program.

Collecting child support depends upon establishing both paternity and a support order defining the amount of child support due from the non-custodial parent. The Program collects payments using collection methods such as income withholding, license suspensions, bank account garnishments, real property liens, and federal and state tax refund deductions.

The Program collected about \$373 million in child support from non-custodial parents in federal fiscal year (FFY) 2008. These funds were distributed to the families of children in Oregon, or used to reimburse federal and state sources of public assistance to families. About two-thirds of Program costs are covered by federal funding, with the remainder from state and local sources.

In comparison to the other states, Oregon's recent child support collection performance has generally been average, with the state collecting 62% of current child support due for FFY2008. Variances among states may be affected by economic conditions, resources, statutory authority, and other factors.

The current child support collection rate for county offices averages nearly 77%, whereas state offices collect about 51% of current child support due. The difference may result from the challenges state offices encounter in collecting on public assistance cases, and the resources that must be dedicated to establishing paternity and support orders.

The purpose of our audit was to determine if there are best practices for increasing the collection of child support that Oregon has not yet implemented. To accomplish this, we conducted a survey of 11 state programs that have been among the leaders in the federal performance measures for current support and arrears collections. We found that Oregon employs many of the practices used by the top collecting states. For example, Oregon provides similar training to its staff, uses license suspensions as a collection tool, and has automated certain collection tasks.

However, several of the most successful states also employ a performance management strategy that has improved their collection results. They set ambitious performance expectations for their program offices, monitor collections performance data for offices, and take constructive action to boost lagging performance.

Setting clear, ambitious expectations and goals in an organization is one element of a performance management strategy that can lead to greater productivity. Oregon's current support collection rate for FFY2008 was 62% but the Program set a target rate of 63%. If Oregon could achieve Pennsylvania's 79% current support collection rate, an additional \$70.5 million would be collected from non-custodial parents.

Tracking performance is important to gauge results and provide a basis for improvement strategies. All states track and report their performance against federal incentive performance measures. Several of the states we surveyed discussed methods for tracking federal measure performance and using the results for improvement strategies. In addition, several of the states we surveyed provide timely, customized performance data to all staff. Customized reports allow case managers to produce information to fit their individual needs.

Many of the higher collecting states used improvement strategies that were linked to the federal performance measures or case manager collection goals. Also, in several states, case manager performance information is made available to other case managers to allow comparisons and generate self-motivation to improve. Some states also use the federal performance measures as part of individual performance evaluations.

Recommendations

We recommend the Department of Justice develop ambitious performance goals for use throughout the program, improve performance reporting, apply constructive actions that can boost collection efforts, and consider other strategies top collecting states use to increase collections. More detailed recommendations are included at the end of the report.

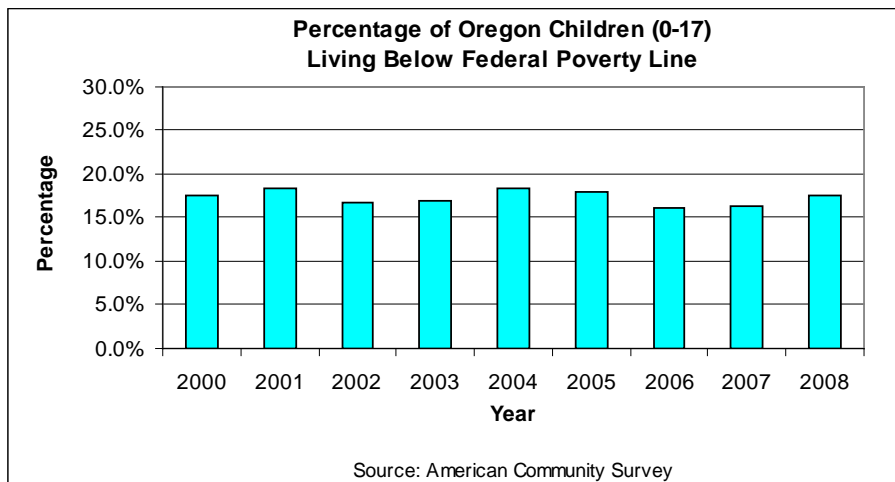
Agency Response

The agency response is attached at the end of the report.

Background

Effective Child Support Enforcement Can Reduce Poverty

Nearly one in five Oregon children lives in poverty. This percentage has not changed substantially since 2000.



Many factors affect the economic circumstances of children, and national research indicates that effective child support enforcement is one of the programs that can help lift children out of poverty, though to a limited extent. A study by the Urban Institute indicated that child support payments from the non-custodial parent contributed about one-fourth of the income of families living in poverty.

Oregon's Child Support Program

Oregon's Child Support Program is responsible for establishing paternity, and for establishing and enforcing support orders to ensure that children have the financial support of both of their parents. The Program becomes involved at the request of either parent or when the custodial parent or guardian begins collecting public assistance.

The Oregon Department of Justice (Department) has administered the Child Support Program since 2003. The Program consists of two primary partners, the Department of Justice, Division of Child Support and county District Attorneys. The county District Attorney offices (county offices) are primarily responsible for cases in which the children are not receiving or have not received public assistance, while the Division of Child Support state offices (state offices) provide services mainly to families who are receiving or have received assistance in the form of cash assistance, health insurance, or foster or juvenile care. The state offices also provide services for the 10 county offices that do not have a child support program.

The Program collected about \$373 million in child support from non-custodial parents in FFY 2008. These funds were:

- distributed to the families of children due child support in Oregon;
- distributed as medical support;
- used to reimburse other state sources of public assistance such as the Oregon Department of Human Services (Temporary Assistance to Needy Families (TANF)), the Oregon Youth Authority, and Oregon Child Welfare;
- returned to the state Program to help pay for program expenses;
- paid back to the federal government for its portion of public assistance in Oregon (These funds are held by the state and used to pay the federal share (66%) of the state's child support program expenses.); and
- distributed to child support programs in other states when the non-custodial parent resides in Oregon, but the child resides in another state, or when a debt is owed to another state for providing past assistance.

Since October of 2008, child support collections on TANF cases have been used to provide monthly payments to TANF families of up to \$50 per child and up to \$200 per family. These payments are made before any collections are used to reimburse the state.

Oregon Child Support Program Totals FFY 2005-2008

	FFY05	FFY06	FFY07	FFY08	FFY09
Total Collections	\$329,774,254	\$340,777,503	\$358,840,458	\$372,610,093	\$360,595,270
Total Employees	720	709	741	742	742
Total Expenditures	\$55,460,302	\$58,092,605	\$59,849,575	\$61,548,744	\$66,554,377
Federal Funding	\$36,624,373	\$38,359,801	\$39,501,319	\$37,532,810	\$43,356,821
Federal Incentive*	\$5,600,727	\$5,732,739	\$6,027,030	\$6,062,535	Not Available

(Sources: Federal Office of Child Support Enforcement Reports 34A, 157, 396A, and federal incentive funding information provided by Oregon Child Support Program)

Collecting child support depends upon establishing both paternity and a support order. The child's paternity, a legal determination of fatherhood, may be known before the Program becomes involved, or established later through Program efforts. Establishing paternity is the necessary first step in obtaining a support order for children born out of wedlock. The support order defines the amount of child support due from the non-custodial parent.

The program employs about 740 full time equivalent staff, including 379 full time equivalent case managers. About 84% of these case managers manage a collection of individual child support cases called a caseload. Caseloads average approximately 700 cases.

Child support cases involving public assistance are referred to the Department of Justice from the Oregon Department of Human Services after the custodial parent applies for public assistance such as TANF, or the child is placed in

foster care. Case managers in the Program's state offices primarily handle these cases. Child support cases involving public assistance include both current and former recipients of public assistance.

Non-public assistance cases are normally handled by the District Attorney's office in the county that has jurisdiction over the case. Most non-public assistance cases have child support orders already established when the cases come to the county district attorneys.

At the end of FFY2008, 26 of Oregon's 36 county District Attorney offices conducted child support collection efforts. These efforts were carried out under "Cooperative Agreements" with the state. These agreements lay out child support collection duties and responsibilities, establish operational guidelines for county collection activities in exchange for reimbursement of their allowable operating expenses, and establish the county's share of federal incentive funding. For counties that do not have a child support program, the Department, through its state offices, administers child support collection efforts for those counties' child support cases.

While the Program's state office case managers are concerned with issues of paternity and support order establishment and collections, county case managers are primarily focused on collections.

Collection Methods

Income withholding is the first collection method the Program utilizes for new child support cases. Income withholding is commonly set up by identifying the employer of the non-custodial parent, and sending the employer an income withholding order, resulting in income deductions for child support. The employer sends these deductions to the Program. Income withholding is the collection tool that generates the most collections for the Program, accounting for \$233 million or 62% of total child support collections in FFY2008.

Other collection methods and tools may be employed by case managers and other specialized collection units within the Program if income withholding is not an option, or is insufficient to meet the obligation. These include license suspensions (drivers, recreational, occupational), bank account garnishments, real property liens, and federal and state tax refund deductions.

The case manager has the job of overall case management. The case manager may attempt to locate the non-custodial parent, assess the non-custodial parent's financial situation, search for financial resources, and coordinate the manual and automatic collection methods and tools that could potentially be applied to tap those resources.

Federal Performance Measures And Funding For Child Support Enforcement

Oregon's Child Support Program operates under state and federal laws, rules and regulations, and under guidelines set forth by the Office of Child Support Enforcement (OCSE) within the U. S. Department of Health and Human Services. The mission of the OCSE is to enhance the well-being of children by assuring that assistance in obtaining support (both financial and medical) is available to children through locating parents, establishing paternity and support obligations, and enforcing those obligations. The OCSE has five goals:

- all children have established parentage;
- all children have support orders;
- all children have medical coverage;
- all children receive financial support from parents as ordered; and
- the program will be efficient and responsive in its operations.

To encourage states to achieve these goals, federal law and regulation establish five performance measures linked to an incentive program:

1. percent of cases with paternity established;
2. percent of cases with support orders established;
3. percent of current support collected;
4. percent of cases with arrears that have collections; and
5. cost-effectiveness ratio of the state program (dollars collected to dollars expended).

The OCSE monitors performance reports submitted annually by each state's child support program. States are eligible for federal incentive funding based on their performance on the five measures relative to the performance of the other states' child support programs. Federal incentive funds are distributed to the Program, which the Program distributes a portion of to individual counties based on the performance of each on the federal performance measures.

The federal government also reimburses each state's child support program for 66% of its allowable operational expenses. In Oregon, these federal funds are shared by the state and by individual counties based on the expenses each submits.

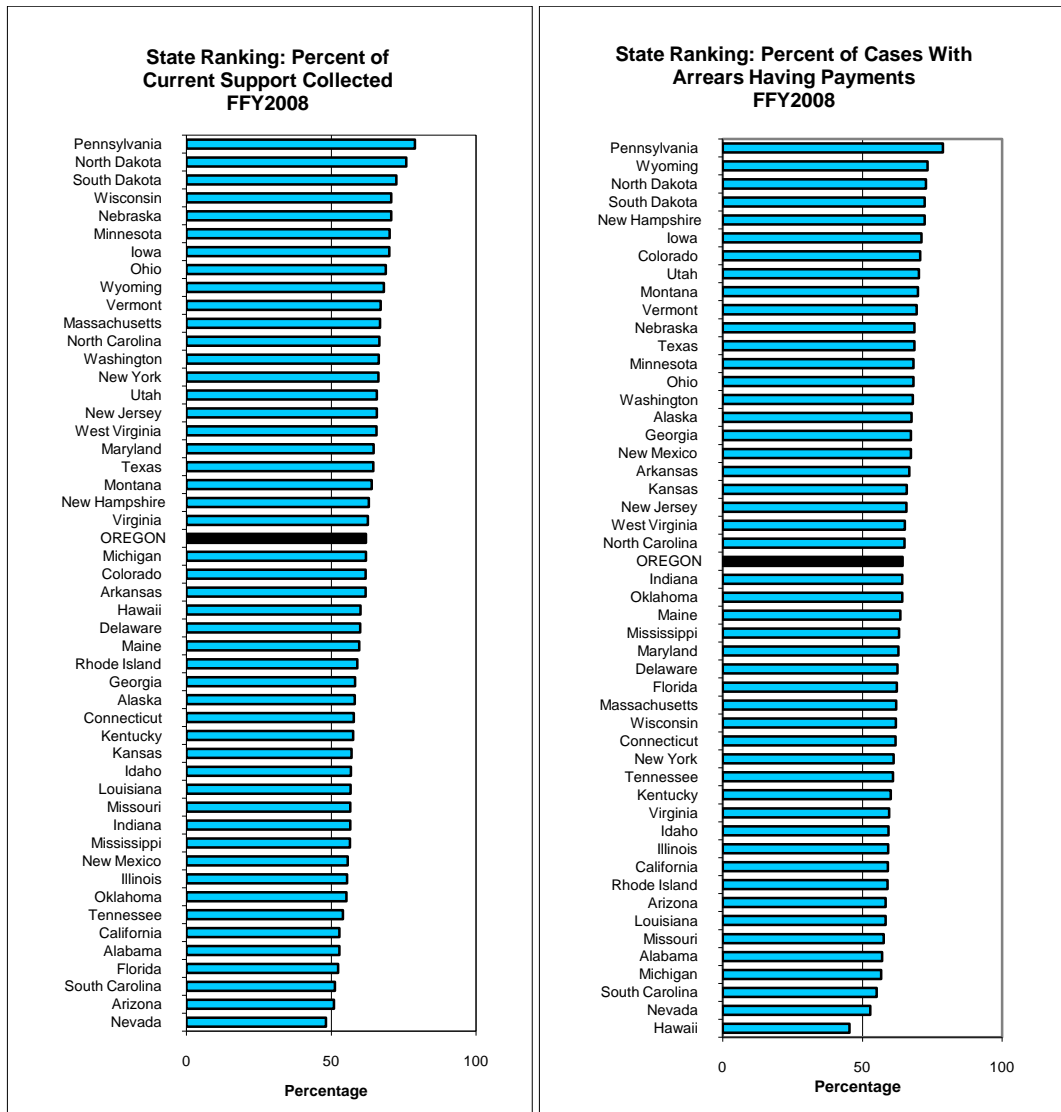
About two-thirds of Program costs are covered by Federal reimbursements, with the remainder from state and local sources. In FFY2008, Oregon's Child Support Program received about \$38 million from the federal government for program expenses, of which over \$5 million was due the counties. Oregon also qualified for about \$6 million in federal incentive dollars in 2008 based on the Program's performance on the federal performance measures. The state and counties provided about \$10 million from their general funds, with the remainder coming from sources including the state's share of TANF recoveries, interest, and fees.

The federal government does not put strict limits on the matching funds that it provides to the states for program expenditures. The total amount of funding available to Oregon's child support program is largely dependent on the amount of funding Oregon is willing to allocate to its Program.

Oregon's Performance Generally Ranks About Average Among States

From FFYs 2005 to 2008, Oregon's current support collections rate improved slightly, growing from 60% to 62%. This places Oregon's performance at about average among the 50 states through the four-year period, with Oregon ranking as low as 27th and as high as 23rd in current support collections.

The top state for current support collections, Pennsylvania, had a collection rate of nearly 79% in FFY 2008. If Oregon could have matched Pennsylvania's collection rate, about \$70.5 million more in current child support could have been collected. We estimate that for every 1% increase in the current support collections rate in 2008, approximately \$4.2 million more would have been available for child support. Also, according to OCSE estimates for FFY2007, Oregon would have received \$169,000 in additional federal incentive funding if the Program had collected 10% more (72%) in current support due. If Oregon had collected 80% of the current support due, the federal incentive funding would have increased by \$418,000.



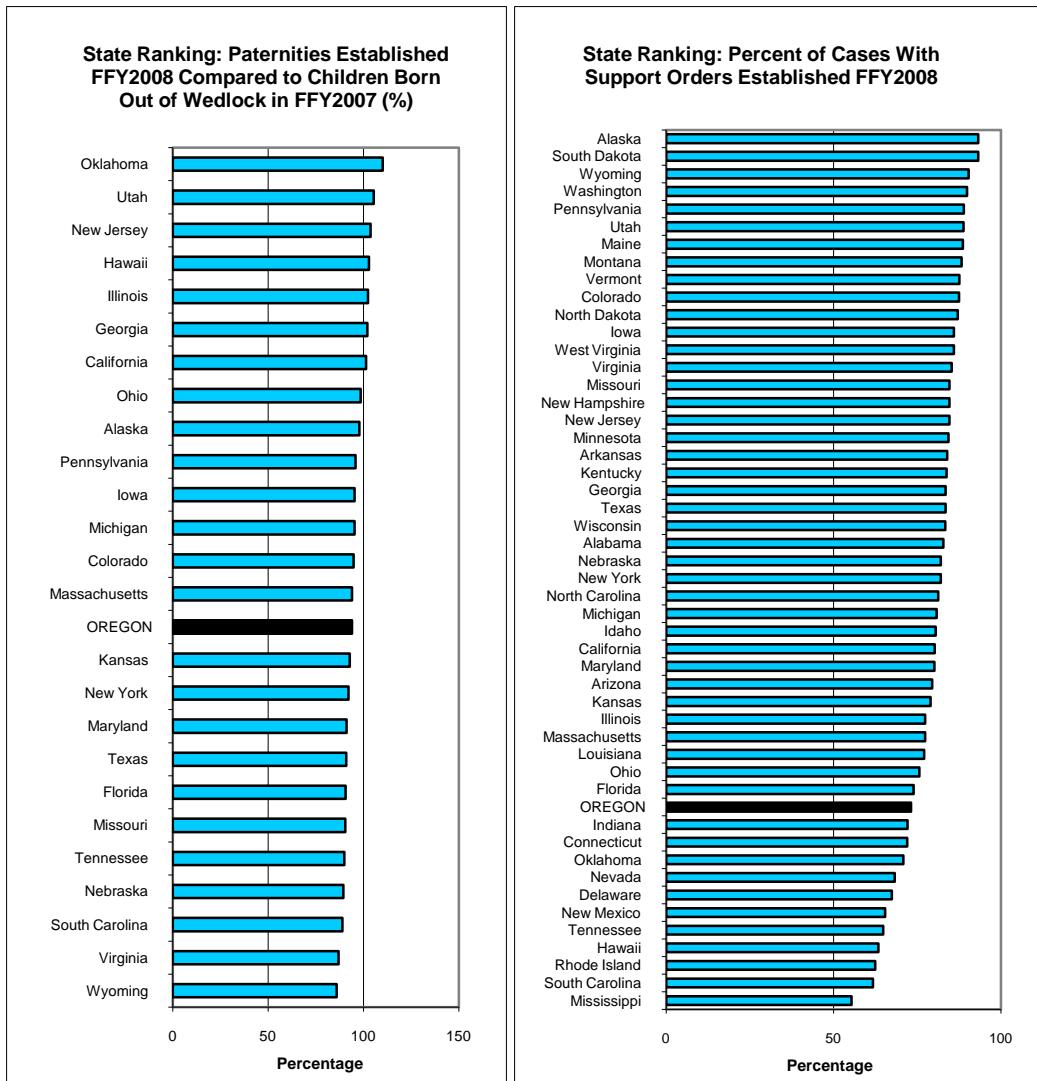
(Source: Federal Office of Child Support Enforcement)

The federal incentive performance measure for current support due calculates the total amount of current support collected during the fiscal year divided by the total amount of current support due during the fiscal year.

The arrears-related federal performance measure calculates the percentage of cases with arrears where a payment on the past due amount is made during that fiscal year. Oregon had about 64% of cases with arrears that had a collection in FFY08, which ranks it 24th among states for this federal performance measure.

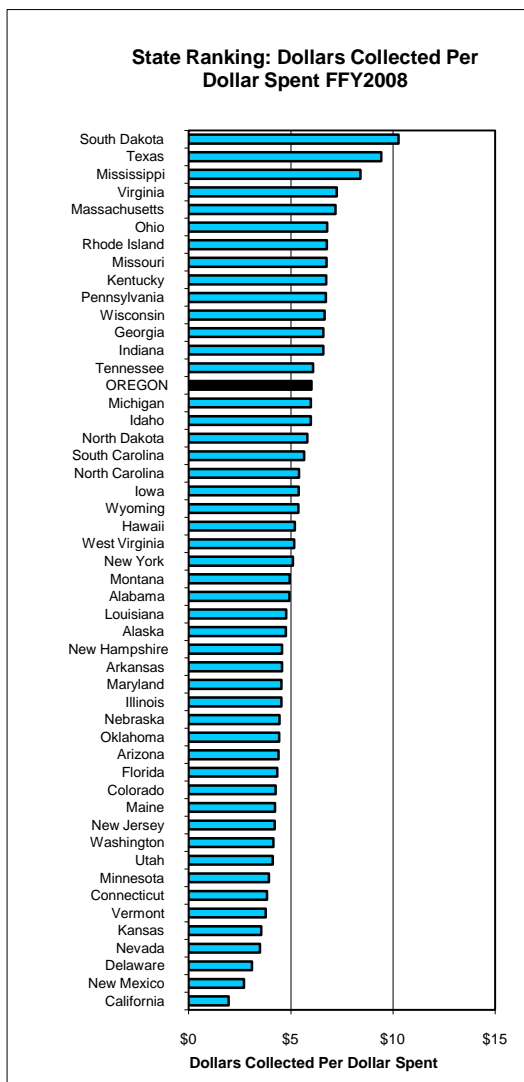
Federal legislation allows states to calculate paternity establishment using one of two methods. Oregon uses the method that calculates the ratio of children born-out-of-wedlock for whom paternity was established during the fiscal year, to the total number of children born out-of-wedlock during the preceding fiscal year. Oregon is near the average in establishing paternity for the states using this method.

The federal performance measure for support order establishment measures the total number of child support cases with support orders during the fiscal year compared to the total number of child support cases during the fiscal year. In FFY08, Oregon had support orders for 73% of its child support cases, ranking it 39th among states for this measure.



(Source: Federal Office of Child Support Enforcement)

The federal incentive performance measure for cost effectiveness calculates the total child support collections a state child support program makes per dollar spent by that program. Oregon ranked 15th out of the fifty states collecting \$6.01 for every \$1.00 spent in FFY 2008.



(Source: Federal Office of Child Support Enforcement)

Audit Results

Collection Rates Vary Within Oregon

Due to differences in the types of child support cases, collection rates at Oregon state offices and county offices can differ greatly. For FFY2008, the average current support collection rate for county offices was about 77%, whereas state offices collected about 51% of current child support due. Current collection rates at county offices ranged from a high of 83% to a low of 71%.

Current Support Collection Rates of State Offices and County Offices FFY2008

State Offices	Performance Level Achieved	County Offices	Performance Level Achieved
Albany	53.70%	Benton	83.20%
Linn Co. cases at Albany	74.10%	Wasco	81.90%
<i>Total Albany</i>	<i>60.30%</i>	Union	80.60%
Tigard	53.40%	Douglas (thru 3rd quarter)	80.50%
Eugene	52.90%	Grant	80.50%
Oregon City	52.70%	Tillamook	80.30%
West Salem	51.80%	Crook	80.20%
Pendleton	50.40%	Clackamas	78.70%
Roseburg	50.20%	Columbia	78.50%
Curry Co. cases at Roseburg	78.30%	Polk	78.40%
Douglas Co. cases at Roseburg	79.00%	Wallowa	77.90%
<i>Total Roseberg</i>	<i>53.30%</i>	Washington	77.50%
Springfield	50.00%	Marion	76.90%
Corvallis	49.70%	Multnomah	76.60%
Medford	49.70%	Harney	76.30%
Lake Co. cases at Medford	65.60%	Morrow	76.00%
<i>Total Medford</i>	<i>49.80%</i>	Umatilla	75.80%
East Salem	49.30%	Baker	75.30%
Bend	48.90%	Yamhill	75.30%
County cases at Bend	69.20%	Lane	75.10%
<i>Total Bend</i>	<i>57.00%</i>	Clatsop	75.00%
East Portland	48.50%	Lincoln	72.70%
Portland	48.20%	Klamath	72.30%
Average	51.40%	Malheur	72.20%
		Josephine	71.70%
		Coos	71.40%
		Jackson	71.10%
		Average	76.60%

(Source: Oregon Child Support Program FFY 2008 Annual Performance Report)

Influences on the Ability to Collect Child Support

The Department attributes lower collection rates in state offices to the increased work they must perform, and the challenges they face in collecting primarily on public assistance cases. Public assistance cases often require the program to first establish paternity and later to establish a support order. Since counties rarely handle public assistance cases and have cases with paternity and support orders already established, they can direct more effort to the collections process. In addition, in most cases, non-custodial parents with children on public assistance lack a stable income that would enable them to consistently make their support payments, a challenge faced by state offices but less often by county offices.

Child Support Program State and County Office Current Support Collections FFY2008

Jurisdiction	Public Assistance Collections	Public Assistance Families	Non-Public Assistance Collections	Families Without Public Assistance
State Offices	\$73 million	39,316	\$51 million	20,309
County Offices	\$13 million	4,245	\$122 million	27,717

(Source: Oregon Child Support Program FFY2008 Annual Performance Report)

Other factors may also affect the ability of child support programs to collect child support. For example, some states cited resource limitations as a challenge for their child support programs. Economic conditions may also influence the income of non-custodial parents, and statutory authority can vary among states.

When compared to the top collecting states, for FFY 2008 Oregon has the highest unemployment rate and Oregon's rate of 13% of the population below the poverty level is only exceeded by Texas (16%). These circumstances are largely out of the control of the Program and could make it more difficult to collect child support.

Oregon's Child Support Program spends less money per case than most of the programs of the top collecting states. With fewer resources, its caseload per employee is higher, which could reduce the time Oregon case managers can apply to each case.

Oregon Applies Good Strategies, But Could Also Emphasize Performance Management

We conducted a survey of the higher collecting state child support programs to identify strategies that Oregon has not yet implemented for increasing child support collections. We contacted 11 state programs that have been among the leaders in the federal performance measures pertaining to current support and arrears collections from FFY2006 through FFY2008.

The results of the survey indicate that Oregon employs many of the practices used by the top collecting states. For example, Oregon provides similar training to its staff, uses license suspensions as a collection tool, and has automated certain collection tasks.

However, several of the most successful states also employ a performance management strategy that has positively impacted their collection results. They set ambitious performance expectations for their program offices, monitor collections performance data for offices, and take constructive action to boost lagging performance.

Goal and Expectation Setting

We found that many of the higher collecting states emphasized the federal performance measures when setting performance goals, whereas Oregon's child support program focuses its state offices more on aspects of work processes, such as the timeliness of case management actions. The Program's Cooperative Agreements with the counties provide for sharing federal incentive money based on their performance; however, there are no collection performance goals or expectations placed on the counties.

Several states utilize processes that promote goal alignment throughout the program. Iowa mentioned that it aligns the goals of its child support program at all levels. This alignment includes current and arrears collection goals that are projected and calculated for all program levels and for program staff.

Setting clear, ambitious expectations and goals in an organization is one element of a performance management strategy that can lead to greater productivity. Oregon's current support collection rate was 62% in FFY 2008, with the Program setting a target rate of 63%. While an average performance rating is acceptable, a more ambitious goal can encourage case workers, supervisors, and managers to make additional efforts and seek new ideas to boost results. Achieving Pennsylvania's 79% collection rate in a year would be difficult, but setting higher targets as performance improves could be part of a longer-term strategy to raise Oregon above the average.

Texas said that performance goals drive its child support program and become part of a business planning process. These goals include program and regional goals, federal incentive performance measure goals, as well as other collection performance measures. The regions submit business plans that are reviewed for their success in attaining these goals, any challenges that can be identified, and recommendations that can be made. All regional business plans and operations are aligned with the Division's strategic plan, goals, and mission.

Performance Tracking

Tracking performance is important to gauge results and provide a basis for improvement strategies. All states track and report their performance against the federal measures. Some of the states we surveyed discussed methods for tracking federal measure performance and using the results for improvement strategies. These methods included giving case managers the ability to review their performance on the federal performance measures.

Furthermore, several of the states we surveyed noted they provide timely, customized performance data to all staff. Customized reports allow case managers to produce information to fit their individual needs. For example, Pennsylvania's county staff has access to data on caseloads and individual

cases, which can be formatted in a variety of ways as feedback on individual caseload performance.

New Hampshire's child support case managers lack direct access to performance information, but the central office in this state accepts requests for customized reports from case managers that assist them in tracking and improving collections performance. Also, the state routinely creates numerous collections-related reports for use at the branch office and case manager levels.

Oregon's program reports its performance on federal measures quarterly at the statewide, state office and county office levels. Without more frequent reporting, and without detailed tracking and reporting of these measures at the case manager level, identifying and implementing needed strategies for collections improvement will be more difficult to accomplish. Although Oregon case managers have access to some performance information, they don't have the opportunities to request, nor are they provided with timely, customized performance information some other states afford.

Improvement Strategies

Many of the higher collecting states utilized improvement strategies that were linked to the federal performance measures or case manager collection goals. For example, Vermont has an information system that provides reports on any aspect of case managers' caseloads. Case managers can generate their own information from performance data, which can then be used to identify opportunities for self-improvement. Also, information on each case manager's performance is available to other case managers to allow comparisons and generate self-motivation to improve. Case managers also have yearly performance evaluations that include evaluation on the federal performance measures.

In Washington an analyst in each office reviews case managers' performance. Specifically, the analyst reviews a case manager's caseload, analyzes the individual's performance on the federal performance measures, identifies areas needing improvement, helps the case manager set performance targets for the next year, and identifies specific cases to focus on.

Performance improvement is a result of initiatives and constructive guidance that change the way case managers, supervisors, and offices conduct their work. Oregon could raise the effectiveness of its child support collection practices through internal efforts as well as exploring the strategies other states use, including:

- Incorporating into case manager performance evaluations a review of the case manager's caseload performance for the federal performance measures of paternity and support order establishment, and current and arrears collections.
- Working with state and county offices with lagging performance to identify obstacles to better collections, and helping offices overcome these obstacles.
- Accepting credit cards for child support payments, as at least two of the states we surveyed did for ease of making payments.

- Using cell phone numbers to locate non-custodial parents. Cell phone numbers and their owners are “matched” with the names of non-custodial parents to provide a current location for those parents.
- Having case managers make regular contact, often by phone, with the non-custodial parent soon after the support order is established, but before a support payment is missed, as done by Texas and Iowa. Oregon’s child support program does not require case managers to contact non-custodial parents in this way.

The Program recently requested “Branch Plans” from the state offices, but not from the county offices. These plans can include some consideration of the federal performance measures for current support due and arrears collections. Expanding these plans to include ambitious goal setting, performance tracking, and improvement strategies for all Program offices could provide the foundation for a program-wide process of continual improvement.

Recommendations

In order to improve child support collections, we recommend the management of Oregon's Child Support Program:

1. Develop ambitious performance goals based on the federal performance measures for use throughout the program.
2. Supplement tracking and reporting of federal performance measures at the office and case manager levels to identify areas for possible improvement. A possible step would be exploring additional opportunities for case managers to access customized performance reports.
3. Monitor collection performance results at all levels and apply constructive actions that can boost collection efforts.
4. Consider adopting other strategies top collecting states use.

Objectives, Scope and Methodology

The purpose of our audit was to determine if there are best practices for increasing child support collections that Oregon has not yet implemented.

We defined “best practices” as innovations, new collection methods, and management practices cited by states with higher reported collection rates than Oregon. While we did not attempt to determine the accuracy of information other states gave us, the information appeared reasonable based on our research and general review.

To accomplish our objective, we identified 15 of the top child support collecting states to survey. These states performed better than Oregon in both current support and arrears collections according to the Federal Incentive Performance Measures in each of FFYs 2006, 2007, and 2008. Of the 15 states, 11 states responded and agreed to participate in our survey. The 11 states were: Pennsylvania, South Dakota, North Dakota, Iowa, Wyoming, Vermont, Nebraska, Minnesota, New Hampshire, Washington, and Texas.

To identify best practices, we asked the states about the significant factors driving their programs’ success, the most successful collection innovations and methods they have incorporated, the barriers their programs face and the mitigating actions taken to address the barriers. We sent our summary of each state’s response back to the state for verification of accuracy and content.

We then compared the best practices cited by the surveyed states to Oregon’s practices. To accomplish this, we gathered and reviewed evidence of Oregon’s practices from a variety of sources, such as discussions with Oregon case managers and other state office staff; information contained in relevant state and federal laws, rules and regulations; information from policies and procedures from the Child Support Program Manual; information from program management; reviews of cooperative agreements between the Department of Justice and the counties; performance evaluations of program staff; and other information we obtained from the Division of Child Support website.

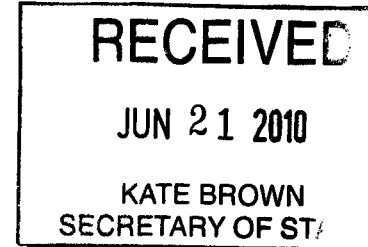
We obtained states’ FFY2008 performance on the federal incentive measures from the Office of Child Support Enforcement (OCSE). Although the OCSE audits program performance information each state provides, the audited FFY2008 information was not available by the completion of our fieldwork.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient and appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.



DEPARTMENT OF JUSTICE

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June 21, 2010

The Honorable Kate Brown
Secretary of State, State of Oregon
900 State Street, Room 136
Salem, OR 97301

RE: Response to Audit Report for the Oregon Child Support Program: "Management Practices That Could Increase Child Support Collections"

Dear Secretary Brown:

On behalf of Attorney General John Kroger, we would like to thank you and the Audits Division for the review of the Oregon Child Support Program's collections practices. We are extremely grateful for your team's investment of time, effort, and consideration. Their work will be crucial to our effort to improve the well-being of Oregon's children.

When Attorney General Kroger entered office last year, he set an ambitious goal to make our Child Support Program one of the top-performing programs in the country. He appointed a new leadership team and tasked Jean Fogarty, as the new director, with reorganizing the Division of Child Support based on a thorough assessment of the Program's current resources and potential needs.

The Child Support Program agrees with the recommendations offered by the State Auditor in the report, and we are pleased to include in this response that the Program has already initiated a number of these practices. The report confirms that the Child Support Program is on the right track and it will assist us as we continue toward our goal.

In response to the individual recommendations, the following are the actions already undertaken by the Program.

Recommendation 1: Develop ambitious performance goals based on the federal performance measures for use throughout the program.

Steps taken:

The Child Support Program's leadership team is committed to setting goals at ambitious yet realistic levels, especially in light of any expansions of collection tools through law changes or technological improvements. The federal performance measures serve as a floor, rather than a ceiling, in that goal-setting process. In addition, at the Attorney General's request Director Fogarty developed metrics for expanded strategies to increase collections as a way to measure the Program's progress and improvement.

Steps to come:

The Child Support Program values measuring its performance and challenging ourselves—collectively and individually—to do more and better to serve Oregon’s children. As the Program is able to add expanded data retrieval and evaluation tools to its system, the leadership team plans to add more internal performance goals at various levels within the Program.

Recommendation 2: Supplement tracking and reporting of federal performance measures at the office and case manager levels to identify areas for possible improvement. A possible step would be exploring additional opportunities for case managers to access customized performance reports.

Steps taken:

The Child Support Program has already identified the need for access to real-time data and included it as a work project in the queue for development. Creating comprehensive and case manager-specific reports on a routine basis, however, requires significant updates to the mainframe. This is a prime example of how the lack of modern, sophisticated information technology and systems severely limits the Program’s progress.

Steps to come:

To address that problem, the Child Support Program is conducting a comprehensive feasibility study of the existing data and accounting system—one of the oldest in the nation—to address what needs to be done for a multi-year replacement or modernization of this critical program infrastructure. Business intelligence capability, which would allow for production of reports in real time rather than after the fact, is a component of the study. The leadership team has designated this major modernization project as one of the highest priorities for the Program over the next several years.

Recommendation 3: Monitor collection performance results at all levels and apply constructive actions that can boost collection efforts.

Steps taken:

As part of the recent restructure of the Program’s administrative office, Director Fogarty designated two positions to monitor and analyze the performance of branch offices on a routine basis using current systems. As mentioned above, a modernized system will provide the program with the sophisticated systems through business intelligence to conduct the needed monitoring more effectively and efficiently. The development of performance standards for all levels of staff will provide for an additional tool for setting expectations and measuring outcomes. The ability to obtain real-time data will also provide the managers with a means to diagnose and address training needs more readily.

Steps to come:

A workgroup within the Child Support Program has started systematically breaking down the tasks of key positions in the Program to link those tasks to performance measures where appropriate. The final goal is performance standards for staff that clearly illustrate which work tasks are tied to performance measures and expectations of performance for each of the tasks.

Recommendation 4: Consider adopting other strategies top-collecting states use.

Steps taken:

Steps taken:

On behalf of the Child Support Program, the Attorney General intends to submit a legislative concept for introduction into the next legislative session for statutory changes that would remove uniquely restrictive withholding limitations on two of Oregon's existing enforcement tools. Specifically, the law changes would raise the withholding limits on lump-sum payments and on cases where the obligor no longer has an ongoing child support obligation but still owes arrears.

Studies and experience show that child support obligors are more likely to comply with their obligations when Child Support Program staff engage them directly. Automating routine work frees staff to spend more time contacting and working with customers. Toward that goal, in the past year the Program applied for and was awarded two federal grants.

One grant will pay for installation of a tool allowing automated contact through telephone to remind customers about events related to their child support cases. The software will also allow for expanded tools—for example, text messages—in the future. The second grant will give employers a secure web-based means for communication with the Child Support Program. Simplifying interactions between the employers and the Program saves time on both sides, diminishes employer confusion, and gets support to families quicker and easier.

Steps to come:

Not surprisingly, the top-collecting states have a much lower ratio of cases to staff than Oregon's Child Support Program. Director Fogarty has recently embarked on a division-wide staffing allocation study to examine how the resources allocated to the Program align with its statutory responsibilities. The study should help the Program ensure that it is working as efficiently as possible and may provide data that would support an increase in staffing to decrease individual caseloads as one strategy to increase collections.

Conclusion

Our responses make clear that Oregon's Child Support Program's goals and actions align with the recommendations of the audit report. A theme runs throughout: Achieving higher performance and increased collections requires an investment in technological infrastructure. This audit report will help us to make this case to the policymakers and general public.

Thank you again for the time devoted by your staff, the constructive feedback, and the collaborative approach to this audit report. We look forward not only to the ongoing success of Oregon's Child Support Program but its growth and increased performance as we implement these strategies for improvement—the ultimate result of which is more support for Oregon's children.

Sincerely,



MARY H. WILLIAMS
Deputy Attorney General



JEAN FOGARTY
Director, Child Support Program

About the Secretary of State Audits Division

The Oregon Constitution provides that the Secretary of State shall be, by virtue of her office, Auditor of Public Accounts. The Audits Division exists to carry out this duty. The division reports to the elected Secretary of State and is independent of the Executive, Legislative, and Judicial branches of Oregon government. The division audits all state officers, agencies, boards, and commissions and oversees audits and financial reporting for local governments.

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The courtesies and cooperation extended by officials and employees of the Department of Justice during the course of this audit were commendable and sincerely appreciated.