

**CALIFORNIA DEPARTMENT OF CHILD SUPPORT SERVICES**

P.O. Box 419064, Rancho Cordova, CA 95741-9064



December 17, 2004

CSS LETTER: 04-25

ALL IV-D DIRECTORS  
ALL COUNTY ADMINISTRATIVE OFFICERS  
ALL BOARDS OF SUPERVISORS

SUBJECT: QUALITY ASSURANCE AND PERFORMANCE IMPROVEMENT (QAPI)  
PLAN REQUIREMENTS FOR FEDERAL FISCAL YEAR (FFY) 2005

In striving for continued performance improvement in California's child support program, the Department of Child Support Services (DCSS) has established Federal Fiscal Year (FFY) 2005 Local Child Support Agency (LCSA) performance targets. To facilitate the achievement of these targets, LCSAs are asked to prepare QAPI plan updates which identify specific actions to be taken to support improved program performance.

In FFY 2003, the LCSAs submitted a QAPI plan which has served as the basis for all future QAPI planning efforts. FFY 2004 was the first year that LCSAs submitted their QAPI plan updates as part of an ongoing effort to continually identify new activities, projects and approaches which, when implemented, would result in performance improvement. DCSS anticipates that during FFY 2005, LCSAs will continue activities that were successful in improving performance during both FFY 2003 and 2004, and consider new activities as part of their performance improvement planning process for FFY 2005.

Consistent with this approach, LCSAs are asked to submit updates to their original QAPI plans for FFY 2005. These updates will identify FFY 2005 performance targets and performance improvement activities which will be implemented effective October 1, 2004 through September 30, 2005. Updates should focus only on the actions to be taken to achieve FFY 2005 performance targets. LCSAs are not required to discuss the local QAPI structure and processes, unless changes have been made to either the local QAPI team or structure and/or processes employed.

Reason for this Transmittal

- State Law or Regulation Change
- Federal Law or Regulation Change
- Court Order or Settlement Change
- Clarification requested by One or More Counties
- Initiated by DCSS

To assist LCSAs with the preparation of the FFY 2005 QAPI plan updates, a template and two action plan samples are enclosed for your reference. The template, entitled the "2005 QAPI Plan Update Template" is to be used when preparing the update and is included as an enclosure in this letter. LCSAs should either copy the template and insert their plan update information onto the copied document or obtain an electronic version of the template by accessing the DCSS LCSA website, selecting the 2004 Child Support Services (CSS) link under letters and notices, and selecting the attachment link for this letter.

In addition, DCSS recently issued the LCSA Letter 04-15 that describes the QAPI Capacity Development Tools recently developed by DCSS. These tools provide suggestions and guidance to LCSAs on ways in which operations and performance can be improved. Areas frequently mentioned as being of interest to LCSAs include:

- Processes for conducting project planning
- Techniques for estimating project outcomes
- Utilization of program data to evaluate program effectiveness and identify areas in which improvement is needed
- Techniques for identifying issues related to business processes which can impact performance
- Information regarding best practices which can be replicated in other LCSAs

This letter serves as guidance for each LCSA's use in the preparation of its FFY 2005 QAPI plan update. The update must address all of the points discussed below.

## **PERFORMANCE TARGETS**

The update must identify the LCSA's FFY 2005 performance targets for set Collections on Current Support and Cases with Collections on Arrears performance measures. LCSAs should also include any additional county specific targets established by your program, although these are not required. Current requirements do not include a performance target addressing the Compromise of Arrears Program (COAP), but additional information relating thereto may be forthcoming.

## **ACTION PLAN**

Separate action plans must be prepared for the performance measures Collections on Current Support and Cases with Collections on Arrears. We recognize that at the time the update is developed, action plans may already be in progress.

Action plans already in progress should be included in the update as well as activities yet to be implemented (The update should also address problems identified for which the LCSA is still in the process of determining possible solutions and developing actions to be taken).

In cases where the identified activity will impact both collections on current support and arrears, you will only need to describe the activity under one of the action plans, with a statement of expected impact for each measure.

Each action plan must include the following three components:

**a) Problem Statement**

Provide a description of the program areas (i.e., actual functions or work activities) where improvement is needed in order to meet performance targets. This should include a review of available data and discussion of the areas of the program which contribute to identified performance issues, including the root causes of the problem.

**b) Work Plan**

Provide a description of the specific actions the LCSA will take to ensure that targets are achieved during FFY 2005. These actions must be measurable and achievable, with a beginning and end date, if applicable, as well as milestones by which expected performance results will be achieved. This includes an implementation plan with timelines (indicating specific actions to be taken, staff to be involved and when the activities will be completed). In addition, the work plan should include a discussion of the manner in which identified barriers will be addressed.

**c) Expected Outcomes**

Provide a discussion of the expected outcome(s) of each action. The outcomes should be specific and quantitative (e.g., number of orders to be modified, number of cases to be closed, projected increase in current collections and arrears cases with collections, etc.), and provide an estimate as to the impact on the relevant federal measure.

Detailed work plans are not required for performance improvement activities which were described in the FFY 2003 QAPI plan and FFY 2004 QAPI plan update if those activities will be continued in FFY 2005. The action plan should simply note that these activities will be continued and include information on the expected outcome. Also, as noted above, the update should include a brief description of any changes that have been made to the LCSA's QAPI structure and/or processes.

This information should focus on any changes that have been made, and may be included as a separate document. No discussion of the structure or processes is required if they will remain the same.

As LCSAs continue with the implementation of the QAPI process, it is expected that they will monitor their progress in accomplishing tasks outlined in their updates. The submission of written progress reports by the LCSA is not required; however, DCSS Quality Assurance Branch (QAB) analysts will monitor each LCSA's progress through ongoing contacts with local QAPI staff. In most cases, this monitoring process will consist of QAB analysts contacting each LCSA's QAPI staff by phone to discuss the status of their performance and QAPI plan implementation efforts, as well as to discuss any other issues or technical assistance needs. In some cases, DCSS staff may conduct more intensive monitoring activities (such as site visits) in response to specific performance issues, or at the LCSA's request. Site visits may also be made for other program purposes.

LCSAs may wish to include additional information regarding county-specific issues which may affect performance, performance trends, the implementation of the QAPI program during the coming year, or program issues or activities not specifically related to QAPI. The inclusion of this information in the QAPI plan update is not required; however, LCSAs may choose to address any such issues as part of the update. Any information related to these topics should be included as an attachment to the update template when the update is submitted to DCSS.

LCSAs must submit their FFY 2005 QAPI plan update by January 28, 2005. This date should provide sufficient time for their preparation and submission.

Your QAB analyst will contact your QAPI staff to provide any assistance that may be needed with the preparation of the QAPI plan update. In the meantime, if you have any questions or need assistance regarding any issue associated with QAPI, please contact your assigned QAB Analyst.

Sincerely,



SANDRA O. POOLE  
Deputy Director  
Child Support Services Division

Enclosures

# Federal Fiscal Year 2005 Quality Assurance and Performance Improvement (QAPI) Plan Update

Sample County Department of Child Support Services

## Sample County FFY 2005 PERFORMANCE TARGETS

Federal Performance Measures:  
(performance target percentage)

Collections on Current Support:	<u>        </u>	Percent
Cases with Arrears Collections:	<u>55.4</u>	Percent

## ACTION PLAN

### CASES WITH ARREARS COLLECTIONS

#### Problem Statement

As of the end of federal fiscal year (FFY) 2004, Sample County Department of Child Support Services (Sample County DCSS) attained 54.4 percent on the cases with arrears collection measure. Of 96,956 total cases with arrears due, payments were made on 52,766. For each of the last two years there were approximately 2,900 new arrears cases and the same number is anticipated this year. Success in collecting current support from a case in which no support has been collected may also mean a collection in an arrears case that previously had none. This year the Sample County DCSS will target arrears cases where opportunities for enforcement may be taken; where payments may be maximized and/or which qualify for case closure.

#### Work Plan

To meet the 2005 performance target for cases with arrears collections, the Sample County DCSS must increase the number of arrears cases with payments by one percent to achieve 55.4%. We have identified the following year-long projects to accomplish this:

#### **1. Identify and correct cases where current support is being paid from a wage assignment and the financial screen indicates an arrears balance but there is no arrears provision in the wage assignment**

We developed a list using the LCSAs automated system to identify cases with wage assignments that do not address arrears although they show an arrears balance. We identified 400 cases for possible review. These cases will be worked by three designated staff and wage assignments will be amended to include arrears.

## **2. Identify cases with arrears due, where the non-custodial parent's (NCP's) location is known and no payments have been received in the past six months**

We will review these cases for enforcement action. We identified 403 for possible enforcement action. These cases will be worked by one staff person working half time on this project.

## **3. Electronic Funds Transfer Project**

Last year, the Sample County DCSS tracked the number of payments received from NCPs using electronic funds transfer. Our tracking indicated 500 NCPs or 5% were first-time payers on arrears during the fiscal year.

## **4. Identify all cases where the NCPs have been in locate status for three years or longer**

We identified 250 cases that possibly meet the above criteria. These cases will be reviewed to determine if they can be closed using closure guidelines.

## **5. Identify Undistributed Funds**

The goal is to reduce undistributed collections. These include: collections received that could not be disbursed due to missing addresses; funds held due to legal and/or other fiscal disputes; refunds owed to payers; unidentified receipts; and futures payments. A comprehensive database of time-expired warrants has been created as a shared document. All fiscal staff can access this database to document attempts to contact payees, the results of the contact attempts, and actions or resolutions taken to resolve each issue. The database will also be utilized in trust fund reconciliations.

### Expected Outcomes (for the five projects)

1. We estimate 300 cases of the 400 cases targeted will result in new arrears collections under this project. An average of 30 wage assignments are issued per month, approximately ten of which include arrears. This should generate an additional 120 wage assignments during the year that include payments on arrears. This project will target cases in which the arrears would not have been otherwise covered by the wage assignment.
2. Based on past experience, we estimate that in 380 of the 423 cases reviewed at least one arrears payment will be collected.
3. We estimate at least another 200 NCPs will use this payment method for the first time this year which will increase the number of paying arrears cases.
4. In 2003, the Sample County DCSS had 2000 new cases and 2,500 were closed. More arrears cases were closed last year than cases that entered into arrears. The Sample County DCSS will continue to close cases that qualify for closure and expects

to close 2,700 by the end of the FFY, an increase of 200. (Note: The impact of this project will not be evident in the percentages until the end of the FFY.)

**5.** We continue to work on undistributed collections. It is expected the undistributed collections will be reduced to 55% of the undistributed collections (UDC) reported at the end of FFY 2004. This reduction in UDC will lead to an increase of 1% in distributed collections based on total collections in FFY 2003. It is estimated this will result in an increase of 25 paying arrears cases.

All five plans combined will increase the cases with arrears collections compared to the total number of cases owing arrears by approximately 1.2 percent. This includes an increase of 1015 cases with arrears collections and 200 fewer cases owing arrears.

#### Monitoring the QAPI Work Plans

The Sample County DCSS will review cases and re-run reports each quarter to evaluate the results of each QAPI work plan and to ensure the Sample County DCSS is meeting the targeted performance measure. These quarterly evaluations will be used to determine the effectiveness of each work plan and management will be advised of the results of the evaluation.

## Federal Fiscal Year 2005 Quality Assurance and Performance Improvement (QAPI) Plan Update

Sample County Department of Child Support Services

### Sample County FFY 2005 PERFORMANCE TARGETS

Federal Performance Measures:  
(performance target percentage)

Collections on Current Support:	<u>54</u>	Percent
Cases with Arrears Collections:	—	Percent

### ACTION PLAN

#### COLLECTIONS ON CURRENT SUPPORT

##### Problem Statement

In the 2004 QAPI plan we had three work plans that contributed towards meeting our goal of 50 percent for current support. In Federal Fiscal Year (FFY) 2005 our county will be attempting to increase collections for current support to 54 percent to assist with the overall performance statewide. In order to accomplish this task, we have developed four new work plans and will continue one previous work plan from FFY 2004. The credit and debit work plan proved to be successful and was the highest contributing factor towards last year's improvement in our collections of current support performance. The Sample County Department of Child Support Services (Sample County DCSS) determined that in order to reach the goal of 54 percent we are estimating we must increase the amount of current support distributed by **\$581,678** and reduce the obligations by approximately **\$504,000**.

##### Work Plan

#### **1. Identify and modify cases of incarcerated non-custodial parents (NCPs)**

The Sample County DCSS work plan includes the use of automated system reports to identify current support cases in which the non-custodial parent is currently incarcerated. The report will be reviewed and if appropriate, the Sample County DCSS will initiate a modification of these current support orders. This project began on October 1, 2004.

#### **2. Implement a credit and debit card option payment for NCPs**

This action plan is a continuation from FFY 2004. The Sample County DCSS will continue to offer the flexibility of using credit and debit cards to pay child support.



NCPs are encouraged to make payments electronically at any time during the month, avoiding the need to send payments by mail.

### **3. Locate good asset information**

This work plan consists of enforcement caseworkers focusing their efforts primarily on non-paying cases for which the obligor's location is known. A list of these cases is updated and produced quarterly. Caseworkers review the list, noting and acting immediately on any new information (possible employer, address change, etc.), as well as ensuring all possible referrals are in place (IRS, FTB, Credit Reporting, UIB, etc). This project began October 1, 2004.

### **4. Identification of non-paying cases**

The emphasis of this work plan is to address cases of recent non-payers before they become more complex delinquent cases. Delinquency letters will be sent and phone calls will be made to NCPs who have recently quit paying their child support. Employment information will be reviewed and verified. The **XYZ** monthly delinquency report from the system will be evaluated and worked on a monthly basis. The **XYZ** case activity report identifies a list of cases whose case activity has changed from enforcement to locate for assets within the last 30 days. This project began October 1, 2004.

### **5. Review cases for Social Security and retirement benefits**

This project will identify cases by reviewing reports on a quarterly basis to determine if NCPs may be receiving Social Security or retirement benefits of which we are not aware. The **XYZ** report lists all open cases with NCPs older than 62 and no payments in 90 days. Where the report identifies that non-paying NCPs are receiving benefits, a wage assignment will be served upon the appropriate agency. This project began November 1, 2004.

## Expected Outcome

### **1. Identify and Modify cases of Incarcerated NCPs**

The results from the first three quarters of the 2004 FFY QAPI work plan were used to estimate performance improvement for FFY 2005. In the first three quarters of FFY 2004, this QAPI Work plan resulted in the modification of 24 child support orders to zero at a monthly amount of \$3,500. Based on these estimates, we can approximate that at one full year the current support will be reduced by \$42,000 per month x 12 months at an annual **reduction of \$504,000** in current support due.

### **2. Credit and debit Cards**

In January of 2004, Sample County DCSS began accepting payments by credit card. By the end of the federal fiscal year (September 30, 2004) \$577,200 had

been collected through this process, 80 percent or \$461,760 of which was applied to current support. The number of payments totaled \$2,220 the average of which was applied to current support and the average payment per case was \$260.00. Also, approximately 50 percent of these payments were from cases with little or no recent payment history. Based on trends for the three quarters of FFY 2004, it is projected that the number of payments will increase by 50 percent, or 1110 additional payments to be received during FFY 2005. Multiplied by the \$260.00 average, this should total approximately \$288,600. Fifty percent or \$144,300 represents "new" collections by credit card and 80 percent of that, or **\$115,440**, is the estimated increase in current support to be obtained through credit card payments.

### **3. Locate good asset information**

This work plan includes working locate for asset (LAS) cases as a priority over working "low-maintenance" cases. It is estimated that each enforcement caseworker will be able to work 20 cases weekly from the LAS work list. A total of 50 cases in the LAS activity were worked to estimate the impact of this work plan. Of the 50 cases in the LAS caseload, 15, or 30 percent, resulted in the ongoing collection of current support due. The combined total of monthly current support due for the 15 cases with collections was \$4,464, or \$53,568 annually. As of 01/01/2004 there were 1,592 cases in the LAS activity. Thirty percent of this caseload equals 478 cases, with approximately three quarters, or 356 of those cases, having current support due. It is estimated that only three quarters of the LAS caseload was reviewed in FFY 2003, and with the new focus on non-paying cases, the entire LAS caseload will be evaluated in FFY 2004. Based on these figures it is estimated that this work plan will result in an annual increase in current collections of **\$317,838**.

### **4. Identification of non-paying cases**

The results of the 2004 FFY work plan were used to estimate performance improvement for FFY 2005. A total of 12 cases began paying their current child support as a result of similar efforts. The combined total monthly current support collected for 12 cases was \$6,000 or \$72,000 annually. It is estimated the number of paying cases will increase to 24 and the total monthly support collected per month will be \$12,000, resulting in an annual increase in current collections of **\$144,000 (\$500.00 per case x 24 cases x 12 months of the project= \$144,000.)**

### **5. Review cases for Social Security and retirement benefits**

The system's XYZ report for the first quarter of FFY 2004 was reviewed and the results were evaluated to estimate the outcome of this work plan for the remaining three quarters of FFY 2005. One case was found to be receiving Social Security Benefits that exceeded the amount of current child support due. The amount of current support due for the one case is \$500.00 monthly, or \$6,000 annually. It is estimated that a minimum of three cases will be identified

for FFY 2005 with an increase in collections annually of **\$16,400 (\$500.00 per case X 3 cases X11 months of the project = \$16,400)** .

All five work plans combined will increase the current support collections by four percent. The total combined will increase collections by an estimated **\$593,718** and decrease the current support obligations by an estimated **\$504,000**.

#### MONITORING THE QAPI WORK PLANS

The Sample County DCSS will review cases and re-run reports each quarter to evaluate the results of each QAPI work plan and to ensure the Sample County DCSS is meeting the targeted performance measure. These quarterly evaluations will be used to determine the effectiveness of each work plan and management will be advised of the results of the evaluation.

**Federal Fiscal Year 2005 Quality Assurance and  
Performance Improvement Plan Update  
(Template)**

\_\_\_\_\_ County Department of Child Support Services

**LCSA FFY 2005 PERFORMANCE TARGETS**

Federal Performance Measures:  
(performance target percentage)

Collections on Current Support: \_\_\_\_\_ Performance Target  
Cases with Arrears Collections: \_\_\_\_\_ Performance Target

Additional LCSA-Specific Targets (If applicable):

**ACTION PLAN**

**COLLECTIONS ON CURRENT SUPPORT**

Problem Statement

Work Plan

Expected Outcomes

**CASES WITH ARREARS COLLECTIONS**

Problem Statement

Work Plan

Expected Outcomes