



**PROJECT TO AVOID INCREASING
DELINQUENCIES**

Plenary Session: PAID Driving Performance in Collections

Part 1: Increasing Collection of
Current Support

*NCP Choices: Finding Jobs, Staying
Employed, and Paying Child Support*

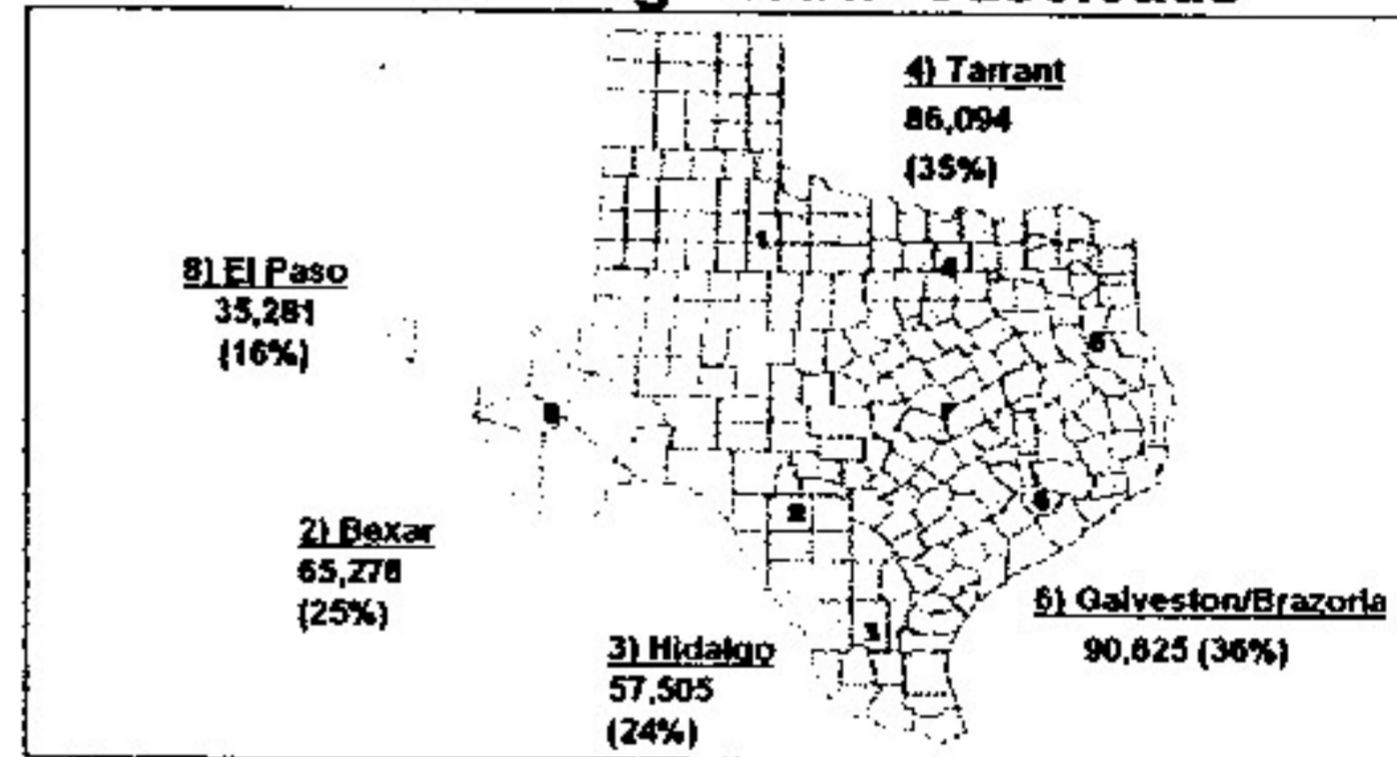
*OCSE National Child Support
Training Conference
Washington D.C., September 2007*

*Alicia Key, IV-D Director
Texas Office of the Attorney General Child
Support Division*

NCP Choices Program:

- Partnership between Office of the Attorney General, Texas Workforce Commission/Local Workforce Boards and Judiciary
- An employment program for NCPs with unpaid child support and whose children are or were receiving public assistance.
- Funding is provided by TWC – TANF \$\$.
- Modeled on previous employment programs and the TANF 'Choices' Program for CPs

Five Program Sites in Six Large, Urban Counties with High TANF Caseloads*



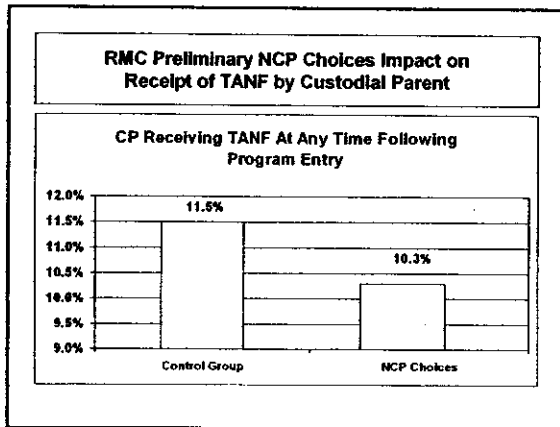
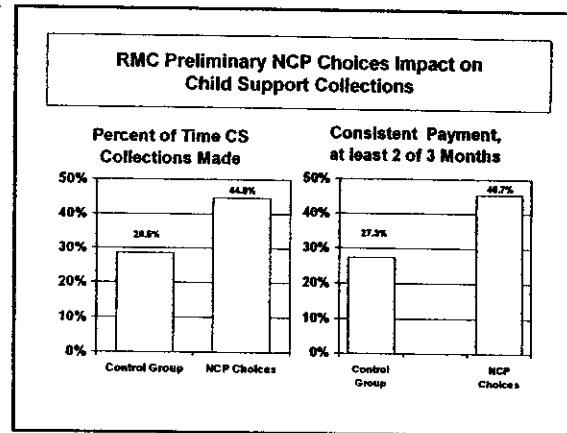
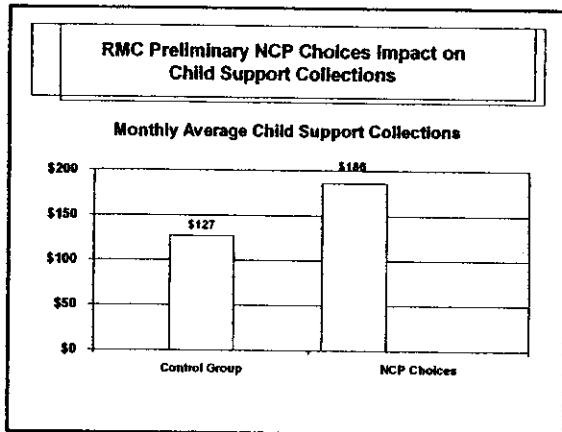
* TXCSES Data as of April 30, 2007: Open, Current and Former TANF Cases as a Percent of Total Active Child Support Caseload, Regionally

Big Picture: Previous Employment Programs

- Most programs realized only modest results.
- Successful programs were expensive.
- 'Referrals' often resulted in low completion rates.
- Difficult-to-employ NCPs need a different service approach than 'universal' Workforce customers

A Word about Evaluating NCP Choices

- UT Ray Marshall Center conducted 'nearest neighbor' evaluation
- Method calls for the selection of a near-equivalent comparison group.
- Measuring against the comparison group allows us to compute the net impact of participation in the program, as described in the next few slides...



- ### Program Components – Successful Sites Have:
- **Regular and consistent identification of NCPs.**
 - **Strong judicial language.**
 - **Workforce staff present in the courtroom.**

Communication Between Agencies...

COLTS – Choices On-Line Tracking System

- A single point of entry for multiple agencies and staff to store and retrieve data online.
- COLTS generates automated e-mails the instant that employment information is added for an NCP – an automated income wage-withholding order can be filed virtually the same day.

Program Impact:

In less than two years, the program has collected over \$2 million in child support from approximately 1000 previously non-compliant obligors whose children are or were receiving public assistance.

New Hire Outreach in Illinois

September 11, 2007

Background and Project Planning

- Illinois mandated New Hire Reporting for Employers in 1997.
- Included New Hire Outreach as a new duty in a Request for Proposal issued in 2003 for SFY2004

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Illinois New Hire Mandate

(820 ILCS 405/1801.1)
Sec. 1801.1. Directory of
New Hires

Request for Proposal January 2004

- New Hire Process (Statewide)
- Some employers are not complying with the New Hire reporting time frame of 20 days. Employers are missing the New Hire time frames and waiting to submit newly hired employees on the Quarterly Wage process, thereby missing one to four months of new hire data and timely service of Income Withholding Orders.
- The vendor will be required to provide the necessary staff to identify non-compliant employers in the IDES New Hire Reporting Process, contact those employers using multiple communication processes and approaches to promote compliance, and in cases where compliance is not forthcoming take any action, including routing those cases for enforcement of the employers' reporting obligations.

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Implementation Timeline

- January 2004: Issue RFP
- July 2004: Vendor begins
- November 2004: Static Website Published and Handbook mailing
- January 2005: Conduct match of 3Q2004 Quarterly Wage Data against 3Q2004 New Hire Reports
- March 2005: First Non-Compliance Letter Mailed
- May 2005: Complete First Group of Non-Compliance Mailings to Fully Non-Compliant Employers
- June 2005: Begin Outcome Measurement
- August 2005: Add Final Class of Fully Non-Compliant Employers (Smallest number of employees, largest number of employers)
- September 2005: Interactive website published
- April 2006: Add Partially Non-Compliant Employers

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Outreach to All Employers

- Employer Handbook updated and distributed to all registered employers in Illinois.
- 287,967 handbooks mailed.
- Handbook now routinely updated and sent to newly registered employers.
- Available as a downloadable file at www.ilchildsupport-employer.com/EmployerHandbook.htm
- Outreach to groups, associations including Illinois chapters of APA, Chambers of Commerce, Society for Human Resource Management and others.

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Outreach to Fully Non-Compliant Employers

- Using 3Q2004 data, decided to focus on fully non-compliant employers in Classes 4-9
- Classes 8 & 9: 500 to >1,000 employees, approx. 35% of new hires. 464 fully non-compliant.
- Classes 6 & 7: 100-499 employees, approx. 25% of new hires. 1,984 fully non-compliant.
- Classes 4 & 5: 20-99 employees, approx. 20% of new hires. 13,614 fully non-compliant.

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Illinois New Hire Outreach

Outreach to Fully Non-Compliant Employers

- Assumed employers lacking in information, not intention.
- Contacted employers via letter, followed up by second letter and/or phone call if no response.
- Carefully monitored phone contacts from employers in response to letters. Employer phone calls regarding new hire reporting changed from less than 200 in May 2005 to over 1,000 in June 2005.
- Employer phone calls revealed two significant issues with match: multi-state reporters and users of multiple FEINs.

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Outreach to Fully Non-Compliant Employers

- Multi-State Reporters: Found that many employers were actually reporting in another state but had not registered as a multi-state employer
- Multiple FEINs: Found that employers utilize multiple FEINs for other purposes and that affected match rates. Revised match criteria to filter this out to the extent possible.
- May 2005 letters to Class 4 & 5 employers utilized refreshed data and better FEIN matching.
- By 6/21/2005 3,070 formerly non-compliant employers had submitted 60,197 records. By 7/11/2005 5,016 had submitted 96,843 records - 31% of the fully non-compliant population.
- In August 2005 8,314 fully non-compliant Class 3 (10-19 employees) were contacted.

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Website Outreach

www.ilchildsupport-employer.com

Employer Issues:

- Not enough information about New Hire reporting and about other aspects of CSE duties
- New Hire reporting options too limited
- Need more interactive communication

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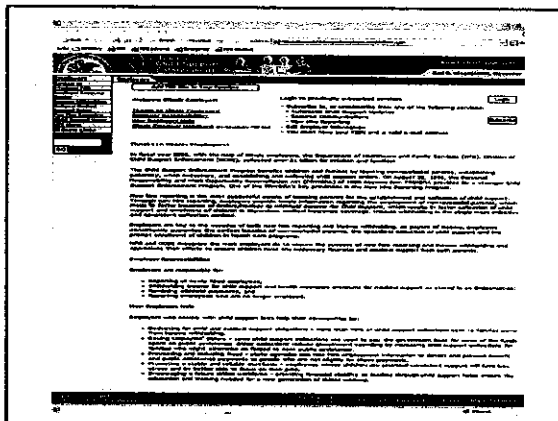
Website Outreach

www.ilchildsupport-employer.com

- Static website published November 2004
- Provides a wide variety of information for employers
- Allows on-line opportunity to submit questions via formatted e-mail
- Website hits increased from 39,411 after first month to 66,403 for July 2005. More than 500,000 hits were recorded in first nine months.

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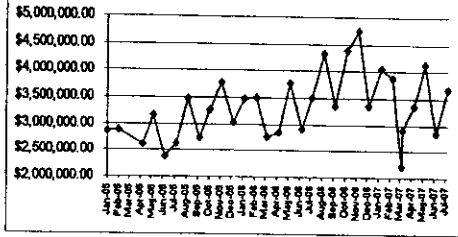
Measuring Performance

- Key measure: New Hire Collections
- Measuring employer compliance over time difficult as new matches change baseline and FEIN mismatches and multi-state reporting influence results
- Measuring utilization of on-line results also key

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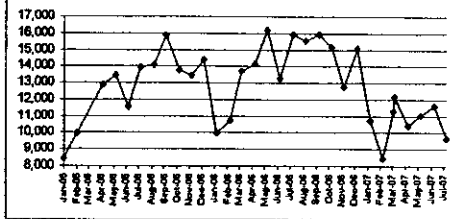
Illinois New Hire Collections



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Illinois New Hire Outreach

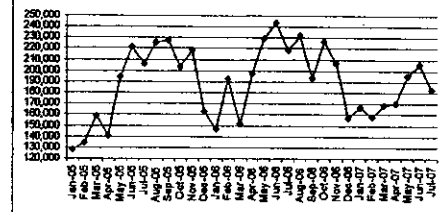
Illinois New Hires



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Illinois New Hire Outreach

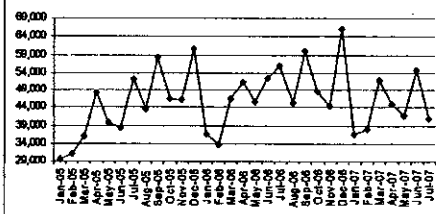
Illinois Gross New Hires Received from Department of Employment Security



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Illinois Gross New Hires Received from OCSE



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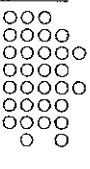
Illinois New Hire Outreach

Contact:
pamela.compton@illinois.gov


Pam Compton Lotvay
 Administrator, Division of Child Support Enforcement
 IL Department of Healthcare and Family Services

Early Intervention

The Personal Touch





Phone Power



Intent to contact 'newly' delinquent obligors:


- During evening hours
- No 'caller ID'
- Explain delinquency
- Attempt to obtain payment
- Attempt to obtain employer information

Criteria






- Open case
- Local case
- Periodic amount exists
- No payments for 1-4 months
- Address for NCP
- No income attachment
- No court date scheduled

Procedure




- Request 'Data Processing Service Request' (DRSR) for delinquent cases with criteria provisions
- Gather requests from Enforcement Department
- Prepare lists for staff members
- Phone calls made
 - Update information
 - Attempt payment
- Follow up

Collections to Date:

\$418,000



PROJECT TO AVOID INCREASING DELINQUENCIES

PAID

Plenary Session: PAID Driving Performance in Collections

Part 2: Preventing and Reducing Arrears

Cold Case Unit

Alicia G. Key September, 2007
 Deputy Attorney General for Child Support
 Office of the Attorney General

OCSE Training Conference - Washington, DC

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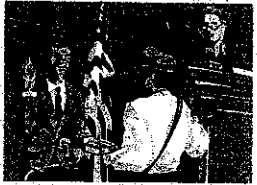
- Cases subject to heightened scrutiny
- Sometimes extraordinary expectations
 - Legislature
 - Judiciary
 - Customers
- Dormant cases with high arrears

★ TEXAS

- High arrears cases not paying current obligation
- Cases with no CP address and undistributed collections
- Cases without NCP locate; no judgment; no payments in 48 months


★ TEXAS

- 7,784 cases with \$75,000 - \$99,999 owed
- 4,064 cases with more than \$100,000 owed




★ TEXAS

- Purpose
- Staffing
- Benefits




★ TEXAS

- ✓ Specialized unit of investigators to perform activities on high profile and most difficult cases
- ✓ Cases identified and transferred to centralized location
- ✓ Special projects to benefit all regions




★ TEXAS

- ✓ Investigators will perform detailed skip tracing activities
- ✓ Surveillance in difficult to serve cases
- ✓ Increase in criminal nonsupport filings




★ TEXAS

- ✓ Primary goal to locate custodial and noncustodial parents
- ✓ Locate property and financial assets and assess for collection potential




★ TEXAS

- ✓ Structured process to close high arrears cases after all locate leads exhausted.




★ TEXAS

- ▶ One Supervising Investigator
- ▶ Ten Investigators



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- Reduce undistributed collections
- Increase total collections
- Improve federal performance
- Reduce total arrears owed
- Increased customer satisfaction



★ TEXAS

Questions???

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Illinois Project Clean Slate

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Project Clean Slate

- TANF arrears from accepted applicants are reduced to zero
- Applicants pay 6 months current support or forfeit the reduction
- Applicants eligible only if unable to pay at the time the arrears accrued
- Applicants eligible only if low-income

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Public Act 094-0971 HB4788 Enrolled

(305 ILCS 5/10-17.12 new)

Sec. 10-17.12. Compromise of assigned child support arrearages. The Department of Healthcare and Family Services may provide by rule for compromise of debt owed to the State in the form of child support arrearages and interest accrued on child support arrearages assigned to the State under Section 10-1. The rule shall establish the circumstances under which such obligations may be compromised, with due regard for the payment ability of low-income obligors and the importance of encouraging payment of current child support obligations. The rule shall provide that assigned obligations shall be compromised only in exchange for regular payment of support owed to the family and shall require that obligors considered for debt compromise demonstrate inability to pay during the time the assigned obligation accumulated. The rule shall provide for nullification of any compromise agreement and the prohibition of any future compromise agreement if the obligor fails to adhere to the compromise agreement. In addition, the rule shall establish debt compromise criteria calculated to maximize positive effects on families and the level of federal incentive payments payable to the State under Title IV, Part D of the Social Security Act and regulations promulgated there under.

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Timeline

- January 2006 HB4788 filed
- June 2006 signed by Governor with 1/1/07 effective date
- August 2006 "TARC team" began meeting; TANF Arrears Reduction Committee
- November 2006 Draft Rules submitted to Joint Committee on Administrative Rules
- December 2006 Pilot population selected from Chicago zips 60612 and 60621
- December 2006 Project renamed "Project Clean Slate"
- Letters sent to pilot population

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Status

- 200 applications filed between January 16 and July 25
- Twelve approvals, for debt reduction of \$220,000
- Two locations: Chicago and St. Clair County (metro St. Louis area)

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Potential Population

33,687 cases have:

- current support owed family
- TANF arrears
- NCP not currently incarcerated or institutionalized
- Family is not currently Foster Care
- TANF Debt is greater than \$500

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Note to Rule 1910.19(f)

In promulgating the rule, the Supreme Court recognized that "an obligor with no verifiable income or assets whose institutionalization, incarceration or long-term disability precludes the payment of support renders the support order unenforceable and uncollectible...".

Qualifying Cases

- Incarcerated defendants
 - Defendants who receive SSI or cash assistance
 - Defendants who are unemployable
 - Defendants who may be employable
 - Defendants who claim disability but are not on SSI or SSD
-

Procedure

- Review case
 - Determine if case can be closed pursuant to federal case closure criteria
 - Close case
 - Determine if PA rule applies
 - Enter Non-Financial Obligation (NFOB)
-

NFOB

- National Directory of New Hires (NDNH) continues to interface
 - Cases continue to match for Financial Institution Data Match (FIDM)
-

Unemployed/Unemployable Defendants

- Determination if permanent situation OR need for assistance in obtaining and/or maintaining employment
 - Referral to Employment Specialist
 - Track and review for 'final' determination
-

Incarcerated Defendants

- Release from incarceration beyond child's emancipation
 - Close case per federal case closure regulations
 - Release from incarceration more than six months in future:
 - NFOB per Rule 1910.19(f)
 - Order NCP to report to DRS within one week of release
-

**Incarcerated Defendants
(continued)**

- Release from incarceration less than six months in future:
 - Take no action
 - NCP in county jail and not yet sentenced:
 - Monitor case until sentencing
-

Incarcerated Defendants

- | | |
|--|--|
| <input type="checkbox"/> Pennsylvania statistics: <ul style="list-style-type: none">■ 36,847 incarcerated defendants■ \$203,604,256.01 in arrears | <input type="checkbox"/> Allegheny County statistics: <ul style="list-style-type: none">■ 5,135 incarcerated defendants■ \$28,173,230.54 in arrears |
|--|--|

* As of 6/30/07
