

CALIFORNIA DEPARTMENT OF CHILD SUPPORT SERVICES

October 18, 2000

LCSA LETTER: 00-03

TO: ALL IV-D DIRECTORS

SUBJECT: DATA RELIABILITY AND REPORTING

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

Effective Federal Fiscal Year (FFY) 1999, new federal incentive provisions established a process for federal review of the completeness and reliability of required state-reported data. The outcome of the new federal data review process is directly linked to the payment of federal incentive funds to the State. The new incentive provisions are being phased in over three years, with one-third of incentives paid under the new formula the first year (FFY 2000), two-thirds the second year (FFY 2001), and all incentives paid under the new formula beginning FFY 2002. This letter explains the steps necessary to ensure that California data collection and reporting fully comply with the new federal requirements.

A state will not be eligible to receive federal incentive payments under the new formula unless an audit has been conducted and a finding has been rendered that a state's data are reliable. A data reliability standard of 90 percent will be applied to the audited FFY 1999 and FFY 2000 data utilized for the calculation of incentives for FFY2000. If the reliability of an individual data element used to calculate one of the performance measures is found to be below 90 percent, the data will be deemed unreliable and the state will be ineligible for incentives, under the new formula, for that performance measure. In addition to adversely impacting federal incentive payments, a state's Temporary Assistance for Needy Families (TANF) funds could also be reduced by 1 to 5 percent if the audit finds that submitted child support data are incomplete or unreliable.

In December 1999, the federal Office of Child Support Enforcement (OCSE) issued OCSE Action Transmittal (AT) 99-15 dated December 15, 1999, which revised the OCSE 157 report form and redefined how states are to report certain child support data. The most significant change impacting California is in the area of paternity establishment and the child's state of birth. OCSE AT 99-15 established new rules regarding the exclusion of children born out of wedlock outside the State of California. These changes have prompted DCSS to reconsider the federal option previously selected for calculation of the Paternity Establishment measure.

States may choose from two measures when determining the paternity establishment percentage (PEP) measurement, either statewide data (Statewide PEP), or IV-D caseload data (IV-D PEP). California has historically used the Statewide PEP measure. These measures are defined as follows:

The Statewide "POP" PEP is a measurement of the number of children for whom a POP was signed within the federal fiscal year combined with all the children for whom a judgment of paternity was obtained by the IV-D Agency, divided by the number of all the children born of-of-wedlock within the state within the federal fiscal year.

The IV-D PEP is a measurement of the number of children for whom a judgment was obtained within the federal fiscal year combined with the number of children in the IV-D caseload for whom a POP was signed within the federal fiscal year, divided by the number of children in the IV-D caseload who need services to provide paternity.

OCSE at 99-15 changed the manner in which these two performance measures are calculated. In either case, all children who have reached the age of 18 prior to the beginning of the federal fiscal year should not be counted in the inventory as needing services or in the performance measure of paternity established. The Statewide PEP calculation must exclude those children born out-of-wedlock outside California or children for whom the state of birth is unknown. Such births cannot be counted as paternity being established when measuring Statewide PEP. However, the IV-D PEP calculation may include children born out-of-wedlock outside California or whose state of birth is unknown.

The OCSE AT 99-15 clarifications are not currently reflected in the way California counties maintain data. Specifically, most counties do not exclude 18 year olds from the counts nor do they enter the state of the child's birth on the automated system. Therefore, at the Child Support Program Pre-Statewide Interim Systems Management (PRISM) Advisory Group (PAG) meeting held on September 7, 2000, the federal clarifications regarding paternity and potential reporting changes were discussed. There is agreement on the necessity for all county IV-D programs to change the manner in which data is reported in the future and to enter corrections where possible to data recently reported to DCSS for FFY 2000 in order to comply with federal reporting changes.

Date Reliability Audit for FFY 1999

Federal auditors from OCSE are in the final stages of conducting California's first data reliability audit (DRA), using the federal Annual Child Support Enforcement Annual Data Report (OCSE 157) for FFY 1999. Although the audit report has not yet been completed, it is generally acknowledged that California included paternity

establishment counts using federal definitions published prior to changes in OCSE AT 99-15. Since OCSE AT 99-15 redefined paternity establishment, it is expected that the data reliability score will be less than 90 percent, dropping the state's incentive percentage from 100 percent to zero in that category. Since the reporting process was not changed for FFY 2000, it is likely the findings on data reliability would be the same. This could have a significant impact on California's share of federal incentive payments for that measurement. In light of the changes in federal interpretation, California has relooked at the two available federal paternity establishment measures and will elect to use the IV-D PEP vs the Statewide PEP measurement, since it will better reflect the paternity establishment activities conducted. **For FYY 1999, no county action is required.** The State will recalculate the paternity establishment percentage using the IV-D PEP data as reported.

Date Reliability Audit for FFY 2000

Accurate reporting using the IV-D PEP measure pursuant to OCSE AT 99-15 **will require counties to perform two major tasks by December 1, 2000.** The first task is to revise caseload data reporting to meet federal requirements. The second task is to produce an Audit Case List based on the revised data. County IV-D agencies are requested to follow the instructions in Attachment I to complete both of these tasks. **The Audit Case List must be submitted to the State as soon as possible, but by no later than December 1, 2000.** Counties may send the Microsoft Access Files via e-mail (as an attachment), on a 3.5" floppy disk, or on a CD-ROM.

Funding for Data Reporting Changes

Funding for the cost of work necessary to make the required reporting changes may be requested using the Non-Recurring Maintenance and Operations (M&O) Costs Justification Worksheet included as Attachment 2.

It is recognized that non-recurring costs will be different for each consortia or county operating under a legacy system as of September 30, 2000. Anticipated M&O costs include the following types:

1. The costs to adjust case load information to identify and delete children over 18 years of age.
2. The costs to compile the "Audit Case List" information in a flat file for submission to the State.

Counties should submit their completed Cost Justification Worksheets **as soon as possible** to Cathy MacRae. Counties will be notified of the results of the review within one week of receipt at DCSS.

Data Reliability for FFY 2001-Future

Changes to CS 157

The DCSS will issue a separate letter outlining changes to the CS 157 reporting requirements effective October 1, 2000 for FFY 2001. The first report for the FFY ending September 30, 2001, will be due to DCSS on October 15, 2001.

Once the adjustments to your caseload information have been completed, submit the updated CS 157 (10/98) to DCSS and your "Audit Case List" Microsoft Access Files to Mike Graham at DCSS. Again, these items must be received at DCSS no later than December 1, 2000, so that the compilation can be made by the deadline established by the federal auditors.

Thank you for your cooperation in completing these important tasks to meet federal reporting requirements. If you have any questions, please contact the following people:

ISSUE	NAME	PHONE
CS 157 Reporting	Helen Faust	(916) 464-5042
"Audit Case List" Justification	Mike Graham	(916) 464-5478
M&O Cost Justification	Cathy MacRae	(916) 464-5359
Incentive Impacts	Joyce Coles	(916) 464-5116

Sincerely,

EDWINA YOUNG, Deputy Director
Child Support Services Division

Enclosures