

Child Support

2002 Annual Report

... a responsibility to assist parents in obtaining financial support for children . . . to encourage parental responsibility . . . establish paternity of children, establish court orders for financial and medical support, and vigorously enforce child support orders and promote the involvement of both parents in the life of the child.



September 1, 2001 - August 31, 2002

I would like to thank the staff for all they do to help our family... I am very impressed with the quality of assistance for such a large population that needs help. Very well organized... I wanted to thank you for your efforts in retrieving back child support for my son... You are truly a hero to us. Thank you for doing your job well and especially for doing it with heart... Thanks to your hard-line attitude on child support evaders, my children now receive what is due to them.

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Statement from Attorney General Greg Abbott

Attorney General Cornyn made child support a top priority when he took office in 1999. With the help of a dedicated staff, he succeeded in revitalizing one of the most important programs in state government.

Since 1998, collections have increased 86 percent to \$1.4 billion for State Fiscal Year 2002.

The number of children who receive child support has more than doubled. Customer service has also improved. Due to the efforts of the Child Support Division, more children than ever are receiving the financial support they need to succeed in life.

I am making it a priority of my administration to continue the excellent work started by Attorney General Cornyn.



Introduction

The Office of the Attorney General is the state agency designated to provide child support services by Title IV-D of the federal Social Security Act and Chapter 231 of the Texas Family Code. The agency's Child Support Division provides child support services to families who receive public assistance, families who previously received public assistance, and families who have never received public assistance but request child support services.

As the state's designated IV-D agency, the Office of the Attorney General is responsible for:

- locating absent parents;
- establishing paternity;
- establishing, enforcing, and modifying child and medical support orders; and
- collecting and distributing child support payments.

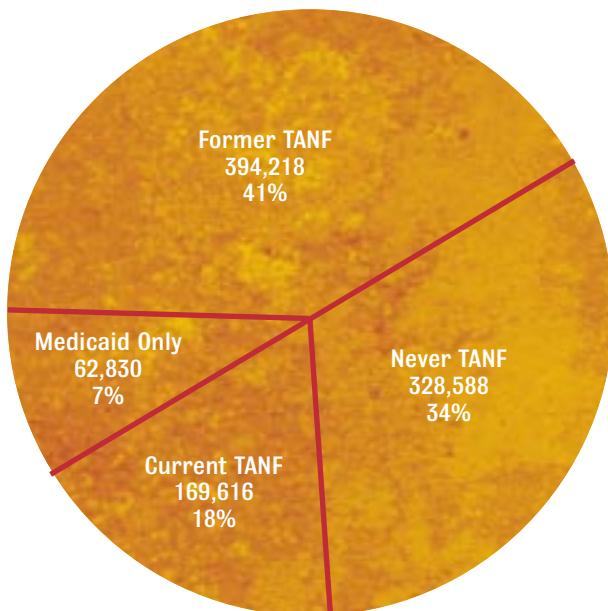
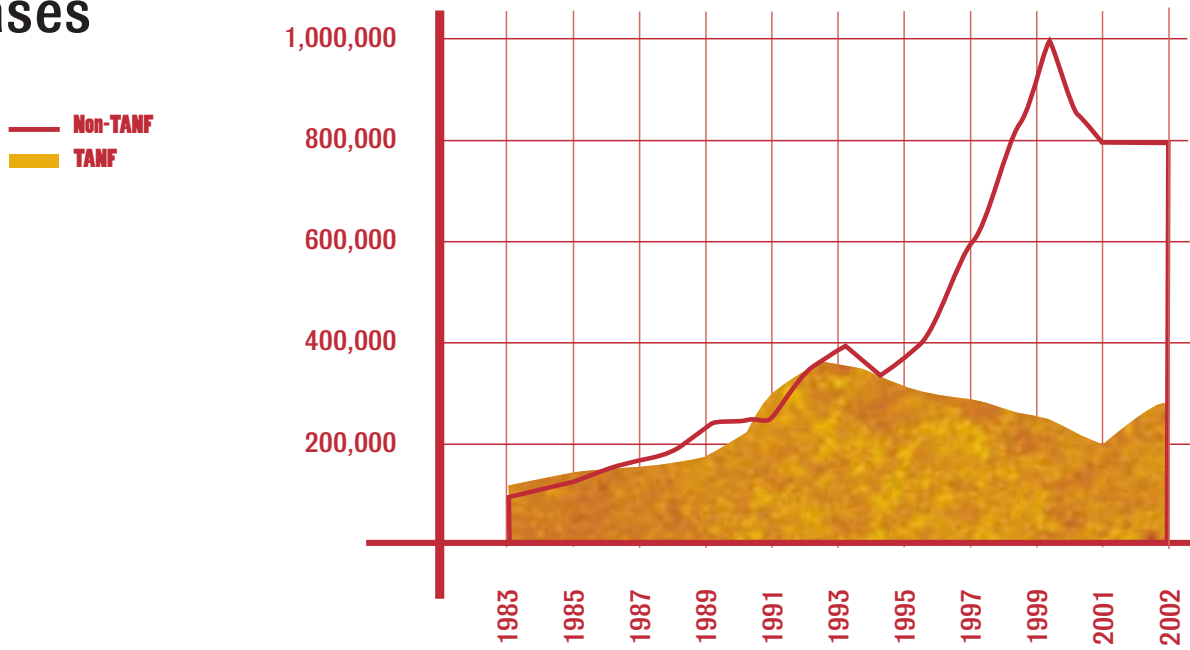
Eighty percent of the Child Support Division's 2,600 employees work in 81 regional and local field offices across the state to provide direct services to child support customers. Child support officers, attorneys, and technicians are the primary field staff who handle child support establishment and enforcement duties for the 16,500 new cases that are received each month. The Child Support Division employed 1,100 child support officers, 239 attorneys, and 605 administrative staff to work more than 955,000 cases that were open at the end of State Fiscal Year (SFY) 2002.

The role of the federally funded child support program has changed under Welfare Reform. The Title IV-D program began in 1975 as a cost-recovery program aimed at recouping public assistance costs from absent parents. As public assistance rolls have declined, the program's ongoing contribution to family self sufficiency has become more important. Under federal law, child support services must continue for families who formerly received Temporary Assistance to Needy Families (TANF) or Medicaid because child support helps those families maintain their independence from public assistance.

In SFY 2002, 66 percent of the division's cases were initially referred for services by the Texas Department of Human Services when the child's caretaker applied for TANF and/or Medicaid. Current TANF cases are no longer the majority of cases and today account for only 18 percent of the caseload. Former TANF cases make up 41 percent of the caseload, Medicaid Only cases comprise 7 percent, and cases with no public assistance history make up 34 percent.

The changing mission of the Title IV-D program will allow families on public assistance to keep a larger portion of child support payments made on behalf of their children. However, directing more money to families will reduce the government's share to offset public assistance costs and fund child support programs. Many states, including Texas, will face a challenge in the coming years to develop alternate strategies for funding IV-D operations.

Child Support Cases

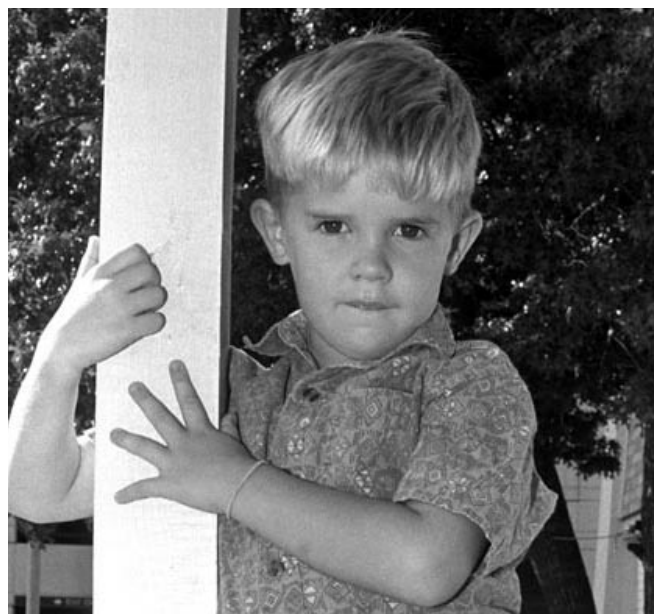


SFY 2002 Child Support Cases

• 955,252 total

Mission

The Attorney General's Child Support Division has a responsibility to assist parents in obtaining financial support for children. To encourage parental responsibility, the Child Support Division establishes paternity of children, establishes court orders for financial and medical support, and vigorously enforces child support orders. The Child Support Division works with community groups, schools, and hospitals to promote the involvement of both parents in the life of the child. Child Support Division staff perform their duties efficiently and provide excellent customer service.

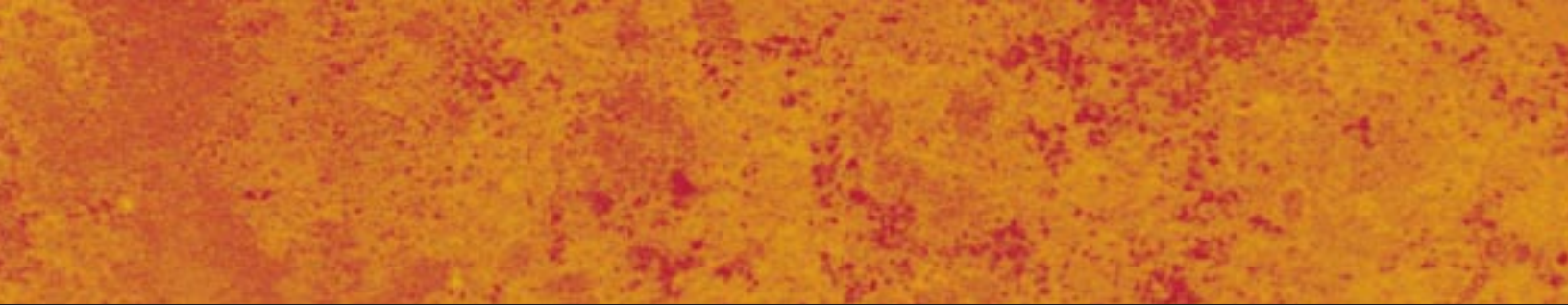


Philosophy

The Child Support Division protects the rights of children to receive financial support and encourages involvement from both parents. We work vigorously to establish paternity and support orders, enforce these orders, and get child support payments to families quickly. We treat with respect and dignity the families that we work with, while holding both parents accountable for their obligations. We conduct ourselves professionally at all times and treat our peers and all others with courtesy and honesty. We are committed to the professional development of our staff and to providing them with a safe, rewarding, and motivating work environment.

Vision

The vision
of the Child Support Division
is to be the best child support program
in the nation,
known for outstanding
customer service,
record-breaking collections,
and cost-effective
operations.



“I am very impressed with the quality of assistance for such a large population that needs help”



Putting Customers First

Recognizing that each customer has the right to prompt and reliable service, the Child Support Division offers parents a number of options for obtaining up-to-date information about their child support case. The Office of the Attorney General provides an automated voice response system, regional call centers, an interactive Web site, and a statewide ombudsman program to improve customer access to services and staff.

The Child Support Division receives approximately 2.7 million telephone calls a month. Most of the calls are from custodial parents who use the Child Support Division's Voice Interactive Response System (VIRS) to obtain current information about their child support case. Approximately 500,000 callers each month have needs that VIRS cannot resolve. Call center or local office staff assist those callers.

Regional call centers provide "one-stop shopping" by allowing customers to obtain answers and actions on their case through one telephone call. When Attorney General John Cornyn took office in January 1999, the Child Support Division operated a single statewide customer service call center. Only 14 percent of the 800,000 monthly calls to customer service representatives were answered. Frustrated by busy signals and long hold times, many callers hung up before getting through to someone about their child support case.

Attorney General Cornyn decentralized call center operations to improve accessibility and reduce complaints. By January 2000, call centers were operating in the four most populous regions of the state. In SFY 2002, the Attorney General's Office added a fifth call center in El Paso. Three additional call centers will open in SFY 2003, making a total of eight regional call centers to serve customers throughout the state. Regional call centers and field offices answer 96 percent of the 500,000 monthly calls in 40 seconds.

Child Support Interactive, accessed from the main Office of the Attorney General Web site, gives visitors another avenue for obtaining general information about the child support program and applying for services. For custodial parents, Child Support Interactive provides dates and locations of pending court hearings, notification that genetic testing results are available, and a record of the last 12 support payments.

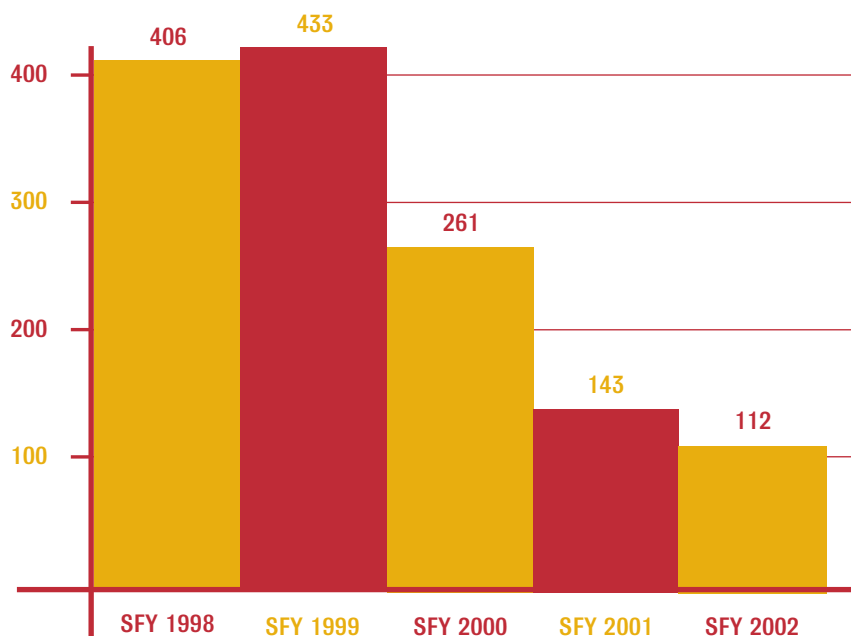
Created in September 1999, the Web site has experienced phenomenal growth in its three years of operation. In the past year, visits to the Web site have increased 140 percent from 196,403 monthly visits in August 2001, to 430,171 visits in August 2002.

The Attorney General’s Ombudsman Program gives customers another option for resolving child support issues. Ombudsmen are stationed in every field and regional office to handle complaints on child support cases. The chief ombudsman, located in State Office, serves as final arbiter of problems that cannot be resolved at lower levels. A uniform tracking system ensures that all complaints are handled promptly and properly.

The Office of the Attorney General advertises the availability of a complaint process to its customers. Customers can lodge complaints about a child support case in writing on complaint forms that are available in all child support field offices and regional call centers. An interactive complaint form is also available in the Child Support section of the Attorney General’s Web site. In addition, child support application packets include information about a customer’s right to file a complaint.

Customers sometimes contact elected officials about their child support case. The Child Support Public Official Inquiry Section assists public officials in serving their constituents by working directly with the official’s office to resolve child support complaints and inquiries. Since SFY 1998, legislative inquiries to POI have dropped from 406 a month to 112 a month in SFY 2002.

Public Inquiries to the Texas Legislature (Monthly)



Efforts to put customers first are working. Based on responses to the 2002 Customer Service Survey, 73 percent of custodial parents are satisfied with customer service and 70 percent are satisfied with child support services. This represents significant improvement over the 2000 survey, when 63 percent of custodial parents reported satisfaction in the areas of customer service and child support services.

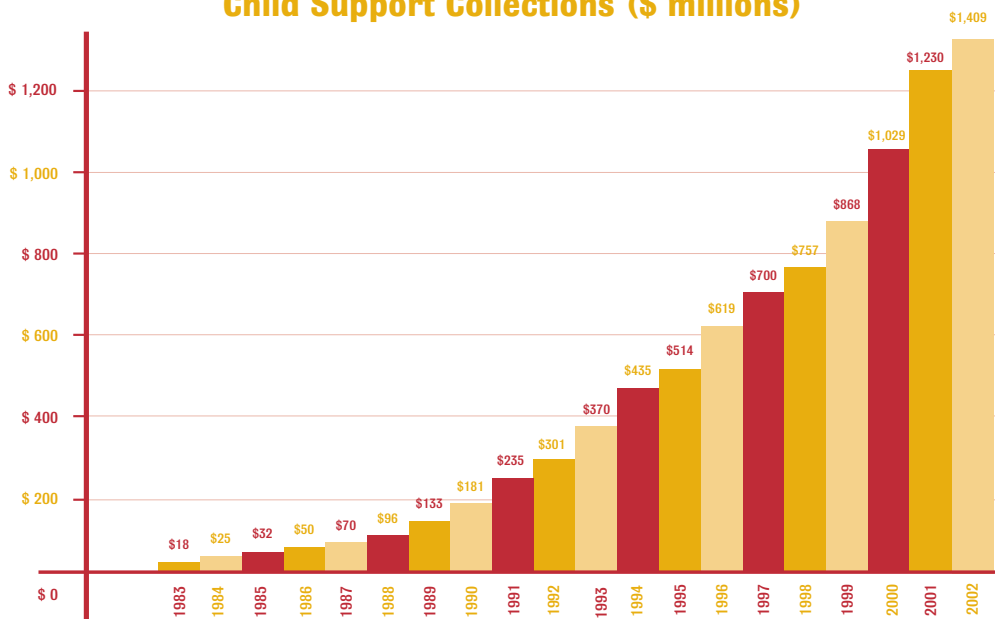
Collecting More Money for Texas Children

The Child Support Division had another record-breaking year, collecting \$1.409 billion in child support for the state fiscal year that ended August 31, 2002. The \$1.409 billion collected represents an 86 percent increase over the \$757 million collected in 1998, the last state fiscal year before Attorney General Cornyn took office.

Based on its outstanding record, the Attorney General's Child Support Division ranks among the top five in the nation for child support collections. In August 2002, the National Child Support Enforcement Agency recognized the Texas program for its exemplary collection effort.

However, collections tell only half of the story. The true measure of a successful child support program is the number of families and children who benefit from its work. In SFY 2002, approximately 580,000 children received child support, an increase of 140 percent over the 240,000 children who received support in 1998.

Child Support Collections (\$ millions)



Administrative Income Withholding (AIW) has contributed substantially to collection gains. Recognizing the significance of the AIW remedy, the Office of the Attorney General devoted resources to fully automate the process. The automated system matches new hire information provided by employers with parents on the child support caseload who are ordered to pay child support. When a match is made, a withholding order is sent directly to the employer for withholding of income. Every night, approximately 2,800 AIW orders are sent to employers in Texas and across the country. In SFY 2002, 576,000 AIW orders were manually or automatically generated, resulting in \$798 million in collections. This accounts for 57 percent of the money collected in SFY 2002.

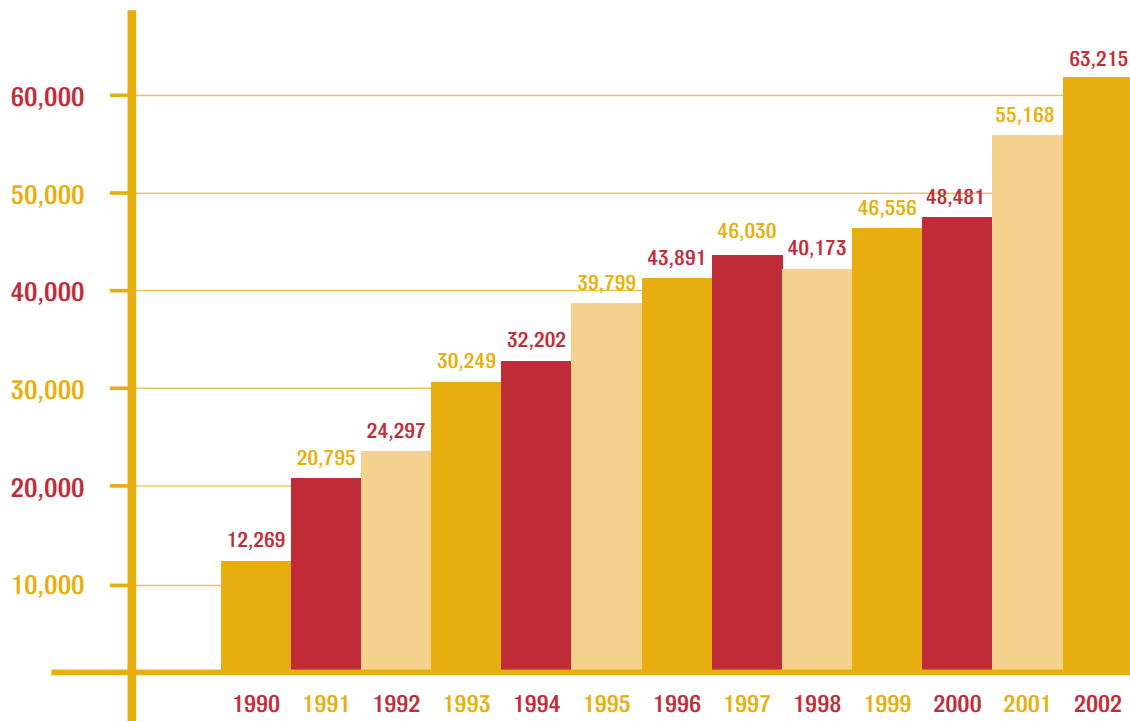


Establishing Paternity and Court Orders

When a child is born to parents who are not married to each other, paternity must be legally established before a judge can order child support. The Child Support Division received 114,644 new cases in SFY 2002, and about half of those cases required paternity establishment to collect child support.

Parents can establish legal paternity by voluntarily signing an Acknowledgment of Paternity form or by obtaining a court order. In SFY 2002, Child Support staff used both of these means to establish paternity for 63,215 children – a 57 percent increase over 1998.

Children with Paternity Established





For some of the children in the agency's caseload, paternity has been established but there is no child support order to make a parent legally responsible to pay child support. The Office of the Attorney General establishes child support orders for those children. Forty-six percent of all new child support cases require the establishment of a child support order. In SFY 2002, 653,840 of the agency's cases had orders, a 35 percent increase over SFY 1998.

Most child support cases resulting from a divorce do not require the establishment of paternity since a husband is legally presumed to be the father of any child born during the marriage and a child support order is established by the divorce decree.

Percent of All Cases Obligated

Year	Number of Cases	Obligated Cases	% Obligated
2002	955,253	653,840	68%
2001	1,008,210	629,627	62%
2000	1,058,111	586,114	55%
1999	1,206,632	520,918	43%
1998	1,117,888	483,689	43%
1997	915,064	442,962	48%
1996	847,243	399,528	47%
1995	766,352	357,535	47%
1994	664,250	311,521	47%
1993	758,364	278,739	37%
1992	741,538	254,791	34%

Enforcing Child Support Orders

The Office of the Attorney General uses a number of tools that encourage noncustodial parents to comply with a court order to pay child support.

Parents who fall behind on their child support payments risk interception of federal income tax refunds and lottery winnings, seizure of assets held in financial institutions, suspension of driver, professional, and recreational licenses, and incarceration.



The Financial Institution Data match (FIDM) program began in December 2000, to locate assets held in financial institutions by parents who fail to pay child support. Child support officers match information about delinquent parents with a database of depositors supplied by banks and other financial institutions that operate in Texas and across the nation. When a match occurs, the Attorney General's Office can freeze – and ultimately seize – the accounts of parents who refuse to voluntarily settle their child support arrears.

The FIDM program's largest settlement, \$200,000, occurred in SFY 2002 when a lien was placed on the bank account of a Texas father who owed more than \$264,000 on three separate child support cases. With an average collection of \$4,800, the FIDM program collected \$13 million in SFY 2002.

As a last resort, the Office of the Attorney General works with law enforcement authorities to arrest and incarcerate non-custodial parents who are delinquent on their child support payments. Parents who willfully violate civil and criminal laws to pay child support face jail time and monetary penalties. In SFY 2002, 2,254 parents were jailed for failing to pay child support, an increase of 600 incarcerations over the previous year.

Twice a year, the Attorney General releases a Top Ten list of Texas Most Wanted Child Support Evaders. These are non-custodial parents whose locations are unknown to authorities. A toll-free number, 1-866-EVADERS (382-3377), is provided for reporting information that will lead to the arrests of evaders. The public can view photographs of the evaders on the Attorney General's Web site at www.oag.state.tx.us. For a parent to be named a Most Wanted Child Support Evader, court-ordered delinquent support must be in excess of \$5,000 and an arrest warrant must have been issued.

Of the 71 Evaders named by the Attorney General since July 1999, 32 have been arrested or have surrendered to authorities. Arrests have taken place in such cities as Las Vegas, Seattle, and Fort Lauderdale.

Outreach & Volunteer Program

Founded in 1987, the Outreach and Volunteer Program has a two-fold mission of educating Texans on all facets of the Attorney General's Child Support Division and recruiting volunteers and interns to assist child support staff in 65 field offices across the state.



In SFY 2002, 14 regional outreach coordinators, who are dispersed throughout the eight Child Support regions, recruited 856 volunteers and interns who worked 116,000 hours. Savings to taxpayers totaled \$1.9 million. The Attorney General's emphasis on volunteers has a secondary benefit of introducing individuals from a variety of backgrounds to the rewards of public service.

Outreach coordinators also made 1,100 child support presentations to community groups, professional organizations, and schools. A staple of presentations to schools is the Parents and Paternity (PAPA) curriculum, which offers a look at the legal and practical aspects of parenting to students in grades 6-12.

PAPA began informally in 1988 when outreach coordinators visited classrooms to deliver child support information to pregnant and parenting teens. In 1994, the curriculum was standardized to include a student notebook, video, and instructor's guide.

Currently under revision, the updated PAPA curriculum will not only include information on child support, but will also encourage personal assessment of one's capability and readiness to parent.

The Attorney General's Outreach and Volunteer Program also provides assistance to visually impaired and hard of hearing customers, arranges interpreters when needed, and makes child support presentations within the deaf and hard-of-hearing community.

In SFY 2002, the Outreach and Volunteer Program played a vital role in complying with the legislative mandate in HB 2275 to make Child Support brochures available in all Texas courthouses where family law matters are heard.

Collaborations, Fatherhood & Family Initiatives

Fathers make up the overwhelming majority of the approximately 650,000 parents on the agency's case-load who are ordered to pay child support. Attorney General John Cornyn has always recognized that many fathers desire to support their children, but lack the means to do so. According to a national survey, two-thirds of young, unmarried fathers earned less than \$20,000 the year their children were born. Many fathers are struggling to feed themselves and are battling personal problems – such as drug and alcohol abuse – that keep them from supporting their children emotionally and financially.



The Collaborations, Fatherhood and Family Initiatives Section of the Attorney General's Office was created in 2002 to reflect the Child Support Division's increased commitment to strengthening families and fathers' involvement in their children's lives. The Office of the Attorney General works collaboratively with other state agencies, private foundations, and community-based organizations to assist fatherhood and family formation programs around the state. Programs that help low-income fathers overcome barriers to becoming responsible parents include:

- Texas Fragile Families Initiative (TFFI): The Attorney General is a partner in this statewide effort to help low-income, young fathers become more involved in their children's upbringing. TFFI has become a national model for public/private partnerships to develop services for low-income families.

- Non-Custodial Parent Referral Project: The Office of the Attorney General and the Texas Workforce Commission work with local workforce development boards, the judiciary, and community-based organizations to identify, refer, and provide employment services to low-income, non-custodial parents. In SFY 2002, more than 6,600 unemployed non-custodial parents were referred for employment services.

- Paternity Opportunity Program (POP): This program makes it possible for unmarried fathers to acknowledge their child's paternity near the time of birth. In SFY 2002, POP staff trained more than 2,600 employees at hospitals, birthing centers, local registries, and other community-based organizations to educate unmarried parents about paternity establishment and to obtain and process voluntary acknowledgments of paternity. In the same year, approximately 60,000 Texas fathers voluntarily acknowledged paternity as a result of POP.

- Fatherhood Participation Workgroup: This workgroup was formed in response to SB 875 to examine child support policies and procedures to determine if they encourage or deter fathers from participating in functions of the agency. The workgroup focused on access to services, outreach to fathers, innovative practices from other states that have had positive measurable outcomes, and development of policy recommendations for targeted groups (i.e. incarcerated parents).

County Partnerships

County governments play an essential role in the child support process. The Office of the Attorney General works closely with county officials to improve the Texas child support system.

The County Advisory Work Group was formed in August 2000 to advise the Office of the Attorney General on the impact of state and federal legislation on county child support operations. The group, which includes county officials and private sector representatives, meets regularly to discuss issues of mutual concern, including operation of the State Disbursement Unit (SDU), changes to the IV-D child support program that affect counties, and monetary incentives for county partnerships. The Office of the Attorney General recognizes that county support is crucial to building a coordinated child support system that works for all Texans.

The federal Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) requires states to provide a central location for processing child support payments. Child support payments to custodial parents on the Attorney General caseload and income-withheld child support payments on all other cases with post-1993 child support orders must be sent to the SDU.

The Texas SDU, located in San Antonio, began operation in July 2000. The Child Support Division contracts with a private vendor to run the SDU and to process and distribute child support payments to custodial parents.

The Child Support Division continues its work to redirect child support payments from local counties to the SDU on an employer-by-employer basis. To ensure a smooth transition, Child Support employees visit county offices to collect data, provide training and automation support on the SDU database, and install hardware.

The Office of the Attorney General has redirected more than 144,000 cases, and 106 counties are directing all new child support orders to pay through the SDU, which equates to 1,650 new cases a month. The agency contracted with 109 counties to provide customer service to those inquiring about child support payments.

In SFY 2002, to compensate for the work they do to assist the Child Support Division, counties were reimbursed \$13.1 million for court filing and service fees and for processing income withholding orders. During SFY 2002, the Office of the Attorney General filed more than 562,000 automated administrative income withholding orders and expects that number to increase in the coming years.

Another PRWORA requirement is the development of a State Case Registry that contains information on all Texas child support orders and enhances SDU data integrity. Child Support staff work closely with individual counties to test and load data and determine automation capabilities. In SFY 2002, the



Attorney General's Office processed initial data loads from 25 of the 35 largest counties in Texas. The Attorney General's Office is dependent on county participation to develop the registry, and 153 counties have contracted with the agency to provide information about new child support orders.

The Attorney General's Office reimbursed counties under contract for SDU and State Case Registry activities approximately \$350,000 in SFY 2002.

Early monitoring of child support orders is another promising project that will result in increased child support collections for Texas children. Through a federal waiver, early monitoring allows the Office of the Attorney General to bypass the application process and take immediate action when a delinquent parent misses the first child support payment. Immediate consequences such as license suspension, interception of federal income tax refunds, and contempt charges encourage parents to comply with child support orders before accruing large child support debts. Bexar, Tarrant, and Midland counties currently participate in early monitoring projects. Work is underway in Dallas and Harris counties to establish similar projects.

The Office of the Attorney General entered into Community Supervision contracts with El Paso and Tarrant counties to assign probation officers to certain parents on the agency's caseload who face contempt-of-court charges for violating a court order to pay child support. Parents receive close monitoring throughout the probationary period, and they face severe and immediate consequences for violating its terms. The Community Supervision program will be expanded to additional counties in SFY 2003.

Accomplishments

The Child Support Division made remarkable progress under Attorney General John Cornyn's leadership. When Attorney General Cornyn took office in January 1999, the Texas Legislature was threatening to move the child support program to another division of state government because of poor performance.

Attorney General Cornyn vowed to turn the program around by supporting employees and devoting adequate resources to the tremendous task of establishing, collecting, and enforcing child support for approximately 1.3 million Texas children. Because of Attorney General Cornyn's leadership, Texans can be proud of a revitalized child support program that is now considered one of the best in the nation.



Some of the accomplishments include:

- Collecting a record \$1.4 billion in child support in SFY 2002, an 86 percent increase over the \$757 million collected in 1998, the last state fiscal year before Attorney General Cornyn took office.
- Using administrative income withholding to collect \$798 million in SFY 2002. Every night, approximately 2,800 new withholding orders are sent to employers in Texas and across the country.
- Helping arrest 35 Most Wanted Child Support Evaders. Of the 71 named by the Attorney General since July 1999, 35 have been arrested throughout Texas and in Las Vegas, Nevada, Seattle, Washington, and Clinton, Montana.
- Answering 96 percent of the 500,000 monthly calls received in SFY 2002 within 40 seconds. Nearly 2.2 million calls are effectively handled by an automated voice response system each month.
- Creating a Child Support Interactive Web site to provide custodial parents with information about their child support case. In only one year, visits to the Web site have increased 140 percent from 196,403 monthly visits in August 2001 to 430,171 visits in August 2002.
- Receiving the "Outstanding Program" award from the Western Interstate Child Support Enforcement Council in October 2001 for achievements in child support enforcement, collections, and customer and community service.
- Recognition by the National Child Support Enforcement Association in August 2002 for exemplifying the best in child support enforcement in the areas of service delivery and community outreach.

“I am very impressed with the persistence that the child support services have displayed in locating and pursuing the absent parent... Thank each of you who are involved with the child support system. Texas is right on the matter and stand strong on children getting what they deserve... I would like to thank you for the wonderful job your office has done in helping my children receive the regular and past-due child support owed to them... It is reassuring to know that my check will come each month...”

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and promote the involvement of both parents in the life of the child.*