



child support

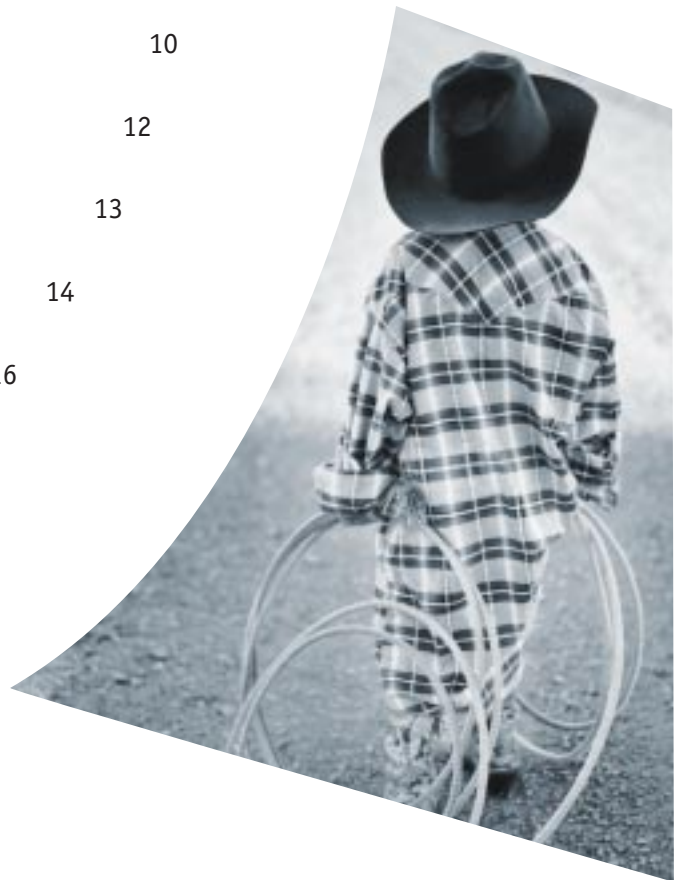
SFY 2001 Annual Report
September 1, 2000 - August 31, 2001

child support

SFY 2001 Annual Report
September 1, 2000 - August 31, 2001

Table of Contents

STATEMENT by Attorney General John Cornyn	1
Section 1. Introduction	2
Section 2. Child Support Mission, Philosophy, and Vision Statements	4
Section 3. Focus on Customers	6
Section 4. Collecting More Money for Texas Children	8
Section 5. Establishing Paternity and Court Orders	10
Section 6. Dead Beat Versus Dead Broke	12
Section 7. Volunteer and Outreach Programs	13
Section 8. Fatherhood Initiatives	14
Section 9. County Initiatives	16
Section 10. Plans for the Future	18



Statement by Attorney General John Cornyn

When I became Attorney General, the Child Support Division was on life support.

Today the Texas Child Support Division is in better health than it has ever been.

Since 1998, collections have increased 63 percent to \$1.23 billion for

State Fiscal Year 2001. Customer service has also improved.

We have increased the phone call answer rate from 14 percent to

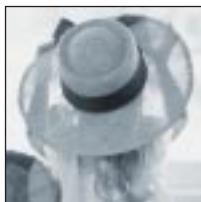
96 percent in three years. The Office of the Attorney General will

strive for continued improvement in the areas of child support

collections, customer service, and cost-effective operations.

Helping children today will pay dividends for

all Texans for generations to come.



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. Child support services are provided 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. Since 1994, the child support caseload has grown 52 percent from 665,000 to 1 million, while staffing has increased 5 percent from 2,485 in 1994 to 2,600 in 2001.

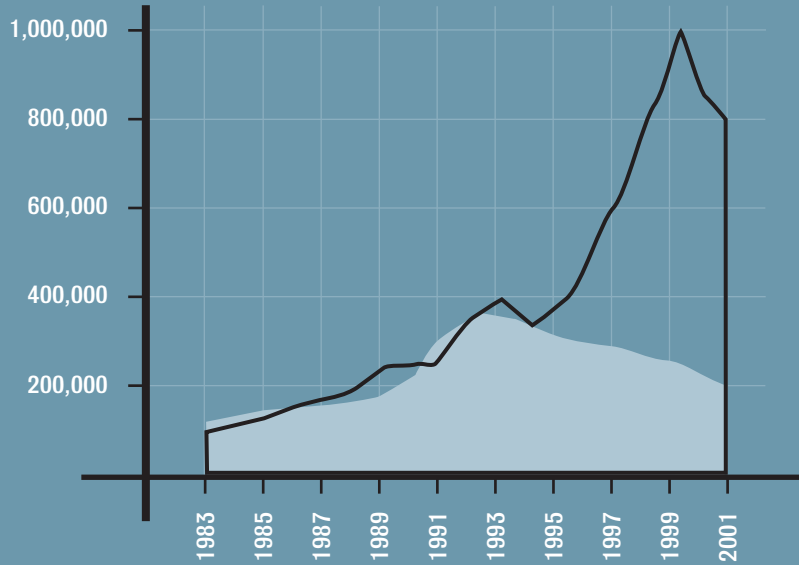
The child support program was launched in 1975 as a cost recovery program aimed at recouping public assistance costs from absent parents. Under Welfare Reform, the program's contribution to family self-sufficiency has become more important as public assistance rolls decline and former recipients of Temporary Aid to Needy Families (TANF) remain dependent on child support services. In State Fiscal Year (SFY) 2001, 69 percent of the cases were initially referred for services by the Texas Department of Human Services when the caretaker applied for TANF and/or Medicaid. Current TANF cases are no longer the majority of cases and today account for 17 percent of the caseload. Former TANF cases make up 42 percent of the caseload, Medicaid Only cases comprise 9 percent, and cases with no public assistance history make up 32 percent.

The goal of the Office of the Attorney General is to make its Child Support Division the best child support program in the nation. Progress toward this end was recently demonstrated when the agency was recognized by the Regional HUB Director of the federal Administration for Children and Families in the West-Central United States. The Office of the Attorney General received the "HUB Director's Award" as a result of its outstanding achievement and national leadership in child support collections, fatherhood initiatives, and client services.

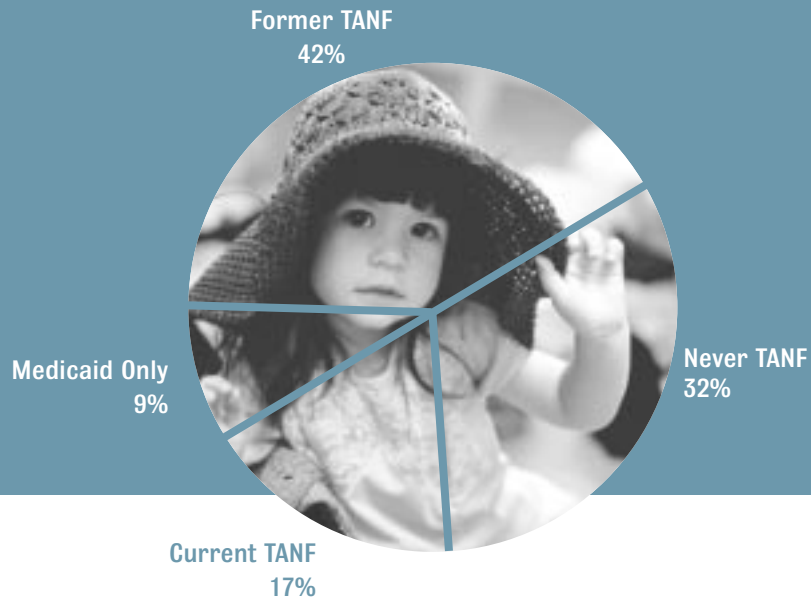
introduction

Child Support Cases

— Non-TANF
 ■ TANF



SFY 2001 Child Support Cases 1,008,210 total



child support division mission

The Attorney General's Child Support Division assists 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.

child support division 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.

mission and philosophy

child support division 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.



Our customers are real people with real problems, who often need timely and accurate information about their cases. To respond to this need, Attorney General Cornyn decentralized the Child Support Call Center, gave staff the right tools to answer questions quickly and correctly, established the award-winning Child Support Interactive Web page, and created a statewide ombudsman program to ensure that action was taken on customer inquiries.

Today, staff at the call centers, located at four sites, perform at levels that rival, and in many cases exceed, their private industry counterparts. Staff in Child Support field offices are equally responsive. The call centers and field offices answer 96 percent of the 500,000 calls received each month in 30 seconds or less. Customers also have the option of obtaining some case information through the automated voice information response system. About 800,000 callers a month choose this option. Staff continue to explore technological solutions to enhance our ability to respond to customer needs.

The Legislature demonstrated its confidence in our ability to serve our customers by authorizing 36 additional call center staff for the 2002 - 2003 biennium. Over the next two fiscal years, each of the eight Child Support regional administrative areas will have at least one call center.

Child Support Interactive, an agency Web site that can be found at www.childsupport.oag.state.tx.us, offers another channel for customers to obtain case information. After entering their case and personal identification numbers, customers can check payment information on a secure part of the site. Other case-specific information is available as well. This site receives about 200,000 visits a month and use is steadily increasing. In recognition of this innovative approach to customer service, *Computerworld* magazine named the Child Support Division an Honors Program Laureate.

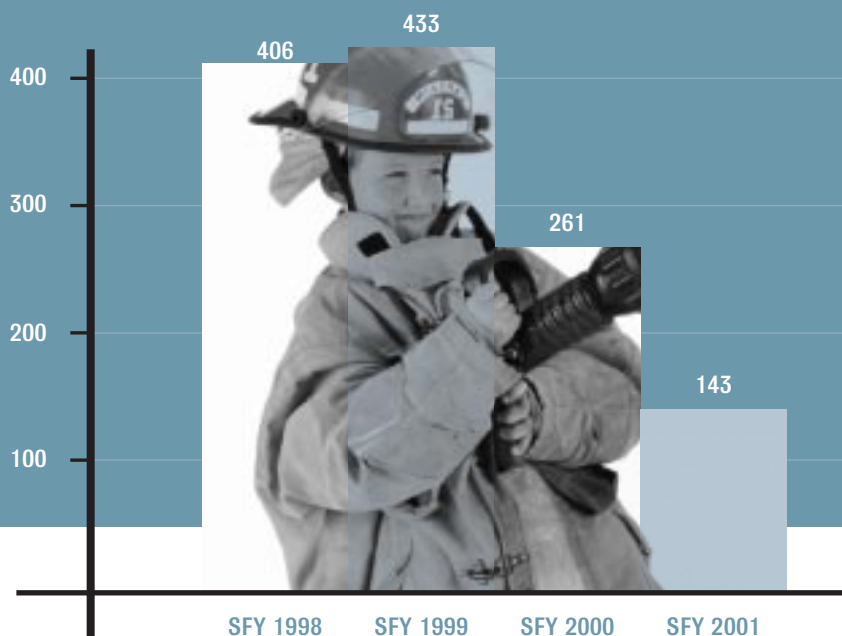
focus on customers

Of course, technology alone cannot fix all customer service problems. The Child Support Division created an ombudsman program to address complaints. Around the state, designated staff serve as field office, regional office, and state office ombudsmen. All complaints are first addressed at the local field office level. If the complaints cannot be resolved at that level, they are referred to the regional office and, when necessary, to the state office. To ensure that all complaints are handled properly, a uniform tracking system has been developed.

A variety of steps advertises the availability of the complaint process to our customers. An interactive complaint form is available on the Office of the Attorney General Web site at www.oag.state.tx.us/child/main-chil.htm. Information about the complaint process is available from all Child Support field offices and call centers. And application packets include information about an applicant's right to file a complaint.

Customers sometimes contact their elected representative about their child support case. The Child Support Public Officials Inquiry Section (POI) helps these officials serve their constituents by working directly with elected officials and their staff to resolve child support complaints and inquiries. Since SFY 1997, legislative inquiries to POI have dropped from more than 400 a month to fewer than 150 a month in SFY 2001.

Public Inquiries to the Texas Legislature (Monthly)



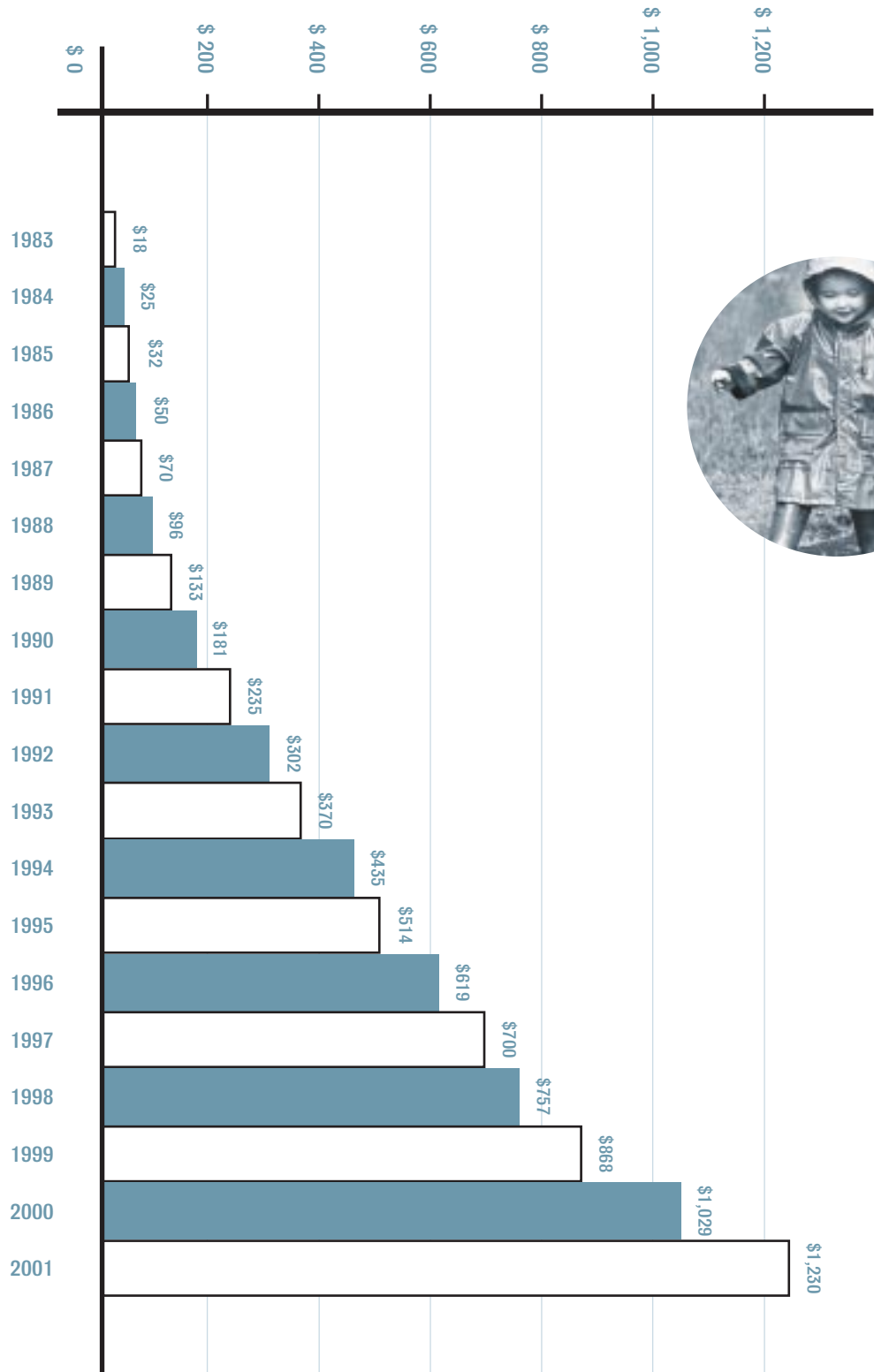
Providing excellent customer service has complemented the Child Support Division's ability to collect child support. Between SFY 2000 and SFY 2001, collections increased by more than \$200 million, the largest dollar increase in child support collections in the history of the Texas program. This follows the previous year's record increase of \$161 million.

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 reported by employers with child support cases that have a court order for support. When a match is made, a withholding order is sent directly to the employer for withholding of income. Every night, approximately 1,400 AIW orders are sent to employers in Texas and across the country. In SFY 2001, 549,000 automated AIW orders were sent, resulting in \$593 million in collections — 48 percent of the money collected in SFY 2001.

collecting more
money for texas
children

Child Support Collections

(\$ millions)



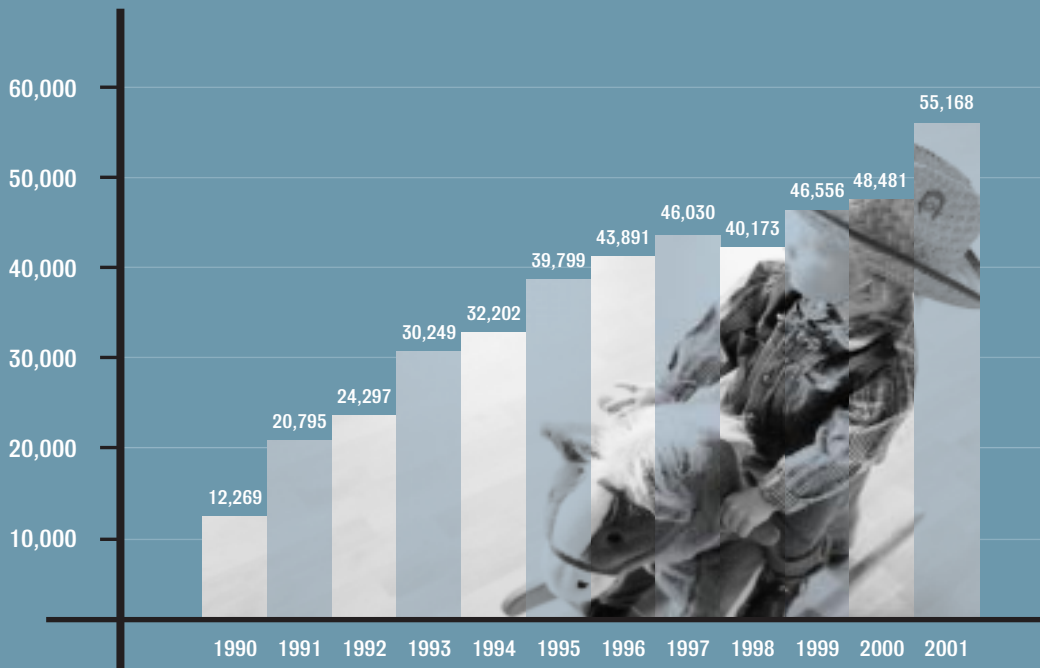
A judge cannot order child support and the Office of the Attorney General cannot collect child support until legal paternity and a court order have been established. Child support cases resulting from a divorce do not require these steps because the husband's paternity and the non-custodial parent's child support order are established by the divorce decree. However, establishing paternity and court orders are crucial steps to ensure that the approximately 100,000 children born to unmarried parents in Texas every year receive financial support. Child Support staff established paternity for 55,168 children in SFY 2001, an 18 percent increase over 1998.

In addition to establishing paternity through the courts, the Office of the Attorney General's Paternity Opportunity Program (POP) makes it possible for fathers of children born to unmarried parents to acknowledge paternity near the time of birth. Agency staff trained more than 2,500 employees at hospitals, birthing centers, local registries, and other organizations to obtain and process these voluntary acknowledgments of paternity. In SFY 2001, 58,853 Texas fathers voluntarily acknowledged paternity as a result of POP.

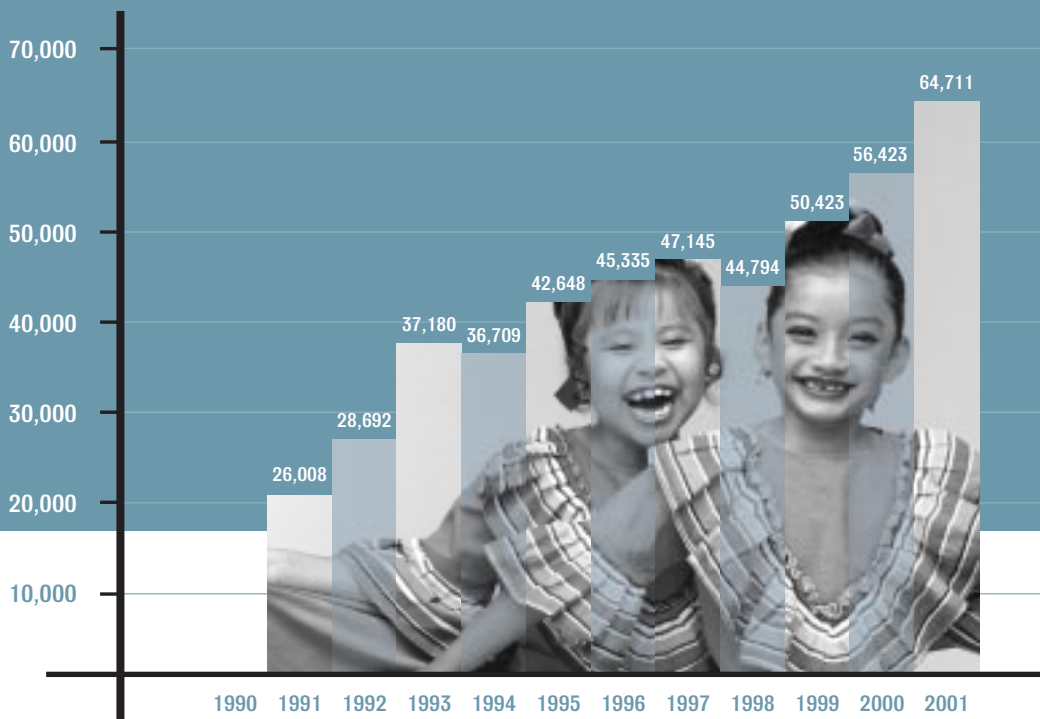
In cases in which paternity has already been established but no divorce decree exists, Child Support staff must also establish child support orders. Ninety-eight percent of all new child support cases require establishing support orders. In SFY 2001, the Office of the Attorney General established or modified 64,711 support orders, a 15 percent increase over SFY 2000.

establishing paternity and court orders

Children with Paternity Established



Child Support Obligations Established or Modified





A non-custodial parent's failure to pay child support may be due to reasons other than hard-hearted neglect of a child. Many non-custodial parents, especially those whose children are current or former public assistance recipients, are struggling to feed themselves. The average age of non-custodial parents at the birth of their first child is 23, and 62 percent of non-custodial parents earn less than \$20,000 per year. For this reason, the Attorney General developed a "dead beat" versus "dead broke" strategy. Non-custodial parents who want to support their children but lack the means to do so are "dead broke," and they are referred to job programs operated by local workforce development boards and counseling and support groups provided by community-based organizations such as the Texas Fragile Families Initiative. In SFY 2001, Child Support staff referred nearly 3,800 non-custodial parents to local workforce development boards for employment services.

Non-custodial parents who have the ability to pay child support but who fail to do so are "dead beat." They face interception of tax returns, license suspension, liens on accounts at banks and other financial institutions, and a host of other enforcement actions.

In SFY 2001, the Office of the Attorney General collected more than \$110 million in past due support by intercepting federal income tax returns; filed 4,600 license suspension notices and motions, an increase of 78% over the previous year; and issued more than 500,000 administrative income withholding writs.

For the first time in SFY 2001, the Office of the Attorney General began filing liens as a result of information generated by the Financial Institution Data Match (FIDM) program. This new enforcement remedy allows Child Support staff to file a lien on an account at a financial institution when a match occurs between a delinquent non-custodial parent on the agency's caseload and the owner of one of these accounts. The matches are the result of regular automated interfaces between child support records and financial institutions. In SFY 2001, the Office of the Attorney General filed 771 FIDM liens and collected more than \$4 million from them. The largest single lump sum collected was \$136,250.

dead beat versus dead broke



The Child Support Division includes a team of volunteer and outreach coordinators. They recruit volunteers to assist child support workers, educate the public about their rights and responsibilities regarding child support, and collaborate with community organizations and other state agencies to implement innovative programs that enhance child support collections.

In SFY 2001, volunteer and outreach coordinators recruited 661 volunteers and interns who worked 81,590 hours. Volunteer and outreach coordinators also made 699 child support presentations. In addition, they spearheaded a number of innovative programs designed to increase public awareness about child support and overcome barriers that prevent some parents from paying child support. These programs include:

- **PAPA (Parenthood/Paternity) Program:** PAPA is a child support rights and responsibilities curriculum developed by the Office of the Attorney General and made available to all secondary schools statewide.
- **POP (Paternity Opportunity Program):** POP trainers from the agency outreach staff instruct personnel in all birthing hospitals in the state on assisting unwed parents to acknowledge paternity for their newborns.
- **Non-Custodial Parent Referral Project:** The Office of the Attorney General and the Texas Workforce Commission developed a collaboration among the two agencies, local workforce development boards, and the judiciary to identify, refer, and provide employment and other services to non-custodial parents who qualify for Welfare to Work services.
- **Special Jail Project in Houston:** Twice each week, outreach staff contact inmates at two state jails in Houston and provide general child support information and transmit specific case information as requested. These fathers are given an opportunity to acknowledge paternity if they wish or to request a modification of their child support order.

volunteer and outreach programs

Through the efforts of its volunteer and outreach staff, the Child Support Division has worked collaboratively to assist fatherhood programs around the state. These programs help low-income fathers overcome barriers to being responsible parents and providing regular financial support to their children.

One of these programs is the Texas Fragile Families Initiative (TFFI), a community-based partnership that assists fathers in becoming more involved in the upbringing of their children. Child Support staff participated in peer learning colleges presented by TFFI. These colleges show Child Support staff how to work effectively with community-based fatherhood programs.

The Office of the Attorney General is part of a steering committee with representatives from the Hogg Foundation, Texas Fragile Families Initiative, the Center for Health Training, the Texas Fatherhood Initiative, and the Texas Youth Commission that is building local collaborations to foster a unified vision and complementary approaches for supporting fatherhood initiatives.

As part of the governor's Texas Fatherhood Initiative (TFI), the Office of the Attorney General, along with a number of other programs and agencies, held community-based seminars to expand public awareness of the fatherhood movement. TFI also held training on fatherhood programs, developed a prison-based curriculum called "Long-Distance Dads," and serves as a technical resource for parenting programs.

fatherhood initiatives



County support is critical to the agency's success in providing child support services. During SFY 2001, the Office of the Attorney General and county authorities worked together to strengthen their relationship and commitment to providing child support services. Ongoing meetings with county staff ensured that a county voice was heard on important issues. Through numerous site visits to collect data, provide training, and install equipment, agency staff learned firsthand about county concerns. To ensure that counties are properly compensated, the Office of the Attorney General provides reimbursement for court costs and services related to State Disbursement Unit (SDU) and State Case Registry activities.

Members of the County Advisory Work Group advise the Office of the Attorney General on child support issues. The group consists of a wide variety of county officials and meets regularly to discuss child support issues including operation of the SDU, changes to the Child Support program that affect counties, and monetary incentives for county partnerships. During the year, the Office of the Attorney General relied on this workgroup as an important source of county information.

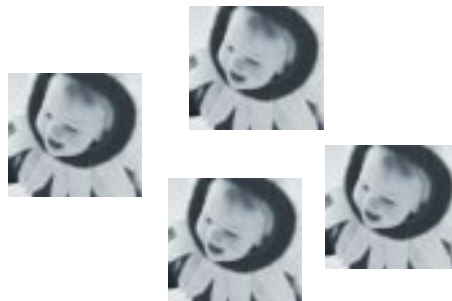
In SFY 2001, to compensate for the work they do to assist the Child Support Division, counties were reimbursed \$11.3 million for court filing and service fees. This amount is expected to increase since on September 1, 2001, a new law went into effect that allows counties to request reimbursement for processing administrative income withholding orders. During SFY 2001, the Child Support Division filed more than 568,000 administrative income withholding orders and expects that number to increase in the coming years.

county initiatives

During the year, the Office of the Attorney General worked closely with counties to ensure that enhancements to the SDU did not disrupt county operations. Redirection of employer payments to the SDU began on an employer-by-employer basis in order to provide an orderly conversion. The agency entered into contracts with 98 counties to provide customer service to those inquiring about child support payments. Counties were provided training on the use of the SDU database as well as automation support, including computers, printers, and Internet service providers.

In addition, the Office of the Attorney General worked with counties to develop a State Case Registry that will contain information on all Texas child support orders and enhance SDU data integrity. Staff visited Texas' largest 35 counties to encourage initial data loads and determine automation capabilities. The Office of the Attorney General is dependent on county participation to develop this registry, and 145 counties entered into contracts to provide information about new child support orders.

The Office of the Attorney General reimbursed counties under contract for SDU and State Case Registry activities for more than \$350,000 during SFY 2001.



Despite the successes of the last year, Attorney General Cornyn is aware that much work remains to be done if all Texans are going to receive the child support services they need. To meet that goal, the Office of the Attorney General has identified a number of new initiatives to pursue during the upcoming year. Some of the projects involve implementing new state laws passed in the last Legislative Session. Others are designed to meet specific needs of customers, external partners, and agency staff. All of the initiatives have been selected because they will help the Child Support Division collect more money and establish more paternity and child support orders for Texas families. Some of the initiatives are highlighted below.

Enhance customer services: The Office of the Attorney General will expand the number of call centers and enhance services provided by all call centers. To address the concerns of non-custodial parents, the agency plans to expand initiatives that focus on providing employment and parenting improvement opportunities for parents who aren't paying support because they are unemployed or under employed.

Enhance establishment and enforcement remedies: A multi-year project is underway to review and revise current child support processes to make case processing more effective and efficient. The Child Support Division will expand the use of the Financial Institution Data Match process. Through this process, staff identify and attach assets delinquent non-custodial parents hold in financial institutions. The agency will continue to phase in the Child Support Enforcement Network (CSENet). CSENet is a nationwide telecommunication network that facilitates the exchange of information among state child support agencies. In addition, the agency will work to implement new state legislation involving child support liens, paternity establishment, and child support interest.

plans for the future



Enhance automated systems efficiencies: The Child Support Division will continue to focus on streamlining the automated system. Additional systems projects involve improving technical infrastructure, capacity, functionality, and security.

conclusion

The Office of the Attorney General has rehabilitated a child support system that three years ago was dysfunctional and suffering from years of neglect. By putting children first, improving customer service, and developing innovative programs to strengthen families, we have increased child support collections by 63 percent. Today more children than ever are receiving the financial support they need and deserve.

conclusion



OFFICE OF THE ATTORNEY GENERAL
CHILD SUPPORT DIVISION
JOHN CORNYN