

LITTLE HOOVER COMMISSION



ENFORCING CHILD SUPPORT:
PARENTAL DUTY,
PUBLIC PRIORITY

May 1997

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May 13, 1997

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Speaker of the Assembly
and Members of the Assembly

The Honorable Curt Pringle
Assembly Republican Leader

Dear Governor and Members of the Legislature:

In the crush of public business, policy makers often do not have the opportunity to ask two important questions of existing government programs: Are the programs performing to commonly held expectations? And, are those expectations aligned with evolving community needs and public policies?

After reviewing California's Child Support Enforcement Program, the Little Hoover Commission has concluded that the program is falling far short of its traditional expectations. Of equal importance, given welfare reform and concerns over the financial health of the State's poorest families, the program is ill-prepared to take on a larger role in helping single-parent families meet basic human needs.

Moreover, significant improvements in the enforcement program cannot be achieved until the State resolves the immediate problem of the malfunctioning Statewide Automated Child Support System. The massive investment of time and money into a computer network that has so far done more harm than good to the child support effort raises serious questions about the State's oversight procedures for procuring and implementing large automation projects.

Historically, the Child Support Enforcement Program was created as an adjunct of the Aid to Families With Dependent Children (AFDC) program -- tracking down missing parents in welfare cases and requiring them to reimburse the government for its expenses. A second purpose was later added: securing support for families who without regular child support payments also might fall onto the welfare rolls.

Limits on welfare benefits will transform child support into one of the primary means of financial survival for many single-parent families. In other words, the Child Support Enforcement Program in the future will not be about keeping single-parent families off of welfare or reimbursing the government for welfare benefits. It will be about supporting children.

One of the inexcusable shortcomings of the existing effort is the lack of reliable and comparable performance data. But the best numbers available show that fewer than one in eight children who are entitled to financial help from an absent parent receives that support. While that may have been tolerable when the poorest of those children received AFDC, it is unconscionable if those children become wholly dependent on custodial parents finding jobs and noncustodial parents paying support.

Every child counts and California has been committed to enforcing child support since the days when cases were rare and the numbers few. But circumstances have elevated that public commitment to a public imperative. Today, one in three children in California are born out of wedlock. Four in 10 children are not living with both of their biological parents. By one estimate, 3.5 million children in California require child support services.

California's program directors and policy makers in recent years have created new enforcement tools such as the Franchise Tax Board's delinquent collections program. But much more needs to be done for the program to ensure that more support is paid to more children.

The Little Hoover Commission's report, which is being transmitted to the State's top policy makers with this letter, includes findings and recommendations in five areas:

- ***Vision.*** Child support efforts in California will only be successful when the management of the program is improved and the critical mass of political support is brought to bear -- on businesses and the bureaucracy -- to make child support an inescapable obligation on the part of non-custodial parents.
- ***Accountability.*** In California, day-to-day functions of the enforcement program are delegated to the counties. But the current system of gathering and reporting performance data -- along with performance evaluation and incentive systems -- is so weak that the State is rewarding excuses rather than results.
- ***Division of labor.*** Child support officials have defended aggressively the current division of responsibilities between the State and the counties. But federal mandates, technological advances and successes at the state level require the division of labor to be re-examined, and for policy makers to fashion a system that encourages continuous improvement.
- ***Automation and process.*** The State's centralized automation system is overdue, over budget and will only perform as anticipated if the State takes the leadership responsibility to pull together the best talent available to evaluate its options. As automation is achieved steps must be taken to protect the rights of, and provide accurate information to, custodial and non-custodial parents.
- ***Welfare reform.*** Finally, in order to meet the challenges presented by welfare reform, the State must assess the potential for child support to meet the needs of poor families. It must develop innovative strategies for reaching those non-custodial parents and it must document the costs and benefits of such programs to allow for informed policy making.

An additional controversy that has preoccupied the public agenda concerns the guidelines used by judges to set the award paid by non-custodial parents. The debate, which is described in the background section of the report, focuses on raising or lowering the award levels. Without quantitative data, the debate has been dominated by dueling anecdotes. Fortunately, the Judicial Council is studying the issue and is expected later this year to provide the kind of information that would allow for thoughtful consideration of potential amendments. For that reason, the Commission did not reach any conclusions concerning the guidelines.

Moreover, the time and resources that policy makers have to spend on this issue in the near term should be allocated toward making the enforcement program effective. Most of the child support cases in California do not have orders in place -- and in those cases, where the greatest difference can be made in the lives of the youngest Californians -- the guidelines are not yet the defining issue.

The Little Hoover Commission stands ready to work with the Legislature and the Governor to make these reforms a reality.

Sincerely,

A handwritten signature in black ink, reading "Richard R. Terzian". The signature is written in a cursive, flowing style with a long horizontal stroke at the end.

Richard R. Terzian
Chairman

Enforcing Child Support:

Parental Duty, Public Priority

May 1997

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Executive Summary



Executive Summary

Long before the United States declared war on poverty and attacked destitution family by family, it was a crime for parents to financially neglect their children. Now that policy makers have decided there is a limit to the nation's generosity, parental child support is expected to once again become the first resort for keeping children warm and fed.

Before that can happen in California, the State's Child Support Enforcement Program needs substantial improvement.

The federally mandated program is operated by the Office of Child Support in the Department of Social Services. The State has delegated to the county district attorneys many of the day-to-day responsibilities of finding parents, obtaining support orders and enforcing those obligations. Scores of other public agencies and -- with universal wage assignments -- virtually every employer in the state have been recruited to help make parents financially responsible for their children.

Despite an escalating effort in recent years, the program's performance has lagged behind the social trends that have made child support enforcement second only to public education in the number of children involved. A persistently high divorce rate and increasing out-of-wedlock births have eroded away the two-parent family structure that is more capable of providing the financial resources needed to independently escape or avoid poverty.

One in three children, it is estimated, will live in a single-parent home at some point in their youth. For the last 40 years, welfare propped up the most

financially unstable of these fractured families. With the new limit on benefits, single custodial parents who do not find jobs will have to fall back on something far less reliable than welfare -- child support.

State child support officials and their county partners point out that more support is being collected than ever before. They maintain that California is well down the road to improvement, and all that lies between today and success is the time it will take for enacted reforms to be implemented.

But compelling evidence undermines their optimism. Fewer than half of the families who have asked for help in securing child support have a court order in place. Of those, fewer than half are actually receiving any money. And those numbers overstate the success because they do not include the tens of thousands of cases that prosecutors in California give up on each year. When all cases are taken into account, one in eight families who are entitled to support receive it. Hope can be found in some counties that have made tenacious gains, but so far that progress has not been contagious.

In the course of conducting this study, the Little Hoover Commission discovered that it is possible to run an effective child support program and even to turn a bad program around. Massachusetts did it. California can do it.

The Little Hoover Commission also found that despite the confidence of state officials and promises that technology purchasing procedures have been reformed, the State is struggling to salvage a \$300 million computer network that is brand new and barely functioning. The Statewide Automated Child Support System (SACSS) may work someday. But today, the computer system actually has increased the chances that children are not receiving the financial support they deserve.

And the Commission discovered that impending welfare reforms create challenges for a child support program that has not lived up to modest, pre-reform expectations. To successfully implement federal requirements -- including creation of a centralized collections unit -- state social service workers, county law enforcement officials and legislative leaders will need to fundamentally put children at the center of reform efforts.

The counties that have crafted respectable child support enforcement programs report that this is one government program that really can be run like a business. Following mainstream corporate wisdom, they have fashioned people, process and technology to efficiently and effectively accomplish the task at hand. If that success is going to be replicated statewide, the State will have to adopt the same time-tested strategies, and do so with a passion commensurate to the importance of the task.

In short, State leaders need to make child support a priority. California's counties, as the day-to-day operators of the program, have to be held

accountable for meeting minimum performance standards. Whether prompted by federal welfare reforms or California's innate ambition, reorganization efforts should be guided overwhelmingly by the imperative that children deserve the best possible service. Automation needs to be pragmatically embraced to accomplish the routine and counterweighted with a pledge to resolve problems person to person. And finally the commitment to do better must be renewed with every birth in California, because every child is entitled to financial and emotional support.

With considerable effort, improved child support has the potential to address poverty in a way that government welfare never could. Benefits may be limited, but parenthood is for life.

After more than a year of research and analysis, with the cooperation of public officials and public advocates, parents and their representatives, the Little Hoover Commission has reached the following findings and recommendations:

Defining Vision

Finding 1: The management of state Office of Child Support has not defined a vision, provided the leadership or developed the public and private partnerships necessary for the enforcement program to reach its potential.

California has the toughest enforcement tools in the nation, and one of the lowest collection rates. Statutes, regulations and technologies by themselves are dull implements that can only be honed with public leadership. An essential ingredient in other states that have improved child support collections has been enthusiastic and unwavering political support from the highest ranks of the executive, legislative and judicial branches.

Recommendation 1: To reach its potential, the state Child Support Enforcement Program needs a proven manager capable of developing a management team of the best talent available, creating a strategic vision for increasing orders and collections and inspiring statewide backing for the program.

Political capital is what elevates public programs to public imperatives. It inspires public workers and raises public awareness. Leadership cannot be legislated. But there are some mechanisms that could be used by emerging leaders to make child support reform a priority. Measures the State should take include the following:

- The Chief of the Office of Child Support Enforcement should establish a Child Support Leadership Council composed of representatives of

involved state departments, county district attorneys and welfare offices and advocacy groups. The council should meet monthly to identify collective problems and potential solutions. At least once a year, the council should be chaired by the Secretary of the Health and Welfare Agency for the purpose of setting program goals, agreeing on state and federal legislative priorities and identifying new policy issues that the council will explore in the coming year.

- The chief of the Office of Child Support should create regional panels of district attorneys, welfare officials and parent representatives who will meet quarterly to identify coordination problems and potential solutions and to review new policies and regulations.
- The chief of Office of Child Support should encourage the faculties of the California State University System and the University of California to help design, test and refine strategies for ensuring support payments for children.
- The chief of the Office of Child Support should develop a plan and seek legislation to create a training program for top county family support workers to inform them of state and federal rules and effective management practices. The State should draw on the expertise of counties, the private bar and other states to make the training practical and high-caliber.

Creating Accountability

Finding 2: The State does not hold county child support programs accountable for meeting minimum performance standards and depends on unreliable data to reward counties for undocumented successes.

The state Child Support Enforcement Program has put its desire to build a partnership with county district attorneys ahead of its obligation to hold counties responsible for collecting support. The counties openly concede they give up on cases and alter data collection methods in order to minimize criticism and maximize incentive payments. The State declares large numbers of counties in compliance with procedural norms with little evidence to support that conclusion -- and there are no significant consequences for counties that fail to meet the norms.

Recommendation 2: To develop an effective child support program, the State should collect reliable data from the counties, conduct sound evaluations and enforce minimum performance standards.

The county district attorneys want -- and should have -- the liberty to make all of the day-to-day decisions about how to administer local aspects of the child support enforcement program. In exchange for that freedom, however, counties should be required to report reliable data on program performance so that the public and state officials can hold locally elected officials accountable for that performance. Measures the State should take include the following:

- Require counties to gather verifiable, uniform and comparable data on the performance of child support efforts. The data should be audited by the State annually. The accounting rules should allow for two classes of cases -- cases that are open and active, and difficult cases that are no longer actively worked but are periodically matched against databases to locate missing parents or assets.
- Create a rigorous county evaluation system that determines whether counties are in compliance with federal and state procedures. The system should require valid statistical evidence affirming that a county is satisfying minimum standards before the county can be found in compliance. Counties that are out of compliance in the same category for two or more consecutive years should be financially sanctioned.
- Amend the incentive system to be success-based. Only counties in compliance with all state and federal child support regulations should be eligible to receive incentives. The incentive system should be simple enough to enable counties to identify clear goals and should reward only those counties that demonstrate continuous improvement in outcomes -- such as providing a specified payment for each paternity or support order established.
- Publish, in collaboration with child support advocacy groups, the California Family Support Council and the California District Attorneys Association, an annual report card based on uniform and agreed-upon data to clearly reveal how individual county family support divisions have performed during the previous year.
- Allow parents to sue counties for failing to satisfy minimum federal and state performance standards.
- Develop, in collaboration with the best performing counties, assessment teams made up of the best county talent available. The teams should analyze the operations of the poor performing counties, provide suggested best management practices to cure the biggest problems, and report on their findings to the county board of supervisors and to the district attorney.

- Link the state child support investment fund with the assessment teams to help counties fund reforms that the teams recommend. Counties should be allowed to “pay back” the funds by demonstrating that the improvement resulted in cost savings to the state General Fund of an amount equal to the loan over a specified number of years.

Maximizing Collections

Finding 3: In dividing child support enforcement duties between the counties and the State, the opportunity is being missed to develop efficient and flexible solutions that encourage ongoing innovations that will maximize collections.

When the mail arrives, what matters most to struggling families is that absent parents are held financially responsible for their children. They are not overly concerned with whether the check was processed in Sacramento or in Siskiyou County. Organizational design does shape accountability and efficiency. But far too much improvement is needed to allow efficiency to be compromised in order to preserve the status quo or the balance of power.

Recommendation 3: The State should centralize functions that it is compelled to by federal law or that it can inherently do more efficiently and effectively than all counties. Otherwise, the State should encourage partnerships and pilot projects that foster competition, innovation and provide counties with options for enforcing orders and collecting support.

Many factors appropriately influence reorganization efforts, such as the collection and disbursement of child support. The system has to be secure, it has to satisfy federal rules, it has to be cost-effective. One dynamic demonstrated by the Franchise Tax Board's collections program is that competition between government agencies can spur improvements just like competition between private-sector businesses. These valid considerations should guide an ongoing reassessment and realignment of child support functions. Preserving a division of labor for the sake of tradition should not be a factor in the debate. Measures the State should take include the following:

- Revise the Franchise Tax Board's successful collections program to encourage counties to make better use of those services and to mandate that counties not meeting minimum performance standards turn delinquent cases over to the FTB. One way to encourage greater county participation would be to develop a sliding fee scale allowing counties to keep a larger percentage of the collection incentive money

in delinquent cases the quicker they refer cases to the FTB. Counties would be allowed to choose which cases they refer to FTB for enforcement, unless the counties are not in compliance with performance mandates.

- When establishing a centralized collection unit, give high priority to the option that provides the maximum possible convenience to employers and paying parents and the quickest disbursement of funds possible to receiving families -- such as the use of electronic fund transfers and the use of automatic teller machines to distribute support. The design and procurement process should explore the entire continuum of possibilities -- from complete privatization, to private-public partnerships to operation by a state agency. The State should periodically revisit the issue to ensure that the latest technological developments are being employed to maximize collections and convenience.
- Require the agency or agencies that are made responsible for distributing child support payments to operate a service as in Massachusetts that is capable of answering all collections-related questions and resolving collections-related complaints from parents, employers or other involved members of the public.
- Create a statewide property lien that can be established by each county district attorney.
- Enact legislation making willful and repeated failure to provide child support a felony, in order to help resolve interstate and other difficult cases. To the extent possible, the statute should be crafted to maximize the ability of prosecutors to capture non-custodial parents in other states, while minimizing the effects on over-crowded prisons.
- Pass a legislative resolution urging the federal government to aggressively enforce felony child support provisions of federal law.

Realistic Automation & Fair Process

Finding 4: The attempt to automate child support casework statewide has sacrificed current financial support, has failed to put a priority on delivering the easy benefits of automation quickly and reliably and is creating due process concerns for future cases.

A lot has gone wrong with the Statewide Automated Child Support System. Among the unanswered questions is the effectiveness of past reforms to the State's procurement process that were made following the Department of Motor Vehicles computer controversy. In this case, however, the

consequences go beyond the possibility of unwise expenditures of public money. In this instance, functioning child support enforcement programs have been hobbled by an overly complex system that so far cannot perform simple tasks. As a result, some children have not received needed support. At the same time, in automating the enactment and enforcement of support orders, officials have not adequately provided for fair notice and complaint procedures, which are essential to maintaining public confidence in government programs.

Recommendation 4: Given the high stakes involved in child support, the State should prepare for the possibility that SACSS will never function properly. The State also should rigorously review the existing oversight provided by the Department of Information Technology. And the State should craft policies that enhance automation while maintaining basic fairness.

The frustrating reality is that several counties in California, independently of SACSS, have automated routine steps in securing and enforcing child support orders. What those counties needed -- and what eventually all counties could have benefited from -- was a centralized case registry and easy access to other databases that can provide information on the location of missing parents and their assets. The State was led down the road to SACSS with specific directions from the federal government, but that does not mean that it cannot pro-actively devise strategies that will meet California's business needs. Specifically, the State should take the following measures:

- As soon as possible, but no later than the Department of Information Technology's mid-summer goal, the State should make a decision about how or whether to proceed with SACSS. That determination will require reaching beyond the technical questions to consider fiscal consequences and the long-term ability to increase child support collections. The Department of Information Technology, in collaboration with the Health and Welfare Data Agency, should empanel a group of the best public and private industry talent available to help it make this judgment call -- assessing whether SACSS can be made to work within a reasonable time frame at a reasonable cost and to identify alternative solutions. The group should meet with representatives from Lockheed Martin/IMS and with State and county officials to help define the problems and possible options. The California Council on Science and Technology could be called upon to fulfill the advisory role or could provide a model for the advisory group.

- While the SACSS corrective action plan is being implemented, the State should devise a backup plan for automating basic child support functions should SACSS fail to efficiently perform those functions.

The backup plan should explore potential funding sources, including federal assistance.

- After the problems with SACSS are resolved, an independent review of the Department of Information Technology should be conducted, perhaps by the Little Hoover Commission, to determine if the oversight responsibilities of the new agency have been implemented effectively.
- Accelerate implementation of a central case registry for child support cases.
- Develop a uniform complaint procedure and dispute-resolution process to be used by the counties and monitored by the state Office of Child Support.
- Require that all written contacts with non-custodial parents include clear and understandable descriptions of the consequences that result from not appearing for scheduled court dates and not complying with orders of the court -- including all of the enforcement actions that can be taken automatically against delinquent non-custodial parents.
- Allow for service of legal documents by mail to non-custodial parents. However, every effort needs to be taken to use the most valid address available. And because poor information undoubtedly will lead to inadequate notice, when service is provided by mail non-custodial parents should have an automatic right to reopen resulting court decisions within a limited time after the first assignment of wages. To increase the chances that mail service will be successful, wherever possible notices should be mailed both to a residence and to the workplace where a wage assignment would be sent.

When Welfare Ends

Finding 5: The existing child support program is not adequate for providing all of the financial help that children will need when welfare benefits expire.

The proportion of families who are entitled to child support compared to those who are receiving child support is less than one in nine. Welfare reforms are likely to result in more custodial parents getting jobs. Reforms also may encourage some custodial parents to fully cooperate with child support authorities in securing orders against absent parents. But many child support officials do not believe those reforms, or other reforms underway to bolster child support collections, will be enough to provide the other eight families with the financial help they will need.

Recommendation 5: The State must develop and fund new strategies for more effectively collecting child support in cases where families now receive welfare payments. The strategies must include mechanisms for measuring the costs and benefits of child support enforcement efforts so policy makers can make informed decisions about the appropriate level of funding.

There always will be neglectful parents, but the social conditions defining the problem will be constantly changing. Accurate and detailed assessments of different enforcement tools are essential to creating comprehensive strategies for helping children by helping their parents. Specifically, the State should take the following measures:

- Direct the Department of Social Services to prepare, with the assistance of the State's universities, a detailed analysis of how much of the child support caseload can reasonably result in orders under contemporary automation, how much of the child support caseload can never realistically result in a paying order and what are the characteristics of the cases that fall in between.
- Allow for one or more counties to establish pilot projects intended to produce reliable child support in those cases not being reached by current strategies. The potential pilot projects could include a support assurance program in which the government makes up the balance between the support received and a minimum financial benefit, experiments with prenatal paternity establishments and child support orders established at birth.
- Allow for one or more counties to create programs allowing underemployed or unemployed noncustodial parents to work off public child support debts by performing community service or a combination of community service and worker training.
- Commission a detailed cost and benefit analysis of child support enforcement in order to allow for an informed discussion on future funding of those programs. This analysis will be essential to change attitudes and maintain the same political backing for child support efforts as existed when the program's goal was to recover welfare expenditures.

Introduction



Introduction

Parents gauge their success by the success of their children. And communities often judge themselves on the collective care and attention afforded their youngest citizens. It is difficult to envision principles more essential to a sustainable society.

The Little Hoover Commission has developed a tradition of examining public policies intended to serve California's children. The Commission has reviewed programs for abused and neglected children, homeless children and latchkey children. The Commission has conducted several reviews of educational and juvenile justice policies. In this report, the Commission looks at a state program that involves more California children than any other public program besides education.

The size and scope of the Child Support Enforcement Program is the product of a rapidly growing number of single-parent families, an evolving public assistance program, and perpetual compassion for children who -- because of circumstances beyond their control -- grow up in poverty.

The Commission was drawn to the issue by the relationship between welfare reform and child support enforcement. It wanted to examine claims that the enforcement program could be more effective than it is today in recouping government expenses and providing financial help for families who will no longer be able to rely on public assistance as a permanent means of survival.

In conducting the study, the Commission empaneled a Child Support Advisory Committee composed of representatives of state and local agencies, parent and advocacy groups, researchers and the private bar.

The Advisory Committee met four times to identify the hurdles that have prevented the enforcement program from becoming more effective and efficient, and to discuss potential reforms. (A list of Advisory Committee members is in **Appendix A.**)

The dynamics of the committee also revealed the antagonism and frustration that has come to characterize efforts to reform the Child Support Enforcement Program.

State officials believe the program is on the mend, that most of the criticism leveled against it is unwarranted, and that those criticisms that are justified will be cured by automation.

County officials, similarly, believe their programs operate as well as can be expected, given the social problems and public priorities. An excerpt from a letter to the editor by the Los Angeles County District Attorney and Family Support Bureau director captures the sentiment:

It is both inaccurate and misguided to blame child-support enforcement agencies for the poverty suffered by children who do not receive regular child-support payments. Primary responsibility for this growing social epidemic rests with parents who fail to meet their legal and moral obligations.

Divergently, parents and their advocates are much more willing to blame a program that they believe too often fails to perform as intended.

In addition to the Advisory Committee, the Little Hoover Commission conducted two public hearings, one in January 1996 and a second in October 1996. (A list of the witnesses is in **Appendix B.**) Among the witnesses was a representative of the Commonwealth of Massachusetts, where the reshaped child support enforcement program became a model for the child support reforms in the federal Personal Responsibility and Work Opportunities Reconciliation Act of 1996.

The Little Hoover Commission also conducted an extensive literature review. That research was followed by interviews with experts and advocates in California and other states.

And finally, the Commission turned to the individual counties that have the day-to-day responsibility for enforcing support -- to develop a detailed understanding of how the systems operate, how the counties relate to the State and how practitioners define the program's problems and the potential solutions. The Commission conducted site visits at seven county Family Support Divisions and conducted in-depth interviews with the family support directors from another 17 counties. (A list of the counties visited is in **Appendix C** and a list of the county directors interviewed is in **Appendix D.**)

The Commission's conclusions are a product of this process and are documented in this report. Because of the urgency of this issue, the Commission has developed recommendations that it believes to be politically feasible and financially practical.

The report begins with a Transmittal Letter, an Executive Summary and this Introduction. The following sections include a Background and five chapters: Defining Vision, Creating Accountability, Maximizing Collections, Realistic Automation and Fair Process, and When Welfare Ends. The report closes with a Conclusion, Appendices and Endnotes.

Background

- ❖ *Child support enforcement was developed as a way to keep welfare costs down and children out of poverty in the face of soaring divorce rates and increasing numbers of out-of-wedlock births. Welfare reform will put an even greater burden on child support to combat poverty.*
- ❖ *California ranks near the bottom among states in enforcing child support. The State is counting on a new computer system to solve its problems, but the system is plagued with difficulties and may not be salvageable.*
- ❖ *Because child support programs receive federal funds and recover welfare dollars, the State earns more from the enforcement efforts than it spends. But welfare reform will change that equation. With limits on aid, the savings realized from enforcing child support will be more indirect.*

Background

Practitioners of child support enforcement like to say that child support policy is contentious because it involves the two things that people care about most: their children and their money. The axiom understates the issue's volatility. Child support also involves millions of dollars in public money and so many children that the scope and tenor of enforcement efforts reflect the philosophical tenets of broader -- and always controversial -- social policies.

Beyond the political pathos and the social pathologies, enforcing child support laws is difficult for even the most effective people and organizations. The program involves large numbers of people and a diverse population. Some parents demand quick action, some parents feign cooperation and some parents avoid responsibility with criminal intent.

And if child support is the solution, the problem of single-parent families has grown in recent years at an alarming pace. More and more children are growing up in single-parent families, and as a result are vulnerable to poverty and the social cancers that poverty breeds.

This background section describes the demographic trends and recounts the development of child support policies and programs that have been crafted to address those trends. For as long as there have been full-fledged child support programs, there have been efforts to reform those programs. And program reform now has taken on a new urgency as effective child support enforcement is seen by some as the fuel that can get welfare reform off the launch pad.

Of the People

The disintegration of America's ideal two-parent family -- as expressed here by David Blankenhorn, author of the book *Fatherless America* -- has become a universal lament.

Tonight 40 percent of American children will go to sleep in homes in which their fathers do not live. This historically unprecedented estrangement of adult males from their children and from the mothers of their children is the most harmful social trend of our generation.¹

Stepping aside from the debate over causes and cures, there is wide agreement on the seriousness of the problem and its relationship to the compendium of social maladies: Under the best of circumstances single parents often have difficulty making ends meet. Young, single mothers too often are under-educated and under-employed and as a result they often live in poverty. Poverty puts children at risk of criminal delinquency, drug use, and poor physical and mental development -- and as a result often delivers them to their own adulthood, under-educated and under-employed.²

Not everyone, of course, is pulled into the back alley of destitution. But the chairperson of the U.S. Commission on Interstate Child Support told Congress that financial stresses make one-parent families far more vulnerable to these social ills than two-parent families. For many of these families the best defense against poverty is regular financial help from the other parent:

Single-parent families often face a bleak future. About 30 percent of female-headed households live in poverty. One of the leading causes of that poverty is inadequacy of child support. In fact, three quarters of custodial mothers entitled to child support either lack child support orders or do not receive full payment under such orders. In no other area of financial responsibility does this country tolerate such an abysmal record.³

In the 1993-94 fiscal year, 75 percent of all single-parent families in California received some kind of public aid, including minor assistance such as subsidized school lunches; 62 percent of single-parent families received Aid to Families with Dependent Children (AFDC), Supplemental Security Income, Food Stamps or Medi-Cal.⁴ Participation reflects, in part, the fact that some of those programs are aimed at helping single-parent families. But their participation also stems from the reality that single parents are three times more likely to live in poverty than their two-parent peers.⁵

Those statistics also show why federal child support policies were first created to collect reimbursement for welfare expenditures from missing parents, and then expanded to help all single-parent families who need assistance in receiving child support so as to avoid slipping into poverty.

How much difference does a support check make? Single-parent families without orders have a mean annual income of \$13,283. Those with support orders who receive all the support due have a mean income of \$19,217.⁶

Definitions and Trends

From 1960 to 1990, the composition of American households changed dramatically. The number of married couples with children declined from 44.2 percent to 26.3 percent of the population. The percentage of men and women living alone climbed from 13 percent to 26.6 percent. And the percentage of single-parent families nearly doubled from 4.4 percent to 8.3 percent. That last trend understates the impact on children, because over time more married couples with children have come to include children from previous marriages.⁷

Families traditionally have been defined as mothers, fathers and children. But as tradition changes so does the terminology. In the context of child support, families are defined in terms of custodial parents and non-custodial parents. But they still include children.

- **Custodial parents.** Nationwide, 86 percent of custodial parents are women. There are 1 million single-mother families in California (8 percent of all households) and there are 220,000 single-father families (2 percent of all households).⁸ About one-half of all custodial fathers are currently married; but only about one-quarter of all custodial mothers are currently married. While 13 percent of custodial fathers live below the poverty line, 35 percent of custodial mothers live below the poverty line. While custodial fathers tend to have somewhat more education, more than half of custodial mothers and fathers have not attended college.⁹

Important distinctions also can be found between custodial mothers who are divorced and those who were never married: 24 percent of the never-married women have support awards, compared to 77 percent of divorced woman.¹⁰ Never-married women also receive far less in support than divorced women -- \$1,534 a year on average for never-married women compared to \$3,442 a year for divorced women.

- **Non-custodial parents.** Nationwide, 86 percent of non-custodial parents are men. A 1993 federal study of non-custodial fathers ages 23 to 31, found that 75 percent were single and 25 percent were married. Most reported only one child that they did not live with. The median income of young non-custodial fathers was \$15,000, compared to \$20,000 for all men of the same age. While some had incomes greater than \$40,000, 9 percent had no income and 20 percent of young noncustodial fathers had income below the poverty line.¹¹ A 1993 state survey showed that incarceration accounted for 1.9 percent of the missing parents in welfare cases.¹²
- **Children:** Between 1960 and 1990, the percentage of children nationwide who were living with only their mother nearly tripled -- from 8 percent to 21.6 percent. Similarly, the percentage of children living with only their father nearly tripled from 1.1 percent to 3.1 percent. In addition, because of divorce and remarriage, 16 percent of children in 1990 were living with one biological parent and one

stepparent.¹³ In total, four in 10 children in 1990 were not living with both of their biological parents.

Two trends underlie these changes: divorce and out-of-wedlock births. A third issue imbedded in these trends is often the focus of public concern, teen-age pregnancy. Because single young women are often financially incapable of supporting themselves and their children, they are often central to welfare reform and child support policy debates.

- ***Divorce.*** After gradually increasing since 1921, the divorce rate in the United States doubled between 1963 and 1978. While the divorce rate has been flat since then, the U.S. Census Bureau estimates that half of all marriages occurring since 1970 could be expected to end in divorce, with the majority of those divorced persons remarrying.¹⁴ Even a steady divorce rate, however, will yield an increasing number of affected children because of population growth among Californians in their child-bearing years. While divorce remains the primary reason for children living with one parent, out-of-wedlock births is playing a larger role in redefining family.
- ***Unwed motherhood.*** The rate of non-marital births has been steadily increasing -- from 1966 to 1993 the rate went from 9 percent to 35 percent of all live births in California. While a large percentage of unwed mothers are teen-agers, non-marital births have been increasing for women of all age groups. For example, between 1966 and 1991, the percentage of non-marital births to women age 15 to 17 grew from 33.6 percent to 76.6 percent; for women age 18 to 19 it grew from 16.7 percent to 62.55; and for women age 20 to 24 it grew from 8.4 percent to 42.3.¹⁵ Similarly, while older and more educated women make up a small percentage of the out-of-wedlock births, the rates of non-marital births have increased faster in those categories than among less educated and younger women.
- ***Teen-age pregnancy.*** Both nationally and in California, the rates of teen-age pregnancy increased rapidly from a low in 1984 to a high in 1991. California's teen pregnancy rate, however, is higher than the national rate. In 1993, California's teen pregnancy rate was 70.6 births per 1,000 female teen-agers. Nationally, the pregnancy rate was 60 births per 1,000 female teen-agers.¹⁶

Welfare reform -- and in particular the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) -- was intended to discourage out-of-wedlock births, particularly teen-age motherhood, by reducing available benefits and encouraging public education.

But even if welfare policy reforms help to reduce the birth rate, demographers say that in the near term the numbers of single-parent families will increase significantly. Between 1995 and 2005, the Center for the Continuing Study of the California Economy expects the numbers of single mothers in California to increase by 24 percent, compared to a 2 percent increase nationwide.¹⁷

The large number of women who will be in their child bearing years during the next 10 years will far and away outstrip any reduction in fertility rates.¹⁸

Not all of those families will become clients of a government child support enforcement program. About one half of the child support cases are established as part of divorce settlements that might also include custody and visitation, spousal support and property division.

Some of those people will be represented by private attorneys or will represent themselves in court -- but either way the enforcement program is not involved.

The other half, however, will either be required to participate in child support programs as a condition of receiving welfare benefits or will exercise an option allowed by federal law to have the government seek to establish or enforce a support order on their behalf.

When Mom is a Teen-ager

Policy makers are often most concerned about child support policies affecting poor families. Those families often receive welfare benefits, raising fiscal concerns. Without some help -- welfare or child support -- many of those children would go hungry. Teen-age mothers often fall into this category. Some facts:

- Fathers of children born to teen-age moms are usually adults. According to the Senate Office of Research, 56 percent are 20 years old or older; 42 percent are between ages 20 and 24 years and 14 percent are 25 and over.
- The Legislative Analyst estimates the annual state and federal costs for AFDC, Medi-Cal and food stamps to California families that began with teen-age parents to be \$5 billion to \$7 billion.
- Poverty and poor school performance are strong predictors of teen pregnancy. According to the Department of Health Services (DHS), teen-age mothers are likely to have been poor, stay poor and need welfare in the future.
- The vast majority of teen mothers are unmarried. In 1993, 69.8 percent of teen mothers were unmarried, DHS reported, compared to only 30.4 percent of older mothers.

Public Response and Policies

The public response to these demographic trends has been multi-dimensional -- public assistance, targeted educational and nutritional programs and medical care. During this evolution of public programs, child support enforcement has been transformed from one more section in the Penal Code to an extensive government program.

The fundamental law applies to the rich as well as the poor -- parents must provide for the physical needs of their children. But as government welfare expenditures increased to provide for families where the father was neglecting his obligations, policy makers began to rethink the role of child support. As more children were born out of wedlock, establishing legal paternity became a large component of securing support. And as the sheer number of cases increased, automation has been relied upon to track down parents and collect support. As welfare programs are redefined to encourage financial independence, the role of child support and the strategies involved will have to change, as well.

From Crime to Cure

First and foremost, failing to care for one's children is a crime. In 1872, the Legislature passed its first law affirming the State's interest in ensuring that parents live up to the most fundamental of obligations:

*Every parent of any child who willfully omits, without lawful excuse, to furnish necessary food, clothing, shelter or medical assistance for such child, is guilty of a misdemeanor.*¹⁹

The criminal statute has been revised periodically: A 1909 amendment made the offense punishable by up to two years in state prison, a \$1,000 fine or both. A 1915 amendment made it clear the law applied to "either a legitimate or illegitimate minor child." A 1957 amendment reduced the maximum imprisonment to one year in jail. And a 1983 amendment made the maximum fine \$2,000.²⁰

The criminal sanction was the pillar of child support until the contemporary welfare program arrived and child support enforcement became an adjunct of the social program. The federal welfare program was initiated in the 1930s as a widow and orphan relief fund -- cases that were few in number and in which single parents were expected to stay home and care for their children.²¹

In the 1950s, the program was expanded to include children of fathers who were alive, and the caseload began to grow. (Today, 85 percent of the cases involving AFDC in California involve families with a missing parent, in nearly all cases the father. The rest of the aid goes to families with unemployed or incapacitated parents.)²²

In 1950 Congress passed its first child support enforcement law, requiring state welfare agencies to notify law enforcement officials when giving aid to a family abandoned by a parent.²³ The Legislature responded in 1951 by making county welfare departments and district attorneys responsible for child support. The statute required welfare officials to immediately notify district attorneys of absent parents and district attorneys were required to investigate those cases. The historical context of that decision was recounted in 1971 by the state Social Welfare Board:

*This statute was enacted because the public had become concerned about welfare costs, and little was being done about securing contributions from absent parents. As welfare departments were considered to be largely responsible for the failure and it was thought district attorneys would take a different view, the entire responsibility was shifted to district attorneys. No discretion was left to welfare departments.*²⁴

The caseload began to grow even faster as single-parent families became more common. Between 1970 and 1980 alone, the number of families headed by women doubled and the number of children with never-married mothers tripled.²⁵

These dramatic trends provided grounds for political compromise between conservative policy makers who wanted to increase child support enforcement and reduce welfare payments and liberal policy makers who backed stronger child support programs as a way to defend the welfare program.²⁶

In 1974, Congress created Title IV, Part D of the Social Security Act (PL 93-647). The amendment created a federal child support enforcement program -- often known as the IV-D program -- and delegated to the states the day-to-day responsibility for tracking down absent parents, establishing a legal order of support and enforcing that order. To qualify for federal welfare money, states were required to implement child support programs to federal standards, and in turn the federal government agreed to pay for two-thirds of the child support program costs.²⁷

Division of Labor

Implementation of the program varied from state to state. Most states -- 32 -- have centralized programs operated by the state agency responsible for the welfare program. More recently a number of states -- including Massachusetts and Arkansas -- have transferred the program to the state tax collection agency. In Texas, the child support program is the responsibility of the Attorney General.

In California, the child support enforcement program is in the Department of Social Services (DSS) and the day-to-day responsibilities have been delegated to the district attorneys in the 58 counties. Within the DA offices, child support operations are assigned to family support divisions (FSDs) -- which often employ more people than the prosecutorial divisions, though only a few of the workers are attorneys. Eight other states -- some with large and some with small caseloads -- have county-run systems: Alabama, Colorado, Minnesota, New Hampshire, New York, North Dakota, Ohio and Pennsylvania.

A third major partner in the child support enforcement program is the judiciary. California and 32 other states rely on the courts to establish paternity and support orders. From the judicial perspective, child support is part of the complex and cumbersome area of family law -- intertwined with issues of divorce, property settlements, custody and visitation.

In addition, a number of other state agencies in California have been enlisted to lend their expertise to finding missing parents and their assets. Among them:

- ***Attorney General.*** The Department of Justice operates the Parent Locator Service, which matches names with social security numbers, criminal records and other databases that help to find missing parents. The Attorney General also represents counties and the State in legal cases involving child support.
- ***Employment Development Department.*** The department collects information from employers to help track down missing parents and to assign wages. It also intercepts a portion of workers

compensation and unemployment payments that would otherwise go to non-custodial parents who are delinquent on child support payments.

- **Franchise Tax Board.** The board operates a voluntary service for counties in which it uses its records to help find missing parents, and its authority to administratively issue bank liens and assign wages to collect past-due support.
- **Department of Consumer Affairs.** The department's professional licensing boards revoke business licenses of parents who are delinquent on child support payments.
- **Department of Motor Vehicles.** The department revokes the drivers' licenses of parents who are delinquent on child support.

Many of these agencies have become involved because they possess or have access to computer databases needed to locate parents or assets. The counties rely on searches of those databases daily, weekly, monthly and quarterly -- depending upon how frequently they are updated. Some counties have gone beyond the information provided by these agencies to tap into Department of Defense records, credit reports and other databases that might provide that solid clue that leads to a support order.

The information, however, is only as useful as it is current, accurate and complete. The relationships among these agencies are not always good, and most importantly, the relationship between county district attorneys and state welfare officials can be tense. District attorneys are locally elected and largely independent political entities -- with links to county supervisors for funding issues and with the Attorney General for legal issues. While the district attorneys are "partners" with state welfare officials in the child support program, the cultural differences between criminal prosecutors and social workers are a persistent source of unease.

At the county level, district attorneys frequently complain that county welfare officials do not aggressively seek information from welfare applicants about the identity and location of the missing parent. County welfare officials traditionally have been more interested in protecting mothers from neglectful or even abusive fathers and view child support enforcement as a program that reimburses the government for welfare expenses more than providing a benefit to families.

Funding

The federal government pays most of the bills associated with child support enforcement. Those expenditures are justified in large measure because they help to recover money spent on welfare or are viewed as an investment in keeping economically marginal families off the welfare rolls. According to DSS:

Taken as a whole, the program generates a total net return on investment to all levels of government of about 15 percent, plus

substantial welfare savings due to cost avoidance, making it an attractive business proposition for taxpayers.²⁸

The revenue stream flows like this: When parents apply for welfare, they sign over to the government their right to child support as long as they are receiving benefits. In those cases, the government pursues the child support from the missing parent to recover the expenses of welfare. So while support collected in non-welfare cases is passed on to those families, support collected in welfare cases is distributed among the government agencies in the same ratios as they contribute to the welfare benefit: 50 percent to the federal government, 47.5 percent to the State and 2.5 percent to the counties.

In addition, the federal government reimburses states (and in California, the counties) for 66 percent of the costs of enforcing child support. For some parts of the program, including automation and paternity-related laboratory costs, the federal government reimburses 90 percent of the costs. The federal government also pays incentives to the states based on how much child support the programs collect. The incentive is calculated by dividing collections by total administrative costs in an effort to reward states that are more efficient.²⁹

Between the reimbursement for administrative costs and the incentive payments, the federal government pays for 83 percent of the total program costs in California.³⁰ The recouped welfare and costs avoided by keeping some families off welfare put the program over the top -- and as a result child support contributes more money to the state General Fund than it receives.

The Department of Finance estimates that in fiscal year 1997-98 the State and the counties will spend an estimated \$489 million on child support enforcement. Of that, the federal government will reimburse an estimated \$323 million. The State's share of the unreimbursed costs come to \$18

The Child Support Process

District attorneys handle child support for all welfare-related cases and non-welfare case in which parents asks for government help. Here is the process:

- Welfare officials refer cases to the DA's office when families with an absent parent apply for aid. The applicant is required to identify the missing parent and other information needed to help find the parent.
- The DA checks databases such as EDD and DMV records or the federal parent locator service to find an address for the non-custodial parent.
- If the parents were not married, the DA serves the alleged father with a complaint to establish paternity. If the alleged father does not respond within 30 days, the court enters a default judgment, declaring him legally the father.
- When paternity is no longer an issue, the DA serves the non-custodial parent with a summons and complaint. If the parent does not respond in 30 days the court enters a default judgment ordering support to be paid. If the non-custodial parent's income is unknown, the court bases the support on estimated earnings.
- The DA arranges for child support to be taken out of the absent parent's paycheck. Self-employed parents mail monthly checks to the DA. In non-welfare cases the DA sends the money to the family; in welfare cases the money goes to the State to repay welfare costs.
- If parents do not pay, the DA can divert money from unemployment and workers' compensation benefits and tax refund checks, have professional and drivers' licenses revoked, and have property and bank accounts seized.

million and the county's share of the unreimbursed costs come to \$148 million.

In addition to the reimbursement, the State is expected to recover \$234 million from child support collected in welfare-related cases. The counties are expected to recover \$31 million in welfare-related child support.

Between federal reimbursements, state and federal incentives and recouped welfare, most counties will recover all of their costs. Counties that for whatever reason do not run in the black often have problems securing the additional funding needed to make the improvements that could lead to greater collections and efficiencies. At the opposite extreme, some of the most efficient counties are discouraged from spending more money and increasing efficiencies even more because most of the additional revenue would go to the State rather than the counties.³¹ The Legislative Analyst has argued that if counties received additional funding based on their degree of efficiency, they would likely invest more money into the program and child support collections would increase.³² The department has been reluctant to propose changes that would reduce the child support program's contribution to the General Fund.³³

Federal Reforms

Since the federal child support program was established, a number of major attempts have been made to bolster its effectiveness, largely drawing on the experience gained in innovative states. The latest such effort is the federal welfare reform bill, which seeks to transition families off welfare either into the workforce or onto child support. While the federal government has attempted to make nearly continuous improvement in the program, large reform efforts were made in 1984, 1988 and 1992.

- ***1984 Child Support Enforcement Amendments.*** Responding to analyses that found non-custodial parents were defaulting to the tune of \$4 billion a year, Congress mandated that states take a number of actions. The amendments required states to adopt expedited procedures for establishing support orders, mandatory income withholding rules for delinquent parents and tax refund intercepts. The federal incentive and audit programs were revised to include penalties for noncompliance. States were required to offer services to non-welfare families and to develop guidelines for setting support levels.³⁴

- ***1988 Family Support Act.*** The law required universal wage withholding in all cases and mandated use of guidelines for determining support awards. It required States to meet federal standards for paternity establishment. It mandated statewide automated tracking of cases by October 1995, which in California is the troubled Statewide Automated Child Support System. It required the collection of performance data.³⁵

- **1992 Child Support Recovery Act.** The act created a federal criminal penalty for willful failure to pay past-due support to a child residing in another state.³⁶

Other efforts have been made to reduce the barriers to collecting support in interstate cases. The National Conference of Commissioners on Uniform State Laws approved the Uniform Reciprocal Enforcement of Support Act in 1950, and amended it in 1952, 1958 and 1968. Some states, including California, adopted the standards, but several others did not and some did not amend their laws to remain current -- negating the benefits of uniformity. In 1992, the Uniform State Law Commission approved the Uniform Interstate Family Support Act, and the welfare reform law of 1996 requires states to adopt the rules for handling interstate cases.³⁷

State Reforms

With each change in federal law, California's program has been modified to bring it into conformance. California also has attempted to initiate its own reforms. In 1992, the Department of Social Services crafted a "business plan" for improving the Child Support Enforcement Program. The document, which was called *Vision for Excellence*, blamed California's poor performance on the "lack of an overall vision" for developing the program, and the lack of a strategy for investing in improvements that would increase child support collections.³⁸ The chief of the Office of Child Support asserts that most of the steps outlined in the plan have been taken. And while the department reports gains in the numbers of paternities and orders established, the department did not reach the goal it set to reach by 1997: for collections to reach \$1.5 billion.³⁹ Collections in 1996-97 are expected to be \$1.1 billion.⁴⁰

In 1995, a Governor's Child Support Court Task Force reviewed the judicial procedures associated with establishing paternity, support orders and subsequent enforcement. The group's intent was to find ways to help the courts handle the large volume of cases while at the same time making the process more understandable to parents.⁴¹

The task force recommended uniform methods for handling welfare-related cases, simplified procedures, and information and assistance centers for

The More Things Change . . .

In 1971 a State Social Welfare Board task force reviewed the child support enforcement program and found problems that are distressingly familiar today:

- *The percentage of estranged fathers in Aid to Families with Dependent Children cases contributing child support is decreasing while AFDC caseloads are substantially increasing.*
- *Lack of uniformity exists in the enforcement of child support obligations among counties and there is a wide variety in the diligence with which child support programs are pursued by counties.*
- *There is failure to make planned use of collaborative arrangements and/or cooperative relationships among various local government authorities necessary to the success of a child support program.*
- *There is no uniform clear public policy as to the amount of effort required and the manner in which the effort is to be applied to resolve the total child support problem.*

parents. Dissenting members of the task force argued the recommendations should have gone further by backing an administrative process to replace the court process. A majority of the task force, however, believed that an administrative process would only create new problems -- by providing yet another forum for confused parents to deal with, by splitting welfare-related child support cases away from other family law issues such as divorce and custody, and by relegating welfare-related child support cases to a "second class" adjudication system.⁴²

The court task force recommendations were implemented in AB 1058 (Speier), which was signed in 1996. Under the plan, requests to establish paternity and to establish, modify and enforce child support orders must be referred to a child support commissioner for a hearing. The law requires that each superior court maintain an Office of the Family Law Facilitator, staffed by a licensed attorney with mediation or litigation experience in family law.⁴³

In addition to implementing the court task force recommendations, the Legislature has passed considerable legislation in recent years. Some of the legislation was intended to lower the hurdles to establishing orders -- such as provisions for voluntary paternity establishment. But most of the legislation has provided authorities with more tools for enforcing orders once they are established.

The Legislature created the new-hire registry, which matches new employees in selected industries to lists of missing parents, and the Franchise Tax Board's delinquent collections program. It created the drivers' and professional licensing revocation programs, and required lottery winnings to be diverted to pay off child support debt. Even the critics of the system agree that once a non-custodial parent has been located and an order has been established, California has the best set of enforcement tools in the nation.⁴⁴

Welfare Reform

The 1996 federal welfare reform bill transforms the federal AFDC program into a lump-sum or block grant program called Temporary Assistance for Needy Families (TANF). The law prohibits states from using the block grants to provide assistance to families who have received benefits for five years. States, however, may exempt up to 20 percent of their caseload from the five-year limit.

The law impacts child support in two fundamental ways: First -- and in the long run most important -- the reforms reduce the program's role in recovering welfare and increase its role in helping families escape poverty. Secondly, California must implement specific program reforms to conform with federal mandates. While many of the new rules are already in place, California will have to take the following measures:

- ***Expand the new-hire registry.*** The State has a registry of new employees hired in specific industries that provide district attorneys with information on missing parents. But only a small group of employers are required to participate. The law will require all

employers to report and in a shorter time frame than under current law. This requirement is described in more detail in Finding 1.

- ***Improved data collection and reporting requirements.*** California will need to comply with new federal data collection requirements and annually conduct audits on performance data. This requirement is described in more detail in Finding 2.
- ***Create a centralized collections unit.*** Currently the 58 counties collect child support, process the receipts and issue checks to families. The federal law requires that a centralized collection and disbursement unit be created, unless the state can prove that linked local units are cheaper to establish and operate. Employers must have one location to send all wage assignments. This requirement is described in greater detail in Finding 3.
- ***Create a central case registry.*** California law already calls for a central location for information on cases, but the law has not been implemented. The Statewide Automated Child Support System (SACSS) will not provide this function. This requirement is described in more detail in Finding 4.
- ***Expand work requirements for non-custodial parents.*** California already has a law requiring unemployed non-custodial parents who are behind in child support to look for work, but the State may have to expand these programs to provide for young fathers to perform community work or parenting. This requirement is described in more detail in Finding 5.

While child support is playing a larger role in social policy as a result of welfare reform, it could also come under closer fiscal scrutiny. Over the past 20 years, the federal and county governments have been able to offset expenses by recovering money doled out to welfare recipients. This will not be as true in the future. If a family is terminated from benefits, money spent trying to enact a child support order will be, in a sense, a new expenditure. There will still be benefits to public coffers. But increasingly those benefits will be indirect or down the line -- money that is not spent on criminal justice, for instance, because child support payments allowed for some single-parents to provide healthier environments for their children. Calculating these benefits so that policy makers can make the best appropriations will be a difficult task.

Searching for Fairness

In establishing a child support order, a judge must decide how much the absent parent should pay. Historically, the amount was a product of judicial discretion. But children's advocates complained that some judges did not set awards high enough to pay for the basic needs of children, while some parents complained about the wide disparity from state to state, county to county and even judge to judge.

In the 1980s, some California counties began to develop guidelines to make orders more equitable and predictable. Eventually federal statutes required states to have guidelines. The guidelines, however, have not resolved the disputes, merely altered them.

From the parent's perspectives, two aspects of the guidelines are controversial: The amount of support they dictate and how visitation and custody influences the level of the award.

The current guidelines, which were adopted in 1992, include an algebraic formula. Judges rely on computer programs to do the computation, which factors in the number of children in the family, the time spent with each parent and the parents' earnings. Central to the bottom line is the variable that reflects percentage of income based on different earning levels. The variable is known as the K factor.

In 1991, the California Judicial Council established a guideline that created three tiers for the K factor -- 0.26 percent for parents making up to \$1,667 a month; 0.20 percent for parents making \$1,668 to \$4,999 a month and 0.16 percent for parents making between \$5,000 and \$10,000 a month.⁴⁵ Under SB 370, the K factor in the current guidelines was raised from 0.20 percent to 0.25 percent for the middle tier and the middle tier was expanded to include parents making between \$801 and \$6,666 a month. SB 370 also raised the multiplier for 2 children from 1.5 to 1.6.⁴⁶

The Judicial Council guidelines were controversial, and the SB 370 guidelines have been more controversial. Virtually every year since they were established, legislation has been introduced to raise or lower support levels. The central policy issue underlying the K factor is whether child support awards should provide custodial parents with a minimal amount of money needed to raise that child, or whether the award should attempt to provide children with the financial resources they would enjoy if the family were intact.

Guidelines: The Pursuit of Equity

Prior to 1984, judges in California used their discretion to set the level of child support. Some counties developed guidelines that helped judges fix the support order. In the years that followed, a uniform policy evolved:

- 1984** In response to federal requirements, the Legislature enacted the Agnos Child Support Standard Act, which set a minimum standard for support and required the Judicial Council to develop a schedule to help judges set awards above the minimum level.
- 1986** California Judicial Council adopts a guideline based on the guideline used in Santa Clara County. Some counties do not adopt the guidelines.
- 1988** The federal government requires states to adopt "presumptive" guidelines.
- 1991** The Judicial Council adopts Rule of Court 1274, which uses a formula including the K factor -- a variable representing the income of noncustodial parents. Responding to controversy over the rule, the Legislature passes SB 101 (Hart). The bill repeals the Judicial Council's jurisdiction on the issue and establishes a new guideline.
- 1992** SB 370 (Hart) is enacted, superseding SB 101. The new guideline raises the level of child support. SB 1614 (Hart) is passed to clarify that judges retain some discretion.
- 1993** SB 541 (Hart) is passed to phase in higher support awards in some cases and SB 145 (Calderon) removes subsequent partner income from the guidelines in most cases.
- 1994** AB 923 (Speier) is passed to provide some relief for low-income, non-custodial parents.

Judges have two concerns with the guidelines -- their complexity and their rigidity. The presiding judge of the family law division of the Sacramento County Superior Court testified that the complexity leads to delay -- raising legal costs, delaying support orders, and increasing stress on children. The judge said: "The more variables the Legislature allows in the computation of child support, the more areas of dispute are created." The judge advocated a simple schedule that did not require the judge to make a series of determinations in contested cases.⁴⁷

An associate justice from the First District Court of Appeals testified that the inflexibility of the guidelines can produce "absurd" results and can unintentionally lower the amount of support paid. In one court opinion, the justice digressed from the facts of the case to point out what he believes is legislated injustice:

*The Legislature has adopted a detailed and relatively inflexible child support statutory scheme much akin to the Internal Revenue Code that lumps all California parents together and treats all the same, failing to recognize the differences in circumstances which occur from case to case. There may be good reason to have hard and fast rules and eliminate discretion in applying tax laws, since there seems to be little concern about tax laws causing inequities. However, it is unwise to adopt harsh, inflexible rules for child support, which will inevitably cause hardship and inequity.*⁴⁸

Part of the dilemma is that the guidelines have been changed so much and so often, there has not been any data to determine exactly how the guidelines influence family income. In the absence of data, the political debate of the last two years has been defined by anecdotal horror stories. The California Judicial Council is required to periodically review the guidelines and recommend changes. The council -- chaired by the Chief Justice of the California Supreme Court and made up of judges, attorneys, legislators and public members -- is conducting a study expected to provide both qualitative and quantitative information on the current guidelines.⁴⁹ The Council is expected to release its latest assessment in December 1997.

Specifically, the Council's review is attempting to determine whether the guidelines are equitable to both parents and the effects of support orders on second families. The Council also is analyzing the collection rates for different income levels and reviewing how the guidelines influence parent-child visitation.⁵⁰

The Council also will look at the effect of the guidelines on different income groups. While middle- and upper-income parents have complained loudly about the current guidelines, children's advocates have argued that an additional increase is essential if child support is to keep families from sinking into poverty. Further if, as a result of welfare reform, child support is going to be a primary defense against poverty, the guidelines will take on additional weight.

The evolution of the guidelines reflects the evolution of child support itself, from something that judges and law enforcement officials occasionally dealt

with into an issue that has filled dockets and requires full-scale bureaucracies.

The guidelines controversy also reflects the difficulty of trying to set good policy without good information. The Little Hoover Commission, while urged by competing public advocacy groups to recommend raising and lowering the guidelines, believes it is inappropriate to modify the recommendations prior to the conclusion of the Judicial Council's review.

California's Performance: Controversial at Best

California's child support enforcement record -- although obscured by needless uncertainty, as described in Finding 2 -- appears to be far below a national average that no one defends as good enough.

According to the National Center for Youth Law, a harsh critic of California's child support enforcement program, the State ranks near the bottom of nearly every measure used nationally to compare performance:

Nationwide support is collected for less than 20 percent of children. In California where more than one in four children live in poverty, support is collected for less than 13 percent of children. This means that last year over 3.1 million children failed to receive any support from their noncustodial parents and from California's child support program.⁵¹

A 1996 review of child support programs by Children Now, a children's research and advocacy group, said California's performance -- along with the nation's -- was "trending worse." Among the measures it relied upon was the percentage of cases in which support was actually collected. California's performance, according to the group, has slid from 19.5 percent of cases in 1991 to 12.9 percent of cases in 1994. By that measure, California ranked 47th among 54 states and territories.⁵²

In the most recent national review of state performance prepared by the U.S. Department of Health and Human Services, California also ranked 47th overall based on seven criteria. Of the seven criteria, California ranked highest in paternity establishment -- 13th among the states and territories. But in five of the categories -- including parents located, cases with orders and cases with collections, collections per case and cost effectiveness -- California ranked 40th or lower.⁵³

The California Family Support Council and the California District Attorneys Association maintain that comparisons across states are inaccurate for a litany of reasons: because states keep statistics differently; because some states manage all child support cases, not just welfare-related cases or those cases where parents seek the government's help; because different states have different welfare benefits, influencing recoupment rates.⁵⁴ But even when analysts modify the scales to reflect those inequities, California's performance is still below average.

The statistics also show wide disparity from county to county. When looking at revenue collected in ratio to administrative costs, Madera and San Diego

counties top the list, each collecting more than \$2 for every dollar spent. Alameda and Fresno Counties are also high on the list. Ten counties collect less than a dollar for every dollar spent: Alpine, Trinity, Modoc, Butte, San Benito, Inyo, Marin, Colusa, Yuba and Los Angeles.⁵⁵

California also performs poorly in statistical analysis conducted by academic researchers. A study published in 1996 by researchers from Princeton and Columbia universities found that in the early 1990s, the national average was for states to collect about 18 percent of the child support that they might have collected under an ideal system. By that measure, the collections ratios in four states -- Indiana, Massachusetts, North Carolina and Ohio -- were substantially above average. In contrast, collections ratios were substantially below average in Washington, D.C., Maryland and California.⁵⁶

Even after making an adjustment to compensate for the additional challenges presented by large urban populations, Maryland and California ranked below average. And when compared over time, in an attempt to see which states were responding to federal child support reforms, California again ranked at the bottom, and its effectiveness had actually declined slightly.

The analysis attributed California's poor statistical performance to the State's below average award levels in the early 1980s. This factor should have been corrected somewhat by changes in the guidelines in the early 1990s. But the report also concluded that in 1987 California was one of only nine states that had not implemented all of the 1984 federal child support reforms. Researchers concluded: "The case of California may simply be one in which a mediocre child support system became overwhelmed by the nationwide flood of new cases."⁵⁷

The Department of Social Services maintains that many of the program's problems will be resolved when the Statewide Automated Child Support System is on line -- delivering the benefits of uniform procedures among the counties and the benefits of automation to individual counties.

Lines in the Sand

Advocacy groups and the Department of Social Services disagree on the performance of the Child Support Enforcement Program, on what the problems are and the potential solutions. A number of battle lines have been drawn. Most smaller debates are somewhere grounded in these fundamental disagreements:

- **Administrative vs. Judicial Process.** Children advocates believe California ought to use an administrative process rather than the courts for establishing support orders. They believe an administrative process will be smoother and quicker. Defenders of the court system say child support cannot be severed from other aspects of family law, and have pushed through reforms to make the courts family friendly.
- **County vs. State System.** Advocates argue that some counties will always be under-performers, and that most of California's problems come from trying to run 58 different programs. The State and the counties say statewide automation will resolve problems of poor communication between counties.
- **Guidelines.** Children advocacy groups back measures to maintain or raise the guidelines to make sure that money flows to custodial parents. The non-custodial parents and their second spouses want the guidelines lowered. DSS and the DAs have stayed on the sidelines.

Spawned by a 1988 federal mandate, SACSS is intended to be a massive computer network linking counties and the State together. In California -- where parents often move from county to county and where each county runs its own child support program -- such a linked system is crucial. It would consolidate data and enable caseworkers to coordinate efforts with other counties instead of duplicating activities and sometimes working at cross purposes. It also is needed to allow counties that are still working individual cases by hand to rely more on computers to perform routine tasks.

SACSS, however, has been plagued by problems and cost overruns for nearly four years. With \$82 million spent, time running out before an October 1997 federal implementation deadline, and only 23 of 58 counties connected to the system, the State has frozen implementation while debilitating software problems are resolved. The State hired a consultant to determine whether SACSS can be salvaged. The verdict: maybe -- but only if 1,400 technical problems can be resolved.⁵⁸

Previously automated counties that are using SACSS complain that procedures that once took minutes take hours with SACSS. As of April 1997, none of the links with automated databases were working, nor was the system doing its job of automatically producing forms to speed the enforcement process. Users protest that SACSS is overly complex -- it has almost 400 different screens -- and unforgiving, with frequent system crashes.

Summary

Minus the complications of SACSS and the challenges of welfare reform, California's job of making nearly 2.4 million non-custodial parents financially responsible for their children would be a daunting task. Significant efforts have been made in recent years to improve the child support enforcement program. But while program officials assert that progress is being made, researchers and advocates argue California is still performing below average. Without even agreement on the state of affairs, it is difficult for policy makers to assess shortcomings and fashion solutions.

And unfortunately, it is no longer enough for California's enforcement program to strive for a level of effectiveness that other states reached five years ago. The social landscape is changing again, and now California's program will have to be more fundamentally reformed -- to meet federal requirements, to meet changing public expectations and to play a larger role in protecting children from poverty.

Defining Vision

- ❖ *Enforcing child support requires the cooperation of hundreds of public and private entities. Pulling these efforts together demands extraordinary leadership -- to align agencies with diverse missions and to achieve broad public accord in collecting support for children. The Department of Social Services (DSS) has not supplied the vision needed to meet this challenge.*
- ❖ *DSS is responsible for child support enforcement in California, but the day-to-day work is the job of county district attorneys. Overcoming the cultural divide between the State's social welfare agency and local prosecutors has been a stumbling block to moving forward in a cohesive fashion.*
- ❖ *DSS has not recruited academia to help it diagnose child support needs and find solutions. Nor has the department established alliances with public advocacy groups. Instead ongoing contention has turned potential allies into adversaries.*

Defining Vision

Finding 1: The management of state Office of Child Support has not defined a vision, provided the leadership or developed the public and private partnerships necessary for the enforcement program to reach its potential.

Leadership is an intangible quality that is hard to measure, yet is an essential ingredient to success. Virtually every accomplished organization, public or private, can attribute part of its achievement to leadership. Inversely, virtually any program that is not widely acclaimed can be criticized for lacking leadership.

But California's Child Support Enforcement Program -- because of the nature of the problem it attempts to resolve and because of the organizational characteristics involved -- demands more than the standard appropriation of political capital.

The program's leaders must overcome entrenched cultural differences among participating public agencies, transforming their institutional reluctance into enthusiastic cooperation. The top post must be filled by a proven manager and communicator, capable of developing a strategic vision and assembling a team of talent capable of implementing that vision.

The program's leaders must persuade top policy makers to place child support high on the crowded public agenda. And simultaneously, they must convince every shopkeeper, every payroll clerk, every parent to do what they can to ensure children receive the financial support they deserve.

The Department's Role

From a public policy perspective, child support enforcement is a hybrid. From its roots in criminal justice, the program has grown vigorously as part of the modern welfare system. While technically support orders are a product of the courts, increasingly the people who pay support orders and those who receive payments never appear in court. While child support enforcement is federally mandated, the program is intensely personal, requiring significant public contact. It must be administered where everyday citizens live, in words they understand, with rules aligned with their reality.

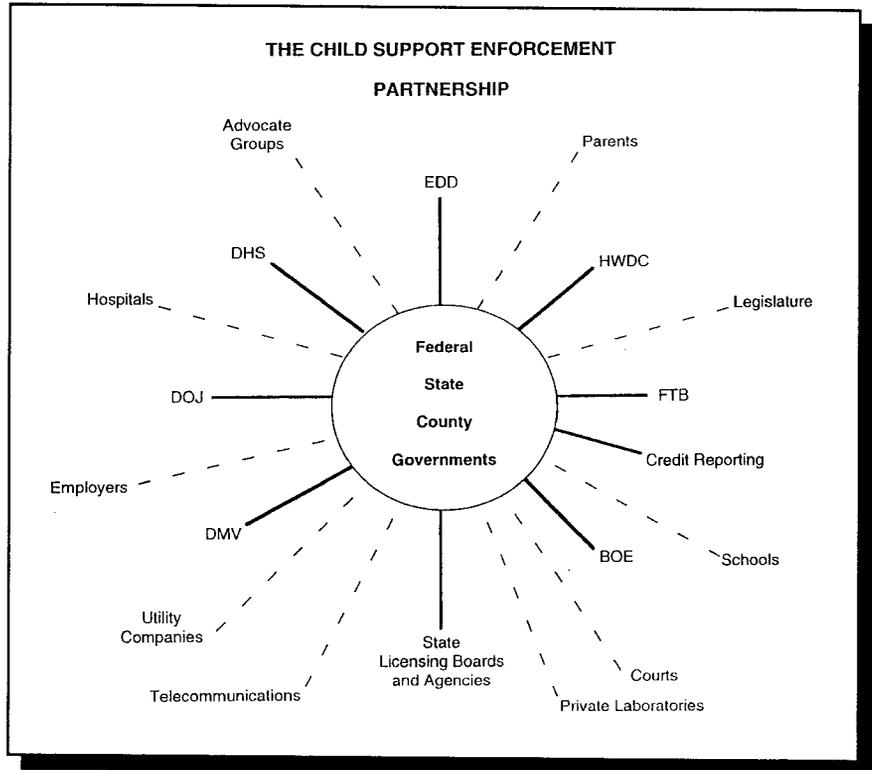
The organizational structure for delivering this service matches the complexity of the policy and goes far beyond the functional capability of any one agency.

At the state level, welfare officials operate the program with the formal assistance of the independently elected Attorney General. At the county level, locally elected district attorneys administer the program with the required cooperation of county welfare officials.

The courts -- which play a critical role in establishing paternity and support orders, setting and modifying award levels -- are independent of both state and local executive-branch agencies. Critical players in child support go beyond this core to include a variety of executive agencies that perform specific functions, elected officials who create laws and allocate funds, and increasingly, private businesses and the public at large.

The state Office of Child Support has developed a graphic that displays the numerous entities involved, and the unusual organizational relationship between public agencies that are central to the enforcement of child support and those who play a peripheral role.

The graphic shows the inherent need for significant political and program-level leadership. Political leaders are needed to shape the public's perception of the problem and to enlist the support of businesses, community decision makers and the citizenry. Administration officials have the additional responsibility of ensuring a high-level of commitment to the



Department of Social Services chart displays the players and unusual organizational relationship involved in child support enforcement.

program on the part of assisting state agencies -- who may be recruited legislatively to help enforce child support but are reluctant to divert energy from their historic mission or assign their best talent to help another agency do its job.

Program leaders have the day-to-day responsibility of coordinating, directing and inspiring the efforts of the public and private entities whose help is needed to routinely deliver what could potentially be millions of child support checks a month. The State Office of Child Support -- more than the vast majority of other state agencies -- is in the challenging position of relying, as a condition of its success, on the efforts of thousands of people who do not directly report to it.

The most important relationship -- and as a result the central focus for leadership efforts -- is between DSS, the state oversight agency, and the county administrative units. While in California day-to-day operations are delegated to counties, the State cannot delegate its obligation to ensure that child support is effectively enforced statewide. To fulfill its obligation, the department performs certain tasks that can be -- and are intended to be -- management tools: program evaluation, technical assistance, receiving and disbursing federal funds.⁵⁹ The state department describes its relationship to the counties as supervisory.⁶⁰

The View from Below

In its 1992 *Vision for Excellence*, the state Office of Child Support declared "the time is ripe for the Administration to take the leadership role in the Child Support Enforcement Program." Five years later, many county officials report that the tangible elements of leadership are still missing:

- The information exchange between DSS and county family support directors is poor. County officials say that when information flows between the State and the counties, it flows one way -- from the top down.
- Family support workers say DSS representatives often do not understand how regulations translate at the county level because they do not seek out the county perspective.
- DSS does not keep counties informed about pending legislation or other changes that might affect child support programs. County officials say they learn about developments from the media or are caught off guard altogether.
- DSS does not do enough to spread good ideas among the counties. Said one frustrated family support director, "There's no structured process for converting raw regulations to procedures, so each county reinvents the wheel."

Counties have tried to fill the void. Family support directors from counties that can afford to travel meet once a year to present workshops on child support issues and procedures. At the behest of the Los Angeles County family support director, officials from the five large southern California counties are meeting independently to better coordinate efforts.

But of equal importance to its management role is its leadership role: setting policy, developing strategies for reaching policy goals and uniting the efforts of diverse interests toward a common cause. Consider the focus that the Massachusetts Department of Revenue provided for all agencies involved in that state's support effort:

Our objective was to ensure that child support payments are made on time and in full and that both parents receive firm, fair and courteous treatment. And we have been guided by an abiding conviction that child support is not an installment debt to be paid

*when convenient but the most fundamental obligation that a person has in this society.*⁶¹

When California's Office of Child Support called together district attorneys, public advocates and others to create its *Vision for Excellence*, it concluded that overall state leadership was lacking and pledged to fortify that part of the program: "The State's role will be one of providing leadership to ensure that maximum program outcomes are achieved."⁶²

At the time, state officials decided that part of the problem was structural -- that outreach efforts were hindered because the program was buried in the Welfare Programs Division of the Department of Social Services, one of 13 organizations within the Health and Human Services Agency. The vision document concluded that child support enforcement should become its own division, and eventually the program was given its own office within the department.

Where Leadership is Needed

No matter where the Child Support Enforcement Program is placed within DSS, it will still need to reach beyond its P Street headquarters in Sacramento to enforce child support. Legislation and regulation can provide DSS with the authority to reach beyond its own agency, but laws cannot dictate initiative. Leadership is needed to pave the vertical bridges between the state and the counties, and the horizontal bridges between DSS and other state agencies. Leadership also is required to garner support from others whose expertise or role in the economy brings them in close contact with parents. Just as it is hard to define leadership quantitatively, it is difficult to measure its deficiencies. But examples illustrate the potential for better leadership to further "maximize program outcomes."

Leadership: Vertical Bridges

The relationship between the state Office of Child Support and the county Family Support Divisions is burdened by the cultural differences between social service agencies and law enforcement officials. It also is made more difficult by the wide diversity among the counties.

In personal interviews a number of family support directors -- housed in enforcement-minded district attorney offices -- conceded they were unsympathetic with the Department of Social Services' institutional approach to helping the needy and are more aligned with the prosecutorial approach to enforcing child support. Similarly, many reported poor relationships with county-level welfare officials. In processing welfare applications, the help of social workers is critical in encouraging parents to identify and locate absent parents -- a crucial first step in securing child support orders.

As part of its vision document in 1992, the State acknowledged this problem and its responsibility to bridge the gap. Under the category of actions it should take immediately, the State said: "Increasing leadership efforts by the Department of Social Services to encourage greater coordination between county welfare departments and family support divisions."⁶³ More

specifically, the State pledged to convene a task force involving the California Family Support Council and the County Welfare Directors Association "to identify ways to increase coordination and enhance the interface between the two programs."⁶⁴

But county officials said they could not remember a task force, and they still have significant problems getting county welfare officials to press mothers for information and deliver that information to county district attorneys in a timely way. For example, in a February 1997 visit to the Los Angeles County Family Support Bureau, Little Hoover Commissioners were shown welfare applications dated April 1996 that had just arrived from a county welfare office.

These vertical relationships are difficult for the State to develop and maintain because each of the district attorneys and their family support directors are different individuals, with different political perspectives and institutional needs. Los Angeles County, with one out of four child support cases in California, is responsible for more children than all but seven states. Rural and geographically isolated counties, meanwhile, count their cases by the dozens and still rely on gumshoe detective work and sympathetic landlords to find missing parents.

Family support directors said one shortcoming of the State was training -- particularly for new program directors and those in top management positions. While DSS does some training, much of that responsibility has been left to the Family Support Council, which organizes an annual conference. Some county officials -- usually those in small, underperforming counties -- do not have the resources to attend. But of equal importance, by not capitalizing on the opportunity to train top county officials, the State misses the chance to build a solid relationship with county leaders, which could improve cooperation and communication.

Leadership: Horizontal Bridges

One of the frustrations of child support enforcement officials in the past has been that delinquent parents could avoid their financial obligations to their families while otherwise fully participating in the economy and society. As a result, recent enforcement reforms have sought to use the government's array of authorities to segregate delinquent parents from public

Who Works for Whom?

According to state law, the State Department of Social Services can sanction county Family Support Bureaus if it is determined that the county is not fulfilling its obligations and the Attorney General can take "appropriate action" against those counties. Officials, of course, say the relationship between the State and a county have never deteriorated that far.

But the Attorney General's office has been considering the hypothetical response to a hypothetical dilemma: What could the State do if a county refused to follow a DSS directive, such as hooking up to the troubled Statewide Automated Child Support System, which the State is required by federal law to operate.

While the Attorney General has some control over the district attorneys, the practical extent of that authority is limited by the political realities that DAs are locally elected officials. While the DSS long has had the authority to hold back federal funds from uncooperative counties, it has never attempted to do so.

rights and privileges, divert their assets to satisfy obligations, and thus encourage them to regularly pay child support.

One of the best examples is the professional licensing match program. More than 50 departments and boards are obligated to match lists of child support debtors against applications for new or renewed licenses -- from contractors to cosmetologists. Delinquent parents are sent temporary licenses that expire in 150 days if the debt is not paid or arrangements have not been made with authorities to pay off the debt over time.

Tax refunds, lottery winnings, even worker's compensation can all be diverted to satisfy child support obligations. Criminal records, tax records, employment records and driving records can be scoured for clues about the location of missing parents or their assets.

But legislating this multi-agency dragnet and actually conducting it are different things. At some point initiative and innovation is needed to make sure that little glitches do not become insurmountable hurdles, particularly when more than one organization is involved.

Three examples of where leadership could solve problems are the Department of Motor Vehicles (DMV) drivers' license revocation program, the Employment Development Department (EDD) New Hire Registry, and the Attorney General Parent Locator Service:

- **DMV license match.** State officials believe that nearly all non-custodial parents in California drive vehicles, given that licenses or identification cards have been issued to two out of three Californians. But so far DMV has only been able to take action against one-third of the debtors that DSS refers to DMV. The problem appears to be procedural. DSS provides DMV with a social security number and the name of delinquent parent (DSS says they provide the full name; DMV says they receive a first name and the first three letters of the last name). The problem is that many of the social security numbers turn out to be erroneous, and the limited name information can match numerous Californians. DMV officials say they are willing to improve the program. If they had a full name, date of birth and drivers license number, they could reach more parents. DSS officials say the program is already matching as many names as DMV and the counties can handle, and that when SACSS is completed DMV will

Lessons of Re-engineering

The chief counsel of the Massachusetts child support program said her agency learned six lessons from the decade-long re-engineering effort. Most of the lessons rely heavily on leadership competencies:

1. *Articulate a clear vision of where you want to be in five years.*
2. *Find a political angel at the highest levels of government to advocate for the necessary changes.*
3. *Convince the Legislature that providing resources for child support is a sound investment.*
4. *Get control of caseload (through automation).*
5. *Develop partnerships with other agencies having the information you need.*
6. *Centralize payment processing and customer service inquiries.*

receive the date of birth along with names and Social Security numbers. But whatever the hurdle, there is no specific plan to make sure the program lives up to its full potential.

- **EDD new-hire registry.** In 1993, the Legislature created the new hire registry, requiring employers to report newly hired employees so that child support enforcement officials could quickly find missing parents and assign their wages. The reform, however, has only been partially implemented. The Legislature gave DSS and EDD the task of crafting implementation regulations, and in doing so the agencies only required 17 industries to participate in the registry. Those industries only employ one in eight California workers.⁶⁵

EDD also collects wage data, which also is used to find parents (since most new workers are not captured by the new hire registry) and to assign wages. But that data can be as much as five months old by the time it reaches the counties -- which can mean a parent avoided an obligation for that long or has moved onto another job. The data is old because employers are required only to report wage information within 30 days of the end of the quarter. It can take another 30 days for EDD to enter that information into computers, match the child support lists and forward the information on to counties.

The federal welfare law will now require California to do what it could have done from the beginning -- include all employers in the new-hire registry and require the information to be reported quickly enough to be of more use to prosecutors. The expansion will cost an undetermined investment of funds and will require more business participation. But the experience in other states has proven that a properly implemented registry can collect more in delinquent support than it will cost to operate.

- **Attorney General Parent Locator Service.** One of Social Services' oldest partners in the Child Support Enforcement Program is the Attorney General. Among other duties, the Attorney General operates the Parent Locator Service, which culls records to find missing parents, matches social security numbers to names, and provides a contact for other states looking for parents in California. For years, DSS has not fully funded the Parent Locator Service. DSS in its Vision document conceded that the additional funds would provide a net increase to the General Fund, and district attorneys consider full funding an important reform. Still the AG Parent Locator Service goes lacking.

Leadership: Missed Opportunities

California's child support effort could also benefit from more outreach in three directions -- to academic researchers, whose diagnostic skills are sorely needed; to public advocates, who should be program allies; and to everyday citizens whose collective opinion can increase cooperation and voluntary compliance, and who, if aware of the consequences, may be less likely themselves to produce single-parent families or to evade child support.

- ***The value of education.*** With all of California's academic infrastructure, little of the research being done nationally into child support issues is being conducted on California campuses. Not surprisingly, in those states where universities are assertively analyzing programs and proposing reforms, more innovation is taking place. One of the most innovative child support systems in the nation is in Wisconsin, which also happens to be one of the most studied child support systems in the nation.⁶⁶
Rigorous, ongoing, statistically validated evaluation gives authority to those who are truly interested in reform. It gives confidence to budget makers and ammunition to policy makers. Wisconsin, for example, pioneered automatic wage withholding -- which was started with delinquent cases but was expanded to include all cases after university researchers documented its effectiveness. Automatic wage withholding is now required by federal law.⁶⁷
- ***Advocates and allies.*** It is unusual for a public program to have few or no allies among public advocacy groups who represent the government's "customers." That, however, is the case with the Child Support Enforcement Program -- as evidenced by the annual bloodletting over program performance, in which the advocates criticize the government and public officials chastise the critics. Some advocates are adversarial by nature and will never support government efforts. But conversely, without some common ground, it is hard to envision significant improvement in a government program as reliant on public cooperation as child support.
- ***The court of public opinion.*** The Ventura County family support director said what was missing was public agreement that child support was a moral obligation, not just a financial one. It would take that kind of support for employers, relatives and others to actively assist in helping to locate missing parents and their assets. The Monterey County family support director said what California needed was a little Madison Avenue, a campaign like the one waged by Mothers Against Drunk Driving, "so that when a guy is sitting in a bar bragging that he doesn't have to pay child support, his buddies will beat him up."⁶⁸ The Los Angeles County district attorney believes "the nonsupport plague will not end until society recognizes that we all suffer when parents don't support their children."⁶⁹

Leadership as an Option

Some advocates have considered these problems to be structural -- that effective government partnerships cannot be developed and so the solution is to create one statewide agency responsible for all central functions. Advocates for custodial parents and children -- frustrated by the dysfunction between the state and the counties and the lack of coordination between counties -- have relentlessly and loudly urged the Legislature to follow the path of smaller states that have state-run programs. The county-state bureaucracy, in turn, has spent considerable energy resisting the concept -- promising that a state-linked, but highly decentralized automation system will cure all of the ills.

In recent months, for instance, advocates have suggested that the Franchise Tax Board be charged with collecting and disbursing all child support, and that be considered a first step toward consolidating the program at the State's revenue agency. But FTB is the first to assert that it does not have the skills necessary to find parents or establish paternity or secure court orders for support. It does -- at the moment -- collect money better than nearly every county.

There is no evidence that a centralized state-run child support program would operate any more effectively than the decentralized county-run system. And no one agency has the expertise -- or could be easily adapted -- to take on all of the core child support functions. The greatest reasonable expectation would be for a state-run system to be as effective as the average county -- improving conditions in the worst of counties and suppressing the potential of innovative counties. In recent years, the trend has been the opposite -- to recruit a number of agencies to help establish parental responsibility.

Opportunities for realigning some functions are discussed in greater detail in Finding 3. But structural realignment cannot compensate for inadequate leadership, and more importantly, leadership is an essential precursor for structural changes.

In Massachusetts, where the tax collector took over the project, a major impetus for the transfer was that the welfare department did not want to operate the program as required by federal law -- virtually ensuring that the program would be poorly managed until it was relocated. As a result, the program was moved to an agency that had only one of the core competencies necessary -- but more importantly an overwhelming desire to make the program work. In Massachusetts, a variety of other agencies are still involved in helping to find missing parents and their assets. While the structure was reformed in Massachusetts, the more important reform in the long run was the leadership change that was made by switching responsibility for the enforcement program to a different agency.

No matter where it is housed, the program must be managed by someone who is a good communicator -- capable of managing the activities within the department and inspiring the cooperation of other departments. The top position must be able to develop a vision for where the program is going,

What it Takes

In testimony to the Little Hoover Commission, the chief counsel of the Massachusetts child support program, stressed the importance of vigorous leadership:

In analyzing states that have improved their programs, you will almost always find a "political angel" in the wings -- a governor, a key legislative leader, an innovative commissioner, or better yet, all three -- who provided the resources and guidance to translate into reality the vision of an effective child support program.

Without clear vision and decisive leadership at the highest levels, a child support agency is not likely to have the political clout to make the structural changes on its own, particularly to deal with the inevitable turf battles that arise over structural change and realignment of agency functions and staff duties.

The governor needs to coordinate interagency cooperation, commissioners of diverse agencies need to open doors and remove bureaucratic barriers, legislators need to provide adequate funding and laws with real teeth, and judges need to interpret the new laws for the benefit of children.

assemble a team of talented managers to implement reforms, and win the support of key political and business leaders.

The Child Support Enforcement Program -- under the right circumstances -- has tremendous potential to help children and to reduce the expenditure of public money. Those goals will become increasingly important in helping California successfully implement welfare reforms. An element essential to reaching that potential is the leadership skills of the top managers.

Structural realignment, however, should always remain an option. Government functions change, public expectations change and at times different structural arrangements are likely to deliver to the public the best service for the least expense. The threshold for structural change, however, is high and the potential benefits have to be large enough to incur the political battles as well as the economic and physical costs.

While the California program may have serious deficiencies, the State does not have a lead agency that wants to give up the program, and does not have a willing new champion -- nor is there even the beginning of a consensus about a structural change or a reserve of political capital that can be drawn on to make this change. The Department of Social Services in its Vision document did commit to evaluating after the implementation of SACSS the costs and benefits of a separate state-level organization to encompass all aspect of the enforcement program including local operations. So while structural reorganization -- whether it includes local responsibilities or just consolidates state functions -- remains a long-term option, it could not be delivered nearly quickly enough to meet the immediate challenges.

The alternative is to convert the structural weaknesses into structural strengths. To do this California must clarify the roles of the key agencies involved and employ the leadership needed to show public agencies and the public that child support enforcement is critical to the State's long-term economic and social success.

A Model for Leadership

At all levels, leadership is recognized as a critical ingredient in child support enforcement. In its 1995 recommendations to Congress, the U.S. Commission on Interstate Child Support outlined a leadership model:

Leadership is an intangible concept that produces tangible results. The dividends from strong leadership are committed, productive workers who operate under clear, concise principles. Strong federal child support leadership inspires and influences; it adroitly oversees coordination and facilitation of effort and implementation of programs among myriad child support players.

Within the federal government, child support should be given a high profile and autonomy regarding budget planning and policy. The director of [the Office of Child Support Enforcement] should be an Assistant Secretary who reports directly to the Secretary of the department. The Assistant Secretary, solely dedicated to child support, should have direct access to the department's executive officer, the Secretary.

OCSE should benefit from external monitoring to ensure its activities are consistent with the needs of the broad array of constituents served by the agency. The Commission recommends that a permanent advisory committee be appointed to advise OCSE on major policy decisions or initiatives. The Committee would oversee implementation of existing laws, regulations and policies and note weaknesses OCSE should address.

Summary

Child support cannot be enforced by one government agency, and the larger problem of individual's avoiding fiscal responsibility will not be reduced without a shift in public opinion. From the practical standpoint, leadership is required to lower the institutional barriers between agencies enlisted to help find parents and their assets. Some of those barriers are between state agencies, some are between state and county agencies, and some are between public agencies and the public. In addition, only leadership can deliver the hard-to-legislate reform: a change in public opinion so that child support is viewed as an obligation from which no one is excused.

Recommendation 1: To reach its potential, the state Child Support Enforcement Program needs a proven manager capable of developing a management team of the best talent available, creating a strategic vision for increasing orders and collections and inspiring statewide backing for the program.

Political capital is what elevates public programs to public imperatives. It inspires public workers and raises public awareness. Leadership cannot be legislated. But there are some mechanisms that could be used by emerging leaders to make child support reform a priority. Measures the State should take include the following:

- The Chief of the Office of Child Support Enforcement should establish a Child Support Leadership Council composed of representatives of involved state departments, county district attorneys and welfare offices and advocacy groups. The council should meet monthly to identify collective problems and potential solutions. At least once a year, the council should be chaired by the Secretary of the Health and Welfare Agency for the purpose of setting program goals, agreeing on state and federal legislative priorities and identifying new policy issues that the council will explore in the coming year.
- The chief of the Office of Child Support should create regional panels of district attorneys, welfare officials and parent representatives who will meet quarterly to identify coordination problems and potential solutions and to review new policies and regulations.
- The chief of Office of Child Support should encourage the faculties of the California State University System and the University of California to help design, test and refine strategies for ensuring support payments for children.
- The chief of the Office of Child Support should develop a plan and seek legislation to create a training program for top county family support workers to inform them of state and federal rules and effective management practices. The State should draw on the expertise of counties, the private bar and other states to make the training practical and high-caliber.

Creating Accountability

- ❖ *Performance data reported by the counties is glaringly defective. The bad data and the State's process-based performance review prevent the Department of Social Services from knowing whether local child support offices are serving families adequately.*
- ❖ *The State uses these flawed evaluations to reward counties with incentive money. It does not hold counties to minimum standards or sanction those that perform poorly.*
- ❖ *The Department of Social Services has not used its resources effectively to help counties improve programs, nor has it held county child support programs up to the light of public scrutiny.*

Creating Accountability

Finding 2: The State does not hold county child support programs accountable for meeting minimum performance standards and depends on unreliable data to reward counties for undocumented successes.

The State holds a powerful tool for ensuring that district attorneys aggressively enforce child support: It controls the flow of federal money to the counties. But the State fails to use that tool, or any other tool, to effectively supervise county performance.

The problem begins with bad data. The counties keep track of their own performance numbers, at times defining statistics in ways that suit their needs or make them look good. As a result the State cannot even reliably say how many children are being served or not served by the program, let alone diagnose where the process is failing and needs to be improved.

These reams of unreliable data also lead to an annual internecine battle between program officials and their critics over just how bad or good California's efforts to enforce child support really are.

The problem does not end there. The State also uses this unreliable data -- along with performance reviews that favor procedures over results -- to award counties millions of dollars in incentive money. While it is difficult to fail this test, some counties do. The consequence for failure? They receive a slightly smaller fiscal reward than those counties that either are performing admirably or have figured out how to satisfy the state review.

Bad Data Begets Bad Management

Effective management begins with good data. Information is essential for managers to diagnose problems and routinize successes. Performance data bring accountability to process.

While some aspects of child support enforcement are similar to typical law enforcement activities, most of the functions are more akin to data processing. The better performing family support divisions are those that have found ways to efficiently process the most routine cases and standardize their approaches for solving the harder cases.⁷⁰ In doing so, they constantly monitor the performance of individual units or teams of employees -- encouraging innovation among the creative and holding under-performers accountable.

Similarly, federal and state regulations require that data be uniformly gathered so that cases can be tracked and performance measured. California aggregates this information in the Child Support Management Information System (CSMIS) annual report. For the most part, the State relies on the counties to submit the information: total caseloads, the number of welfare and non-welfare cases, the number of cases in which absent parents were located and paternities and orders were established, how much money was collected in support, and more.

No statistics, by the way, tell policy makers or program managers the bottom line: Of all of the families who have been referred by welfare officials or have asked for help from the child support enforcement program, how many are regularly receiving child support payments.

Instead, the statistics track cases in ways some family support directors said make little sense to anyone, can be deceiving to policy makers or the general public and are largely unreliable. The physical accounting can be grossly deficient. Counties that lack computerized systems count by hand. Those with automated systems use various methods depending on their software. Even many of the automated systems rely on caseworkers remembering to keep a hand-tally of procedural steps completed. The State does not audit data collection methods, but rather conducts a "desk check" to see if the mathematics are correct. In addition to the inconsistency engendered by this system, the numbers can be -- and are -- easily manipulated by counties to improve their performance record, at times to the detriment of the families who are entitled to help.

Feds Say California Could Fail

After reviewing the State Office of Child Support's collection, expenditure, and statistical reporting systems in 1996 the U.S. Office of Child Support Enforcement said California's system was in need of repair. In a letter to the Department of Social Services, the Director of the OCSE Division of Audits concluded:

The collections and statistical reporting systems were unreliable and in need of significant improvements.... Findings described in this report, if identified in future audits, may cause a State to be substantially out of compliance with program requirements.

The federal auditors also found that California missed data reporting deadlines by months. The auditors were particularly concerned with how the State counted paternity-related cases -- which the auditors said dramatically understated the number of cases in which paternity has not yet been established.

In some cases, the statistics take on an *Alice in Wonderland* surrealism. For example, the counties report when they “locate” missing parents or their assets. Finding parents and assets is an essential step toward establishing an order or enforcing it. But counties score a locate every time a computer finds a bank account or an address. As a result, the county may report several locates for each case, while none of them may have actually allowed the case to proceed to the next step. The address, for instance, may not be good. The parent may still not be served with legal notices. And an order may not have been established. The case, in child support parlance, may still be stuck in “locate.” In the most recent CSMIS report, DSS reported that “locations” statewide had increased 36 percent between fiscal year 1994/95 and 1995/96. Unfortunately, that does not mean the State found one-third more missing parents than the year before.

In other cases, counties have adapted statistical definitions to suit themselves. While DSS has tried to make the counties keep uniform data, some counties have ignored the State. For example, according to the State, paternity does not need to be established in cases where the parents were married at the time of conception. In Los Angeles County, however, every case is assumed at the beginning to require paternity establishment. While that might save case workers the time required to decide whether a case needs paternity work, it might also make for more work down the line. Furthermore, if all cases are assumed to need paternity, then the county gets credit for having accomplished that task in those cases where paternity was never an issue and no effort was exerted to accomplish that purpose. Other counties count a paternity establishment once when they receive a voluntary declaration of paternity and again when they finalize that paternity in court.⁷¹ In both instances the county’s statistics look better than they would if paternities were tracked according to the State’s definitions and counties could receive higher incentive payments as a result.

One Woman’s Experience

One mother, the president of the Los Angeles Chapter of the Association for Child Support for Enforcement, testified to her experience:

I’m a single parent with two children. My children are owed over \$23,000 in support. I opened the case with the L.A. County District Attorney’s Office in 1986. I had a support order for \$150 a month. I reported to the district attorney where my children’s father worked, where he lived and all the other information.

During the time the District Attorney had the case they didn’t do a lot to enforce the support order. I would be told, “We’ll run a locate,” even though I’d already given them that information. A month later I would be told, “Well, we don’t have the locate back.” I’d call later and they would say, “Oh, we haven’t sent it out.”

It got to the point where I decided I was going to take control of the situation, so I started making calls and showing up, and I was told things like: “If you show up again we’re closing your case” and “every time you call we put your file on the bottom of the stack.”

For all the current information I’ve provided to them, the last address they have in their computer system is about seven years old. He’s moved repeatedly since, but I’m always able to locate him, even outside the state. And I’m just a little common citizen; I don’t have access to DMV, Social Security, income tax records and the other things the district attorney’s office has.

In 1992 I received a federal refund intercept from his income tax for \$1,974. I went to the D.A. and said that for a refund of this amount there must be employment, and they said, “Well, gee, he’s not working so we’re not enforcing support yet.

That was the only support check I have ever received.

Of Cases and Children

An even more important discrepancy involves the number of cases in the system, which for starters does not represent the number of children in the system or the number of families in the system. In fact, the statistic does not even represent the number of cases in the system. The problem begins with bad definitions, is compounded by procedural deficiencies and finally is influenced by a desire to make the numbers look good.

Under federal rules, when a family is no longer receiving welfare benefits, and the government is still trying to collect past support from when the family was receiving benefits, the family is counted twice -- once as a welfare case and again as a non-welfare case. If the children in a family have different fathers or if both parents are absent and the children are in foster care, the family may be counted several times.

Cases can be double-counted again when families move from one county to another county. A case opened in Butte County, for instance, may remain open after the family has moved and opens a new case in Yuba County -- because Butte caseworkers do not know the family moved or do not have time to close cases. Among the five large Southern California counties it can take as long as a year for a case to be transferred to a new county even when caseworkers know of the move -- and by that time the family may have moved again. Whenever a family has a case open in more than one county it gets counted more than once.

Caseload Growth

Inaccurate or incomplete data prevents managers from understanding what is happening in the program and responding effectively to changes in clientele. Ideally, child support enforcement officials would have detailed information that allowed them to manage the caseload. But too often the data is incomplete or inaccurate.

The greatest challenge that child support enforcement officials have faced in recent years has been a dramatic rise in caseload. Between 1990 and 1995 the number of child support cases being worked by the counties doubled to nearly 2.4 million. The growth was blamed on the economic recession increasing welfare rolls and a rising tide of irresponsibility among

Seeking Innovation Without Information

Looking for innovation in child support enforcement, the Legislature recently allowed Merced and San Luis Obispo counties to use incentive money to fund two-year pilot projects that addressed child-related issues.

Legislators also asked the California State Auditor to review the projects to see whether they improved the counties' child support enforcement programs.

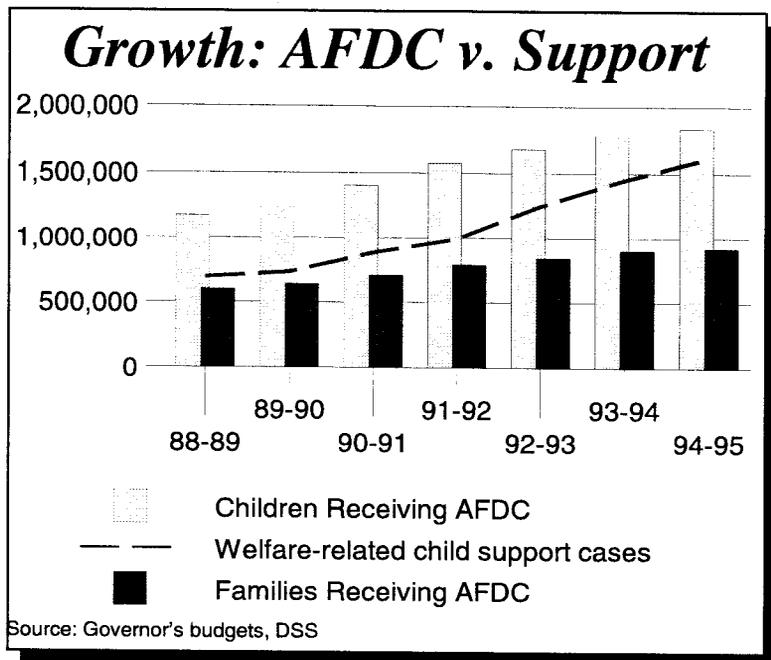
But the auditor's office concluded it could not evaluate the success of the projects. The reason: neither the Department of Social Services nor the counties kept any relevant data to measure the projects' effectiveness.

The auditor noted that DSS did not even know how much the counties spent on the project -- let alone that they had spent more than was planned. DSS reported that Merced and San Luis Obispo spent \$390,000 and \$67,000, respectively, when in fact they spent \$582,000 and \$142,000.

parents. But those were only suspicions -- because the State did not have the data or the resources to definitively characterize why the caseload doubled, let alone assess how to respond to the caseload changes or project whether it would go up or down.

The unanticipated caseload growth created substantial management challenges. Among other things, it increased the costs of the Statewide Automated Child Support System by \$21 million.⁷²

By early 1996, however, child support officials were beginning to question their assumption that economic and social trends were responsible for the entire increase.⁷³ For starters, the welfare-related child support caseload had increased substantially faster than the welfare rolls. Many family support directors now believe that a significant portion of the case load growth was not an upsurge of new cases, but the inability to purge old cases from their files because of a change in the federal rules governing when cases can be closed.



The growth in welfare-related child support cases is faster than the growth in families or children receiving welfare.

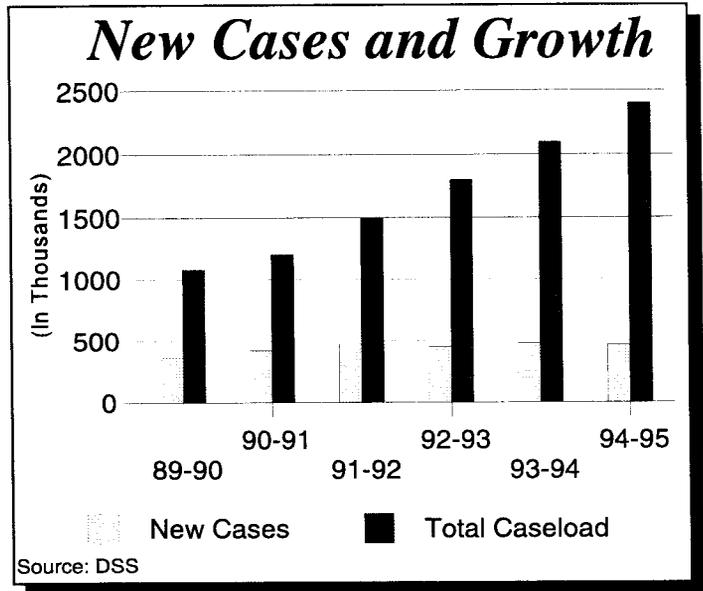
Counties cannot control the number of cases that reach them -- the district attorneys are required to open cases when a single-parent applies for welfare or when a single-parent petitions the DA for help. But it can control how many cases it has "open" by how many cases it closes. In other crimes, law enforcement authorities close a case when it has been solved. But in child support, authorities close a case when it has been solved, or when they give up -- and historically authorities have given up on thousands of cases. Some counties aggressively close unproductive cases while others, constrained by resources or hoping for eventual results, keep those cases open.

In 1992, the federal government, concerned that local authorities were giving up on cases too quickly, issued new rules that required cases to be worked at least three years before local officials gave up and closed them. As a result, county officials said they were closing far fewer cases, contributing to the rise in the number of open cases.

Unfortunately, the statistics kept by the State do not allow for the kind of analysis that could definitively sort out the issue. What numbers are available show that the number of "new" cases to the system have not risen nearly as fast as the total number of cases. To the extent that the caseload did increase because fewer cases were closed, the higher caseload number

appears to more accurately reflect the actual demand for family support services.

Some child support enforcement officials said that in the days before automation, they gave up on tough cases so they could spend available resources on promising ones. In some of these cases, the consequences to the child may have been muted because government was providing welfare. With automation and welfare reform, however, this dynamic changes. In a computerized system, unproductive cases can be left open for little expense and periodically matched against computer data bases with the hope of finding a missing parent or assets. And in an era of limited welfare benefits, child support may be the only financial help many families receive.



In any event, closing cases always improves a county's statistical performance record, because the open caseload is the denominator against which all successful efforts are compared. As one county family support director explained:

While the total caseload has increased significantly, the number of new cases has increased only slightly.

The down side to leaving these cases open is that it inflates the base count, which is the divisor utilized by the program's detractors to measure California's and the counties' performance. Obviously, if we aggressively closed cases, our base count would be smaller and our performance "percentage" would be higher.⁷⁴

While this county official believes a better denominator would be county population, the reality is that absolute numbers must be compared to some base so comparisons can be made. Statistically, the problem is not that some counties close cases quicker than others, the problem is that counties have different standards for when to close cases -- and some counties close cases to make the statistics look good.

Some county family support directors concede that the statistics were making them look bad, and so they have started to close more cases -- shrinking the denominator and improving their success rate. Those county officials acknowledge that this may mean giving up on cases in which eventually the missing parent may be found or get a job, and as a result could be required to pay support. But they blame the critics for forcing their hand.

While public advocates, such as Children Now and the National Center for Youth Law, use total cases as the basis to gauge performance, so does the federal government.

For instance, the most recent federal assessment of state performance shows that in California the percentage of cases with orders is falling -- that California is losing ground in the effort to secure child support.⁷⁵ The trend is determined as much by how many orders are established as by how many orders California needs to establish. That is an important measure of success that also can be a reliable one.

Furthermore, California does not have a monopoly on this problem. Federal officials have struggled with incomparable and unreliable data reported by the states. The U.S. General Accounting Office lists the data inaccuracies as one of the primary challenges that federal child support enforcement officials face in developing strategies for improving the nation's performance.⁷⁶ Data that is uniformly and reliably collected, the GAO concluded, is especially important as management moves from focusing on procedures to focusing on results.

SACSS Will Not Solve the Problem

A 1996 review by auditors from the federal Office of Child Support Enforcement found that California counties were not accurately applying federal reporting rules, not accurately keeping track of millions of dollars in collection money, and reporting that they had established more paternities than there were fatherless children in the system.

DSS responded that the Statewide Automated Child Support System would bring uniformity and accuracy to these processes. But the federal auditors -- who work for the same agency that is requiring California to implement SACSS -- believe the problems are more fundamental than the technology used to gather data:

This organizational structure spreads administration of various components of the program among several partner agencies. OCSE program guidance and sound management principles require that the IV-D agency (DSS) establish the necessary internal and management controls and review procedures to ensure accurate reporting takes place.

Public Accountability

In most years, the greatest public discussion about child support has resulted from the assessments issued by advocacy groups using state and federal data to report how individual counties have performed in the previous year. The nonprofit groups unleash their criticism and the counties discount the data. And in most counties this is the end of the public discussion that -- without judging the accuracy of the criticism -- is essential to making public agencies publicly accountable for their performance.

The Legislature recognized the importance of comparing the performance of counties in 1993, when it passed SB 606. The law requires DSS to produce specific statistics and distribute them to county officials.

While DSS appears to satisfy the letter of the law, it sidesteps the opportunity to tell community leaders and the public at large which counties are performing admirably and which are not. The county statistics are not reported in the program's annual report and are not reported on the program's Internet home page.

As a result, the State leaves under wraps potentially the greatest incentive locally elected officials would have to make improvements in their program -- avoiding an unfavorable public review of their performance.

Performance Reviews

Statistics on the number of orders a county establishes or dollars it collects is one way for policy makers and program managers to know how well a county is doing. The second instrument is the annual performance review.

The Legislature in 1983, concerned that there was no “consistency to the functions performed or the level of performance of the counties” directed the department to develop a method for gauging the performance of the counties.⁷⁷

In 1990, after California failed an audit by the federal Office of Child Support Enforcement, the Legislature created a specific performance review process that was intended to make sure the State passed the next audit. The largest counties review themselves and report the results to the DSS, while the State visits the smaller counties and conducts the reviews. A review consists of pulling a sample of a county’s cases and examining whether the cases are being processed in compliance with federal and state regulations.

Seven different procedural steps are examined. A passing grade is 75 percent. That is, in each category the county must have processed 75 percent of the applicable cases correctly in order to be found in compliance.

In fiscal year 1990-91, the first year of the performance review, only four of the 58 counties were found in compliance with program requirements. In 1994-95, the most recent review period completed, DSS reported that 32 counties had moved into “marginal or full compliance;” 18 of the remaining 26 counties were in compliance because they had corrective action plans and seven were in “hold harmless” status because staff resources have been diverted to implement the Statewide Automated Child Support System.⁷⁸ According to DSS, only one county remains out of compliance and state officials believe that is evidence that the performance reviews have accomplished their intended goal: preparing California for the next federal audit. How much of the improved compliance rate can be attributed to serving families better and how much to counties becoming more sophisticated at passing the review is the subject of contentious debate.

Process Equals Performance

Sacramento County officials say their management skills have enabled the county to pass the State performance review every year. The family support director testified:

While there are a variety of factors contributing to our ability to perform well, the single most significant has been our ability to quickly adjust to regulatory changes, local pressures and ad hoc needs. Constant process re-engineering and unceasing system enhancements have allowed this county to adjust/adapt quickly, from a local perspective, without the need for convening large, high level committees to analyze the problems.

But the annual report by the National Center for Youth Law and Children Now, which was based on nine performance indicators, placed Sacramento County 40th in the state in overall performance, and the State’s 1995-96 SB 606 report card put Sacramento 19th in efficiency; 25th in locate; 14th in paternities established, and 17th in orders established.

One possible explanation is that the performance review is based on how well counties satisfy procedural hurdles, while the annual reports attempt to measure outcomes.

Even DSS reviewers said officials from other counties are often surprised to hear that Sacramento does so well on the performance reviews, given that the county’s outcomes are so low.

In any event, some of the performance review's deficiencies should erode the confidence of State officials that the program will pass the next federal audit easily. The performance review process also falls short of being the management tool that it could be. The reviews are plagued by three fundamental problems: They focus on process rather than performance and counties get credit for effort rather than results. So few cases are reviewed, that few solid conclusions can be reached. And deficient counties can be found repeatedly in compliance by preparing "corrective action plans" for categories in which they do not satisfy regulations.

Process Over Performance

The department fashioned the review to encourage counties to take procedural steps required by the federal government. While it is important to satisfy federal rules, satisfying procedures should not be confused with performance. Focusing on process rather than results in the performance review also fails to reveal much about how effective a county's program is at collecting child support for families. To pass a performance category, for example, counties need not achieve success, but rather need only try. As The National Center for Youth Law noted:

*A (Family Support Division) can be found in compliance in the child support "order establishment" function by attempting to serve a complaint on a noncustodial parent, despite failing to obtain a child support order or even failing to serve the non-custodial parent.*⁷⁹

Small Sample

The department draws a sample that is large enough to be a reliable statistical reflection of a county's entire caseload. The problem is that it does not provide a large enough sample of cases at each stage of the process. DSS officials maintain they do not have the resources to take a larger sample or to stratify the sample to ensure there are enough cases in each category. As a result, reviewers often have too few cases to make a determination. But under department rules, if the sample is too small to be valid, counties are found in compliance anyway. For example, in the most recent review of Contra Costa County's nearly 70,000 child support cases, only three cases were reviewed to determine if the county was modifying orders correctly.⁸⁰ The three cases were in compliance, but clearly did not represent a statistically reliable sample. Nevertheless, the county was found to be in compliance.

A 1997 study by the Legislative Analyst of the performance review process concluded that because of the small sample sizes, the results

When Inadequate Information is Perfect

The Department of Social Services had high praise for Amador County on the results of its 1995-96 performance review.

In a January 1997 letter, DSS officials told Amador officials that their review was the first one ever in which not a single case was found to have been erroneously processed.

The stellar performance, however, is tarnished by the fact that in three out of seven categories the sample was too small to statistically determine whether the county was in compliance. Nevertheless, under state rules the county was found to be in compliance.

were invalid far more frequently than the department conceded. While DSS maintains a sample is too small if it has fewer than 11 cases, the LAO concluded that the threshold should change from county to county.

For example, the sample of cases drawn for the noncustodial parent locate process in Los Angeles County was 117 in the 1994-95 review, whereas the sample required for statistically reliable results would probably be 287. In other words, the results from the compliance review cannot be used to draw any inferences, or conclusions, about the total county caseload for any of the procedures that are reviewed.⁸¹

Repeated Non-Compliance

If a county is found to be out of compliance in a category, it can be declared to be in compliance by preparing a corrective action plan. If the next year the county is still out of compliance in that category, it can prepare another corrective action plan and be found in compliance.

In 1994-95, for instance, more than half of the counties that were found to be in compliance relied on an least one corrective action plan to satisfy the minimum requirements. By one analysis, 14 counties have relied every year of the performance review program on at least one corrective action plan in order to be found in compliance and qualify for additional incentive money.⁸²

Los Angeles

The 1995-96 self-review conducted by Los Angeles County demonstrates the shortcomings in the State's process. Los Angeles County has approximately 600,000 child support cases -- more than one-third of the State's entire caseload. The sample size for the review conducted in September 1996 was 288 cases.

Of the seven procedural categories reviewed, three categories had too few cases to be evaluated -- and as a result the county was found to be in compliance. In three of the categories, the county was found to be out of compliance, but was declared in compliance because the county had instituted corrective action plans.

In short, there was affirmative evidence that the county was complying with state and federal procedures in one of seven categories. Nevertheless, the county passed the performance review.⁸³

<i>Los Angeles County's Self Report Card</i>		
<i>Category</i>	<i>Evaluation</i>	<i>Result</i>
Order establishment	202 cases were reviewed 96 cases were in compliance Success rate = 47.52 percent Out of compliance, but a corrective action plan is in place	In compliance
Modifying orders	2 cases were reviewed 0 cases were in compliance Success rate = 0 percent Too few cases to judge compliance	In compliance
Enforcement	68 cases were reviewed 29 cases were in compliance Success rate = 42.65 percent Out of compliance, but corrective action plan	In compliance
Collections and distribution	25 cases were reviewed 23 cases were in compliance Success rate = 92 percent In compliance	In compliance
Interstate cases	2 cases were reviewed 0 cases were in compliance Success rate = 0 percent Too few cases to judge compliance	In compliance
Obtaining medical support	12 cases were reviewed 2 cases were in compliance Success rate = 16.67 percent Out of compliance, but corrective action plan	In compliance
Closing cases	0 cases were reviewed Success rate = 0 percent Too few cases to judge compliance	In compliance

Paying the Incentives

The performance reviews are only the first half of the strategy intended to ensure that counties first meet minimum standards and then continually improve their performance. Based on the results of the performance review -- and the reported case statistics -- the department distributes millions of dollars in incentive payments. In 1994-95, DSS gave the counties \$90 million in incentive money.

Under the program, defined in both statute and regulations, the penalties for poor performance are mild. The incentive structure is fashioned into two tiers. All counties, no matter how poorly they score in the annual performance reviews, receive a Tier I "base rate" incentive equal to 6 percent of the child support they collected the previous year. Counties that according to the performance review are found to comply with state and federal rules, can earn an additional Tier I "compliance rate" incentive equal to 5 percent of collections.

Counties that pass that hurdle are eligible to earn Tier II "performance standard" incentives equal to an additional 1 percent to 3 percent of their collections. The Tier II incentives are based on a point system determined by measuring the percent the county improved over the previous year in two performance areas: paternity establishment and support order establishment.

The incentive payments can make the difference between a county child support program covering all of its costs, or having to rely on tight county general funds to make up a portion of their operating budget. In 1994-95, for example, Alameda County spent \$13.5 million and the federal government reimbursed nearly \$9 million of that. The county earned another \$6.5 million in federal and state incentives, giving it a nearly \$2 million "profit" that it could use to make further improvements in the program. Los Angeles County, which failed its performance review that year, had the opposite experience. It spent \$82.4 million, was reimbursed nearly \$60 million, and earned \$11.5 million in incentives -- for a net loss of \$11 million.⁸⁴

Incentives Drive Programs

At best the State's system of awarding incentive payments deflects program goals away from collecting money for children toward doing whatever is necessary to pass the review and receive the incentive money. At worst, it invites manipulation of the numbers.

The Tier II incentives are calculated by comparing a county's progress in establishing paternities and support orders. The first step in the calculation is to determine how many paternities a county has established compared to how many paternities need to be established. A similar calculation is made in the area of order establishment. Counties long ago learned that having "dead wood" cases languishing in the files hurts success percentages -- encouraging them to close hard cases and concentrate on those most likely to yield results with the least effort expended. The incentive system therefore has the upside-down effect of punishing counties that do the right thing by not giving up on hard cases and rewarding those that do the wrong thing by jettisoning the hard cases

Looking Good

By the way DSS measures performance, Monterey County improved its rate for establishing paternities during fiscal year 1995-96 by 400 percent. That earned the county the maximum 60 incentive points.

But the county's family support director said the county accomplished 200 percent of this improvement -- not by establishing paternities -- but by moving more than half of the 9,894 cases it had designated as awaiting paternity establishment back into the "locate category" -- meaning cases where they had no address for the purported father. The reason, according to the director: "the numbers were hurting us."

Counties define a "paternity pending" case in different ways. And because Monterey had defined it as any case where fatherhood had not been established, the county's statistics were less favorable than those of counties that didn't move cases into that category until they had the father's address.

Monterey would have received its 60 bonus points even if it had improved its paternity establishment by only 200 percent. But even without judging which is the best way to account for cases, the fact that counties account differently diminishes the comparability of the statistics.

By the same token, using resources to move numbers around within a county's caseload does nothing to deliver support to the children to whom it is owed. And for the State to judge success and award incentives based on phantom numbers only reduces the accountability.

in favor of easy collections. The hard cases, no less than the easy cases, represent children needing help in getting support. The Ventura County Family Support Director testified:

How you measure success has impact on how the system operates. Suddenly we're being evaluated on how much we're collecting in each case and people say we're spending time and resources on cases where we're not getting anywhere, so that encourages us to close cases. A better policy would be to keep those cases open so we could still run them against automatic databases without being penalized.⁸⁵

Counties also have found that the malleability of the rules allows them to move numbers around within caseloads -- shrinking denominators to simulate achievement where in fact none may have occurred.

Beyond any inducement to manipulate numbers, the Legislative Analyst questions the validity of the two variables -- paternity and order establishment -- as indicators of success. By the LAO's analysis there is not a statistically significant relationship between higher collections and more paternities or support orders. It suggests the state develop incentives built around those variables that gauge efficiency in the programs -- such as the cost-to-collections ratio.⁸⁶

And finally, the performance reviews do little to reduce the energy-draining disputes over the State's performance.

The Chief of the State Office of Child Support points to the most recent performance review results as evidence that "counties have improved their productivity especially in establishing paternity and support orders and collecting child support. Once we began paying counties for performance productivity skyrocketed."⁸⁷

But advocates for custodial parents, and the parents themselves, tell a different story. The directing attorney of the National Center for Youth Law testified:

In nearly 60 percent of cases, representing over 2 million children, California's program has failed in its most basic task -- obtaining child support orders. California ranks 45th out of the states on this measurement, and ... its success rate has dropped by over 30 percent in just four years.⁸⁸

Creating Outcome-Based Accountability

The State's emphasis on process in reviewing county child support programs has its roots in the way the federal government has evaluated state programs in the past. But the feds are changing.

The change began with recommendations from the U.S. General Accounting Office (GAO) and reforms initiated by the Office of Child Support Enforcement (OCSE) under the Government Performance and Results Act

of 1993. Both efforts attempt to focus management on accountability and outcomes.

The Government Performance and Results Act requires federal agencies to develop annual performance goals, report on whether the goals have been met and develop incentives that create accountability for results. The GAO evaluations of the child support program have criticized the current incentive structure, which bases the rewards on child support collections relative to administrative costs rather than on program goals. The GAO said the reward plan allows all states to receive incentive payments regardless of how well they perform and does little to encourage improvements or sanction under-performance.

The GAO recommended in 1993 that the OCSE focus its management of state programs on long-term outcomes and that it redesign incentives to encourage improved performance. The OCSE accordingly has now set five-year national goals for increasing the number of paternities and support orders established. Building on those changes, the federal welfare reform act now requires a new incentive funding system for state child support enforcement programs based on performance.

As is the case nationally, the first step in California toward accountability is reliable and comparable information. The debate must be moved from the validity of statistics to the validity of strategies. The second step is for counties to be held accountable for minimum performance standards -- to be sanctioned when they do not reach minimum standards and rewarded when they exceed them.

The department already has been encouraged by the Legislature to develop a fair and comparable way of gauging the county performance so that program directors can be held publicly accountable for their successes and their failings. It already has the authority under law to sanction counties that do not meet minimum standards. The department has ample evidence that the performance review process needs to be revamped -- to become an accurate gauge of outcomes rather than an inaccurate measure of procedural effort. If not for the sake of California's children, this change will be needed to keep pace with federal rules.

Feds Will Stress Results

Changes at the federal level may compel the State to improve its data collection, beef up accountability and begin emphasizing results over process in evaluating county child support enforcement programs.

Under the federal welfare reform act, federal officials will stop judging states based on how well they have followed procedural steps and begin judging them on their effectiveness and accomplishments.

According to an implementation plan submitted to Congress in March 1997, the federal government will base incentives on state performance in five areas: establishment of paternity, establishment of orders, collections on current support due, collections on past support due and cost effectiveness. The higher a state performs in each of those categories, the more incentive money it will receive.

States also must be in compliance in order to qualify for incentives. And regional audit staff will be available to provide technical assistance to states that fail the audits. At least once every three years, the states will be audited to see if their computer and data collection systems are adequate.

States that do not meet minimum standards or that cannot show they used reliable data to compute their performance can see funding cut by 1 to 5 percent.

As described in Finding 3, one option is for the State to take over those functions that it can clearly do better than some of the underachieving counties. But short of that, county officials have identified at least two ways that technical assistance could be better linked with program evaluations to give family support divisions more traction on the learning curve:

- **Improved state loan program.** Low-performing counties say the incentive structure traps them in a downward spiral. Without improving programs they cannot get the extra incentive money, and without the incentives they cannot improve programs. Similarly, most family support divisions are now expected to pay for themselves, making it difficult to secure county funds to pay for innovations. In 1992 the Legislature, with SB 1530 (Watson), created a loan program that provided for up to \$10 million each year from the General Fund to finance improvements in county programs. If the improvements increase collections more than the investment, the loan does not have to be repaid. Alternatively, if the counties match the state money dollar for dollar, the money does not have to be repaid. Since the program was initiated, nearly 80 projects have been financed with the fund. In the 1996-97 fiscal year, however, only six projects for a total of \$1.8 million were underway. State officials said counties have been too preoccupied with SACSS implementation to apply for improvement loans. However, some counties, particularly those with severe budget problems, believe the program is too great a gamble. Unless they are willing to finance half of the improvements, they must be able to show increased collections within a year -- too short a time frame for many projects to show a return.⁸⁹
- **Filling the training gap.** Family support directors say the State does little to help counties train rank-and-file employees in program requirements and little to help transfer successful practices from one county to another. Some family support directors believe the annual conventions of county officials are an effective venue for sharing ideas. But officials from poorer and often under-performing counties say they do not have the money to attend the conventions, do not receive enough details to implement a reform, and may lack the political momentum to muster resources to make the improvements.

The State does have another tool that can be used to bring accountability to a system that has sidestepped the opportunity to make itself accountable: allowing parents to bring legal action to enforce existing law. In 1997, the U.S. Supreme Court, in the case of *Blessing v. Freestone* considered whether citizens have a right to sue in federal court to enforce federal provisions that require states to enforce child support. While the court found that citizens were not entitled to a satisfactory performance by government child support enforcement efforts, it let stand the ability of citizens to seek judicial redress if public agencies fail to meet clearly established regulatory obligations. The case was remanded back to the U.S. District Court and other legal challenges on the part of parent and children advocates are expected to force lower courts to make the distinctions drawn by the high court.

Regardless of the outcome of the federal cases, California lawmakers could provide parents the right to bring citizen suits against public agencies that are not following clearly stated state laws or standards.

Summary

Without better data -- without a process for translating case numbers into families and children, and without knowing what needs are not being met and why -- managers will not be able to improve child support enforcement programs. Without meaningful program evaluations, they have little basis for allocating fiscal and political resources to construct effective solutions. And without the will and the commitment on the part of managers and policy makers to act upon the knowledge gained, the child support program cannot meet the needs of the children it is intended to serve.

Recommendation 2: To develop an effective child support program, the State should collect reliable data from the counties, conduct sound evaluations and enforce minimum performance standards.

The county district attorneys want -- and should have -- the liberty to make all of the day-to-day decisions about how to administer local aspects of the child support enforcement program. In exchange for that freedom, however, counties should be required to report reliable data on program performance so that the public and state officials can hold locally elected officials accountable for that performance. The incentive system should be revamped to reward results and not excuses. Measures the State should take include the following:

- Require counties to gather verifiable, uniform and comparable data on the performance of child support efforts. The data should be audited by the State annually. The accounting rules should allow for two classes of cases -- cases that are open and active, and difficult cases that are no longer actively worked but are periodically matched against databases to locate missing parents or assets.
- Create a rigorous county evaluation system that determines whether counties are in compliance with federal and state procedures. The system should require valid statistical evidence affirming that a county is satisfying minimum standards before the county can be found in compliance. Counties that are out of compliance in the same category for two or more consecutive years should be financially sanctioned.
- Amend the incentive system to be success-based. Only counties in compliance with all state and federal child support regulations should be eligible to receive incentives. The incentive system should be simple enough to enable counties to identify clear goals and should reward only those counties that demonstrate continuous improvement in outcomes -- such as providing a specified payment for each paternity or support order established.

- Publish, in collaboration with child support advocacy groups, the California Family Support Council and the California District Attorneys Association, an annual report card based on uniform and agreed-upon data to clearly reveal how individual county family support divisions have performed during the previous year.
- Allow parents to sue counties for failing to satisfy minimum federal and state performance standards.
- Develop, in collaboration with the best performing counties, assessment teams made up of the best county talent available. The teams should analyze the operations of the poor performing counties, provide suggested best management practices to cure the biggest problems, and report on their findings to the county board of supervisors and to the district attorney.
- Link the state child support investment fund with the assessment teams to help counties fund reforms that the teams recommend. Counties should be allowed to “pay back” the funds by demonstrating that the improvement resulted in cost savings to the state General Fund of an amount equal to the loan over a specified number of years.

Maximizing Collections

- ❖ *California's child support enforcement efforts are complicated by a wide diversity among the 58 county child support programs and by the need for counties to coordinate efforts.*
- ❖ *Federal welfare reforms require the State to centralize some of the task of collecting child support. That change, along with the growing number of state agencies becoming involved in child support, raise the question of whether the child support program should be restructured.*
- ❖ *The State Franchise Tax Board provides a valuable service to counties in collecting delinquent child support, but built-in disincentives discourage counties from taking full advantage of this chance to boost collections.*

Maximizing Collections

Finding 3: In dividing child support enforcement duties between the counties and the State, the opportunity is being missed to develop efficient and flexible solutions that encourage ongoing innovations that will maximize collections.

Among policy makers and program managers, organizational design is essential to creating an effective, efficient and accountable service delivery system. Too often limited resources force the State to make incremental changes -- no matter how inadequate the existing structure. Too often the optimal design is compromised to preserve the status quo.

Three events are requiring the State to again reconsider the traditional alignment of functions associated with enforcing child support. First, as more agencies have been enlisted to find missing parents and their assets, it has become clear that some of those agencies have the skills and aptitude to better perform some functions than many of the county family support divisions.

At the same time, entrepreneurial counties are showing that dramatic progress can be achieved without consolidating functions at the State. And finally, federal reforms require the State to centralize at least a portion of the collections function -- opening the broader issue of how much of the collections and enforcement function should be left to county district attorneys.

The challenge facing California policy makers is how to realign functions in a way that best improves service to custodial parents, non-custodial parents and children. Of equal importance is creating a system that provides flexibility without sacrificing accountability, and capitalizes on the best performers now while encouraging ongoing innovation.

Aligning Proficiency and Responsibility

Child Support Enforcement is a federal program in which the duties have been delegated to the State. In California, the State Department of Social Services is responsible for the program. It has delegated most of the actual functions involved -- finding missing parents, securing court orders for support, collecting and redistributing the support payments -- to the county district attorneys.

As the effort to make parents financially responsible for their children has escalated, a number of other public agencies have been enlisted. Some have been recruited for their expertise, such as the Franchise Tax Board for its collection capabilities. Other agencies have become involved because they provide a public service that policy makers want to deny to parents who shirk their familial responsibilities -- the Department of Motor Vehicles licenses drivers, and now revokes the licenses of California motorists who fall behind in child support payments. Still other agencies have become involved because they have information that helps the counties do their jobs. The Employment Development Department's records have proven invaluable in finding parents and their paychecks.

California's organizational structure has become increasingly controversial -- as poor coordination stymies success and as some advocates seek to give more authority to those agencies displaying the most competence.

As this network of involved agencies has grown, California's organizational structure has become increasingly controversial -- as poor coordination stymies success and as some advocates seek to give more authority to those agencies displaying the most competence.

Some of the coordination problems are the result of each county operating unique and distinct enforcement programs. Most of California's metropolitan areas encompass several counties and child support cases multiply in their complexity when either the mother or the father moves across the river, across the bay or down the coast. With more than 2 million cases to juggle in the state, the ones most easily dropped are those that fall in the cracks between county lines: In some cases, county workers do not know that a case has been opened in another county. When they do know another case exists, it can take a year to transfer a case from one county to another. Other times, the involved counties agree to leave a case in the first county so that the support order is not derailed at a critical juncture, preserving the process while confusing the parents.

In any event, the counties have operated with different forms, different procedures, different proficiencies and different priorities. That diversity, while frustrating for parents, has been tolerated as a necessary evil of local control. Allowed to develop their own methods, the theory holds, counties will implement the methods most suitable for their needs.

Some of the diversity has reached beyond legitimacy. As described in Finding 2, federal auditors have found that counties routinely violate federal

guidelines for reporting data and accounting for funds. The auditors believe these discrepancies are the product of a highly decentralized system lacking effective internal management controls.⁹⁰

The solution advocated by some is to eliminate the barriers between the counties and bring uniformity to procedures by consolidating the day-to-day functions at the state level. Some advocates go a step further, to urge that the support order establishment process be taken out of the courts and consolidated in an administrative agency at the state level. The groups are buoyed by efforts in other states to consolidate functions in revenue departments. The Association for Children for Enforcement of Support (ACES) testified that Massachusetts, Arkansas, Alaska and Florida have charged the tax collector with primary program responsibilities:

Currently 38 states have state-run systems. The benefits of a state-run system are uniformity of procedures and accountability at the state level. A county-run system has a lack of accountability because the state does not have jurisdiction over the counties. It is just as difficult to enforce orders between two California counties as it is between two states.... Each county interprets, implements and enforces federal and state laws differently and creates 58 separate county policies... California needs a unified single child support statewide system under the Franchise Tax Board. A state run system will give parents who must use the system uniformity of procedure. It also addresses the accountability issue because parents will be dealing with just one agency to hold responsible.⁹¹

Both state and county child support enforcement officials bristle at the recommendation. One family support director said the proposal tops his list of worries:

My biggest concern is the State taking over child support. The criminal enforcement aspect would suffer. The state wouldn't be doing any prosecutions. It wouldn't be effective to refer prosecutions to the DA because the DA wouldn't control what cases got referred and how and the State would have no control over caseworkers trying to collect money and the DA going another direction.⁹²

Other county officials argue the essential characteristic of the program is assisting families, and an agency based in Sacramento would not have the compassion to help families in all of the diverse situations presented in California.

The concern among county officials of a "state takeover" of child support enforcement is so strong that some efforts to improve the program have been misshapen by fear. The Statewide Automated Child Support System (SACSS) is used by the counties and DSS as their best defense against efforts to centralize child support enforcement. The computer network, they maintain, will provide uniformity of process and forms, and lower the barriers between counties. Ironically, implementation of the system has been frustrated in part by the diversity among counties. And the adaptability of the system is limited by the small centralized memory node -- which was

designed in part to preserve county control of information and case management.

But three important events have occurred while the state has been preoccupied with implementing SACSS: The Franchise Tax Board has displayed enterprise in developing a collections service for delinquent child support, some counties have developed effective and efficient automation on their own, and the federal government decided that all states should have centralized collections units. These three developments provide an opportunity and obligation to realign child support enforcement functions.

FTB Collections

In 1993, the Legislature with AB 3589 (Speier) created a pilot project using the Franchise Tax Board to collect delinquent child support. The pilot project involved six counties, which turned over selected cases to the FTB. During the first 12 months of the project, the FTB collected \$34.6 million. This success generated the signing of AB 923 in 1994, which expanded the program so that any county could ask for FTB's help in collecting delinquent support. In the next year, 20 counties took advantage of the board's collection expertise and collections reached \$66 million.

One of the surprising results was that FTB actually collected more in welfare-related cases than in non-welfare cases, displaying the board's ability to collect in cases that traditionally were considered uncollectible.

The FTB begins by sending non-paying parents a demand letter, bluntly telling them that the case has been turned over to the FTB and that they have 10 days to pay off the debt before FTB goes after the child support debt with the same persistence that it pursues tax debt. In fiscal year 1995-96, 7 percent of the money collected through the program was generated by the demand letter alone.

The FTB then searches employment records, financial records and tax records. If it finds an employer, it can assign up to 50 percent of the worker's wages. If it finds assets, it seizes them. In both instances, the FTB uses administrative authorities granted to it as the state tax collector to take action quicker than counties could take historically. The FTB also contracts with private collectors -- as it does in its tax cases --- to pursue out-of-state collections.

The FTB attributes the program's success to three factors: political leadership, unrestricted legislation and a hard-forged relationship between the FTB and the county district attorneys.⁹³

The program also has a central characteristic not often found in government -- it is truly a voluntary service to its customers. Counties can choose whether to participate in the program, and can decide which cases to send. That dynamic has created an incentive for FTB to meet the needs of its customers -- to develop the working relationship with the counties that it cites for its success. FTB, by linking its tax authorities and its computerized processing, has entrepreneurially done for the counties what they could not do for themselves.

Two-thirds of FTB's administrative costs are paid by federal child support reimbursements, and the balance comes in the form of a commission from the counties. The counties receive a 6 percent incentive bonus on their collections from the federal government, and they split that incentive payment with FTB for money it collects. In fiscal year 1995-96, FTB's share of the incentive money came to \$1.4 million. The funding arrangement expires at the end of fiscal year 1998-99.

FTB does not accept cases in which there is a tax liability. Under the law, child support debt receives priority when wage assignments are used to collect debt. If FTB pursues cases where the parent also owed taxes, it may end up having to collect child support debt before satisfying its initial charge of collecting state revenue. In 1995-96, FTB returned one in three cases to the counties -- often to avoid the potential conflict between its child support and its tax collecting responsibilities.

The question now is how to build on FTB's success. FTB believes some counties have not participated because they are unwilling to share the incentives they receive on collections they make. The FTB believes that once connected electronically through SACSS, 51 of California's 58 counties will send at least some of their delinquent cases to the tax collector.

Unfortunately the current funding structure may not encourage all county district attorneys to submit all delinquent cases to FTB for collection because they must share their much needed incentive payments with FTB. In an effort to retain incentive payments, some county district attorneys choose not to participate, while others elect to refer only difficult cases that are unlikely to be collected.⁹⁴

FTB supporters say the program shows the benefits of centralizing functions in agencies with specific competencies needed to improve child support enforcement and believe that all counties should be compelled to turn over delinquent debt to FTB. Some advocates would go even further, to rely on FTB to satisfy federal requirements that the State establish a centralized collection unit by making FTB responsible for all collections, current and delinquent.

Local Automation

Over the last 10 years some of the better-performing county family support divisions have developed their own automation systems -- to organize or process cases, link databases with cases or take enforcement actions.

In that sense, the counties have operated like laboratories, finding new ways to process forms and checks. Many of the counties have incrementally developed and paid for their computer infrastructure: As a function is automated, they become more efficient and earn more in incentives. With the additional funds, they automate another function, becoming more efficient and earning more incentive money.⁹⁵

As explained in greater detail in Finding 4, many of these counties are now reluctant to turn off functioning computer systems and connect to a malfunctioning Statewide Automated Child Support System. But beyond the SACSS dilemma, as enterprising counties have automated they have put pressure on the existing organization structure -- searching for new functions, new authorities and even seeking the business of other counties.

The San Diego County family support division, for example, recently reclaimed functions that had been delegated to other county departments and developed its own automation system. To find missing parents or their assets, it made more extensive use of U.S. Department of Defense databases than other counties or state agencies. To more quickly process payments, it developed check-scanning capabilities that are as efficient as those at the largest banks. San Diego officials are now considering the possibility of contracting their services to other family support divisions.

Other automated counties want to expand their authorities to capitalize on their technological abilities -- arguing that if they had the same authorities as the FTB to administratively tap bank records and attach up to 50 percent of a debtor's wages they could increase collections.⁹⁶ To that end, FTB's entrepreneurial spirit has inspired counties to think about new ways to solve perennial child support enforcement problems.

In turn, some counties are willing to become customers of agencies that can perform a function better than they can. Los Angeles County, for instance, is by far FTB's largest customer -- sending the tax collector virtually every case that falls 30 days delinquent. By letting FTB worry about its delinquent cases, the Los Angeles district attorney can focus on ways to improve its order establishment process -- such as helping to automate court procedures so the clerks and judges can keep up with the cases generated by the district attorney's new computer system.

Centralized Collections

The centralization vs. decentralization debate that has waged in Sacramento also has waged in the nation's capital. Congress, persuaded that California and other large states had not seriously considered realigning functions to improve efficiency, in 1996 required states to centralize the functions that have shown to most often deliver economies of scale -- collections and distribution.

Some provisions of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 are definitive. The law requires the centralized unit to be in place by October 1, 1998. It also clearly requires that employers be provided one place to send wage assignments. The law also requires that the disbursement -- at least those for non-welfare parents -- has to be accomplished within two days.

From there, certainty in the law begins to evaporate. While the law seeks to create centralized collections and distribution units, it allows for states to establish a centralized unit by linking local distribution units -- provided that approach will not cost more or take more time to operate.

An even greater ambiguity lies in the role required of the centralized unit in enforcing orders when payments are not made. Some stakeholders have interpreted the law to say that enforcement actions -- which are now delegated to the counties -- must also be centralized. Carried to its logical end, if a state agency is going to collect and distribute child support payments and enforce orders when compliance is not voluntary, then the State will effectively take over management of a case from the moment a support order is established.

No matter how it is interpreted, however, implementing the federal law in California is complicated by the bias against the state operation of child support functions and the decentralized design and operational shortcomings of SACSS.

All Objectives Are Not Created Equal

The Department of Social Services hired a consultant in 1997 to help it assess the alternatives for creating a centralized collections unit, as required by federal welfare reforms.

The consultant identified, but did not prioritize, the project's objectives. Among them: "Provide highest level of customer service possible."

The analysis, however considered concerns that had little to do with customer service or any of the other objectives. Among them: whether counties would lose control of such functions as posting checks and whether significant changes would be required to the existing state-county alignment of duties.

Currently nearly all of these functions are performed by the local governments. With the exception of tax intercepts, which are collected by the State, child support payments are made to counties, which process the checks and allocate and disburse the funds among parents and government agencies being reimbursed for welfare expenditures.

SACSS was designed to reflect this assignment of functions -- retaining at the county level all of the information needed to take in payments and disburse support. The central node of SACSS will make the determination of how to allocate the money.

The Department of Social Services, with the help of a consultant, is developing a plan for satisfying the federal requirement that would retain at the counties some of the collection and disbursement functions, while looking to a centralized unit to collect wage assignments and allocate the money among the different receivers.

In analyzing the options, the department and consultant considered a combination of factors. Some of them relate to efficiency and effectiveness, while others consider political factors such as whether a specific alternative would preserve county control of an important function. As a result, it is difficult to tell from the analysis whether the solutions under consideration represent the best business solution -- and by extension the best solution for California children -- or whether the product will reflect a combination of business and political considerations.

None of the options rely on SACSS to perform all of the collections tasks because its decentralized design prevents it from being easily adapted to take on a centralized role. At the same time, all of the plans considered by

the State assume that SACSS will be operating by October 1, 1998 -- an assumption that county family support directors who have worked with the system seriously question.

In addition to deciding the structure of a collections unit, state policy makers will have to decide whether the function will be performed by a public agency or private entity. Among the contenders are the State Controller, the Franchise Tax Board and Lockheed-Martin, the prime contractor for SACSS.

Opportunities and Criteria for Realignment

The success of the Franchise Tax Board's child support program, the success of some local automation efforts, and the requirement to centralize some collections and distribution provides an opportunity for the State to realign the assignments of child support functions.

Traditionally, program managers have been highly protective of the county-based structure -- tolerating a wide disparity in proficiencies in order to preserve local control. Some policy makers and children's advocates, frustrated by the persistent poor performance in some counties, see the current realignment debate as the State's best opportunity to centralize functions.

The realignment debate should be framed by two important questions: If the State is going to take over a function, does it have to perform that function better than all counties are currently performing, or just better than the worst performers? And, if the State takes over a function, how can policy makers ensure that the State agency will constantly improve its performance -- as some counties have demonstrated is possible?

Among the options for realignment:

- ***Make FTB responsible for all delinquent collections.*** Currently only some counties send cases to FTB, and most counties only refer some of their delinquent cases. In some cases, the counties are waiting for SACSS to go on line so they can interface with the state agency. Many counties believe they can do as good of a job collecting some of the cases, and prefer to send only their hardest cases to FTB. Legislation has been introduced to require counties to refer all of their delinquent cases to FTB -- reducing the counties' collection authority and converting FTB from a service to an agency with a mandated role.
- ***Make FTB responsible for current and past-due collections.*** FTB could expand its technologies and process to collect all delinquent support, and to be the receiver and processor of current support payments -- satisfying the federal requirements for centralized collections. FTB has outlined several options for fulfilling this function, utilizing SACSS for a portion of the function and relying on counties for a portion of the function.

- **Create a state collections unit for wage assignments.** DSS has been analyzing the options for satisfying the federal requirement. The alternative favored by early analysis calls for a hybrid system in which the counties collect some of the support, while a state operation collects all wage assignments. The allocation and disbursement would be accomplished using SACSS and the counties.
- **Centralize all collections and enforcement at the State.** An option not analyzed by the State, but urged by some advocates, would centralize all collection, distribution and enforcement at the State. Many of the enforcement actions are automated now by the county and will be automated under SACSS. Many of them involve other state agencies, such as DMV. This alternative would radically realign responsibilities -- effectively turning case management over to the State as soon as an order is established.

While driven by contemporary developments, the alternatives reflect long-standing preferences by the interests involved on how to best assign functions. One stumbling block to an effective debate is the lack of an agreed-upon criteria for analyzing the State's options. The potential criteria should satisfy a number of policy concerns.

Among the criteria that should be considered to ensure that state policy makers will make the best long-term decision are:

- **The structure should reflect the best business solution.** Because so much of child support enforcement is a business process, the best business solution will result in improved service to parents and children.⁹⁷ For instance, payments that are efficiently and accurately processed result in timely distributions to families. Increased use of electronic fund transfers can accelerate the process while improving security.
- **The structure should eliminate bottom dwellers.** Changes in the structure should recognize that California's greatest problems have not been with the top performing counties, but with persistently poor performing counties. Sometimes efforts to bring uniformity are misguided -- trading disparity for mediocrity. Sometimes local institutions are incapable of achieving minimum acceptable performance, and the structure should be able to distinguish those problems and treat them differently.
- **The structure should be weighted toward children.** The child support enforcement program has different "customers" -- employers, non-custodial parents, custodial parents, the government, which is being reimbursed for welfare, and children. In every instance, the option that increases reliable support payments to more children should be preferred. In the past, reforms have been limited unnecessarily in order to reduce inconveniences to participating government agencies and businesses.

- ***The structure should align function with accountability.***
The child support program has suffered from holding neither the State nor the counties accountable. Whenever possible, realignment of functions should be done in a way to increase, rather than dilute accountability.
- ***The structure should encourage innovation.*** Some of the recent successes in child support enforcement have occurred because of competitive pressures -- counties that feared losing functions to the State or state agencies seeking to expand their influence. When possible, realignment efforts should capitalize on this natural motivator rather than freeze progress by granting public agencies monopolies over functions.
- ***The structure should have a unified source of information.***
With more than one agency already involved in collecting child support, families can get the runaround when seeking information about their case. In centralizing collections, Massachusetts created a centralized customer service center that provided one address for inquiries nationwide, one toll-free number for telephone calls, one source of accurate information. While that degree of centralization may not be practical as long as California has a county-based program, the agency responsible for collection and distribution of money must be able to make accurate and real-time information available to parents.

Expanding the Enforcement Tools

In some instances, creating a better alignment requires granting the necessary authority to carry out an established function more effectively. Three additional authorities would bolster the functions performed by counties: a felony penalty for failing to pay child support, a statewide property lien registry and an administrative bank lien.

Felony

In California, it is a misdemeanor not to pay child support. California once had a felony provision, but the law was declared unconstitutional because of the way it was crafted. While most child support cases are brought civilly, county prosecutors do bring some misdemeanors. Restoring the felony provision, they assert, would give them a tool for extradicting delinquent parents residing in other states.

In most instances, the DAs are using the misdemeanor criminal statute as a hook, to get the attention of non-complying parents. The threat of jail time works for some who are unfazed by other enforcement hammers. The head deputy of the Los Angeles District Attorney's prosecuting unit explained:

The intent of the statutes is to get people to support their kids, not to send them to jail. We'll work with you. If you pay your current support and agree to a plan to pay arrears, we'll put you on diversion. But if you don't,

or if you don't live up to the terms of the probation, you go to jail. We have carrots and sticks.⁹⁸

The re-establishment of a felony child support provision has wide support. It is one of the few issues that DSS and family advocates, such as ACES, agree upon. Thirty states have a felony law, according to ACES.

Advocates of a felony provision say it would elevate child support as a public issue. ACES testified:

California needs a felony law to send the message to non-payers that failure to pay support is a serious crime that will no longer be tolerated in California.⁹⁹

The more direct legal effect of a felony law would be to allow district attorneys to use federal marshals to bring fugitives back to California under provisions for unlawful flight to avoid prosecution. At least one county has sought the help of federal officials to obtain warrants in misdemeanor criminal child support cases for the same purpose, but no formal process exists for that procedure.

The federal Child Support Recovery Act 1992 allows federal prosecutors to take felony action against parents who willfully avoid supporting their children who live in another state. But federal authorities do not have the resources to take on many cases, and the federal law is under fire in the courts. In 1993, the first year the law was in effect, federal authorities brought two cases nationwide. In 1994 they brought 12. In 1995 they brought 80. District courts in three states have found that the law exceeds the federal jurisdiction over interstate commerce, while other courts have found it to be constitutional.¹⁰⁰

The weakness in the federal law could be bolstered by state law. From a legal standpoint, a felony provision would allow prosecutors to process more interstate cases. In some counties, as many as 30 percent of the cases involve parents who have left the state.¹⁰¹

Not Paying Child Support is Still a Crime

Los Angeles County has a courtroom dedicated to misdemeanor child support cases that officials said has increased collections in the county by \$100,000 a month. Some 100 cases a day are brought as a last resort to securing support. In most instances, the cases are brought when an order has been in effect for a year but the parent has refused to pay.

The cases are prosecuted under Penal Code Section 270, criminal failure to provide child support, and Section 166.4, criminal failure to obey a court order. Penalties are one year in jail and 180 days in jail, respectively. Very few of the parents brought to the criminal court are sent to jail. In about 10 to 15 percent of the cases the person is sentenced to community service. Most are put on probation and begin paying child support. Often when the person is sentenced to jail, the family of the non-custodial parent appears the next day with the money to pay the owed support.

The criminal action often brings in parents who did not come to court when the order was established. In those cases the award was set on presumed income and as a result were often set too high. For those parents, the amount of the order is reduced as part of the process of convincing them to pay.

A follow-up survey of 100 Los Angeles criminal child support cases found that 39 percent of the defendants were paying current and past support; 22 percent were paying an amount less than the full support order and 30 percent were fugitives. About 25 to 30 parents served some time in jail.

Statewide Property Lien

For 30 years, child support enforcement officials say they have bucked the objections of title companies in an unsuccessful effort to create a statewide property lien. The counties collect millions of dollars by filing liens on real property owned by delinquent parents. The liens at the very least inconvenient non-custodial parents by showing up on credit reports, providing another incentives for parents to pay support. The liens also allow the government to recover funds -- either for welfare reimbursement or to support the family -- out of the proceeds of property sales.

The current procedures, however, require counties to file the liens in individual counties and to know about a sale in order to ensure success. According to the California District Attorneys Association, the individual liens create a heavy burden and expense on the part of child support agencies and the county recorders. As a result of these hurdles, not all of the child support that could be collected with property liens is collected.

The Department of Social Services in 1992 concluded that it was possible to use commercially available data and existing computer infrastructure to create a property record registry. Similarly, the district attorneys have advocated that a central registry for child support orders -- already legislated, but not implemented -- could automatically create liens on property owned by delinquent parents.¹⁰²

Better use of real and personal property liens is considered one way to more effectively reach self-employed parents. The Interstate Child Support Commission concluded: "Liens are not imposed regularly, and one of the major reasons given is the costly and time-consuming nature of the lien imposition process."¹⁰³

The interstate commission encouraged states to routinely place and update liens on title certificates for real and personal property belonging to delinquent non-custodial parents. It also recommended that streamlined procedures be adopted for challenging the validity of liens and releasing liens.

Administrative Bank Liens

County authorities have access to 1099 information, which record interest, dividends and other non-wage income. But they receive that information from the federal child support agency, which receives the information from the Internal Revenue Service. As a result the information can be 10 to 20 months old. When accurate and current, the information can be used to seek a court order to seize bank assets to pay delinquent child support.

One of the tools used by the FTB has been an administrative bank lien, allowing it to quickly seize assets -- accounting for about 9 percent of the money it collects. The federal welfare reform law requires child support agencies to have administrative bank lien authority. Counties that are automated believe they ought to have the same administrative authorities as the FTB.

Summary

When the mail arrives, what matters most to struggling families is that absent parents are held financially responsible for their children. They are not overly concerned with whether the check was processed in Sacramento or in Siskiyou County.

The organizational design of child support enforcement, however, can yield efficiencies that increase the reliability and the effectiveness of the program. Automation, federal requirements and some much needed enterprise on the part of some child support enforcers have given a renewed impetus to the long-standing issue of how to best align enforcement functions. The challenge for policy makers is to make choices that not only provide the highest possible level of child support enforcement now, but that encourage ongoing improvement.

Recommendation 3: The State should centralize functions that it is compelled to by federal law or that it can inherently do more efficiently and effectively than all counties. Otherwise, the State should encourage partnerships and pilot projects that foster competition, innovation and provide counties with options for enforcing orders and collecting support.

Many factors appropriately influence reorganization efforts, such as the collection and disbursement of child support. The system has to be secure, it has to satisfy federal rules and it has to be cost-effective. One dynamic demonstrated by the Franchise Tax Board's collections program is that competition between government agencies can spur improvements just like competition between private-sector businesses. These valid considerations should guide an ongoing reassessment and realignment of child support functions. Preserving a division of labor for the sake of tradition should not be a factor in the debate. Measures the State should take include the following:

- Revise the Franchise Tax Board's successful collections program to encourage counties to make better use of those services and to mandate that counties not meeting minimum performance standards turn delinquent cases over to the FTB. One way to encourage greater county participation would be to develop a sliding fee scale allowing counties to keep a larger percentage of the collection incentive money in delinquent cases the quicker they refer cases to the FTB. Counties would be allowed to choose which cases they refer to FTB for enforcement, unless the counties are not in compliance with performance mandates.
- When establishing a centralized collection unit, give high priority to the option that provides the maximum possible convenience to employers and paying parents and the quickest disbursement of funds possible to receiving families -- such as the use of electronic fund transfers and the use of automatic teller machines to distribute support. The design and procurement process should explore the entire continuum of possibilities -- from complete privatization, to

private-public partnerships to operation by a state agency. The State should periodically revisit the issue to ensure that the latest technological developments are being employed to maximize collections and convenience.

- Require the agency or agencies that are made responsible for distributing child support payments to operate a service as in Massachusetts that is capable of answering all collections-related questions and resolving collections-related complaints from parents, employers or other involved members of the public.
- Create a statewide property lien that can be established by each county district attorney.
- Enact legislation making willful and repeated failure to provide child support a felony, in order to help resolve interstate and other difficult cases. To the extent possible, the statute should be crafted to maximize the ability of prosecutors to capture non-custodial parents in other states, while minimizing the effects on over-crowded prisons.
- Pass a legislative resolution urging the federal government to aggressively enforce felony child support provisions of federal law.

Realistic Automation & Fair Process

- ❖ *The State's efforts to improve child support enforcement have been derailed by the Statewide Automated Child Support System (SACSS) -- a trouble-plagued \$300 million computer system.*
- ❖ *Automation has the potential to transform child support programs, speeding the enforcement process and making it harder for delinquent parents to hide, but it must be balanced with measures that assure fairness to all parties.*
- ❖ *Custodial and non-custodial parents alike are frustrated by the inability to get questions answered or to resolve complaints. As automation moves forward these problems will become even more pressing.*

Realistic Automation & Fair Process

Finding 4: The attempt to automate child support casework statewide has sacrificed current financial support, has failed to put a priority on delivering the easy benefits of automation quickly and reliably and is creating due process concerns for future cases.

On the path to statewide automation the State has traded proficiency today for the promise of efficiency tomorrow. Implementing a Statewide Automated Child Support System has become such a burden that for years some counties have performed below par as resources have been diverted toward SACSS.

Automation provides two central benefits to child support enforcement efforts: It allows thousands of routine cases to be processed quickly and it enables caseworkers to reach into electronic tax, employment, drivers license and other records to find absent parents, seize assets and attach wages. Congress, recognizing the benefits of automation, mandated in 1988 that states develop automated child support systems by October 1995, with the federal government to pay 90 percent of the cost.

But nine years later, only a handful of states are automated and California's troubled \$300 million system is barely off the ground. Of equal importance, as technology makes the child support dragnet broader and faster, serious questions arise about how to best ensure that the system is both fair and effective.

The SACSS Saga

The Department of Social Services has looked to the Statewide Automated Child Support System (SACSS) -- a massive computer network linking the 58 counties and the State -- to solve most of the deficiencies in California's Child Support Enforcement Program. DSS maintains that SACSS will improve the performance of many counties and resolve the inconsistent statistical reporting that has compromised accountability and hampered policy makers.

While many California counties still process cases by hand, most counties had some degree of computerization even before SACSS. Those with the resources built sophisticated computer systems that track cases, tap into databases, generate forms and initiate enforcement actions.

The Governor's Child Support Court Task Force noted in 1995 that in San Francisco County the number of cases in which paternity and support orders were established increased between 200 and 300 percent in the first year after the family support bureau became automated. The number of enforcement actions in that period increased by nearly 40 percent.

The Massachusetts child support enforcement program increased collections by 45 percent between 1991 and 1996 using a similar automated system. The chief counsel described the computer's role:

Automation is the essential tool for re-engineering child support operations. The effective use of automation requires structural reorganization of child support functions so that the account histories of all cases are in a central database, ready for data matches followed by automated enforcement remedies that are issued by the thousands without individualized case reviews. Staff can then be freed to tackle the difficult cases while the machine collects on the easy ones.¹⁰⁴

With a statewide system, all California counties would gain electronic access to state and federal databases. A linked statewide system will ease some of the conflicts associated with the same case being worked in two different counties at the same time. Moreover SACSS is intended to go beyond a computerized filing system to actually automate cases -- moving them through the process with little, if any, human action. But with \$82 million spent, and a final bill expected to top \$300 million, SACSS -- the centerpiece of the State's automation plans -- is mired in seemingly intractable technical problems. Many of the county family support directors doubt that SACSS can ever be made to work. And while the State struggles to get the system up and running, child support collections are paying the price.

The History

California responded to the congressional mandate to automate by contracting in 1992 with Lockheed Martin/IMS to build SACSS under the supervision of the state Department of Social Services. The cost of the

project at the time was set at \$152 million. The state plan called for 57 counties to be put on SACSS. Because of its huge caseload and historically poor performance, the 58th county, Los Angeles, was required by federal officials to automate in advance of the State. The Los Angeles system -- known as the ACSES Replacement System (LA ARS), also built by Lockheed -- is designed to connect with SACSS.

In 1995, with concern over costs and delays mounting, the supervision of SACSS was moved from DSS to the Health and Welfare Agency Data Center. The data center renegotiated the Lockheed contract and revised the implementation schedule. By that time, the projected cost had ballooned to \$260 million -- with a \$28 million state share, a \$23 million county share and the balance to be paid by the federal government.

Also in 1995, with Montana the only state automated, Congress extended the automation deadline to October 1997. The penalty for missing the deadline is a sanction equal to 5 percent of block grant funding and a drop in federal funding for the automated system from 90 percent to 66 percent. DSS believes the deadline will be extended again.

California began cautiously rolling out SACSS in 1995. The smallest counties were brought on line first so that glitches could be resolved before the large counties were put on line. In January 1996, the Health and Welfare Agency Data Center suspended installation so it could reassess how the program was being implemented, and in particular how it could expand the training necessary for the county workers to become proficient on the complicated system. In November 1996, the first two large counties were added -- Ventura and San Francisco -- which brought the number of counties on SACSS to 23.

Ventura and San Francisco had been selected because they were already automated and officials believed that would ease implementation. Instead, the enforcement efforts in both counties were brought to a halt. The Ventura County family support director -- an early supporter of SACSS who also serves as president of the California Family Support Council -- summarized the problems in a January 1997 letter to the State Office of Child Support:

Can SACSS Be Saved?

In January of 1997, after county family support directors complained loudly about the failings of SACSS, the State hired a consultant to determine if SACSS could be salvaged. The consultant concluded:

- SACSS is capable of performing the functions required, but not to the necessary quality or performance level.
- The testing procedures may not be adequate to identify problems in the system.
- The difficulty of using SACSS is a major hurdle to it being accepted by the counties.
- The total number of problems are so significant that corrective efforts may not be adequate.

Moreover, the consultant said the problems were so extensive it could not tell just how bad the system was:

The number of application defects, installed workarounds and a complex user interface have made the objective evaluation of SACSS extraordinarily difficult. Key functions are not reliable and are not "user friendly." The counties have been either reluctant or unable to use many of the SACSS functions. This raises the possibility that there are significant undiscovered problems that will appear when the system feature set is fully adopted by users.

All of the counties... have major concerns with the current defects in the system. Errors that occur in the system seem to happen in an inconsistent pattern. The same functions successfully performed in one transaction are often later unsuccessful, even within the course of the same day.

The inconsistent performance of SACSS has seriously eroded the confidence of our employees. They feel they cannot rely on the results reported by SACSS. This occurs both in terms of the accuracy of the data and whether or not specific activities have been performed as reported by the system.¹⁰⁵

With counties on the verge of revolt, the State put the project on hold, stopping the roll-out in January 1997 while technicians tried to work out the bugs.

At its February 1997 annual meeting in Palm Springs the California Family Support Council, which is made up of family support directors throughout the state, passed a resolution urging the DSS to explore alternatives to SACSS.

As doubts about SACSS increased, the State contracted with a consultant -- Logicon Inc. -- to determine whether the system could be fixed. In February 1997 Logicon reported its tentative conclusion: that SACSS is salvageable, but only if Lockheed can resolve some 1,400 remaining technical problems.¹⁰⁶

As of April 1997, the future of the project remains a question mark. Lockheed is working through a corrective action plan that calls for problems to be resolved according to a specified schedule. Logicon recommended that the vendor's progress in meeting that schedule be reassessed in late May 1997.

Meanwhile, some of the system's most important functions -- locating addresses for absent parents, automatically generating forms, linking with automated databases and processing account information -- are not working properly. The locate function has been turned off until problems can be resolved, the forms function is slow and account information is plagued with errors. Counties also say SACSS keeps repeating information already known and antagonizes employers by billing repeatedly for wage assignments.

San Francisco's family support director summarized the county's problems:

We used to be able to file a lien in every possible county, get automated tax intercepts, automated credit reporting, locate new hires, and do automatic wage assignments. Now, with SACSS, we can't locate people, assets or employers.¹⁰⁷

Even if SACSS were working properly, counties like San Francisco that already had highly functioning computer systems regard SACSS as a step back into the cybernetic Dark Ages. The counties report that the system is awkward, glacially slow and inconsistent in what it requires of the user. They

complain that it has almost 400 difficult-to-read screens and requires cumbersome maneuvers for even the simplest functions.

The problems have counties vying to be the last to connect to SACSS. Counties already using SACSS say the system has brought their collections to a standstill. Those not yet on the system are having to divert resources away from enforcing child support to getting ready for SACSS -- training staff in SACSS procedures, foregoing upgrades to existing systems and spending months recoding cases for transfer onto SACSS. The limbo effect is severe for counties like San Bernardino -- which has separate, incompatible systems for case management and accounting, neither of which can communicate with the county welfare department computer system.

The Department of Social Services has responded to the problem by granting "hold harmless" status to counties that fail performance reviews because of SACSS. In the 1995-96 performance review, 12 counties fell into that category.

Despite the years of controversy, Department of Social Services officials have been unflagging in their optimism about SACSS. In January 1996 the chief of the state Office of Child Support said:

SACSS has an impressive amount of functionality. It is estimated that after SACSS is operational statewide, it will bring in an increase in child support collections of approximately \$50 million the first full year. It will increase each year after that.¹⁰⁸

As late as October 1996, the Director of the Health and Welfare Agency Data Center testified that he is confident SACSS will be implemented in time for California to meet the October 1997 federal deadline.¹⁰⁹

While now it is almost certain that the deadline will be missed, DSS officials report that their federal counterparts have indicated the October 1997 deadline will not be rigorously enforced. The federal law provides 90 percent reimbursement for systems that are certified by the deadline and 66 percent reimbursement for systems that are certified after the deadline. The

Divergent Views on SACSS

Director, State Office of Child Support, January 1996:

The good news is that we believe that we have a fundamentally sound, rich system that will be one of the best in the nation after the fixes are made. The counties that have the most knowledge of the system have confidence in it.

Director, Health & Welfare Data Center, October 1996:

I am confident that we will be successful in developing and implementing SACSS in a manner that addresses all federal and state mandates and meets the counties' business requirements. We are committed to delivering SACSS in a timely and cost effective manner.

San Francisco Caseworkers, February 1997:

We believe that continued implementation and use of this system would cause irreparable harm to the state child support program. We strongly request that state officials immediately halt further implementation of SACSS and seek an alternative in order to comply with federal regulations.

Alameda County family support director, February 1997:

I think it will bring most of us good counties to our knees and will result in only marginal improvements in collections for other counties.

Logicon Inc., March 1997:

SACSS has the potential to provide significant benefits to the counties if, and only if, the project can address the problems affecting county productivity in a timely fashion.

issue now, however, is how much if any of the project costs the federal government would assume if the State decided the California's children would be best served if SACSS were scrapped and a better system installed.

Among the Problems

Part of the blame for the difficulties with SACSS lies with federal legislation. In a well-meaning attempt to save money, Congress required states to use existing technology to build the automated child support systems -- requiring states to adapt systems already in use. The effect of that mandate was to render SACSS obsolete before the procurement contract was signed.

A second factor rests in California's county-based system of administering child support. Although Congress mandated states to build statewide systems, the federal government bowed to California's desire to preserve county autonomy by allowing the State to build a county-linked system, providing it could show that a linked system would work as well.

In practice, that made implementing SACSS a nightmare. Because every county has its own existing system and its own level of technology, SACSS has had to be shoe-horned to fit each county. The director of the Health and Welfare Agency Data Center testified that the original SACSS bid assumed there would be a high degree of consistency among the county automated systems and that SACSS technicians would have to write fewer than 30 conversion programs. In fact, he said, more than 50 conversion programs will have to be written.¹¹⁰

Faced with similar problems in the past, the State has created a mechanism for scrutinizing automation projects. After a \$44 million computer system at the Department of Motor Vehicles was scrapped, the Department of Information Technology (DOIT) was established in 1995 by SB 1 (Alquist) and granted the authority to suspend or terminate information technology projects. DOIT's job is to monitor projects and to work collaboratively with the department involved to mitigate risks to the State.

DOIT officials said they have monitored the SACSS implementation, and were part of the decision to suspend implementation in early 1997 and to hire an outside consultant to assess the system's viability.

More generally, DOIT officials said SACSS is one of six large computer systems, representing investments worth hundreds of millions of dollars, that have some welfare-related applications that must be changed to conform to federal welfare reforms. DOIT is concerned about whether some of the systems, including SACSS, can be completed at the same time they are modified to perform new functions in time to satisfy federal deadlines.

The View from the Front

The district attorney for Yuba County, which has had a consistently poor child support performance and which could be helped by SACSS, said:

We've spent two years preparing for SACSS and it's killing us. They didn't consult with the counties. The system is too complex, not well-designed and not user-friendly. It has hundreds of screens. It's not going up in this county unless they solve the problems.

DOIT officials said they will make a decision about SACSS by mid-summer 1997 and that decision will be guided by the progress Lockheed has made on the corrective action plan. DOIT officials said one problem in making that assessment is a shortage nationwide of technical experts capable of evaluating large complex systems.

California is rich in expertise, and state officials do have at their disposal a tool for harnessing public and private industry expertise to help make important and difficult technology-related decisions. The California Council on Science and Technology is one conduit for that expertise. The Council, which is made up of representatives from public and private universities and colleges, was set up by the Legislature in 1988 to analyze public policy issues and provide recommendations in the area of science and technology. A list of the members is included in the Appendices.

While the Logicon review focused on the technical viability of SACSS, how or whether to proceed with SACSS will require a broader judgment call -- whether it can be made to work efficiently at a reasonable cost and in a reasonable time frame.

Central Case Registry

While state officials have struggled to implement SACSS, the State has forgone significant benefits that could have been realized from basic computerization. The Legislature in 1992, 1993 and 1994 directed DSS to develop a centralized case registry that would provide a single source of information for all cases -- names, addresses, dates and the amounts of orders.

The central registry would be a comparatively simple computerized tool that would provide counties with a reliable and unified source of fundamental information about welfare-related and non-welfare related cases. The California District Attorneys Association and public advocates have long agreed that a case registry would ease some of the problems associated with a county-based enforcement program and would be needed even after SACSS is fully implemented.

The department, in a feasibility study ordered in 1993 by the Legislature and completed in 1997, found that the registry would improve the State's compliance with federal laws, reduce duplicated efforts and unnecessary work by county family support divisions, and improve enforcement actions and collections -- all without significantly increasing costs. The feasibility study concluded the registry would cost \$2 million to construct and \$3.5 million a year to operate.

Despite the low costs and high benefits, the department has put the project off -- primarily because of its desire to implement SACSS first. The federal welfare reforms, however, are now requiring the State to do something that program directors and policy makers have known for a long time makes sense.

A Question of Due Process

In the last decade, child support policies have focused on using all of the resources available to the government to catch missing parents who are hard to find and reluctant to voluntarily comply with child support orders. The reforms have focused on both the front end and the back end of the process.

To expedite order establishment, district attorneys have expanded their use of "default judgments." After being served with a summons and complaint to establish paternity and a support order, a non-custodial parent has 30 days to respond. If the parent fails to respond, the court can enter a default judgment establishing paternity, ordering support to be paid based on estimated earnings and attaching wages without the non-custodial parent ever showing up in court.

As the child support dragnet becomes wider and more efficient, the chances increase for errors to be made and unintended consequences to develop.

There is little sympathy for the citizen who ignores a summons. But once legal paternity is established the action of the court is permanent. And once declared the father, whether factually accurate or not, the financial obligations last until the child reaches 18, and the debt that accumulates cannot be relieved.

The Child Support Task Force estimates that statewide 50 percent of the orders are established by default. In some counties, as many as 80 percent of the orders are established through default. And the support obligations are retroactive to the time when cases are filed in court. So it is not uncommon for a non-custodial parent -- if they ignore the summons -- to be thousands of dollars in debt before the enforcement tools kick in.

At the enforcement end, the government can take away licenses and divert lottery winnings, tax returns and worker compensation payments. It can seize bank accounts, real property and personal property. Some of these actions can be taken with lower notice requirements than were used to establish the order.

Winning political support for these harsh consequences has not been difficult for program directors. Irresponsible parents contribute to the poverty of children and the swelling of government debt -- and seldom show up to defend themselves in public forums.

But as the child support dragnet becomes wider and more efficient, the chances increase for errors to be made and unintended consequences to develop. These enforcement tools have the ability to deny rights and privileges that allow parents to earn an income and impose procedural costs that could drain away resources that might otherwise go to pay child support.

The driver's license match program is a good example. The Department of Motor Vehicles matches the names of delinquent parents with licensed California motorists. To those motorists, DMV sends certified letters informing them their license will be revoked in 150 days if they do not make arrangements to pay owed child support and file the correct paperwork to

stop the revocation. DMV also sends a temporary license -- even though technically the permanent license is not revoked unless the motorist fails to take action.¹¹¹

Of all the certified mail sent by the department, 40 percent is returned as undeliverable, presumably because the person moved without notifying DMV. Nevertheless, the revocation process continues. DMV and DSS officials acknowledge that in many of those cases, the motorist does not know that the license will be revoked, and often finds out after it has been revoked. Some motorists have been notified by their insurance companies, which have refused to renew the policy because of the revocation. Some insurers -- including one large auto insurer -- have treated the first notice as a revocation, refusing to renew insurance policies even in cases where the parent has agreed to a payment schedule and the license was never revoked. DSS is aware of these unintended and unanticipated consequences. But more importantly, the department did not take the initiative to work out the problem, either directly with the insurers or with the state Department of Insurance.

Default judgments and enforcement tools further the goal of getting needed financial support to children. But along with making child support enforcement better and faster, the State should affirm its commitment to be fair -- to hear complaints, identify errors and streamline remedies. A sense of fairness is essential to maintaining public confidence in government and in the child support enforcement program in particular.

Finding Balance

There have been some efforts to balance the heavy hand that automation and default judgments can bring with provisions to reopen or set aside decisions once non-custodial parents fully understand the seriousness of their obligations and the government's commitment to enforce them.

SB 1058 (Speier), which implemented the Court Task Force recommendations, allowed for judges to use "imputed" or estimated earnings in setting an order. Estimating income is necessary to impose wage assignments when the judge does not know how much a parent earns. The due process was provided by allowing non-custodial parents to object to the order and seek a modification within 90 days of the first wage assignment.

The next step down this path of accelerated order establishment would be to provide for service of the original summons and complaint by mail. Given the ease of obtaining default judgments, the highest hurdle in securing an order has become serving the alleged parent with legal notice. Under existing law, the district attorneys must have the non-custodial parent personally served with the summons. Under some conditions, the summons can be left with a roommate or spouse. And in cases where the DA can show the parent is avoiding service, the legal notice can be accomplished by publishing the information in the newspaper.

Many district attorneys want the ability to provide service with first class mail using DMV addresses -- the same addresses that DMV knows are inaccurate in 40 percent of the cases. Practically speaking, many alleged non-custodial parents would not know that they were sued for paternity and financial support until after the court had found against them and their wages are attached. Proponents believe that service by mail can be made fair by providing lenient rules for reopening cases within a period of time after a wage is assigned as in cases where wages are imputed.

The Value of Notice

The Franchise Tax Board has demonstrated that when consequences are plain, people are more likely to respond. Among the most cost-effective tools the FTB has used in collecting child support has been the seriously worded demand letter that tells parents to pay up, or else. In fiscal year, 1995-96 the board sent out 170,000 such letters to parents who had skipped out on child support; 8,100 responded by making payments.

The Legislature has recognized the need for clear notice to custodial parents about future court hearings. The intent of the provision was to give custodial parents a chance to advocate on their behalf. In unusual specificity, the Legislature stated the precise language and even the size of type (14-point) that must be used:

IMPORTANT NOTICE

It may be important that you attend the hearing. The district attorney does not represent you or your children. You may have information about the noncustodial parent, such as information about his or her income or assets, or your need for support that will not be presented to the court unless you attend the hearing. With the permission of the court, you have the right to be heard in court and tell the court what you think the court should do with the child support order. If you have a court order for support that arose as part of your divorce, this hearing could change your rights or your children's rights to support. You have the right to attend the hearing, and with the permission of the court, to be heard. If you would like to attend the hearing and be told about any changes to the hearing date or time, notify this office by _____. The district attorney or Attorney General will then have to tell you about any changes to the hearing date or time.¹¹²

Similarly, the Governor's Court Task Force concluded that despite efforts in this regard, the process was still not simple enough. It recommended:

...a simpler process for initiating and responding to child support actions which provides better notice to the parents of the importance of their participation in the action and the consequences if they fail to participate and provide information concerning their incomes.¹¹³

Adequate notice encourages the participation that is fundamental to a fair legal system. The drivers license match program, for instance, was approved by policy makers with the understanding that parents would have an opportunity to pay back support before losing their license.

But of equal importance, the most cost-effective use of the numerous enforcement tools that have been enacted recently would be a deterrent to delinquency. Voluntary compliance is far cheaper than enforcement. Some counties have made some effort to tell non-custodial parents with newly established orders all of the potential consequences involved in falling behind in support payments -- from the accrual of interest to liens against property, to revocation of professional licenses. The FTB has demonstrated the value of clearly worded notices that actually reach non-custodial parents. Comprehensive efforts to let non-custodial parents know all of the risks and costs involved in not making support payments would make the system more fair and could be expected to increase compliance.

Resolving Complaints

One of the traditional problems plaguing counties has been the thousands of calls that inundate family support divisions each month -- many of the calls coming from the same parents, calling repeatedly to find out the status of a check.

Critics maintain that if the district attorneys were more efficient, fewer parents would have to call so many times -- to either get action taken in their case or to inquire about a support payment. The district attorneys complain that they could put more resources into processing cases if caseworkers did not have to spend so much time on the telephones.

One benefit of local automation efforts has been the ability of family support divisions to install voice response units (VRU) -- sophisticated answering machines that allow parents to call and check on developments in their cases. SACSS is suppose to provide this service when it comes on line. The automated information systems give caseworkers more time to deal with individuals whose questions cannot be answered by the VRU. In Los Angeles County a special team of operators is assigned to handle case inquiries from the politically connected -- the district attorney's main office, the mayor's office, legislative representatives.

But advocates for children and parents maintain that voice response units provide inaccurate information and cannot by themselves resolve the communication problems between authorities and parents. They want a process that ensures their complaints are heard and their issues resolved. State and county officials maintain the existing complaint procedures are adequate. But there is no state policy or process that allows for parents whose cases have languished for months or years to determine if the district attorneys have done all they could or should to enforce the law in their cases.

A uniform complaint process -- with DSS or the Attorney General in the information loop or even acting as an independent reviewer -- would improve service to custodial parents, increase accountability and provide state program managers with another source of information about the effectiveness of a given county and the program overall. A uniform process also could provide a venue for resolving complaints from non-custodial parents -- whose frustrations with the process can reduce voluntary compliance.

Summary

Automation is essential to managing millions of child support cases. But after significant effort and cost, there is evidence that SACSS will never perform as intended. To that end California needs to think about the possibility that SACSS will never work and to find ways to meet basic automation needs first. In addition, as automation does become more efficient, and as millions of Californians get involved one way or another in the child support enforcement program, procedures ensuring fairness will be essential to maintaining public confidence and support for the program.

Recommendation 4: Given the high stakes involved in child support, the State should prepare for the possibility that SACSS will never function properly. The State also should rigorously review the existing oversight provided by the Department of Information Technology. And the State should craft policies that enhance automation while maintaining basic fairness.

The frustrating reality is that several counties in California, independently of SACSS, have automated routine steps in securing and enforcing child support orders. What those counties needed -- and what eventually all counties could have benefited from -- was a centralized case registry and easy access to other databases that can provide information on the location of missing parents and their assets. The State was led down the road to SACSS with specific directions from the federal government, but that does not mean that it cannot pro-actively devise strategies that will meet California's business needs. Specifically, the State should take the following measures:

- As soon as possible, but no later than DOIT's mid-summer goal, the State should make a decision about how or whether to proceed with SACSS. That determination will require reaching beyond the technical questions to consider fiscal consequences and the long-term ability to increase child support collections. The Department of Information Technology, in collaboration with the Health and Welfare Data Agency, should empanel a group of the best public and private industry talent available to help it make this judgment call -- assessing whether SACSS can be made to work within a reasonable time frame at a reasonable cost and to identify alternative solutions. The group should meet with representatives from Lockheed Martin/IMS and with State and county officials to help define the problems and possible options. The California Council on Science and Technology could be called upon to fulfill the advisory role or could provide a model for the advisory group.
- While the SACSS corrective action plan is being implemented, the State should devise a backup plan for automating basic child support functions should SACSS fail to efficiently perform those functions. The backup plan should explore potential funding sources, including federal assistance.

- After the problems with SACSS are resolved, an independent review of the Department of Information Technology should be conducted, perhaps by the Little Hoover Commission, to determine if the oversight responsibilities of the new agency have been implemented effectively.
- Accelerate implementation of a central case registry for child support cases.
- Develop a uniform complaint procedure and dispute-resolution process to be used by the counties and monitored by the state Office of Child Support.
- Require that all written contacts with non-custodial parents include clear and understandable descriptions of the consequences that result from not appearing for scheduled court dates and not complying with orders of the court -- including all of the enforcement actions that can be taken automatically against delinquent non-custodial parents.
- Allow for service of legal documents by mail to non-custodial parents. However, every effort needs to be taken to use the most valid address available. And because poor information undoubtedly will lead to inadequate notice, when service is provided by mail non-custodial parents should have an automatic right to reopen resulting court decisions within a limited time after the first assignment of wages. To increase the chances that mail service will be successful, wherever possible notices should be mailed both to a residence and to the workplace where a wage assignment would be sent.

When Welfare Ends

- ❖ *With new welfare limits, child support will take on a much more vital role in shielding children from poverty. Current child support enforcement efforts fall far short of meeting that need.*
- ❖ *Federal welfare reforms require states to make specific improvements in enforcing child support, but how much child support can be counted on to provide for children even with a well-functioning enforcement system remains unknown.*
- ❖ *Getting child support checks to families that can no longer rely on welfare will require innovations beyond traditional enforcement. Those efforts could include establishing paternity early, strengthening ties between non-custodial parents and children, experimenting with child support assurance programs and helping low-income parents become economically capable of contributing support.*

When Welfare Ends

Finding 5: The existing child support program is not adequate for providing all of the financial help that children will need when welfare benefits expire.

Welfare reforms are intended to increase financial independence by limiting benefits and encouraging single parents to work. In these cases, child support enforcement will be transformed from reimbursing government for welfare payments to securing essential financial help for families.

While officials believe limits on benefits will increase the cooperation of parents in establishing support orders, they also know that in many cases missing parents cannot be found or have no assets. In fact, the current child support strategy is premised on a seldom-spoken assumption that many absent parents cannot be made financially responsible. In other words, the expectations of welfare reformers are not aligned with the realities of the current child support program.

No one has comprehensively assessed how far the most effective child support program could go toward reducing childhood poverty, what steps would have to be taken to reach that level of effectiveness and what options the State has for helping those families who are not likely to ever receive a child support payment.

Historically, the government could justify large expenditures on child support enforcement because dollars collected from missing parents offset dollars spent on welfare. But as welfare benefits are limited, the economics of the child support investment will have to be reconsidered.

Welfare Reform

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 fundamentally redefines welfare from an open-ended entitlement to temporary financial assistance. The law affects the child support enforcement program by requiring a number of specific program reforms. But more importantly, the reforms change the program's primary role in welfare-related cases from recovering welfare expenditures to securing long-term private financial stability for single-parent families.

The welfare provisions of the law were controversial in their crafting and are controversial in their implementation. They reduce the amount of benefits paid to families, and impose time limits on how long a family can receive benefits. They also place additional requirements on parents to become employed and they restrict benefits to immigrants.

By comparison, the child support provisions of the new law are a product of consensus and derived through several years of discussions between state and federal policy makers. The requirements impose onto all states the most successful enforcement elements developed in the most innovative state programs -- sidestepping any argument over whether the reforms were possible or likely to be productive. The specific provisions include such requirements as a centralized collections unit, a case registry and a new employee registry. The law redefines the relationship between the federal and state child support offices by creating a performance-based incentive system and expanding the ability to sanction states that do not meet minimum performance standards.

But the essential change to the child support enforcement program is a product of the fundamental change in the welfare program. When welfare is no longer an entitlement, but a benefit that the government grants for a specific amount of time, child support will be recast into a role more central to the financial health of families. In this regard, the law provides the states considerable flexibility to develop an effective strategy -- and as a result creates opportunities to integrate welfare and child support efforts.

Child support enforcement has traditionally had two somewhat divergent missions. The program was created first to recover the cost of welfare payments by tracking down the missing parents of welfare families. Only later did Congress require states to help non-welfare families secure child support with the belief that child support payments prevent poverty. As a

Of Welfare Reform and Child Support

Welfare-related changes in the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 could affect the child support caseload. Specifically, the law:

- Replaces Aid to Families with Dependent Children with Temporary Assistance for Needy Families, or TANF grants.
- Prohibits use of federal funds to aid families who have received assistance for 60 cumulative months.
- Allows states to exempt up to 20 percent of their caseload from the time limit and allows states to impose a shorter time limit.
- Creates minimum requirements for recipients to find jobs after two years on aid.

result, child support enforcement came to be viewed as affordable insurance against expanding welfare caseloads.

Neither mission came with the requirement or the expectation that the child support enforcement program would be 100 percent successful. In either event, the worst-case scenario was that the family received public assistance. And while that may not be a desirable outcome, it does not compare to destitution.

The divergent missions have created some challenges for federal and state officials, who want support laws enforced in both welfare and non-welfare cases, but not enforced at the expense of the other.

The federal and state incentives are based on a percentage of collections, with program efficiency factored into the equation. That formula would seem to benefit non-welfare cases -- where presumably greater parental cooperation and higher incomes could more easily produce greater collections.

As a result, federal procedures require showings that states and counties are applying similar effort in welfare and non-welfare cases, and the incentives on non-welfare collections have been capped at 115 percent of the collections in welfare cases.

State officials believe these kinds of rules actually work against self-sufficiency on the part of families, because child support programs should be encouraged to secure support in as many cases as they can -- whether or not a balance is struck in welfare or non-welfare cases. In reality, they argue there is little difference economically between the majority of welfare-related child support cases and non-welfare cases. Under welfare reform, the two kinds of cases will have still fewer distinctions, and program strategies and incentives will have to reflect that.¹¹⁴

From the socio-economic perspective, the costs of an ineffective child support enforcement program will increase under welfare reform. In addition to the 1.4 million welfare-related child support cases pending, the State estimates that 80 percent of the non-welfare cases involve families who

Efficient Has Not Meant Serving All

Alameda County, which is often praised as having one of the best child support programs in the state, makes no effort to track down missing parents in cases where the welfare applicant did not provide adequate information about the missing parent.

When welfare officials refer cases with sufficient information about the identity, location or assets of a missing parent, Alameda County's family support program is extraordinarily successful at establishing support orders. (Most orders are established by default, with the absent parents not involved in the process until their wages are attached.)

Alameda County in 1995-96 had the third highest efficiency rating of any program in the state -- returning to the county \$1.89 for every dollar of county funds spent.

But in the large number of instances where not enough information is available for Alameda's automated case processing, no further action is taken and the cases are eventually closed.

That may be effective case management when it is cheaper for the government to issue welfare checks than to set elaborate dragnets for those in the underground economy. But it may not be effective or desirable when the alternative to child support is not welfare, but hunger.

received welfare before and may need it again. The chief of California's Office of Child Support, testified:

As welfare becomes time-limited, I think it is reasonable to conclude that many welfare recipients will look to the child support program for income support. Child support will be an even more critical part of efforts to reduce dependency and increase self-sufficiency. Right now, there is no meaningful incentive for most custodial parents on welfare to cooperate in any significant way with the child support agency. When one is left without the ability to fall back on welfare (as will occur when time limits expire), child support will become an essential income source for families in addition to work.¹¹⁵

The program response will have to be equivalent. It will mean redoubling efforts to get parents to cooperate in establishing paternity when they apply for assistance -- or before the family reaches the point of needing public assistance.

Redefining Cooperation

The nexus between welfare and child support programs -- and between welfare benefits and a support check -- is parental cooperation. One of the long standing disputes between program officials and advocates is the level of cooperation by welfare mothers in helping to identify missing fathers.

A universal complaint from district attorneys is that welfare applicants -- most often mothers -- do not tell all they know about the father and that welfare officials do little to impress upon these parents the importance of providing detailed information. State officials say that 50 percent of welfare applicants provide authorities only a name to go on -- and often a common name at that. In many of those cases, the DAs say they are given so few clues to the identity or location of the father that the case is dead on arrival at the family support division.

Children's advocates argue that custodial parents are usually cooperative with district attorneys, but that the DAs are slow to follow up on the information. They argue that in those cases that are not welfare related the custodial parents are fully motivated to cooperate with authorities, and in those cases, too, district attorneys are slow to find and bring to court absent

Welfare Reform Requires Moms to Help

The 1996 federal welfare reform law tightens the requirements for single mothers to cooperate with authorities in getting child support from absent fathers. Under the new law applicants for aid must provide the father's name and any other information the State decides is necessary to establish paternity and enforce a child support order.

If the mother fails to cooperate, the State can deduct part or all of the family's cash grant. A mother can be excused from providing the information for "good cause" -- principally that the non-custodial father might harm her or the children if she assisted in the order establishment effort. States must withhold at least 25 percent of the family's grant for non-cooperation.

Any state that does not enforce the non-cooperation sanction stands to lose up to 5 percent of block grant funding the next fiscal year.

Lawmakers expect that along with the penalties for non-cooperating, the time limit on receiving benefits will encourage mothers to help identify and locate absent fathers in order to collect child support.

parents. They list case after case where the parent -- usually not in a welfare-related case -- delivered detailed information to the family support division, only to wait months or years before the system ground out an order and a wage assignment.

Part of the problem is institutional. Despite the close legal relationship between child support enforcement and welfare, district attorneys and welfare officials seldom see eye to eye. The welfare officials are required to refer cases to the district attorney and the DA is required to work them.

The issue of parental cooperation takes on a new dimension with welfare reform. First, the law increases the burden on parents to cooperate with child support or risk having benefits denied. Secondly, the term limit on benefits is expected to increase the motivation of parents to cooperate in establishing a child support order, so that the child support can provide the family with a source of income when the government benefits expire.

Cracking down on uncooperative parents leads to hard choices. Officials can do that now -- but seldom do. Typically, only 1 percent of those applying for aid are sanctioned for any reason, and half of the time it is for not cooperating with job training.¹¹⁶ The desire to encourage parents to provide detailed information about the father needs to be balanced with what the law recognizes as legitimate reasons for not providing the information -- including protecting the family from abusive parents.

The welfare law is intended to make it harder on parents who do not cooperate -- but it does not provide any solutions to states for the decades-old dilemma of how to punish parents for noncooperation without punishing the child.

Under the law, if the applicant does not cooperate with paternity establishment, the state must deduct a minimum of 25 percent from the family's cash grant. States can opt to deny the entire amount of cash assistance to the family. The Wilson administration has proposed denying the entire benefit to uncooperative applicants. It has proposed denying the custodial parent's share of the benefit -- between 10 percent and 39 percent of the benefit, depending upon the size of the family -- until paternity is established.

Whatever the standard that is applied, the mother, child support and welfare officials -- along with a variety of medical, social and educational professionals who work with pregnant single women -- will have to work in greater concert if the mutual goal of helping children is to be achieved.

Paternity

In recent years, the issue of parental cooperation with welfare and child support officials has been superseded by trying to get paternity established even before a family applies for aid.

Persuaded by evidence that fathers are most willing to voluntarily declare their paternity at the time of birth, the federal government has encouraged programs to capture that willingness at the hospital.

Historically paternity was accomplished by suing the alleged father and relying on blood tests to provide evidence in contested cases. Over the years, this process has become easier -- as genetic technology improved to the point that it provided uncontestable evidence of paternity and as the law was reformed to make it harder for alleged fathers to avoid legal proceedings. At the same time the sheer number of cases has grown. For instance, at the end of the 1995-96 fiscal year, DSS reported that 442,000 child support cases in California could not proceed further until paternity is established.¹¹⁷

The federal Omnibus Budget Reconciliation Act of 1993 required states to establish in-hospital paternity programs. In California, the Paternity Opportunity Program started in January 1995. The program gives new unmarried parents the opportunity to sign a declaration of paternity in the hospital after the child is born. Although officials say there is not enough comparable data to evaluate the program's effectiveness, through March 1997 nearly 58,500 forms had been submitted with the birth record to the state Office of Vital Statistics.

Some family support directors also said they believed that hospital officials are not assertive enough about getting paternity forms signed. One director said:

*Voluntary paternity numbers aren't near what they would be if hospitals were more aggressive. There's no real incentive now. The state and feds should come up with a minimum number of paternities hospitals should establish in a given year and state/federal funding should be withheld if they don't meet that level; or else provide incentive funds with every percentage over a baseline number they achieve.*¹¹⁸

Cursory interviews with hospital staff said they were willing to cooperate, but establishing paternities was a low priority in maternity wards. They felt the \$10 bounty paid by the State for each form they processed was adequate to cover costs, but was not an inducement to more aggressively obtain signatures from parents.

Congress in 1996 required states to adopt a number of provisions to make it easier for fathers to voluntarily establish paternity -- most of them contained in AB 1832 (Speier) of 1995. Congress also raised the paternity

Why Moms Don't Cooperate

One comprehensive study demonstrates the hurdles that child support enforcers will have to overcome to achieve 100 percent cooperation from unmarried mothers in establishing paternity for out-of-wedlock births.

In a pilot project involving four Denver hospitals, unmarried parents were offered a simple process for the father to voluntarily acknowledge paternity.

The program increased the number of fathers acknowledging paternity at all the hospitals from 18 percent to between 33 and 36 percent, depending on age. However, many of the unmarried mothers resisted putting the father's name on the birth certificate.

The most common reasons the women gave were that they did not get along with the father or that he would not be a good father and they were concerned about custody or visitation rights.

establishment standards that states must reach -- technically to avoid sanctions, although the federal government has not used its sanction authority -- from 75 percent to 90 percent. California's paternity establishment rate in 1995-96 was 39 percent.

The director of the LA family support division said that given the number of out-of-wedlock births, California needed to rethink how and why paternities were established:

This must include finding ways to raise the consciousness of everyone involved in the delivery of social and legal services regarding the critical importance of a father's identity to the future well being of a child. Just as importantly, we must develop a greater consciousness in society at large of the need for securing the child's legal birthright at the earliest opportunity. The economic and other social consequences for the well-being of our youngest citizens will be grim indeed, if we do not succeed in finding ways to forge the legal relationship between generations.¹¹⁹

Some states have managed to establish most paternities long before it becomes an issue with an aid applicant. Massachusetts reports a 70 percent success rate in obtaining voluntary acknowledgment of paternity at the hospital in out-of-wedlock births. Fathers sign a notarized form that includes full disclosure of the benefits and consequences of acknowledging paternity and which carries with it the full force and effect of a judgment of paternity unless rescinded by court order within a specified time period. A state law requiring that fathers sign the acknowledgment in order to appear on the birth certificate provides a strong incentive for acknowledging paternity. Also key to the Massachusetts efforts has been the role of the Office of Vital Statistics, which solicits paternity information along with other public health data it collects from hospitals.¹²⁰

One of the big problems identified nationally is that even if the paternity is established at the hospital, state child support enforcement officials do not know that an affidavit has been signed when the case reaches them a year or two later.

From Paternity to Fatherhood

As researchers have examined welfare reform experiments in recent years, they also have started to more closely analyze the characteristics of fathers who are not living in the home and not paying support. Of particular concern to researchers and policy makers has been the characteristics of low-income parents, for whom no degree of automation or no intensity of enforcement is expected to generate support payments. The policy concerns include the hurdles that prevent these fathers from paying support and whether there are effective strategies that can either make the fathers willing or able to pay support. These policy issues also have been linked with research and writing by sociologists studying the consequences for society of having large numbers of fatherless families and looking for ways to reunite fathers with their children.

The most basic issue is the economic status of non-custodial fathers. One trend documented by the U.S. Census Bureau is that young fathers who may make little money at the time of a child's birth often experience steady increases in income. In 1990, the income of non-custodial fathers who were less than 25 years old was \$9,248; the income for those between the ages of 25 to 44 was \$19,341; and the income of those older than 44 was \$26,166.¹²¹ Another study found that teen-age fathers who live apart from their children had personal incomes that more than doubled between 18 and 26 years of age.¹²²

Some prominent sociologists believe the evidence indicates that more flexible support orders need to be established -- to create a pattern for support that can grow as incomes grow:

Do unwed fathers have the income to pay support? For the population of unwed fathers nationally, I think several studies suggest that they could definitely pay more than they do. And eventually in five or six years they may have more income, so it is important to get the habit established early on. Clearly the group we are concerned about has little income at this point. But there is the possibility that they could at least have token support awarded and begin establishing the habit.¹²³

Researchers also have attempted to gauge the willingness of low-income fathers to make support payments. Studies conducted by the Ford Foundation's Urban Poverty Program, Manpower Demonstration Research Corporation and others have shown that non-custodial fathers in welfare cases are often unwilling to reimburse the government for support but show a greater willingness to help the families directly.

Helping Low-Income Dads

One step toward improving child support compliance in welfare-related cases is to identify the barriers that prevent low-income fathers from contributing support and from connecting with their families.

The Parents' Fair Share (PFS) Demonstration Project was a comprehensive effort to do that by providing job training and employment services for poor inner-city dads and by conducting peer support groups to find out what kept the fathers from playing a more active role in the lives of their children.

The PFS project was held from 1992 to 1995 at seven sites across the country, including south-central Los Angeles. Three-quarters of the participants were racial minorities. While nearly all had worked in a full-time job, 81 percent had not worked steadily during the previous two years. Many had criminal records.

The assumption of the project was that both the children and the fathers would benefit from the father's involvement in the family -- the children would benefit from the financial support and the connection would be a steadying influence for kids and dads alike, making them less inclined toward future criminal activity.

The results were both discouraging and encouraging. Despite the training and employment services, few of the PFS participants were able to find jobs. Limited education, low job skills and criminal histories left most of the men with little prospect of employment at a wage sufficient to cover living expenses and child support.

But the encouraging finding was that -- far from not caring for their families -- the fathers had deep emotional feelings toward their children and realized that life would be improved for all if they were involved. At the root of their estrangement from the family, however, was their very inability to contribute financially. One participant said:

I want to get a job. I wanna get a better life...to get my family back. That's my goal, to get my family back.

The take-away message: if these fathers can be made employable many of them will willingly support their children.

Traditionally, welfare families have received the first \$50 paid in child support -- as an inducement to both mothers and fathers to comply with child support enforcement efforts. Anecdotal evidence has discounted the incentive power of the "pass through," because non-custodial parents with a relationship to the family are more likely to provide support under the table. The welfare reform law allows for the \$50 "pass through" to be discontinued.

Just as limits on benefits will give custodial parents more reason to cooperate, non-custodial parents may be more willing to pay some level of support once it goes directly to the family.

Similarly, there is a growing body of evidence, and policy interest, in making sure that low-income, non-custodial fathers do not accrue a debt to the government that is so large that it discourages them from supporting their family when welfare benefits expire.

The Department of Social Services has shown interest in suspending support payments as an enticement for unemployed, non-custodial parents to participate in job training.¹²⁴ California law allows judges to require non-custodial parents to participate in job training.

But some states have gone further. South Carolina, for instance, passed a law in 1995 requiring unemployed or underemployed non-custodial parents in welfare cases to perform community service. And the federal welfare law requires states to develop a job training plan for non-custodial parents.

Fathers and Children

Sociologists also have found evidence that after 20 years of increasing distance between fathers and their children, the pendulum is swinging back -- creating the possibility for healthier family relationships and more reliable child support.

In an era without welfare reform, and with large numbers of children growing up in single-parent families, the concern over negative social consequences quickly rises to a level that requires the attention of policy makers:

Child support not only shields children from the harsh effects of poverty, but it also can be a critical factor in maintaining the relationship between non-custodial parents -- usually fathers -- and their children. Fathers who pay support are much more likely to see their children on a regular basis, providing moral, intellectual and emotional support to them, as well as financial assistance. Children's loss of ties with their fathers can lead to emotional disorders, delinquency and crime, adolescent pregnancy and other social ills.¹²⁵

The evidence is growing, for instance, that both divorced and never-married fathers who pay child support are more likely to visit their children and to be involved in the decision making about their children's lives. But it is unclear whether involvement with the children encourages payment or payment encourages the desire to be involved.¹²⁶

Some sociologists say programs need to be carefully tailored to fit the policy goal:

A nascent fatherhood movement could flounder due to disagreements over basic goals. Is the main purpose of such a fatherhood movement to increase child support payments from young, unmarried fathers? If so, the likely strategy will be new paternity identification and child support enforcement programs, including training and other social services. Is the main goal to give divorced fathers more access to their children? If so, the likely strategy will be mandatory parenting classes for divorcing couples plus new laws to encourage joint custody of children after divorce.

Both of these goals have merit. But neither of them seeks directly to strengthen marriage, the essential foundation for hands-on, effective fatherhood. Accordingly, neither child support payments nor improved divorce procedures can be the animating purpose of a national movement to renew fatherhood. The basic purpose of this movement must be far more radical -- nothing less than reversing the decline of married fatherhood and increasing the proportion of children who grow up with their two married parents. The slogan should be: A father for every child.¹²⁷

Restoring families is much too great of a charge for the child support enforcement program alone. But the size of the caseload and the problems encountered by child support officials need to be recognized as symptoms of larger problems that should be holistically approached. And in that regard, child support enforcement strategies cannot be crafted or implemented in a vacuum. Consider the words of a full-time prosecutor of criminal child support cases:

Especially when dealing with boys growing up in single family homes, I don't use the term 'deadbeat dads' anymore. We're not trying to push dad out of the family. It's OK if he and mom don't get along, but they can still both be responsible parents. Boys who don't have a father in their lives are more apt to get involved with gangs and criminal activity.¹²⁸

Measuring Investment

The Child Support Enforcement Program has been anything but static. As the caseloads have increased and as the numbers of single-parent families have risen, program managers have struggled to keep up -- often without having the resources or the time to assess their progress and revise their strategies.

Welfare reform will increase the pressures on the program to be effective and will require the program to develop new ways to gauge its cost-effectiveness. Program managers will need to measure success so they can repeat it and policy makers will need to measure success so they know how to allocate resources.¹²⁹

For instance, some states have experimented with child support assurance programs, where the State makes up the gap between the support that is actually paid by a non-custodial parent and a minimum level of financial support. The first step toward such a program is assessing that gap and the benefits to the State and the family of filling the gap:

Without child support assurance, even if the private child support system works perfectly, models indicate that 60 percent of the poverty gap and more than half the welfare caseload would remain.¹³⁰

California and others states have proven the value of demonstration projects to provide the funding and flexibility for innovative strategies -- and ultimately the evidence to convince lawmakers to expand those programs that have proven successful. In 1993, the Legislature approved pilot projects in Santa Clara and San Mateo counties, which became the proving grounds for the court commissioner program created by the Legislature in 1996. The Franchise Tax Board's success in collecting delinquent support for six counties paved the way for a service now available to all counties.

Allocating Resources

As difficult as child support enforcement can be, the program has seldom had to fight the budget battles of most public programs. As long as the program was recovering more in welfare money than was spent on enforcement, most program officials enjoyed the envied position of providing a net return to government coffers.

As welfare benefits are reduced, however, so will the easily tallied benefits of child support enforcement. The program may still be cost effective, but officials will have to work harder at proving their case. Not only may they be required to show a net benefit, but individual aspects of the program can be expected to come under increasing scrutiny.

The president of the National Council of State Child Support Enforcement Administrators and director of the Iowa Child Support Enforcement Program explained the dynamic:

Since the beginning of the program, the primary means of calculating cost benefit has been to compare total costs (including that of the \$50 pass through) to the public assistance collections obtained. The avoidance of costs related to getting and keeping families off assistance, food stamps, medical assistance, and other income transfer and benefit payments programs have been largely ignored. Avoidance of the costs of social problems related to family and child poverty have also been ignored. To meet this area of concern, we must find a way to measure the full impact of the program in order that taxpayers and policy makers can make reasoned and objective decisions about the resources to allocate to it.¹³¹

Some states, such as Massachusetts, already have demonstrated the larger financial effects child support enforcement can have on government budgets and local economies. Calculating avoided costs has been particularly

important in convincing lawmakers that their enforcement efforts are an investment with earnings beyond recouped welfare.¹³²

Summary

Welfare reform changes the expectations for the Child Support Enforcement Program -- not just in welfare-related cases, but for all of families on the edge of poverty that will not have welfare as a backstop in the future. While many welfare reforms have stressed the importance of developing work skills and finding jobs for welfare recipients, others believe that the reforms will shift the dependency of these families from welfare to child support. Even those who find work in many cases will not be able to make enough to meet all of their family needs.

Among other changes, government will have to reconsider its long-standing practice of giving up on difficult-to-solve cases under the rationale that it is not worth the costs involved in finding parents who do not want to be found -- and may not have assets or earnings when they are found.

Recommendation 5: The State must develop and fund new strategies for more effectively collecting child support in cases where families now receive welfare payments. The strategies must include mechanisms for measuring the costs and benefits of child support enforcement efforts so policy makers can make informed decisions about the appropriate level of funding.

There always will be neglectful parents, but the social conditions defining the problem will be constantly changing. Accurate and detailed assessments of different enforcement tools are essential to creating comprehensive strategies for helping children by helping their parents. Specifically, the State should take the following measures:

- Direct the Department of Social Services to prepare, with the assistance of the State's universities, a detailed analysis of how much of the child support caseload can reasonably result in orders under contemporary automation, how much of the child support caseload can never realistically result in a paying order and what are the characteristics of the cases that fall in between.
- Allow for one or more counties to establish pilot projects intended to produce reliable child support in those cases not being reached by current strategies. The potential pilot projects could include a support assurance program in which the government makes up the balance between the support received and a minimum financial benefit, experiments with prenatal paternity establishments and child support orders established at birth.
- Allow for one or more counties to create programs allowing underemployed or unemployed noncustodial parents to work off public child support debts by performing community service or a combination of community service and worker training.

- Commission a detailed cost and benefit analysis of child support enforcement in order to allow for an informed discussion on future funding of those programs. This analysis will be essential to change attitudes and maintain the same political backing for child support efforts as existed when the program's goal was to recover welfare expenditures.

Conclusion



Conclusion

One of the nation's top academic experts on family policies has concluded that a likely explanation for California's failure to adequately collect child support is that the State's mediocre enforcement efforts were simply overwhelmed by the growing caseload.¹³³

Clearly, the challenge before child support officials grows in size each day. The challenge also is about to grow in importance, as federal and state welfare reforms push unemployed and low-income families to become more financially independent.

Because of prior failures and future obligations the State's Child Support Enforcement Program needs the concentrated attention of California's top policy makers. The government's effort and ingenuity need to be escalated to match the significance of the problem. Leadership needs to be mustered to develop a vision for an effective and efficient program.

In recent years, the child support program has been bolstered by considerable federal and state legislation -- attempting to give officials all of the technology and all of the legal authorities that government can muster to track down parents and collect support. The legislation has undoubtedly led to more collections in more cases.

But given the possibilities and the imperative, the progress is anemic. California has not seen the kind of synergistic returns on its investments that have been experienced in other states.

One fundamental problem is the requirement that disparate government agencies and private entities need to work in concert in order for the program to work. Simultaneously, parents, neighbors and employers all have to support the public efforts -- much as the public helps in other crime fighting

efforts. These demands require an extraordinary amount of leadership in order for reforms to be implemented successfully.

The program also lacks the most basic methods for accountability -- at the county level and at the state level. Programs cannot be managed without good information. Information is the first step toward rewarding real success and sanctioning provable neglect. Information is essential to replicate what works and repair what does not.

In this vacuum of evidence, defenders and critics of the enforcement program have engaged in a time-consuming debate over the division of labor between the State and the counties. The debate will only increase as technology redefines what is possible and federal requirements impose onto California methods that have worked in other states. Oftentimes this debate has been navigated by politics, requiring unnecessary deviations from what should be a commonly agreed-upon course -- the best alignment for the most collections to the most families.

To be certain, the Department of Social Service and its partners, the county district attorneys, have been preoccupied with the long-standing effort to implement a uniform computerized process. Conceptually, the Statewide Automated Child Support System could provide the efficiency of automation already experienced by some county-based computer systems while reducing the data and case management problems that have resulted from each county pursuing child support cases independently. But the system has been so costly, so time-consuming and so difficult to implement that its ability to function -- let alone solve all of these other problems -- is in serious doubt.

Hope can be found in the local talent -- as represented in the California Council on Science and Technology -- that is available to help officials resolve the technological problems.

Hope also can be found in those counties where vision, political will and management talent have been united. To different degrees, these counties have borrowed from business the best available management techniques, technologies and procedures. From successful public programs, they have built coalitions of parents, judges, employers and other government agencies who now enthusiastically do what they can to hold parents responsible for their obligations.

This degree of change is not possible without dynamic leadership to break down institutional walls and overcome parochial thinking. It also may require more resources, or a reallocation of existing resources -- neither of which can be justified without the kind of detailed analysis that the Child Support Enforcement Program has lacked.

In short, for nearly as long as California has been a State it has been formal law that parents must provide for their children. The current crises of family is a test of the State's fidelity to that basic social tenet.

Appendices



APPENDIX A

Little Hoover Commission Child Support Advisory Committee

The following people served on the advisory committee for the child support study. Under the Little Hoover Commission's process, advisory committee members provide expertise and information but do not vote on the final product.

Carol Anselmi
Department of Social Services
San Bernardino County

Michael Barber
Attorney at Law

Ann Barkley
Director, Non-Tax Debt Collections Bureau
Franchise Tax Board

Steve Barrow
Center for Public Interest Law

Lou Ann Bassan
Coalition of Parent Support

Roberta White Battle
Legislative Advocate
California National Organization for Women

Todd Bland
Legislative Analyst's Office

Reginald Brass
My Child Says Daddy

Will Brown
Children's Rights Council of Sacramento

Sailaja Cherukuri
Legislative Analyst's Office

Dan Chick
Representative for
Assemblyman Bill Morrow

James Cook
Joint Custody Association

Charlene Depner
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Wayne Doss
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Bob Evirs
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Michael Fischer
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Non-custodial parent
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Association for Children for
Enforcement of Child Support

Juanita Ontiveros
California Rural Legal Assistance

Noanne St. Jean
California Family Support Council

Janis Nielsen
Legislative Advocate
League of Women Voters

Sharad Sharif
Family Guardian Network

Sandra Simpson-Fontaine
Children Now

Pat Towner
Executive Director
Commission on the Status of Women

C. Stanley Trom
Director
Child Support Division
Ventura County

Carol Wallisch
Representative for
Assemblywoman Sheila Kuehl

Brent Wellman
Father's Rights and Equality Exchange

Carol Ann White
Office of the Attorney General

APPENDIX B

Witnesses Appearing at Little Hoover Commission Child Support Public Hearing January 24, 1996 Sacramento

Leslie Frye
Chief, Office of Child Support
Department of Social Services

Wayne Doss
Director, Bureau of Family Support,
Los Angeles County District Attorney's
Office

Donald B. King
Associate Justice
First District Court of Appeal

Geraldine Jensen
National President
The Association for Children for
Enforcement of Support

Robert Chandler
President
Coalition of Parent Support

Sue Berry
ACES California President

Loretta Kronk
Sacramento

**Witnesses Appearing at
Little Hoover Commission Child Support
Public Hearing
October 31, 1996
Sacramento**

Marilyn Ray Smith
Chief Counsel
Massachusetts Child Support Program

Russell Bohart
Director
Health and Welfare Data Center

Leslie Frye
Chief, Office of Child Support
Department of Social Services

Bob Dell-Agostino
Principal Fiscal and Policy Analyst
Legislative Analyst's Office

Leora Gershenzon
Directing Attorney
Child Support Project
National Center for Youth Law

Todd Bland
Senior Fiscal & Policy Analyst
Legislative Analyst's Office

Dick Williams
Family Support Director
Sacramento County

Charles Kobayashi
Presiding Judge
Family Law Division
Sacramento County Superior Court

Ann Barkley
Director, Non-Tax Debt Collections Bureau
Franchise Tax Board

Adriana Ruelos
Stockton

APPENDIX C**District Attorneys
and Family Support Directors Interviewed**

George A. Grenfell, Jr.
Assistant District Attorney
Family Support Division
Fresno County

Kris Reiman
Administrator
Family Support Division
Merced County

Sue Delarue
Chief
Family Support Division
Orange County

Lynn Miner
Family Support Administrator
Yuba County

Charles R. O'Rourke
District Attorney
Yuba County

Maureen K. Lenahan
Assistant District Attorney
Family Support Division
Alameda County

Edwina Young
Director
Family Support Bureau
San Francisco County

Marc Whitmore
Chief Deputy District Attorney
Family Support Division
San Diego County

Wayne D. Doss
Director
Bureau of Family Support Operations
Los Angeles County

Pam Pankey
Chief
Child Support Division
San Bernardino County

C. Stanley Trom
Director
Child Support Division
Ventura County

Phil Lowe
Deputy District Attorney
Family Support Division
San Luis Obispo County

Susan Pritchett
Administrator
Siskiyou County

Carol Marshall
Chief
Family Support Division
Sierra County

Mike Ramsey
District Attorney
Butte County

Peter K. Dever
Chief Deputy District Attorney
Family Support Division
Butte County

Stephen Kennedy
Program Manager
Family Support Division
Monterey County

APPENDIX D

Family Support Divisions Visited

Family Support Division
Alameda County
February 3, 1997

Bureau of Child Support Enforcement
San Diego County
February 13, 1997

Family Support Division
Butte County
February 13, 1997

Family Support Bureau
San Francisco County
February 3, 1997

Bureau of Family Support Operations
Los Angeles County
February 7, 1997

Family Support Division
Yuba County
February 7, 1997

APPENDIX E

California Council on Science and Technology Membership of the Board

Karl Pister, Chancellor Emeritus, University of California, Santa Cruz
 Lloyd Armsrong, Provost, University of Southern California
 Warren Baker, President, California State University, San Luis Obispo
 William Baker, Vice President, University of California
 Bob Byer, Professor of Applied Physics, Stanford University
 Malcolm Currie, Chair, Board of Trustees, University of Southern California and
 Chairman Emeritus, Hughes Aircraft Company
 David L. Goodstein, Vice Provost & Frank J. Gilloon Distinguished Teaching & Service
 Professor, California Institute of Technology
 Susan Hackwood, Executive Director, California Council on Science and Technology
 Charles Kruger, Vice Provost & Dean of Research & Graduate Policy, Stanford University
 David Mertes, Chancellor, California Community Colleges

Membership of the Council

Robert L. Byer, Professor of Applied Physics, Stanford University (Chairman of the Council)
 Robert P. (Chris) Caren, President, Litex, Inc.
 Octavia Diener, President, Densmore Engines, and President, Tavia Farms, Inc.
 Susan Hackwood, Executive Director, California Council on Science and Technology
 Charles E. Harper, President and Co-Founder, Sierra Monolithics
 Theodore L. Hullar, Professor and Chancellor (1987-1994), University of California, Davis and
 Economic Development Initiative Director, U.C. Office of the President
 Irwin M. Jacobs, Chairman and CEO, QUALCOM, Inc.
 Paul C. Jennings, Professor of Civil Engineering and Applied Mechanics, CalTech
 C. Judson King, Provost and Sr. VP, Academic Affairs, University of California
 William C.Y. Lee, VP & Chief Scientist, AirTouch Communications
 Richard Lerner, President, Scripps Research Institute
 Johnetta MacCalla, CEO, A.S.C.I.
 William F. Miller, President Emeritus, SRI International, Professor of Public and Private
 Management, Graduate School of Business, Stanford University
 J. Fernando Niebla, Chairman and Chief Executive Officer, Infotec Development, Inc.
 Chrystomos L. (Max) Nikias, Associate Dean of Research, School of Engineering, and
 Director of the Integrated Media Systems Center, University of Southern California
 Roger C. Noll, Morris M. Doyle Centennial Professor in Public Policy, Stanford University
 Peter Preuss, President and Founder, The Preuss Foundation, Inc.
 George Scalise, Executive VP and Chief Administrative Officer, Apple Computer
 Peter P. Smith, President, California State University, Monterey Bay
 Robert Spinrad, VP, Technology Strategy, XEROX Corporation
 Edward C. Stone, Director, Jet Propulsion Laboratory, California Institute of Technology
 C. Bruce Tarter, Director, Lawrence Livermore National Laboratory, University of California
 John O. Wilson, Executive VP and Chief Economist, Bank of America, San Francisco
 Loring A. Wylie, Jr., Structural Engineer, Senior Principal, Degenkolb Engineers
 Ed Zschau, Senior Lecturer of Business Administration, Harvard University
 John Zysman, Professor, Department of Political Science and Co-Director, Berkeley
 Roundtable on the International Economy (BRIE), University of California, Berkeley

Endnotes

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LITTLE HOOVER COMMISSION FACT SHEET

The Little Hoover Commission, formally known as the Milton Marks "Little Hoover" Commission on California State Government Organization and Economy, is an independent state oversight agency that was created in 1962. The Commission's mission is to investigate state government operations and -- through reports, and recommendations and legislative proposals -- promote efficiency, economy and improved service.

By statute, the Commission is a balanced bipartisan board composed of five citizen members appointed by the Governor, four citizen members appointed by the Legislature, two Senators and two Assembly members.

The Commission holds hearings on topics that come to its attention from citizens, legislators and other sources. But the hearings are only a small part of a long and thorough process:

- * Two or three months of preliminary investigations and preparations come before a hearing is conducted.
- * Hearings are constructed in such a way to explore identified issues and raise new areas for investigation.
- * Two to six months of intensive fieldwork is undertaken before a report -- including findings and recommendations -- is written, adopted and released.
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