

# DFA - CHILD SUPPORT ENFORCEMENT

## Enabling Laws

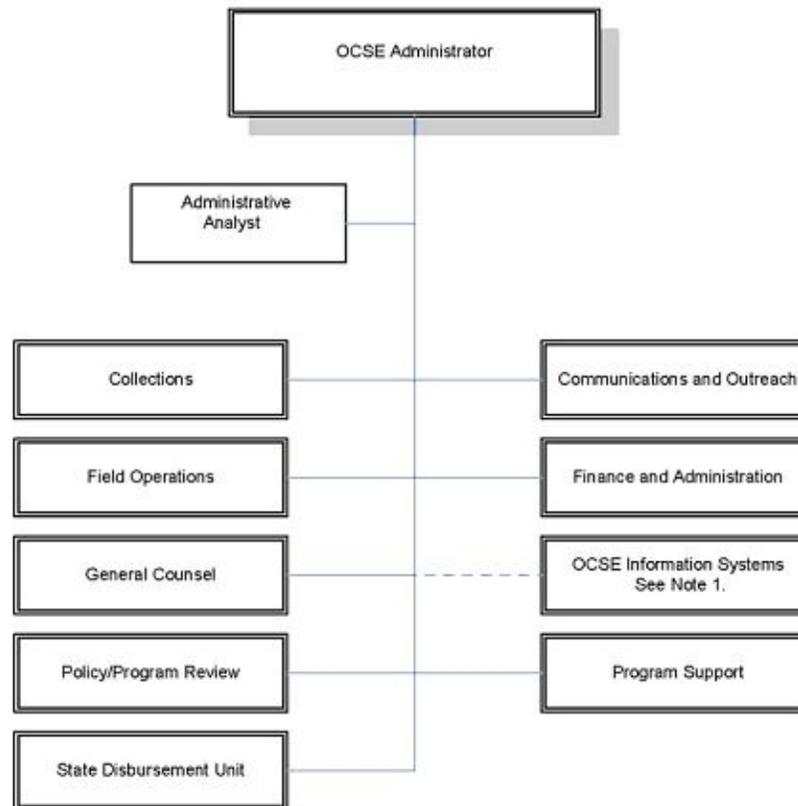
Act 42 of 2012  
ACA §25-8-107  
ACA §9-14-206 - 210

## History and Organization

In 1975 the Social Security Act was amended by Congress to add part IV-D that established the Child Support Program. In order to receive federal funds for the Aid to Families with Dependent Children (AFDC) Program, each state had to establish and operate a child support program. The Arkansas program began in 1977. The mission of the program is to provide assistance to children and families in obtaining financial and medical support due them by requiring parents absent from the home to assume responsibility for the social and economic well-being of their children.

The program is responsible for locating parents, establishing paternity and orders for child and medical support, collecting and disbursing the support owed and bringing enforcement action when payments are not made. Workers assigned to the agency provide investigative and legal services on cases assigned to the agency, and provide the administrative and managerial support necessary for the organization to properly function. There are approximately 119,559 cases assigned. The cases originate in part from Transitional Employment Assistance (TEA), Medicaid and Foster Care cases referred by the Department of Human Services. Other cases are established as a result of citizens applying for service. The eligibility criteria for these cases require the custodian to have a minor child in his or her care. Approximately 39,016 additional cases are monitored for payment and disbursement services. The program is authorized for 876 positions.

The Office of Child Support Enforcement (OCSE) is located within the Department of Finance and Administration - Revenue Division.



**Note 1:**

Information Systems reports directly to DFA-Office of Information Services and indirectly to OCSE Administrator.

## **Agency Commentary**

The Office of Child Support Enforcement (OCSE) is responsible for locating absent parents, establishing paternity and orders for child support, collecting and distributing the funds to the appropriate case, disbursing the child support funds, and enforcing payment of support orders. Funding for this appropriation consists of a combination of federal reimbursement, fees for collection services, and general revenue.

The agency is requesting a change over base level in the amount of \$500,652 for FY14 and FY15. Current funding levels will sufficiently cover the requested appropriation:

- Restoration of 16 currently authorized positions. The 16 positions were not budgeted in FY13 Annual Operations Plan and will be needed to maintain normal operations.
- Reduction of 36 currently authorized positions (18 Base Level and 18 Unbudgeted) from 876 currently authorized positions. The positions no longer need to be utilized due to efficiencies of the agency.
- Increase in the Data Processing and Equipment expenses line item of \$500,000 for each fiscal year to replace desktop PC's according to the agency's 5-year Desktop PC Replacement Plan detailed in the OCSE Information Technology Plan (Major Applications, ARCSIS, Hardware) filed with the DFA Office of State Technology Planning.
- Restore Capital Outlay of \$100,000 each fiscal year to replace equipment that is beyond repair, becomes obsolete or that becomes too expensive to maintain or repair.

## Audit Findings

DIVISION OF LEGISLATIVE AUDIT  
 AUDIT OF :  
 DFA - CHILD SUPPORT ENFORCEMENT  
 FOR THE YEAR ENDED JUNE 30, 2010

Findings

Recommendations

Audit findings are reported under DFA-Administrative Services.

## Employment Summary

	Male	Female	Total	%
White Employees	62	411	473	63 %
Black Employees	28	244	272	36 %
Other Racial Minorities	2	6	8	1 %
Total Minorities			280	37 %
Total Employees			753	100 %

## Publications

### A.C.A. 25-1-204

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution
		Governor	General Assembly		
Children Receiving ARKids 1st Application	N/A	N	N	10,000	Public information and convenience
Custodial Parent Application	N/A	N	N	15,000	Public information and convenience

**A.C.A. 25-1-204**

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution
		Governor	General Assembly		
Custodial Parent Questionnaire	45 CFR 302.33a(2)	N	N	28,000	Federal law requiring information to be gathered from Custodial & Non-Custodial Parents
Financial Institution Data Match Notebook	N/A	N	N	800	Keep financial institutions informed as to law, policy and procedures on liens
Give Your Child a Gift that Lasts a Lifetime	20-18-408 (2) (3)	N	N	8,000	Federal and State law require Hospital based Paternity Acknowledgement Program and issuance of a form and information
Got Kids? General Information Brochure	N/A	N	N	5,000	Public information and convenience
Non Custodial Parent Handbook	N/A	N	N	5,000	Customer Education
Paternity Acknowledgement Brochure	20-18-408(2)	N	N	20,000	Public information and convenience
Paternity Acknowledgement Form	20-18-408 (2) (3)	N	N	15,000	Federal and State law require Hospital based Paternity Acknowledgement Program and issuance of a form and information

**Agency Position Usage Report**

FY2010 - 2011						FY2011 - 2012						FY2012 - 2013					
Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused
	Filled	Unfilled	Total				Filled	Unfilled	Total				Filled	Unfilled	Total		
876	743	99	842	34	15.18 %	876	759	83	842	34	13.36 %	876	753	89	842	34	14.04 %

**ARKANSAS PLANNING BUDGETING & ADMINISTRATIVE SYSTEM**  
**STATE CONTRACTS OVER \$25,000 AWARDED TO MINORITY OWNED BUSINESSES**  
 Fiscal Year 2012  
 Required by A.C.A. 25-36-104

**AGENCY: 0634 DFA - CHILD SUPPORT ENFORCEMENT**

Minority Business	Total Contract Awarded	Minority Type per A.C.A. 15-4-303 (2)					
		African American	Hispanic American	American Indian	Asian American	Pacific Islander American	Disabled Veteran
Protech	\$10,660,440				X		

<b>TOTAL NUMBER OF MINORITY CONTRACTS AWARDED</b>	<u>1</u>
<b>TOTAL EXPENDITURES FOR CONTRACTS AWARDED</b>	<u>\$10,365,142</u>
<b>% OF MINORITY CONTRACTS AWARDED</b>	<u>86.17 %</u>

## **Analysis of Budget Request**

**Appropriation:** 120 - Child Support Enforcement - Operations

**Funding Sources:** MCE - Child Support Enforcement Fund

The Office of Child Support Enforcement (OCSE) is a federal/state effort to collect child support from non-custodial parents. OCSE establishes and enforces orders to collect child support. The Agency determines on a case-by-case basis which of the following services will be utilized:

- Locating the non-custodial parent
- Establishing paternity
- Establishing, modifying, and terminating support/medical obligations
- Collecting and disbursing support obligations
- Enforcing delinquent child support obligations

Funding for this appropriation consists of a combination of federal funds (66%), general revenue, fees, federal incentive payments, and state share of Temporary Assistance for Needy Families (TANF) collections (34%). Approximately 60% of the Agency's current budget is personnel related costs with the remaining 40% operating expenses.

Base Level Regular Salaries and Personal Services Matching includes Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

Base Level is \$64,660,973 for FY14 and \$64,692,793 for FY15.

The Agency is requesting a Change Level increase of \$500,562 for the following in each year of the biennium:

- Restoration of 16 currently authorized positions. The 16 positions were not budgeted in FY13 Annual Operations Plan and will be needed to maintain normal operations.
- Reduction of 36 currently authorized positions (18 Base Level and 18 Unbudgeted) from 876 currently authorized positions. The positions no longer need to be utilized due to efficiencies of the agency.
- Increase appropriation in the Data Processing and Equipment expenses line item of \$500,000 for each fiscal year to replace desktop PC's according to the agency's 5-year Desktop PC Replacement Plan detailed in the OCSE Information Technology Plan (Major Applications, ARCSIS, Hardware) filed with the DFA Office of State Technology Planning.
- Restore Capital Outlay appropriation of \$100,000 each fiscal year to replace equipment that is beyond repair, becomes obsolete or that becomes too expensive to maintain or repair.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 120 - Child Support Enforcement - Operations

**Funding Sources:** MCE - Child Support Enforcement Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	26,775,933	27,646,604	29,644,529	27,765,029	27,691,884	27,691,884	27,791,029	27,717,884	27,717,884
<b>#Positions</b>		<b>827</b>	<b>842</b>	<b>876</b>	<b>842</b>	<b>840</b>	<b>840</b>	<b>842</b>	<b>840</b>	<b>840</b>
Extra Help	5010001	11,589	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
<b>#Extra Help</b>		<b>1</b>	<b>15</b>							
Personal Services Matching	5010003	9,450,586	10,124,910	10,112,226	10,361,807	10,335,604	10,335,604	10,367,627	10,341,424	10,341,424
Operating Expenses	5020002	13,268,924	14,535,654	14,535,654	14,535,654	14,535,654	14,535,654	14,535,654	14,535,654	14,535,654
Conference & Travel Expenses	5050009	6,175	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Professional Fees	5060010	241,155	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	18,108	100,000	100,000	0	100,000	100,000	0	100,000	100,000
Data Processing and Equipment	5900046	10,931,657	11,348,483	11,348,483	11,348,483	11,848,483	11,848,483	11,348,483	11,848,483	11,848,483
<b>Total</b>		<b>60,704,127</b>	<b>64,405,651</b>	<b>66,390,892</b>	<b>64,660,973</b>	<b>65,161,625</b>	<b>65,161,625</b>	<b>64,692,793</b>	<b>65,193,445</b>	<b>65,193,445</b>

Funding Sources										
Fund Balance	4000005	13,844,034	6,665,290		5,172,967	5,172,967	5,172,967	3,462,670	3,462,670	3,462,670
General Revenue	4000010	13,143,359	12,951,328		12,951,328	12,951,328	12,951,328	12,951,328	12,951,328	12,951,328
Federal Revenue	4000020	28,500,000	38,500,000		37,999,348	38,500,000	38,500,000	37,999,348	38,500,000	38,500,000
Non-Revenue Receipts	4000040	11,881,752	11,462,000		12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000
M & R Sales	4000340	272	0		0	0	0	0	0	0
<b>Total Funding</b>		<b>67,369,417</b>	<b>69,578,618</b>		<b>68,123,643</b>	<b>68,624,295</b>	<b>68,624,295</b>	<b>66,413,346</b>	<b>66,913,998</b>	<b>66,913,998</b>
Excess Appropriation/(Funding)		(6,665,290)	(5,172,967)		(3,462,670)	(3,462,670)	(3,462,670)	(1,720,553)	(1,720,553)	(1,720,553)
<b>Grand Total</b>		<b>60,704,127</b>	<b>64,405,651</b>		<b>64,660,973</b>	<b>65,161,625</b>	<b>65,161,625</b>	<b>64,692,793</b>	<b>65,193,445</b>	<b>65,193,445</b>

FY13 Budget amount in Personal Services Matching exceeds the authorized amount due to matching rate adjustments during the 2011-2013 Biennium.

## Change Level by Appropriation

**Appropriation:** 120 - Child Support Enforcement - Operations  
**Funding Sources:** MCE - Child Support Enforcement Fund

### Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>64,660,973</b>	<b>842</b>	<b>64,660,973</b>	<b>100.0</b>	<b>64,692,793</b>	<b>842</b>	<b>64,692,793</b>	<b>100.0</b>
C01	Existing Program	640,406	16	65,301,379	101.0	640,406	16	65,333,199	101.0
C03	Discontinue Program	(639,754)	(18)	64,661,625	100.0	(639,754)	(18)	64,693,445	100.0
C08	Technology	500,000	0	65,161,625	100.8	500,000	0	65,193,445	100.8

### Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>64,660,973</b>	<b>842</b>	<b>64,660,973</b>	<b>100.0</b>	<b>64,692,793</b>	<b>842</b>	<b>64,692,793</b>	<b>100.0</b>
C01	Existing Program	640,406	16	65,301,379	101.0	640,406	16	65,333,199	101.0
C03	Discontinue Program	(639,754)	(18)	64,661,625	100.0	(639,754)	(18)	64,693,445	100.0
C08	Technology	500,000	0	65,161,625	100.8	500,000	0	65,193,445	100.8

### Justification

C01	OCSE requests restoration of 16 currently authorized positions. The 16 positions currently authorized were not budgeted in FY2013 Annual Operations Plan and will be needed to continue the current level of operations. Restore Capital Outlay appropriation of \$100,000 each fiscal year to replace equipment that is beyond repair, becomes obsolete or that becomes too expensive to maintain or repair. Generally, the Capital Outlay requested is for aging phone systems in many of the OCSE offices around the state. Current funding levels will sufficiently cover this request.
C03	Reduction of 36 currently authorized positions (18 Base Level and 18 Unbudgeted) from 876 currently authorized positions. The positions no longer need to be utilized due to efficiencies of the agency.
C08	Increase in the Data Processing and Equipment expenses line item of \$500,000 each fiscal year to replace desktop PC's according to the agency's 5-year Desktop PC Replacement Plan detailed in the OCSE Information Technology Plan (Major Applications, ARCSIS, Hardware) filed with the DFA Office of State Technology Planning.