

# DFA - CHILD SUPPORT ENFORCEMENT

## Enabling Laws

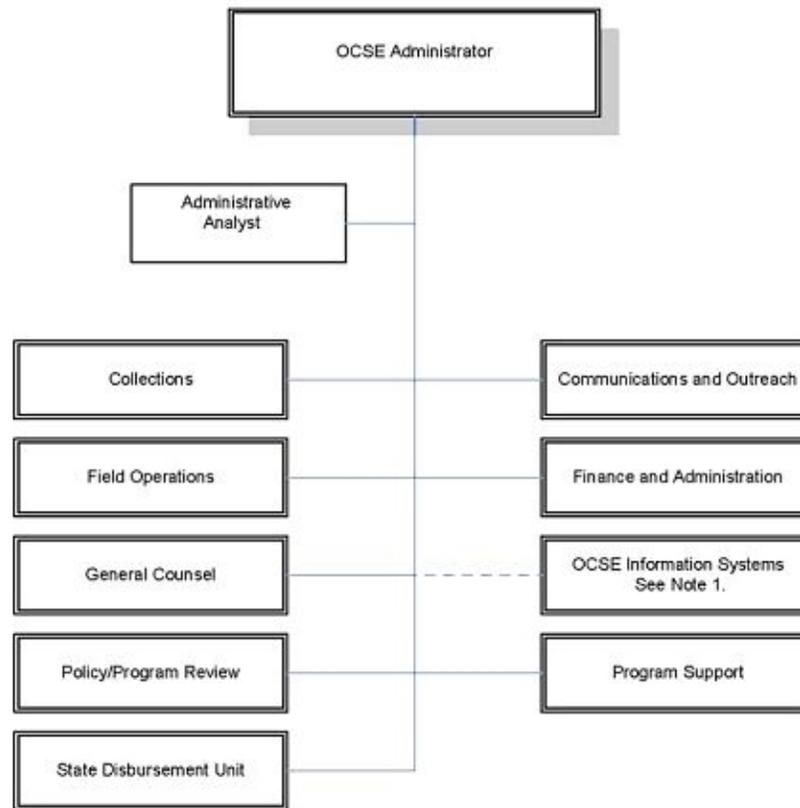
Act 161 of 2014  
ACA §25-8-107  
ACA §9-14-206 - 210

## 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 117,065 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 40,959 additional cases are monitored for payment and disbursement services. The program is authorized for 840 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 \$100,000 for FY16 and FY17. Current funding levels will sufficiently cover the requested appropriation:

- Out of family reclassification of two positions:
  - E048C Education & Instruction Specialist, grade C116 and E046C Training Instructor, grade C116; both to a P027C Public Information Specialist grade C116. This request will be a zero change in appropriation and will properly classify the positions as they are currently being utilized.
- 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, 2012

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Findings

Recommendations

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Audit findings are reported under DFA-Administrative Services.

## Employment Summary

	Male	Female	Total	%
White Employees	58	394	452	62 %
Black Employees	30	237	267	37 %
Other Racial Minorities	3	8	11	1 %
Total Minorities			278	38 %
Total Employees			730	100 %

## Publications

### A.C.A. 25-1-201 et seq.

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution	Unbound Black & White Copies Produced During the Last Two Years	Cost of Unbound Copies Produced During the Last Two Years
		Governor	General Assembly				
Custodial Parent Handbook	N/A	N	N	10,000	Customer Education	0	0.00
Got Kids? General Information Brochure	N/A	N	N	1,500	Public information and convenience	0	0.00
Non Custodial Parent Handbook	N/A	N	N	10,000	Customer Education	0	0.00
Paternity Acknowledgement Brochure	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.	0	0.00
Paternity Acknowledgement Form	20-18-408 (2) (3)	N	N	25,000	Federal and State law require Hospital based Paternity Acknowledgement Program and issuance of a form and information.	0	0.00
Request for Child Support Services	9-14-210(d)(2)	N	N	17,000	Public information and convenience	0	0.00

## Agency Position Usage Report

FY2012 - 2013						FY2013 - 2014						FY2014 - 2015					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
876	753	89	842	34	14.04 %	840	735	105	840	0	12.50 %	840	732	108	840	0	12.86 %

**ARKANSAS PLANNING BUDGETING & ADMINISTRATIVE SYSTEM**  
**STATE CONTRACTS OVER \$50,000 AWARDED TO MINORITY OWNED BUSINESSES**  
 Fiscal Year 2016  
 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>\$10,084,660</u>
<b>% OF MINORITY CONTRACTS AWARDED</b>	<u>86.42 %</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%). Currently 55% of the Agency's budget is personnel related costs with the remaining 45% operating expenses.

Base Level Regular Salaries and Personal Services Matching include continuation of the previously authorized 2015 1% Cost of Living Adjustment and Career Service Payments for eligible employees. Personal Services Matching also includes a \$10 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for Merit Pay Increases.

Base Level for the biennium is \$65,242,095 in FY16 and \$65,280,578 for FY17.

The Agency's Change Level request of \$100,000 reflects the following:

- Reclassification of two positions: one (1) Education and Instructor Specialist (C116) and one (1) Training Instruction to Public Information Specialist (C116). The request does not change the grade of the positions, nor does it increase the amount of appropriation needed for these positions.
- Capital Outlay of \$100,000 each 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		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2013-2014 Actual	2014-2015 Budget	2014-2015 Authorized	2015-2016			2016-2017		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	25,217,716	27,450,349	28,210,669	27,714,227	27,714,227	27,714,227	27,745,627	27,745,627	27,745,627
<b>#Positions</b>		<b>822</b>	<b>840</b>	<b>840</b>	<b>840</b>	<b>840</b>	<b>840</b>	<b>840</b>	<b>840</b>	<b>840</b>
Extra Help	5010001	33,478	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
<b>#Extra Help</b>		<b>5</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>
Personal Services Matching	5010003	9,843,976	10,325,134	10,451,657	10,493,731	10,493,731	10,493,731	10,500,814	10,500,814	10,500,814
Operating Expenses	5020002	14,215,448	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	6,946	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Professional Fees	5060010	220,909	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	28,074	100,000	100,000	0	100,000	100,000	0	100,000	100,000
Data Processing and Equipment	5900046	11,441,657	11,848,483	11,848,483	11,848,483	11,848,483	11,848,483	11,848,483	11,848,483	11,848,483
<b>Total</b>		<b>61,008,204</b>	<b>64,909,620</b>	<b>65,796,463</b>	<b>65,242,095</b>	<b>65,342,095</b>	<b>65,342,095</b>	<b>65,280,578</b>	<b>65,380,578</b>	<b>65,380,578</b>

Funding Sources										
Fund Balance	4000005	4,415,506	5,316,222		3,486,321	3,486,321	3,486,321	3,261,945	3,261,945	3,261,945
General Revenue	4000010	13,117,721	13,117,719		13,117,719	13,117,719	13,117,719	13,117,719	13,117,719	13,117,719
Federal Revenue	4000020	32,281,563	38,500,000		38,900,000	39,000,000	39,000,000	38,900,000	39,000,000	39,000,000
Non-Revenue Receipts	4000040	16,507,349	11,462,000		13,000,000	13,000,000	13,000,000	13,000,000	13,000,000	13,000,000
M & R Sales	4000340	2,287	0		0	0	0	0	0	0
<b>Total Funding</b>		<b>66,324,426</b>	<b>68,395,941</b>		<b>68,504,040</b>	<b>68,604,040</b>	<b>68,604,040</b>	<b>68,279,664</b>	<b>68,379,664</b>	<b>68,379,664</b>
Excess Appropriation/(Funding)		(5,316,222)	(3,486,321)		(3,261,945)	(3,261,945)	(3,261,945)	(2,999,086)	(2,999,086)	(2,999,086)
<b>Grand Total</b>		<b>61,008,204</b>	<b>64,909,620</b>		<b>65,242,095</b>	<b>65,342,095</b>	<b>65,342,095</b>	<b>65,280,578</b>	<b>65,380,578</b>	<b>65,380,578</b>

## Change Level by Appropriation

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

### Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>65,242,095</b>	<b>840</b>	<b>65,242,095</b>	<b>100.0</b>	<b>65,280,578</b>	<b>840</b>	<b>65,280,578</b>	<b>100.0</b>
C01	Existing Program	100,000	0	65,342,095	100.2	100,000	0	65,380,578	100.2
C10	Reclass	0	0	65,342,095	100.2	0	0	65,380,578	100.2

### Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>65,242,095</b>	<b>840</b>	<b>65,242,095</b>	<b>100.0</b>	<b>65,280,578</b>	<b>840</b>	<b>65,280,578</b>	<b>100.0</b>
C01	Existing Program	100,000	0	65,342,095	100.2	100,000	0	65,380,578	100.2
C10	Reclass	0	0	65,342,095	100.2	0	0	65,380,578	100.2

### Justification

C01	Restoration of the currently authorized Capital Outlay in the amount of \$100,000 to replace equipment that is becoming obsolete or equipment that is too expensive to maintain or repair. Most of the capital outlay requested will likely be needed for aging phone systems in many of our OCSE offices around the state.
C10	Out of family reclassification of an E048C Education & Instruction Specialist, grade C116 and an E046C Training Instructor, grade C116; both to a P027C Public Information Specialist grade C116. This request will be a zero change in appropriation and will properly classify the positions as they are currently being utilized.