

North Carolina Child Support Incentives – Proposed Plan
Session law 2015-241, SECTION 12C.7.(d)



REPORT TO THE
JOINT LEGISLATIVE OVERSIGHT COMMITTEE ON HEALTH AND HUMAN
SERVICES
AND
THE FISCAL RESEARCH DIVISION
BY

NORTH CAROLINA DEPARTMENT OF HEALTH AND HUMAN SERVICES

February 1, 2016

North Carolina Session Law 2015-241 requires the North Carolina Child Support (NCCSS) program to achieve four goals:

- retain up to fifteen percent of the federal earned incentives;
- review the incentives methodology;
- prepare the incentives guide; and
- submit a report to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division by February 1, 2016 regarding the progress of the implementation plan.

P.L. 105-200, the Child Support Performance and Incentive Act of 1998, established a revised incentive payment system that provides incentive payments to states based on a percentage of the state's child support collections and incorporates five performance measures related to establishment of paternity and child support orders, collections of current and past-due support payments, and cost-effectiveness. P.L. 105-200 requires states to reinvest incentive payments back into the CSS program. The exact amount of a state's incentive payment depends on its level of performance as compared with other states. In addition, states are required to meet data quality standards (Data Reliability Audits). If states do not meet specified performance measures and data quality standards, they face federal financial penalties.

NCCSS will withhold fifteen percent of the federal earned incentives received from the annual federal award effective July 1, 2016. NCCSS will implement technical enhancements in the State Fiscal Year 2017.

The fifteen percent of the federal incentives will be reinvested in the Child Support Program. These child support enhancements will assist local child support agencies in increasing their performance and overall effectiveness. The child support program formed an incentives workgroup in the spring of 2015 with county representatives to review the methodology, guide on incentives, tracking of incentive investment and proposed use of funds for enhancements.

NCCSS will collaborate with the Department of Information Technology (DIT) to provide a detailed description of technical needs, an analysis of options, proposed information technology solutions, timelines and cost, and how such initiatives will be prioritized and implemented. The State will continue to work with the incentive workgroup as enhancements are prioritized.

Enhancements for year one will include:

- A completed multi-year project timeline for delivering the enhancements to the child support program.
- Finalized documented functional and technical requirements and cost estimates for the enhanced Child Support Systems environment.
- Implementation of new enhanced functionality to meet federal Data Reliability Audit requirements.
- Implementation of enhanced locate tools that will assist with the low performing cases and will enable staff to reserve time to work cases that require specialized intervention to collect support, resulting in more collection and parents meeting their obligations.

Moving forward into year two, additional enhancements will include:

- A Document Generation Solution which will allow the local child support offices to assemble, generate and deliver highly personalized documents that will better serve the judicial system.
- An online child support application process which will provide citizens a quick and secure means to obtain information and apply for services online. This online application will be received directly by the local child support office and will require the attachment of supporting documentation.
- New enhanced functionality in the existing Automated Collection and Tracking System (ACTS).

The above referenced projects will be prioritized and implemented based on project expenditures and the availability of funds.

During the third year, NCCSS anticipates that the following enhancements will be implemented:

- A modernization of the child support website allowing better accessibility and convenience to improve child support compliance.
- A new online chat feature will be implemented on the Child Support website to complement its automated phone service, and a mobile application that can be accessed with smartphones and other similar devices will be developed.
- Reporting tools enhanced to provide the ability to better view, evaluate, analyze, and diagnose a variety of child support case attributes. The ability to improve these functions will provide staff with new information on which to base decisions and child support actions. These tools will also provide those same staff or managers with the ability to monitor the results of their decisions and allow for real time reports so that actions can be immediate. The objectives of such investments are increased collections and data reliability that allow the NCCSS program access to data analytics to help improve its performance and collect more support for families.

As federal regulations change and systems requirements are revised, the NCCSS will continue to evaluate the needs and enhancements for the child support program.

NCCSS has developed an Incentives Guide, which includes the incentives performance methodology, incentive overview, suggested use of incentives and instructions for waivers. The child support incentive workgroup has reviewed the information and does not recommend any modification to the logic for incentive calculations. Should the workgroup determine that a new methodology be produced, NCCSS will update counties regarding any modification used in calculating incentive payments, as well as any phase-in approach recommended. As a condition of receiving federal incentive funds, each county will submit an annual plan due to NCCSS by August 1st of each state fiscal year. This plan documents county reinvestment of federal incentive funding supporting the IV-D program. The state will report by November 1st of each year on how NCCSS federal incentive funding has improved program effectiveness and efficiency.