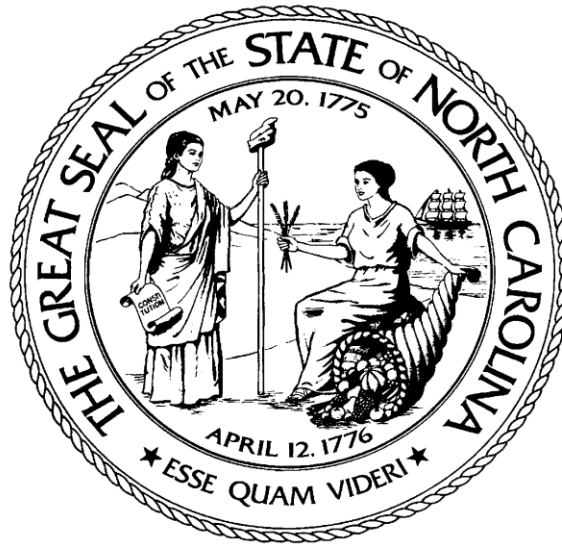


North Carolina Child Support Incentives – Proposed Plan
Session Law 2017, Section 11C.6.(d)



Report to the
Joint Legislative Oversight Committee on Health and Human
and
The Fiscal Research Division

By

North Carolina Department of Health and Human Services

November 1, 2017

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

- 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 November 1 of each year regarding the progress of the implementation plan.

NCCSS has accomplished the following:

- Fifteen percent of the federal earned incentives received from the annual federal award was withheld effective July 1, 2016 and 2017.
 - SFY2016 - \$2,137,436 which represents 15% of the FFY2014 total settlement of \$14,249,571
 - SFY2017 - \$2,201,273 which represents 15% of the FFY2015 total settlement of \$14,675,156
- In 2016, NCCSS 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 met in 2017 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.
- NCCSS developed an annual plan and report for incentives and each county is required to submit its plan by September 5th of each year. This plan and report documents county reinvestment of federal incentive funding supporting the Child Support Program goals.

As described below, fifteen percent of the federal incentives will be reinvested in the Child Support Program. The child support technical enhancements will assist local child support agencies in increasing their performance and overall effectiveness.

NCCSS is collaborating with the Information Technology Division (ITD) to provide a 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.

Year one (July 1, 2016 – June 30, 2017) child support has initiated and planned for technology projects. As part of the planning year,

- A multi-year project timeline was developed for executing the enhancements over the next two years for the child support program;
- Cost estimates, as well as documented functional and technical requirements were finalized for a portion of the enhancements for the child support systems environment;
- An enhanced child support application was implemented to assist local offices with ensuring data elements required for data reliability audit are obtained;
- As part of the online child support application process, enhancements began in SFY2017 to the design and architect revisions to eChild Support website. This is a website for employers and

parents to make payments, access child support information and inquire about their case. As the technical team builds the online child support application, enhancements to this website will provide a more user friendly, secure environment for our customers, and become in-line with the North Carolina Identify Management process.

- A document generation solution has been selected. A new document generation solution will replace the current process to add and update the documents in the Automated Collection and Tracking System (ACTS). This solution will provide a cost-effective, easy to use technology for child support staff and local child support agencies;
- Child Support obtained two licenses for a locate tool to assist with low performing cases and enable staff to reserve time to focus their efforts on cases that require specialized intervention to collect support. This will result in parents meeting their obligations and increased collections. Should the locate tool prove to assist in performance, child support will research a more automated process.

Moving forward into year two (July 1, 2017 – June 30, 2018), additional enhancements include:

- A Request for Information for a document generation solution;
- An online child support application process is in the final stages of programming and is set to be implemented in early 2018. This service 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;
- A Request for Proposal for alternative payment solutions, including, but not limited to, kiosks, mobile applications and options to allow a noncustodial parent to make cash payments at local retail businesses. This will allow for more payment options, increasing the convenience for paying support which will increase child support collections;
- New enhanced functionality in the existing Automated Collection and Tracking System (ACTS); and
- Implementation of Administrative Offsets which are child support collections by the U.S. Department of Treasury's Financial Management Service (FMS) through offsetting Federal payments through administrative offset.

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

During the third year (July 1, 2018 – June 30, 2019), NCCSS anticipates developing business requirements for the following enhancements:

- A modernization of the child support website allowing improved accessibility and convenience to increase child support compliance;
- A new online chat feature will be implemented on the enhanced child support website. This feature will complement the automated phone service already provided to custodial and noncustodial parents to obtain case information;
- A secure mobile application for use on a smartphone or tablet that allows users to obtain case and payment information; and
- Enhanced reporting tools to provide the ability to better view, evaluate, analyze, and diagnose a variety of child support case attributes. Improving these functions will provide staff with access to more robust 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 increase collections 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.