

Report of the Special Committee on Child Support Enforcement and Collection to the 2022 Kansas Legislature

CHAIRPERSON: Senator Carolyn McGinn

VICE-CHAIRPERSON: Representative Susan Humphries

OTHER LEGISLATIVE MEMBERS: Senators Molly Baumgardner, Elaine Bowers, Cindy Holscher, and Alicia Straub; and Representatives Tory Marie Arnberger, Leo Delperdang, Shannon Francis, Jarrod Ousley, and Ponka-We Victors

STUDY TOPIC

The Committee is directed to:

- Study child support enforcement and collection, with the objective of gaining a better understanding of the current process and contracts, as well as the impact of child support payment collections on Kansans within the system;
- Review an evaluation conducted by Midwest Evaluation and Research, LLC, of the IV-D Program in 2020;
- Hear testimony from the Office of Judicial Administration; and
- Hear from a court trustee on a non-IV-D perspective.

[*Note:* Provisions in 2021 SB 159, Section 20 (b), directed the Legislature to create an interim study committee on child support enforcement and collection.]



Special Committee on Child Support Enforcement and Collection

REPORT

Conclusions and Recommendations

The Special Committee on Child Support Enforcement and Collection (Committee) submits the following recommendations for action by the Department for Children and Families (DCF):

- Explore best practices for child support enforcement and collection in other states and identify any legislative changes that may be needed;
- Establish reciprocity agreements with bordering states to improve cross-state coordination;
- Streamline the process for payees and payors when cases move between the IV-D and non-IV-D programs;
- Determine and monitor improved performance measures for both the IV-D and non-IV-D programs;
- Ensure every family can access a child support professional through DCF, child support contractors, or both;
- Introduce a customer service evaluation for clients utilizing child support services in the state; and
- Reinstate quarterly or monthly meetings between trustee offices and DCF to encourage improved communication in cases that are served by both IV-D and non-IV-D programs.

Additionally, if sufficient information is not provided to the Committee prior to the 2022 Legislative Session by the appropriate stakeholders, the Committee recommends the Legislative Post Audit Committee request an audit be conducted by the Legislative Division of Post Audit after the current contractors have had six months to a year to perform under the contracts effective October 1, 2021. If the audit is conducted, then the report should be provided to the following standing committees: Senate Committee on Ways and Means, Senate Committee on Public Health and Welfare, House Committee on Appropriations, House Committee on Health and Human Services, and House Committee on Children and Seniors.

Proposed Legislation: None.

BACKGROUND

The Special Committee on Child Support Enforcement and Collection (Committee) was created by 2021 SB 159 to advise and make recommendations to the Legislature regarding matters concerning child support enforcement and collection. The Legislative Coordinating Council directed the Committee to:

- Study child support enforcement and collection, with the objective of gaining a better understanding of the current process and contracts, as well as the impact of child support payment collections on Kansans within the system;
- Review an evaluation conducted by Midwest Evaluation and Research, LLC, of the IV-D Program in 2020;
- Hear testimony from the Office of Judicial Administration; and
- Hear from a court trustee on a non-IV-D perspective.

During the 2021 Legislative Session, the Senate Committee on Ways and Means Human Services Subcommittee held an informational hearing regarding child support enforcement and collection. Members of the subcommittee determined that an in-depth analysis of the process for child support payment collections would be beneficial.

COMMITTEE ACTIVITY

The Legislative Coordinating Council approved two meeting days for the Committee. The Committee met on October 19 and November 9, 2021, and heard from representatives from the IV-D and non-IV-D child support programs, contractors, a private citizen, and other stakeholders regarding the child support enforcement and collection process. [Note: IV-D refers to Title IV, Part D of the federal Social Security Act of 1975, which requires each state to enforce support obligations. A non-IV-D case is one in which no party receives certain types of state services.]

October 19, 2021

The Committee received presentations from Kansas Legislative Research Department (KLRD) staff on the collection of child support payments and an overview of child support enforcement in Kansas. The Director of the Child Support Services Division of the Department for Children and Families (DCF) provided an overview of IV-D child support payment collections, and the 18th Judicial District Court Trustee provided an overview of non-IV-D child support payment collections.

A representative of the Kansas Payment Center (KPC) provided an overview of the KPC's operations, and representatives of the two contracted child support enforcement and collection vendors in Kansas, Maximus and YoungWilliams, each presented an overview of their company's services. The Committee also received information from a representative of Midwest Evaluation and Research, LLC, summarizing its findings on the effectiveness of the Kansas IV-D program. A private citizen personally affected by the current child support enforcement and collection process also provided testimony to the Committee.

Staff Overview of Child Support Payment Collections and Child Support Enforcement

KLRD staff provided information regarding how money flows from payor to payee in the child support system, dependent on whether the parties are in the IV-D program, in the non-IV-D program, or have a private payment agreement. If the parties are in the IV-D program, the payment goes through the Kansas Automated Eligibility Child Support Enforcement System (KAECSES) to determine whether money is owed to the State before being distributed to the payee. In the non-IV-D program, this step is eliminated. In a private arrangement, the payor and payee exchange the payment directly.

KLRD staff also presented information on previous and current federal laws that impact child support, state entities involved in the child support system, and the process for updating Kansas child support guidelines. In addition, KLRD staff presented findings and recommendations made by Midwest Evaluation

and Research, LLC, which evaluated the IV-D program.

Overview of IV-D Child Support Payment Collections

The Director of the Child Support Services Division of DCF presented information on the current delivery model of IV-D services, including internal processes, data and record management, and partnering with others to release customer service surveys. According to the Director, as of October 1, 2021, there were two full-service child support services contractors in the state, Maximus and YoungWilliams.

Overview of Non-IV-D Child Support Payment Collections

The 18th Judicial District Court Trustee presented information on the non-IV-D perspective of child support payment collections. He stated court trustees throughout the state collect child and spousal support payments when they are ordered by a court. Additionally, some trustees collect court fees and restitution.

He noted that trustees do not establish orders but enforce orders as granted by a judge. Support payments established by trustees flow through the KPC, similar to IV-D payments. The trustee also noted that trustee office budgets are widely based on the amount of fees collected each year, though some offices do receive funding through the county (or counties) they serve.

Private Citizen Testimony

A private citizen testified on her experience navigating the IV-D and non-IV-D system in her attempts over multiple years to work through state systems to collect past-due child support, which grew to exceed \$50,000. She stated she believes there are many failures in the system, including a lack of coordination between the states of Kansas and Missouri as well as between the IV-D and non-IV-D systems. She said child support is an essential income for thousands of Kansans, and lack of enforcement causes strains on families.

Overview of the Kansas Payment Center

A representative of YoungWilliams, the contractor for DCF that operates the KPC, presented information on payment processing. KPC disburses funds on IV-D court orders per information transmitted by KAECSES and disburses funds on non-IV-D court orders based on information provided by court trustees.

KPC receives approximately \$383.8 million from payors and disburses approximately \$412.8 million to payees annually.

Overview of Customer Service Centers

A representative of Maximus discussed the company's approach to providing child support services under a contract effective October 1, 2021. She stated the company's current focus is to establish a strong working communication process with DCF, to hire competent staff, understand current metrics of performance and identify opportunities for improvement, and understand its communities and engage with stakeholders. Maximus provides service to Johnson, Sedgwick, Shawnee, and Wyandotte counties.

A representative of YoungWilliams presented information on the company's performance history since 2013. Previously, YoungWilliams provided child support service for 23 judicial districts in Kansas and had 9 offices across the state. Under a contract effective October 1, 2021, YoungWilliams provides service in 27 of the 31 judicial districts in Kansas.

November 9, 2021

The Committee received staff presentations on child support enforcement in Kansas and the history of child support enforcement privatization, non-IV-D child support payment collections, the non-IV-D system, performance measures and changes to the current system.

It also received testimony from the 9th Judicial District Court Trustee, a representative of the Office of Judicial Administration, the Director of the Child Support Services Division, and representatives of contractors.

Additional Child Support Enforcement Information and History of Child Support Enforcement Privatization

KLRD staff provided additional information regarding the roles of the federal government and state agencies in the child support system and the differences among various models of establishment and enforcement of support orders, and how Kansas specifically handles enforcement and collection. In addition, KLRD staff presented a summary of two Legislative Division of Post Audit reports (from 1990 and 1996) of audits conducted prior to privatization that provided findings and recommendations that may have impacted the state's eventual decision to privatize child support enforcement and collection. Privatization of the collection of child support payments took place in 2005. In 2013, this expanded to a fully privatized enforcement and collection model.

Overview of Non-IV-D Child Support Payment Collections

The 9th Judicial District Court Trustee provided information on the collaboration among child support professionals across the state prior to the privatization of child support enforcement. The trustee also discussed possible implications of moving more cases to the IV-D system. Other court trustees were introduced and available for questions.

Overview of Non-IV-D System

A representative of the Office of Judicial Administration provided testimony on her role as a liaison between court trustees and the KPC. The representative noted she also provides technical support to the Kansas Supreme Court's Child Support Guidelines Advisory Committee during its review period every four years.

Monitoring Performance Measures

The Director of the Child Support Services Division of DCF presented information on the five performance metrics that each state reports to the Office of Child Support Enforcement of the U.S. Department of Health and Human Services: cost-effectiveness, paternity establishment percentage, support order

establishment, collections on current support, and collections on arrears.

Also, full-service customer center contractors are required to maintain a level of performance established by the federal government, have adequate staffing levels and single points of contact for specific program needs, and visit all communities in which a DCF office exists at least once a month. Contractors also receive penalties for cases with unresolved escalations.

A representative of Maximus provided an overview of the organization's philosophy of service, including prioritizing stakeholder needs through employer support, linkage to jobs, resources for improved customer service, having resources for both custodial and non-custodial parents, and being accessible.

A representative of YoungWilliams provided information on the company's past performance regarding services the company was responsible for overseeing in a prior contract for 23 judicial districts.

Changes to the Current System

The 9th Judicial District Court Trustee expressed concern over the difficulty in using the KAESCES, stating it is overly burdensome for users and is not efficient for child support professionals. He stated he also believes separate IV-D and non-IV-D systems should be maintained.

The Director of Child Support Services provided suggestions for potential changes related to the availability of IV-D services, technology upgrades, utilizing meaningful performance measures, referring certain non-IV-D cases to the IV-D program, modernizing funding, changing distribution of payments, optimizing the use of administrative processes, and de-privatizing part of the system. She stated her top three specific recommendations are to identify meaningful performance metrics for the IV-D and non-IV-D programs, ensure that every family is able to access a child support professional, and investigate payment distribution and long-term funding.

CONCLUSIONS AND RECOMMENDATIONS

The Committee requested supplemental information regarding: out-of-state child support cases, KAECSES and how it will be updated, a map showing non-IV-D counties and their populations, information on expanding the court trustee program to other counties, federal performance measures as they relate to state rankings, pass through payments, the amount of child support that should be collected, quantifying how many children and households are impacted by the child support system, and details of the new service contracts including return on investment, penalties, and customer service.

Following this discussion at its November 9 meeting, the Committee agreed upon the following recommendations for action by DCF:

- Explore best practices for child support enforcement and collection in other states and identify any legislative changes that may be needed;
- Establish reciprocity agreements with bordering states to improve cross-state coordination;
- Streamline the process for payees and payors when cases move between the IV-D and non-IV-D programs;

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- Reinstate quarterly or monthly meetings between trustee offices and DCF to encourage improved communication in cases that are served by both IV-D and non-IV-D programs.

Additionally, the Committee also recommends, if sufficient information is not provided to this Committee prior to the 2022 Legislative Session by the appropriate stakeholders, the Legislature request an audit be conducted by the Legislative Division of Post Audit after the current contractors have had six months to a year to perform under the contracts effective October 1, 2021. If the audit is conducted, then the report should be provided to the following standing committees: Senate Committee on Ways and Means, Senate Committee on Public Health and Welfare, House Committee on Appropriations, House Committee on Health and Human Services, and House Committee on Children and Seniors.