

LBA Performance Audit Report Summary:

Child Support Services Performance Audit Report - December 1995

The State's Child Support Services program (CSS) was established in 1977 (New Hampshire Laws, Chapter 589) to assist custodial parents of minor children in establishing and enforcing child support orders against non-custodial parents. Services are provided to recipients of Aid to Families with Dependent Children (AFDC) and foster care families, families previously receiving those services, and custodial parents not receiving public assistance but who nonetheless apply for child support services from the State.

Custodial parents who reside in New Hampshire but do not receive public assistance may apply for services on behalf of their minor child or children. A custodial parent residing outside New Hampshire generally utilizes the State's services only if the non-custodial parent resides or is employed within New Hampshire. Administrative costs for the program are shared by the State and federal governments with approximately 66 percent of the cost paid by the federal government and 34 percent by the State.

The CSS program is driven primarily by federal law and its subsequent revisions. To comply with that law, New Hampshire designated the Division of Human Services (DHS) within the Department of Health and Human Services as the agency responsible for child support services. In addition to other duties, RSA 161:2 assigns DHS the responsibility to establish, direct, and maintain a child support program based on Title IV-D of the Social Security Act as amended, and a collection and disbursement system for court-ordered payments as required under Title IV-D.

The DHS operates 13 district offices located in Berlin, Claremont, Concord, Conway, Dover, Keene, Laconia, Littleton, Manchester, Nashua, Portsmouth, Rochester, and Salem. All district offices except Dover and Salem provide child support services. The division's Office of Child Support (OCS) is responsible for the overall management of the IV-D program.

During the six-year audit period, the CSS program experienced significant growth in terms of caseload, collections, and expenditures. Moreover, there were many additional program mandates placed on the State by the federal government. In an attempt to keep pace with those mandates, the OCS automated many of its routine functions and modified its approach to establishing and enforcing support orders. Those efforts, however, have not proven altogether successful.

During the audit period (July 1, 1988 to June 30, 1994) CSS program expenditures increased from \$5.0 million in FY 1989 to \$11.4 million in FY 1994 and totaled \$49.2 million for the period. Approximately \$34.3 million of total program expenditures were paid by the federal government.

Over the same period, the State's CSS program employed as many as 175 full-time equivalent staff and collected and distributed \$154.7 million to custodial parents in New Hampshire or other states, other state governments, and the federal government as reimbursement for AFDC payments. Of the six-year total, \$120.3 million was for non-AFDC cases and \$34.4 million was for AFDC cases. During the audit period the State distributed \$3.14 to recipients for each dollar of expenditures. This cost effectiveness ratio increased 1.3 percent from \$3.18 in FY 1989 to \$3.22 in FY 1994.

Although OCS achieved success in some areas of the CSS program, our analysis disclosed opportunities for improvement in efficiency and effectiveness in other areas. Using full time equivalent (FTE) staff and cost analysis measures, we analyzed the program over time and compared the State to regional and national data. Our analysis indicated that New Hampshire's improvement in efficiency and productivity slowed toward the end of the audit period.

We noted 28 observations and recommendations regarding the CSS program. Eight observations concerned program administration issues such as organizational structure, written policies and procedures, and employee security. Fourteen observations related to noncompliance with State or federal laws and regulations, and efficiency issues. The remaining six observations involved management control and reporting issues for the New England Child Support Enforcement System (NECSES). A summary of our observations follows:

A review of child support case files disclosed New Hampshire's CSS program is in substantial compliance with federal timeliness requirements for location of non-custodial parents and establishing paternity but does not meet the requirements for case opening and support orders.

In interviews with district office supervisors and through our review of case files at each district office, we discovered OCS staff does not routinely report suspected cases of child abuse, including statutory rape, or neglect to the Division for Children, Youth, and Families (DCYF) as required by State law. RSA 169-C:30 requires individuals report instances of suspected child abuse or neglect to DCYF immediately by telephone or otherwise, and follow within 48 hours with a report in writing, if requested. RSA 169-C:39 makes it a misdemeanor for failing to comply with the requirement. By failing to report those types of cases to DCYF, OCS employees were in apparent violation of State law.

Some staff were reluctant to report potentially incriminating information because they thought a privilege applied to these situations. RSA 169-C:32, however, provides "[t]he privileged quality of communication between...any professional person and his patient or client...shall not apply to proceedings instituted pursuant to this chapter and shall not constitute grounds for failure to report as required...." RSA 169-C:31 waives civil or criminal liability for persons who report suspected abuse or neglect in good faith. NECSES was designed to be a comprehensive, statewide, automated child support case management system in accordance with federal requirements. Information is entered through on-line screens to tables which contain demographic and financial data on clients, non-custodial parents, and dependents. The system allows workers to access, manipulate, and store confidential case information about custodial and non-custodial parents including names, addresses, and telephone numbers; Social Security numbers; and support order amounts and other personal financial information. Our review

disclosed several management control deficiencies including inadequate log-off procedures, tracking procedures for case file and programming modifications, and system password procedures.

We also found that NECSES reporting capabilities needed to be enhanced. System improvements are necessary to enable management to monitor compliance with federal timeliness standards. Training was another identified weakness.

OCS has been operating NECSES since its implementation in 1991 without a tested and approved disaster recovery plan. Such a plan helps to ensure the continuity of operations and service delivery to custodial parents and families should a catastrophic loss occur. It is unknown how long it would take OCS to restore the system, but without a contingency plan, it is conceivable that services would be suspended for an extended period of time.