

N00H00
Child Support Enforcement
Department of Human Resources

Operating Budget Data

(\$ in Thousands)

	FY 02 <u>Actual</u>	FY 03 <u>Approp.</u>	FY 04 <u>Allowance</u>	FY 03 - 04 <u>Change</u>	FY 03 - 04 <u>% Change</u>
General Funds	\$18,279	\$20,152	\$19,738	-\$413	-2.1%
Contingent & Back of Bill Reductions	0	-9	-12	-4	
Adjusted General Funds	18,279	20,143	19,726	-417	-2.1%
Special Funds	3,664	3,562	4,990	1,428	40.1%
Contingent & Back of Bill Reductions	0	0	-2	-2	
Adjusted Special Funds	3,664	3,562	4,988	1,427	40.1%
Federal Funds	55,714	57,416	59,479	2,063	3.6%
Contingent & Back of Bill Reductions	0	-15	-27	-12	
Adjusted Federal Funds	55,714	57,401	59,452	2,051	3.6%
Adjusted Grand Total	\$77,657	\$81,106	\$84,166	\$3,060	3.8%

- The fiscal 2004 allowance grows by \$3.1 million, or 3.8% over the fiscal 2003 working appropriation.
- There is a net increase of \$1.6 million for personnel expenses, consisting primarily of increased health insurance costs and lower cost containment offset by the abolishment of eight vacant positions.
- A \$2.8 million increase to continue the expansion of the call center to the metropolitan counties begun in fiscal 2003 is offset by a \$2 million decrease in public awareness campaign efforts.

Personnel Data

	FY 02 <u>Actual</u>	FY 03 <u>Working</u>	FY 04 <u>Allowance</u>	<u>Change</u>
Regular Positions	641.25	740.75	732.75	-8.00
Contractual FTEs	3.61	0.00	0.00	0.00
Total Personnel	644.86	740.75	732.75	-8.00

Vacancy Data: Regular Positions

Budgeted Turnover: FY 04	29.31	4.00%
Positions Vacant as of 12/31/02	32.50	4.39%

- Eight vacant positions that provided general administrative assistance (3) and special help with child support enforcement services (5) are abolished.

Note: Numbers may not sum to total due to rounding.

For further information contact: Suzanne P. Freed

Phone: (410) 946-5530

Analysis in Brief

Major Trends

Most Indicators Moving in Right Direction: Of the four major indicators for the Child Support Enforcement Administration (CSEA), performance in each category exceeded estimates for federal fiscal 2002: cases with established orders; paternity establishment; current support paid; and cases with paid arrears.

Issues

Department of Human Resources (DHR) Not Waiting on General Assembly to Extend Privatization: On October 31, 2002, legislation authorizing the privatization pilots in Baltimore City and Queen Anne’s County expired. However, the legislature approved an extension of the two pilots through June 30, 2003, by budget language during the 2002 session. The fiscal 2004 allowance includes funding to continue the privatization efforts.

Undisbursed Child Support Collections Continue to Be a Challenge: In response to the budget committees’ request to address the findings of an Office of Legislative Audits report, DHR is working to reduce the amount of undisbursed child support collections.

Federal Financial Penalties a Possibility: DHR may be at risk of losing federal child support and Temporary Assistance for Needy Families (TANF) funds related to an unapproved State plan. Moreover, DHR could face further penalties if it does not meet certain data reliability requirements.

Recommended Actions

	<u>Funds</u>
1. Delete funds for research contract with Towson University’s Regional Economic Studies Institute.	\$ 500,000
Total Reductions	\$ 500,000

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Child Support Enforcement
Department of Human Resources

Operating Budget Analysis

Program Description

The functions of the Child Support Enforcement Administration (CSEA) include locating absent parents, establishing paternity and support orders, collecting and disbursing support payments, reviewing and modifying child support orders, and enforcing support obligations.

The department has several techniques for enforcing child support obligations, including the interception of tax refunds, unemployment benefits, and lottery winnings of delinquent obligors. New support orders have automatic wage liens. Delinquent parents also may have their drivers' licenses suspended. Temporary Cash Assistance (TCA) recipients must assign their support rights to the State and federal government as partial reimbursement for TCA payments made on behalf of the children of the obligor. As a condition of receiving federal funding, child support enforcement services are made available to all non-public assistance recipients who apply upon payment of a one-time \$25 fee. The \$25 fee is the maximum allowed under federal law.

Child support enforcement activities are undertaken by local departments of social services and other local agencies with technical support and program monitoring provided by CSEA staff located in the Department of Human Resources (DHR) central office. In accordance with State law, all child support enforcement activities in Baltimore City and Queen Anne's County were privatized in November 1996. Maximus is the current contractor for both jurisdictions until June 30, 2003, when authorizing budget bill language for privatization expires.

The federal fund participation rate for most program activities is 66%. The State match for activities undertaken by State and local agencies with no affiliation to DHR is included in the budgets of the individual agencies. The two remaining counties that operated under cooperative reimbursement agreements (CRA) with the State, Anne Arundel and Allegany counties, transferred their responsibilities to the State in fiscal 2003.

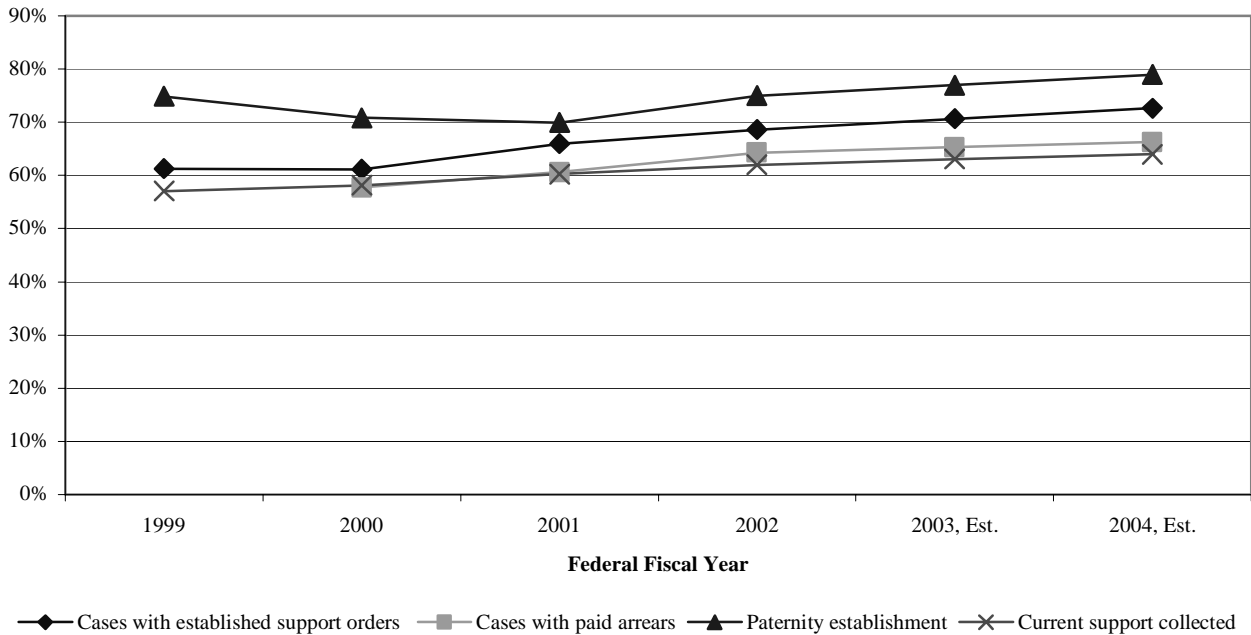
The key goal for the Child Support Enforcement Administration is to enable, encourage, and enforce parental responsibility.

Performance Analysis: Managing for Results

Exhibit 1 demonstrates CSEA's performance between federal fiscal 1999 and 2004. Since CSEA can receive federal incentive awards based on federally established measures, performance is measured on a federal fiscal year. Data on cases paying arrears in fiscal 1999 was not available.

Exhibit 1

**Enable, Encourage, and Enforce Parental Responsibility
Federal Fiscal 1999 through 2004**



Source: Department of Human Resources

In fiscal 2002, DHR set objectives of a two percentage point increase for support order and paternity establishment, and a one percentage point increase for payment on arrears and current support collected. Performance exceeded the department’s objectives for each indicator in fiscal 2002. Paternity establishment is moving closer to the long-term 90% target at 75% after setbacks in 2000 and 2001 when performance declined. Order establishment, current support collected, and cases paying arrears also are steadily moving toward the long-term 80% target at 68.6%, 62.0%, and 64.3%, respectively. DHR expects these improvements to continue in fiscal 2003 and 2004.

Fiscal 2003 Actions

Impact of Cost Containment

There is a \$23,411 reduction related to the State employee transit subsidy program, contingent on the enactment of a provision in the Budget Reconciliation and Financing Act (BRFA) of 2003.

Governor's Proposed Budget

As shown in **Exhibit 2** the fiscal 2004 allowance grows by \$3.1 million, or 3.8% over the fiscal 2003 working appropriation. There is a net increase of \$1.6 million for personnel expenses, consisting primarily of increased health insurance costs and lower cost containment offset by the abolishment of eight vacant positions. Unspent federal reinvestment funds budgeted for the public awareness campaign contract in fiscal 2003 and other fiscal 2002 programs are rolled forward into fiscal 2004, as reflected in the \$1.4 million increase in special funds.

Impact of Cost Containment

There is a \$41,022 reduction related to the elimination of the deferred compensation match program, contingent on the enactment of a provision in the BRFA of 2003.

Enable, Encourage, and Enforce Parental Responsibility

There is a \$2.8 million increase related to the expansion of the child support call center to the metropolitan counties during fiscal 2003. This increase is offset by a \$2 million decrease in the public awareness campaign contract. According to DHR, the current contract is funded with Child Support Reinvestment dollars and began in fiscal 2003. However, due to cost containment throughout the administration, these funds are being shifted to other priorities. **DHR should comment on the impact of this reduction on the contract and the State's overall public awareness efforts.**

Exhibit 2

**Governor’s Proposed Budget
Child Support Enforcement Administration**

(\$ in Thousands)

	<u>FY 02</u>	<u>FY 03</u>	<u>FY 04</u>	<u>FY 03 - 04</u>	<u>FY 03 - 04</u>
	<u>Actual</u>	<u>Approp.</u>	<u>Allowance</u>	<u>Change</u>	<u>% Change</u>
General Funds	\$18,279	\$20,152	\$19,738	-\$413	-2.1%
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Adjusted Grand Total	\$77,657	\$81,106	\$84,166	\$3,060	3.8%

Where It Goes:

Personnel Expenses

Increased health insurance costs for State employees and retirees	\$1,359
Lower turnover and other adjustments	497
Retirement contribution cost increase	81
Abolishment of 8 vacant positions in the local offices that performed enforcement, administrative, and clerical support	-304

Enable, Encourage, and Enforce Parental Responsibility

Expansion of the child support call center, which helps custodial parents with payment problems, to the metropolitan jurisdictions (Anne Arundel, Baltimore, Prince George’s, and Montgomery counties and Baltimore City) during fiscal 2003.....	2,761
Increased monitoring fees associated with cooperative reimbursement agreements	332
Increased contract with Tier Technologies for central disbursement of collections payments	143
Elimination of public awareness campaign contract.....	-1,997

Administrative Expenses

Increased rent offset by decreased overtime and travel.....	344
Decreased strategic planning costs in the Executive Director’s Office	-126

Other

Total

\$3,060

Note: Numbers may not sum to total due to rounding.

Issues

1. DHR Not Waiting on General Assembly to Extend Privatization

On October 31, 2002, legislation authorizing the privatization pilots in Baltimore City and Queen Anne's County expired. However, during the 2002 session the legislature approved an extension of the two pilots through June 30, 2003, by budget language. Maximus, the incumbent vendor, won the procurement competition to continue the pilot through the end of the current fiscal year.

History of Child Support Enforcement Privatization

With the passage of the General Assembly's 1995 Welfare Reform Pilot Program and Child Support Reform, Chapter 491, Acts of 1995, child support enforcement responsibilities were privatized in Baltimore City and Queen Anne's County. The legislation also authorized DHR to establish a demonstration site (later extended to four) to compete with the privatized sites and earn financial incentives based on performance.

Under the law, the State transferred its enforcement operations in Baltimore City and Queen Anne's County to a private, for-profit vendor. The first two contracts were performance based, and in Baltimore City, the vendor could earn performance incentive payments for an amount exceeding its projected goals. Lockheed Martin was awarded the first three-year contract. After legislation extended privatization in 1999 for another three years, Maximus took over the contract.

The intent of privatization was to bring greater efficiency and effectiveness to the process of establishing paternity and collecting timely payments in the two jurisdictions. Historically, Baltimore City had a greater caseload of child support orders than the rest of the State, but performance was poor. The city collected \$4 in payments for every dollar spent on operations in 1995. In the same year, the city collected a little more than 30% of current support due. Privatization would be a test of how well the private sector could provide a critical service to custodial parents and their families in comparison to the State.

Privatization Extended through June 30, 2002

Because the authorizing legislation for privatization was set to expire October 31, 2002, several legislative proposals were introduced in the 2002 session to extend privatization for another three years. Although the Governor vetoed legislation that would have extended privatization, the General Assembly adopted budget bill language extending the pilots through the end of fiscal 2003.

As required by budget bill language, DHR held a competitive bid process in the summer of 2002 and awarded the contract to the incumbent vendor, Maximus, to continue privatization efforts in the two jurisdictions until the end of fiscal 2003. According to DHR, this contract is cost-based, rather than performance-based, due to the fact that it would be difficult to fairly measure contractor performance for less than a full year (November 2002 through June 2003). According to DHR, the cost of extending privatization through June 30, 2002, will be approximately \$8.3 million.

Analyzing the Performance of Privatization

Several criteria are available which can help demonstrate the performance of the privatization effort. These include vendor performance against contract and federal performance goals, Managing for Results goals, and demonstration site performance. While this information measures privatization since it began, it does not provide a pre- and post-privatization comparison. The only information available to make this type of comparison is child support collections.

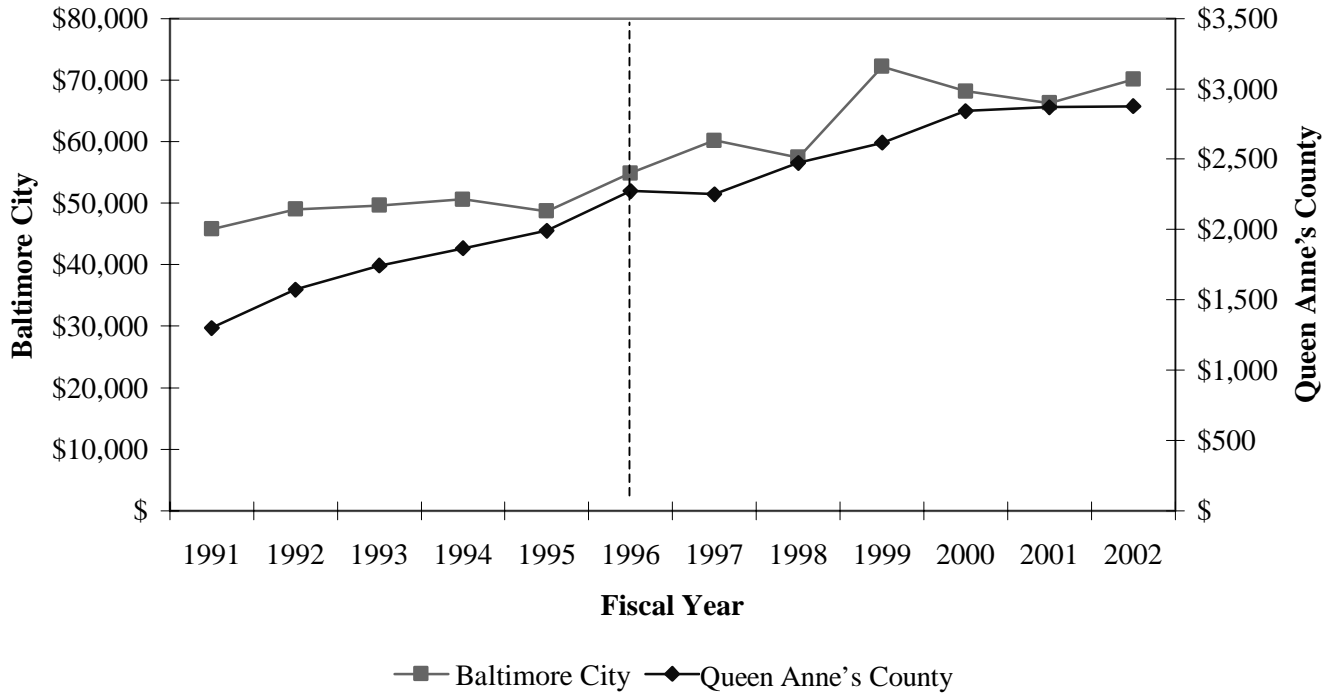
The department has pointed out that due to a number of changes to the computer systems since 1995, data is no longer available or incomparable to data collected before privatization. For example, changes to federal reporting requirements and performance definitions have altered the data collected. Also, new enforcement tools, such as the Drivers' License Suspension Program, have given the State an enhanced ability to collect support not available prior to privatization.

Child Support Collections Before and After Privatization

Exhibit 3 demonstrates the level of child support payments collected pre- and post-privatization. Since 1996, Baltimore City has yielded greater results with support collections. The three-year contract with Maximus had an annual collection goal of \$63.5 million for Baltimore City. Maximus exceeded this goal by approximately \$0.5 million, \$3.7 million, and \$9.8 million in the first, second, and third years of the contract, respectively. Collections for Queen Anne's County have improved at a stable rate since 1991. It is important to reiterate, however, that several enforcement tools became available after 1995, making it difficult to determine the exact amount of improvement in collections directly related to the privatization effort.

Exhibit 3

**Total Child Support Collections
Pre- and Post-Privatization
(\$ in Thousands)**

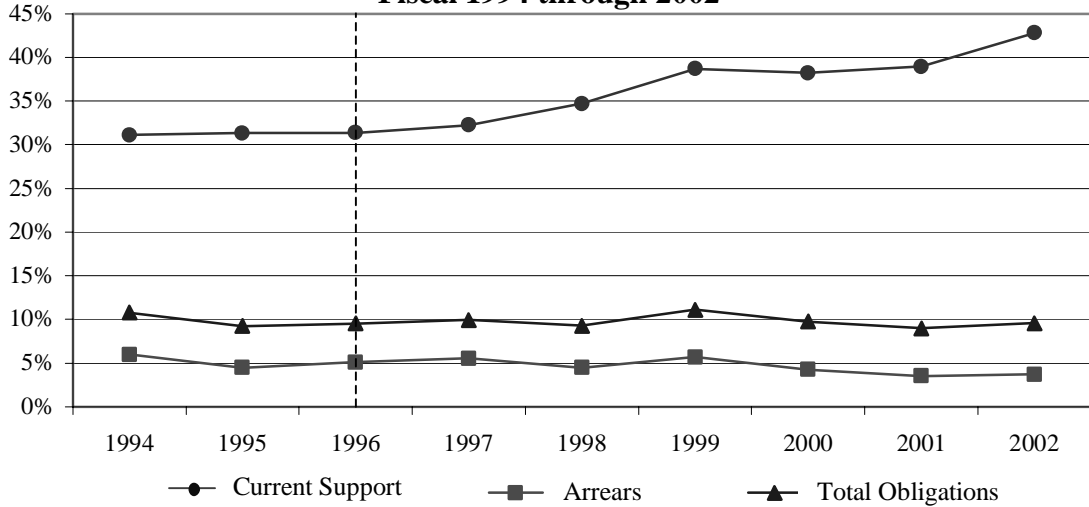


Source: Department of Human Resources

Exhibits 4 and 5 demonstrate the percentage of obligations due that were collected. In Baltimore City, the percentage of current support due that was collected increased considerably under the first privatization contractor, dipped slightly in fiscal 2000 under the new contractor, and then recovered in fiscal 2002. Maximus attributes this dip to unopened cases left by the previous contractor, which affected its performance. In Queen Anne's County, the percentage of current support collected dipped in 1997 under the first contractor, and then recovered until 2002, when it dipped again. In both privatization sites, the arrearage collection rate has remained basically flat or declined over the period of privatization. One theory for this performance is that as collection of current obligations improved, the more difficult arrearage cases were left for the contractor to handle.

Exhibit 4

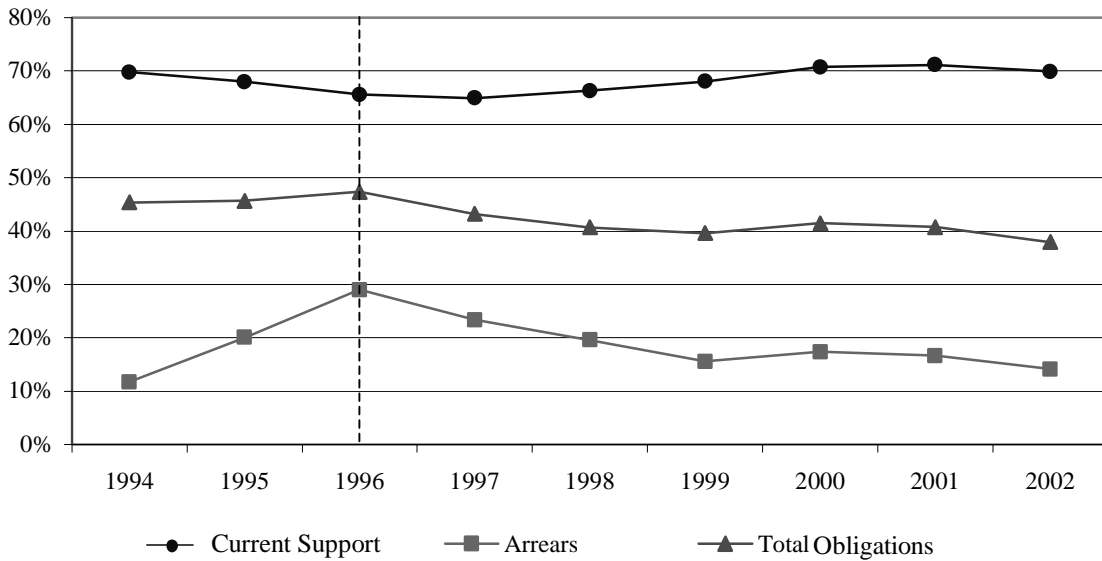
**Baltimore City Performance Efficiency: Percentage of Obligations Collected
Fiscal 1994 through 2002**



Source: Department of Human Resources

Exhibit 5

**Queen Anne’s County Performance Efficiency: Percent of Obligations Collected
Fiscal 1994 through 2002**



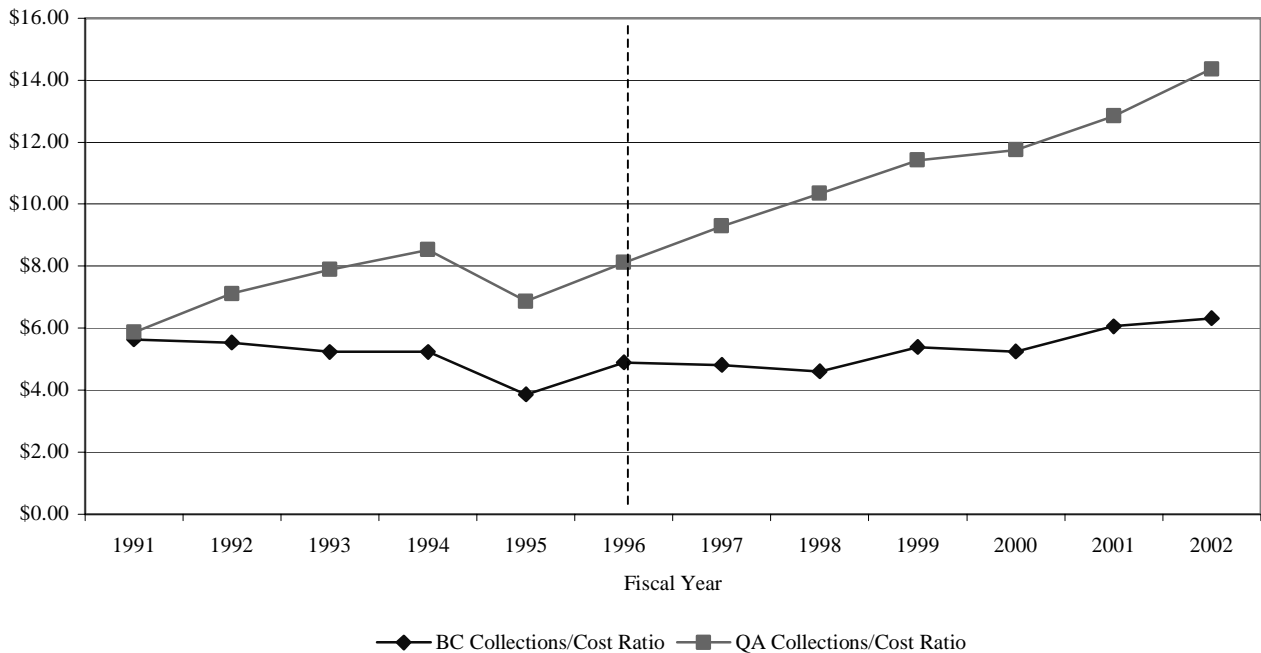
Source: Department of Human Resources

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Exhibit 6 demonstrates the cost effectiveness of the State-run versus the privately-run support enforcement responsibilities. In Baltimore City during the State-run period, every dollar spent yielded on average \$5 in collections, dropping to \$4 in fiscal 1995. Since privatization, the cost effectiveness ratio grew, yielding \$6.32 in collections for every dollar spent in 2002. In the past ten years, Queen Anne’s County has more than doubled its cost effectiveness, now bringing in \$14.36 in collections for every dollar spent on enforcement operations. Similar to Baltimore City, however, there was a drop in fiscal 1995. DHR attributes this to an increase in staffing costs.

Exhibit 6

**Cost Effectiveness of Privatization
Fiscal 1991 through 2002**



Source: Department of Human Resources

It is important to remember that since privatization began, many new child support enforcement tools became available to the jurisdictions, resulting in greater collections. But, related operating costs were budgeted with the State. Consequently, while the collections to cost ratios reflect increased collections, they do not incorporate related operating costs.

Other Performance Measures Since Privatization

As mentioned earlier, data on other performance measures is limited to the period since privatization began. However, demonstration sites run by the State were established to "compete" against the privatized jurisdictions. While the vendor could earn incentives based on its contract, the demonstration

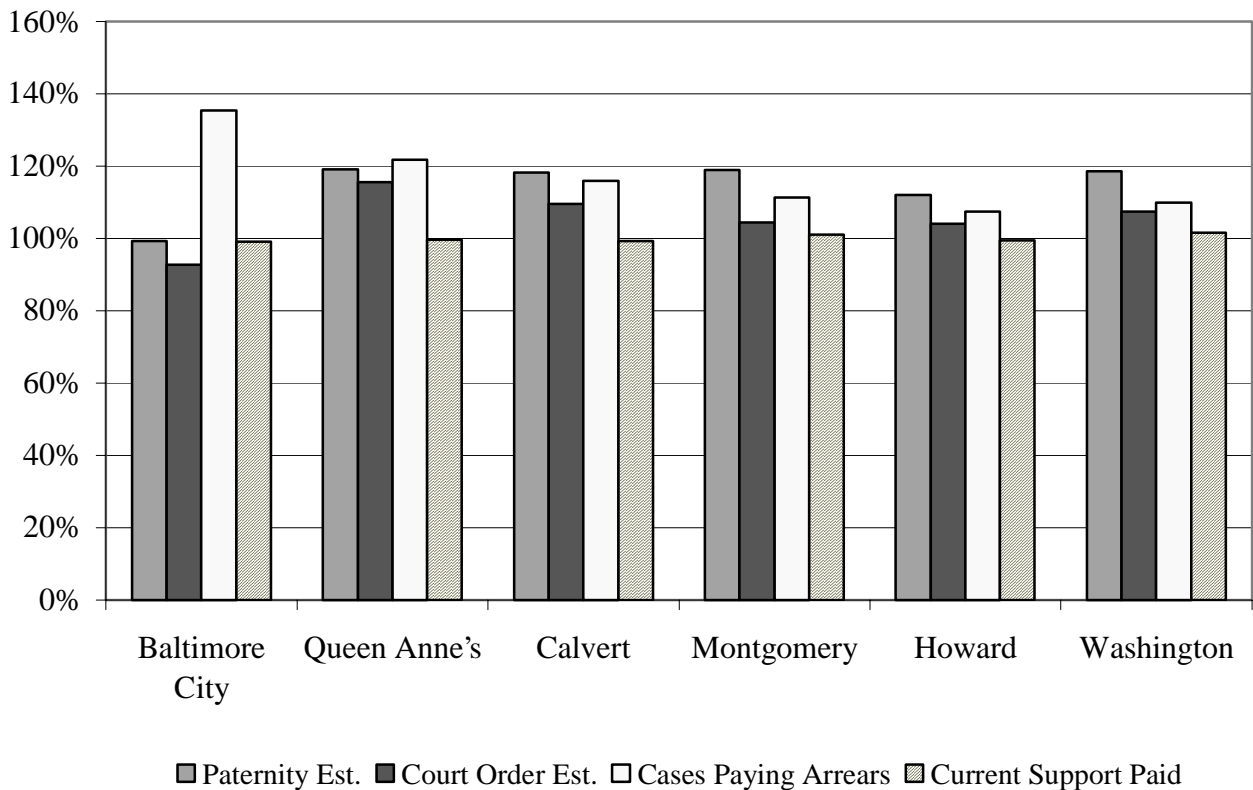
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sites also could earn incentive dollars from the State. Performance measures used for the comparison reflect federal guidelines and in some instances were altered to reflect changes in these federal guidelines.

Exhibit 7 compares the three-year average performance in the privatized sites to the demonstration sites between federal fiscal 2000 and 2002. Performance in Queen Anne’s County mirrors performance in the demonstration sites. These five counties on average exceeded the goals for paternity establishment, court order establishment and cases paying arrears. The counties were just below the goal for current support paid at approximately 99%. Baltimore City’s performance for cases paying arrears exceeded its goal significantly (135%), while it was just below the goal for paternity establishment and current support paid (99%). Baltimore City’s performance for court order establishment (92%) was on average below the goal.

Exhibit 7

**Privatized versus Demonstration Site Performance
Three-year Average of Percentage of Goals Attained**



Source: Department of Human Resources

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The four demonstration sites expired on October 31, 2002, along with the authorizing legislation for the privatization pilot. While the budget language extended the privatization efforts in Baltimore City and Queen Anne’s County, it did not do so for the demonstration sites.

Exhibit 8 compares performance in Baltimore City to other urban jurisdictions in the rest of the country. The Department of Legislative Services also made inquiries to Cincinnati, Detroit, the District of Columbia, Philadelphia, Pittsburgh, and Wilmington, Delaware but received no response. Baltimore City’s performance for paternity establishment and court order establishment lies in the middle of the comparison jurisdictions. However, Baltimore City’s performance for current support paid and cases paying arrears was just at or below performance in the other jurisdictions.

Exhibit 8

**Child Support Enforcement
Performance Measures
October 2001 – September 2002¹**

<u>Jurisdiction</u>	<u>Paternity Establishment Rate</u>	<u>Court Order Establishment Rate</u>	<u>Cases Paying Arrears Rate</u>	<u>Current Support Paid Rate</u>
Baltimore, MD	69%	62%	48%	45%
Boston, MA	Not Available ²	60%	54%	54%
Camden County, NJ	81%	79%	57%	58%
Essex County, NJ (includes Newark)	68%	68%	57%	58%
Fulton County, GA (includes Atlanta)	54%	48%	54% ³	54% ³
Hartford, CT ⁴	74%	60%	53%	61%
Hudson County, NJ	71%	73%	61%	63%
Mercer County, NJ (includes Trenton)	80%	80%	57%	57%
Richmond, VA	77%	76%	47%	50%

¹ Data tracked on a federal fiscal year basis

² Paternity Establishment Percentage is computed on a statewide basis based on data received from the Registry of Vital Records and Statistics. There is no easy way to breakdown by county or local jurisdiction.

³ Percentage includes both current support and arrears collected.

⁴ The Hartford Regional Office covers several adjacent towns, but the great majority of cases are from Hartford.

Source: Department of Human Resources, Department of Legislative Services

Extending Privatization

Legislation has been introduced in the 2003 session (SB 524/HB 564) extending privatization and creating new demonstration sites. The pilot privatization sites would be extended for another three years, with two one-year extension options. Also, the demonstration sites would be reauthorized, beginning with the original four sites in fiscal 2004 and expanding to the rest of the State by fiscal 2008. No funds, however, are included in the fiscal 2004 allowance for demonstration site financial incentives. Regardless of whether this legislation is enacted, funding is included in the allowance to continue privatization through fiscal 2004. Legislative counsel has advised that legislation is not necessary to continue privatization; however, legislation can prohibit the extension of privatization.

As the administration plans to move forward with privatization in Baltimore City and Queen Anne's County, it will have to bid out a new contract. According to the department, it is now in the process of finalizing a Request for Proposals with the goal to make an award by the middle of May 2003. This would give a new contractor six weeks or less to transition into its new facilities and begin serving Baltimore City and Queen Anne's County customers by July 1, 2003. This may cause problems for a new vendor if it is rushed to begin in this short amount of time and provide the current vendor with a competitive advantage.

DHR should update the committees on where it is in the process of procurement and to what extent a new vendor will have time to successfully transition into the pilot sites' locations.

2. Undisbursed Child Support Collections Continue to Be a Challenge

During the 2002 legislative session, the budget committees expressed their intent that DHR take all reasonable actions to reduce the amount of undisbursed child support collections. This request was in response to a November 2001 Office of Legislative Audits (OLA) report, which identified \$11.6 million in statewide undisbursed collections through May 2001.

A July 2002 OLA audit conducted specifically on the Baltimore City child support contractor, Maximus, found problems with undisbursed collections. This audit was conducted at the request of the Joint Audit Committee, in response to CSEA concerns of Maximus' performance. Although the audit found that, for the most part, CSEA's concerns were unsubstantiated, it did find that of the 67 cases tested, 63 had \$89,677 in associated undisbursed collections as of April 29, 2002, and were not researched and resolved for periods ranging from 3 to 49 months. OLA concluded that they were 90% confident that between 89.2% and 98.7% of their total test population had undistributed collections due to the untimely action of the contractor in Baltimore City. In its response, Maximus stated that Baltimore City was not alone in having undisbursed collections, and that it had added more staff resources to address the problem.

Progress Made Toward Reducing Undisbursed Collections Statewide

As of January 31, 2002, DHR had identified \$6.9 million in undistributed collections. Over half of the undisbursed collections were in the major metropolitan jurisdictions: Prince George's County and Baltimore City. Through the course of the year, the department took several actions that reduced this amount to \$3.7 million as of October 2002. Prince George's County and Baltimore City each reduced

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their share 50%, by \$1.2 million and \$1.3 million, respectively. According to DHR, the actions it took, listed below, will be part of its continuous efforts.

Administrative changes: Envelopes used for mailing checks were changed so payments are forwarded to custodial parents when they move or relocate. Also, checks are printed with a message reminding them to contact the local office when their address changes.

Personnel training: Local staff of high performing offices trained staff of low performing offices on how to review and process daily reports of undistributed collections. Also, for fiscal 2003, each jurisdiction now has a performance goal in each jurisdiction: undistributed collections cannot exceed 1% of their total collections from the preceding fiscal year.

Technical changes: System generated reports were provided to local offices to address receipts from the oldest to the most recent receipt of undistributed collections. Also, enhancements to the child support automated computer system were made.

As of December 2002, a new banking contract with Bank of America offers direct deposit and CashPay VISA for custodial parents. This means that collections will be automatically deposited in a custodial parent's account without the problem of having a change of address.

Continued Work Necessary in Baltimore City

According to its annual report on privatization dated December 16, 2002, Maximus is currently under a corrective action plan to reduce the remaining undistributed collections to 1% of their total collections. This goal is identical to the statewide goal for undisbursed collections. The corrective action plan and implementation schedule was developed by the contractor to deal with incorrect addresses for custodial parents. CSEA has asked the contractor to include in its action plan methods to address unprocessed funds and funds held in escrow.

DHR should provide an update on the corrective action plan developed by the contractor. DHR should also discuss what are its responsibilities in helping reduce the level of undisbursed collections in Baltimore City and the rest of the State.

3. Federal Financial Penalties a Possibility

As discussed in the DHR Overview analysis, DHR may be at risk of losing federal child support and Temporary Assistance for Needy Families (TANF) funds. DHR received a letter from the federal government stating that the State child support enforcement plan was not in compliance with certain necessary federal provisions. For example, Maryland has not yet passed legislation allowing the collection of social security numbers for certain licenses in order to help find noncustodial parents. Although DHR stated that legislation has been proposed this session to put the State in compliance, Maryland may face further financial penalties due to data reliability issues.

State at Risk of Losing Financial Incentives

In order to receive federal incentive payments, Maryland's child support data must be deemed complete and reliable by the federal government. For fiscal 2000, 23 states and territories did not meet the data reliability audit. Although no penalties were assessed, the states did not receive federal incentive payments for the performance measures with unreliable data. According to DHR, the State did not receive federal incentive payments for paternity establishment because the State's data reliability for this indicator did not meet certain federal standards. However, states with unreliable data for fiscal 2001 and 2002 could face a penalty in fiscal 2003 in addition to the loss of the incentive payments. The penalty would be 1% to 2% (\$2.3 to \$4.6 million) of Maryland's TANF block grant for the first failure to meet the data reliability requirements in a two year period, and would increase thereafter. **DHR should update the committees on the extent to which Maryland is at risk of losing federal funding for data unreliability.**

Recommended Actions

	<u>Amount Reduction</u>	
1. Delete funds for research contract with Towson University’s Regional Economic Studies Institute to provide ad hoc reports and grant writing assistance. Funding should be focused on the core purpose of the administration to enable, encourage, and enforce parental responsibility. The contract is funded with federal reinvestment and matching funds. Federal reinvestment funds budgeted for the contract should be redirected to restore the general fund reduction.	\$ 165,000	GF
	\$ 335,000	FF
Total Reductions	\$ 500,000	
Total General Fund Reductions	\$ 165,000	
Total Federal Fund Reductions	\$ 335,000	

Current and Prior Year Budgets

**Current and Prior Year Budgets
Child Support Enforcement Administration
(\$ in Thousands)**

	<u>General Fund</u>	<u>Special Fund</u>	<u>Federal Fund</u>	<u>Reimb. Fund</u>	<u>Total</u>
Fiscal 2002					
Legislative Appropriation	\$18,801	\$3,172	\$54,460	\$0	\$76,433
Deficiency Appropriation	0	0	0	0	0
Budget Amendments	115	492	2,030	0	2,637
Reversions and Cancellations	-637	0	-776	0	-1,413
Actual Expenditures	\$18,279	\$3,664	\$55,714	\$0	\$77,657
Fiscal 2003					
Legislative Appropriation	\$20,152	\$3,602	\$58,076	\$0	\$81,830
Budget Amendments	-9	-40	-675	0	-724
Working Appropriation	\$20,143	\$3,562	\$57,401	\$0	\$81,106

Note: Numbers may not sum to total due to rounding.

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Fiscal 2002

Major budget amendment increases include \$3 million in higher than anticipated federal fund match dollars; \$1.2 million in special funds related to higher than anticipated collections of fees for blood tests and monitoring; and \$473,415 in general funds related to higher than anticipated costs for a public relations contract. These increases are offset by a \$3.5 million decrease in general, special, and federal funds related to the transfer of CSEA's computer system's budget to the Office of Technology for Human Services.

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Appendix 2

Object/Fund Difference Report
DHR – Child Support Enforcement

Object/Fund	FY 02	FY 03	FY 04	FY 03 – FY 04	Percent Change
	Actual	Working Appropriation	Allowance	Amount Change	
Positions					
01 Regular	641.25	740.75	732.75	-8.00	-1.1%
02 Contractual	3.61	0	0	0	0.0%
Total Positions	644.86	740.75	732.75	-8.00	-1.1%
Objects					
01 Salaries and Wages	\$ 30,423,906	\$ 33,981,592	\$ 35,631,882	\$ 1,650,290	4.9%
02 Technical & Spec Fees	240,815	289,439	128,298	-161,141	-55.7%
03 Communication	3,756,365	1,471,110	4,442,305	2,971,195	202.0%
04 Travel	327,499	342,391	321,759	-20,632	-6.0%
06 Fuel & Utilities	41,311	27,396	54,715	27,319	99.7%
07 Motor Vehicles	38,066	104,143	90,063	-14,080	-13.5%
08 Contractual Services	39,177,728	39,581,282	37,699,328	-1,881,954	-4.8%
09 Supplies & Materials	405,371	481,941	554,199	72,258	15.0%
10 Equip - Replacement	20,598	0	0	0	0.0%
11 Equip - Additional	171,854	0	0	0	0.0%
12 Grants, Subsidies, Contr	157,946	100,036	103,265	3,229	3.2%
13 Fixed Charges	2,895,216	4,749,980	5,181,369	431,389	9.1%
Total Objects	\$ 77,656,675	\$ 81,129,310	\$ 84,207,183	\$ 3,077,873	3.8%
Funds					
01 General Fund	\$ 18,278,703	\$ 20,151,630	\$ 19,738,220	-\$ 413,410	-2.1%
03 Special Fund	3,663,710	3,561,672	4,989,835	1,428,163	40.1%
05 Federal Fund	55,714,262	57,416,008	59,479,128	2,063,120	3.6%
Total Funds	\$ 77,656,675	\$ 81,129,310	\$ 84,207,183	\$ 3,077,873	3.8%

Note: Fiscal 2003 appropriations and fiscal 2004 allowance do not include cost containment and contingent reductions.

Fiscal Summary						
DHR – Child Support Enforcement						
<u>Unit/Program</u>	<u>FY02 Actual</u>	<u>FY03</u>		<u>FY02 - FY03 % Change</u>	<u>FY04 Allowance</u>	<u>FY03 - FY04 % Change</u>
		<u>Legislative Appropriation</u>	<u>Working Appropriation</u>			
06 Local Child Support Enforcement Administration	\$ 29,704,606	\$ 34,923,524	\$ 34,923,524	17.6%	\$ 37,184,560	6.5%
08 Support Enforcement - State	47,952,069	46,906,886	46,205,786	-3.6%	47,022,623	1.8%
Total Expenditures	\$ 77,656,675	\$ 81,830,410	\$ 81,129,310	4.5%	\$ 84,207,183	3.8%
General Fund	\$ 18,278,703	\$ 20,151,630	\$ 20,151,630	10.2%	\$ 19,738,220	-2.1%
Special Fund	3,663,710	3,602,772	3,561,672	-2.8%	4,989,835	40.1%
Federal Fund	55,714,262	58,076,008	57,416,008	3.1%	59,479,128	3.6%
Total Appropriations	\$ 77,656,675	\$ 81,830,410	\$ 81,129,310	4.5%	\$ 84,207,183	3.8%

Note: Fiscal 2003 appropriations and fiscal 2004 allowance do not include cost containment and contingent reductions.