



STATE OF ILLINOIS

OFFICE OF THE AUDITOR GENERAL

MANAGEMENT AUDIT

DEPARTMENT OF PUBLIC AID'S

CHILD SUPPORT COLLECTION
AND ENFORCEMENT PROGRAM

JANUARY 1995

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*To the Legislative Audit Commission, the
Speaker and Minority Leader of the House
of Representatives, the President and
Minority Leader of the Senate, the
members of the General Assembly, and
the Governor:*

This is our report of the Management Audit of the Department of Public Aid's Child Support Collection and Enforcement Program. The audit was conducted pursuant to Legislative Audit Commission Resolution Number 98, which was adopted October 25, 1993.

This audit was conducted in accordance with generally accepted government auditing standards and the audit standards promulgated by the Office of the Auditor General at 74 Ill. Adm. Code 420.310.

This audit was conducted as part of a joint audit effort with the National State Auditors Association. States involved include: Illinois, Delaware, Iowa, New York, North Dakota, Michigan, Pennsylvania, and Tennessee. Once the states' reports are complete, they will be sent to Michigan which is the lead state for the joint audit. Michigan is responsible for preparing a joint audit report which compiles the reports from all the states.

The audit report is transmitted in conformance with Section 3-14 of the Illinois State Auditing Act.

A handwritten signature in black ink, appearing to read "W. G. Holland", with a long, sweeping flourish extending upwards and to the right.

WILLIAM G. HOLLAND
Auditor General

Springfield, Illinois
January 1995

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OFFICE OF THE AUDITOR GENERAL
WILLIAM G. HOLLAND

REPORT DIGEST

Management Audit

DEPARTMENT OF PUBLIC AID'S CHILD SUPPORT COLLECTION AND ENFORCEMENT PROGRAM

SYNOPSIS

In Fiscal Year 1993, the Department of Public Aid spent \$63 million to administer the State's child support program and collected \$202 million in child support. The audit found that:

- Only 18 percent of the child support cases sampled (78 of 430) had resulted in some provision to collect child support as of June 1994.
- When Public Aid had established a support order or was close to establishing paternity or a support order, 78 percent of sampled cases (119 of 153) met federal guidelines for timeliness.
- For 18 percent of the cases sampled (78 of 430), Public Aid had little chance of establishing child support for various reasons.
- Many of the support orders reviewed did not contain all the information required by law. Inclusion of the mandatory elements ranged from 100 percent to 18 percent.
- There are changes that Public Aid could consider to improve the child support enforcement program. Examples include establishing more administrative processes and revoking the drivers' licenses of delinquent noncustodial parents.

REPORT
CONCLUSIONS

In Fiscal Year 1993, the Department of Public Aid spent \$63 million of federal and State money to administer the State's child support enforcement program and collected \$202 million in child support. The amount of child support payments that were due but unpaid for federal Fiscal Year 1993 and all preceding years totalled \$1.3 billion at September 30, 1993.

The process used to establish and collect child support for clients can be lengthy and complex with many components. The child support enforcement program includes seven essential components. Six of these components involve at least one entity other than Public Aid. In total, 12 entities may become involved in the various duties related to establishing and collecting child support.

Our audit of the child support program identified some positive findings. We found that 78 percent of the cases sampled met federal guidelines for timeliness when Public Aid had established a support order or was close to establishing paternity or a support order.

We did find, however, several areas of concern in our review of the child support enforcement program. Digest Exhibit 1 shows that less than a fifth of the child support cases we

sampled had resulted in some provision to collect child support as of June 1994. Our sample tracked cases forward from when they were opened during October of 1992. Also, 46 percent (199) of the cases were not ready to seek support. This included cases where Public Aid was trying to locate the noncustodial parent or where the client had been uncooperative.

Digest Exhibit 1
CASE STATUS
(as of June 1994)

	<u>Count</u>	<u>Percent</u>
Not Ready to Seek Support	199	46%
Seeking Parentage	50	12%
Seeking Support Order	25	6%
Special Accounts *	8	2%
Support Orders	70	16%
Support Unlikely	<u>78</u>	<u>18%</u>
Total Cases	<u>430</u>	<u>100%</u>

* Include some child support provision

Source: OAG sample of cases opened in October 1992.

Some conditions beyond Public Aid's control limit its efforts to establish child support orders. For example, in our sample of cases, Public Aid had little chance of establishing child support for 18 percent of the cases where they were pursuing support. Among the reasons were that the father of the child had not been named, the courts determined that the noncustodial parent

could not pay child support, and the noncustodial parent was in prison.

We found that noncustodial parents were two months or more behind on payments for 64 percent of the support orders we sampled (246 of 382). Overall, noncustodial parents in our sample were an average of 8.1 months behind in making payments. The average delinquent amount was \$1,477. From our sample of child support cases, we found that Public Aid was not timely in taking action in 13 of the 38 cases requiring enforcement action.

There are several changes that other states have made to improve the effectiveness of their child support enforcement systems. Examples include establishing processes which are more administrative and less judicial, charging Non-Aid clients processing fees, and requiring the reporting of new employees upon hiring. Public Aid should determine whether these changes would be useful in Illinois. In addition, some other states revoke or fail to renew the drivers' licenses of individuals delinquent in paying child support. Although Illinois statutes currently allow revocation of some licenses, the General Assembly may wish to consider clarifying which licensing agencies should be involved in the process of collecting child support.

Many of the support orders that we reviewed did not contain all the information required by law. Sixty-two

percent of support orders were missing required information relating to notice provisions, 82 percent were missing required termination date information, and 26 percent were missing a determination about medical insurance. Court orders are prepared by child support legal counsel (State's Attorneys and Attorney General staff) and reviewed and signed by Circuit Court Judges.

Child support orders that we tested varied considerably in their form and content. The General Assembly may wish to consider establishing a standard support order form that could provide valuable information to track noncustodial parents and enforce support orders.

Public Aid is in the process of developing and implementing a new computer system for the child support enforcement program, as required by the federal Family Support Act of 1988. This new computer system, which must be certified by the federal child support program by October of 1995, is intended to allow Public Aid to have a more functional system with improved management reporting.

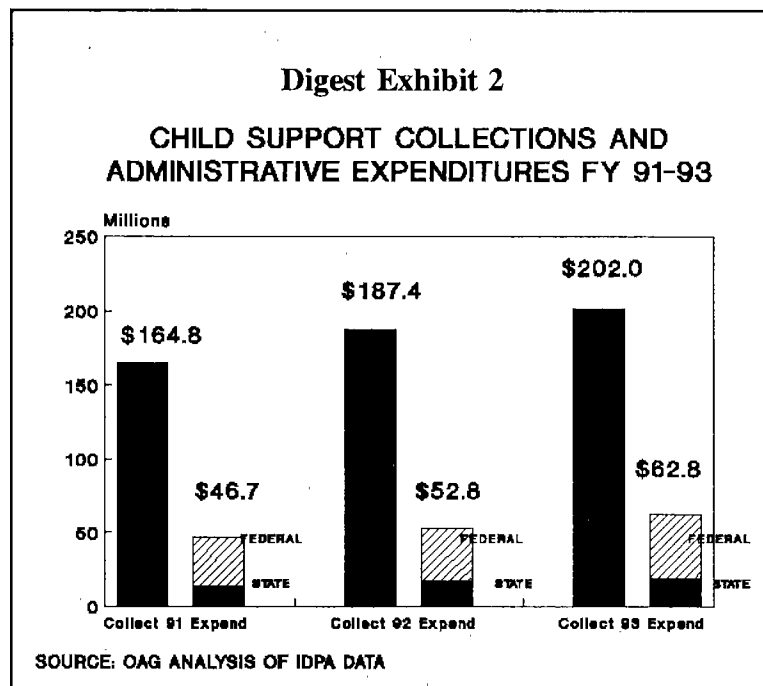
COLLECTIONS AND EXPENDITURES

Both Illinois' child support collections and administrative expenditures have increased over the past three years. However, uncollected child support, or accounts receivable, has also increased over the same time period. As shown in Digest Exhibit 2, collections have increased from almost \$165 million in Fiscal Year 1991 to \$202 million in Fiscal Year 1993.

Administrative expenditures have increased from almost \$47 million in Fiscal Year 1991 to almost \$63 million in Fiscal Year 1993. Digest Exhibit 2 also shows the State and federal portions of administrative expenditures. The State portion of administrative expenditures is significantly lower than the total because the federal government reimburses a large percentage of the costs of operating the child support enforcement program. The State-paid portion of administrative expenditures was \$19.5 million in Fiscal Year 1993. (pages 12,13)

CHILD SUPPORT OPERATIONS

The process to enforce child support laws is complex and involves numerous entities. The Department of Public Aid's Division of Child Support



Enforcement is responsible for implementing State and federal child support enforcement laws. For people who are receiving public assistance through the Aid to Families with Dependent Children (AFDC) program, participation in the child support program is mandatory (Aid clients). In addition, child support services are available to individuals that do not receive public assistance (Non-Aid clients).

In addition to Public Aid, other local, State, and federal agencies are also integrally involved in the child support enforcement process, which has seven main components. Digest Exhibit 3 summarizes both the main phases of the child support enforcement process and the major entities that are involved in the process. (pages 4-6)

Digest Exhibit 3

ENTITIES INVOLVED WITH THE CHILD SUPPORT ENFORCEMENT PROCESS

POTENTIAL ENTITIES INVOLVED:

(federal government, State government, local government, or private entity)

LICENSING
AGENCIES (State) (1)

COLLECTION
AGENCIES (private)

CREDIT
BUREAUS (private)

LABORATORIES
(private)

FEDERAL
PARENT LOCATE (federal) (2)

STATE
PARENT LOCATE (State) (3)

CIRCUIT
CLERK (local)

SHERIFF
(local)

COURTS
(State)

STATE'S
ATTORNEY (local)

ATTORNEY
GENERAL (State)

DEPARTMENT OF
PUBLIC AID

			LABORATORIES			LICENSING AGENCIES	
		FEDERAL LOCATE				COLLECTION AGENCIES	
		STATE LOCATE				CREDIT BUREAUS	
				CIRCUIT CLERK	CIRCUIT CLERK	CIRCUIT CLERK	CIRCUIT CLERK
		SHERIFF	SHERIFF	SHERIFF		SHERIFF	
			COURTS	COURTS		COURTS	COURTS
			STATE'S ATTORNEY	STATE'S ATTORNEY		STATE'S ATTORNEY	STATE'S ATTORNEY
			ATTORNEY GENERAL	ATTORNEY GENERAL		ATTORNEY GENERAL	ATTORNEY GENERAL
	PUBLIC AID	PUBLIC AID	PUBLIC AID	PUBLIC AID	PUBLIC AID	PUBLIC AID	PUBLIC AID

STEPS:

INTAKE	PARENT LOCATE	PARENTAGE	SUPPORT ORDER	PAYMENT	ENFORCE- MENT	MODIFI- CATION
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- (1) Currently, only the Department of Professional Regulation has taken specific actions to revoke licenses. Statutes state that licensing agencies should require certification on license renewals that the applicant is not delinquent in paying child support. However, the statute is not clear which licensing agencies should be involved (5 ILCS 100/10-65). See Matter for Consideration in Chapter 3.
- (2) Federal Parent Locate Service is operated by the federal Department of Health and Human Services and includes the efforts of Department of Defense, Internal Revenue Service, National Personnel Records Center, Social Security Administration, Department of Veterans Affairs, and Selective Service.
- (3) State Parent Locate Services include the efforts of the Department of Employment Security, Department of Corrections, Secretary of State's Office, Department of Revenue, Cook County Department of Corrections, State Board of Elections, Department of Professional Regulation, Department of Commerce and Community Affairs, and the Illinois Industrial Commission.

SOURCE: OAG ANALYSIS

CHILD SUPPORT DEVELOPMENTS

Other states have implemented programs to help enforce and collect child support from noncustodial parents. One example is revoking or failing to renew drivers' licenses of individuals delinquent in paying child support.

The Illinois Administrative Procedure Act mandates State licensing agencies to require certification on all license renewal applications that the applicant is not delinquent in paying child support (5 ILCS 100/10-65). This law allows agencies to refuse renewal or revoke licenses of noncustodial parents more than 30 days past due in paying child support. According to Public Aid officials, only the Department of Professional Regulation requires licensees to so certify. This statute is very general and does not specify which licensing agencies should be participating. It is not clear whether the statute applies to the Illinois Secretary of State and drivers' licenses.

MATTER FOR CONSIDERATION BY THE GENERAL ASSEMBLY

The General Assembly may wish to consider amending the Illinois Administrative Procedure Act to clarify which licensing agencies should be involved in the process of collecting child support (5 ILCS 100/10-65). In particular, clarification may be necessary

in relation to whether the Secretary of State can revoke or refuse to renew the drivers' licenses of noncustodial parents who are delinquent in paying their child support.

In addition, other states use processes that are more administrative and less judicial, offer noncustodial parents and employers the option of electronic funds transfers for the payment of child support, and use employer reporting of new hires. We recommended that Public Aid study child support developments that have been used in other states and pursue changes that would be beneficial for the Illinois child support enforcement program. (pages 23,24,37-40)

ASSESSING FEES

Since October 1985, federal regulations have required states to assess an application fee on Non-Aid child support cases to help cover program costs (45 CFR Ch. III § 302.33 (c)(2)).

In March of 1994, Illinois began collecting application fees for Non-Aid clients. Prior to that time, Public Aid paid one cent for the application fee on behalf of the client.

In addition, federal law allows states broad discretionary authority to recover actual costs of Non-Aid client services or to assess fees to recover

specific service costs. In addition to one-time application fees, some states also charge fees for services provided by the program. Since 1982, Illinois Statutes have allowed Public Aid to deduct a collection fee of up to 10 percent of the amount collected (305 ILCS 5/10-1). This amount would be deducted from the amount the custodial parent would receive. An alternative would be to change the law to allow that the fee be assessed on the noncustodial parent in addition to their child support obligation. The report recommends that Public Aid consider deducting collection fees for Non-Aid clients or consider seeking a change in the law to allow that the fee be paid by the noncustodial parent. (pages 25,26)

receivables, \$641 million is being pursued for Non-Aid clients.

**Digest Exhibit 4
CHILD SUPPORT
ACCOUNTS RECEIVABLE AND
ESTIMATED COLLECTABILITY
at 9-30-93 (in millions)**

	Uncollectible	Collectible	Total
Aid	\$324	\$14	\$338
Non-Aid	*	*	<u>\$641</u>
Subtotal			\$979
Arrearage ⁽¹⁾	*	*	<u>\$304</u>
Total			<u>\$1,283</u>

* IDPA has not estimated collectability

⁽¹⁾ Established by the court, includes both Aid and Non-Aid

Source: OAG Analysis of IDPA Data

RECEIVABLES AND INTEREST

The total amount of child support payments that were receivable for 1993 and all preceding years totaled \$1,283 million at September 30, 1993, according to Public Aid. This has accumulated over nearly 20 years. As shown by Digest Exhibit 4, the total includes \$979 million of support which is due but unpaid plus \$304 million of arrearages that have been established by the courts but are not yet past due. For Aid cases, where Public Aid has a claim on the receivables, the amount totaled \$338 million, of which \$324 million was estimated to be uncollectible. For the remaining cases, where Public Aid has no claim on the

The report includes three agency recommendations that deal with tracking child support receivables and interest. Public Aid is in the process of developing and implementing a new computer system for the child support enforcement program, as required by the federal Family Support Act of 1988. According to Public Aid officials, this new computer system, which must be certified by the federal child support program by October of 1995, will allow Public Aid to implement the following two recommendations:

- Age child support accounts receivable balances based on the actual number of days each charge is delinquent.
- Accrue interest on past due accounts.

In addition, the report includes a recommendation that Public Aid clarify its policy on writing off uncollectible child support receivables and write off Aid receivables which are not collectible. (pages 30-32,53)

TIMELINESS OF SUPPORT ORDERS

When Public Aid had established a support order or was close to establishing paternity or a support order, 78 percent of sampled cases (119 of 153) met federal guidelines for timeliness. However, only 18 percent of sampled cases (78/430) had a provision established for paying child support 20 months later, in June 1994.

We examined a statistically valid random sample of 357 cases that were opened during October of 1992 and followed their progress through June 1994. We defined a case as a client with all associated noncustodial parents. For the 357 cases, we identified and reviewed 430 incidents where the Division was pursuing child support. Cases resulted in multiple incidents of support action being taken for several reasons, including when the children in a family had more than one father. Consequently, the number of incidents tested exceeded the number of actual cases reviewed.

For those cases where support orders were established, Public Aid complied with federal timeliness guidelines 94 percent of the time (66/70). When

considering all cases in the final stages of establishing support, the process to pursue child support was timely 78 percent of the time (119 of 153). Cases in the final stages of establishing support include cases with support orders (70), cases with special accounts established to pay support (8), cases where a support order is being pursued (25), and cases where parentage is being pursued (50). For federal audits, states are considered to be in compliance when they have taken required actions in 75 percent of the cases examined.

In addition to the cases in the final stages, the remaining cases fell into two additional broad categories, cases which were not ready to seek support and cases for which establishing support was unlikely.

Forty-six percent of cases were **not ready to seek support** (199/430). They were in early stages of the process and did not have all of the information needed to establish a support order. This included cases where Public Aid was trying to locate the noncustodial parent (151) and cases where Public Aid was attempting to schedule an interview with the client (48). In many of the scheduling cases, the client had continually failed to show up for appointments or was generally uncooperative.

In 18 percent of the cases **establishing support was unlikely** (78/430). They were cases over which Public Aid has little control. For these cases there was little prospect for establishing a support order, at least for

the time being. This category included the cases where no father had been named for the child (31), cases which were tagged for closure (20), cases where paternity was established but the court reserved support (18), and cases where the child support staff determined that action was inadvisable (9). Examples of action inadvisable include where the father has been incarcerated or where the parents are currently living together. (pages 41-43)

**COMPLETENESS OF
SUPPORT ORDERS**

Many of the support orders we reviewed did not contain all the statutorily required provisions. We conducted a random sample of support orders to test the content of the orders against statutory requirements. Support orders are prepared by legal counsel (State's Attorneys and Attorney General staff) and reviewed and signed by Circuit Court Judges.

Digest Exhibit 5 shows the required elements of support orders or withholding orders and the percentage of orders that included the required provision.

We recommended that Public Aid work with the State's Attorney, the Attorney General, and Circuit Court Judges to assure that support orders and income withholding orders include the provisions required by the Illinois Parentage Act of 1984 (750 ILCS 45/1 et seq.) and other appropriate statutes.

Digest Exhibit 5 SUPPORT ORDER COMPLETENESS	
<u>Requirements</u>	<u>% met</u>
Support Amount in Dollars	100%
Medical Insurance Considered	74%
Noncustodial Parent Notice Provisions	38%
Termination Date for Support	18%
Withholding Order Requirements	38%
Source: Support order sample	

Support orders we reviewed varied in their form and content. Having a standard support order form with additional information in support orders would be useful to Public Aid or the Court if the orders need to be modified at a later date. A standard form would also help to ensure that all required elements of child support are addressed in court. (pages 46-51)

**MATTER FOR CONSIDERATION
BY THE GENERAL ASSEMBLY**

The General Assembly may wish to consider amending the statutes to prescribe a standard format for child support orders. In addition to information already required, consideration should be given to including the following information:

- *Noncustodial parent address and telephone number;*
- *Noncustodial parent employer's address and telephone number;*
- *Noncustodial parent gross income per month, week, etc;*
- *Noncustodial parent drivers' license number;*
- *Noncustodial parent social security number;*
- *Whether medical support has been addressed;*
- *Any other information needed to appropriately track noncustodial parents and enforce support orders.*

AGENCY RESPONSES

Officials of the Department of Public Aid agreed with all of the recommendations and Matters for Consideration. Regarding the revocation of drivers' licenses, the Office of the Secretary of State is of the opinion that specific legislation would be necessary both to address the goal and to make provisions for certain required support activities within the Office. Both agencies' responses are included in appropriate sections of the report and complete copies are in Appendix D.



WILLIAM G. HOLLAND
Auditor General

WGH\EW
January 1995

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GLOSSARY

Aid or Aid Cases	Child support case of a client who is a recipient of Public Assistance under AFDC or Medical Assistance with no public assistance grant.
Aid/Conversion Cases	Refers to cases where clients are cancelled from AFDC but continue to receive child support services from Public Aid.
AFDC	Refers to the Aid to Families with Dependent Children Program, Title IV-A of the Social Security Act (42 U.S.C. 601 et seq.), that is financial and medical assistance available to families with one or more dependent children.
Client or Client Case	For child support purposes, a case is composed of a client and all children receiving assistance in Aid cases or all children included in the application for Non-Aid cases. This client may include one or more noncustodial parents.
"Efficiency" Rating	As used in federal audits of the child support program, measures the percentage of cases for which an action had been taken when some action was required. This rating was based on case testing by federal auditors in several components of the child support program.
FSIS or Family Support Information System	Refers to the data processing system used to process all child support cases handled by Public Aid in Illinois.
\$50 Pass Through	For an Aid client an amount up to \$50 each month, of support collected from the noncustodial parent, is forwarded to the client. The remainder of the support payment is used to reimburse the State and federal government for public assistance provided. This pass through does not affect AFDC eligibility and may not be used to reduce the assistance payment level.
Income/Wage Withholding	The process whereby the child support ordered is automatically withheld by a payor of income, usually an employer.
Medical Support Order	Health insurance coverage for the named dependent children for whom child support is sought.

Non-Aid or Non-Aid Cases	Child support case of a client who is not a recipient of Public Assistance or has been cancelled from AFDC but continues to receive child support enforcement services.
Noncustodial Parent	A person who is responsible, or alleged to be responsible, for support of a dependent child. Sometimes referred to as responsible relative or absent parent.
Offset/Intercept	A child support method in which Public Aid may intercept income tax refunds or other State warrants other than a State employee's paychecks, unemployment insurance benefits, and military wages.
Parentage	The state or condition of being a parent. Under the Illinois Parentage Act of 1984, the parent and child relationship, including support obligations, extends to every child regardless of the parents' marital status. Parentage is established for child support under this civil action.
Parent Locate	Includes activities at a local, State, and federal level to locate a noncustodial parent to establish or enforce child support payments.
Special Accounts	When no support order has been entered on a case and money has been received, special accounts are established so that the payment can be distributed.
Support Order	An order of the court or the Department of Public Aid which provides for periodic payment of money for the support of a child.
Support Reserved	An order which establishes parentage but which does not order that child support be paid. In most cases support is reserved because the noncustodial parent is unemployed or his whereabouts are unknown.
Timeliness based on federal benchmarks	To test the timeliness of case processing we reviewed cases where the noncustodial parent had been located to determine if Public Aid was timely in pursuing parentage and child support. Federal regulations require that an action be taken within 90 days and that parentage/support be established within one year of filing in court.

CHAPTER ONE INTRODUCTION

On October 25, 1993, the Legislative Audit Commission adopted Resolution Number 98 which directs the Auditor General to conduct a management audit of the child support collection and enforcement program administered by the Illinois Department of Public Aid (see Appendix A). The Resolution asks the Auditor General to determine:

- Whether Public Aid is obtaining child support orders in a timely manner.
- Whether Public Aid's system to enforce and collect child support can be made more effective.
- Whether child support orders include all required provisions.

This audit was conducted as part of a joint audit effort with the National State Auditors Association. States involved include: Illinois, Delaware, Iowa, New York, North Dakota, Michigan, Pennsylvania, and Tennessee. Once the states' reports are complete, they will be sent to Michigan which is the lead state for the joint audit. Michigan is responsible for preparing a joint audit report which compiles the reports from the other states.

REPORT CONCLUSIONS

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The process used to establish and collect child support for clients can be lengthy and complex with many components. The child support enforcement program includes at least seven essential components. Six of these components involve at least one entity other than Public Aid. In total, 12 entities may become involved in the various duties related to establishing and collecting child support.

Our audit of the child support program identified some positive findings. We found that 78 percent of the cases sampled met federal guidelines for timeliness when

Public Aid had established a support order or was close to establishing paternity or a support order.

We did find, however, several areas of concern in our review of the child support enforcement program. Exhibit I shows that less than a fifth of the child support cases we sampled had resulted in some provision to collect child support as of June 1994. Our sample tracked cases forward from when they were opened during October of 1992. Also, forty-six percent (199) of the cases were not ready to seek support. This included cases where Public Aid was trying to locate the noncustodial parent or where the client had been uncooperative.

Some conditions beyond Public Aid's control limit its efforts to establish child support orders. For example, in our sample of cases, Public Aid had little chance of establishing child support for 18 percent of the cases where they were pursuing support. Among the reasons were that the father of the child had not been named, the courts determined that the noncustodial parent could not pay child support, and the noncustodial parent was in prison.

We found that noncustodial parents were two months or more behind on payments for 64 percent of the support orders we sampled (246 of 382). Overall, noncustodial parents in our sample were an average of 8.1 months behind in making payments. The average delinquent amount was \$1,477. From our sample of child support cases, we found that Public Aid was not timely in taking action in 13 of the 38 cases requiring enforcement action.

There are several changes that other states have made to improve the effectiveness of their child support enforcement systems. Examples include establishing processes which are more administrative and less judicial, charging Non-Aid clients processing fees, and requiring the reporting of new employees upon hiring. Public Aid should determine whether these changes would be useful in Illinois. In addition, some other states revoke or fail to renew the drivers' licenses of individuals delinquent in paying child support. Although Illinois statutes currently allow revocation of some licenses, the General Assembly may wish to consider clarifying which licensing agencies should be involved in the process of collecting child support.

**Exhibit I
CASE STATUS
(as of June 1994)**

	Count	Percent
Not Ready to Seek Support	199	46%
Seeking Parentage	50	12%
Seeking Support Order	25	6%
Special Accounts *	8	2%
Support Orders	70	16%
Support Unlikely	78	18%
Total Cases	430	100%

* Include some child support provision

Source: OAG sample of cases opened in October 1992.

Many of the support orders that we reviewed did not contain all the information required by law. Sixty-two percent of support orders were missing required information relating to notice provisions, 82 percent were missing required termination date information, and 26 percent were missing a determination about medical insurance. Court orders are prepared by child support legal counsel (State's Attorneys and Attorney General staff) and reviewed and signed by Circuit Court Judges.

Child support orders that we tested varied considerably in their form and content. The General Assembly may wish to consider establishing a standard support order form that could provide valuable information to track noncustodial parents and enforce support orders.

Public Aid is in the process of developing and implementing a new computer system for the child support enforcement program, as required by the federal Family Support Act of 1988. This new computer system, which must be certified by the federal child support program by October of 1995, is intended to allow Public Aid to have a more functional system with improved management reporting.

BACKGROUND

In 1975, Congress enacted Title IV-D of the Social Security Act (Public Law 93-647, 42 U.S.C. § 651 *et seq.*), which mandated that states, including Illinois, create child support enforcement programs. The federal program is administered by the U.S. Department of Health and Human Services, Office of Child Support Enforcement. However, responsibility for basic enforcement rests with the states.

The Child Support Program offsets the costs associated with the Aid to Families with Dependent Children (AFDC) program by recovering from noncustodial parents (the parent who does not have custody of the child), part or all of the amount paid in AFDC. AFDC is a federally funded program which provides financial assistance to families with children. The Child Support Program could also help AFDC clients to become self sufficient and, thus, able to leave the AFDC program. These are referred to as Aid cases in the report. Also, families receiving assistance under Title IV-E Foster Care or Title XIX Medicaid programs are eligible for services.

Additionally, child support services are available to individuals that do not receive public assistance (Non-Aid clients). Ideally, if child support services are provided, these individuals will not require public assistance. Services must also be provided to child support clients living in other states if the noncustodial parent lives in Illinois.

ILLINOIS CHILD SUPPORT ENFORCEMENT OPERATIONS

The process to enforce child support laws is complex and involves numerous entities. The Department of Public Aid's Division of Child Support Enforcement is responsible for implementing State and federal child support enforcement laws. However, numerous other local, State, and federal agencies are also integrally involved. Exhibit 1-1 summarizes both the main phases of the child support enforcement process and the major entities involved.

The child support enforcement process has seven main components. The seven, briefly summarized below, are discussed in greater detail in Chapters Two and Three.

- **Intake:** Aid clients are automatically enrolled in the Child Support Program when they apply for AFDC benefits at their county Public Aid Office. Non-Aid clients can apply for child support services at any time.
- **Parent Locate:** Involves locating a noncustodial parent. A common method of locating noncustodial parents is by using information with data bases from other agencies.
- **Parentage Establishment:** In order for a support order to be established, establishing parentage is necessary for children born out of wedlock or when paternity is challenged. Establishing parentage can be done voluntarily, such as by signing a paternity acknowledgement form at the hospital upon birth of the child, or through the use of a court-ordered blood test.
- **Support Order Establishment:** Support orders are generally obtained through the courts and specify the amount of child support the noncustodial parent must pay.
- **Payment Processing:** Involves collecting, recording, and remitting of child support payments from the noncustodial parent by Circuit Clerks and the Department of Public Aid.
- **Enforcing Support Orders:** Involves the enforcement of support orders to ensure that the noncustodial parent complies with the support order. Methods to enforce support orders include: withholding the support amount from the noncustodial parent's paycheck; collecting from tax refunds or lottery winnings; and revoking of professional licenses.
- **Modifying Support Orders:** Support orders may need to be modified periodically to accommodate the needs of the children or to account for a change in the noncustodial parent's income.

Exhibit 1-1

ENTITIES INVOLVED WITH THE CHILD SUPPORT ENFORCEMENT PROCESS

POTENTIAL ENTITIES INVOLVED:

(federal government, State government, local government, or private entity)

LICENSING AGENCIES (State) (1)

COLLECTION AGENCIES (private)

CREDIT BUREAUS (private)

LABORATORIES (private)

FEDERAL PARENT LOCATE (federal) (2)

STATE PARENT LOCATE (State) (3)

CIRCUIT CLERK (local)

SHERIFF (local)

COURTS (State)

STATE'S ATTORNEY (local)

ATTORNEY GENERAL (State)

DEPARTMENT OF PUBLIC AID

						LICENSING AGENCIES	
						COLLECTION AGENCIES	
						CREDIT BUREAUS	
			LABORATORIES				
		FEDERAL LOCATE					
		STATE LOCATE					
					CIRCUIT CLERK	CIRCUIT CLERK	CIRCUIT CLERK
		SHERIFF	SHERIFF	SHERIFF		SHERIFF	
			COURTS	COURTS		COURTS	COURTS
			STATE'S ATTORNEY	STATE'S ATTORNEY		STATE'S ATTORNEY	STATE'S ATTORNEY
			ATTORNEY GENERAL	ATTORNEY GENERAL		ATTORNEY GENERAL	ATTORNEY GENERAL
	PUBLIC AID	PUBLIC AID	PUBLIC AID	PUBLIC AID	PUBLIC AID	PUBLIC AID	PUBLIC AID

STEPS: INTAKE PARENT LOCATE PARENTAGE SUPPORT ORDER PAYMENT ENFORCEMENT MODIFICATION

- (1) Currently, only the Department of Professional Regulation has taken specific actions to revoke licenses. Statutes state that licensing agencies should require certification on license renewals that the applicant is not delinquent in paying child support. However, the statute is not clear which licensing agencies should be involved (5 ILCS 100/10-65). See Matter for Consideration in Chapter 3.
- (2) Federal Parent Locate Service is operated by the federal Department of Health and Human Services and includes the efforts of Department of Defense, Internal Revenue Service, National Personnel Records Center, Social Security Administration, Department of Veterans Affairs, and Selective Service.
- (3) State Parent Locate Services include the efforts of the Department of Employment Security, Department of Corrections, Secretary of State's Office, Department of Revenue, Cook County Department of Corrections, State Board of Elections, Department of Professional Regulation, Department of Commerce and Community Affairs, and the Illinois Industrial Commission.

SOURCE: OAG ANALYSIS

It should be noted that not all cases require action in all phases. For example, in some cases that we reviewed, a support order was in effect when the client entered the child support system. These cases usually require services only in enforcing the support order. In other cases, a father may not have been named. For these cases, intake is the only service that can be provided.

After a child support order has been established, Public Aid may:

- receive the support payments from the Circuit Clerk,
- keep payment records, and
- distribute payments.

For Non-Aid cases, Public Aid distributes the total payment to the client. For Aid cases, Public Aid distributes the first \$50 of support received each month to the client. The remainder of the support payment is retained by Public Aid to reimburse the State and federal governments for the AFDC financial assistance provided to the family.

*Case Example #1
\$50 Pass Through*

An Aid client has a support order with payments of \$250 per month. She will receive the first \$50 of that payment in addition to a \$269 AFDC grant. The remaining \$200 goes to the State as partial payment of the AFDC support provided.

Source: OAG Sample of Cases

ENTITIES INVOLVED IN THE CHILD SUPPORT PROGRAM

The Child Support Enforcement Program includes employees at the Department of Public Aid as well as contractual employees from the State's Attorney Offices, Attorney General's Office, Circuit Clerk's Offices, the Cook County Sheriff's Office, laboratories (to determine paternity), credit bureaus, and other groups. Additionally, Public Aid works in cooperation with the Administrative Office of the Illinois Courts.

Department of Public Aid

The Department of Public Aid's Division of Child Support Enforcement has overall responsibility for operating the State's Child Support Enforcement Program. The Division of Child Support Enforcement is comprised of five bureaus with 782 full-time positions, 230 intermittent employees, and 61 student workers. These Public Aid employees either work within the Bureau of Administrative Operations, the Bureau of Downstate Field Operations, the Bureau of Cook County Support Enforcement, the Bureau of Cook County Field Operations, or the Central Division Office. Exhibit 1-2 provides a breakdown of the employees by bureau and a listing of some of the activities performed by the various bureaus.

EXHIBIT 1-2
ILLINOIS DEPARTMENT OF PUBLIC AID'S
CHILD SUPPORT ENFORCEMENT BUREAUS

BUREAU OF ADMINISTRATIVE OPERATIONS

- maintenance of downstate non-custodial parent account records;
- maintenance of the computer system;
- oversees the administrative sections of account maintenance;
- oversees the administrative sections of technical services;
- *164 full time positions and 110 intermittent employees. These include 7 family support specialists, 78 accountants, 39 office support staff and 150 other employees*

BUREAU OF DOWNSTATE FIELD OPERATIONS

- serve income withholding orders;
- serve notices to delinquent non-custodial parents;
- operates all downstate regional offices;
- responsible for interstate unit;
- responsible for state parent locate services;
- *235 full time positions, 6 intermittent staff and 4 student workers. These include 86 family support specialists, 117 office support staff and 42 others.*

BUREAU OF COOK COUNTY SUPPORT ENFORCEMENT

- serve income withholding orders;
- serve notices to delinquent non-custodial parents;
- account reviews and arrearage computations;
- monitor private contracts;
- *139 full time positions and 69 intermittent staff. These include 93 office support staff, 23 accountants and 92 others.*

BUREAU OF COOK COUNTY FIELD OPERATIONS

- intake of client applications; referrals for legal action;
- referrals for locate services;
- sanction referrals for non-cooperation of AFDC clients;
- data input for case information; case modification referrals;
- *149 full time positions, 45 intermittent staff and 49 student workers. These include 62 family support specialists, 52 office support staff and 129 others.*

CENTRAL DIVISION OFFICE

- personnel; legislation and legal; new computer system development;
- budgeting; federal reporting; information processing unit;
- *95 full time positions and 8 student workers. These include 21 office support staff, 24 executives, 7 senior public service administrators and 51 others.*

SOURCE: OAG analysis of Public Aid data

The Division of Child Support Enforcement is involved in all seven phases of the child support enforcement process. The Division's seven downstate regional offices provide all direct services to clients. Exhibit 1-3 shows the Child Support regions. These regional offices initiate actions requiring noncustodial parent location; paternity establishment; and collection, enforcement and, if necessary, modification of child support orders. Public Aid's Cook County bureau provides similar services for Cook County clients.

State's Attorneys and
Attorney General

State's Attorneys and the Office of the Attorney General are the legal representatives for Public Aid in child support matters. The Division of Child Support Enforcement has contracts with State's Attorneys in fifteen counties (which included 240 State's Attorneys staff) to provide legal representation and to obtain, modify, and enforce support orders. These contracts had expenditures of \$10,190,445 during Fiscal Year 1993. Contracts with State's Attorney offices were initiated in 1978-1980 to supplement legal staff due to Attorney General budgetary constraints. County selection was made on the basis of population size, county interest, and Attorney General approval. As discussed below, Public Aid also has contracts with some counties for the services of Circuit Clerks and Sheriffs. Exhibit 1-4 shows the counties in which State's Attorneys, Circuit Clerks and Sheriffs have child support contracts and Fiscal Year 1993 expenditures for each.

**Exhibit 1-4
COUNTIES WHERE
LOCAL GOVERNMENT ENTITIES
HAVE CHILD SUPPORT CONTRACTS
WITH PUBLIC AID
(FY 1993 expenditures in thousands)**

<u>COUNTY</u>	<u>STATE'S ATTORNEY</u>	<u>SHERIFF</u>	<u>CIRCUIT CLERK</u>
Boone	\$46.1		
Champaign	201.9		\$39.7
Cook	7,084.3	\$2,071.3*	7,115.1
DeKalb	44.2		
DuPage	332.1		
Edgar	17.2		
Kane	315.5		
Kankakee	112.7		
Knox	91.8		
Lake	358.5		
Macon	212.3		50.7
Madison	337.5		111.3
Peoria	338.5		71.8
Sangamon	193.8		49.2
St. Clair	504.0		104.7
TOTAL	<u>\$10,190.4</u>	<u>\$2,071.3</u>	<u>\$7,542.5</u>

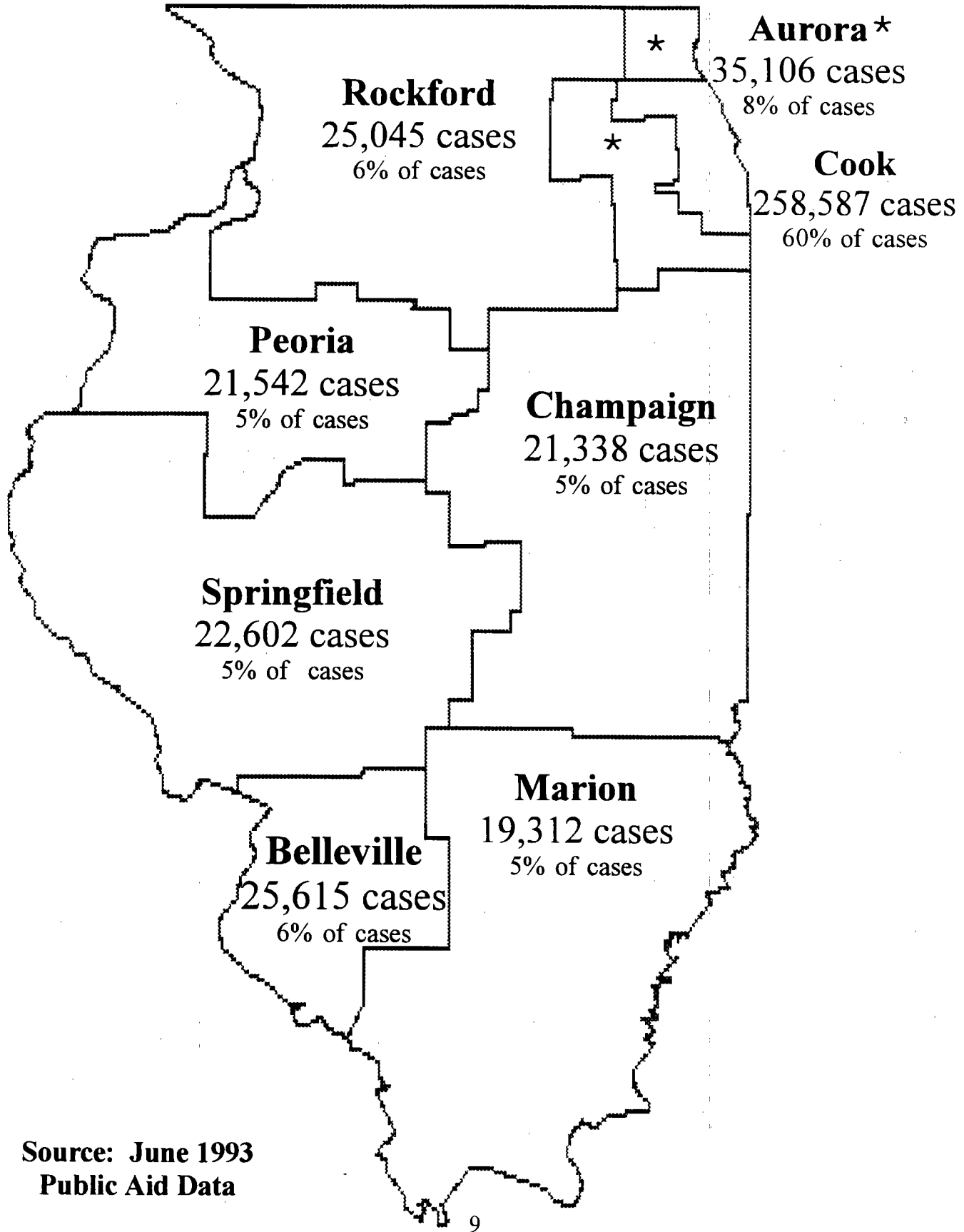
* Other Sheriffs are reimbursed, but do not have contracts.

Source: Public Aid data summarized by OAG

The Attorney General's Office is used in the other 87 counties to provide legal representation for the child support cases. The Attorney General had 61 employees involved in child support at a cost of \$1,981,122 for Fiscal Year 1993. The Attorney General's employees are payroll employees of the Department of Public Aid.

EXHIBIT 1-3

Child Support Enforcement Regions



Source: June 1993
Public Aid Data

Courts

Illinois Courts are involved in four phases of the child support enforcement process. Parentage may be established in court through court ordered blood testing or if the noncustodial parent acknowledges parentage. Illinois child support orders are usually established and modified in court unless they are done administratively. The courts also become involved in the enforcement phase. The courts may: monitor a noncustodial parent to assure that he is seeking employment, establish an arrearage when a noncustodial parent is behind on child support payments, and find a noncustodial parent in contempt of court and fine or jail them for failing to cooperate.

Sheriff

On occasion, noncustodial parents may have to be summoned to court for establishment of parentage or for establishment of a support order. The county sheriff's office delivers these summons to the noncustodial parents. Cook County is the only county where Public Aid contracts with the Sheriff's Office to deliver these summons. The Cook County Sheriff's Office was paid \$2,071,333 in Fiscal Year 1993. According to Public Aid officials, this arrangement was part of the same process where the Cook County State's Attorney became the legal representative. No other single sheriff bills the Division for services at a level high enough to warrant a contract. Other sheriffs, both in-state and out-of-state, are routinely paid for delivering or serving process of legal papers. Some sheriffs do not bill at all, providing service free of charge to public agencies. Less than half of all Illinois sheriffs currently bill Public Aid.

Circuit Clerk

The Circuit Clerks, in all 102 counties of the State, receive support payments and remit these funds to Public Aid. Clerks collect child support for clients who are receiving assistance from Public Aid and for other persons who are not receiving that assistance. According to Public Aid officials, in 1993, the amount collected for Public Aid clients, accounted for approximately 34 percent of total child support collected by Circuit Clerks.

Additionally, the Department has contracts with seven Circuit Clerks (Champaign, Cook, Macon, Madison, Peoria, Sangamon, and St. Clair) who perform certain administrative functions for the child support program. In Fiscal Year 1993, Public Aid spent \$7,542,462 for these Circuit Clerk's contracts.

The Administrative Office of the Illinois Courts does not have a contract with Public Aid. However, it works with the Department through: the expedited child support system in Cook County and serving as a liaison with the Circuit Clerks. In addition, the Illinois Courts have the Rule 296 program which allows Circuit Clerks a more active role in child support by having them collect and monitor payments. This voluntary program currently involves only four counties: Wayne, DeWitt, Douglas, and Piatt.

Parent Locates

Public Aid uses the Federal Locate Service, provided by the federal Department of Health and Human Services, to locate noncustodial parents as well as gain other useful information about the noncustodial parent from agencies such as the Internal Revenue Service, Department of Defense, and Social Security Administration. In addition, Public Aid also uses information maintained by State agencies to locate noncustodial parents.

Laboratories, Credit Bureaus and Licensing Agencies

Public Aid had contracts with five laboratories in Fiscal Year 1994 for paternity testing. The credit bureaus are used to gather additional information that would aid in the location of the noncustodial parent as well as salary information used to determine support order amounts. Licensing agencies also work with Public Aid to share information or to work to revoke professional licenses. According to Public Aid officials, currently, only the Department of Professional Regulation has taken specific actions to revoke licenses. Statutes are not clear which licensing agencies should be involved in child support enforcement. See the Matter for Consideration in Chapter Three.

FEDERAL AND STATE LAWS AND REQUIREMENTS

There are many State and federal statutes that deal with child support enforcement. Exhibit 1-5 lists the primary State and federal statutes.

Federal rules require each state participating in the program to have a formal plan. This plan describes the nature and extent of the child support program and gives assurances it will operate in conformity with federal regulations. A state plan must include provisions for: fiscal policies and accountability, reports and record maintenance, bonding of employees, establishing paternity and securing support, collection and distribution of support payments, parent locator service, and cooperation with other states.

Exhibit 1-5 PRIMARY STATE AND FEDERAL LAWS

FEDERAL

Social Security Act - Title IV-D
Child Support Enforcement Act - 1975
Child Support Enforcement Act - Amendments of 1984
Family Support Act of 1988

STATE

Public Aid Code
Illinois Marriage and Dissolution of Marriage Act
Non-Support of Spouse and Children Act
Revised Uniform Reciprocal Enforcement of Support Act
Expedited Child Support Act of 1990
Uniform Child Custody Jurisdiction Act
Illinois Parentage Act of 1984

Source: Summarized by OAG

Federal laws and rules also delineate time requirements that states must follow. These guidelines include requirements for application, case processing, paternity and support order establishment. Chapter Four discusses time lines and our testing of Illinois' Child Support Program. In Chapters Two and Three of this report we discuss approaches that some other states have taken. Some of these could also be considered for Illinois.

CHILD SUPPORT COLLECTIONS, RECEIVABLES, AND EXPENDITURES

Both Illinois' child support collections and administrative expenditures have increased over the past three years. However, uncollected child support, or accounts receivable, has also increased over the same time period. Exhibit 1-6 shows that collections have increased from almost \$165 million in Fiscal Year 1991 to \$202 million in Fiscal Year 1993.

Administrative expenditures have also increased over the three year time span. They increased from almost \$47

million in Fiscal Year 1991 to almost \$63 million in Fiscal Year 1993. According to Public Aid Officials, the increase in administrative expenditures was largely due to: first time funding of group insurance, increased retirement funding, additional office automation, and the hiring of intermittent staff to eliminate backlogs.

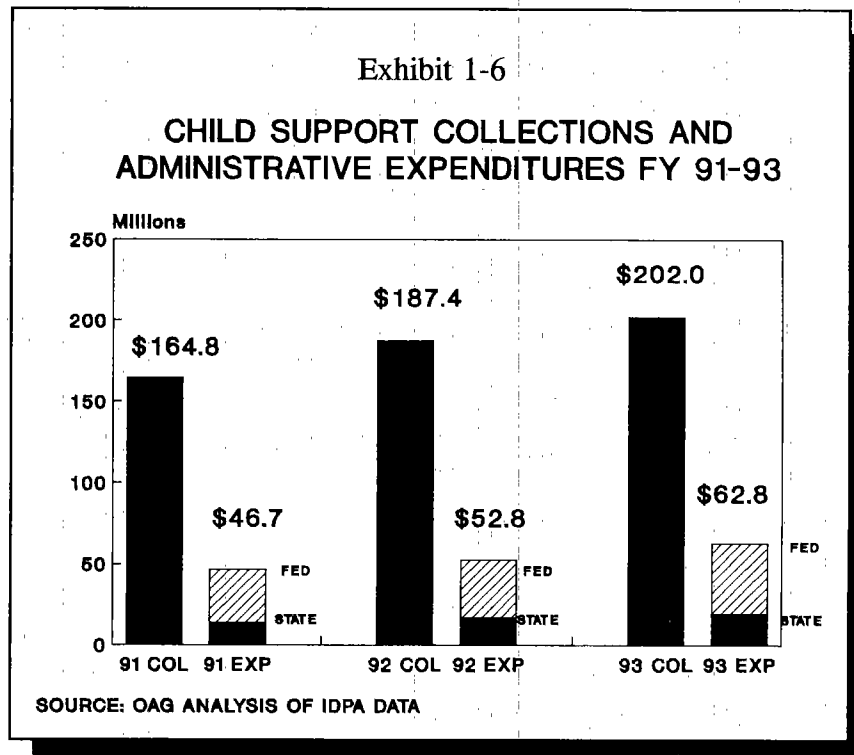


Exhibit 1-6 also illustrates the State and federal portions of administrative expenditures. The State portion of administrative expenditures is significantly lower than the total because the federal government reimburses a large percentage of the costs of operating the child support enforcement program. The State-paid portion of administrative expenditures was \$19.5 million in Fiscal Year 1993.

Total accounts receivable have varied, as is shown by Exhibit 1-7. Accounts receivable is the amount of child support due but remaining uncollected. The Exhibit shows total gross accounts receivable for both Aid and Non-Aid child support cases and the percentage changes for those years.

Exhibit 1-7
GROSS ACCOUNTS RECEIVABLE
FEDERAL FISCAL YEARS 1991-93
 (in thousands)

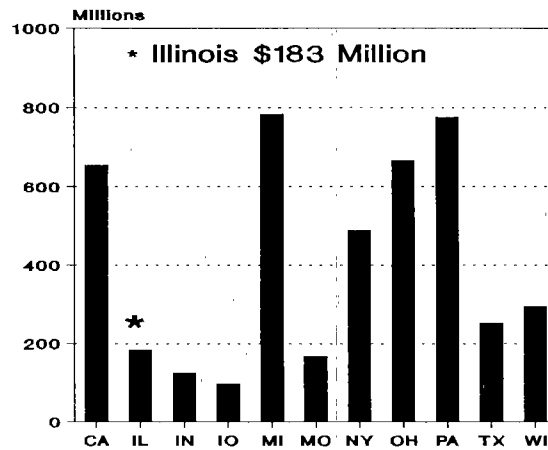
	<u>Accounts Receivable</u>	<u>Percentage Change</u>
1991	\$1,332,269	
1992	\$1,173,085	-12%
1993	\$1,283,236	+9%

Source: Federal reports for years ending September 30, 1991, 1992, and 1993.

ILLINOIS COMPARED TO OTHER STATES

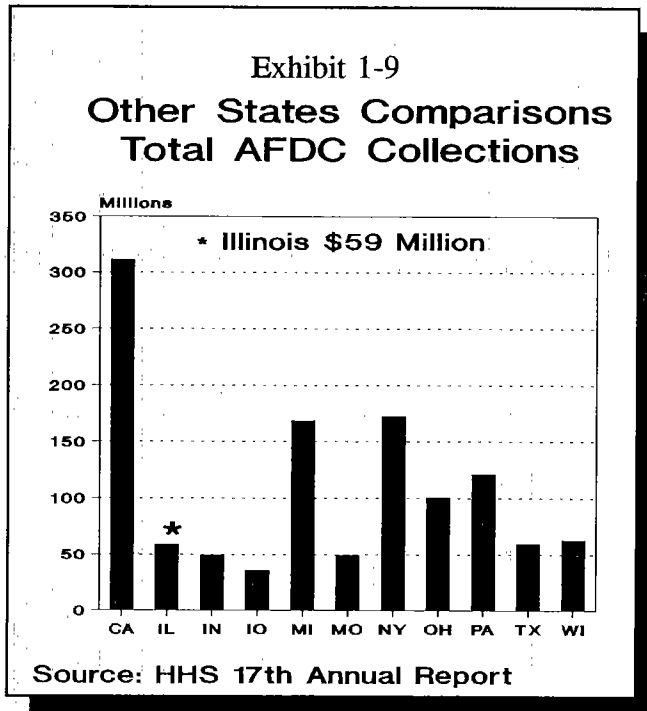
Illinois child support collections are low when compared to some other large states. The federal Health and Human Services Seventeenth Annual Report has statistics reported by all of the states and territories for the year ended September 30, 1992. From that report we examined statistics including collections, cases, paternity standard, administrative expenditures, and accounts receivable. Illinois' distributed collections in that report were \$183 million. Exhibit 1-8 compares Illinois' child support collections with those of 10 other large and/or bordering states. Included are California, Indiana, Iowa, Michigan, Missouri, New York, Ohio, Pennsylvania, Texas, and Wisconsin.

Exhibit 1-8
Other States Comparisons
Total Collections



Source: HHS 17th Annual Report

Illinois receives incentive payments of 6 percent from the federal government. Since 1985, the federal government has provided incentive payments to the states. Since the federal government reimburses the states for 66 percent of child support enforcement administrative costs, they want the states to collect the largest amount of child support for the least amount of cost. Incentive payments are based on a ratio of collections to administrative costs and range from 6 to 10 percent. The collections per dollar of administrative expense for Illinois was \$2.90 for federal fiscal year 1992 while the national average for that same year was \$3.99. Fourteen other states had incentive payments higher than Illinois in federal fiscal year 1992.

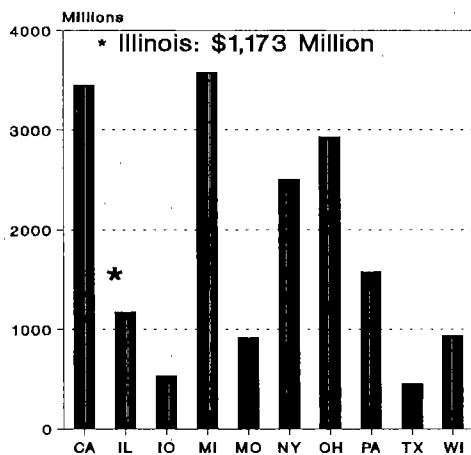


Illinois has a relatively low paternity establishment ratio when compared to other states. This rate measures the ratio of cases needing paternity establishment to cases for which paternity was established during the fiscal year. In federal fiscal year 1992, Illinois had a paternity establishment ratio of 38 percent. The national standard in 1992 was 45 percent. Before any child support can be collected, the parent must be located and paternity must be established. Of the ten large and midwestern states we reviewed, the states with high paternity establishment ratios also had high collection amounts. In our random sample of Illinois child support cases, the largest single category of cases (35 percent) were those in parent locate where a father had been named but

paternity had not yet been established. In addition, for almost 15 percent of the children in our sample no father had been named.

Public Aid officials cited several factors which may account for Illinois' performance in areas such as low total collections and low incentive payments. First, Public Aid officials noted that other states have child support systems which are considered "universal" and, therefore, include almost all cases where child support is established. "Universal" states include all cases, even those in which child support is established privately with no involvement of the state. Illinois is not a universal state and includes only Aid cases and Non-Aid cases which request the Department of Public Aid's assistance in establishing and collecting child support. Because of this, universal states may include many cases which for which child support is unchallenged and paid regularly. Also, of the 10 states we reviewed, Illinois had the second highest percentage of Aid cases. Aid cases generally result in less collections and require more work than do Non-Aid cases. Michigan, Ohio, Pennsylvania,

Exhibit 1-10
Other States Comparisons
Total Accounts Receivable



Source: HHS 17th Annual Report

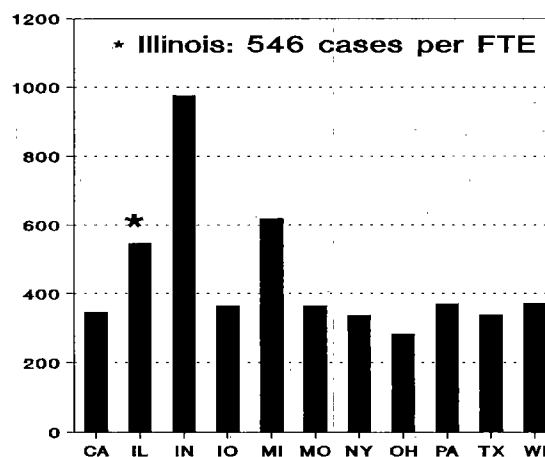
and Wisconsin currently are universal states. However, Exhibit 1-9 shows only AFDC collections, thereby eliminating differences in collections among the states attributable to universal/nonuniversal distinctions. Exhibit 1-10 shows total accounts receivable for the same comparison states except Indiana for which figures were not available.

Second, Illinois has more cases per full time equivalent staff than most other comparison states. As shown on Exhibit 1-11, Illinois had 546 cases per full time equivalent employee. Theoretically, with lower caseloads, more follow-up and attention can be given to individual cases. According to Public Aid officials a significant factor in Illinois' collections when compared to

other states is staffing. They note that on a per staff basis, Illinois collections are on par with other states. In Chapters Two and Three we examine two ways that additional funds for increased staffing could be generated for the Child Support Program (collection fees for Non-Aid clients and eliminating a 10 percent transfer provision to the General Revenue Fund).

Finally, IDPA officials noted that Illinois' child support enforcement system is heavily court-oriented, whereas some other states have more administrative processes. Michigan, which has well established administrative processes for establishment and enforcement, has very high collections. In Chapters Two and Three, we discuss some administrative procedures that could be used in Illinois.

Exhibit 1-11
Other States Comparisons
Cases per full time equivalent



Source: HHS 17th Annual Report

SCOPE AND METHODOLOGY

This management audit was conducted in accordance with generally accepted government auditing standards and the audit standards promulgated by the Office of the Auditor General at 74 Ill. Adm. Code 420.310.

During the audit, we reviewed in detail the statutes, federal regulations, and Public Aid policies and procedures that deal with establishing, collecting, and enforcing child support. We toured and reviewed the child support operations in Cook County as well as the regional office and the central office located in Springfield.

We interviewed Public Aid officials, child support staff, representatives from the federal Office of Health and Human Services, Sangamon County State's Attorney, and representatives of the Attorney General's Office. We also contacted child support enforcement advocacy groups on both the national and local levels.

We reviewed audits of child support activities conducted by Public Aid's Division of Internal Audits, other states' audits, federal audits of Illinois' child support enforcement program, reports on child support enforcement, and financial statements audited by the Compliance Division of the Auditor General's Office.

We reviewed internal controls relating to Public Aid's child support enforcement program. Our review and the assessments done as part of the federal audit showed some weaknesses in the controls. Exceptions that were noted are identified as findings in this report and have been identified as findings in federal audit reports.

We tested a statistically valid random sample of child support cases processed, and a statistically valid random sample of child support orders established. In both of the samples, our sample size was large enough to provide a 95 percent confidence level and an error rate of (plus or minus) 5 percent. We tested 357 child support cases opened in October of 1992 and tracked the timeliness of their progression in the child support phases through June 1994. In those 357 cases we reviewed 430 incidents where Public Aid was seeking child support. This larger number is due to cases where there are more than one noncustodial parent to pursue. We also tested 382 support orders established during or after October 1992 for their content in comparison to federal regulations.

To achieve the audit's objectives we relied on computer-processed data contained in the Family Support Information System (FSIS). For the objective relating to obtaining child support orders in a timely manner we relied extensively on computer processed data. For all cases in our sample, we reviewed the computer records and verified the information on application and support order establishment by comparing them with source documents in Public Aid's microfiche records. We also verified that there was no additional information

in regional office files for cases in our sample. For the objective relating to whether the child support system can be improved, we relied to some degree on data in the FSIS.

We assessed the reliability of this data, including relevant general and application controls, and found them to be adequate. We also conducted additional tests of the data. In our sample of support orders we compared the information on the support order to the information on the FSIS system. Based on these tests and assessments we concluded that the data were sufficiently reliable to be used in meeting the audit's objective(s).

Some data were used in the report for background and informational purposes but were insignificant to audit results. These data have been attributed to their sources. Appendix B presents more detail on the various samples which were selected and other testing which was done as a part of this audit.



REPORT ORGANIZATION

The remainder of this report is organized into the following chapters:

Chapter Two	CASE PROCESSING COMPONENTS
Chapter Three	CHILD SUPPORT COLLECTIONS
Chapter Four	TIMELINESS AND COMPLETENESS OF SUPPORT ORDERS
Chapter Five	THE CHILD SUPPORT COMPUTER SYSTEM

CHAPTER TWO CASE PROCESSING COMPONENTS

Public Aid should study developments used in other states' child support enforcement programs and pursue changes that would be beneficial for Illinois. These include reporting of new employees upon hiring and using more administrative processes.

Since October 1985, federal regulations have compelled states to charge fees for Non-Aid cases; up until March 1994, IDPA did not charge clients but, rather, paid a one cent application fee on behalf of the client. In addition to application fees, other states have begun charging collection fees on Non-Aid cases. Public Aid should consider charging such fees for Non-Aid cases.

CASE PROCESSING

The mission of Public Aid's child support program is to ensure that all Illinois children receive the full support to which they are entitled, thereby reducing poverty and promoting family self-sufficiency. A number of steps may be required for a child support client who is receiving assistance from Public Aid's child support program. These methods include application, enrollment, parent location, parentage establishment, establishing support orders and medical support orders, and modifying support orders. In this Chapter, we will first examine the processes used by Public Aid and then review some techniques used in other states.

Application/Enrollment

To be eligible for child support services, the only requirements are that the client have children and have a need for the services provided by child support enforcement. Aid recipients are required to apply for child support services. Aid clients are required to cooperate with Public Aid personnel in child support cases. If an Aid client refuses to cooperate, State benefits will be reduced or terminated.

At the interview where the client requests AFDC financial assistance (called intake), a consolidated interview is performed. A consolidated interview is a procedure established to expedite parentage by gathering information related to child support during the initial

interview for public assistance. At intake, Public Aid reviews all of the relevant information to determine which services are needed.

Parent Location

Public Aid provides locate services for their clients. These services may be needed at one or more stages throughout the child support process. Over 35 percent of the cases in our sample (151/430) were in the phase where Public Aid was trying to locate the parent. Federal regulations allow up to 75 days to access all three levels of parent location. The location process begins with **Local Parent Locate**. The client applying for services provides child support staff with information on the noncustodial parent that would aid in the location of the noncustodial parent. The local level of locate services utilizes contacts such as municipal or county offices, employer or local post office. When all of these resources have been used at the local level (or ten business days have elapsed) and the noncustodial parent has not been located, the case proceeds to the State Parent Locate Service.

At the **State Parent Locate** level, matches are performed with various agencies to obtain any information that may be helpful in locating the noncustodial parent. Some of these agencies include the Department of Employment Security, the Department of Corrections, the Secretary of State or the Department of Professional Regulation. If location attempts are still unsuccessful at the State locate level, then the case is advanced to Federal Parent Locate Services.

At the **Federal Parent Locate** level, Public Aid attempts to collect data on the noncustodial parent from federal agencies such as the Department of Defense, the Internal Revenue Service, or the Department of Veteran's Affairs. All cases at this level are submitted to Federal Parent Locate Service in 60 day intervals in an effort to obtain additional location information.

As will be discussed in Chapter Four, many cases we examined which were opened in October 1992 remain in the parent locate phase as of June 1994. In cases where no noncustodial parent is identified, there are no further actions Public Aid can pursue. In our sample, there were 69 cases where a father was not named for at least one of the children. If the mother of the child cannot provide any information (i.e. name, address, current employer, etc.) about the alleged father, Public Aid cannot proceed with parent locate services. Even if the client can name the noncustodial parent of the child, at least one more piece of specific information (driver's license number, social security number, former employer, etc.) may be required before State locate services can be utilized.

Establishing Parentage

As a result of stricter requirements on establishing parentage in the federal Family Support Act of 1988, states have put increased effort into parentage establishment. Parentage establishment is necessary for children born out of wedlock in order for a support order to be established. Federal regulations have required that states have a paternity establishment rate equal to or better than the national average or a rate which has increased by at least 3 percent per year. For the past several years, Illinois has increased the percentage of children for whom parentage has been established

enough to be in compliance with federal requirements. In 1988, which was the baseline for federal reporting, Illinois' paternity establishment ratio was 24 percent and the national ratio was 45 percent. For federal fiscal year 1992, Illinois' paternity establishment rate was 38 percent and the national rate was 45 percent.

Paternity establishment occurs through one of several methods. Illinois has implemented the Hospital Parentage Program to ensure compliance with federal requirements. Through this program, the hospital collects information from the new parents upon the birth of a child and provides paternity acknowledgement forms, submitting them along with the birth certificate to the county clerk.

Parentage establishment is also done through blood tests. The blood tests used for paternity establishment are 90 percent federally funded. The State's Attorney or the Attorney General's Office actually requests the blood test. Noncustodial parents do have the right to trial by jury; however, the blood tests are approximately 99 percent accurate. If the blood test indicates there is at least a 500 to 1 probability that the alleged father is the father of the child, then statutes require that the burden of proof shifts from Public Aid to the alleged father to prove otherwise (750 ILCS 45/11 (f)(4)).

Sixty-three percent of the children in cases we sampled were born outside of marriage. This means that parentage establishment services will be necessary, if parentage has not already been established previously. Establishing parentage may extend the amount of time to obtain a support order in a case, especially if blood testing is necessary.

Case Example #2 Establishing Parentage

An AFDC client with two children had paternity established for her newborn child through the hospital parentage program. Although parentage was established, child support was reserved.

Source: OAG Sample of Cases

Establishing Support Orders

As of 1989, most support orders are established as Immediate Wage Withholding Orders. Immediate Wage Withholding requires that child support obligations be withheld from the noncustodial parent's pay by his employer. The Circuit Clerks' offices track the court orders and the payments made on each account in their systems. The Circuit Clerks use a variety of systems, some of which are computerized. Most child support payments are sent from the noncustodial parent to the Circuit Clerk's office. The Clerk's office receives the payments, determines which accounts the payment is for, and forwards the money either to the custodial parent or Public Aid. In Cook County and 73 other counties, the Circuit Clerk sends support payments received from noncustodial parents for Non-Aid cases directly to the client. For Aid cases, the payment is sent to Public Aid so that the first \$50 can be passed through to the client and the remainder can be used to reimburse the State and federal governments for public assistance provided to the client.

Periodically, support orders need to be modified to accommodate the needs of the children or to account for a change in the noncustodial parent's income. These modifications may be done at the request of the client. Additionally, federal rules require that support orders be reviewed for modification. Public Aid now reviews support orders at least once every three years to determine if support should be increased or decreased.

In the 382 support orders we sampled, we found that the average child support payment established is substantially higher in Non-Aid support orders than in any other class of support order. Exhibit 2-1 shows that the average payment charged to a Non-Aid order (\$310) is almost double that of an Aid support order (\$167). Two other categories of cases are shown on Exhibit 2-1. Aid/Conversion cases have been on public assistance but went off during our testing period. For Interstate cases, the client is in another state and the Illinois program is responding to that state's needs because the noncustodial parent or the noncustodial parent's employer is in Illinois.

**Exhibit 2-1
AVERAGE MONTHLY
SUPPORT ORDER AMOUNT
BY CASE CLASSIFICATION**

<i>Aid</i>	\$167
<i>Non-Aid</i>	\$310
<i>Aid/Conversion</i>	\$216
<i>Interstate</i>	\$183

Source: OAG analysis of sample data.

Administrative Support Orders

Originally authorized in 1967 (305 ILCS 5/10-11), administrative support orders were used in 27 of 382 child support orders we sampled. An administrative order is a process done outside of the courts and is used to establish a support obligation when a final divorce decree is pending. Administrative orders are considered to be a series of judgments against the noncustodial parent just like court ordered support orders. They have the same full force,

effect and attributes of any other judgment of this State, including the ability to be enforced. Public Aid officials stated that they would like to see more administrative orders to avoid the backlog of cases in the courts.

DEVELOPMENTS IN CASE PROCESSING

Many states have implemented new programs to locate parents, establish parentage, and establish support orders. Illinois has already adopted some of these programs. Others warrant consideration. These include: additional administrative processes, employer reporting of new hires, and fees for Non-Aid clients.

Administrative processes have been used in other states to expedite the processing of child support cases, alleviate court backlogs, and reduce administrative expenditures. According to Public Aid officials, getting a case into court can take anywhere from one month to one year. The primary administrative processes for child support relate to the establishment of parentage and support orders and the enforcement of child support. The administrative processes related to parentage and support orders are discussed below. The administrative processes for enforcing support are discussed in Chapter Three.

Several states have proceeded one step farther than voluntary paternity acknowledgment by allowing their child support agencies to administratively determine parentage and issue child support orders pursuant to a positive blood test. Although these orders may be appealed to the courts, the administrative process can help expedite case processing, especially in uncontested cases.

Employer Reporting of New Hires

One of the major challenges facing the Child Support Enforcement Program is locating noncustodial parents, and doing so in a timely manner. According to a federal child support report, of 165,300 Illinois cases requiring parent location services in federal fiscal year 1992, only 37 percent were actually located in that fiscal year. These locate services were required in order to establish, enforce, or modify a support order. One reason cited by the U.S. Commission on Interstate Child Support for the poor location rates is the "...lack of current locate information as obligors move from job to job...."

To address this problem, 19 states now have provisions for employers to report new and rehired employees using existing or modified W-4 forms, specially designed reporting forms, or toll-free telephone numbers. Employee information reported allows Child Support Enforcement officials to identify noncustodial parents owing child support and to implement

wage withholding in a timely manner. The costs that would be associated with these reporting provisions would need to be considered if such a requirement was added.

The State of Illinois, as an employer, currently reports information about new State employees to Public Aid. Since January of 1994, new employee and employee transfer reporting has provided additional information on 1,070 noncustodial parents, information to update income withholding in 559 cases, information to legal counsel for parentage establishment in 355 cases, and information to legal counsel for support order establishment in 472 cases.

Recommendation Number 5 in Chapter Three discusses developments that Public Aid should study to determine if they would be beneficial for the Illinois child support enforcement program. That recommendation includes using processes that are more administrative and using employer reporting of new hires.

Assessing Fees on Non-Aid Cases

Since October 1985, federal regulations have required states to assess an application fee on Non-Aid child support cases to help cover program costs (45 CFR Ch. III § 302.33 (c)(2)). In addition, federal law allows states broad discretionary authority to recover actual costs of Non-Aid client services or to assess fees to recover specific service costs.

Prior to March 1994, the child support program did not charge clients for child support services provided. Instead, the State paid one cent for the application fee on behalf of the client. To comply with federal regulations, Illinois began charging Non-Aid clients a one-time mandatory application fee of \$0, \$15, or \$25 based on income beginning in March 1994. Public Aid still submits one cent on behalf of those clients eligible for the \$0 fee. No other fees are currently assessed by Public Aid on Non-Aid cases in Illinois. Public Aid officials said they were not opposed to assessing fees as long as they are cost efficient and do not represent a hardship for custodial parents.

Several states have recovered a significant portion of child support program costs by assessing collection fees on Non-Aid cases. In addition to one-time application fees, some states also charge fees for services provided by the program. The fees could be assessed on the noncustodial parent in addition to the child support amount. Since 1982, Illinois Statutes have allowed Public Aid to deduct a collection fee of up to 10 percent of the amount collected (305 ILCS 5/10-1). This amount would be deducted from the amount the custodial parent would receive. An alternative would be to change the law to allow that the fee be assessed on the noncustodial parent in addition to their child support obligation.

Illinois Non-Aid collections were \$122 million during State Fiscal Year 1993. If Illinois' child support program had collected the maximum 10 percent collection fee, it could have increased fees collected by \$12.2 million. Although increased fees collected would

reduce federal reimbursement, it could have resulted in a net increase in funds available of over \$4 million.

The General Accounting Office has concluded that fees assessed as a percentage of collections are the most effective and equitable method of charging fees. There are several advantages of percentage fees. Due to the contingent nature of percentage fees, they are simple to assess and administer. In addition, clients are not discouraged from applying or financially burdened by up-front fees. Mandatory application fees and fixed annual service fees are discouraged by the General Accounting Office for several reasons; they:

- may present a financial barrier to potential clients lacking financial resources;
- may discourage potential clients due to non-contingent nature of fees;
- may be cumbersome to administer; and
- may present administrative and financial burdens to the program where means testing (to determine ability to pay) is required.

As shown in Exhibit 2-2, obtaining collection fees for Non-Aid clients would increase total program funding less than the amount collected. This is because fees collected decrease the total administrative program expenditures eligible for federal funding. Since federal program reimbursement would be decreased by 66 percent of the amount collected, Illinois would have access to 34 percent more funds for every dollar recovered from fees. However, the reduction in administrative expenditures could also increase Illinois incentive payments.

Exhibit 2-2
EXAMPLE OF EFFECT OF FEES

	Without Fees	With Fees
Administrative Expenditures	\$1,000	\$1,000
less fees collected	<u>- 0</u>	<u>- 100</u>
Amount eligible for federal reimbursement	1,000	900
Federal reimbursement (66%)	660	594
plus fees collected	<u>0</u>	<u>100</u>
Illinois receives	<u>\$660</u>	<u>\$694</u>

Source: OAG analysis

Recommendation Number 1

The Department of Public Aid should consider charging collection fees for Non-Aid clients like those used by other states. Public Aid could deduct fees from collections which is already allowed by Illinois Statutes, or could seek a change in the law to allow that additional fees be assessed and paid by the noncustodial parent.

Illinois Department of Public Aid Response:

We agree. The Department currently charges Non-Aid clients an initial application fee. We will conduct a review of any and all fees that are administratively cost efficient and do not penalize custodial parents who cannot afford such fees. The review will include a determination if a change in legislation is necessary.

**CHAPTER THREE
CHILD SUPPORT COLLECTIONS**

The total amount of child support payments that were receivable for 1993 and all preceding years totaled \$1,283 million at September 30, 1993, according to Public Aid. This has accumulated over nearly 20 years. Exhibit 3-1 breaks down these receivables into the categories discussed bellow. The total includes \$979 million of support which is due but unpaid plus \$304 million of arrearages that have been established by the courts but are not yet past due. For Aid cases, where Public Aid has a claim on the receivables, the amount totaled \$338 million, of which \$324 million was estimated to be uncollectible. For the remaining cases, where Public Aid has no claim on the receivables, \$641 million is being pursued for Non-Aid clients.

Public Aid does not currently age its child support account receivables in accordance with Comptroller requirements. Public Aid's policies on writing off receivables do not incorporate components of federal case closure requirements. Uncollectible receivables should be written off on a regular basis.

We found that noncustodial parents were two months or more behind on payments for almost two-thirds of the support orders we sampled (246 of 382). Overall, noncustodial parents in our sample were an average of 8.1 months behind in making payments. The average delinquent amount was \$1,477.

**Exhibit 3-1
CHILD SUPPORT
ACCOUNTS RECEIVABLE AND
ESTIMATED COLLECTABILITY
at 9-30-93 (in millions)**

	Uncollectible	Collectible	Total
Aid	\$324	\$14	\$338
Non-Aid	*	*	<u>\$641</u>
Subtotal			\$979
Arrearage ⁽¹⁾	*	*	<u>\$304</u>
Total			<u>\$1,283</u>

* IDPA has not estimated collectability

⁽¹⁾ Established by the court, includes both Aid and Non-Aid

Source: OAG Analysis of IDPA Data

FINANCIAL PROCESSING

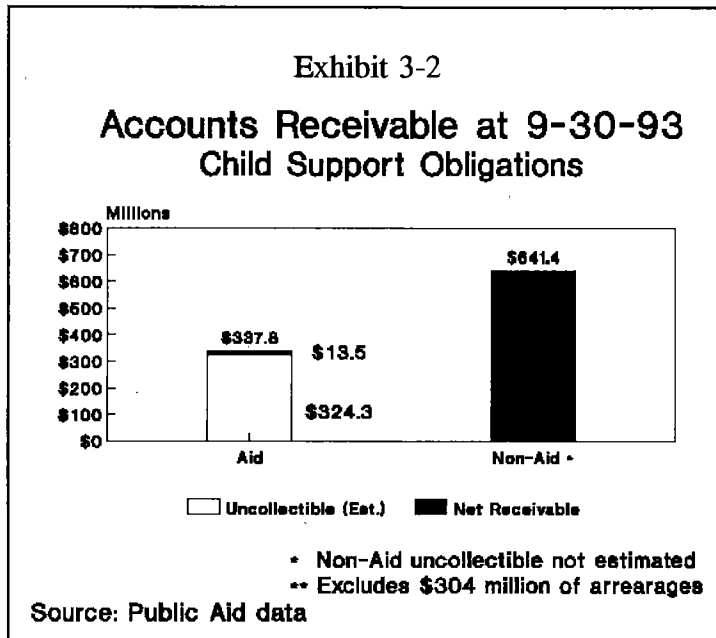
Several steps and multiple agencies are involved in the complex processing of child support payments. Child support payments are routed and recorded differently based on method of payment. The majority of child support payments are received by county Circuit Clerk's Offices. Many of these support payments are recorded by the Clerks and forwarded to the Child Support Accounting Office in Springfield for further processing and distribution. However, all support payments for administrative orders, out-of-state cases, intercepts, offsets, and asset sale proceeds are submitted directly to the Child Support Accounting Unit. At the Accounting Office, all payments are posted to accounts receivable detail and deposited or placed in a suspense account until the account can be identified. Public Aid notifies the Circuit Clerks monthly of all offsets and asset seizures which affect account balances maintained by the Clerks.

The distribution of child support payments differs by case type and county. Aid clients are sent the first \$50 of each monthly child support payment. Public Aid usually retains the balance as reimbursement for AFDC payments made to the client. For current and previous Aid cases, any child support received in excess of the monthly support obligation or AFDC benefits to the client is distributed in accordance with a complex procedure computed by the Family Support Information System. Non-Aid payments are simply recorded and forwarded to the client. In Cook County and 73 other counties, the Circuit Clerk sends support payments received from noncustodial parents for Non-Aid cases directly to the client.

Public Aid reviews, recalculates, and reevaluates account balances and payment distributions in response to inquiries and complaints. When a noncustodial parent protests an offset or account balance, the Child Support Account Maintenance Unit reviews the account balance. Child support clients and noncustodial parents may request Public Aid to review their case account balances and support payment distributions as well. Child support staff recalculate any delinquency or arrearage and the account balance using documentation provided by the noncustodial parent and Child Support Enforcement records. After reviewing each case, Public Aid staff make a determination as to the accuracy of the account balance.

After Public Aid has determined the accuracy of the balance or payment distribution, one of three actions will be taken. The noncustodial parent may appeal Public Aid's decision in tax protest cases. Any tax refunds intercepted by the Department must be held until the protest is resolved. If Public Aid's account balance is determined to be incorrect, staff adjust the account balance on the Family Support Information System. Otherwise, the recovered money is processed and distributed.

ACCOUNTS RECEIVABLE



At September 30, 1993, gross accounts receivable attributable to outstanding child support debts were \$1,283 million. This amount includes \$979 million of support which is due but unpaid plus \$304 million of arrearages ordered by the court. For example, the court could order an arrearage when a noncustodial parent is behind in support. The court could order the parent to pay an amount monthly toward the arrearage, in addition to the ongoing child support obligation.

Of the \$979 million, \$338 million is due directly to the State for reimbursement in Aid cases,

although Public Aid estimates it to be 96 percent uncollectible. Because receivables in Non-Aid cases are collected on behalf of custodial parents and the State has no other claim to these amounts, Public Aid does not estimate the uncollectible balance. Exhibit 3-2 shows the breakdown of the \$979 million of child support obligations.

In our sample of 382 support orders, the total accounts receivable were \$558,203. Exhibit 3-3 shows the breakdown of average accounts receivable per support order and the average number of monthly payments behind, both by case classification. The Non-Aid orders had the lowest average accounts receivable balance and the smallest average number of monthly payments behind.

In almost two-thirds of the support orders we reviewed (246 of 382), the noncustodial parent was two months or more behind in making the required child support payments. Overall, the noncustodial parent was an average of 8.1 months behind in making payments. The average delinquent amount was \$1,477.

Aging of Receivables

Public Aid does not age child support receivables properly. Receivables should be aged based on the number of days the obligation has been outstanding. Due to limitations in the current computer system, Public Aid ages child support accounts receivables according to each account's average number of delinquent monthly support payments. When child support

**Exhibit 3-3
AVERAGE ACCOUNTS
RECEIVABLE BALANCE
AND PAYMENTS BEHIND
BY CASE CLASSIFICATION**

	Monthly A/R Balance	Payments Behind
<i>Aid</i>	\$1,515	9.7
<i>Non-Aid</i>	\$1,374	5.3
<i>Aid/Conversion*</i>	\$1,411	6.7
<i>Interstate</i>	\$1,667	10.6

* *Cases where the client received public assistance at one time but is not currently receiving assistance.*

Source: OAG analysis of sample data.

is no longer assessed on an account, the aging balances no longer reflect the period of time obligations have been outstanding. Therefore, the aging schedules do not reflect the true age of the charges.

The Comptroller has provided guidelines for the aging of all accounts receivables due the State. The Comptroller's Unified Statewide Accounting System (CUSAS) guidelines state, "In order for an agency to effectively estimate the collectability of its receivables and properly focus collection efforts, each outstanding receivable due the State must be "aged" relative to its formal due date." In addition, CUSAS states that past due debts "must be aged according to the number of days beyond the due date that the debt has been outstanding."

As debt ages, the collectability of accounts receivables generally declines. However, the aging methodology utilized for child support debts does not accurately reflect the true age of the charges, nor the probability of collection. As a result, management is lacking receivable information critical to the

analysis of trends, assessment of collection effort effectiveness, and the determination of future collection strategies. According to Public Aid officials, there were 459,651 child support receivable cases with a variety of payment terms.

Recommendation Number 2

Upon implementation of the new computer system, the Department of Public Aid should age child support accounts receivable balances based on the actual number of days each charge is delinquent, as required by CUSAS.

Illinois Department of Public Aid Response:

We agree. Upon implementation, the new computer system will age child support accounts receivable based on the number of days each charge is delinquent.

Write-Off Policies and Practices

Policies and practices used by Public Aid for the write-off of uncollectible Aid child support receivable balances are not adequate. Policies and procedures currently in place limit write-offs in some calendar quarters. In addition, draft write-off criteria proposed by Public Aid do not include some elements of federal case closure criteria which should be applicable. In practice, the child support program has been unable to write off any uncollectible receivables due to computer system limitations. Even if receivables are written off, Public Aid could still pursue Aid collections if there would be a change in the status of a case.

Draft write-off criteria proposed by Public Aid do not include all appropriate case closure criteria, including:

- Writing off all receivables at the death of the noncustodial parent when there are no assets available.
- Writing off receivables when the noncustodial parent cannot be located after three years of continued effort.
- Writing off receivables when the noncustodial parent is institutionalized, incarcerated with no parole, or permanently disabled with no available income, assets, or support potential.
- Writing off receivables when the noncustodial parent is a citizen and resident of a foreign country and no income or assets can be reached.

Comptroller guidelines state that receivables deemed as uncollectible after all reasonable and appropriate collections efforts are exhausted may be written off if the cost of further collection efforts exceeds the reasonable value of future collections. Comptroller requirements state that accounts receivable over \$1000 must be submitted to the Attorney General for write-off approval. For these accounts, collection efforts must be reported in detail. In addition, prudent business practice dictates that accounts which will no longer be pursued should be removed from accounts receivable.

In compliance with Comptroller requirements, write-off policies should allow provisions to again seek support if there is some unexpected change in the status of the Aid case. For some cases that have been written off it may be appropriate to reactivate cases periodically for limited additional actions. For example, cases where the noncustodial parent could not be located could be checked annually to see if the parent could be found.

Recommendation Number 3

The Department of Public Aid should clarify their policy on writing off uncollectible child support receivables and should write off Aid receivables which are not collectible.

Illinois Department of Public Aid Response:

We agree. The new write-off policy will be clarified with an expected completion date of February 1, 1995. Accounts will be written off as allowed by write-off regulations.

Interest on Past Due Child Support

Circuit Courts do not routinely charge interest to parents for amounts that they are past due on child support. The Illinois Code of Civil Procedure requires that court judgments draw interest (735 ILCS 5/2-1303). In addition, the Illinois Marriage and Dissolution of Marriage Act states that "Any new or existing support order entered by the court...shall be deemed to be a series of judgments against the person obligated to pay support...." (750 ILCS 5/505(5)(d)). Generally, any interest that is collected would follow the principle. For example, a Non-Aid client would receive the interest collected on her account.

Although child support judgments should draw interest, the current child support computer system is not capable of tracking the interest, according to Public Aid child support officials. However, the new system to be implemented may be able to do so.

Recommendation Number 4

The Department of Public Aid should ensure that the new child support computer system being developed has the capability to accrue interest due past due accounts.

Illinois Department of Public Aid Response:

We agree. The new system will have the capability to accrue interest on past due accounts.

General Revenue Fund Transfer

The Public Aid Code (305 ILCS 5/12-10.2) requires that any unneeded balance remaining in the Child Support Enforcement Trust Fund at the end of each calendar quarter must be transferred to the General Revenue Fund. The transfer must be at least 10 percent of Aid collections received and retained before federal reimbursements and program expenditures. More than \$27 million had been transferred out of the Trust Fund into the General Revenue Fund during Fiscal Years 1989 through 1993. Exhibit 3-4 lists the annual transfer amounts and five-year total.

The 10 percent transfer not only limits the resources available to fund the Child Support Enforcement Program, but may also limit associated federal matching funds. Child support officials stated that there is a direct relationship between program resources and collections. They cited Arizona, which increased collections by 43 percent after spending money for program automation, staff training, and staff expansion. Child support collections that are spent on the program would be eligible for federal match of 66 percent.

Exhibit 3-4
**TRANSFERS TO THE
GENERAL REVENUE FUND**
Fiscal Years 1989-1993

Fiscal Year	Transfer
1989	\$3,383,398
1990	\$10,292,342
1991	\$3,624,767
1992	\$4,841,967
1993	\$5,687,747
Five-year total	<u>\$27,830,221</u>

Source: IDPA and Comptroller Data

COLLECTION AND ENFORCEMENT MECHANISMS

A number of mechanisms are available to assist Public Aid in collecting and enforcing child support due from noncustodial parents. These methods include income withholding (both wage and unemployment), federal income tax offsets, State income tax offsets and Comptroller's offsets, professional license revocations, judicial remedies, credit reports, and collection agency referrals. While income withholding and offsets allow collection of support payments, the goal of the other four enforcement tools is to encourage payment of delinquent support obligations. Exhibit 3-5 shows collections by source for these mechanisms for FY 1993.

Exhibit 3-5 COLLECTIONS BY SOURCE Fiscal Year 1993

Income Withholding - Wages	\$110,246,459
Income Withholding - Unemployment	\$5,606,034
Federal Income Tax Offset	\$18,540,424
State Income Tax Offset	\$866,164
Professional License Revocation	*
Judicial Remedies	N/A
Credit Reports	N/A
Collection Referrals	*

* Program not used during FY93

N/A Not Applicable

Source: IDPA Data Summarized by OAG

Case Example #3 Income Withholding

A noncustodial parent became more than \$1,100 delinquent in support. The court certified an arrearage for the delinquent amount, issued a wage withholding order for bi-weekly payments of \$173, and increased this amount by an additional \$15 to compensate for the delinquency. In compliance with the order, the employer has regularly been sending the payments to Public Aid.

Source: OAG Sample of Cases

Income Withholding

Income withholding is the primary tool used to enforce and collect child support orders for those who are employed. However, income withholding orders can also be used to withhold Unemployment Insurance and Worker's Compensation Benefits. Once an income withholding order has been established by a court, Public Aid must serve the order to the noncustodial parent's employer or the appropriate State agency. The income withholding order requires the noncustodial parent's employer or agency to withhold child support payments directly from the noncustodial parent's paycheck. Wages intercepted are generally submitted by the

employer to the Circuit Clerk's Office, although unemployment and worker's compensation benefit offsets are transferred directly to Public Aid. During Fiscal Year 1993, Illinois collected \$116 million with income withholding (wage and unemployment).

Federal and State Tax Offsets

The Family Support Information System automatically determines the eligibility of noncustodial parents for offsets of federal tax refunds and Comptroller payments, such as Illinois tax refunds, retirement benefits to State employees, lottery winnings, and payments to vendors. The system compares the eligibility criteria for these offsets to the payment histories and account balances of cases. To be eligible, noncustodial parents must be delinquent by more than three months and \$150 in Aid cases and greater than \$500 in arrears in Non-Aid cases.

Several steps are required to be taken prior to a federal tax refund or Comptroller offset. First, Public Aid notifies all eligible noncustodial parents of the pending tax offset. Then, the delinquent parent has 30 days to file a protest. If the noncustodial parent protests an amount, Public Aid has to check the account for accuracy in order for the IRS to accept it. Finally, Public Aid submits a tape of all eligible noncustodial parents to the IRS and the Department of Revenue annually. Eligibility lists are submitted to the Comptroller for offsets of other State payments on a monthly basis. During Fiscal Year 1993, Illinois collected \$18.5 million from the federal tax offset and over \$866,000 from State tax offset through the Comptroller.

Case Example #4 IRS Offset

A noncustodial parent more than \$1,800 and 6 months delinquent in his support obligation was sent a notice of delinquency from Public Aid. Although the notice stated the potential for a tax refund offset and provided an opportunity to satisfy the obligation, the noncustodial parent failed to respond. Subsequently, the Department intercepted \$1320 in federal tax returns to satisfy part of the absent parent's support obligation.

Source: OAG Sample of Cases

Professional License Revocations

A recent collection technique adopted by the State is to notify individuals that their professional licenses will not be renewed if they are delinquent in child support obligations. The Illinois Administrative Procedure Act requires applicants for license renewals to certify they are not more than 30 days late on any child support obligation (5 ILCS 100/10-65(c)). According to Public Aid officials, professionals that certify that they are not delinquent are also checked to assure that they are current on their child support. An applicant's failure to certify can result in denial of the renewal, and false statements may subject the licensee to

contempt of court. Applicants found to be delinquent in paying support are given the opportunity to contest or arrange for payment of past due and current support. If the licensee fails to satisfactorily arrange for payment or resolve the issue, the licensing agency can revoke or refuse to renew the applicant's license. For example, Public Aid officials stated that in May 1994, 31 licensees seeking renewal of their professional licenses were identified as being delinquent. They were sent notices by the Department of Professional Regulation of its intent to refuse license renewal if the delinquent support obligations were not met.

Judicial Remedies

Statutes allow Public Aid judicial remedies for recovering delinquent child support, including judgment liens and asset seizure. Judgment liens may be requested when the noncustodial parent is delinquent by the lesser of \$2000 or one year's support obligation, and a known interest in real estate or personal property exists against which the judgment may be enforced. After a judgment has been obtained, assets can be seized to recover unpaid child support. The noncustodial parent has an option to pay the judgment in full in order to release the lien and recover the assets.

Exhibit 3-6
COOK COUNTY ASSET RECOVERY UNIT

The State's Attorney's Office in Cook County established an Asset Recovery Unit in June, 1993. The Unit investigates the financial status of child support defendants and files liens on any assets identified. After a judgment has been obtained, assets can be seized to recover unpaid child support. In the first nine months of operation, over \$290,000 in unpaid child support was recovered, more than \$100,000 in additional assets were frozen, and 31 liens were filed.

Source: Public Aid

Procedures for filing liens vary from county to county. The child support legal representative for each county served is responsible for specific filing procedures, as well as for requests and enforcement. Exhibit 3-6 shows an example from the Cook County Asset Recovery Unit.

Credit Reports and Collection Referrals

Other enforcement tools used by the Department are credit bureau reporting and collection agency referral. A noncustodial parent is eligible to be reported to credit bureaus when he has a past-due child support obligation in excess of \$1000. However, the noncustodial parent is first given the opportunity to protest or submit the delinquent amount to the Department in order to avoid credit bureau reporting.

In addition, Public Aid began a pilot collection agency referral program for past due accounts during the second half of Fiscal Year 1994. The program resulted in collections of almost \$20,000 in the six months of operation. Contracts are currently being negotiated to continue the referral of past-due accounts to collection agencies.

DEVELOPMENTS IN FINANCIAL PROCESSING

Other states have implemented programs to help enforce and collect child support from noncustodial parents. Some examples of those programs are described below.

Revocation of Drivers' Licenses

States have passed legislation to revoke or fail to renew drivers' licenses of individuals delinquent in paying child support. The intent of such legislation is to encourage timely payment of child support and to enforce payment of delinquencies. Maine and California, which have implemented such laws, have successfully increased collections and compliance with support orders. In Illinois, only professional and business licenses are revoked for failure to pay child support or to establish a satisfactory payment plan for such delinquent support.

The Illinois Administrative Procedure Act mandates State licensing agencies to require certification on all license renewal applications that the applicant is not delinquent in paying child support (5 ILCS 100/10-65). This law allows agencies to refuse renewal or revoke licenses of noncustodial parents more than 30 days past due in paying child support. According to Public Aid officials, only the Department of Professional Regulation requires licensees to so certify. This statute is very general and does not specify which licensing agencies should be participating. It is not clear whether the statute applies to the Illinois Secretary of State and drivers' licenses.

Maine is one state which revokes the drivers' licenses of individuals delinquent in their child support. As a result, 46 percent of the 17,000 delinquent noncustodial parents notified that their drivers' licenses would be revoked responded by paying \$6.7 million within six months. At this time, payment agreements have been reached with more than 99 percent of those noncustodial parents initially notified.

California has a similar statute which applies to business and professional licenses, including occupational drivers' licenses. Over 50 percent of California's license matches were attributable to occupational drivers' licenses. Officials estimate the average collections per match to be \$1000 to \$1200 each for 1993. In one California county, 79 percent of

delinquent noncustodial parents identified by the system were still making regular payments after a year.

**MATTER FOR CONSIDERATION
BY THE GENERAL ASSEMBLY**

The General Assembly may wish to consider amending the Illinois Administrative Procedure Act to clarify which licensing agencies should be involved in the process of collecting child support (5 ILCS 100/10-65). In particular, clarification may be necessary in relation to whether the Secretary of State can revoke or refuse to renew the drivers' licenses of noncustodial parents who are delinquent in paying their child support.

Department of Public Aid Response:

The Department supports clarification of this statute.

Office of the Secretary of State Response:

The Office of the Secretary of State has been conducting studies to determine their role in lending support to an enhanced method of enforcing the collection of delinquent child support through the Illinois Department of Public Aid. The roles of personnel in the Driver Facilities, Data Processing, Administrative Hearings, and necessary changes to existing Administrative Rules are being quantified.

Based on resource impact studies to date, the Office of the Secretary of State is of the opinion that specific legislation would be necessary both to address the goal and to make provisions for certain required support activities within the Office. Said legislation with appropriate funding for implementation could aid in accomplishing a more efficient Illinois' Child Support Enforcement Program.

Administrative Remedies

As discussed in Chapter Two, administrative processes can help expedite various functions of the program, avoid court backlogs, and reduce program expenditures. Chapter Two summarized administrative processes for paternity and support order establishment used in other states. Here, administrative processes for enforcing support obligations are discussed.

Illinois law provides for judicial remedies to collect and enforce child support when the traditional methods of collection, such as wage withholding and tax refund and Comptroller's intercepts, are not successful. When a delinquent noncustodial parent has a known interest in real estate or personal property, Public Aid may request the court to levy a judgment lien against the assets. If a judgment is obtained, the assets can be seized to satisfy the obligation.

Using administrative remedies could allow similar collection authority without going through the court. In several states, administrative remedies have been used to enforce and collect child support obligations from delinquent noncustodial parents with good results. One example is Massachusetts, which allows the child support program to administratively issue liens, seize bank accounts, income, and other assets upon identification, and force liquidation of these assets. Exhibit 3-7 describes the administrative process and results achieved by Massachusetts. Other states which have successfully implemented administrative remedies include California and New Jersey. Illinois Child Support officials stated that the authority to force liquidations administratively is a powerful tool for collecting and enforcing child support.

Exhibit 3-7
MASSACHUSETTS'
ADMINISTRATIVE REMEDIES

Massachusetts' program issues administrative liens on delinquent noncustodial parents. If a lien is not protested after 30 days, the program runs automated tape matches of various statewide databases to identify assets, income, and resources owned by delinquent responsible relatives. Upon identification, the assets are automatically seized and may be liquidated in order to satisfy support obligations. During the three years following implementation of automated administrative enforcement, the State reported increasing the number of paying cases by 41% and increasing collections by 23%.

Source: OAG compiled from several sources

Electronic Funds Transfers

Some states have conducted demonstration projects offering noncustodial parents and employers the option of electronic funds transfers for the payment of child support. Offering this convenience should not only help to ensure the timeliness of child support payments, it may also increase the accuracy of information, efficiency, and cost effectiveness of the system. Some of the states which have used electronic funds transfers as one method of paying child support or processing interstate collections include: Indiana, Iowa, Kansas, Missouri, Nebraska, Delaware, and New York.

Recommendation Number 5

The Department of Public Aid should study child support developments that have been used in other states and pursue changes that would be beneficial for the Illinois child support enforcement program. Items to consider include:

- more administrative processes;
- eliminating the 10 percent General Revenue Fund transfer;
- employer reporting of new hires; and
- electronic funds transfers.

Illinois Department of Public Aid Response:

We agree. The Department has child support developments used by other states under consideration. This includes the items suggested by the Auditor General. The General Assembly recently passed new legislation to include more administrative processes for paternity establishment.

CHAPTER FOUR TIMELINESS & COMPLETENESS OF SUPPORT ORDERS

When Public Aid had established a support order or was close to establishing paternity or a support order, 78 percent of sampled cases (119 of 153) met federal guidelines for timeliness. However, only 18 percent of sampled cases (78/430) had a provision established for paying child support 20 months later, in June 1994. For the cases with a support order it took an average of 272 days from application to establish the order.

There are conditions that are beyond Public Aid officials' control that limit their efforts to establish child support orders. For example, in our sample of cases, Public Aid had little chance of establishing child support for 18 percent of the incidents where they were pursuing support. The reasons include that the father of the child has not been named, the courts have determined that the noncustodial parent cannot pay child support, or the noncustodial parent is in prison.

Many support orders in our sample did not contain statutorily required information: 62 percent were missing required information relating to notice provisions and 82 percent were missing required termination date information. Twenty percent of support orders for Aid clients did not address medical support, as required by federal law. Including health insurance in a support order can help to reduce the State's Medicaid expenditures.

The form and content of orders varied considerably from county to county. The General Assembly may wish to consider establishing a standard support order form that could provide valuable information to track noncustodial parents and enforce support orders.

TIMELINESS OF SUPPORT ORDERS

When Public Aid had established a support order or was close to establishing paternity or a support order, 78 percent of sampled cases (119 of 153) met federal guidelines for timeliness. However, only 18 percent of sampled cases (78/430) had a provision established for paying child support 20 months later, in June 1994.

We examined a statistically valid random sample of 357 cases that were opened during October of 1992 and followed their progress through June 1994. We defined a case as a client with all associated noncustodial parents. For the 357 cases, we identified and reviewed 430 incidents where the Division was pursuing child support. Cases resulted in multiple instances of support action being taken for several reasons, including when the children in a family had more than one father. Consequently, the number of incidents/actions tested exceeded the number of actual cases reviewed.

For those cases where support orders were established, Public Aid complied with federal timeliness guidelines 94 percent of the time (66/70). When considering all cases in the final stages of establishing support, the process to pursue child support was timely 78 percent of the time (119/153). Cases in the final stages of establishing support include cases with support orders (70), cases with special accounts established to pay support (8), cases where a support order is being pursued (25), and cases where parentage is being pursued (50). Federal auditors consider states to be in compliance with requirements if they have a 75 percent "efficiency" rate.

In addition to the cases in the final stages, the remaining cases fall into two additional broad categories, cases which are not ready to seek support and cases for which establishing support is unlikely. Exhibit 4-1 shows the breakdown of the case status for the 430 incidents.

Forty-six percent of cases were **not ready to seek support** (199/430). They were in early stages of the process and did not have all of the information needed to establish a support order. This includes the cases where they are trying to locate the noncustodial parent (151) and cases where they are attempting to schedule an interview with the client (48). In many of the scheduling cases, the client has continually failed to show up for appointments or has been generally uncooperative.

Exhibit 4-1 BREAKDOWN OF CASE STATUS	
<i>Not Ready to Seek Support</i>	199
<i>Seeking Parentage</i>	50
<i>Seeking Support Order</i>	25
<i>Special Accounts</i>	8
<i>Support Orders</i>	70
<i>Support Unlikely</i>	78
<i>Total Incidents</i>	<u>430</u>
<i>Source: Analysis of OAG sample</i>	

In 18 percent of the cases **establishing support is unlikely** (78/430). They are cases over which Public Aid has little control. For these cases there is little prospect for establishing a support order, at least for the time being. This category includes the cases where no father has been named for the child (31), cases which are

tagged for closure (20), cases where paternity was established but the court reserved support (18), and cases where the child support staff determined that action was inadvisable (9). Examples of action inadvisable include where the father has been incarcerated or where the parents are currently living together.

The following sections review the timeliness data we collected, along with the timeliness guidelines established by the federal Child Support Enforcement Division for different phases of the child support process. Due to the complexity of the process, and the varying actions which may be needed and when they are needed, the federal guidelines generally do not establish one set time requirement, but set several, depending on the child support actions required.

Case Establishment

Federal timeliness requirements say that when a client requests an application for child support services from Public Aid, it should be provided that day or within no more than five working days of a written or telephone request. Federal Regulations also state that cases should be established within 20 days of a referral or of the filing of an application. An application is considered filed when both it and the application fee are received.

Aid cases do not require applications because the child support enforcement program is mandatory; therefore, cases are established automatically when they are referred from the Public Assistance program. Non-aid cases require applications. However, because the client must complete and return the application before a case is established, case establishment is client dependent. Therefore, we did not test the timeliness in terms of days to case establishment. After a case is established, noncustodial parent location is often the first service needed by clients.

Location of Noncustodial Parent

Thirty-five percent of the child support incidents from our sample (151/430) were classified as being in the parent locate phase. Parent locate was the phase of child support enforcement with the largest number of cases. Even when a noncustodial parent address is located through either the State or federal Parent Locate Services, the parent may have subsequently moved. For example, an address provided may be used to attempt to serve a court summons. During that service, child support staff may find that the address is no longer valid.

Federal regulations are more general for parent locate services than they are for other child support services. They allow 75 calendar days, after the determination that locate services are needed, to access all appropriate locate services and ensure

that location information is sufficient to take the appropriate action in the case. In the most recent federal audit (September 1994), federal auditors gave Illinois' Parent Locate service a 99 percent "efficiency" rating. This rating measures whether the child support program has taken required steps for parent locate, not whether the steps have been effective. For example, this means that they have used the available locate services within the time period established, not that they have located the noncustodial parent. A 75 percent rating is needed to be in compliance with federal requirements. Once a noncustodial parent is located, then the next step is often to either establish parentage or to establish a support order.

Days to Establish Parentage

The Division of Child Support established parentage in 21 percent (92 of 430) of the sample cases. In our review of cases where the Division was seeking paternity, 84 percent moved through the process timely when compared to the federal time requirements. They used an average of 261 days to establish parentage in those sample cases.

Exhibit 4-2 shows the range of days to establish parentage was 0 to 637. In 18 of the 92 sample cases where parentage was established, no support order was obtained. In these cases, the court determined that the noncustodial parent could or should not pay support. Support orders are generally established at the same time when paternity is established in court.

Exhibit 4-2 SAMPLE CASES DAYS TO ESTABLISH PARENTAGE	
Average	261 Days
Range	0-637 Days
Federal timelines	90 to 550 Days
Source:	OAG analysis of sample data and federal regulations

Federal requirements for establishing parentage vary based on the individual circumstances of the cases. Federal regulations state that filing for paternity should occur within 90 calendar days of locating the alleged father or completion of the process to establish paternity. (Service of process is service of writs or summonses.) After successful service of process, paternity must be established within one year.

Days to Establish a Support Order

Exhibit 4-3 NUMBER OF DAYS TO ESTABLISH SUPPORT

Average 272 Days
Range 0 - 637 Days
Federal timelines 90 to 640 Days
*Source: OAG analysis of sample data
and federal regulations*

After parentage is established, the next step is to seek a support order. Exhibit 4-3 shows the average number of days the Division of Child Support Enforcement spent establishing each support order and the range of days for individual orders. Support orders were established in 16.3 percent (70/430) of the cases in our sample. It took an average of 272 days to obtain the orders from the point a case entered the system in October of 1992. Exhibit 4-4 shows the breakdown of the 70 support orders

by case classification. For those cases where support orders were established, Public Aid complied with federal timeliness guidelines 94 percent of the time (66/70).

Special Accounts

The Division of Child Support Enforcement also receives payments for child support for cases where no payment account has been established. There must be an account established in order to properly distribute the payment. Payment accounts are normally established when a support order is entered in the system. When no support order is entered on a case and money is received, special accounts are established so that the payment can be distributed. For example, there may be a case where the noncustodial parent sends a payment directly to the custodial parent under an existing order. In the meantime, the custodial parent applies for Aid. The custodial parent sends the payment to the Division of Child Support Enforcement because it is required for Aid recipients. A "special account" (interim) is established in these cases to facilitate distribution of the payment. Special accounts are cancelled when an order is entered by the Division of Child Support Enforcement.

Exhibit 4-4 SUPPORT ORDERS IN SAMPLE BY CLASS OF CASE

Aid 26
Conversion 5
Do not Continue 1
Non-aid 22
Interstate 16

Source: OAG analysis of sample data

Enforcing Support Orders

In 39 percent of cases needing enforcement action in our sample, the Division of Child Support Enforcement was not timely in taking enforcement actions on delinquent child support payments. Of the 38 cases in our sample in the collection phase, the Division of Child Support Enforcement had not taken action on delinquent payment within the required time for 13 of the cases.

Federal regulations state that when no service of process is necessary, action must generally be taken within no more than 30 calendar days of identifying the delinquency or the location of the noncustodial parent, whichever occurs later. If service of process is necessary, then child support generally has 60 calendar days to take the action noted above. For most of the cases in our sample non-judicial actions were used.

In our sample, 61 percent of cases (23/38) which we classified in the collection phase had an enforcement action within the 30 day requirement. Two additional (5 percent) cases had a judicial action within 60 days. The remaining 34 percent of cases (13/38) took more than the allowed time. The average number of days was 34 and the highest number of days taken was 179. During the period of our testing (October 1992 through June 1994) Public Aid made changes in their system to respond to a finding in this area in a federal Department of Health and Human Services (HHS) audit. As a result of the most recent federal audit (September 1994), federal auditors gave an "efficiency" rating of 86 percent in the area of enforcement.

SUPPORT ORDER CONTENT REQUIREMENTS

Many of the support orders we reviewed did not contain all the statutorily required provisions. Also, support orders varied significantly in their form and content. We conducted a random sample of 382 support orders which were effective on or after October 1, 1992, to test the content of the orders against statutory requirements. Support orders are prepared by legal counsel (State's Attorneys and Attorney General staff) and reviewed and signed by Circuit Court Judges.

The State requirements for information to be included in a support order are included primarily in one act. One requirement of the Illinois Parentage Act of 1984 is that the final order shall state the support in dollars (750 ILCS 45/14). In our sample, 100 percent of the support orders we sampled had the support amount in dollars.

Medical Insurance Requirements

Another requirement of the Illinois Parentage Act of 1984 relates to medical insurance. Twenty-six percent (100/382) of the support orders sampled did not contain a provision addressing medical support. Exhibit 4-5 shows the proportion of child support orders for which medical support was not addressed as well as those where medical support was ordered or reserved.

The Illinois Parentage Act of 1984 requires that whenever the Court establishes, modifies, or enforces a child support order, if the person receiving the child support payments or a Public Office

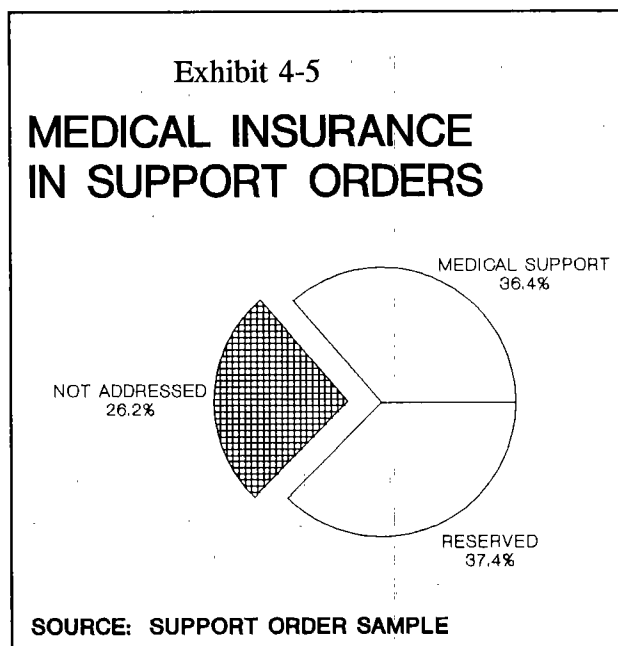
requests, the Court shall order that any child covered by the support be named as a beneficiary of any health insurance plan available to the person owing the child support payment.

In both Aid and Non-Aid cases, the dollar amount of the premiums paid by the noncustodial parent are considered an additional child support obligation and therefore, reduce the net income amount that is used to calculate the required support. Some clients in Non-Aid cases may not request health insurance coverage because the amount of the premiums may reduce the cash amount of the child support payment they receive.

Medical Insurance for Non-Aid Cases

Federal regulations make ordering health insurance a requirement when the client is on public assistance. Having a noncustodial parent provide health insurance coverage can result in reduced Medicaid expenditures for the State. Public Aid officials estimate that an average of approximately \$1,092.51 is spent on medical care for each public assistance child per year.

Based on data we collected, 49 percent of the cases in our support order sample were receiving public assistance in Illinois. In 30 percent of these cases, medical support was ordered. In 50 percent of the court orders, the Court reserved medical insurance. In these cases, the noncustodial parent did not have the capability



of providing medical support, for reasons such as being unemployed or, if employed, does not have access to health insurance. However, the court has retained the right to order insurance in the future should the circumstances of the noncustodial parent change. In the final 20 percent of the cases, medical support was not addressed in the order. In the most recent HHS review of the child support program, federal auditors determined that medical support enforcement had an "efficiency" rate of 98 percent.

New Requirements

In addition, Public Act 88-307, effective August 11, 1993, amended the Illinois Parentage Act of 1984 adding two additional provisions to be included in support orders. Those provisions and our testing results on those provisions are shown below.

- A provision requiring the noncustodial parent to notify Public Aid within 7 days: (1) of the name and address of any new employer; and (2) whether the noncustodial parent has access to health insurance through the employer and, if so, the policy name and number and the names of the persons covered under the policy (750 ILCS 45/14 (h)). Of the orders we sampled which were enacted after this requirement became effective, only 38 percent of the orders contained this notifying provision (78/204).
- A provision that a child support order will include the date that the current support obligation terminates and a statement that the termination date does not apply to any arrearage that may remain unpaid on the termination date (750 ILCS 45/14 (i)). Of the orders we sampled which were enacted after this requirement became effective, only 18 percent of the orders contained this termination provision (36/204).

Income Withholding Requirements

Statutes contain some additional requirements that relate to Income Withholding Orders. Income withholding orders were available or ordered in most of the support orders that we tested. The content of wage withholding orders is defined more clearly in statutes than the content for support orders, and there was more consistency in the form of the wage withholding orders in our sample than in the support orders. The Illinois Parentage Act of 1984 requires that the wage withholding orders contain the following information:

- direct the payor to withhold a dollar amount equal to the order for support;

- direct any payor to withhold an additional dollar amount, not less than 20 percent of the order for support, until payment in full of any delinquency stated in a notice of delinquency is paid;
- direct any payor or labor union to enroll a child as a beneficiary of a health insurance plan and withhold any required premiums;
- include the noncustodial parent's social security number;
- include the termination date of the support order which matches the termination date in the support order (added in 1993); and
- state the rights, remedies and duties of the noncustodial parent.

In our testing, we reviewed withholding orders when they were available. Only 38 percent of withholding orders contained the required provisions (92/245).

Recommendation Number 6

The Department of Public Aid should work with the State's Attorney, the Attorney General, and Circuit Court Judges to assure that support orders and income withholding orders include the provisions required by the Illinois Parentage Act of 1984 (750 ILCS 45/1 et seq.) and other appropriate statutes.

Illinois Department of Public Aid Response:

We agree. The Department currently does this on a regular basis by reviewing cases and discussing the need for all relevant information to be included in support orders and income withholding orders.

Standard Support Order Form

The support orders that we examined varied in their form and content. Having a standard support order form could improve the quality of information available from support orders. In 1989, Supreme Court Rule 296 was issued which addressed the content of support orders. The Rule was experimental and was used in counties where both the Chief Circuit Judge and the clerk of the circuit court have agreed to use the procedures in the Rule and have sought permission to participate. Only four

counties chose to participate in the experimental procedures (DeWitt, Douglas, Piatt, and Wayne).

Rule 296 provides a sample support order that includes the noncustodial parent's address, telephone number, driver's license number, social security number, employer name, and employer address and telephone number. Other information required includes the names of the children, their birth dates, and the term of their support.

In addition to the information requested on the standard form from Rule 296, a support order could contain information, if available, on the current gross income of the noncustodial parent. The Courts are required by statute to document reasons for not establishing support at statutory guideline amounts. Indicating the gross income amount from which support was calculated would document that guidelines were appropriately applied in each case.

Having the additional information in support orders would be useful to Public Aid or the Court if the orders need to be modified at a later date. Exhibit 4-6 shows the percentage of support orders in our sample that were missing certain basic information. This information is not currently required, but may help Public Aid and the Court to track noncustodial parents and enforce the support orders. A standard form for child support orders would also provide some consistency in documenting child support orders and help to ensure that all required elements of child support are addressed in court.

Exhibit 4-6 INFORMATION NOT INCLUDED IN SUPPORT ORDERS	
<i>Noncustodial Parent:</i>	
<i>Address</i>	55.8%
<i>Phone Number</i>	98.4%
<i>Driver's License Number</i>	99.2%
<i>Social Security Number</i>	30.6%
<i>Employer Address</i>	93.2%
<i>Employer Phone Number</i>	98.7%
Source:	OAG analysis of support order sample.

**MATTER FOR CONSIDERATION
BY THE GENERAL ASSEMBLY**

The General Assembly may wish to consider amending the statutes to prescribe a standard format for child support orders. In addition to information already required, consideration should be given to including the following information:

- *Noncustodial parent address and telephone number;*
- *Noncustodial parent employer's address and telephone number;*
- *Noncustodial parent gross income per month, week, etc;*
- *Noncustodial parent driver's license number;*
- *Noncustodial parent social security number;*
- *Whether medical support has been addressed;*
- *Any other information needed to appropriately track noncustodial parents and enforce support orders.*

Department of Public Aid Response:

A standard, prescribed format would assist the Department in tracking, enforcing, modifying, data entering, and documenting collection activities. It would also assist in ensuring all required elements of child support are addressed in court.

CHAPTER FIVE THE CHILD SUPPORT COMPUTER SYSTEM

Public Aid is in the process of developing and implementing a new computer system for the child support enforcement program. The Family Support Act of 1988 mandates that states have an automated child support information system by October of 1995. Illinois' present child support information system does not meet all of the requirements for a comprehensive, statewide automated child support enforcement system.

BACKGROUND

The major data processing system used by Public Aid to support the child support program is the Family Support Information System (FSIS) which became operational in 1977. Information on clients, children, and noncustodial parents for child support enforcement cases is maintained, processed, and retrieved by the Family Support Information System.

Child support cases are entered on FSIS in one of two ways. For Aid to Families with Dependant Children (AFDC) clients, cases are opened through an automated interface with the computer system used for AFDC cases. For the non-assistance cases, information is entered through the application process at the child support enforcement offices located around the State. As additional information on the client and noncustodial parent is obtained, it is entered into FSIS.

FSIS also handles all the account transactions associated with a case. The establishment of a child support order is recorded on FSIS. Support payments made and disbursed, accounts receivable, and monies received from enforcement actions are all entered into FSIS. The Circuit Clerks have their own account receivable systems which are used for both child support payments going through Public Aid, as well as for private cases in which Public Aid is not involved.

Audits of the Computer System

The child support program has made various changes to improve the quality and completeness of data within their computer system. Audits conducted by the

federal government and Public Aid's own internal audit division identified some problems with the accuracy of data in the FSIS system. In October of 1992, an audit was completed by the federal Department of Health and Human Services (HHS) covering the period October 1, 1987 through September 30, 1988.

The audit noted a number of deficiencies including a lack of documentation maintained on the FSIS and manual case management system. Public Aid submitted a corrective action plan in February 1993 to demonstrate how they would resolve these problems. In February 1994 federal auditors began additional testing to determine whether the changes resolved the problems. In September 1994 the Illinois program was notified that they were in compliance with the standards in all of the tested areas.

An internal audit conducted by the Department of Public Aid in June of 1990 also noted problems with data accuracy. The audit had findings in three areas: data entry controls, timely processing of case information, and controls in the Responsible Relative (noncustodial parent) Subsystem. The audit recommended that the child support program expand source document verification and input validation procedures. These recommendations were accepted and data is now subject to additional verification procedures.

In addition, we reviewed data within the FSIS system for accuracy. In our sample of support orders we compared the terms on the support order to those in the FSIS. We identified only two errors in the 382 cases tested in our sample.

FEDERALLY REQUIRED NEW COMPUTER SYSTEM

Since 1981, the federal government has supported the development of automated information systems for child support enforcement programs by providing enhanced federal financial participation of up to 90 percent. This support provides states with the financial resources to develop and acquire automated systems which meet the requirements of federal law.

The federal Family Support Act of 1988 required that all states implement child support computer systems and have those systems fully operational by October 1, 1995. Federal regulations specify system requirements for federal certification. If systems do not meet requirements, the federal child support program is authorized to suspend further federal funding. As an interim goal, each state was required to submit an advance planning document by October 1, 1991 and gain final approval by July 1, 1992. All states and territories, including Illinois, received approval of their implementation planning documents by June 30, 1992.

To aid in the development of the new computer system, in 1988 Public Aid contracted for an in-depth evaluation of the current system against the requirements of the certification guidelines, federal and State laws, and lawsuits. The evaluation found that although the original system design was effective, changes in requirements over the years had resulted in some processing inefficiencies. Areas of non-compliance with the federal requirements, as well as processing and system inefficiencies, were identified and alternatives for their elimination were presented.

The same evaluation report addressed areas of compliance with the federal requirements that a certified system must meet.

- The system must incorporate all political subdivisions and agencies or individuals performing child support activities related to Public Aid cases within the State. If courts or other State agencies are actively involved in performing child support functions, these agencies must be a part of a single unified system.
- The system must be able to identify various types of payments, distribute payment for foster care cases, and retain amounts due to the State and federal governments. Illinois also needs various interfaces to other systems to facilitate sharing of information.

In January of 1991, Public Aid issued a request for proposal for a new Family Support Information System. The purpose of the proposal was to improve the overall operation of the child support program by enhancing or replacing the old Family Support Information System. Goals of the proposal included:

- to comply with federal, State, and Public Aid regulations;
- to comply with federal requirements for Automated Systems for Child Support Enforcement and the Family Support Act of 1988;
- to attain federal certification;
- to respond to existing or anticipated court orders; and
- to provide for optimal operating efficiencies and cost effectiveness.

Submitted proposals were received and reviewed, and the contractor was chosen in 1991. Work began in December of that year. The total estimated cost associated with the new system is \$31.5 million. This includes \$7 million for a contract to develop and implement the new system plus expenditures for staff, Circuit Clerks, hardware, software, installation, and other miscellaneous items. Some milestone dates associated with the FSIS development are shown in Exhibit 5-1.

Two alternatives were considered for the computer system. The first alternative was the enhancement of the existing FSIS System for case processing functions and the creation of new financial components using another state's system as the model. The second alternative was the replacement of the entire FSIS system with a modified system from two other states. Public Aid selected the second alternative. The contractor's design proposes substantial revisions to the other states' systems so that it can function properly with the structure of Illinois' Court system and Child Support Program.

The new system is designed to provide automation for each of the major program functions for the Child Support Enforcement Program. Exhibit 5-2 shows the major program functions.

One of the major changes designed into the new system is an interface between the FSIS system and the Circuit Clerks' offices. If this interface works as planned, payments received by the Circuit Clerks will also be reflected on the FSIS system, thereby reducing the time taken to distribute support payments to clients.

Exhibit 5-1
**CHRONOLOGY OF EVENTS
 CHILD SUPPORT COMPUTER SYSTEMS**

- 1977 Original child support computer system becomes operational.
- 1981 Enhanced federal funding becomes available (up to 90%).
- 1988 Family Support Act of 1988 mandates the implementation of automated Child Support Enforcement systems in every state.
- 1988 Illinois Department of Public Aid contracts to assess existing FSIS system.
- 1991 Illinois Department of Public Aid issues Request For Proposal for a new child support computer system. Work began in December of 1991.
- 1992 All states receive approval of their implementation plans for automated child support enforcement system.
- 1993 General Design of Illinois' computer system completed.
- 1994 Detail Design of Illinois' system submitted for approval by contractor.
- 1995 Child support computer systems scheduled to be fully operational in all states.

SOURCE: Public Aid and federal documents

As data quality was a problem with the old system, the new system is designed to have a number of elements to control data integrity. First, the edits for data entered on-line should be more extensive than those of the old system. In the new system's design, data elements will either have specific edit checks where only certain answers are acceptable or will have reasonableness checks, such as prohibiting numeric characters in alpha fields. Second, the AFDC system plans to change edits to match the FSIS system. This should improve the quality of data that comes from the AFDC system. Third, Public Aid is building a quality control process to identify recurring problems. Recurring problems can be identified and traced to a specific worker based on system identification numbers. This system is being developed by Public Aid and not the contractor. Fourth, the design calls for data from Circuit Clerks to be edited at the Clerks' offices and also electronically pass through the Public Aid edits.

Exhibit 5-2
**MAJOR FUNCTIONS
OF NEW FSIS SYSTEM**

- Case initiation and management
- Parent locate
- Establishment of paternity
- Establishment of support orders
- Interstate processes
- Financial management
- Child support payment posting
- Child support disbursement
- Report and document generation
- Security and privacy maintenance

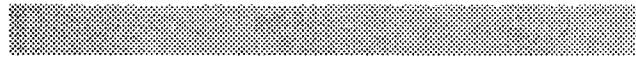
Source: Illinois Department of Public Aid

The new FSIS is designed to maintain important paper documents using an imaging process. Paper documents should be scanned in so that they can be accessed through the computer system. This should eventually allow appropriate child support workers to review the images of these documents from any child support regional office in the State.



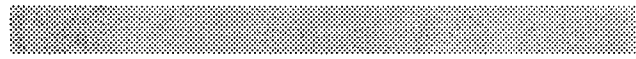
APPENDICES





APPENDIX A

AUDIT RESOLUTION NUMBER 98



Legislative Audit Commission

RESOLUTION NO. 98

Presented by Senators DeAngelis and Topinka and
Representative Hannig

WHEREAS, non-payment of child support is the greatest single cause of dependence on public assistance for most families and results in an increased burden on Illinois taxpayers; and

WHEREAS, in Fiscal Year 1993, the Illinois Department of Public Aid reported collecting \$202 million in child support; and

WHEREAS, the National State Auditors Association has invited the Illinois Office of the Auditor General and auditors in other states to participate in the conduct of a joint audit of states' child support collection programs; and

WHEREAS, a joint audit of child support collections offers a unique opportunity to not only develop recommendations to improve individual state collection programs, but also to propose changes in federal requirements which may help state collection efforts become more effective; now

THEREFORE BE IT RESOLVED by the Legislative Audit Commission of the State of Illinois that the Auditor General is directed to participate in the National State Auditors Association's joint audit of the State's efforts to collect child support payments. The Auditor General shall conduct a management audit of the child support collection and enforcement program administered by the Illinois Department of Public Aid.


BE IT FURTHER RESOLVED that the audit shall include, but need not be limited to, the following determinations:

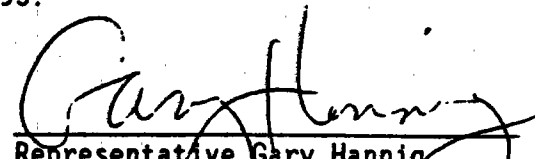
- 1) Whether the Department is obtaining child support orders in a timely manner;
- 2) Whether the Department's system to enforce and collect child support can be made more effective; and
- 3) Whether child support orders include all required provisions.

BE IT FURTHER RESOLVED that the Illinois Department of Public Aid, the Comptroller, and all other State agencies which may have information relevant to this audit shall cooperate fully and promptly with the Office of the Auditor General in the conduct of this audit; and

BE IT FURTHER RESOLVED that the Auditor General shall commence this audit immediately and report his findings and recommendations by December 15, 1994 in accordance with the provisions of the Illinois State Auditing Act.

Adopted this 25th day of October, 1993.


Senator Aldo A. DeAngelis
Cochairman


Representative Gary Hannig
Cochairman


Representative Margaret Parcels
Secretary



APPENDIX B

SCOPE AND METHODOLOGY



APPENDIX B SCOPE AND METHODOLOGY

During the audit, we reviewed in detail the statutes, federal regulations, and Public Aid policies and procedures that deal with establishing, collecting, and enforcing child support. We toured and reviewed the child support operations in Cook County as well as the regional office and the central office located in Springfield.

We interviewed Public Aid officials, child support staff, representatives from the federal Office of Health and Human Services, Sangamon County State's Attorney, and representatives of the Attorney General's Office. We also contacted child support enforcement advocacy groups on both the national and local levels.

We reviewed audits of child support activities conducted by Public Aid's Division of Internal Audits, other state's audits, federal audits of Illinois' child support enforcement program, reports on child support enforcement, and Public Aid's financial statements audited by the Compliance Division of the Auditor General's Office.

REVIEW OF AGENCY SYSTEMS AND CONTROLS

We reviewed internal controls relating to Public Aid's child support enforcement program. Our review and the assessments performed as part of the federal audit showed some weaknesses in the controls. Exceptions that were noted are identified as findings in this report and have been identified as findings in federal audit reports. We tested a statistically valid random sample of child support cases processed and a statistically valid random sample of child support orders established.

To achieve the audit's objectives we relied on computer-processed data contained in the current Family Support Information System (FSIS). We reviewed the internal control assessments and general and administrative controls performed by the Office of the Auditor General's Compliance Division on the current FSIS system. We reviewed the computer records and verified the information on application and support order establishment by comparing them with source documents in Public Aid's microfiche records. Based on these tests and assessments we concluded that the data are sufficiently reliable to be used in meeting the audit objective(s).

Public Aid is also in the process of implementing a new computer system for the child support enforcement program. According to federal regulations, the new system must be completed by October of 1995. To assess the new computer system we reviewed the contract for the new computer system, the Illinois Advanced Planning Document and updates, relevant sections of the Implementation Plan, Conversion Plan, Systems Resource Requirement Plan, and relevant sections of the General Design document. We relied upon the Illinois Department of Public Aid's Internal Audit Department to review relevant portions of the computer development project. We also interviewed agency personnel and reviewed relevant documents to: ascertain the adequacy of data input controls for the new system; determine if there was adequate systems documentation; and determine if there are adequate security controls.

We relied upon the Department of Health and Human Services to assess compliance with existing federal guidelines for the FSIS system and new computer system under development.

SAMPLE OF CHILD SUPPORT CASES

We tested a statistically valid random sample of 357 child support cases to test Public Aid's timeliness in obtaining support orders. Our testing was based on a 95 percent confidence interval and an error rate of plus or minus 5 percent. We compared case data with federal timeliness guidelines for the various stages in establishing a support order. We also tested the completeness of case information in the Family Support Information System (FSIS).

We selected cases from the universe of 5,042 cases opened during October of 1992. Public Aid provided us with the cases in the universe and from that listing we selected the sample of 357 using a random sample generation software. We also selected 200 spare cases to use as replacements should they be needed. We replaced only one case in the sample.

In addition to case information contained in FSIS, we requested information from Regional Office case files to test the accuracy of FSIS information. There was no case information in any of the 8 regional offices on any of the sample cases. Public Aid officials have stated that FSIS and microfiche records are the primary sources of data for the child support program, and therefore, very little information is kept in hard copy files.

We hired an accounting firm to assist us with this sample. Contractors printed the necessary case information from screens in FSIS. Once the case information was

printed, OAG staff completed a data collection instrument for each of the cases. We compiled the case data into a spreadsheet and calculated sample descriptive statistics for analysis.

There were fifteen cases where the support enforcement history indicated that additional case information was contained on microfiche. We reviewed both microfiche and microfilm for these cases. We also selected a random sample of 40 additional cases for this follow-up.

Our analysis of cases showed some cases with no action in the support enforcement history in FSIS for nine months or more before July 1, 1994. We asked Public Aid to follow-up on these cases and provide the reason why no action had been recorded.

Analysis of sample information allowed us to test the timeliness of Public Aid in obtaining support orders and to test the timeliness of Public Aid in other phases of the child support enforcement process. The results of our analysis are discussed in Chapter Four of the audit report.

SAMPLE OF SUPPORT ORDERS

We tested a statistically valid systematic random sample of 382 child support orders to test the content of the support orders against requirements found in the statutes. Our testing was based on a 95 percent confidence interval and an error rate of plus or minus 5 percent. We compared the data on the orders to the information in the FSIS system and gathered data on accounts receivable for these orders.

Orders were selected from a universe of 69,769 support orders established during or after October of 1992. Public Aid provided us with the universe of support orders. Public Aid then generated the sample of orders using a random start selected by the OAG and selected every 182nd order after that.

In addition to the 382 original support orders we generated an additional 200 spare orders to use as replacements. We replaced 125 of the support orders in the original sample. The orders replaced included orders where the noncustodial parent was no longer responsible, special accounts (account established and recorded in the support order section of FSIS because a payment was received but no order existed), out of state orders, and other circumstances.

Contract staff assisted the OAG with this sample. Contract staff completed data collection instruments for many of the orders in our sample. Information tested

on the data collection instrument was patterned after the sample support order illustrated in Supreme Court Rule 296 and checked for inclusion of absent parent name, address, telephone number, employer address, employer telephone number, social security number, driver's license number, support amount in dollars, medical support, and wage withholding order. We entered support order data into a Lotus 123 spreadsheet for analysis. Support order sample results are discussed in Chapter Four of this report.



APPENDIX C

CHILD SUPPORT DATA BY COUNTY



Appendix C
CHILD SUPPORT DATA BY COUNTY
 State Fiscal Year 93

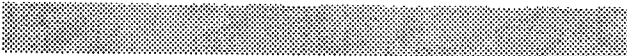
COUNTY	Legal Representative	Circuit Clerk Contracts	Judicial Circuit	Child Support Region	Child Support Paid FY93	Child Support Due FY93	% of Support Collected	Total Cases June 93
Adams	IL Attorney General		Circuit # 8	Springfield	\$714,298	\$1,052,286	68%	1,919
Alexander	IL Attorney General		Circuit # 1	Marion	215,521	435,243	50%	924
Bond	IL Attorney General		Circuit # 3	Belleville	128,423	176,959	73%	338
Boone	State's Attorney		Circuit # 17	Rockford	513,948	711,243	72%	874
Brown	IL Attorney General		Circuit # 8	Springfield	48,951	77,183	63%	88
Bureau	IL Attorney General		Circuit # 13	Rockford	267,136	447,555	60%	795
Calhoun	IL Attorney General		Circuit # 8	Springfield	8,332	23,021	36%	96
Carroll	IL Attorney General		Circuit # 15	Rockford	121,260	224,890	54%	382
Cass	IL Attorney General		Circuit # 8	Springfield	204,037	331,690	62%	387
Champaign	State's Attorney	(1) Contract	Circuit # 6	Champaign	2,456,975	3,930,509	63%	4,371
Christian	IL Attorney General		Circuit # 4	Springfield	434,737	700,252	62%	894
Clark	IL Attorney General		Circuit # 5	Champaign	108,168	175,796	62%	344
Clay	IL Attorney General		Circuit # 4	Marion	142,662	205,659	69%	424
Clinton	IL Attorney General		Circuit # 4	Belleville	186,780	289,107	65%	520
Coles	IL Attorney General		Circuit # 5	Champaign	354,624	578,257	61%	1,115
Cook	State's Attorney	(1) Contract	Circuit # 22	Cook	108,495,480	208,692,532	52%	258,587
Crawford	IL Attorney General		Circuit # 2	Marion	152,077	246,842	62%	489
Cumberland	IL Attorney General		Circuit # 5	Champaign	56,180	121,338	46%	269
DeKalb	State's Attorney		Circuit # 16	Rockford	522,181	834,126	63%	1,345
DeWitt	IL Attorney General		Circuit # 6	Champaign	127,905	214,112	60%	409
Douglas	IL Attorney General		Circuit # 6	Champaign	187,408	291,723	64%	431
DuPage	State's Attorney		Circuit # 18	Aurora	6,361,645	9,872,045	64%	7,538
Edgar	State's Attorney		Circuit # 5	Champaign	155,948	279,573	56%	589
Edwards	IL Attorney General		Circuit # 2	Marion	50,355	98,942	51%	160
Effingham	IL Attorney General		Circuit # 4	Marion	320,651	467,625	69%	725
Fayette	IL Attorney General		Circuit # 4	Marion	167,857	257,421	65%	568
Ford	IL Attorney General		Circuit # 11	Champaign	114,560	192,128	60%	288
Franklin	IL Attorney General		Circuit # 2	Marion	583,378	924,572	63%	1,520
Fulton	IL Attorney General		Circuit # 9	Peoria	669,336	1,040,757	64%	1,198
Gallatin	IL Attorney General		Circuit # 2	Marion	63,348	110,137	58%	269
Greene	IL Attorney General		Circuit # 7	Springfield	174,564	244,322	71%	441
Grundy	IL Attorney General		Circuit # 13	Rockford	169,794	342,504	50%	546
Hamilton	IL Attorney General		Circuit # 2	Marion	52,415	80,123	65%	232
Hancock	IL Attorney General		Circuit # 9	Springfield	111,705	212,049	53%	516

(1) Contract indicates that the Circuit Clerk for this county has a contract with Public Aid.

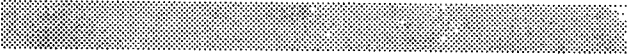
Source: OAG analysis from various sources

Appendix C
CHILD SUPPORT DATA BY COUNTY
State Fiscal Year 93

COUNTY	Legal Representative	Circuit Clerk Contracts	Judicial Circuit	Child Support Region	Child Support Paid FY93	Child Support Due FY93	% of Support Collected	Total Cases June 93
Hardin	IL Attorney General		Circuit # 2	Marion	71,357	89,021	80%	213
Henderson	IL Attorney General		Circuit # 9	Peoria	48,801	125,182	39%	199
Henry	IL Attorney General		Circuit # 14	Rockford	484,828	839,776	58%	1,348
Iroquois	IL Attorney General		Circuit # 21	Champaign	247,843	439,767	56%	751
Jackson	IL Attorney General		Circuit # 1	Marion	576,394	940,173	61%	1,902
Jasper	IL Attorney General		Circuit # 4	Marion	87,705	130,692	67%	213
Jefferson	IL Attorney General		Circuit # 2	Marion	491,271	783,605	63%	1,534
Jersey	IL Attorney General		Circuit # 7	Springfield	125,098	202,473	62%	378
Jo Daviess	IL Attorney General		Circuit # 15	Rockford	91,054	164,412	55%	342
Johnson	IL Attorney General		Circuit # 1	Marion	87,327	141,803	62%	291
Kane	State's Attorney		Circuit # 16	Aurora	3,256,138	6,445,859	51%	8,768
Kankakee	State's Attorney		Circuit # 21	Champaign	1,063,478	2,128,575	50%	4,704
Kendall	IL Attorney General		Circuit # 16	Rockford	94,791	221,992	43%	463
Knox	State's Attorney		Circuit # 9	Peoria	1,140,528	1,814,487	63%	1,844
Lake	State's Attorney		Circuit # 19	Aurora	4,996,283	8,594,216	58%	10,749
LaSalle	IL Attorney General		Circuit # 13	Rockford	1,160,648	2,090,903	56%	2,674
Lawrence	IL Attorney General		Circuit # 2	Marion	115,800	216,304	54%	507
Lee	IL Attorney General		Circuit # 15	Rockford	301,361	487,497	62%	735
Livingston	IL Attorney General		Circuit # 11	Champaign	237,765	396,286	60%	762
Logan	IL Attorney General		Circuit # 11	Springfield	451,093	732,678	62%	785
Macon	State's Attorney	(1) Contract	Circuit # 6	Springfield	3,027,389	4,595,026	66%	5,308
Macoupin	IL Attorney General		Circuit # 7	Springfield	585,155	1,003,958	58%	1,372
Madison	State's Attorney	(1) Contract	Circuit # 3	Belleville	4,207,612	8,667,990	49%	8,812
Marion	IL Attorney General		Circuit # 4	Marion	769,876	1,119,676	69%	1,816
Marshall	IL Attorney General		Circuit # 10	Peoria	136,006	187,839	72%	211
Mason	IL Attorney General		Circuit # 8	Springfield	211,927	342,981	62%	569
Massac	IL Attorney General		Circuit # 1	Marion	182,826	287,426	64%	624
McDonough	IL Attorney General		Circuit # 9	Springfield	362,872	544,763	67%	743
McHenry	IL Attorney General		Circuit # 19	Rockford	695,449	1,491,130	47%	1,958
McLean	IL Attorney General		Circuit # 11	Champaign	806,576	1,439,356	56%	2,495
Menard	IL Attorney General		Circuit # 8	Springfield	98,736	163,589	60%	262
Mercer	IL Attorney General		Circuit # 14	Peoria	166,075	288,409	58%	387
Monroe	IL Attorney General		Circuit # 20	Belleville	84,141	213,076	39%	249
Montgomery	IL Attorney General		Circuit # 4	Springfield	293,854	451,235	65%	821
Morgan	IL Attorney General		Circuit # 7	Springfield	338,287	549,225	62%	949
Moultrie	IL Attorney General		Circuit # 6	Champaign	67,882	128,175	53%	262



APPENDIX D
AGENCY RESPONSES



Appendix C
CHILD SUPPORT DATA BY COUNTY
State Fiscal Year 93

COUNTY	Legal Representative	Circuit Clerk Contracts	Judicial Circuit	Child Support Region	Child Support Paid FY93	Child Support Due FY93	% of Support Collected	Total Cases June 93
Ogle	IL Attorney General		Circuit # 15	Rockford	371,595	655,186	57%	1,044
Peoria	State's Attorney	(1) Contract	Circuit # 10	Peoria	3,781,987	5,658,876	67%	7,698
Perry	IL Attorney General		Circuit # 20	Marion	195,907	280,888	70%	689
Piatt	IL Attorney General		Circuit # 6	Champaign	96,755	161,111	60%	287
Pike	IL Attorney General		Circuit # 8	Springfield	147,844	279,961	53%	444
Pope	IL Attorney General		Circuit # 1	Marion	26,871	50,356	53%	136
Pulaski	IL Attorney General		Circuit # 1	Marion	137,195	243,432	56%	516
Putnam	IL Attorney General		Circuit # 10	Rockford	22,927	49,925	46%	98
Randolph	IL Attorney General		Circuit # 20	Belleville	346,725	624,559	56%	778
Richland	IL Attorney General		Circuit # 2	Marion	115,518	164,365	70%	508
Rock Island	IL Attorney General		Circuit # 14	Peoria	2,410,738	4,125,829	58%	5,685
Saline	IL Attorney General		Circuit # 1	Marion	280,864	434,298	65%	1,119
Sangamon	State's Attorney	(1) Contract	Circuit # 7	Springfield	2,917,581	4,924,334	59%	6,304
Schuyler	IL Attorney General		Circuit # 8	Springfield	52,400	110,649	47%	173
Scott	IL Attorney General		Circuit # 7	Springfield	41,891	82,888	51%	153
Shelby	IL Attorney General		Circuit # 4	Champaign	124,036	184,067	67%	449
Stark	IL Attorney General		Circuit # 10	Peoria	86,878	108,840	80%	125
Stephenson	IL Attorney General		Circuit # 15	Rockford	542,816	881,031	62%	1,262
St. Clair	State's Attorney	(1) Contract	Circuit # 20	Belleville	5,525,689	11,917,823	46%	14,699
Tazewell	IL Attorney General		Circuit # 10	Peoria	1,760,455	2,668,761	66%	3,090
Union	IL Attorney General		Circuit # 1	Marion	171,818	264,605	65%	591
Vermilion	IL Attorney General		Circuit # 5	Champaign	1,047,537	1,707,328	61%	3,812
Wabash	IL Attorney General		Circuit # 2	Marion	87,665	156,952	56%	433
Warren	IL Attorney General		Circuit # 9	Peoria	338,144	511,267	66%	570
Washington	IL Attorney General		Circuit # 20	Belleville	125,070	196,280	64%	219
Wayne	IL Attorney General		Circuit # 2	Marion	103,295	181,239	57%	408
White	IL Attorney General		Circuit # 2	Marion	118,758	266,294	45%	522
Whiteside	IL Attorney General		Circuit # 14	Rockford	759,648	1,221,707	62%	1,672
Will	IL Attorney General		Circuit # 12	Aurora	4,262,172	10,347,554	41%	8,051
Williamson	IL Attorney General		Circuit # 1	Marion	634,181	1,047,543	61%	1,979
Winnebago	IL Attorney General		Circuit # 17	Rockford	3,244,846	6,381,364	51%	9,507
Woodford	IL Attorney General		Circuit # 11	Peoria	249,140	408,071	61%	535
Interstate/Other					20,225,590	24,796,503		
TOTAL					\$201,961,401	\$363,435,962	56%	429,147

(1) Contract indicates that the Circuit Clerk for this county has a contract with Public Aid.

Source: OAG analysis from various sources



Robert W. Wright
Director

Illinois Department of Public Aid

Jesse B. Harris Building
100 South Grand Avenue East
Springfield, Illinois 62762-0001

December 20, 1994

Mr. Ed Wittrock
Office of the Auditor General
Iles Park Plaza
740 E. Ash Street
Springfield, IL 62703-3154

Dear Mr. Wittrock:

Thank you for the opportunity to respond to the report on the Management Audit of Illinois' Child Support Enforcement Program.

In Fiscal Year 1994, the Department collected \$222.8 million in child support payments representing a 10% increase over Fiscal Year 1993. We are pleased to note that, subsequent to your sample period, the federal auditors found the Department had achieved substantial compliance with federal performance requirements for the child support program. The Department also looks forward to continued improvements in the child support program when the new computer system is implemented in 1995.

This report provides us with important information and recommendations to assist us as we continue our efforts to improve the program.

Attached are our responses to the recommendations contained in the report. If you have any questions, please contact me.

Sincerely,

James R. Donkin, CIA
Chief Internal Auditor

Attachment

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AUDITOR
ST. B.

Recommendation Number 1:

The Department of Public Aid should consider charging collection fees for Non-Aid clients like those used by other states. Public Aid could deduct fees from collections which is already allowed by Illinois Statutes or could seek a change in the law to allow that additional fees be assessed and paid by the noncustodial parent.

Illinois Department of Public Aid Response:

We agree. The Department currently charges Non-Aid clients an initial application fee. We will conduct a review of any and all fees that are administratively cost efficient and do not penalize custodial parents who cannot afford such fees. The review will include a determination if a change in legislation is necessary.

Recommendation Number 2:

Upon implementation of the new computer system, the Department of Public Aid should age child support accounts receivable balances based on the actual number of days each charge is delinquent, as required by CUSAS.

Illinois Department of Public Aid Response:

We agree. Upon implementation, the new computer system will age child support accounts receivable based on the number of days each charge is delinquent.

Recommendation Number 3:

The Department of Public Aid should clarify their policy on writing off uncollectible child support receivables and should write off Aid receivables which are not collectible.

Illinois Department of Public Aid Response:

We agree. The new write-off policy will be clarified with an expected completion date of February 1, 1995. Accounts will be written off as allowed by write-off regulations.

Recommendation Number 4:

The Department of Public Aid should ensure that the new child support computer system being developed has the capability to accrue interest due past due accounts.

Illinois Department of Public Aid Response:

We agree. The new system will have the capability to accrue interest on past due accounts.

Recommendation Number 5:

The Department of Public Aid should study child support developments that have been used in other states and pursue changes that would be beneficial for the Illinois child support enforcement program. Items to consider include:

- . more administrative processes;
- . eliminating the 10 percent General Revenue Fund transfer;
- . employer reporting of new hires; and
- . electronic funds transfers.

Illinois Department of Public Aid Response:

We agree. The Department has child support developments used by other states under consideration. This includes the items suggested by the Auditor General. The General Assembly recently passed new legislation to include more administrative processes for paternity establishment.

Recommendation Number 6:

The Department of Public Aid should work with the State's Attorney, the Attorney General, and Circuit Court Judges to assure that Support Orders and income withholding orders include the provisions required by the Illinois Parentage Act of 1984 (750 ILCS 45/1 et seq.) and other appropriate statutes.

Illinois Department of Public Aid Response:

We agree. The Department currently does this on a regular basis by reviewing cases and discussing the need for all relevant information to be included in support orders and income withholding orders.

Matter For Consideration By The General Assembly:

The General Assembly may wish to consider amending statutes (5 ILCS 100/10-65) to clarify which licensing agencies should be involved in the process of collecting child support. In particular, clarification may be necessary in relation to whether the Secretary of State can revoke or refuse to renew the drivers licenses of noncustodial parents who are delinquent in paying their child support.

Illinois Department of Public Aid Response:

The Department supports clarification of this statute.

Matter For Consideration By The General Assembly:

The General Assembly may wish to consider amending the statutes to prescribe a standard format for child support orders. In addition to information already required, consideration should be given to including the following information:

- . Noncustodial parent address and telephone number;
- . Noncustodial parent employer's address and telephone number;
- . Noncustodial parent gross income per month, week, etc;
- . Noncustodial parent driver's license number;
- . Noncustodial parent social security number;
- . Whether medical support has been addressed;
- . Any other information needed to appropriately track noncustodial parents and enforce support orders.

Illinois Department of Public Aid Response:

A standard, prescribed format would assist the Department in tracking, enforcing, modifying, data entering, and documenting collection activities. It would also assist in ensuring all required elements of child support are addressed in court.



OFFICE OF THE SECRETARY OF STATE

SPRINGFIELD, ILLINOIS 62756

GEORGE H. RYAN
SECRETARY OF STATE

December 27, 1994

Mr. Ed Wittrock
Performance Audit Manager
Office of the Auditor General
Iles Park Plaza, 740 East Ash
Springfield, Illinois 62703

Re: LAC Resolution Number 98

Dear Mr. Wittrock:

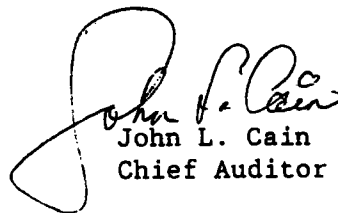
Below are our written comments to be included in your Management Audit Report of the Illinois' Child Support Enforcement Program.

The Office of the Secretary of State has been conducting studies to determine their role in lending support to an enhanced method of enforcing the collection of delinquent child support through the Illinois Department of Public Aid. The roles of personnel in the Driver Facilities, Data Processing, Administrative Hearings, and necessary changes to existing Administrative Rules are being quantified.

Based on resource impact studies to date, the Office of the Secretary of State is of the opinion that specific legislation would be necessary both to address the goal and to make provisions for certain required support activities within the Office. Said legislation with appropriate funding for implementation could aid in accomplishing a more efficient Illinois' Child Support Enforcement Program.

We appreciate your time, and that of Kelly Millelstaedt, in conducting the exit conference at our offices.

Sincerely,


John L. Cain
Chief Auditor

cc: Roger H. Bickel, General Counsel

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AUDITOR GENERAL
SPRINGFIELD, ILL.
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