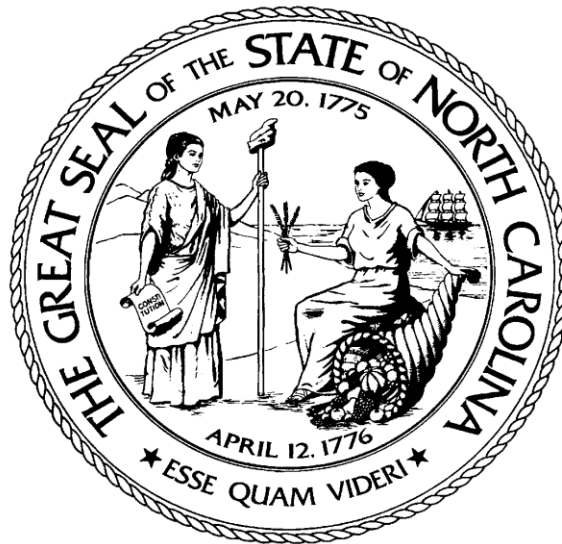


**North Carolina Child Support Incentives – Proposed Plan**  
**Session Law 2017-57, SECTION 11C.6.(d)**



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

**By**

**North Carolina Department of Health and Human Services**

**November 01, 2018**

North Carolina Session Law 2017-57, Section 11C.6(d) requires the North Carolina Child Support (NCCSS) program to achieve four objectives:

- retain up to fifteen percent of the federal earned incentives;
- review the incentives methodology;
- prepare the incentives guide; and
- submit a report to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division by November 1 of each year regarding the progress of the implementation plan.

#### Retained federal incentives

Under Session Law 2017-57, Section 11C.6 (d) NCCSS retained fifteen percent of the federal earned incentives received from the annual federal award beginning July 1, 2016. To date the state has retained the following:

State Fiscal Year	Total Incentives Received	Amount Retained by State
SFY 2016	\$14,249,571	\$2,137,436
SFY 2017	\$14,675,156	\$2,201,273
SFY 2018	\$14,309,773	\$2,146,466

#### Incentives methodology

In 2016, a workgroup made up of state and county child support professionals was established to review the incentive calculation method and determine if there were any needed changes to how the federal incentive dollars were disbursed to the counties. The workgroup does not recommend any modifications to the logic used in the incentive calculations.

#### Incentives Guide

In 2016, NCCSS developed an Incentives Guide, which includes the incentives performance methodology, incentive overview, suggested use of incentives and instructions for waivers. The guide is reviewed each state fiscal year to determine if there are any needed updates. The guide was provided to the counties electronically and is available for download at any time through Child Support Services' SharePoint portal.

NCCSS developed an annual plan and report for incentives and each county is required to submit its plan by September 5th of each year. This plan and report documents county reinvestment of federal incentive funding supporting the Child Support Program goals.

#### Implementation Plan

As mandated, fifteen percent of the federal incentives has been retained for reinvestments into the Child Support Program for the last three State Fiscal Years. As described below, the child support technical enhancements that have been achieved

and are planned to be implemented are designed to assist local child support agencies in increasing their performance and overall effectiveness.

NCCSS is collaborating with the Information Technology Division (ITD) to provide a description of technical needs, an analysis of options, proposed information technology solutions, timelines and cost, and how initiatives will be prioritized and implemented. The State will continue to work with the incentive workgroup as enhancements are prioritized.

In the first two years (July 1, 2016 – June 30, 2018) the child support program has developed a plan and timeline for enhancements, completed numerous technology projects, and has initiated additional projects set to be implemented in the coming months. The following is a list of actions that were completed during that time:

- A multi-year project timeline was developed for executing the enhancements.
- Cost estimates, along with documented functional and technical requirements were completed.
- An updated child support application was created to assist local offices with ensuring data elements required for the federal data reliability audit are obtained.
- An online child support application process was created, providing citizens a quick and secure means to obtain information and apply for services online.
- In conjunction with the online application, a new Worker Portal was created that allows staff in the local offices to receive the data from the online application, review the information for any needed information, and then use the data from the online application to build the new case in the Automated Collection and Tracking System (ACTS).
- Improvements were made to the design of the eChild Support – a website for employers and parents to make payments, access child support information and inquire about their case. These improvements have provided a user friendly and secure environment for our customers and is now in-line with the North Carolina Identify Management process.
- To assist local offices in searching for Non-Custodial Parents (NCPs) who are failing to pay their court ordered child support on a regular and consistent basis, or who are avoiding service in the effort to obtain an Order, a contract was established with a company that specializes in location services. Through this contract, the local offices have been able to focus their efforts on cases that require specialized intervention to collect child support, resulting in parents meeting their obligations and increased collections.
- A *Request to Pursue IT Initiative* has been approved by the Information Technology Governance Body (ITGB) to allow the Program to seek alternative payment solutions, that will provide end users with the capability to submit child support payments to NC Child Support Services by way of cash, check, or debit/credit card utilizing one or more payment services including an interactive self-service kiosk, an interactive voice response system, mobile application, and/or walk-in payment sites. This will allow for more payment options,

increasing the convenience for paying support which will increase child support collections.

- Enhanced functionality in the existing Automated Collection and Tracking System (ACTS) for our Professional License Match that will remove redundancies and improve procedures when local offices are seeking to suspend or revoke an occupational, business, or professional license held by a delinquent NCP. (Effective October 1, 2018)
- Entered into a Contract with two programmers for website design.
- Implemented a new Administrative Offset Program that will allow Child Support Services to intercept certain federal payments through the U.S. Department of Treasury's Financial Management Service (FMS). The Administrative Offset Program will improve collections by providing the ability to intercept payments made to private vendors who perform work for a government agency, federal retirement payments, and relocation and travel reimbursements owed to federal employees who are behind on their child support obligation. (Effective October 1, 2018)

As child support program enters into its third year, the following enhancements are either in progress or set to begin:

- A secure mobile application for use on a smartphone or tablet that will allow our customers to access their case information, request an appointment with their caseworker, make a payment, seek a review and modification of their order, upload documents, and many other features.
- A Request for Proposal for the modernization of ACTS through re-platforming and/or re-factoring.
- A Document Generation solution.
- Revise our process for submitting NCPs for quarterly offset with the IRS.
- System enhancements to include:
  - New fields to allow caseworkers to record cell phone numbers and email address for customers;
  - Additional enhancements to the Administrative Offset Program;
  - Enhanced functionality in the existing Automated Collection and Tracking System (ACTS) for our Professional License Match Revocation;
  - Interface that will provide real time data on NCPs who are incarcerated;
  - Redesign eChild Support and enhance the North Carolina Child Support Portal;
  - Increased automated generation of documents; and
  - Revision of court order documents.

Future enhancements that will be considered for implementation after the current year include:

- Enhancing the customer service call center capabilities.
- System modernization that will allow additional enhancements including:

- Enhanced reporting tools to provide the ability to view, evaluate, analyze, and diagnose a variety of child support case attributes;
- Provide staff with access to more robust information on which to base decisions and child support actions;
- Provide managers tools to assist in their decision making;
- Improved data analytics to increase performance and collections for families;
- Expansion of ACTS to include a location request link to the State Services Portal; and
- Explore changes to the proration methodology for payments received through intergovernmental agencies.
- Interface with the Department of Vital Records.
- Investigate additional tools, such as an interface with CLEAR location solutions, to improve collections.

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

As federal regulations change, and systems requirements are revised, NCCSS will continue to evaluate the needs and enhancements for the child support program.