

MINUTES

CENTRAL PAYMENT CENTER OVERSIGHT COMMISSION

November 7, 2001
Room 514-S—Statehouse

Members Present

Kathleen L. Sloan, Court Trustee for the Tenth Judicial District, Johnson County,
Chairperson
David King, Chief Judge of the First Judicial District, Atchison and Leavenworth
Counties, Vice Chairperson
Representative Marti Crow
Don Atwell, Project Director, Kansas Payment Center
Amy Bertrand, General Counsel, Office of Judicial Administration
Ray Dalton, Director of Accounting and Administrative Operations, Kansas Department
of Social and Rehabilitation Services, Central Receivables Unit Manager
Sharon Fletcher, Clerk of the District Court, Geary County
Natalie Haag, Chief of Staff, Governor's Office
Lisa Heidel, Payroll Representative, Cessna Aircraft, Wichita
Dana McKnight, Shawnee County, Custodial Parent
Mitch Miller, Dynamic Computers, Topeka
Jim Robertson, Director of Child Support Enforcement, Kansas Department of Social
and Rehabilitation Services, Director of the Title IV-D Division
Derek Sontag, State Treasurer's Appointee

Members Absent

Senator Greta Goodwin
Senator Jean Schodorf
Representative Ward Loyd
Robert Peterson, Shawnee County, Noncustodial Parent

Staff Present

Rae Anne Davis, Kansas Legislative Research Department
Jerry Ann Donaldson, Kansas Legislative Research Department
Carolyn Rampey, Kansas Legislative Research Department
Ken Wilke, Revisor of Statutes Office
Dee Ann Woodson, Committee Secretary

Conferees

Teleconference with representatives of Iowa's Centralized Payment System

Tim Criner, Bureau Chief
Butch Devine, Customer Service Unit
Denisse Scott, Payment Processing

Don Atwell, Project Director, Kansas Payment Center
Ray Dalton, Department of Social and Rehabilitation Services
Amy Bertrand, General Counsel, Office of Judicial Administration
Jim Robertson, Director of Child Support Enforcement, Department of Social and Rehabilitation Services
Karen Griffiths, Court Trustee, 17th Judicial District, Norton
Anne McDonald, District Court Trustee, Wyandotte County

Chairperson Kathleen Sloan called the meeting to order at 2:00 p.m. She announced to the Commission that the first item on the agenda would be a teleconference with representatives of Iowa's Centralized Payment System.

Chairperson Sloan expressed the Commission's appreciation to the Iowa representatives for their participation in the Commission's information gathering. She asked how old their system was, and Mr. Devine replied that it started in 1987 and is called ICAR (Iowa Collections and Reporting System) which is a IV-D program. He said they do both IV-D and non-IV-D cases, and they both collect and distribute. Mr. Devine said that they initially took over the IV-D and non-IV-D cases from the Clerks of Court in 1987. In 1988 the Iowa Legislature made the determination that the non-IV-D cases would go back to the Clerks of Court. On October 1, 1989 they took over the income withholding cases from the Clerks of Court.

Iowa distributes approximately 200,000 payments a month and processes approximately 165,000 cases, of which 15,000 are non-IV-D. Iowa does not have a contract with a private vendor to run their payment center, it is done by state employees. Mr. Criner told the Commission that their Legislature has been very supportive and they are encouraged by the results of the Iowa program and intend to retain it as a state run program.

Chairperson Sloan asked how large a staff they had, and Mr. Criner responded that they had 40 full-time state employees. He gave a breakdown of the various work teams and job responsibilities for their areas.

Questions were asked regarding difficulties encountered when the Iowa program first started in 1987. Mr. Devine replied that unfortunately there were no employees remaining on staff that were working with the program when it first began, but that they had all heard the stories of how difficult it was to get started. He said they have tried to learn from previous mistakes and forged on with an exemplary dedicated staff. Mr. Devine added that prior to 1997 they started having a four hour standing committee meeting every Monday morning for almost two years prior to going online on October 1, 1999. Mr. Devine explained that the participants in these meetings included representatives from the Clerks of Court, representatives from their Court Information Systems, their policy people, and information technology (IT) staff. Prior to going online they also had a pilot they initiated in July of 1999,

and brought on the employees in a slow fashion to learn and worked on problems during the transition program between July and October.

Mr. Criner further explained that they were able to utilize policy and IT expertise to insure that their IV-D system could talk to their court clerks' system and vice versa. He said that on a nightly basis all the payments that were posted on that day are electronically interfaced with the court system so they have record of the payments made. Iowa court clerks have a centralized computer system.

Mr. Atwell asked for clarification about their statewide court system, and whether they handle the non-IV-D cases on ICAR that the court clerks originally had. Mr. Devine responded that the Iowa Court Information System (ICIS) cases are non-IV-D income withholding cases. He explained in detail how these were handled.

A question was raised as to how they identified the non-IV-D income withholding cases in their system. Mr. Devine responded that they have a special designation within the system for these cases called ICIS cases, and they have a field on the screen that asks specifically if each case is an ICIS case.

Chairperson Sloan requested Mr. Devine to discuss Iowa's two call centers. One is contracted with MAXIMUS and has approximately 50 staff members. The other call center is for employers only, and is called EPICS (Employers Partners in Child Support) utilizing an 800 number and have approximately 30 staff available to field those calls from the employers. He said that EPICS was originally a contractor until a year ago when they became state employees. Inquiry was made as to how MAXIMUS was paid, and Mr. Devine replied that it was done on a flat fee basis.

Questions were asked about identifying case numbers from different district courts. Mr. Devine explained that they did not have problems because once a case came to them they assigned their own number to each case and did not use either the court order number or the clerk of the courts' number. He said they had the capability in their ICAR system to go to any of the clerks of the court and by name find out the captions or court order numbers that were listed under a particular party. He added that this feature was planned for when their system was designed due to the possibility of duplicate numbers. The Commission members had a brief discussion on the problem in Kansas with getting people to put the required county identifier code in front of the court order number which is causing delays in correctly posting payments.

Chairperson Sloan requested a walk through of how Iowa's system works when a check is received and it is ready for posting and distribution. Denisse Scott explained the way a check is processed through and the various steps involved. She told the Commission that a check is mailed within two working days after it is posted into their system.

Mr. Atwell asked if they knew the value of held disbursements on ICAR. Mr. Criner said that undistributed collections for the quarter ending September 30 was just under \$4 million not broken down. The Chairperson asked if they had a separate list or value for money that has to go into suspense. Mr. Criner said they maintain an audit trail for purposes of resolution, and money is placed in an unidentified fund on ICAR.

Questions continued about the tasks that their call centers handle and when the call centers were privatized. Enforcement related calls are handled by the general call center, about 90 percent of the calls received.

Chairperson Sloan asked if there was anything else about their system that the Commission had not inquired about, but they would think important for the Commission to know. Mr. Devine suggested that consideration should be given to having a numbering system unique to the Kansas Payment Center (KPC) similar to the one they have in Iowa.

Chairperson Sloan expressed her appreciation to the Iowa Centralized Payment System representatives for taking their time to talk to the Commission about their system, and to Jamie Corkhill for setting up the conference call.

The Chairperson asked Don Atwell to give an update on the KPC and his response to two of the letters the Commission received at the previous meeting. He referred the Commission members to the handout relating to Martha Schleuder's letter. The conferee explained that currently her payments were being received in a timely manner, and there had been an issue of overpayment and funds which had to be manually posted by the collection officer. In regard to the second letter from Karen Schieffer, it dealt with problems that occurred in the beginning of the KPC and the professionalism of the customer service staff which has since been rectified with a number of changes that have been made in that area. He explained to the Commission the other issues she had with the KPC as detailed in his handout (Attachment 1).

Mr. Atwell gave an overview and update of the statistics for KPC's customer service involving the call totals, abandoned calls, hold and talk times by month, and web requests. He explained that the abandoned call numbers were up in October due to about 16,000 more calls received during the month, but they have new staff being trained who will be coming on soon. He also elaborated on the hold times slowly increasing due to loss of trained employees. He said they now have a feature on their phone system that lets callers know up front what the estimated hold time would be.

Sharon Fletcher asked Mr. Atwell why on the web page that only Tier could change the court order status from active to inactive or vice versa, and gave the example of an address change. Mr. Atwell responded that she should be able to, through the secure website, but would check on that with his staff. Ms. Fletcher also inquired if a payment comes in and is returned to Tier for an invalid address, if Tier takes any type of action such as going to SRS or the clerk of the court to try and find a correct address. Mr. Atwell explained the procedures that Tier goes through in rectifying this type of situation. Ms. Fletcher asked if any type of letter is sent out by Tier to try and find a correct address. Mr. Atwell said that they do not send out any letters of inquiry, but in regard to any payment posted to suspense they do try and find out where the payment should go and work through the clerk of the court or SRS to get corrected.

Chairperson Sloan called upon Ray Dalton to give SRS's response to the letter received at the last meeting from a concerned citizen. He said the primary concern was with the posting of child support payments in the state's KESSEP system as set out in Mr. Dalton's handout. He went over the various concerns of the individual and explained the report on suspense for the week ending October 26, 2001. He clarified what non-cash and future transactions entail (Attachment 2).

Amy Bertrand, General Counsel, Office of Judicial Administration (OJA), gave a report regarding the reduced funding for judiciary operations in FY 2003. She handed out some background information on the court staffing, child support duties and responsibilities remaining with the courts after the KPC was implemented on September 29, 2000, reduced funding and staff issues for the coming year, possible measures to be considered to insure the retention of federal funding through state matching funds being provided by the Judicial Branch, and a spreadsheet presented by Amy Waddle of OJA at the first meeting of the Oversight Commission. Ms. Bertrand also explained the conclusions of the Legislative Post Audit Division's 100-hour audit during the summer of 2001. She also included in her handouts a copy of Howard Schwartz's, Judicial Administrator for the Supreme Court of Kansas, letter of June 26, 2001, regarding the budget deficit facing the Judicial Branch in FY 2002, and outlining measures that will be required of each judicial district. A summary of caseload filings and FTE positions was also included in her handouts with special emphasis on the last column of the spreadsheet depicting the percent of change from 1987 to 2000 which illustrates the staffing problem in the court system (Attachment 3).

Jim Robertson, Director of Child Support Enforcement, Department of Social and Rehabilitation Services (SRS), gave a report on the reduced budget funding for SRS and addressed the concerns of possibly losing federal dollars if Kansas cannot come up with matching funds. He told the Commission members that for fiscal years 2002 and 2003, they are projecting a shortage of \$123 million (state funds) to just meet the current demand for services over the two fiscal years. Mr. Robertson explained that over the past several years SRS has by agreement transferred funding to OJA to finance their costs of providing administrative services to the IV-D program. Mr. Robertson added that the federal government will provide 66 percent reimbursement for such expense if it is budgeted within the SRS budget. He said the current method of payment includes OJA submitting a monthly voucher to SRS for payment. He told the Commission members that for FY 2002 the funds transferred to OJA by SRS are expected to be \$1,771,860, but is proposing the funding be reduced for FY 2003 to \$1,479,100 involving ten clerk of the court positions. He stated that this could be changed by the Governor or the Legislature. The conferee concluded his report by telling the Commission that SRS and OJA are working with Dr. Schwartz on his proposal for OJA to pay the state's share of the proposed cuts so that SRS could continue to draw the 66 percent federal funding into the state (Attachment 4).

Chairperson Sloan announced to the Commission members that she had added two district court trustees to the agenda in order for them to share any concerns or problems they may have with the KPC. She introduced Karen L. Griffiths, Court Trustee of the 17th Judicial District. Ms. Griffiths said that her area of responsibility covers six rural counties in Western Kansas, and she enforce about 1,200 cases of child support, maintenance, and medical reimbursement. She stated that nearly all her cases are paid through the KPC, and there was a very small number of requests to go outside the KPC. She said over the last six to eight months processing has really improved. The conferee said that their employers are well informed about the court case number and the clerks are also well informed about getting that information out to the payors, but it is that small percentage that they have continuing problems with that have not been resolved by KPC. She stated that they have had problems with the held disbursement report and concern over the number of items voided, canceled, or returned (Attachment 5).

Mr. Atwell said that one thing he would suggest to Ms. Griffiths or any of the other court trustees if it takes more than two weeks to get an answer or get something fixed to

email him directly. He said it not only gets the problems handled, but helps him with some training issues. Chairperson Sloan said that since she has all the email addresses of the court trustees that she would email them this information and also ask who does not have passwords to access the secure website for assistance.

Anne McDonald, Court Trustee for the 29th Judicial District, Wyandotte County, appeared before the Commission to talk about the court trustee operations and answer any questions of the Commission members. She said since 1997 they have not had a IV-D contract and so their cases were strictly non-IV-D. She added that her office is funded through the fee that is deducted which is up to 5 percent, and having the cases coded right and getting the fee to them is very important. The conferee listed in her handout several of the valuable features offered by KPC. She expressed her concern about the Legislature's action last year of letting people "opt out" or pay directly between the parties, and they are now having court cases where the parties are in conflict.

Ms. McDonald said there were other programs on their local mainframe from which they are unable to get some of their former reports because the data is not current due to not downloading KPC information. The conferee told about some of the ongoing problems with the KPC as noted in her handout. She said there were some issues of not having confidence in the payment records when appearing in court. She also expressed her concern for the decline in child support funding at both the federal and state levels (Attachment 6).

Mr. Atwell offered several suggestions to rectify some of the problem areas, and he inquired if they were using the dedicated phone lines and the correct email address. He again emphasized that if they were not getting the proper response or answers to their questions to please contact him directly.

Chairperson Sloan expressed her appreciation to Ms. McDonald for her presentation to the Commission. She opened the floor for discussion on suggestions for drafting the annual report of its activities and recommendations to the Legislature.

Representative Crow suggested that the Commission needed to note in its report the areas of improvement by the KPC and SRS over the past several months. She added that the report should also address whether there was any way to improve or solve the ongoing problems. Chairperson Sloan agreed and said possibly the report could be by bullet points or quantitative numbers to show there has been marked improvement. She asked if it would be too much information to include the statistical charts that Mr. Atwell furnished at each meeting or would it be better to just verbally state the improvements. Staff suggested that they could make reference to the minutes that would be on file.

Natalie Haag suggested that they should include the things that the Commission has already taken action on in trying to improve some of the problem areas, such as contacting the Court Trustee offices and getting them access to the secure website.

The group discussed other ideas for inclusion in the report including a comparison of numbers starting out with the KPC with current numbers showing the improvement. Staff provided copies of last year's interim report to the Legislature for referencing and familiarization of the various formats. Chairperson Sloan said that she thought it was very

important to point out the increased improvements that have been accomplished due to the high degree of sensitivity last year.

Representative Crow stated that noting the improvements and what actions had been taken to accomplish those improvements was indeed important. She said that the Legislators would want to hear what problems remain, and if the Commission believes there are performance indicators that can be set. She thought those should be included in the report as well as where the Commission goes from here. She commented that what Legislators are interested in is the ability to answer constituents' calls and tell them who to contact to access the system. She said there was a lot of that type of information that the members of this Commission now know, but Legislators do not. She gave the example of having the constituent contact the court trustees who can get into the system instead of calling the KPC if it is a local court case.

Chairperson Sloan commented that one of the recommendations that needs to be made is to improve helping people understand the role of the KPC since a lot of calls are enforcement related. She said that an increase in frustration occurs when the callers are told by KPC to call the court trustee's office. She stated that it would be very good to get the information out and educate the public.

Representative Crow said that a lot of the confusion from the child support callers and lawyers working in this area is because the only information given out when the change took place was of receiving a letter from the Supreme Court telling them to send their payments to the KPC. She shared with the Commission members that when this came about no one knew it was federal law and was brought about by legislation. She said she started checking into it and found out that it was a piece of legislation tacked onto an appropriations' bill, and that it was not a judiciary action. She reiterated that the more information that can be given to the "stake holders" in educating the public, the better the system will operate.

Further discussion by Commission members continued regarding the concerns of the funding cuts and staffing problems within SRS and the Judicial Branch, emphasis on educating the public about the separate duties of all the entities involved with child support and how the various roles are linked together, suggested inclusion in the annual report of a recommendation that funding be maintained for SRS and the Judicial Branch relevant to the Legislative Post Audit report, and additional comments regarding what possible comparison analysis and statistics should be used in developing the Commission's annual report.

Chairperson Sloan told the Commission members if they had any other suggestions for the report that they could email them to staff who will draft the annual report and send it out to the Commission members.

Discussion took place regarding setting the next Commission meeting. Ms. Haag stated that there may be some issues when the session begins or after the legislators see the Interim Reports, or if they are getting calls again from constituents regarding child support payment issues. She suggested waiting until February or March to schedule the one remaining approved meeting day. The staff suggested possibly the last day in February or during the first week in March. The Chairperson said they would wait and see how the response is to the report, and then would pick a day and email everyone about the scheduled meeting.

The meeting was adjourned at 5:20 p.m.

Prepared by Dee Ann Woodson
Edited by Rae Anne Davis

Approved by Committee on:

December 7, 2001