

MINUTES

CENTRAL PAYMENT CENTER OVERSIGHT COMMISSION

October 24, 2001
Room 526-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
Senator Greta Goodwin
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
Lisa Heidel, Payroll Representative, Cessna Aircraft, Wichita
Dana McKnight, Shawnee County, Custodial Parent
Mitch Miller, Dynamic Computers, Topeka
Helen Pedigo representing Natalie Haag, Chief of Staff, Governor's Appointee
Robert Peterson, Shawnee County, Noncustodial Parent
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 Jean Schodorf
Representative Ward Loyd

Staff Present

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

Conferees

Jamie Corkhill, Child Support Enforcement Policy Counsel, Kansas Department of Social and Rehabilitation Services
Don Atwell, Project Director, Kansas Payment Center

Chairperson Kathleen Sloan called the meeting to order at 3:00 p.m. She explained to the Commission that the scheduled video conference hearing from 5:00 p.m. until 7:00 p.m., was cancelled due to lack of public participation indicated. She stated that another public hearing would possibly be scheduled after the first of the year in order to give the public an opportunity to voice their opinions. The Chairperson introduced Jamie Corkhill, Senior Attorney for the Department of Social and Rehabilitation Services (SRS) Child Support Enforcement (CSE) Program.

Ms. Corkhill gave a presentation on how the contract with Tier Technologies was monitored and how penalties are imposed and tracked. She introduced Sharon Caster, who is CSE's State to State Contract Administrator, and is a new staff employee with SRS's CSE Program. The conferee explained that Ms. Caster is stationed at the Kansas Payment Center (KPC) with two other SRS staff and a representative from the Office of Judicial Administration (OJA) for monitoring, answering questions, and assisting in solving problems.

Ms. Corkhill told the Commission that the key portions of SRS's contract with Tier Technologies for monitoring the operation of the KPC were (1) reports which enable state staff to monitor trends and specific activities; (2) performance standards which set out the specific expectations of the state concerning error rates and timeliness of critical activities; and (3) corrective action procedures and penalties which enable the state to focus the contractor's attention on needed improvements in performance. She added that a number of system and activity reports are required of the contractor for use by both the state and the contractor for management purposes and furnished on a daily, weekly, monthly, or quarterly basis. The conferee gave examples of each of these reports, and how the information was used to monitor trends and specific activities in order to see if the contractor is meeting the performance standards that were established in the contract. Ms. Corkhill said that the contract provided for corrective action procedures and penalties if Tier does not meet the specific expectations of the state concerning error rates and timeliness of critical activities.

Ms. Corkhill shared with the Commission various challenges that occurred with the initial creation and operation of the new system, and the attempts to design reports for monitoring that were accurate and timely before the new automated systems themselves were created. She said that the reports reveal over time the health of the KPC at both the receiving and disbursement stages of daily operation. She explained the two key reports were the Unidentified Payment Report and the Held Disbursement Report. She clarified the critical performance standard of the federal requirement for timely disbursement of payments. She said that the KPC has two business days to disburse money when sufficient information to accurately post the money to the court order had been received. The conferee explained that during the 2001 Session, the Legislators felt there should be a penalty related to timely disbursement of support payments to compensate custodial parents for delays, and consequently the \$100 penalty was included in 2001 HB 2508 and renegotiated in the contract. The conferee said that there was no single report that could identify all instances in which the \$100 penalty would be appropriate because of the interaction between KPC and SRS systems in processing IV-D receipts and disbursements. She told the Commission members that the Unidentified Payment Report was a good

starting point for researching and identifying probable penalty items. Ms. Corkhill added that the best source of information continued to be the individual field office reports across the state.

Ms. Corkhill explained the process used to identify possible penalty situations. SRS and Tier have agreed to use email whenever possible in order to lessen delays and reduce storage and handling costs. She told the Commission about the three options the contract gives Tier through Amendment Number Three, and the required time frame in which the payment of the penalty should take place. The conferee concluded by telling the Commission that improvements to KPC automation are already underway, and as state resources permit there will be further refinements (Attachment 1).

General questions and discussion followed Ms. Corkhill's presentation by members of the Commission regarding the required information needed to complete processing of a payment, how checks from large employers are handled, forms on the website to assist employers in submitting corrected information, determination of needed penalty assessment, and whether SRS was satisfied that the unidentified payments are adequately being handled and monitored. Ms. Corkhill stated that they would need at least six months of experience actually working with the penalty before reporting on how well it works and any additional refinements and improvements needed. Don Atwell assisted in answering questions regarding the KPC and specific system procedures and processing inquiries.

Additional questions were asked about phone calls to KPC from individual payees not receiving checks, and if the case was recorded or documented on a list for matching up the complaint calls with the lost and misplaced checks that are within the system. Ms. Corkhill explained that if the caller had talked to a collection officer and that officer had sent in a problem report, then the call is documented. She added that they may need to find a way of capturing those calls. Mr. Atwell said that they could develop a lot of very labor intensive procedures which would entail spending most of their time in monitoring the operations to identify penalties, or they could spend the resources that it would cost to do that on further refinements and improvements to the system.

Senator Goodwin inquired if there had been very many problems within the courts regarding the opt out provision. Chairperson Sloan said they were not seeing very many cases in her area because by law it has to be a court determination in the best interest of the children, and even with an agreed order it has to be heard and approved by a judge. She added that the KPC is 100 percent better today than it was a year ago, and that the Legislature was regarding problems that have been addressed. Senator Goodwin stated that the biggest issue she hears about is the opt out provision creating problems for the judges and courts because of the considerable amount of work involved. She asked Mr. Atwell if another provision of the bill had been accomplished which was to provide a standardized form to accompany all payments by January 1, 2002. Mr. Atwell replied that the form had been created and was approved by SRS.

Questions continued from Commission members regarding the problems with U.S. Treasury checks for federal agencies not including the needed information. Mr. Atwell explained that it was typically very difficult to get the unidentified checks redirected, and there were now liaisons for the individual federal agencies helping to rectify the problems. Ms. Corkhill gave the example of the federal payroll for the Department of Defense which was so complicated and large that changes would be difficult.

Chairperson Sloan asked if there was a tracking system in place to tell how employers were responding to the new KPC system. Ms. Corkhill told the Commission that they had not formally polled the employers, but the ones she had talked to about the new system said they liked it so far although it was difficult at first when changing to a new system. She added that one of the problems encountered by employers was changing their payroll systems to add the county identifier or court orders to properly identify payments.

Mr. Atwell gave an update on the KPC. He said they had processed over \$300 million and approximately 1.2 million transactions. He presented an overview of the new changes that have been put into place this week and a software change involving court orders. Mr. Atwell reviewed the updated charts he provided the Commission members and answered their questions about the statistics presented in the charts plus specific questions about certain aspects of the process system (Attachment 2).

Representative Crow inquired about the average holding time for incoming calls being over a minute at the present time in contrast to a better average during the summer months. Mr. Atwell explained that they had more customer service representatives during the months of May, June, and July. He said some of the representatives had been moved into other areas of the KPC, and they have lost some to turnover. He added that training replacements also took representatives away from the phones at certain times. Chairperson Sloan asked if the KPC's phone system had an alert mechanism to let the representatives or supervisors know they have calls waiting. Mr. Atwell replied they had a couple of different things in place to signal the number of hold calls and explained how these were handled.

Mitch Miller asked how the September hold times compared to other states such as Iowa. Jim Robertson said that he had visited with his counterparts in other states. It was recommended that a two minute time frame be set as an average and the KPC is doing better than that. Mr. Atwell told the Commission that in Alabama, which is where he worked before he came to Kansas, only about one in eight calls got through to a representative because they shut down the lines so callers got a busy signal.

Mr. Atwell reviewed the amount of dollars in suspense. He explained that less than 2 percent of the money processed is in suspense, and they had moved \$451,671 out during the month of September. Chairperson Sloan asked if the courts had been very helpful to the KPC's researchers in moving the money out of suspense. Mr. Atwell replied that some of them had been incredibly helpful.

The conferee explained the last page of his handout which had listed the KPC's recent system upgrades. He then referred the Commission to the copies of letters received and handed out by staff (Attachment 3). General discussion by the Commission members followed.

The Chair directed the Commission members attention to the draft of the minutes for the September 10 meeting, and asked for discussion on or approval of the submitted minutes. *Mitch Miller made a motion to approve the minutes as drafted, the motion was seconded by Sharon Fletcher, the motion carried unanimously.*

Chairperson Sloan called for discussion on their remaining two unscheduled Commission meetings and the formal report due the Legislature. She asked staff to walk the Commission through the report process giving the time frame and requirements.

Representative Crow suggested that since Iowa had a good system and has been in existence for ten years that maybe the Commission could find out more on how their system worked. She stated that she was not satisfied with KPC at this point, and would like staff to find out more from Iowa as to how the KPC can improve its performance. Ms. Corkhill offered to look at information from the federal government on best practices, and see if there would be anything there that would be helpful.

Judge King expressed concern regarding an issue of court staffing for child support enforcement funded by SRS. Amy Bertrand said there were about 50-60 court employees across the state for whom funding may not continue. Ms. Bertrand volunteered for Mr. Robertson, Ms. Corkhill, and herself to put together a report on the impact to the court system.

Chairperson Sloan said that after they heard the court system report, that the Commission would have a good working session to finalize the items for the Commission's report. Judge King pointed out that there were 12 items that the Commission was mandated to review, and the report should note the status of each of those.

Mr. Miller asked if they could see some follow-up on the three letters the group had received at their next work session. The Chairperson asked the courts to investigate and see where these cases were located and asked Mr. Atwell to look into them from a KPC standpoint. She said the third letter SRS could handle, and Ray Dalton would check that one out and report back.

The Commission agreed to meet on Wednesday, November 7, at 2:00 p.m. The meeting was adjourned at 4:40 p.m.

Prepared by Dee Ann Woodson
Edited by Rae Anne Davis

Approved by Committee on:

November 7, 2001