

## **Performance Update**

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# **The Bureau for Child Support Enforcement**

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**In 1996, Almost One-Third of Cases in the  
Agency's Database Required Manual  
Adjustments to Case information; For  
2003 the Adjustment Rate is  
Approximately 24%**

**The Bureau for Child Support Enforcement  
Has Converted to Electronic Transfer of Child  
Support and Expects to Implement a Debit  
Card System in the Near Future**



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John Sylvia  
Director

August 22, 2004

The Honorable Edwin J. Bowman  
State Senate  
129 West Circle Drive  
Weirton, West Virginia 26062

The Honorable J.D. Beane  
House of Delegates  
Building 1, Room E-213  
1900 Kanawha Boulevard, East  
Charleston, West Virginia 25305-0470

Dear Chairs:

Pursuant to the West Virginia Sunset Law, we are transmitting a Performance Update of the *Bureau for Child Support Enforcement*, which will be presented to the Joint Committee on Government Operations on Sunday, August 22, 2004. The issues covered herein are "In 1996, almost one-third of cases in the agency's database required manual adjustments to case information; for 2003 the adjustment rate is approximately 24%," "CSED's Mismanagement of the OSCAR Data Conversion Contract has cost the State over \$5 million;" and "The Child Support Enforcement Division Could Save Million of Dollars by Reducing the Use of Checks and Converting to Electronic Transfer."

We transmitted a draft copy of the report to the Bureau for Child Support Enforcement on August 10, 2004. The Bureau for Child Support Enforcement opted not to have an exit conference. We received the agency response on August 18, 2004.

Let me know if you have any questions.

Sincerely,

Handwritten signature of John Sylvia in cursive script.  
John Sylvia

JS/tlc

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*Joint Committee on Government and Finance*



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# Executive Summary

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The Bureau for Child Support Enforcement (BCSE) is the state agency designated by the state of West Virginia to provide services federally mandated in Title IV-D of the Social Security Act. The Bureau has four primary functions: 1) establish paternity; 2) locate absent parents; 3) establish child support orders; and 4) enforce support orders through collecting and distributing child support obligations.<sup>1</sup>

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*This current update reports that the adjustment rate has been reduced to approximately 24%. Although there has been improvement, there is room for further improvement in the adjustment rate.*

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The Legislative Auditor's Office conducted a preliminary performance review of the BCSE in 1997. The original audit examined only the function of enforcing child support obligations. The primary finding was that inaccurate financial data were present in nearly one-third of the agency's cases with court orders to enforce. These inaccuracies led to incorrect enforcement actions such as collecting the wrong amount from non-custodial parents, and distributing the wrong amount to custodial parents. In these cases, the agency must make manual adjustments to the financial information. Although the agency reported significant improvement in the adjustment rate for 1998, the way in which it was reported was misleading. This current update reports that the adjustment rate has been reduced to approximately 24%. Although there has been improvement, there is room for further improvement in the adjustment rate.

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*Currently, the BCSE is In Compliance with 2 recommendations, is in Planned Compliance with 1 recommendation, and recommendation 9 requires legislation.*

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There were 12 recommendations made in the original report. In the 1999 update, the BCSE was *In Compliance* with 4 recommendations, and was in *Partial or Planned Compliance* with 7 recommendations. Recommendation 9 required legislation. In 2001, the Legislative Auditor issued another update that reported the BCSE was *In Compliance* with 4 recommendations, was in *Partial or Planned Compliance* with three recommendations and Recommendation 9 requires legislation. This current update will focus on those 3 recommendations that were not *In Compliance* as of the 2001 update and on Recommendation 9, which required legislation. Currently, the BCSE is *In Compliance* with 2 recommendations, is in *Planned Compliance* with 1 recommendation, and recommendation 9 requires legislation. The following categories are used to describe the degree of compliance of the Bureau with recommendations made by Legislative Auditor:

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<sup>1</sup>To comply with Yellow Book Standards, it is required to disclose that previously the Legislative Auditor received child support payments through the Bureau. The Legislative Auditor became a recipient of child support after the Bureau of Child Support Enforcement's original audit. The Legislative Auditor's relationship with BCSE ended when his youngest child turned 18 in 2003.

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<b>Levels of Compliance</b>
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<u>In Compliance</u> - The Bureau has corrected the problems identified in the performance evaluation.
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<u>Partial Compliance</u> - The Bureau has partially corrected the problems identified in the performance evaluation.
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<u>Planned Compliance</u> - The Bureau has not corrected the problems but has provided sufficient documentary evidence to find what they will do in the future.
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<u>In Dispute</u> - The Bureau does not agree with the problem identified or the proposed solution.
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<u>Non-Compliance</u> - The Bureau has not corrected the problem identified in the evaluation.
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<u>Requires Legislation</u> - Cannot be addressed by the Bureau because statutory change is necessary.
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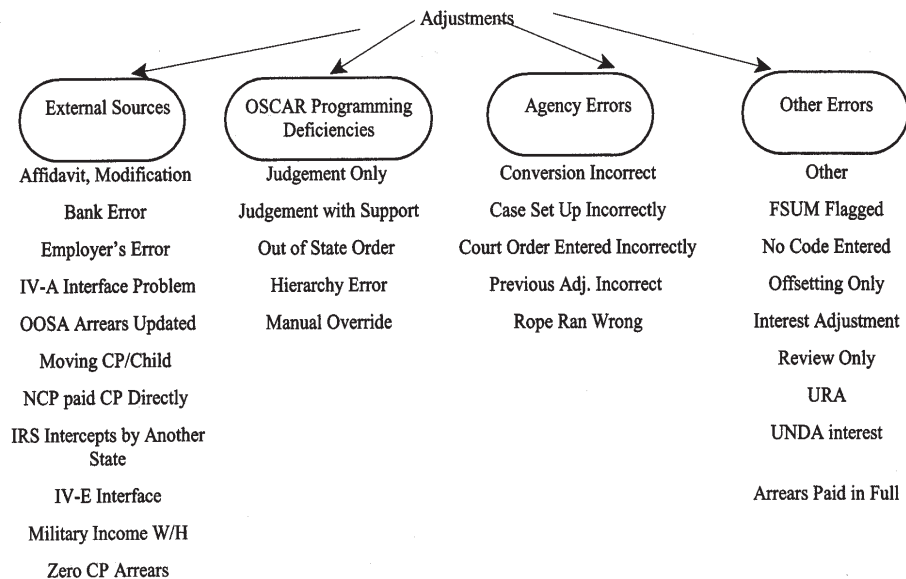


# Issue 1

**In 1996, almost one-third of cases in the agency’s database required manual adjustments to case information; for 2003 the adjustment rate is approximately 24%.**

The Bureau for Child Support Enforcement (BCSE) is responsible for establishing and enforcing court ordered child support obligations. The agency utilizes the On-Line Support Collections and Reporting (OSCAR) automated system to maintain a database of all cases at the BCSE. The OSCAR system is able to update information automatically as new information is provided. However, changes can occur in a case in which the OSCAR system cannot automatically correct data. In these events, OSCAR’s database must be corrected or updated through *manual adjustments*. The manual adjustment codes can be separated into one of four categories according to the cause of the manual adjustment as follows:

*Manual adjustments are needed usually because cases are currently being enforced incorrectly, either because incorrect case data have been entered into OSCAR or there is a significant delay in receiving updated case information.*



In the past, the agency took exception to the Legislative Auditor’s focus on manual adjustments because the agency did not view manual adjustments as a negative performance indicator, but instead stated that: “Adjustments reflect case activity, not case errors,” and that “not making appropriate adjustments would result in more errors, not less.”<sup>2</sup> This description is short-sighted and does not capture the full significance of manual adjustments. **The fact is that manual adjustments are needed usually because cases are currently being enforced incorrectly, either because**

<sup>2</sup>Agency’s response in the Update of the Preliminary Performance Review of the Bureau for Child Support Enforcement, West Virginia Legislative Auditor’s Office, December 1999, P. 41.

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**incorrect case data have been entered into OSCAR or there is a significant delay in receiving updated case information.** When a case is being enforced incorrectly because of incorrect data or delayed updates of data, one or more parties in the case are being adversely affected. In most cases, the delay in receiving updated information is not the fault of the BCSE. Generally, the delay in receiving updated data is the fault of the court system or the parties of the case. Modifications to court orders that reach the BCSE two months or more after they are effective can create significant problems for the parties in a case because the BCSE has to enforce the order in OSCAR until it receives the modified order. **Therefore, the Legislative Auditor focused on manual adjustments because invariably they reflect adverse situations being experienced by one or more parties in each case.**

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*The Legislative Auditor focused on manual adjustments because invariably they reflect adverse situations being experienced by one or more parties in each case.*

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One could argue that the Legislative Auditor should have only reported on those manual adjustments that are clear errors of the agency. The Legislative Auditor decided against this in the original report because it would not provide the Legislature the full picture of the problems system wide that parties face. Furthermore, the Legislative Auditor found in the original report that BCSE was partially responsible for some of the delay in receiving modified orders from the courts because BCSE was taking an average of 19 days to draft court orders for the courts. The Legislative Auditor considers the total number of manual adjustments as a percent of the average case load to be a performance indicator for the child support system overall, but it is important to keep in mind that the BCSE is not at fault in many of these adjustments. There will always be a need for manual adjustments as long as there are delays in receiving updated case information. The issue is what is the appropriate percent of cases that will invariably need manual adjustments? **The question has always been has the agency done its part to reduce to the fullest extent the need for manual adjustments?** Given that there are still some programming needs for the OSCAR system, and that the percentage of manual adjustments resulting from agency errors has not changed that much from the original report, there continues to be room for improvement in this area. It should be noted that the agency has done well in tracking these manual adjustments and categorizing them since these adjustments are to a great extent performance indicators for the agency.

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*The Legislative Auditor considers the total number of manual adjustments as a percent of the average case load to be a performance indicator for the child support system overall.*

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## **Analysis of Manual Adjustments for Calendar Year 2003**

The agency's average number of cases with orders to enforce was 89,164 for the year 2003. To maintain correct enforcement of these cases, 21,377 manual adjustments were made. Of this total, 9,554 (44.7%) were the result of external factors, which are generally beyond the agency's control. Agency errors accounted for 16.3% of total adjustments, and programming

deficiencies of the OSCAR system accounted for 12.4% of all adjustments. Other adjustments for which it is difficult to define the source, accounted for 26.7% of the adjustments. These could be external, programming deficiencies, agency errors, or a combination of the three sources. Table 1 shows the breakdown of manual adjustments. The right most column shows the type of adjustment as a percent of the average caseload.

<b>Table 1</b> <b>Sources for Manual Adjustments - 2003</b>			
Source	Number of Manual Adjustments*	% of All Adjustments	% of Average Caseload
External Sources	9,554	44.7%	10.7%
Agency Errors	3,475	16.3%	3.9%
OSCAR Programming Deficiencies	2,642	12.4%	3.0%
Other Adjustments	5,706	26.7%	6.4%
Total	21,377	100.0%*	24.00%
<i>* Each adjustment is performed on an individual case. It is possible that a case had more than one adjustment during the year.</i> <i>Source: 2003 OSCAR Commission Report Count</i>			

*Considering both internal and external sources of adjustments, the manual adjustment rate as a whole has remained approximately the same since the first update in 1999.*

Considering both internal and external sources of adjustments, the manual adjustment rate as a whole has remained approximately the same since the first update in 1999. Table 2 shows the adjustment rate at the time of previous updates and the 1997 original report.

<b>Table 2</b> <b>Annual Adjustment Rates</b>					
	1996	1998	1999	2000	2003
Annual Adjustment Rate	31.5%	25.1%	27.1%	25.8%	24.0%
<i>Source: 1999 &amp; 2000 OSCAR Case Processing Gauge Reports, Bureau for Child Support Enforcement</i>					

Although the adjustment rate has declined measurably since the original report issued in 1997, given that there are still some programming needs for the OSCAR system, and that the percentage of manual adjustments resulting from agency errors has not changed that much from the original report, there continues to be room for improvement in this area.

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## Cases With Support Orders in Place Are Up Substantially

During the calendar year 2003, BCSE had an average of 89,164 cases with court ordered support. It should be noted that the BCSE has increased the percentage of cases with court ordered support from 39.97% in 1996, to 81.19% in December 2003. This is important because it allows the state to receive the maximum amount of federal funds available for this program. The BCSE should be commended for this accomplishment. Table 3 below shows the percentage of cases with support orders by year.

<b>Table 3</b>				
<b>Percentage of Cases with Court Ordered Support by Year</b>				
<b>Year</b>	<b>1996</b>	<b>1998</b>	<b>2000</b>	<b>2003</b>
<b>Percentage of Cases with Support Orders</b>	<b>39.96%</b>	<b>47.44%</b>	<b>63.5%</b>	<b>81.19%</b>

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## Update of Recommendations from Original Report

### Recommendation 1:

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*The BCSE has increased the percentage of cases with court ordered support from 39.97% in 1996, to 81.19% in December 2003.*

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*The Bureau for Child Support Enforcement should reduce delays in preparing support orders by delivering proposed recommended orders to Family Law Masters within seven days from the final hearing. BCSE should also reduce the number of days it takes to enter support orders into the OSCAR system after they are entered by Circuit Clerks, by developing a system which ensures the timely pick up of the order from the courthouse and timely entry of the order into OSCAR.*

**Level of Compliance:            In Compliance**

In the performance review of the BCSE which was issued in 1996, BCSE attorneys took an average of 19 days to prepare orders for Law Masters to sign. This was contributing to the delay in final orders being entered into the OSCAR system. Once signed, the order had to be entered into the OSCAR system before it could be enforced. The Legislative Auditor made the recommendation to draft orders and have them delivered to the Law Masters within 7 days because Law Masters were required by law to have final court orders within 10 days after the final hearing.

In 1997, the BCSE issued a directive that required staff attorneys to submit proposed orders to the Law Masters for their signature within 7 working days of the final hearing. In July 2000, the BCSE implemented a system for monitoring compliance with the 7 day requirement. In the 2001 update, the BCSE was operating at an average of 90% compliance with this requirement. Based on the most recent information from the BCSE, the BCSE attorneys are achieving a 96% compliance rate with the 7 day directive. Table 4 shows the compliance rate for the BCSE attorneys by month.

*Based on the most recent information from the BCSE, BCSE attorneys are achieving a 96% compliance rate with the 7 day directive.*

*It is the opinion of the Legislative Auditor's Office that universal compliance with the 7 day order turn around is not possible and that the BCSE has obtained compliance with the recommendation.*

<b>Table 4 BCSE Compliance with 7 Day Time Frame for Order Submittal for July 2003-May 2004</b>	
<b>Month</b>	<b>Average Compliance Rate</b>
July	98.86%
August	97.40%
September	97.77%
October	96.64%
November	96.68%
December	93.87%
January	96.43%
February	96.65%
March	95.85%
April	97.51%
May	94.94%
<i>Source of Data: BCSE 7 Day Order Turn Around Reports</i>	

The BCSE has in the past issued conflicting reports as to whether or not it believes that universal (100%) compliance with the 7 day directive is possible. According to the BCSE, no formal study has been conducted to determine if universal compliance is possible. It is the opinion of the Legislative Auditor's Office that universal compliance is not possible and that the BCSE has obtained compliance with the recommendation. However, the Legislative Auditor would encourage the BCSE to continue to maximize compliance with the 7 day directive and continue its monitoring.

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### **Recommendation 3:**

*The BCSE should give higher priority to providing the necessary programming changes to the OSCAR system in order that every court ordered judgement is enforced automatically.*

#### **Level of Compliance:                      Planned Compliance**

As was previously stated, one reason that manual adjustments must be made is lack of programming in the OSCAR system. Consider the following example. If a client opens a new case with the BCSE, the BCSE will establish a balance within the OSCAR system based on statements by the client. The BCSE typically requires a court order to ensure the correct balance. Often, the balance established by the court will not agree with what was previously established in OSCAR because of client error or credit given to the non-custodial parent for other direct payments. If OSCAR contained improved programming, these changes could be entered into the OSCAR system at the field level and eliminate the need for a manual adjustment.

*Some orders experience a delay of 30 to 60 days for the order to be enforced which could be eliminated if OSCAR contained the necessary programming.*

Because OSCAR lacks the programming for this function, a manual adjustment must be made. BCSE currently uses a system of double checks. What this means is that a financial specialist in the field reviews a record and then that same record is reviewed at the state level before the manual adjustment can be made. This prevents a single individual from making changes to a client's records. Once the necessary information is received and reviewed, then a manual adjustment can be performed. The BCSE currently completes 55% of all manual adjustments within 30 days of receiving the request for the adjustment. The BCSE completes nearly all manual adjustments within 60 days of receiving the request for the adjustment. This represents a delay of 30 to 60 days for the order to be enforced which could be eliminated if OSCAR contained the necessary programming. Furthermore, if these adjustments were not necessary, then the BCSE could re-allocate at least a portion of the resources currently devoted to manual adjustments.

At the time of the 2001 update, the BCSE had contracted with Policy Studies, Inc. (PSI) to design and implement a financial adjustment tool to develop a revised approach for calculating and adjusting child support arrearages. According to the BCSE, this tool was to address 80-85% of all situations which currently require manual adjustments to be made. However, according to the BCSE,

*A cost and time analysis was performed and it was determined that it was more cost and time efficient to use programmers currently on staff to make these changes.*

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*Even though PSI had developed a similar program for Tennessee, our analysis indicated that the project would not be easily convertible for use with West Virginia's system. The enhancements to West Virginia's financial module have been divided into four phases. The first two phases have been completed, the third phase is in a testing stage at this time, and we expect phase four to be completed within the next year.*





# Issue 2

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## **CSED’s Mismanagement of the OSCAR Data Conversion Contract has cost the State over \$5 million.**

The development of the automated system known as OSCAR was required by federal law. Federal funding for the system was at an enhanced rate of 90% of total costs. The original contract for OSCAR, with change orders, was \$10.8 million. The entire contract was awarded to Network Six, Inc. (NSI). The federal government gave the OSCAR system a conditional certification.

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*The BCSE was not pleased with the vendor’s overall conversion performance; however, the BCSE did not report its dissatisfaction with the Purchasing Division.*

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A critical phase of implementing OSCAR required NSI to calculate certain financial balances for over 46,000 cases based on the information contained in case folders and store the information into OSCAR. This procedure is referred to as *manual data conversion*. Following implementation of the new system in 1996, CSED internal documents and the federal court’s independent review concluded that the calculations stored into OSCAR by NSI were incorrect in as many as 50% of cases converted. The BCSE was not pleased with the vendor’s overall conversion performance; however, the BCSE did not report its dissatisfaction with the Purchasing Division.

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### **Recommendation 9:**

*The Legislature should consider amending the statute for purchasing to require all state agencies to submit Vendor Performance Forms to the Purchasing Division within the Department of Administration in cases where vendor performance has been unsatisfactory. These performance forms should become part of the evaluation process of perspective vendors.*

**Level of Compliance: Requires Legislation**



## **The Child Support Enforcement Division Could Save Millions of Dollars by Reducing the Use of Checks and Converting to Electronic Transfer.**

The BCSE sent child support payments to the caretaker by printing paper checks. Electronic Funds Transfer (EFT), or direct deposit is a more efficient practice in terms of time and cost savings. At the time of the 1997 performance review, BCSE issued between 60,000 and 70,000 checks a month. The cost of issuing paper checks was between \$31,000 and \$37,000 per month, or over \$400,000 each year. Direct Deposit has the potential of reducing costs by over 80%.

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### **Recommendation 11:**

*BCSE should develop a mandatory phase-in of electronic deposit to caretakers receiving child support payments.*

#### **Level of Compliance:            In Compliance**

At the time of the last update, the BCSE was in planned compliance with this recommendation. Programming had not yet been completed to allow electronic deposit of child support disbursements to individual customers. According to the BCSE,

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*Including EFT, the BCSE transfers approximately 17% of all funds electronically.*

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*The BCSE has successfully implemented electronic fund transfers of child support distributions. Currently, the BCSE forwards distributions by electronic means to 40 other state child support agencies. In October 2002, the BCSE implemented direct deposit of distributions to the bank accounts of individuals who authorize this form of distribution. Initially, the agency publicized the availability of this service by an informational mailing to all eligible cases. Subsequently, the BCSE has incorporated information about this service into its intake and customer service processes. The BCSE Internet Website includes information on this service and a form that can be downloaded to authorize this service.*

The BCSE reports that for the month of April 2004, the BCSE effected 6,500 distributions by EFT and 12,534 distributions by direct deposit. During that same month, the BCSE disbursed 94,480 checks. Including EFT, the BCSE transfers approximately 17% of all funds electronically. Table 5 below shows the participation rate of other states with direct deposit and EFT.

The list below is not designed to be comprehensive and it should also be noted that some states do not offer direct deposit (for example Florida).

<b>Table 5</b> <b>Participation Rate of Other States with Direct Deposit</b>		
State	Participation Rate	# of Years Direct Deposit has Been Offered
Illinois	27%	4
North Carolina	27%	N/A
Maine	6%	2
Nebraska	48%	N/A
Minnesota	64%	5
Virginia	54%	6
Kentucky	20%	7
Nevada	9%	1
Tennessee	3%	1
Ohio	25%	4
New Hampshire	N/A	Just instituted
Georgia	N/A	Just instituted
Alabama	Not Offered	
South Carolina	Not Offered	
Louisiana	Not Offered	
Mississippi	Not Offered	
Florida	Not Offered	

In addition to direct deposit, some states have instituted a debit card system to provide payment to custodial parents. According to the BCSE,

*The BCSE is currently exploring the use of a debit card to which distributions of child support would be applied for any caretaker who has not authorized direct deposit. It is expected that this method of distribution will be implemented within a year.*

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The BCSE eventually plans to require all clients receiving payments to use the debit card or direct deposit system, thus virtually eliminating the need for issuing paper checks. According to the U.S. Department of Health and Human Services,

*The program [debit card system] is an innovation that cuts costs for the state, since no check must be produced and mailed. It brings convenience and safety to the cardholders who no longer have to find the time and place to cash their checks or pay check cashing fees.*

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*The BCSE eventually plans to require all clients receiving payments to use the debit card or direct deposit system.*

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# Appendix A: Transmittal Letter

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## WEST VIRGINIA LEGISLATURE *Performance Evaluation and Research Division*

Building 1, Room W-314  
1900 Kanawha Boulevard, East  
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John Sylvia  
Director

August 10, 2004

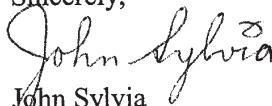
Mr. Paul L. Nusbaum, Secretary  
Department of Health and Human Resources  
State Capitol Complex, Building 3 Room 206  
Charleston, WV 25305

Dear Secretary Nusbaum:

This is to transmit a draft copy of the update of the Bureau of Child Support Enforcement. This report is scheduled to be presented during the August 22-24, 2004 interim meeting of the Joint Committee on Government Operations in Beckley, West Virginia. We will inform you of the exact time and location once the information becomes available. It is expected that a representative from your agency be present at the meeting to orally respond to the report and answer any questions the committee may have.

If you would like to schedule an exit conference to discuss any concerns you may have with the report between Wednesday August 11, 2004 and Monday, August 16, 2004, please notify us. We need your written response by noon on Tuesday August 17, 2004, in order for it to be included in the final report. If your agency intends to distribute additional material to committee members at the meeting, please contact the House Government Organization staff at 340-3192 by Thursday, August 19, 2004 to make arrangements.

We request that your personnel not disclose the report to anyone not affiliated with your agency. Thank you for your cooperation.

Sincerely,  
  
John Sylvia

c: Ms. Susan S. Perry, Commissioner BCSE

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*Joint Committee on Government and Finance*

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*Bureau of Child Support Enforcement*

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# Appendix B: Agency Response

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STATE OF WEST VIRGINIA  
DEPARTMENT OF HEALTH AND HUMAN RESOURCES  
Office of the Secretary

Bob Wise  
Governor

State Capitol Complex, Building 3, Room 206  
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Paul L. Nusbaum  
Secretary

August 17, 2004

RECEIVED  
AUG 18 2004

PERFORMANCE EVALUATION AND  
RESEARCH DIVISION

Mr. John Sylvia, Director  
Performance Evaluation and Research Division  
West Virginia Legislature  
State Capitol Building, Room W-314  
Charleston, West Virginia 25305-0610

Dear Mr. Sylvia:

Thank you for the opportunity to review and comment on the draft update on the report of the Preliminary Performance Review of the Bureau for Child Support Enforcement. Enclosed is the Department's response to the draft report for inclusion with your final report to the Joint Committee on Government Operations.

Sincerely,

A handwritten signature in black ink that reads "Paul L. Nusbaum".

Paul L. Nusbaum  
Secretary

PLN/bj

Enclosure

cc: Shana Phares, Deputy Secretary, DHHR  
Danny Franco, Assistant Secretary for Finance, DHHR  
Susan S. Perry, Commissioner, BCSE  
David Welker, Deputy Commissioner, BCSE  
Garrett Jacobs, Deputy Commissioner, BCSE

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**WEST VIRGINIA DEPARTMENT OF HEALTH AND HUMAN RESOURCES  
RESPONSE TO THE PRELIMINARY PERFORMANCE REVIEW  
OF THE BUREAU FOR CHILD SUPPORT ENFORCEMENT**

**Issue 1: In 1996, almost one-third of cases in the agency's database required manual adjustments to case information; for 2003, the adjustment rate is approximately 24%.**

The Bureau agrees that PERD's method of counting adjustments does result in an adjustment rate of 24%. This method is based on a count of cases having financial records compared to the number of cases in which a manual adjustment to the case financial record occurred. The Bureau believes that a more valid comparison would be one that compared manual adjustments to the total number of financial transactions instead of the total number of cases.

The Bureau, in response to a previous PERD Update, noted that manual adjustments to case financial records are a routine aspect of case processing and that the number and rate of manual adjustments do not necessarily reflect problems in case processing nor in service delivery. The draft report quotes a previous Bureau response stating that "Adjustments reflect case activity, not case errors," and that "not making appropriate adjustments would result in more errors, not less."

The draft report states that the Bureau's view of manual adjustments is "*short-sighted and does not capture the full significance of manual adjustments.*" It states: "*[T]he fact is that manual adjustments are needed usually because cases are currently being enforced incorrectly, (emphasis added) either because incorrect case data have been entered into OSCAR or there is a significant delay in receiving updated case information. When a case is being enforced incorrectly because of incorrect data or delayed updates of data, one or more parties in the case are being adversely affected.*"

The Bureau agrees that the manual adjustment process does sometimes result in interruptions and delays to the enforcement of court orders or to the distribution of support or timely refunds of overpayments to payers. The Bureau agrees with the draft update that there are a combination of factors that necessitate manual adjustments to case financial records, many of which are completely outside the control of the Bureau.

The Bureau disagrees that most manual adjustments are either the cause of or the result of "incorrect enforcement". The need to update case information is the most common reason for manual adjustments. However, most update transactions are not related to actual enforcement of the support order in the affected case. Enforcement continues uninterrupted before and during the manual adjustment process.

A case balance may be adjusted to either increase it due to a modified court order or to reduce it due to a judgement order or information received from another state's child support agency or a party to the case. Seldom does this process affect the enforcement

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**WEST VIRGINIA DEPARTMENT OF HEALTH AND HUMAN RESOURCES  
RESPONSE TO THE PRELIMINARY PERFORMANCE REVIEW  
OF THE BUREAU FOR CHILD SUPPORT ENFORCEMENT  
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of a support order or the collection and distribution of child support. Nor does it affect either of the parties to the case adversely. For example, the enforcement of an order by an income withholding will not be affected at all due to an adjustment necessitated by a judgement that reduces an obligor's balance from \$6,500 to \$6,000 because the court has given the obligor credit for \$500 that was not processed through the Bureau.

The draft report notes that ***"[T]he Legislative Auditor considers the total number of manual adjustments to be a performance indicator for the child support system overall, but it is important to keep in mind that the BCSE is not at fault in many of these adjustments. There will always be a need for manual adjustments as long as there are delays in receiving updated case information. The issue is what is the appropriate percent of cases that will invariably need manual adjustments? The question has always been has the agency done its part to reduce to the fullest extent the need for manual adjustments?"***

The Bureau does not believe that the rate of manual adjustments is a valid performance indicator of either the Bureau or of the child support system. The Bureau agrees that the need for manual adjustments is in part due to delays in receiving updated information. However, delay is not as important a factor in necessitating manual adjustments as are transactions that occur outside the OSCAR system. Even after the system has reduced delays to the extent possible, there will continue to be the need for manual adjustments to reflect the transactions that occur outside the OSCAR system.

The Bureau agrees that it has not fully "done its part" to reduce the need for manual adjustments and that there is a continued need for and the opportunity for improvement. Some OSCAR programming issues remain which will reduce the time involved in manual adjustments and may reduce the need for them. The Bureau is currently involved in programming work that will address these outstanding issues.

The Bureau agrees that the percent of manual adjustments due to "agency errors" has remained approximately the same since the 1997 review. However, it is noted that this category includes transactions other than "mistakes" by Bureau staff. For example, if an individual opens a case in West Virginia on an order that originated in another state and another state has been involved in enforcement, the Bureau does not have the information to set the balances correctly. However, the Bureau begins immediate enforcement and sets a financial record prospectively so that it can distribute any collection that is received. The case balance will eventually be corrected to include any arrears that accrued before the case opened in West Virginia based on information obtained from other states previously involved in the enforcement of the order. This "agency error" is an intentional transaction that is very beneficial both to the family and also to the agency on a federal performance measure on collecting current support as it comes due.

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The Bureau continues to believe that the number and rate of manual adjustments to case financial records is not an effective measure of its performance. This measure is not part of either the federal compliance measures or of the federal performance outcome reviews. The latter are the basis for federal incentive funding and the data on which the outcomes are measured is audited annually by the federal Office of Child Support Enforcement. For Federal Fiscal Years 2001, 2002 and 2003, the Bureau achieved outcomes on each of the federal performance measures that were above or comparable to the national averages. During this same period, West Virginia achieved positive federal audit findings on all five measures. In 2003, West Virginia was one of just twelve IV-D programs in the nation to qualify for a less strict audit due to its record of high performance outcomes and positive audit findings in the prior two years. The Bureau believes that these measures are more valid indicators of its implementation of the child support program.

**RECOMMENDATION 1**

***The Bureau for Child Support Enforcement should reduce delay in preparing support orders by delivering proposed recommended orders to Family Law Masters within seven days from the final hearing. BCSE should also reduce the number of days it takes to enter support orders into the OSCAR system after they are entered by Circuit Clerks, by developing a system which ensures the timely pick up of the order from the courthouse and timely entry of the order into OSCAR.***

The draft report finds the Bureau to be “**In Compliance**” with this recommendation based on its monthly order tracking reports that show BCSE attorneys attaining a compliance rate of 96% with the seven-day directive. The report notes that “[I]t is the opinion of the Legislative Auditor’s Office that universal compliance is not possible and that the BCSE has obtained compliance with the recommendation.” The Bureau will, as the draft report suggests, continue efforts to maximize compliance with the seven-day directive and continue compliance monitoring.

**RECOMMENDATION 3**

***The BCSE should give higher priority to providing the necessary programming changes to the OSCAR system in order that every court ordered judgement is enforced automatically.***

The draft report finds the Bureau to be in “**Planned Compliance**” with this recommendation. The Bureau agrees that it is not yet in compliance with this recommendation. Further programming to the OSCAR system to comply with this recommendation is currently in progress.

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**RECOMMENDATION 11**

***BCSE should develop a mandatory phase-in of electronic deposit to caretakers receiving child support payments.***

The draft report finds the Bureau to be **"In Compliance"** with this recommendation.

