Department of Health and Human Services

OFFICE OF INSPECTOR GENERAL

Implementation of State Child Support Certified Data Systems

JUNE GIBBS BROWN
Inspector General

APRIL 1997
OEI-04-96-00010

Department of Health and Human Services

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EXECUTIVE SUMMARY

PURPOSE

To describe State IV-D Child Support Enforcement Agencies' experiences in implementing certified automated data systems.

BACKGROUND

The Child Support Enforcement program was established in 1975 as Title IV-D of the Social Security Act. Its purpose is to locate noncustodial parents, establish paternity, establish and enforce child support, and collect child support payments. State Title IV-D Child Support Agencies manage and operate child support programs.

Because of escalating non-support for children by noncustodial parents, and a public need for responsive child support enforcement programs, the Administration and the Congress have long been interested in improving data systems for child support. As a result of this interest, the 1988 Family Support Act required each State to develop a Statewide automated data system that had the capability to control, account for, and monitor all processes for determining paternity and collecting child support.

The 1988 Act also set October 1, 1995 as the deadline for States to implement the required certified automated child support data system. However, only one State met the October 1, 1995 deadline for implementing a certified automated data system for child support enforcement. As a result, on October 11, 1995, Congress passed legislation to authorize a 2-year extension of the deadline -- until October 1, 1997.

Federal and State expenditures for developing automated child support systems totalled about $2 billion.

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FINDINGS

Most States and territories are well positioned to have certified automated child support data systems by the revised October 1, 1997 deadline

Only one State met the original October 1, 1995 deadline for having a certified data system. However, at the time of our review five more States had been certified. Forty-two States said they expect to have certified automated data systems by the revised October 1, 1997 deadline. Five States did not know whether or not they would be certified, and one State said it does not expect to develop a certified data system by the revised deadline. Of those anticipating to be certified by the revised deadline, thirty-two were in the implementation and operational phases.

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OEI-04-96-00010

Department of Health and Human Services

OFFICE OF INSPECTOR GENERAL

States, ACF, and contractors generally attributed implementation delays largely to three program elements: technology transfer, short timeframes, and State/contractor relationships

States, ACF, and contractors shared responsibility for the delays. Neither was solely responsible. States identified three program elements that contributed most to delays in developing and implementing certified automated data systems. The program elements were (1) a requirement to share technology, (2) short timeframe for developing and implementing the systems, and (3) ineffective State and contractor working relationships. ACF and contractors generally agreed with States that these program elements were the major causes of delays.

Most States consider the quality of Federal technical assistance and guidance to be good to excellent

About 70 percent of the States said the quality of ACF's technical assistance and guidance was good or excellent. ACF provided various types of technical assistance and guidance to States at different stages during planning and development of certified data systems. States said on-site reviews, certification guide and questionnaire, interpretation of the certification guide, and user group meetings were most helpful.

RECOMMENDATIONS

Despite the favorable outlook, the Administration for Children and Families (ACF) should take steps to ensure that all States develop a certified automated child support data system by the revised October 1, 1997 deadline. We recommend that ACF:

- Secure a detailed action plan from each State identifying specific steps they are undertaking to meet the revised deadline.

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OEI-04-96-00010

Department of Health and Human Services

OFFICE OF INSPECTOR GENERAL

- Establish an intensive system to continuously monitor the status of each State's progress towards becoming certified by October 1, 1997.

- Provide more indepth technical assistance and guidance to States having difficulty meeting the revised deadline. Such assistance could include (1) working with States to determine specific causes of problems, and (2) assisting States in designing and implementing corrective action measures.

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 requires States to develop several additional child support data systems by October 1, 2000. Some lessons learned from the systems development effort analyzed in this report may be applicable to these new systems. We suggest that ACF:

- Allow States flexibility in determining whether or not transferring proven child support data systems from one political jurisdiction to another would shorten implementation time, reduce systems cost, and achieve standardized systems.

- Develop strategies to identify areas where States can provide technical assistance to others. ACF should also coordinate this effort both regionally and nationally.

Towards this effort, we will issue a report in the near future that identifies lessons learned by States in their efforts to develop and implement certified automated data systems.

AGENCY COMMENTS

The Principal Deputy Assistant Secretary for Children and Families commented on our draft report. She expressed general agreement with our recommendations. To help assure that States implement certified automated data systems by the revised October 1, 1997 deadline, ACF is re-emphasizing the importance of Advance Planning Document Updates by States. The ACF will also provide more in-depth technical assistance to States, including more

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APRIL 1997
OEI-04-96-00010

Department of Health and Human Services

OFFICE OF INSPECTOR GENERAL

frequent on-site visits by regional and central office staffs. ACF intends to obtain Quarterly Status Reports from States experiencing difficulties in developing certified data systems.

Further, ACF modified original instructions requiring States to transfer another States' child support data system. The revised instructions give States an option on whether or not to transfer another States' data system. The ACF is also seeking opportunities to build supportive relationships between States to enhance development of the data systems.

The Acting Assistant Secretary for Planning and Evaluation also concurred with our recommendations.

Appendix A shows the full text of ACF comments.

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Inspector General

APRIL 1997
OEI-04-96-00010

Department of Health and Human Services

OFFICE OF INSPECTOR GENERAL

TABLE OF CONTENTS

PAGE

EXECUTIVE SUMMARY

INTRODUCTION 1

FINDINGS 5

- State Readiness 5
- Causes of Implementation Delays 6

  Technology Transfer Policy 8
  Short Timeframes 9
  State and Contractor Working Relationships 10

- Quality of Federal Technical Assistance 11

RECOMMENDATIONS 13

AGENCY COMMENTS 14

APPENDIX A: ACF COMMENTS A-1

Department of Health and Human Services

OFFICE OF INSPECTOR GENERAL

INTRODUCTION

PURPOSE

To describe State IV-D Child Support Enforcement Agencies' experiences in implementing certified automated data systems.

BACKGROUND

Child Support Enforcement

The Child Support Enforcement program was established in 1975 as Title IV-D of the Social Security Act. Its purpose is to locate noncustodial parents, establish paternity, establish and enforce child support, and collect child support payments. State Title IV-D Child Support Agencies manage and operate child support programs.

Within the Department of Health and Human Services (HHS), the Office of Child Support Enforcement (OCSE), Administration for Children and Families (ACF), has Federal oversight responsibility for State Title IV-D Child Support programs.

Automating Child Support Data Systems

Because of escalating non-support for children by noncustodial parents, and a public need for responsive child support enforcement programs, the Administration and the Congress have long been interested in improving data systems for child support.

In 1984, Congress amended Title IV-D of the Social Security Act to fund 90 percent of State costs for computer hardware and software to operate automated child support data systems.

The 1988 Family Support Act extended 90 percent funding for development of automated child support enforcement data systems. The Act required each State to develop a Statewide automated data system that had the capability to control, account for, and monitor all processes for determining paternity and collecting child support. Additionally, the system was required to electronically interface with systems of other agencies at the Federal, State, and local level. Such interface was deemed essential to assure collection of child support, where appropriate, and proper distribution of child support payments.

The 1988 Act also required ACF to certify each State system to assure that State automated systems for child support meet Federal requirements.

Finally, the 1988 Act set October 1, 1995 as the deadline for States to implement the required certified automated child support data system. At that time, funding was to be discontinued.

However, only one State met the October 1, 1995 deadline for implementing a certified automated data system for child support enforcement. As a result, on October 11, 1995, Congress passed legislation to authorize a 2-year extension of the deadline -- until October 1, 1997.

Federal and State Expenditures

While only one State system had been certified as of the October 1, 1995 deadline, Federal and State expenditures for developing State systems totalled almost $2 billion. Figure 1 shows that Federal and State funding for developing automated child support systems steadily increased from 1988 through 1995.

FIGURE 1

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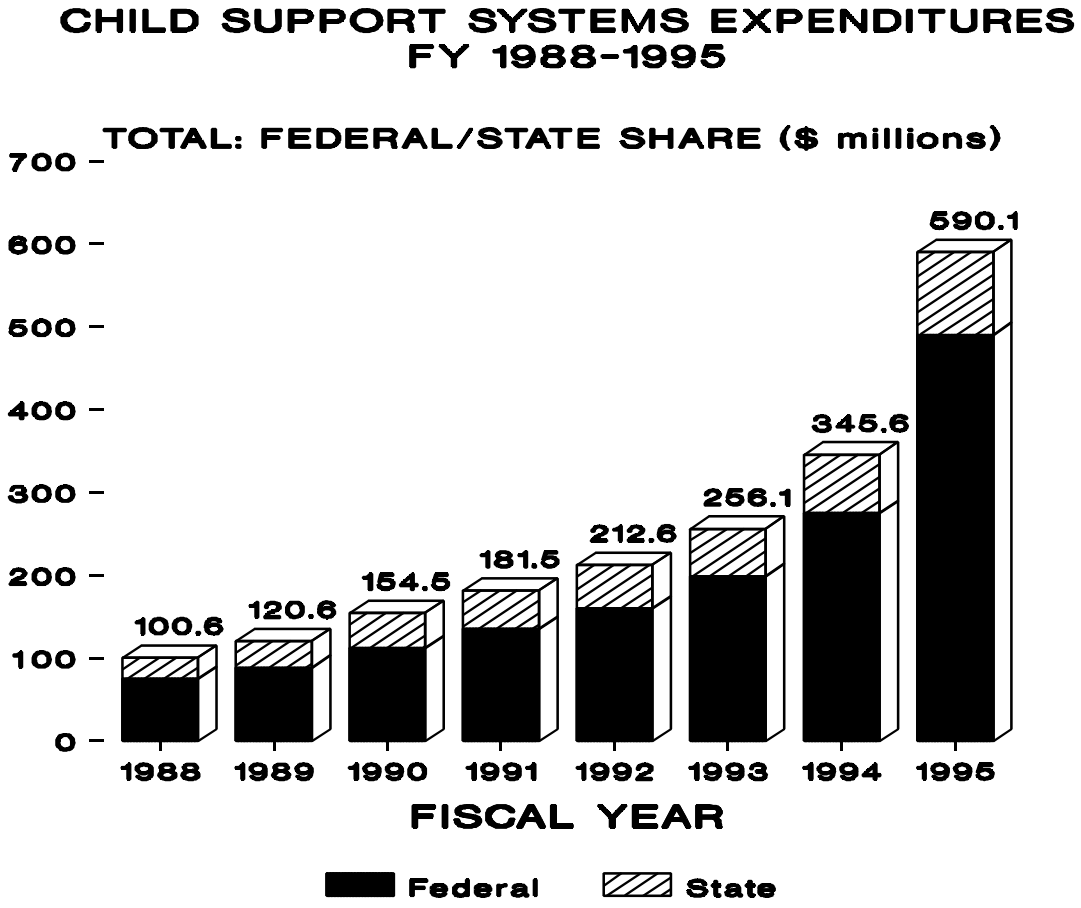

Concern about State Progress in Developing Automated Child Support Data Systems

Congress and the Administration for Children and Families, Department of Health and Human Services expressed interest in learning about the status of implementation of automated child support data systems, delays in implementation, problems, successes, and

lessons learned. Such information should be helpful to OCSE, the Department, and the Congress in continuing to develop an automated data system for child support, and in designing and implementing such systems in the future.

Previously, the U.S. General Accounting Office (GAO) had issued two reports on Federal and State efforts to automate data systems. In 1989, the GAO reported on the automation status of State Child Support Enforcement programs.[1] That report showed that between September 1985 and May 1988, States had made some progress toward developing automated child support systems. Thirty-nine States had progressed through at least one development stage, 13 States had remained in the same phase, and 2 States had regressed to a preplanning phase.

In 1992, the GAO reported on OCSE's oversight of States in developing the required automated child support systems.[2] GAO reported that OCSE did not require States to correct known problems. The GAO noted that OCSE's approach resulted in a risk that serious problems would have to be corrected later when it is much more costly and time-consuming to do so.

Planned Additional Child Support Enforcement Data Systems

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 required States to develop several additional child support data systems. For example, (1) State directory of new hires, (2) State case registry, (3) collection and use of Social Security numbers in child support enforcement, and (4) centralized collection and disbursement of support payments. The deadline set for implementation of the new systems is October 1, 2000. However, the deadline shall be extended by one day for each day (if any) that the Secretary fails to meet the set deadline for prescribing final regulations. In developing the additional new systems, States are expected to face similar challenges as they faced in developing the certified data systems.

We believe this report on implementation of State child support certified data systems will provide important information for planning and implementing the additional child support

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[1] Child Support: State Progress in Developing Automated Enforcement Systems (GAO/HRD-89-10FS, February 10, 1989).

[2] Child Support Enforcement: Timely Action Needed to Correct System Development Problems (GAO/IMTEC-92-46, August 13, 1992).

data systems. Additionally, we will issue a follow-up report on this subject of lessons learned by States in implementing the certified data systems.

METHODOLOGY

We used a standardized questionnaire to survey all 50 States, the District of Columbia, Puerto Rico, Guam, and the Virgin Islands. Additionally, we conducted telephone interviews with staff at ACF headquarters and 10 regional offices. Finally, we conducted telephone interviews with eight judgmentally selected State contractors who were responsible for developing the required automated data systems.

We used the following criteria in selecting the eight contractors. First, we stratified the States into the following two groups. States that were (1) certified, including those States that had obtained a Level 2 certification review by ACF, and (2) not certified. We selected four contractors from each of the two groups.

From each organization included in our survey, we obtained information on experiences and lessons learned in developing automated data systems for child support enforcement. Further, we obtained views of staffs on reasons for delays in developing certified automated data systems. Additionally, from ACF staffs, we obtained information on the status of development of certified data systems. We did not determine the extent that funding affected State delays in developing and implementing certified data systems. The U.S. General Accounting Office has a review underway which we understand will examine the effect of funding on system implementation.

As of August 30, 1996, 54 States[3] had completed and returned our questionnaire -- a response rate of 100 percent.

We conducted our inspection between April 1996 and August 1996.

This inspection was conducted in accordance with *Quality Standards for Inspections* issued by the President's Council on Integrity and Efficiency.

[3]For convenience in summarizing survey results, we considered the District of Columbia, Puerto Rico, Guam, and the Virgin Islands as States.

Department of Health and Human Services

OFFICE OF INSPECTOR GENERAL

Department of Health and Human Services

OFFICE OF INSPECTOR GENERAL

FINDINGS

MOST STATES ANTICIPATE HAVING A CERTIFIED AUTOMATED CHILD SUPPORT DATA SYSTEM BY THE REVISED OCTOBER 1, 1997 DEADLINE

Six States had Certified Data Systems

As of October 1, 1995, only one State had a certified automated child support system as required by the 1988 Family Support Act. However, at the time of our review, five more States had developed certified automated data systems for child support -- for a total of six States.

Forty-two of the Remaining 48 States Expect to Meet the Revised Deadline of October 1, 1997

The majority of the remaining 48 States (88 percent), said they expect to have certified data systems by the revised deadline. Table 1 shows the status of all States in developing and implementing certified automated child support data systems at the time of our review. The table also shows that two-thirds of the remaining 48 States (32 of 48) are in the implementation and operational phases.

TABLE 1
STATE PROGRESS IN DEVELOPING AUTOMATED DATA SYSTEMS

CURRENT PHASE	NUMBER OF STATES IN PHASE
Design	2
Programming	3
Testing	9
Conversion	2
Implementation	9
Pilot in several counties, but enhancing	1
Operational Statewide, but enhancing	12
Operational Statewide, but transferring new system	1
Level 1 Certification Review	2

Level 2 Certification Review	7
Certified	6
TOTAL STATES	54
The 48 States that did not have certified data systems at the time of our review were in one or more phases of development or implementation. For the States that selected more than one phase, we chose the last phase checked to be the State's current phase.	

Five of the Remaining 48 States Did Not Know Whether or Not They Would Meet the Revised Deadline of October 1, 1997

Officials from the five States gave several reasons for uncertainty about meeting the revised October 1, 1997 deadline. Some of the more prevalent reasons were (1) the system has to be implemented in a number of counties, (2) ACF's certification guide was published too late, (3) contractor's plan was flawed, and, based on past performance, the State has no confidence in the contractor's projections, and (4) State management is insisting that appropriate time be taken to develop a quality system. We observed that the six States who already have certified systems and the 42 who expect to have such systems by October 1, 1997 faced similar challenges.

One State Does Not Expect to Meet the Revised Deadline of October 1, 1997

This one State does not expect to develop a certified automated data system by the revised deadline because of procurement and contractor problems. That State said they may have a certified system by October 1998. Again, 6 States have successfully overcome such barriers and 42 others expect to do so.

STATES, ACF, AND CONTRACTORS GENERALLY ATTRIBUTED IMPLEMENTATION DELAYS LARGELY TO THREE PROGRAM ELEMENTS

Our survey results show that neither the States, ACF, nor contractors were solely responsible for implementation delays, but each organization shared in the delays. States, ACF and contractors identified various program elements that contributed to the delays. Table 2 shows factors States said caused delays in developing and implementing certified data systems.

However, States identified three program elements that contributed most to delays in developing and implementing certified automated data systems for child support. The

program elements were (1) ACF's transfer policy, (2) short timeframe for developing and implementing the systems, and (3) ineffective State and contractor working relationships. These are the top five factors identified in Table 2.

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OFFICE OF INSPECTOR GENERAL

TABLE 2
FACTORS CAUSING DELAYS IN DEVELOPING AND IMPLEMENTING STATE CHILD SUPPORT CERTIFIED DATA SYSTEMS

FACTORS CAUSING DELAYS	PERCENT
1. ACF's prior mandate that States 'transfer' a CSE system	70% (38 of 54)
2. Not enough time allowed by the October 1, 1995 deadline for developing and implementing your State's certified data system	70% (38 of 54)
3. Contractor meeting "deliverables" schedule stipulated in contract	*55% (27 of 49)
4. Quality of contractor's work	*49% (24 of 49)
5. Problems with State contractor	*43% (21 of 49)
6. State administrative problems	41% (22 of 54)
7. Resources assigned to other competing child support priorities	41% (22 of 54)
8. State staff technical expertise to develop and implement data system	41% (22 of 54)
9. Guidance provided by ACF to State	37% (20 of 54)
10. Guidance/direction provided by State to contractor	*28% (13 of 49)
11. Technical assistance provided by ACF to State	19% (10 of 54)
12. State monitoring of contractor's progress	*17% (8 of 49)
13. State leadership and commitment	17% (9 of 54)
14. State planning process	13% (7 of 54)
15. State-established contract requirements	*13% (6 of 49)
16. State legislation	12% (6 of 54)
17. Organizational location of child support data system in relation to State IV-D program office	8% (4 of 54)

18. Monitoring by ACF	8% (4 of 54)
* 5 of 54 States did not use contractors, thereby reducing the number of State respondents to 49.	

Department of Health and Human Services

OFFICE OF INSPECTOR GENERAL

Attempts to Transfer Automated Data Systems from One State to Another Did Not Work

In 1986, OCSE established a transfer policy generally requiring States seeking enhanced funding to use existing automated data systems of other States as models rather than develop new systems. The OCSE expected such transfers to (1) save system development time and costs, and (2) increase the likelihood of success, especially in States lacking technical staff.

However, about 71 percent of the States said the attempt to transfer an automated data system delayed, rather than enhanced, development and implementation of automated systems. For example, several State officials said attempts to use a transfer system delayed implementation by several years.

According to the States, the transfer requirement delayed development and implementation of certified data systems for two major reasons.

- **No Complete Systems to Transfer:** When States began developing data systems, there were no certified systems to transfer as models. None of the States had complete, mature automated IV-D child support systems that could be certified according to the requirements of the 1988 Family Support Act.

- **Transfer Systems Not Unique To State Needs:** The systems States finally chose as a transfer model had to be redesigned, rewritten, modified and enhanced to meet individual State needs. One State official said the transfer concept was fundamentally flawed. It called for the transfer of poorly designed systems and old technology that had to be significantly enhanced to function for individual States. State officials said that redesigning, rewriting, and enhancing the flawed transfer systems resulted in much lost time.

  According to many States, the existing State systems they tried to transfer did not meet the diverse needs of individual States and counties. The States said the transfer concept seemed to be based on a premise that one child support program is like another. They said, however, that in reality each child support program is unique, and trying to adopt another system wasted time and resources. For example, officials in one State said they wasted about a year trying to adopt a transfer system. The final result was a documentation of deficiencies in the transfer system that were eventually used to justify not using the system.

A few States said the transfer systems did not permit the degree of customization desired by individual States. For example, officials in one State noted that the transfer system could not satisfy over 182 elected officials involved in child support at the State and county level. The requirements of county-administered child support systems create additional difficulties for some States. Some States said the transfer system requirement forced them to choose a system they otherwise would not have chosen.

ACF and contractor staffs generally corroborated State opinions that the transfer policy was a major contributor of the delays. Both ACF and contractor staffs said the transferred system needed significant modifications.

October 1, 1995 Deadline did not Allow Adequate Time for Developing and Implementing State Certified Data Systems

Seventy percent of the States said the October 1, 1995 deadline, set by the Congress, was unrealistic for developing and implementing certified data systems. According to State officials, the time was unrealistic because (1) final system requirements from ACF were late, (2) political issues could not be resolved in time allowed, and (3) complex State systems could not be developed in time allowed.

- **System Requirements Issued Late:** State child support officials said ACF issued final certification requirements and guidelines in June 1993. This was too late, they said, to analyze, design, redesign, develop, and implement systems to meet the October 1, 1995 deadline. Several State officials explained that they started developing systems based on 1992 regulations which detailed specifications for computer systems. However, the June 1993 regulations required significant and extensive changes to the automated systems that States had underway. Other States said they did not know what was required until they received the 1993 certification requirements.

- **Political Issues Could Not Be Resolved In Time:** State officials said the October 1, 1995 deadline did not consider a need for obtaining political consensus among all child support agencies in a State. They explained that development of a central child support system must consider the needs and desires of many State and local officials, including local agencies, county officials, clerks of courts, and court administrators.

To illustrate, one State official said completion of the implementation phase was dependent on total county cooperation. That official said the road from a separate, individual county system to an integrated, statewide system took a long time, and the deadline did not allow enough time for this task.

- **Not Enough Time To Develop Broad Scoped and Complex Systems:** Many States said the scope and complexity of the required certified data systems made the deadline unrealistic. To illustrate, one State official said the deadline allowed inadequate time to do the extensive testing, and numerous interfaces with other databases that were required. Another said the time was inadequate for the extensive procurement process. One official said the scope and complexity of the systems were underestimated at the Federal, State and local levels.

Several State officials said only a few private sector contractors had child support and public welfare expertise. They said the child support deadline did not include consideration of this limited resource pool. Since only a few experienced contractors were available, States said the deadline was unrealistic.

Again, ACF and contractors agreed that October 1, 1995 deadline was a major contributing factor to the delays. ACF and contractor staff said the deadline was unrealistic because of the (1) late issuance of Federal regulations and certification requirements, (2) political issues in States involving a number of different agencies, and (3) systems were complex and expensive to develop.

Ineffective State and Contractor Working Relationships

- **Contractors Could Not Deliver Acceptable Products on Time:** Officials from 55 percent (27 of 49)[4] of the States said contractors failed to deliver as stipulated in their contract. To illustrate why contractors failed to deliver, several officials furnished the following comments.

  -- The contractors lacked experienced staff, and in some instances, the contractors lost experienced staff after obtaining a contract.

  -- The contractors had insufficient staff to accomplish what was agreed to in the contract.

  -- The contractor changed management after the contract was obtained.

  -- The contractor overpromised, underestimated the scope and complexity of work, poorly planned, and ultimately failed to deliver as scheduled.

- **Contractors Experienced Quality Problems:** Officials from 49 percent (24 of 49) of the States attributed contractor delays to poor quality work. To illustrate contractors' poor quality work, several officials said

  -- every deliverable was always late and subsequently rejected when received. Ultimately, deliverables in one State were accepted only conditionally,

[4] 5 of 54 States did not use contractors, thereby, reducing the number of States to 49.

-- contractor has never delivered an acceptable product on schedule,

-- many of the programs they accepted from the contractors did not work once implemented, and

-- contractor programs could not pass quality test without extensive modifications.

- **Contractors Experienced Various Other Performance Problems:** Officials from 43 percent (21 of 49) of the States attributed contractor delays to problems other than those mentioned above. For example, several officials said

-- contractor never fully understood the business of child support enforcement,

-- contractor failed to undertake needed analysis of State policies, procedures, and current systems before starting the project,

-- contractor was not receptive to input from the State on the system design

(e.g., system users), and

-- State spent many months deciding what they wanted from their system, but the contractor pushed his own ideas instead of listening to the State.

Likewise, ACF staff said ineffective State and contractor working relationships contributed to delays. To illustrate, ACF said contractors were not adequately prepared to deal with certification requirements on the level that States needed. Also, only a limited number of contractors had expertise in developing certified data systems. Contractor staff also said there was not enough available resources to develop systems, since every State's system had to be developed by the same deadline. Contractor staff also said that both State and contractors lost experienced staff which contributed to delays.

Other Potential Causes of Delays

To identify potential causes of delays in implementing certified data systems, we considered several factors in addition to those named by States, ACF, and contractors. For example, we considered (1) county vs State administration, (2) centralized vs distributed data processing systems, and (3) whether or not States used predominantly contract staff vs predominantly in-

house staff to develop certified data systems. We found that these factors did not appear to contribute to delays in States meeting the deadline.

MOST STATES CONSIDERED THE QUALITY OF FEDERAL TECHNICAL ASSISTANCE AND GUIDANCE TO BE GOOD TO EXCELLENT

While States expressed concern about some guidance such as the transfer policy and timeliness of final certification requirements, 70 percent of the States said that overall the quality of ACF's technical assistance and guidance was good or excellent. ACF provided various types of technical assistance and guidance to States at different stages during planning and development of the certified systems. For example, ACF furnished various publications to States for guidance; held various group meetings, conferences, and workshops; made on-site reviews, and provided individual consultation. Table 3 summarizes the major types of technical assistance and guidance provided and the number of States receiving the help.

TABLE 3
TECHNICAL ASSISTANCE AND GUIDANCE PROVIDED BY ACF TO STATES

TYPES OF TECHNICAL ASSISTANCE AND GUIDANCE ACF PROVIDED TO STATES	NUMBER OF STATES RECEIVING TECHNICAL ASSISTANCE AND GUIDANCE
Interpretation of Certification Guide (Q&A)	49
Certification Guide and Questionnaire	47
Financial Test Deck	45
Visits with Federal Staff	43
User Group Meetings	41
CSENet Technical Assistance	40
Conferences	31
ACF Bulletin Board	30
Teleconferences with Staff	28
On-Site Assistance	27
Workshops	21

Facilitate Collaborative Efforts and Communications between States	21
Review of Draft Responses to Questionnaire	21
NOTE: States could check more than one type of technical assistance or guidance.	

States said the on-site reviews, certification guide and questionnaire, interpretation of the certification guide, and user group meetings were the most helpful.

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OFFICE OF INSPECTOR GENERAL

RECOMMENDATIONS

Despite the favorable outlook, the Administration for Children and Families (ACF) should take steps to ensure that all States develop a certified automated child support data system by the revised October 1, 1997 deadline. We recommend that ACF:

- Secure a detailed action plan from each State identifying specific steps they are undertaking to meet the revised deadline.

- Establish an intensive system to continuously monitor the status of each State's progress towards becoming certified by October 1, 1997.

- Provide more indepth technical assistance and guidance to States having difficulty to ensure that appropriate adjustments are made to meet the revised deadline. Such assistance could include (1) working with States to determine specific causes of problems, and (2) assisting States in designing and implementing corrective action measures.

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 requires States to develop several additional child support data systems by October 1, 2000. Some lessons learned from the systems development effort analyzed in this report may be applicable to the new systems. We suggest that ACF:

- Allow States flexibility in determining whether or not transferring proven child support data systems from one political jurisdiction to another would shorten implementation time, reduce systems cost, and achieve standardized systems.

- Develop strategies to identify areas where States can provide technical assistance to others. ACF should also coordinate this effort both regionally and nationally.

Towards this effort, we will issue a report in the near future that identifies lessons learned by States in their efforts to develop and implement certified automated data systems.

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AGENCY COMMENTS

The Principal Deputy Assistant Secretary for Children and Families commented on our draft report. She expressed general agreement with our recommendations. To help assure that States implement certified automated data systems by the revised October 1, 1997 deadline, ACF is re-emphasizing the importance of Advance Planning Document Updates by States. The ACF will also provide more in-depth technical assistance to States, including more frequent on-site visits by regional and central office staffs. ACF intends to obtain Quarterly Status Reports from States experiencing difficulties in developing certified data systems.

Further, ACF modified original instructions requiring States to transfer another States' child support data system. The revised instructions give States an option on whether or not to transfer another States' data system. The ACF is also seeking opportunities to build supportive relationships between States to enhance development of the data systems.

The Acting Assistant Secretary for Planning and Evaluation also concurred with our recommendations.

Appendix A shows the full text of ACF comments.

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OFFICE OF INSPECTOR GENERAL

APPENDIX A

ACF COMMENTS