

**A STUDY OF THE
BALTIMORE CITY OFFICE OF CHILD SUPPORT ENFORCEMENT (BCOCSE)
TO COMPARE A PRIVATIZED OPERATION TO A STATE OPERATION**

December 2015

Prepared by:

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Executive Summary

The Business Economic and Community Outreach Network at Salisbury University (BEACON) has conducted a cost-benefit analysis of replacing the current operations of the Baltimore City Office of Child Support Enforcement (BCOCSE) whereby core operational functions are provided by a private contractor (Scenario 1) with an operation run entirely by state employees (Scenario 2). In addition, three other scenarios, utilizing a series of proposed operational enhancements that have the potential for improving the performance outcomes of the BCOCSE were developed:

- Scenario 1B is Scenario 1 plus the proposed enhancements;
- Scenario 1C is Scenario 1B plus and additional DHR employee;
- Scenario 2B is Scenario 2 plus the proposed enhancements.

The analysis of these five scenarios using a simulation modeling approach resulted in the following key findings:

	Scenario 1	Scenario 1B	Scenario 1C	Scenario 2	Scenario 2B
Overall Cost Impact	100	102	103	114	120
Aggregate Cost Differential	0	\$164,253	\$246,379	\$1,149,769	\$1,642,527
Performance Impact Range	0	1% to 5%	0.25% to 5%	0.25% to 0.5%	1% to 5%
Overall Cost-Benefit Index	100	110	109.25	87.75	95
Cost-Benefit Rank	3	1	2	5	4
Transition Timeframe	n/a	6 months	6 months	1 Year	1 year
Added Positions	n/a	0	1	91	91
Locations	1	3	3	1	3
Projected Collections	\$89,082,737	\$92,646,046	\$92,646,046	\$89,528,151	\$91,318,714
Paternity Establishment	94.45%	95.39%	95.39%	94.69%	95.39%
Support Orders	81.69%	82.51%	82.51%	81.89%	82.51%
Current Support Paid	61.33%	61.94%	61.94%	61.48%	61.94%
Paying Towards Arrears	62.46%	63.08%	63.08%	62.62%	63.08%

As part of the scope of work for this study, members of the BEACON Team focused on answering the following question:

“Is it more beneficial to the customers and the State to return the child support enforcement function to the State or to remain with a private contractor?”

Through the scenario analysis process, the following seven factors were examined to answer the question above:

- **Direct and Indirect Costs:**

Over the next ten-year process, using an inflation factor of 2%, we find that insourcing (without any operational enhancements) would require \$10,251,545 in additional direct costs and \$3,383,009 in indirect costs. These costs are derived by comparing FY 2015 data (the latest full fiscal year for which cost and performance data is available) and the scenario findings where Scenario 1 (contractor operations) and Scenario 2 (an operation run entirely by state employees without the proposed operational enhancements) were compared. When the proposed enhancements were factored in, the additional insourcing costs over ten years increase to \$11,921,083 in direct costs and \$3,933,957 in indirect costs. These additional costs are derived from the comparison of Scenario 1 and Scenario 2B (an operation run entirely by state employees and utilizing the operational enhancements proposed). Details of these scenario analysis results can be found in Section 4 of this report.

- **Timeframe Required for Insourcing:**

Based on the analysis presented in sections 4 and 6 of this report, it is estimated that insourcing would take up to two years accomplish. The first year would be for developing the transition plan and implementing the initial action steps as described in Section 6, including the process of recruiting and onboarding the new State employees. It is also estimated that, at least part of Year Two activities would involve running some core functions in tandem with the contractor.

- **The Number of Positions Required for Insourcing:**

It is estimated that at least 108 new State positions would have to be created for insourcing. In arriving at this number, the BEACON Team has compared the current contractor operations in Baltimore City and the operations in several other Maryland jurisdictions. There was an argument made for increasing this number based on the fact

that contract employees were handling higher caseloads than State Employees. However, when performance outcomes were compared, the overall performance differences did not show a direct correlation between higher number of employees and better performance outcomes in the jurisdictional comparisons. As a result, the team arrived at the conclusion that the performance improvements could be accomplished with the proposed operational enhancements at an additional ten-year operational cost of \$2,220,485 if insourcing is combined with such enhancements.

- **Staffing Issues:**

In performing the scenario analysis, the BEACON Team has kept the current 19 State employees constant across all scenarios and looked at insourcing the 108 contractor employees. Additionally, some of the State operations in Prince George's County were utilized for some of the staffing position description comparisons. For the insourcing scenario, a staffing mix that is similar to the current operations in Baltimore (with minor adjustments to account for State position descriptions) was utilized. This was necessary to make accurate cost comparisons among the two scenarios. As described above in the discussion of the number of positions required for insourcing, no additional positions over the 108 FTE positions in Scenario 1 were proposed. It is believed that the performance improvements are more likely to come from the proposed operational enhancements. As discussed in Section 6 of this report, whatever scenario is chosen by DHR, the detailed transition plan will have to revisit issue of staffing, providing detailed job descriptions and qualifications for each position.

- **Location:**

Based on the origination zip codes of the Baltimore City cases (Appendix C), the BEACON Team has identified three locations in the City (Appendix D) that would serve the customers better than the current downtown location. These are:

- Location 1: Mondawmin Mall, 2401 Liberty Heights Avenue;
- Location 2: Wilkens Plaza Shopping Center, 3450 Wilkens Avenue;
- Location 3: Shopping District around the intersection of Dundalk and Eastern Avenues.

- **Projected Collections:**

Based on the Scenario Analysis Findings, the BEACON team estimates that annual collections would increase to \$89,528,151 during the first full operational year after insourcing without the proposed operational enhancements and to \$91,318,714 with the enhancements. With these same operational enhancements, the privatized

operations would achieve \$92,646,046. In addition, these higher collections would be achieved at significantly lower annual operational costs.

Even though the rate of incarceration in the City is declining, in 2014, nearly 8,000 of Maryland's 21,000 incarcerated residents were from Baltimore City. This is a jurisdiction where nearly a quarter of the population lives under the poverty line and where the unemployment rate is 7.6% (compared to 5.2% in Maryland). It is therefore easy to understand why increasing the amount of collections is bound to be difficult. There is a diminishing return at work which makes adding significant resources to the collection effort a less than optimal solution. This is why, the proposed enhancements show a better yield than adding more (and higher cost) employees.

- **Performance in the Four Federal Performance Measures:**

Based on the scenario analysis results from Section 4, the following performance outcomes are estimated under insourcing (Scenario 2):

Paternity Establishment:	94.69% (versus 95.39% with Scenario 1B)
Support Orders:	81.89% (versus 82.51% with Scenario 1B)
Current Support Paid:	61.48% (versus 61.94% with Scenario 1B)
Paying Towards Arrears:	62.62% (versus 63.08% with Scenario 1B)

Based on the scenario analysis performed for this study, Scenario 1B (an operation where core functions are performed by employees of a contractor and utilizing the operational enhancements proposed) has the potential for the highest improvement in performance outcomes at the lowest additional costs. On the other extreme, Scenario 2 (an operation run entirely by state employees without the operational enhancements proposed) is predicted to have the lowest improvement in performance outcomes at the highest additional costs.

Scenario 2B (an operation run entirely by state employees and utilizing the operational enhancements proposed) promises performance improvements in the 1% to 5% range over Scenario 1 (contractor operations), sharing the top spot for performance improvements with Scenario 1B (an operation where core functions are performed by employees of a contract and utilizing the operational enhancements proposed). However, Scenario 2B also has the highest cost differential at \$1,642,527 above the comparable costs of Scenario 1 and \$1,478,274 above the comparable costs of Scenario 1B. Scenario 2 (an operation run entirely by state employees without the operational enhancements proposed) falls short on performance improvements (0.5% or less over the current contractor operation in Scenario 1) and carries a cost disadvantage of \$1,149,769.

Respectfully submitted on this 10th day of December, 2015 by BEACON at Salisbury University

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1.0 Introduction

The Business Economic and Community Outreach Network at Salisbury University (BEACON), using a team comprised of BEACON staff, student research associates, and Salisbury University faculty members has been working with the Maryland Department of Human Resources (DHR), Child Support Enforcement Administration (CSEA) to perform an independent, comprehensive analysis of the Baltimore City Office of Child Support Enforcement (BCOCSE). The findings presented here are based on the analysis of two basic scenarios:

- **Scenario 1:** A contractor providing core operational functions;
- **Scenario 2:** State employees providing all operational functions.

Three other scenarios, utilizing a series of proposed operational enhancements that have the potential for improving the performance outcomes of the BCOCSE were developed. These enhancements are described below in sections 3.3.1 through 3.3.4. The impacts of these possible enhancements are then further examined in sections 3.4 through 3.6 through the creation of three additional scenarios:

- **Scenario 1B** is Scenario 1 plus the proposed enhancements;
- **Scenario 1C** is Scenario 1B plus and additional DHR employee;
- **Scenario 2B** is Scenario 2 plus the proposed enhancements.

Finally, a proposed transition plan from the current operations to the option with the best cost-benefit potential is presented in this report. It should be noted that certain elements of the transition plan will depend on decisions to be made by senior leadership subsequent to the submission of this report. An updated transition plan will be prepared as said decisions are made.

2.0 Methodology

The BEACON team has utilized the following methodologies to conduct the analysis for this phase of the study:

2.1 Document Review

The team has reviewed approximately 2,000 pages of documents provided by the BCOCSE and gathered by the team members as part of the secondary source research. A partial list of the data examined for this phase of the study is presented below:

- Data on collections including factors such as employment, income, and non-custodial parents' ability to pay;
- Percent of children with paternity established;
- Percent of cases with a Support Order;
- Percent of current support paid;
- Percent of cases paying toward arrears.

The review of these data points and the related information included a comparison of Baltimore City's metrics to those of other jurisdictions in Maryland and in other states. In addition, a comparison of other jurisdictions was performed (Appendix A).

2.2 In-Depth Interviews

The BEACON team conducted several interviews with decision-makers and various staff members at DHR, BCOCSE, and Maximus. Some of these interviews were conducted in conjunction with the site visits and observations described in section 2.4 below. The team subsequently compiled findings from these interviews as part of the process of populating the variables in the three scenario models. Where findings were contradictory, the team utilized benchmarks gleaned from secondary source research. In all cases, ranges of viable values for each quantifiable variable were utilized to improve the predictive accuracy of the scenario models in measuring the differences between scenario inputs and outputs. Some of these interviews took place before or after stakeholder meetings and some were conducted as part of the site visits and observations conducted by the BEACON team members.

2.3 Stakeholder Meetings

The BEACON team participated in several in-person stakeholder meetings and conference calls. Stakeholders included representatives from DHR, the Contractor, the union, and the Office of Special Counsel. Some of these meetings included all of the various stakeholder group representatives in the same room or same call; others were conducted in private with specific stakeholder groups. As in the case of the in-depth interviews, the team compiled findings from these meetings as part of the process of populating the variables in the three scenario models.

2.4 Site Visits and Observations

The BEACON team conducted several site visits and operational observations at the Baltimore location. In addition, a tour of the Anne Arundel site was conducted.

Subsequently, the Director of the Baltimore County Office of Child Support was consulted for a site layout plan. The team used the findings from these visits and observations to validate the assumptions made in the development of the three scenarios. Appendix B shows summary findings from these visits and observations.

Academic/Consultant Peer Meetings

The BEACON team met with subject matter experts at Salisbury University and reached out to external consultants affiliated with BEACON for the purposes of validating scenario assumptions made and to conduct mid-point and final peer reviews. In addition, the academic peers were utilized as part of the best-practices and benchmark research conducted by the BEACON team.

2.5 Scenario Analysis

The scenario analysis models developed for the comparison of the three scenarios described above for this phase of the study incorporated the following variables for each scenario.

- Organizational structure elements;
- Staff/Performance variables;
- Staff qualifications and levels;
- Labor costs including overhead and benefits;
- Hiring and training timelines and costs;
- Work flow process variables;
- Location variables;
- Facility acquisition/leasing/transfer costs;
- New equipment and material costs.

It is understood that the final selection by DHR might not be one of the three scenarios presented in this report. Regardless of which scenario is selected, certain elements of the transition from the current status to the chosen scenario will depend on decisions that will be made by senior leadership subsequent to the submission of this report. An updated transition plan will be prepared as said decisions are made. This updated plan will contain the following additional information:

- Detailed action steps for the transition process;
- Detailed cost projections for transition and operational phases;
- Detailed performance outcome projections.

3.0 The Two Scenarios

As mentioned in section 1.0 of this report, the following two scenarios form the basis of this study:

Scenario 1: A contractor providing core operational functions;

Scenario 2: State employees providing all operational functions.

These scenarios will be explored in greater detail in sections 3.1 through 3.3. It is important to note that the scenario variables discussed below are not forecasting or projection variables. At this phase of the study, the variables are designed as viable ranges that serve as comparison points. The Scenario Analysis methodology is focused on comparing the inputs and outputs of each variable to determine the direction and magnitude of differences. It is these differences that enable users of this methodology to select optimal scenarios.

3.1 Scenario 1: A Contractor Providing Core Operational Functions

This scenario is based on the current operation that was observed by the BEACON team. This operation requires 130 (127 FT and 3PT) positions providing various functions including 19 state employees within DHR's Baltimore City Office of Child Support Enforcement who support the Baltimore City operations of the contractor, along with a contract and performance monitor. 108 (105 FT and 3 PT) of the 130 positions covering the Baltimore City Child Support Enforcement activities are employees of the contractor who perform the core functions of Case Management; Document Management; Intake/Walk-In Operations; CSF/Consent Management; Collections; and Enforcement. There are 14 FT and 3 PT Call-Center positions that are Included in these 108 positions. We note that the Call-Center operations are being centralized for the entire state. Therefore, for the purposes of this study, these 17 Baltimore City Call- Center positions were removed from our scenario analysis process. It should also be noted that, during the study period, up to seven of the 108 positions were vacant. For the purposes of the scenario analysis, these vacant positions will be assumed to have been filled.

The cost variables used for this scenario are:

- Labor Costs
- Location Costs
- Technology Costs
- Cost of Consumables
- Pay-for-Performance Costs
- Overall Cost Impact

The performance variables used for this scenario are:

- Collections
- Paternity Established
- Cases with Support Order
- Cases Paying Towards Arrears
- Staff Turnover
- Staff Competency
- Overall Performance Impact

All of the variables in this scenario are assumed to have a baseline value of 100 (Table 1). In other words, Scenario 2 will be compared to this scenario to determine the direction and magnitude of change in each variable as the operational specifics of each scenario are explored.

Table 1 – Simulation Outcomes for Scenario 1 (Current Operations)

Variable	Minimum	Median	Maximum
Labor	100	100	100
Location Costs	100	100	100
Technology	100	100	100
Consumables	100	100	100
Pay-for-Performance	100	100	100
Collections	100	100	100
Paternity Established	100	100	100
Cases with Support Order	100	100	100
Current Support Paid	100	100	100
Cases Paying Toward Arrears	100	100	100
Staff Turnover	100	100	100
Staff Competency	100	100	100
Overall Cost Impact	100	100	100
Overall Performance Impact	100	100	100

In determining the baselines and the performance trends for the Scenario 1, the outcomes from the past five years (Figure 1) have been utilized.

Figure 1: BCOCSE Contractor Performance Comparisons FFY 2010- FFY 2014

Category	FFY 10	FFY 11	FFY 12	FFY 13	FFY 14
1. Paternity Establishment	85.60%	84.43%	90.91%	95.06%	94.45%
Performance Standards	85.20%	83.00%	83.25%	83.50%	83.75%
2. Support Orders	80.10%	81.33%	79.99%	82.20%	81.69%
Performance Standards	77.11%	77.00%	77.25%	77.50%	78.75%
3. Current Support Collection	51.65%	51.09%	53.48%	57.53%	61.33%
Performance Standards	52.00%	51.00%	51.25%	51.50%	51.75%
4. Cases Paying on Arrears	48.25%	47.67%	53.63%	59.67%	62.46%
Performance Standards	44.00%	51.00%	51.25%	51.50%	51.75%
5. Total Collections	\$ 84,257,016	\$ 82,407,042	\$86,166,707	\$ 87,734,609	\$ 84,061,197
Performance Standards	\$ 42,170,267	\$ 86,745,945	\$87,517,984	\$ 88,296,894	\$ 89,082,737
Performance Goals Met	3	3	4	4	4
Collections Goal Met	YES	NO	NO	NO	NO

3.2 Scenario 2: State Employees Providing all Operational Functions

In this scenario, all of the operations currently being conducted by the contractor are transitioned to new state employees. For the purposes of scenario analysis, all other variables such as location, organizational structure, and work flows are held constant in this particular scenario. As previously explained, the Call-Center component will also be left off this scenario. The variable that has the largest value change in this scenario is Labor Costs. An analysis of the cost structure in other jurisdictions suggested that the cost differential for the same number of positions as those in Scenario 1 would be in the 12% to 16% in Scenario 2. This difference also takes into account the labor cost premium in Baltimore City. On the performance Outcomes side, a slight performance advantage (0.25% to 0.5%) was assumed based on potentially reduced turnover and a potentially more experienced staff. This was somewhat tempered by the loss of the power of incentives driving performance in the privatized scenario. Please note that the scenario analysis model used allows the values of the variables that are being examined to be adjusted within viable ranges for the purposes of sensitivity analysis. This capability can also be used in the next phase of this study if a scenario other than those examined in this study is chosen. Scenario Two assumes a one-year transition with optimal results being attained by the end of year two. Please see Table 2 (on the next page) for the value ranges of this scenario.

Table 2 – Simulation Outcomes for Scenario 2 (State Employees Only)

Variable	Minimum	Median	Maximum
Labor	112	114	116
Location Costs	100	100	100
Technology	100	100	100
Consumables	100	100	100
Collections	100	100.25	100.5
Paternity Established	100	100.25	100.5
Cases with Support Order	100	100.25	100.5
Current Support Paid	100	100.25	100.5
Cases Paying Toward Arrears	100	100.25	100.5
Staff Turnover	100	100.25	100.5
Staff Competency	100	100.25	100.5
Overall Cost Impact	112	114	116
Overall Cost-Benefit Index	88	87.75	87.5

3.3 Additional Scenarios with Operational Enhancements

The key factor that is different between Scenarios 1 and 2 is the employer of the positions that perform the core functions of the BCOCSE. There are, however, a number of possible operational enhancements that have the potential for improving the performance outcomes of the BCOCSE. These enhancements are described below in sections 3.3.1 through 3.3.4. The impacts of these possible enhancements are then further examined in sections 3.4 through 3.6 through the creation of three additional scenarios:

- **Scenario 1B** is Scenario 1 plus the enhancements;
- **Scenario 1C** is Scenario 1B plus and additional DHR employee.
- **Scenario 2B** is Scenario 2 plus the enhancements;

3.3.1 Enhanced Performance Metrics

The current contract has performance metrics that are not producing all of the desired outcomes. Since the core operational functions are performed by employees of a contractor, a redesign of the performance metrics included in a contract should yield positive outcomes. These redesigned metrics would further focus on performance drivers such as:

- Agility and flexibility;
- Ongoing staff training;
- Staff retention;
- Staff recognition for exceeding goals;
- Incentives/Disincentives.

These enhanced metrics can be built into the “Pay-for-Performance” clauses of the contract. For example, the base compensation would be for goals that are met. For goals not met, there would be penalties with a limited time-frame for corrective action that would enable the contractor to “earn-back” the penalties. Finally, there would also be additional (tiered) compensation levels for performance that exceeds goals by pre-determined amounts.

Unfortunately, these enhancements cannot be easily adapted to an entirely state-run operation. State employees cannot receive bonus pay and the BCOCSE’s budget cannot incorporate a budgetary mechanism for increased resources for improved performance without going through the state-regulated budgetary processes in place.

3.3.2 Workflow Changes

During the data collection and information gathering phase of this study, the BEACON team discovered a series of procedural bottlenecks that negatively impacted operations. Some of these problems were beyond the control of the BCOCSE operations but there are a few minor adjustments that could, in the aggregate, yield performance outcome improvements and/or operational cost savings. Potentially the most promising such enhancement is designing the flow of cases to move through “Case Teams” from beginning to end rather than the current “Serial” processing within operational silos. This enhancement would also necessitate a change in the floor plans of the BCOCSE location(s). These changes are described in section 3.3.3 below. For the purposes of the

scenario analysis, the transition to such a “Case Team” approach is assumed to hold the promise of outcome improvements in a viable range of 0.5% to 2% in a normal probability distribution that is not truncated (with negative outcome probabilities left intact). This assumption is based on evidence discussed by David L. Goetsch and Stanley Davisin in their 2010 book, “*Quality Management for Organizational Excellence (Sixth Edition)*.” Goetsch and Davisin also show that performance improvements are positively correlated with cost savings. While we do not have empirical evidence we can directly apply to such cost savings, for the purposes of this analysis, we assume that such savings are viable in the range of 0.5% to 1% in a truncated normal probability distribution.

3.3.3 Floor Plan Changes

The floor plans in the downtown Baltimore location with multiple floors, a maze like layout and the unintentional creation of operational silos are not conducive to process improvements. Using the Baltimore County floor plan (Appendix E) as a starting point, this scenario assumes a more open floor plan that replaces operational silos with case management team clusters. Such a change is expected to result in measurable increases in performance outcomes. In the current floor plan, a case moves from one employee to the other with each employee located in a different part of the facility. This creates bottlenecks in each silo, and a negative cascade effect is the outcome. In this enhanced approach, each case management cluster will co-locate employees with different responsibilities in the process so that they can work on batches of cases simultaneously. There are several examples of this approach yielding performance improvements in the 3% to 5% range in other case management environments discussed by Franklin Becker in his 2004

book, “Offices at Work: Uncommon Workspace Strategies that Add Value and Improve Performance.” For the purposes of this analysis, the viable value range was reduced to a more conservative 1% to 2% truncated normal probability distribution. However, the scenario analysis model used allows for interactive adjustments of these ranges so that a later sensitivity analysis can be performed to examine higher potential outcomes, especially if preliminary implementation results indicate higher improvements than the viable range that is being initially assumed.

3.3.4 Location Changes

BCOCSE operations are not currently located in an optimal location in the City. Access to this Downtown office tower is problematic for many clients. The location is expensive and is awkwardly laid out. We predict that there will be additional positive performance outcomes if the operations are moved away from the downtown Baltimore location and distributed to three different locations in the City that yield a better coverage based on the current distribution of cases by zip code. An analysis of the zip codes of BCOCSSE clients (Appendix C) suggests that three such better locations can be found in shopping centers with public transportation in very close proximity (Appendix D). The BEACON Team, based on the information gathered during the site-visits and interview, and on the analysis of the zip codes predicts that aggregate performance improvements can be realized in the viable value range of 0.25% to 5% with a truncated normal distribution if services are offered at locations that are closer to where the cases originate. A comparison of the current lease rates for these locations versus the lease of the current location suggests that the cost advantages of moving to three new locations can

be in the 1% to 2% range with a normal probability distribution. This assumption is also based on the fact that the lower shopping center lease costs compared to the downtown location will balance out the slight increase in total combined square footage in the three locations. It should be noted that this range does not take into account the one-time cost of building out the locations using the floor plan improvements discussed earlier. In addition, there may be some initial adverse cost impacts as staff, furniture, equipment, and document move costs are incurred. However, since these one-time costs do not impact the ongoing annual operational cost comparisons once the moves are completed. They are not included in the scenario analysis process.

It should be noted that these enhancements will require time for planning and the transitioning from the current to the enhanced operations. The required activities will include the development and validation of the enhanced metrics; design and testing of new workflows; selection and acquisition/leasing of new locations; build-outs at the new locations for the new floor plans; training of and by the Contractor for the new metrics and workflows; and the recruiting, selection, and training of the four new DHR employees for the Scenarios using state employees. The cost of this transition process, as well as its impact on performance outcomes in this timeframe, has to be kept distinct from the operational costs and performance outcomes that will be in place once the new scenario is fully operational. In addition, there will be a learning curve of one or two years before the optimal results of the transition to this new normal are fully realized. For these reasons, the scenario analysis approach used in this study separates the transition year(s) from the first year of full operation under a new format where such a new format is being considered.

3.4 Scenario 1B (Table 3): Scenario 1 Plus Operational Enhancements

In this scenario, just as is the case in scenario 1, the core operations are performed by a contractor. Again, the 17 Call-Center positions are removed from the analysis and the vacant positions are assumed to have been filled. In addition, the operational enhancements detailed in sections 3.3.1 through 3.3.4 above are incorporated to this scenario. On the performance side, additional variables tracking the impact of these enhancements have been incorporated to the scenario. The original performance metrics from Scenario 1 are also automatically included in Scenario 1B.

3.5 Scenario 1C (Table 4): Scenario 1B Plus Deputy Executive Director of BCOCSE

Scenario 1C is a slight variant of Scenario 1B. The only difference is that in this scenario, one additional state position is included to the labor cost side. This would be a Deputy Executive Director monitoring the operations in the three new locations. This addition would make it more realistic to compare the outcomes of this Scenario with Scenario 2B.

3.6 Scenario 2B (Table 5): Scenario 2 Plus Operational Enhancements

In this scenario, just as is the case in Scenario 2, all of the BCOCSE operations are performed by state employees. Again, the 17 Call-Center positions are removed from the analysis. In addition, the operational enhancements detailed in sections 3.3.1 through 3.3.4 above are incorporated to this scenario. On the performance side, additional variables tracking the impact of these enhancements have been incorporated to the scenario. The original performance metrics from Scenario 2 are also automatically included in Scenario 2B.

Table 3 – Simulation Outcomes for Scenario 1B (Contractor with Operational Changes)

Variable	Minimum	Median	Maximum
Labor	100	100	100
Location Costs	100	101	102
Technology	100	101	102
Consumables	100	100	100
Pay-for-Performance	101	100	99
Collections	100	101	102
Paternity Established	100	101	102
Cases with Support Order	100	101	102
Current Support Paid	100	101	102
Cases Paying Toward Arrears	100	101	102
Staff Turnover	100	100	100
Staff Competency	100	100	100
Workflow Impact	100	101	102
Floor Plan Impact	100	101	102
Location Impact	103	104	105
Impact of New Metrics	100	101	102
Overall Cost Impact	101	102	103
Overall Cost-Benefit Index	102	110	118

Table 4 – Simulation Outcomes for Scenario 1C (A Variant of Scenario 1B)

Variable	Minimum	Median	Maximum
Labor	100	101	102
Location Costs	100	101	102
Technology	100	101	102
Consumables	100	100	100
Pay-for-Performance Costs	101	100	99
Collections	100	101	102
Paternity Established	100	101	102
Cases with Support Order	100	101	102
Current Support Paid	100	101	102
Cases Paying Toward Arrears	100	101	102
Staff Turnover	100	100	100
Staff Competency	100	100	100
Workflow Impact	100	101	102
Floor Plan Impact	100	101	102
Location Impact	103	104	105
Impact of New Metrics	100	101	102
Impact of Deputy E. D.	100	100.25	100.5
Overall Cost Impact	101	103	105
Overall Cost-Benefit Index	102	109.25	116.5

Table 5 – Simulation Outcomes for Scenario 2B (State Employees with Operational Changes)

Variable	Minimum	Median	Maximum
Labor	112	114	116
Location Costs	100	101	102
Technology	100	101	102
Consumables	100	100	100
Collections	100	101	102
Paternity Established	100	101	102
Cases with Support Order	100	101	102
Current Support Paid	100	101	102
Cases Paying Toward Arrears	100	101	102
Staff Turnover	100	100	100
Staff Competency	100	100	100
Workflow Impact	100	101	102
Floor Plan Impact	100	101	102
Location Impact	103	104	105
Overall Cost Impact	112	116	120
Overall Cost-Benefit Index	91	95	99

4.0 Scenario Analysis Results

The scenarios were analyzed using independent simulation models. Each model utilized common model constructs for similar variables. This made the one-to-one comparison of the behavior of key variables possible. The results are based on 250,000 iterations of the simulation model for each scenario. The simulation outcomes reported in this study utilize the results that are between the 25th and 75th percentiles of the iterations. The findings are expressed as minimum, median, and maximum values for each variable within that range.

4.1 Comparing Scenarios 1 and 2

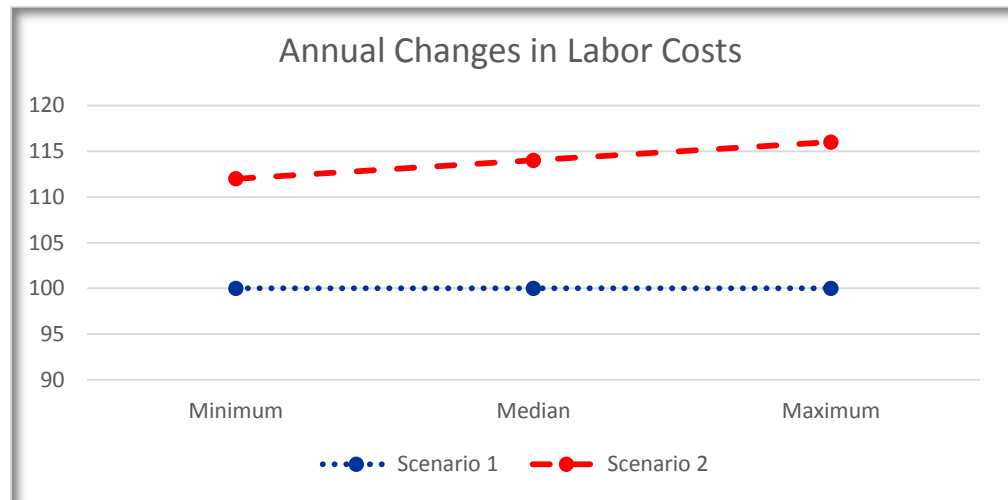
In the following sections of this report, the simulation results of the cost impacts and the performance outcomes of Scenarios 1 and 2 will be explored.

4.1.1 Cost Variables

On the cost side, the main difference between these two scenarios is found in Labor Costs.

4.1.1.1 Labor Costs

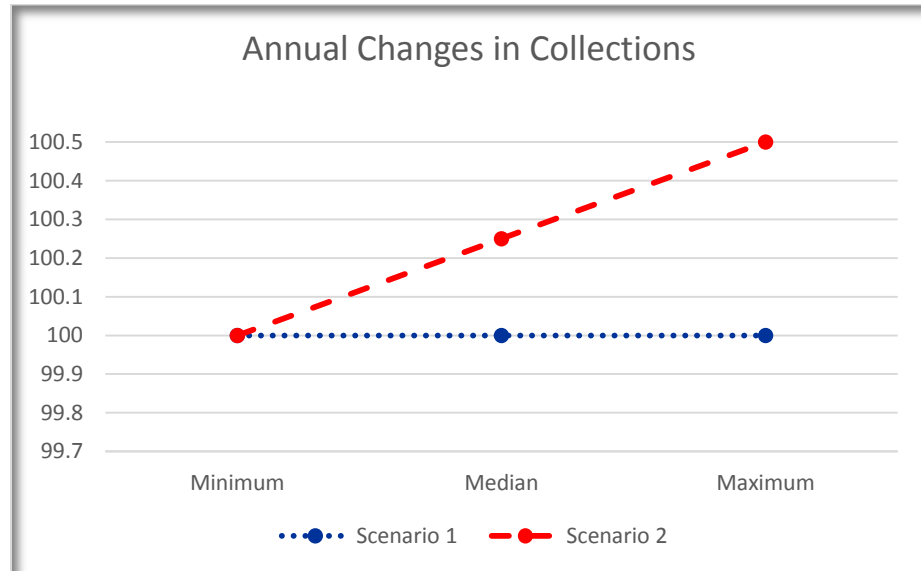
When the known labor costs of a contractor scenario in Baltimore City are compared to a scenario with state employees only, we find that there is a cost disadvantage of 12% to 16% (based on labor cost comparisons with state operated CSE offices in other jurisdictions in Maryland). Even when the higher labor cost premium used in the current contract is taken into account this difference adds up to over a million dollars.



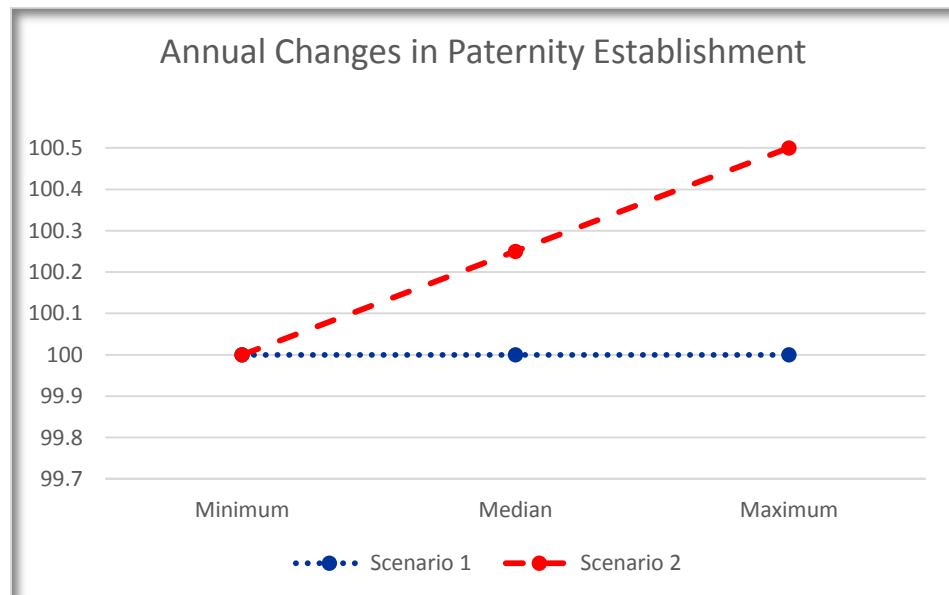
4.1.2 Performance Variables

For all of the performance variables compared, Scenario 2 slightly outperforms Scenario 1 (around 0.25% to 0.5% per variable on the aggregate). This is due to the reduced staff turnover expected in a state-run operation and the potential for improved staff competency that is expected as a result of seniority that will follow such reduced turnover. These improvements are tempered by the loss of performance benefits that can be attributable to performance incentives/disincentives available in a privatized operation that would not be easily adaptable to a state-run operation. The performance outcome comparison charts for Scenario 1 and Scenario 2 can be found in Sections 4.1.2.1 through 4.2.1.7 below.

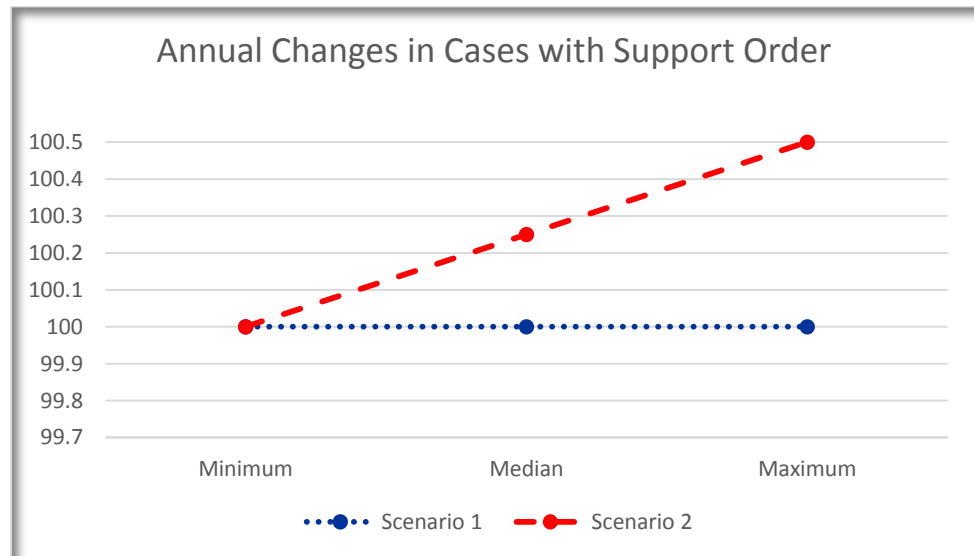
4.1.2.1 Collections



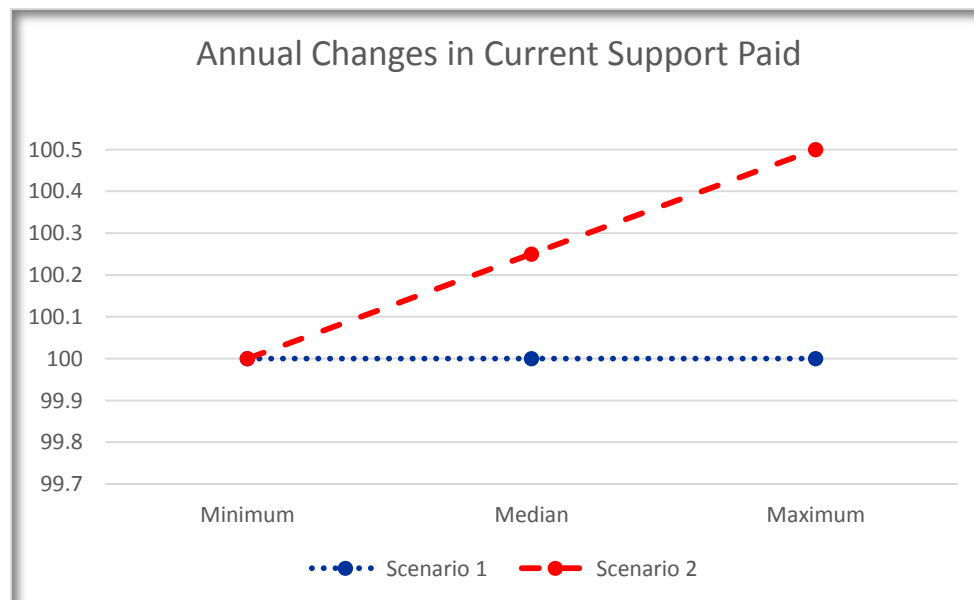
4.1.2.2 Paternity Establishment



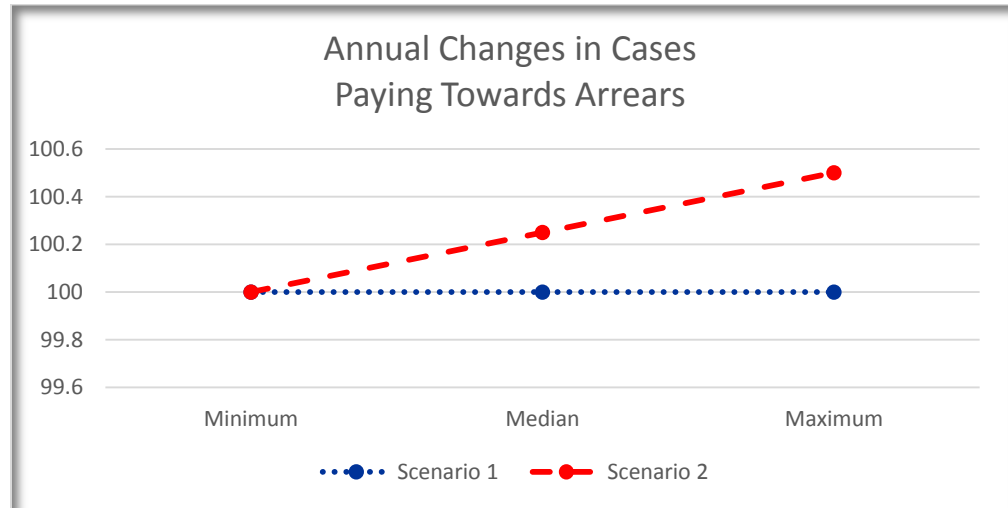
4.1.2.3 Cases with Support Order



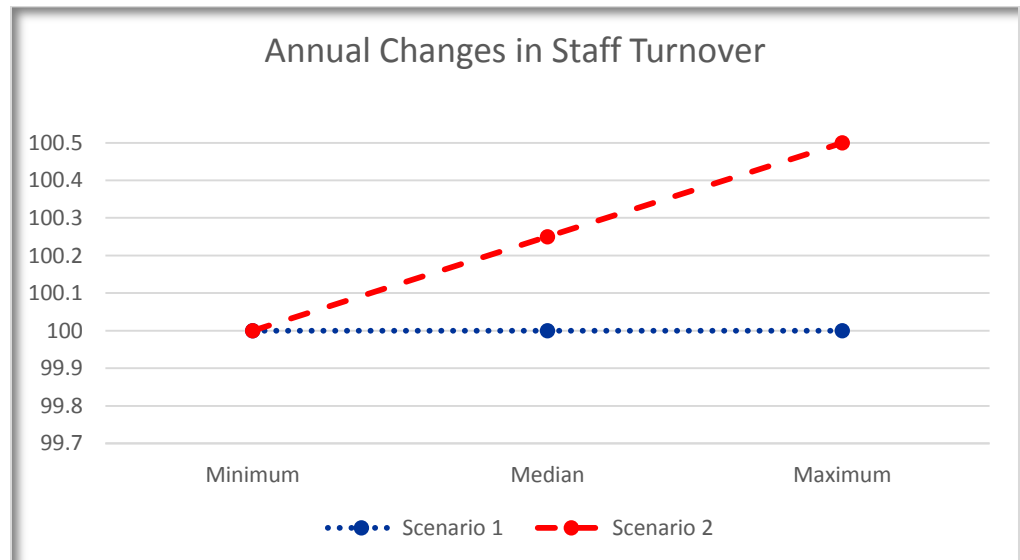
4.1.2.4 Current Support Paid



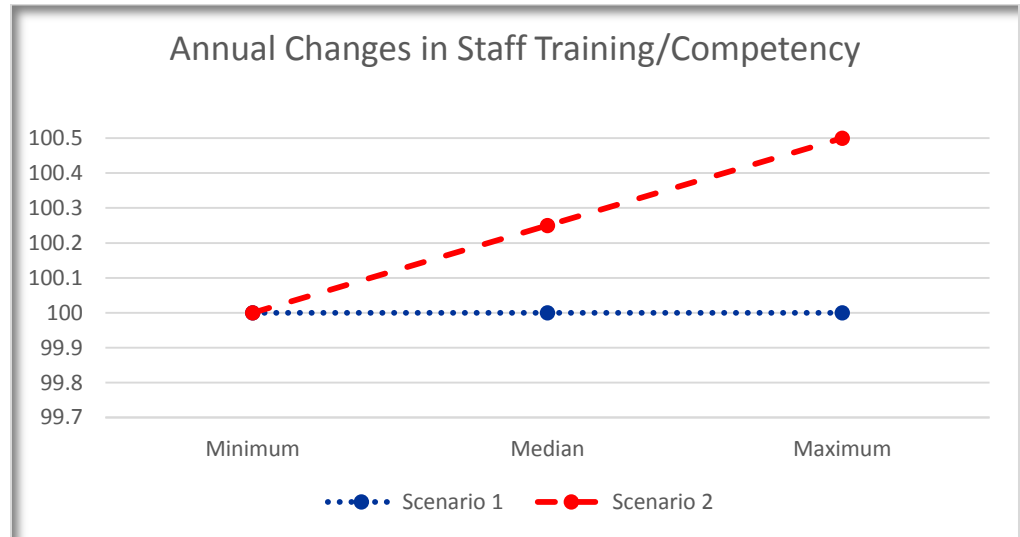
4.1.2.5 Cases Paying Towards Arrears



4.1.2.6 Staff Turnover



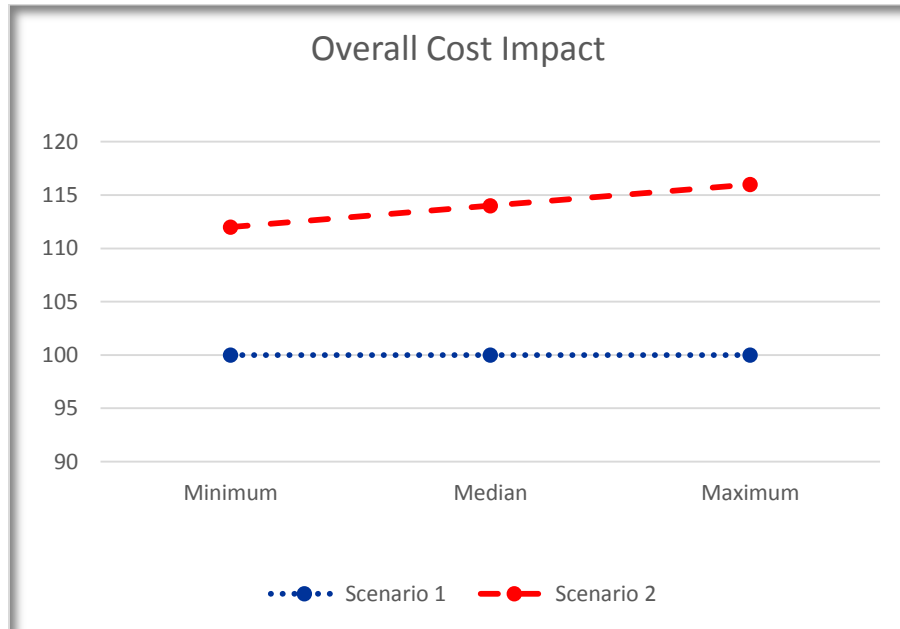
4.1.2.7 Staff Training/Competency



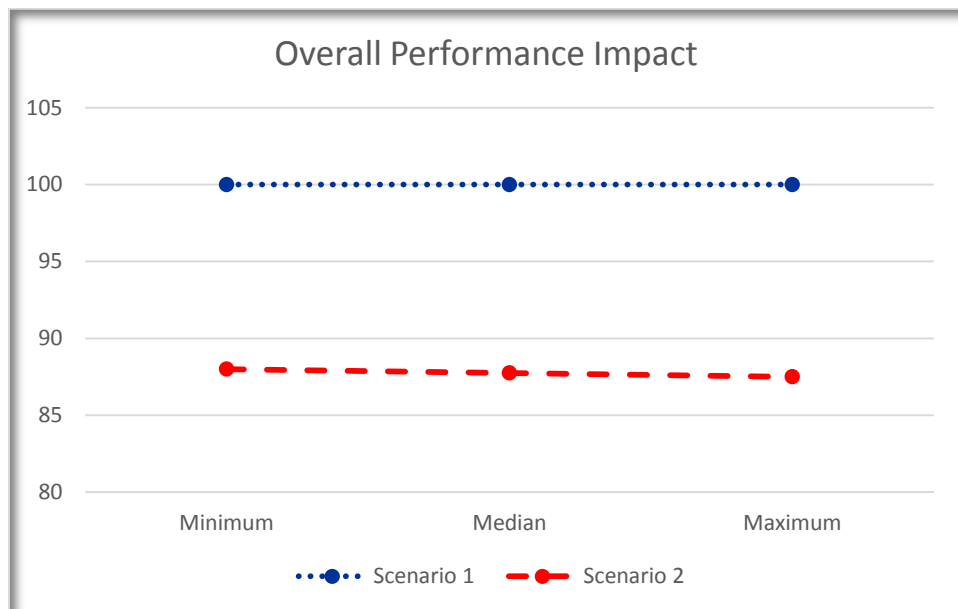
4.1.3 Overall Cost and Performance Impacts

In this section, we examine the overall cost impact of Scenario 2 when compared to Scenario 1. We then examine the performance improvements expected with Scenario 2 using a Performance Impact calculation that aggregates the performance improvement variables discussed above.

4.1.3.1 Overall Cost Impact



4.1.3.2 Overall Performance Impact



4.2 Comparing Scenarios 1 and 1B

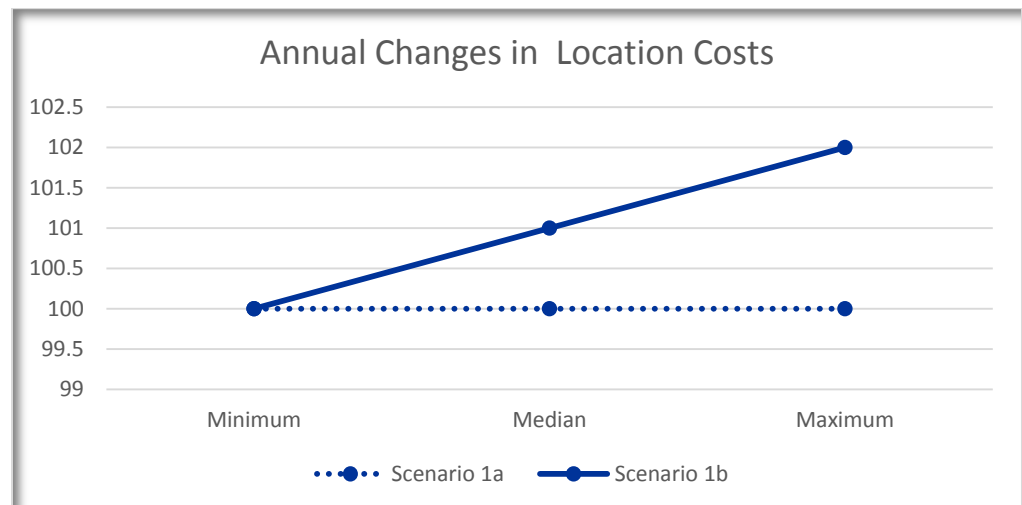
In the following sections of this report, the simulation results of the cost impact and the performance outcomes of Scenarios 1 and 1B will be explored.

4.2.1 Cost Variables

On the cost side, the main difference between these two scenarios is found in Location and Technology Costs. The cost impact comparison charts for Scenario 1 and Scenario 1B can be found in Sections 4.2.1.1 and 4.2.1.2 below.

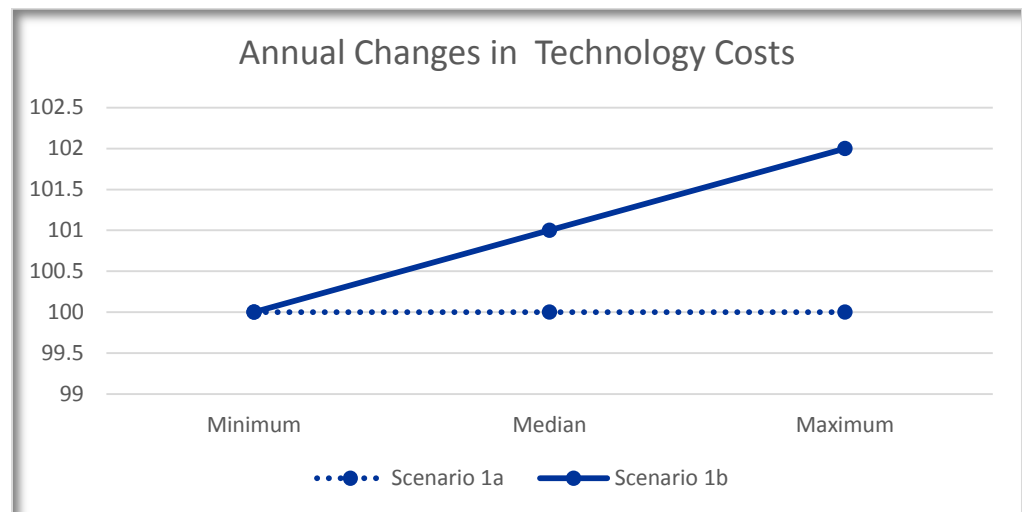
4.2.1.1 Location Costs

(Attributable to moving from Downtown to three new locations)



4.2.1.2 Technology Costs

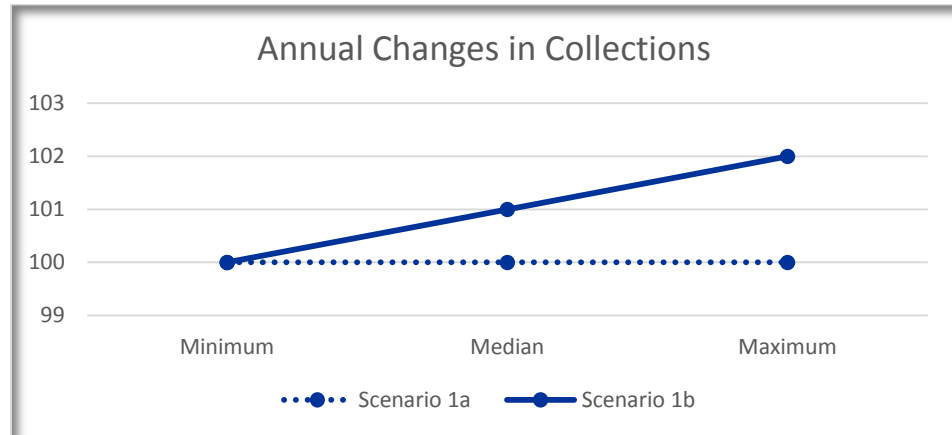
(Attributable to adjusting technology operations to three locations)



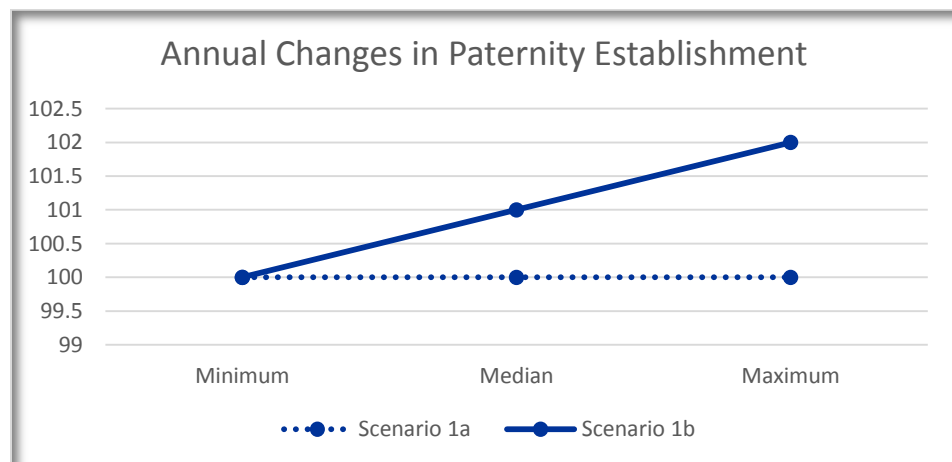
4.2.2 Performance Variables

For all of the performance variables compared, Scenario 1B outperforms Scenario 1 (around 1% to 5% per variable on the aggregate). This is due to the operational enhancements discussed in sections 3.3.1 through 3.3.4. The performance outcome comparison charts of Scenario 1B against Scenario 1 can be found in Sections 4.2.2.1 through 4.2.2.8 below.

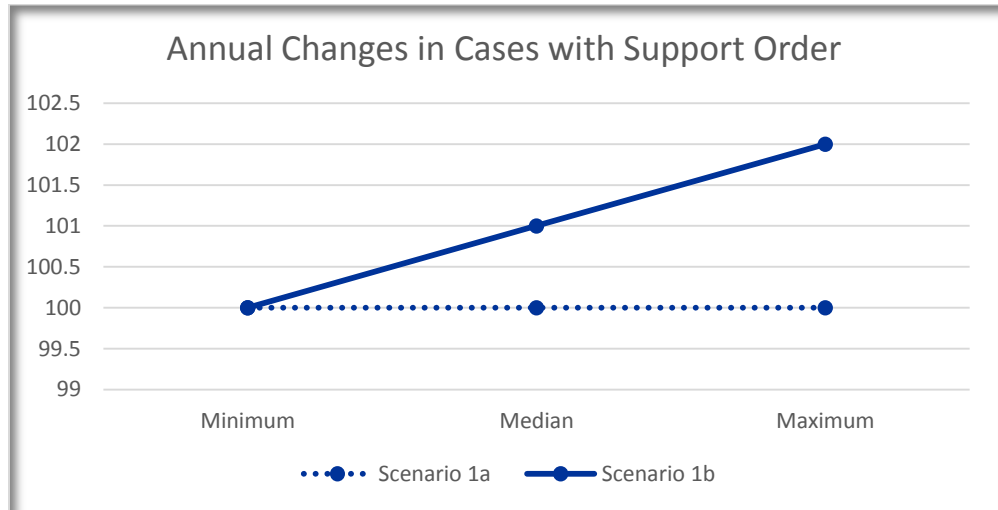
4.2.2.1 Collections



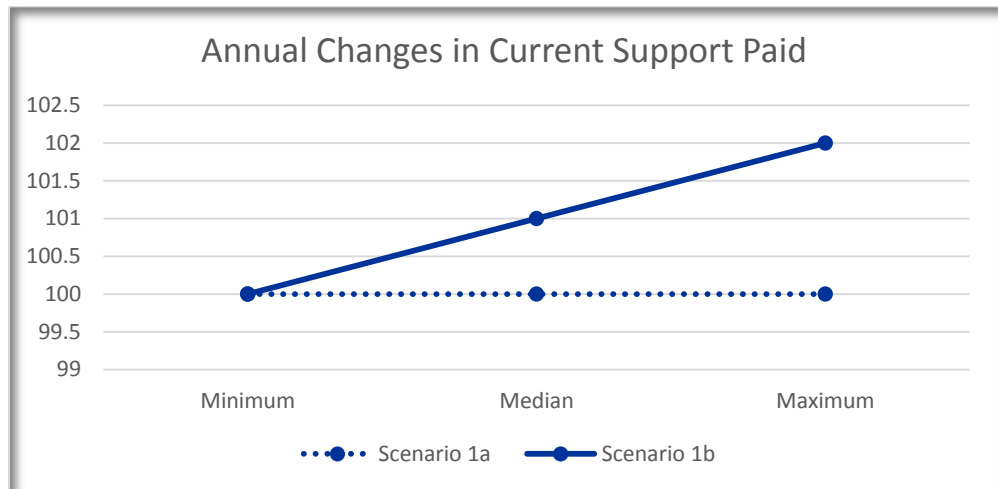
4.2.2.2 Paternity Establishment



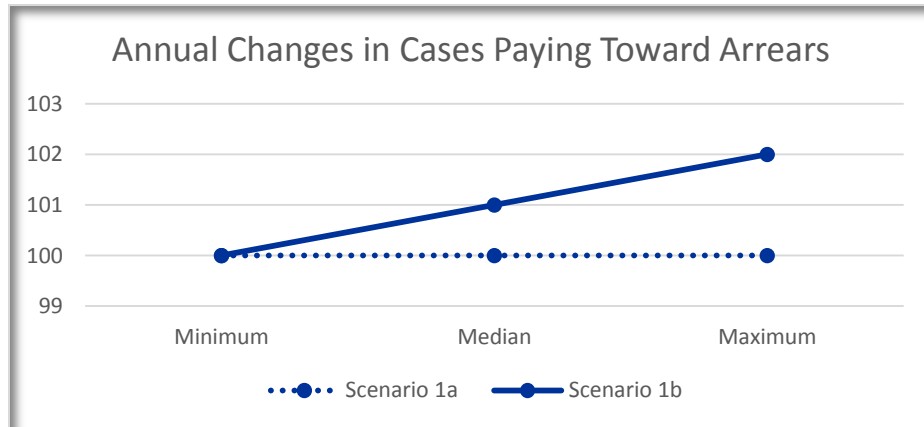
4.2.2.3 Cases with Support Order



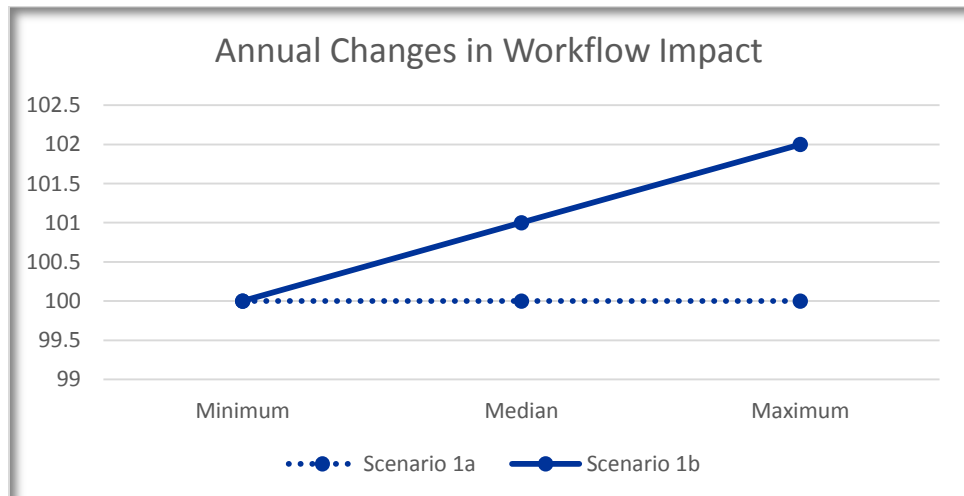
4.2.2.4 Current Support Paid



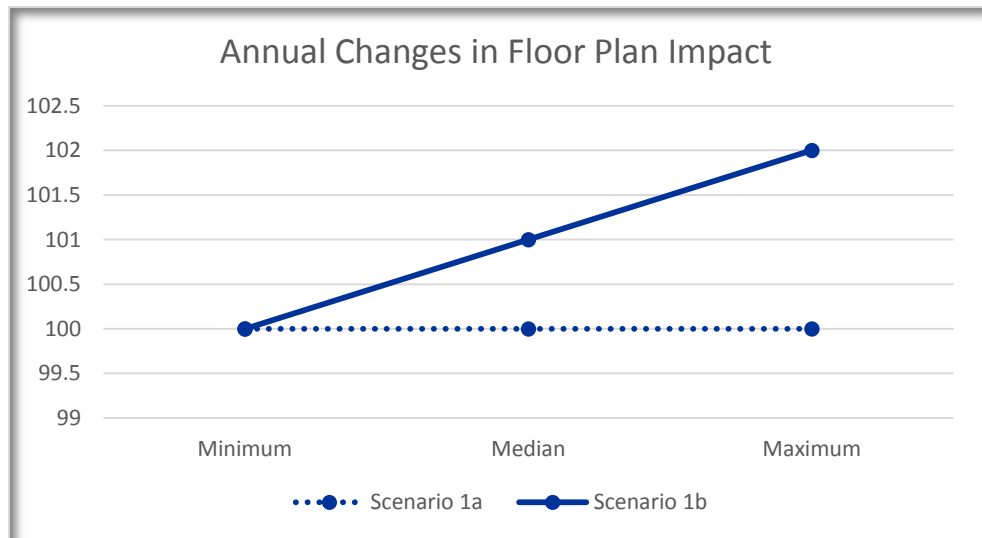
4.2.2.5 Cases Paying Towards Arrears



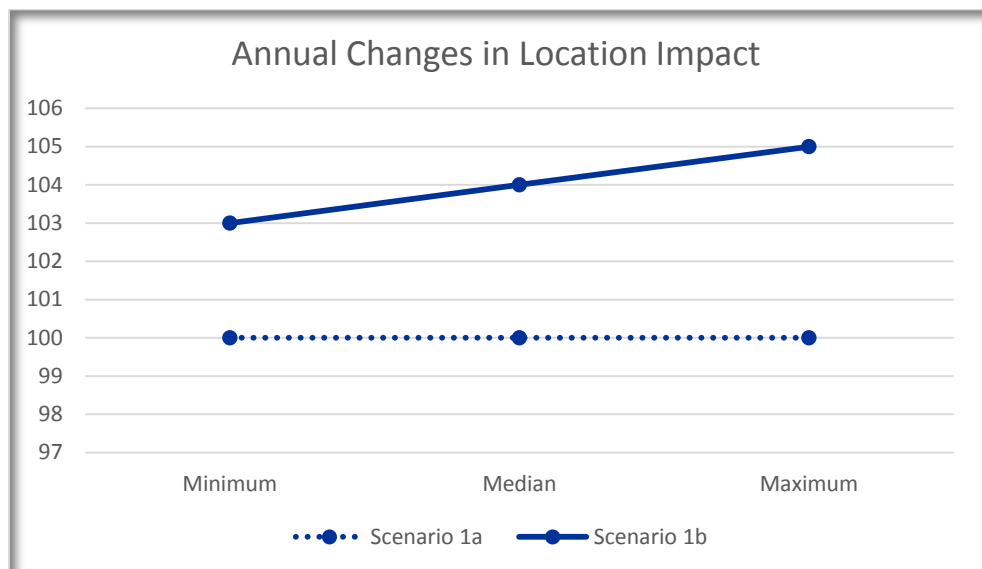
4.2.2.6 Workflow Impact



4.2.2.7 Floor Plan Impact



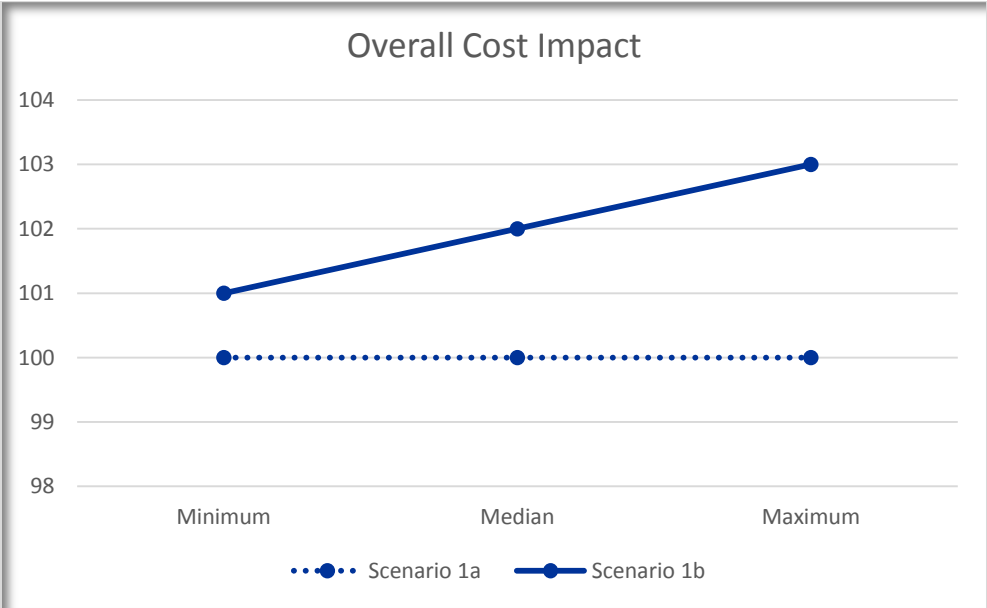
4.2.2.8 Location Impact



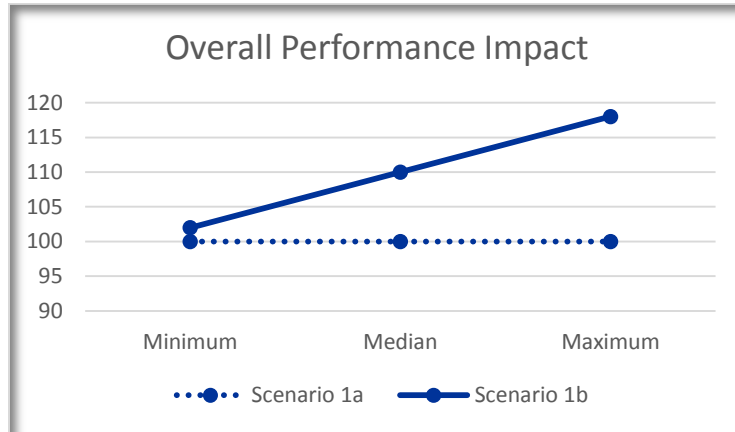
4.2.3 Overall Cost and Performance Impacts

In this section, we examine the overall cost impact of Scenario 1B when compared to Scenario 1. We then examine the performance improvements expected with Scenario 1B using a Performance Impact calculation that aggregates the performance improvement variables discussed above.

4.2.3.1 Overall Cost Impact

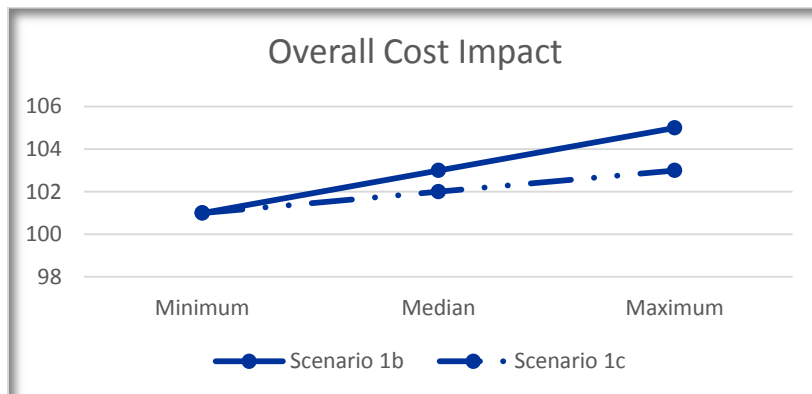


4.2.3.2 Overall Performance Impact



4.3 Comparing Scenarios 1B and 1C

In the following sections of this report, the simulation results of the cost impact and the performance outcomes of Scenarios 1B and 1C will be explored. Since the only difference between these two scenarios is found in Labor Costs due to the addition of a State Employee in the Deputy Executive Director Position only the cost impact comparison chart will be presented here. For the purposes of this analysis, and based on comparisons with other jurisdictions, a base salary of \$65,000 to \$90,000 (based on experience and qualifications) was used for this additional position. Indirect costs/benefits were calculated at 33%.



4.4 Comparing Scenarios 2 and 2B

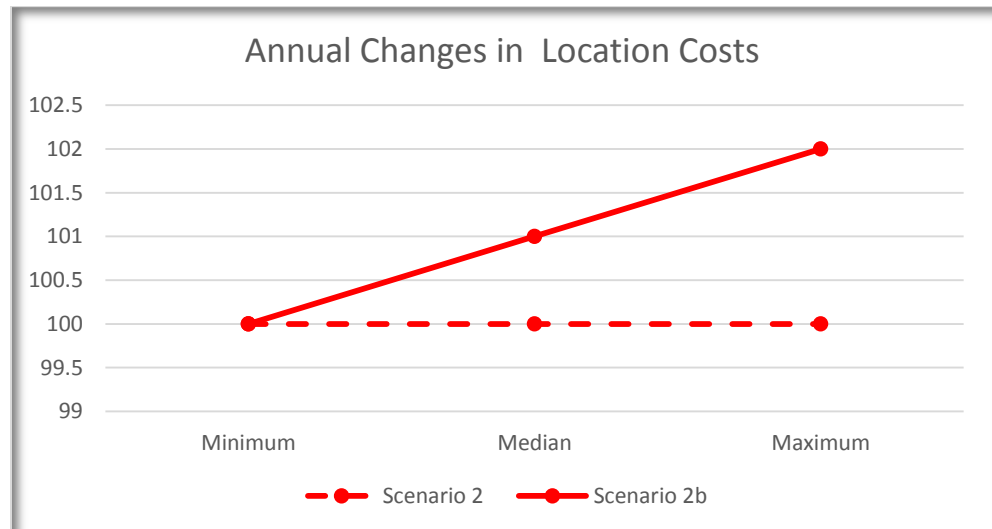
In the following sections of this report, the simulation results of the cost impact and the performance outcomes of Scenarios 2 and 2B will be explored.

4.4.1 Cost Variables

On the cost side, the main difference between these two scenarios is found in Location and Technology Costs. The cost impact comparison charts for Scenario 1 and Scenario 1B can be found in Sections 4.4.1.1 and 4.4.1.2 below.

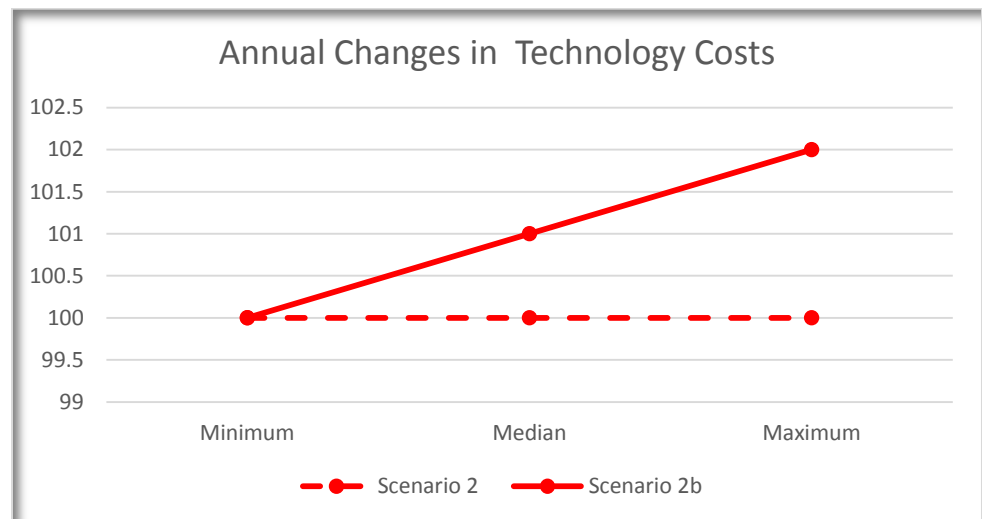
4.4.1.1 Location Costs

(Attributable to moving from Downtown to three new locations)



4.4.1.2 Technology Costs

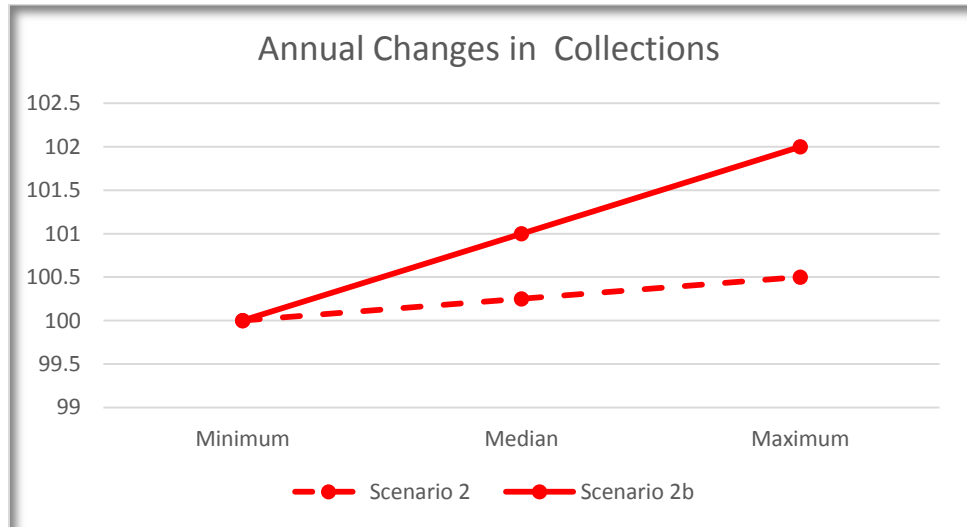
(Attributable to adjusting technology operations to three locations)



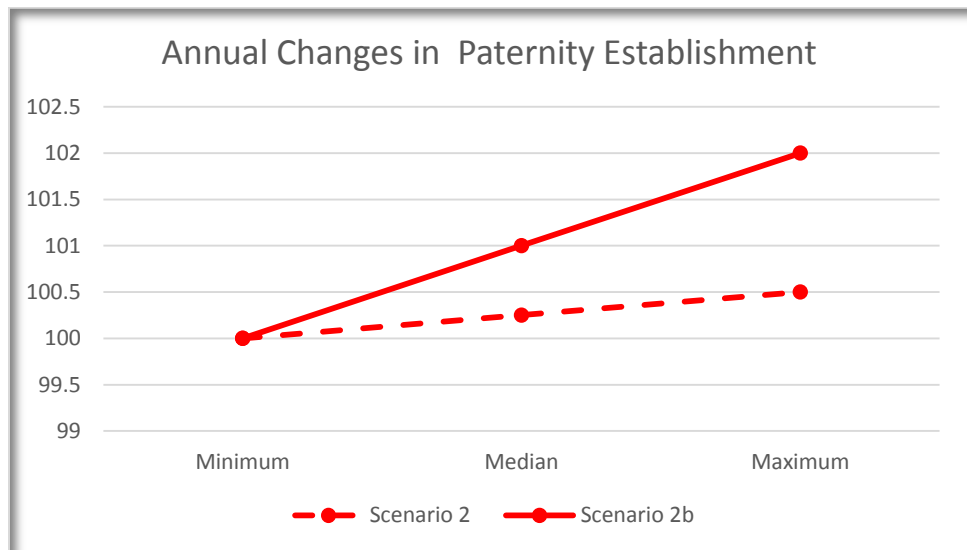
4.4.2 Performance Variables

For all of the performance variables compared, Scenario 2B outperforms Scenario 2 (around 0.75% to 5% per variable on the aggregate). This is due to the operational enhancements discussed in sections 3.3.1 through 3.3.4. The performance outcome comparison charts of Scenario 2B against Scenario 2 can be found in Sections 4.4.2.1 through 4.4.2.8 in the following pages.

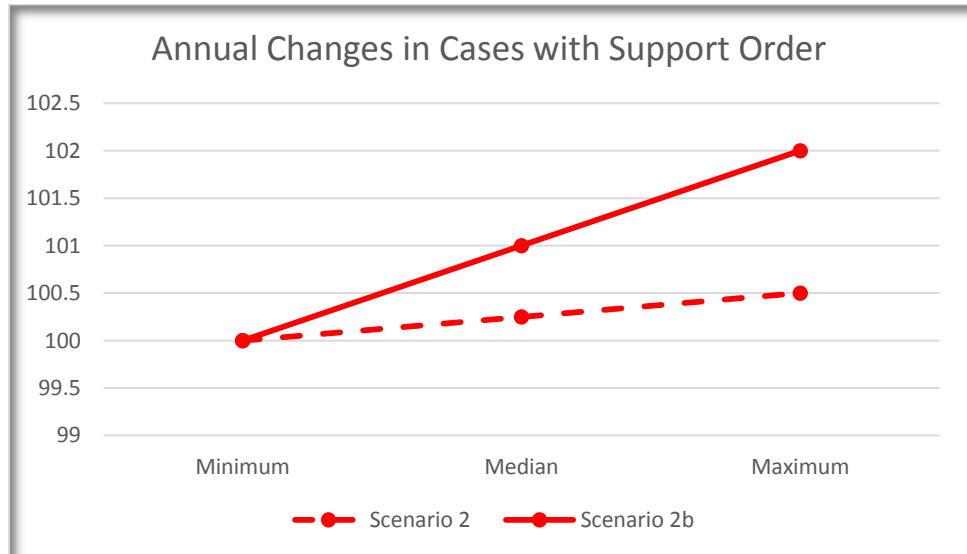
4.4.2.1 Collections



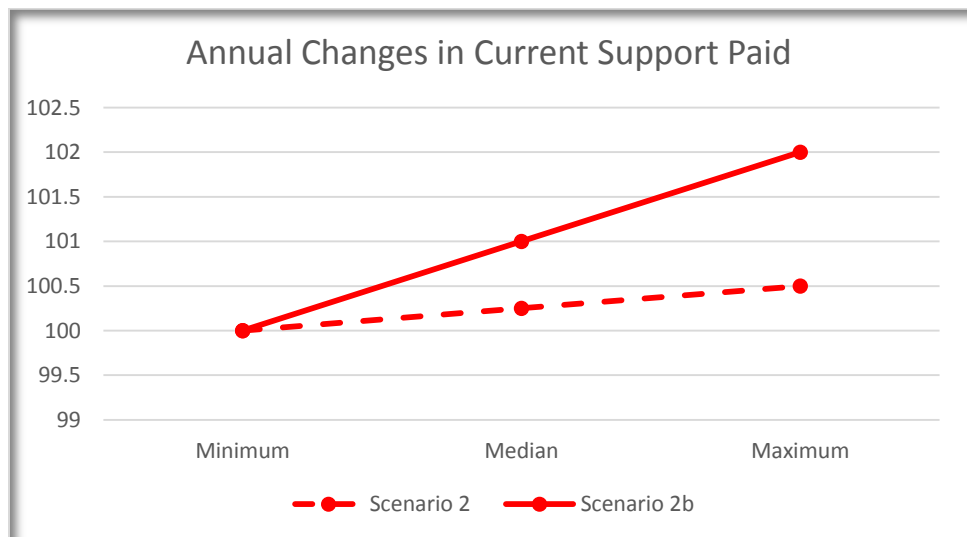
4.4.2.2 Paternity Establishment



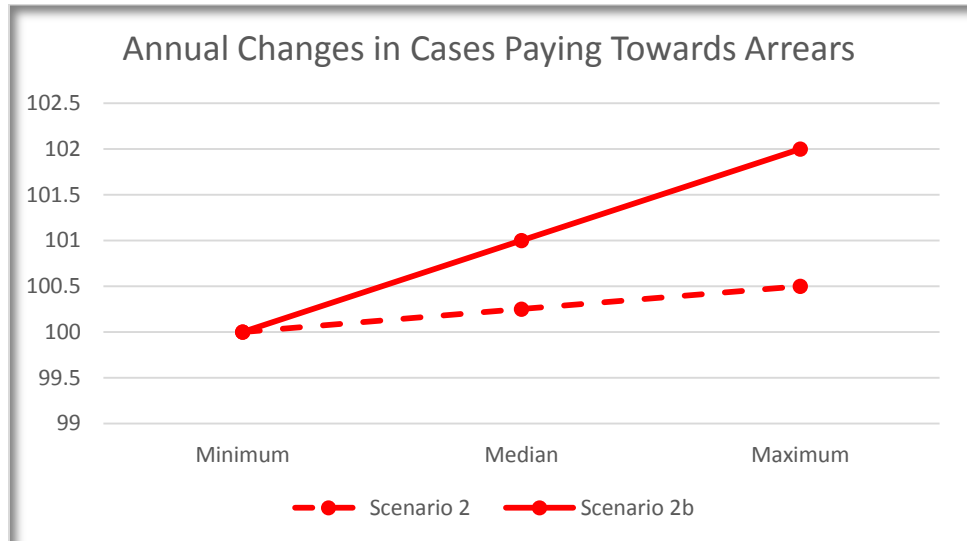
4.4.2.3 Cases with Support Order



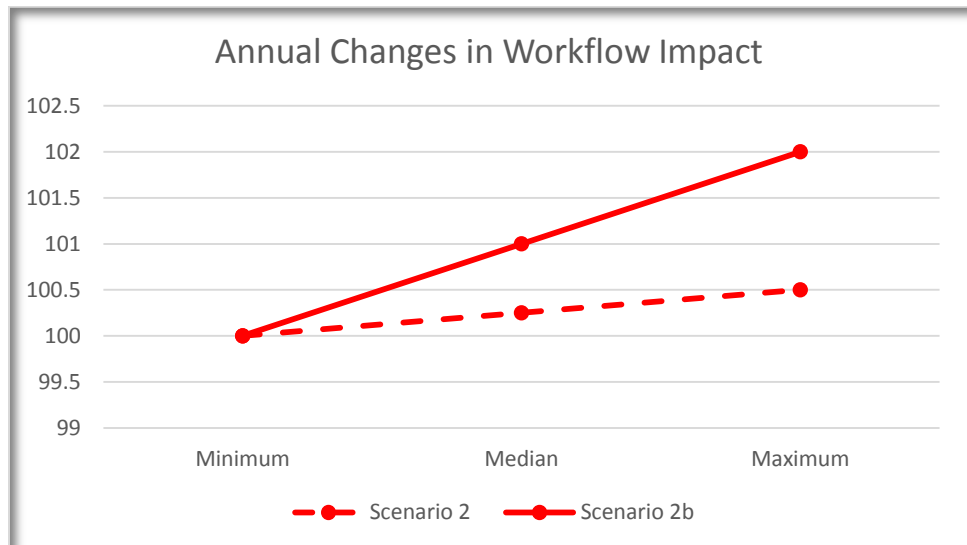
4.4.2.4 Current Support Paid



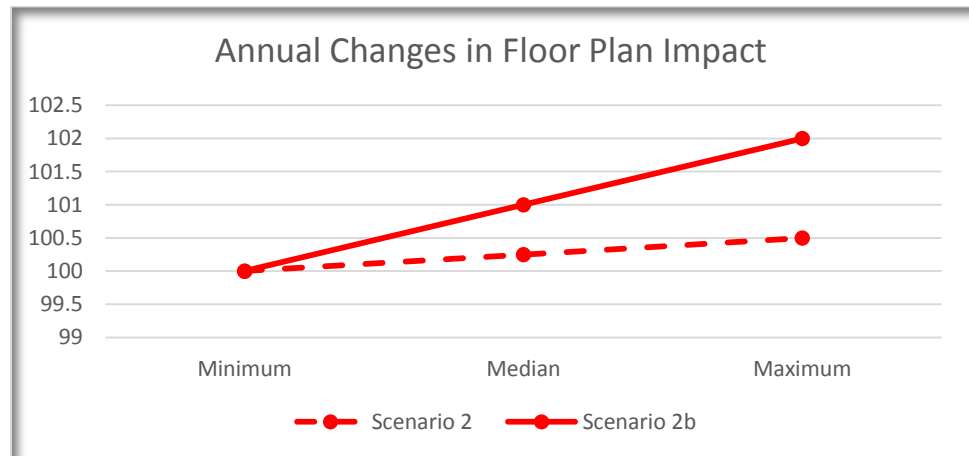
4.4.2.5 Cases Paying Towards Arrears



4.4.2.6 Workflow Impact



4.4.2.7 Floor Plan Impact



4.4.2.8 Location Impact

The location impact of Scenario 2B is similar to the impact found in the comparison between Scenarios 1 and 1B. In other words, the aggregate performance improvements that can be realized are in the viable value range of 0.25% to 5% with a truncated normal distribution. This is due to that fact that, in both of these enhanced scenarios, services are offered at locations that are closer to where the cases originate.

4.4.3 Overall Cost and Performance Impacts

Scenario 2B exhibits a 2% to 4% higher cost at the median when compared to Scenario 2. This is due to some of the added costs of the enhancements discussed in sections 3.3.1 through 3.3.4. On the performance side, Scenario 2B has a positive impact in the 0.75% to 4.5% range when compared to Scenario 2. It should be noted that these

performance improvements are less than the improvements observed in the comparison between Scenarios 1 and 1B. This is due to the fact that the contractor performance incentives (New Metrics) available in Scenario 1B cannot easily be adapted to an operation run entirely with state employees.

4.5 Comparing All Scenarios

In order to compare all five scenarios, we have calculated a Cost-Benefit Index that measures marginal improvement in performance against marginal changes in cost. In addition, using the 2014 performance data on which Scenario 1 was based, and the simulation outcomes of the four other scenarios, we have estimated the overall cost differentials and the benefit changes for each of the performance variables studied. These key findings are presented in Figure 2 on the next page:

Figure 2: Key Findings for All Scenarios

	Scenario 1	Scenario 1B	Scenario 1C	Scenario 2	Scenario 2B
Overall Cost Impact	100	102	103	114	120
Aggregate Cost Differential	0	\$164,253	\$246,379	\$1,149,769	\$1,642,527
Performance Impact Range	0	1% to 5%	0.25% to 5%	0.25% to 0.5%	1% to 5%
Overall Cost-Benefit Index	100	110	109.25	87.75	95
Cost-Benefit Rank	3	1	2	5	4
Transition Timeframe	n/a	6 months	6 months	1 Year	1 year
Added Positions	n/a	0	1	91	91
Locations	1	3	3	1	3
Projected Collections	\$89,082,737	\$92,646,046	\$92,646,046	\$89,528,151	\$91,318,714
Paternity Establishment	94.45%	95.39%	95.39%	94.69%	95.39%
Support Orders	81.69%	82.51%	82.51%	81.89%	82.51%
Current Support Paid	61.33%	61.94%	61.94%	61.48%	61.94%
Paying Towards Arrears	62.46%	63.08%	63.08%	62.62%	63.08%

5.0 Summary of the Scenario Findings

Scenario 2B (an operation run entirely by state employees and utilizing the operational enhancements proposed) promises performance improvements in the 1% to 5% range over Scenario 1 (contractor operations), sharing the top spot with Scenario 1B (an operation where core functions are performed by employees of a contract and utilizing the operational enhancements proposed). However, Scenario 2B also has the highest cost differential at \$1,642,527 above the comparable costs of Scenario 1 and \$1,478,274 above the comparable costs of Scenario 1B. Scenario 2 (an operation run entirely by state employees without the operational enhancements proposed) falls short on performance improvements (0.5% or less over the current contractor operation in Scenario 1) while carrying a cost disadvantage of \$1,149,769.

With a 110 Cost-Benefit Index, Scenario 1B (an operation where core functions are performed by employees of a contractor and utilizing the operational enhancements proposed) has the potential for the highest improvement in performance outcomes at the lowest marginal cost. On the other extreme, Scenario 2 (an operation run entirely by state employees without the operational enhancements proposed), with an 87.75 Cost-Benefit Index, is predicted to have the lowest improvement in performance outcomes at the highest marginal cost.

It should be noted that these comparative scenario analysis findings are neither forecasts nor projections. They simply denote differentials among the similar variables under each scenario when 250,000 hypothetical futures simulated by the models.

6.0 Transition Plan

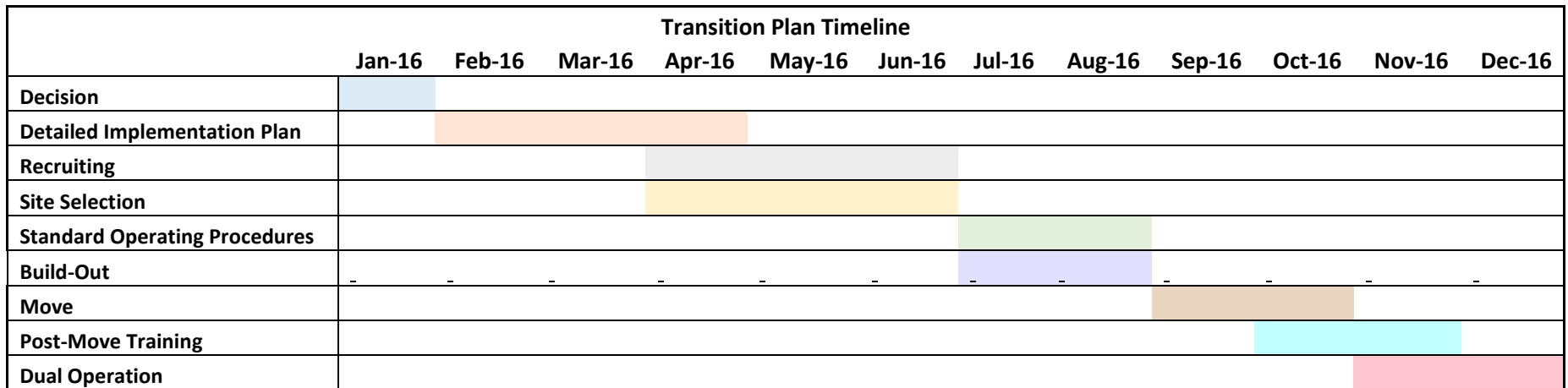
Once DHR selects a path forward, a number of transition steps will need to be undertaken. Assuming Scenario 1B is selected, Figure 3 on the following page outlines a twelve-month transition process.

6.1 The Decision Phase

During the decision phase, a number of issues will have to be addressed:

- Changes to the Contractor RFP/Contract including the proposed new metrics
- Budget implications of the proposed new “Pay-for-Performance” approach.
- Budgeting for the “Move”
- Acquisition versus leasing of the new locations
- Contracts for location build-outs and the move
- Transportation considerations for a three-location operation.

Figure 3: A Twelve-Month Transition Process for Scenario 1B



While the decision phase assumes only a 30-day timeline, any legislative approval that may be required will have to be taken into consideration. If that is the case, all milestones would have to be shifted into the future by six months.

6.2 Developing a Detailed Implementation Plan

Once a path forward is selected, the key steps shown in Figure 3 will have to be further subdivided into a series of detailed action steps, including key actors, cost estimates, and completion times. This process can take anywhere from 30 to 60 work days.

6.3 Site Selection

The three sites selected have been tested using the zip codes of current cases (Appendix C). Assuming the proposed sites in the City (Appendix D) are acceptable and appropriate space is available at or near these sites, the Department would have to go through the legal process of selecting and leasing these locations. Based on conversations with senior decision-makers that will be involved with such activities, a minimum of 90 days have been allocated to this phase of the transition plan. It should be noted that contract negotiations and related activities tend to be highly unpredictable. The time estimate given here might have to be adjusted accordingly during the preparation of the detailed implementation plan.

6.4 Standard Operating Procedures

The proposed operational enhancements will require the development of new and amended Standard Operating Procedures (SOPs). It is assumed that these SOPs will be included in the new RFP envisaged for this scenario. The time allocated for the process of developing these SOPs is sixty days. The BEACON team, as part of this study, will work with decision-makers at the DHR (and the chosen contractor) to assist in the development of these SOPs.

6.5 Build-Out

The build-out of the physical layout in the three new locations is also a very difficult activity to predict. The unknowns include potential legal delays, the current condition of the locations, potential architectural, engineering and permit delays, and the availability of contractors, etc. In a best-case scenario, such a build out could be accomplished in two months. However, the likelihood of a six month process cannot be discarded. The proposed build-out uses the layout of the Baltimore County Office of Child Support (Appendix E) as a starting point. The layout for each of the three locations is then scaled down to about 8,000 square feet. In addition the layout is adjusted to accommodate the proposed case management team clusters.

6.6 Move

Once the locations are ready for occupation, the actual move should not take too much time. The potential delays might be legal and contractual issues for the moving contractor(s), scheduling issues for the delivery of new furnishings (if any); and scheduling issues involving the movers. Under most conditions the move can be accomplished in a sixty-day window.

6.7 Post-Move Training

Transitioning from a single location operation to a three-location operation with floor plan and work flow changes will require training of all employees involved. A sixty-day “On-the-Job-Training” window has been allocated to this phase of the transition plan. The BEACON team, as part of this study, will work with decision-makers at the DHR (and the chosen contractor) to develop a “Post-Move” training plan for this phase.

6.8 Dual Operation

At the discretion of senior decision-makers at DHR, a skeleton operation might be kept for a period of sixty days at the downtown Baltimore location while the three new locations are coming up to speed.

7.0 Conclusion

With a 110 Cost-Benefit Index (Please see Section 5 - Figure2), Scenario 1B (an operation where core functions are performed by employees of a contractor and utilizing the operational enhancements proposed) has the potential for the highest improvement in performance outcomes at the lowest additional costs. On the other extreme, Scenario 2 (an operation run entirely by state employees without the operational enhancements proposed), with an 87.75 Cost-Benefit Index, is predicted to have the lowest improvement in performance outcomes at the highest additional costs.

As discussed in Section 5 of this report, Scenario 2B (an operation run entirely by state employees and utilizing the operational enhancements proposed) promises performance improvements in the 1% to 5% range over Scenario 1 (contractor operations), sharing the top spot with Scenario 1B (an operation where core functions are performed by employees of a contract and utilizing the operational enhancements proposed). However, Scenario 2B also has the highest cost differential at \$1,642,527 above the comparable costs of Scenario 1 and \$1,478,274 above the comparable costs of Scenario 1B. Scenario 2 (an operation run entirely by state employees without the operational enhancements proposed) falls short on performance improvements (0.5% or less over the current contractor operation in Scenario 1) and carries a cost disadvantage of \$1,149,769.

It should be noted that these comparative scenario analysis findings are neither forecasts nor projections. They simply denote differentials among the similar variables under each scenario when 250,000 hypothetical futures simulated by the models.

7.1 Key Conclusions

As part of the scope of work for this study, members of the BEACON Team focused on answering the following question:

“Is it more beneficial to the customers and the State to return the child support enforcement function to the State or to remain with a private contractor?”

Through the scenario analysis process, the following seven factors were examined to answer the question above:

7.1.1 Direct and Indirect Costs:

Over the next ten-year process, using an inflation factor of 2%, we find that insourcing (without any operational enhancements) would require \$10,251,545 in additional direct costs and \$3,383,009 in indirect costs. These costs are derived by comparing FY 2015 data (the latest full fiscal year for which cost and performance data is available) and the scenario findings where Scenario 1 (contractor operations) and Scenario 2 (an operation run entirely by state employees without the proposed operational enhancements) were compared. When the proposed enhancements were factored in, the additional insourcing costs over ten years increase to \$11,921,083 in direct costs and \$3,933,957 in indirect costs. These additional costs are derived from the comparison of Scenario 1 and Scenario 2B (an operation run entirely by state employees and utilizing the operational enhancements proposed). Details of these scenario analysis results can be found in Section 4 of this report.

7.1.2 Timeframe Required for Insourcing:

Based on the analysis presented in sections 4 and 6 of this report, it is estimated that insourcing would take up to two years to accomplish. The first year would be for developing the transition plan and implementing the initial action steps as described in Section 6, including the process of recruiting and onboarding the new State employees. It is also estimated that, at least part of Year Two activities would involve running some core functions in tandem with the contractor.

7.1.3 The Number of Positions Required for Insourcing:

It is estimated that at least 108 new State positions would have to be created for insourcing. In arriving at this number, the BEACON Team has compared the current contractor operations in Baltimore City and the operations in several other Maryland jurisdictions. There was an argument made for increasing this number based on the fact that contract employees were handling higher caseloads than State Employees. However, when performance outcomes were compared, the overall performance differences did not show a direct correlation between higher number of employees and better performance outcomes in the jurisdictional comparisons. As a result, the team arrived at the conclusion that the performance improvements could be accomplished with the proposed operational enhancements at an additional ten-year operational cost of \$2,220,485 if insourcing is combined with such enhancements.

7.1.4 Staffing Issues:

In performing the scenario analysis, the BEACON Team has kept the current 19 State employees constant across all scenarios and looked at insourcing the 108

contractor employees. Additionally, some the State operations in Prince George's County were utilized for some of the staffing position description comparisons. For the insourcing scenario, a staffing mix that is similar to the current operations in Baltimore (with minor adjustments to account for State position descriptions) was utilized. This was necessary to make accurate cost comparisons among the two scenarios. As described above in the discussion of the number of positions required for insourcing, no additional positions over the 108 FTE positions in Scenario 1 were proposed. It is believed that the performance improvements are more likely to come from the proposed operational enhancements. As discussed in Section 6 of this report, whatever scenario is chosen by DHR, the detailed transition plan will have to revisit issue of staffing, providing detailed job descriptions and qualifications for each position.

7.1.5 Location:

Based on the origination zip codes of the Baltimore City cases (Appendix C), the BEACON Team has identified the following three locations in the City (Appendix D) that would serve the customers better than the current downtown location:

- Location 1: Mondawmin Mall, 2401 Liberty Heights Avenue;
- Location 2: Wilkens Plaza Shopping Center, 3450 Wilkens Avenue;
- Location 3: Shopping District at the Dundalk and Eastern Avenues.

7.1.6 Projected Collections:

Based on the Scenario Analysis Findings, the BEACON team estimates that annual collections would increase to \$89,528,151 during the first full operational year after insourcing without the proposed operational enhancements and to \$91,318,714 with the enhancements. With these same operational enhancements, the privatized operations would achieve \$92,646,046. In addition,

these higher collections would be achieved at significantly lower annual operational costs.

Even though the rate of incarceration in the City is declining, in 2014, nearly 8,000 of Maryland's 21,000 incarcerated residents were from Baltimore City. This is a jurisdiction where nearly a quarter of the population lives under the poverty line and where the unemployment rate is 7.6% (compared to 5.2% in Maryland). It is therefore easy to understand why increasing the amount of collections is bound to be difficult. There is a diminishing return at work which makes adding significant resources to the collection effort a less than optimal solution. This is why, the proposed enhancements show a better yield than adding more (and higher cost) employees.

7.1.7 Performance in the Four Federal Performance Measures:

Based on the scenario analysis results from Section 4, the following performance outcomes are estimated under insourcing (Scenario 2):

Paternity Establishment:	94.69% (versus 95.39% with Scenario 1B)
Support Orders:	81.89% (versus 82.51% with Scenario 1B)
Current Support Paid:	61.48% (versus 61.94% with Scenario 1B)
Paying Towards Arrears:	62.62% (versus 63.08% with Scenario 1B)

This report is respectfully submitted on this 10th day of December, 2015 by the Business, Economic, and Community Outreach Network (BEACON) of the Franklin P. Perdue School of Business at Salisbury University

Appendix A
Peer Area Comparisons

PEER AREA Alameda, CA

Sources

1. <http://www.alamedasocialservices.org/public/index1>. <http://www.alamedasocialservices.org/public/index.cfm.cfm>
2. <http://www.acgov.org/css/faq.htm>
3. <http://www.acgov.org/css/resolution.htm>
4. <http://www.childsup.ca.gov/resources/services/ombudspersonprogram.aspx>
5. <http://www.childsup.ca.gov/payments/customerconnect/administrativereviewprocess.aspx>
6. http://www.alamedasocialservices.org/public/about_us/mission.cfm
7. <http://www.kidsdata.org/topic/4/childabuse-reports-type/table#fmt=1040&loc=2,127&tf=73&ch=19,18,17,16,15,13,14,12,20&sortColumnId=0&sortType=asc>
8. <http://www.acgov.org/css/faq.htm>
9. <http://www.acdcss.org/sections/services/ServicesHome.html>
10. <http://www.acdcss.org/sections/parents/np/COAP.html>
11. <http://www.acdcss.org/sections/parents/np/MakeAPayment.html>

Cost of Services (1)

Q: What is the cost of your services?

*A: There is **no fee** for child support services for children who have received or are receiving public assistance through the Title IV-A (TANF) programs. For families who have never received TANF assistance, effective October 1, 2010, California and Federal*

Other costs: Interest

A: Under the California Code of Civil Procedure Sections 685.010-685.110, interest accrues on unpaid money judgments. In 1992 local child support offices were mandated to calculate interest on child support, spousal support and medical support arrears in

of cases (7)

California 2013	Number	Alameda County 2013	Number
At Risk / Sibling Abused	66,005	At Risk / Sibling Abused	12
Caretaker Absence / Incapacity	7,783	Caretaker Absence / Incapacity	563
Emotional Abuse	41,233	Emotional Abuse	1,445
Exploitation	184	Exploitation	6
General Neglect	225,832	General Neglect	3,472
Physical Abuse	92,494	Physical Abuse	4,106
Severe Neglect	7,831	Severe Neglect	313
Sexual Abuse	40,903	Sexual Abuse	1,526
Substantial Risk	0	Substantial Risk	0

Cases in Arrears (8) Policies

If we find an address or assets for the non-custodial party, we will review the case to re-open it to pursue collection of the child support arrears owed to the county for the time period aid was paid.

If the case is already open and an order established, we will continue to pursue collection of any past due child support (aka arrears).

In some instances, a non-custodial parent may qualify for a Compromise of Arrears under California law. If the parent qualifies, the Compromise of Arrears program provides a means for a parent to pay less than the total child support debt owed to the State

Complaints Complaint Resolution (3)

Collections Can pay online at <http://www.acdcss.org/sections/parents/np/MakeAPayment.html>

Compromise of Arrears Program (COAP) (10)

<http://www.childsup.ca.gov/payments/compromiseofarrearsprogram/tabid/131/default.aspx>

COAP is a California program designed to help you reduce the child support debt owed to the government. If you qualify, you will be offered an opportunity to pay an amount that is less than the full amount you owe.

Open Case Complaints: Ombudsperson Program (4)

http://www.childsup.ca.gov/portals/0/resources/docs/pub253_english.pdf

Non-Open Case Complaints: Customer Service - Non IV-D Cases (5)

Child support payments are collected and processed by the California State Disbursement Unit (SDU). There are multiple methods available to submit payments to the SDU:

Submit payment by credit card, debit card, or EFT
Submit payment by phone
Submit payment by mail
Submit payment in person
Submit payment using MoneyGram

More Info

Mission and Extra Information (6)

Our mission is to promote the economic social well-being of individuals, families, neighborhoods and communities.

The Alameda County Social Services Agency is comprised of 2,200 men and women working collectively and in partnership with community-based organizations, neighborhood groups and policy makers to serve the needs of the community.

The Agency assists approximately 11.3 percent of Alameda County's residents.

Benefits programs contribute over \$278 million to the local economy through cash assistance and CalFresh.

Every month more than 52,000 people receive CalWORKs (assistance for families with children), CalFresh and General Assistance.

Every month health insurance is made available to more than 78,000 people through the Medi-Cal program.

Every month more than 11,000 frail, elderly and disabled individuals receive in home care, adult protection and support managing their affairs, and throughout the year 16,000 seniors will receive services through the Area Agency on Aging.

More than 1,600 reports of child abuse or neglect are filed with SSA each month.

Emergency shelter is made available to 415 people nightly.

Alameda County Department of Child Support Services (9)

Alameda County Department of Child Support Services (DCSS) provides assistance to families through establishment of parentage, the establishment of a child support order for monetary and medical support, and through the enforcement of a child support order.

PEER AREA Allegheny County, PA

Sources

1. https://www.humanservices.state.pa.us/CSWS/csww_controller.aspx?xAgwR5KNVdZxrNtxPKEpshw1cKZ86NbN48ezKeJbelHRXtGyVv8HnrOfT6EKCEZceUGoAZnPb52kb3l@Fue99UP0Txy9skvb3MDHXZ6dtzEWKkXgo0A9
2. <http://www.dhs.state.pa.us/dhsorganization/officeofincomemaintenance/bureauofchildsupportenforcement/index.htm>
3. https://www.humanservices.state.pa.us/CSWS/CSWS/forms/CS_IN005_E.pdf
4. https://www.humanservices.state.pa.us/csww/program_controller.aspx?pi_HvBlIvwn2PGIbPmShivexjmgGMRejQSpt2XWkXmUgzQdUEYQ_dKJpQgafZOpLFTRvdAfMJil00oYih797@S5f@QWGfG2KmgpYRg4k8wo-KbqQKWtNAMLuDC5RiQTspVSUbBgdh68STvSF@12HzjmKpSPIQUKs
5. <https://www.humanservices.state.pa.us/csww/csww/forms/Pub%20266%209-11.pdf#page=13>
6. https://www.humanservices.state.pa.us/csww/home_controller.aspx?Pageld=General/DocketHome.ascx&l=E

Cost of Services

What is the cost of your services? (1)

A new law passed by the United States Congress requires that a \$25 annual fee be collected each year from certain child support cases. The law applies when at least \$500 in child support payments is collected annually.

In Pennsylvania, the Department of Public Welfare will: Pay the fee for families with child support collections in a year between \$500 and \$1,999.99 or deduct the fee from the custodial parent after \$2,000 of child support is collected in a year.

of cases

Unable to obtain this information online without registering on the site (6)

Cases in Arrears

Unable to obtain this information online without registering on the site (6)

Complaints

Complaint for Support (IN-005) (3)

Use the form above if you would like to have a court order established for the support of your child(ren). The Complaint for Support is a required, legal filing to begin a support case. Complete this form and then contact your Domestic Relations Section.

Collections

Receiving Child Support (5)

There are two ways to receive child support payments, the EPPICard™ Debit MasterCard® Card or direct deposit into a personal bank account. You must contact the PA State Collection and Disbursement Unit, PA SCDU, at 1-877-727-7238 to set up direct deposit.

Paying Child Support (5)

Most child support is paid by income withholding as ordered by the court and maintained in the Pennsylvania child Support Enforcement System. You can also pay child support by: Personal check, Cashier's Check or Money Order, Telephone, Recurring Automatic Withdrawals.

More Info (2)

Pennsylvania is the only state in the nation to meet or exceed all five performance standards that the federal government sets in determining effectiveness of state child support enforcement programs.

Pennsylvania's child support enforcement program is a joint effort involving the Department of Human Services' Bureau of Child Support Enforcement and the County Courts of Common Pleas, Domestic Relations Sections within the 67 Pennsylvania counties.

PEER AREA District of Columbia

Sources

1. <http://cfsa.dc.gov/services>
2. <http://cfsa.dc.gov/sites/default/files/dc/sites/cfsa/publication/attachments/cfsa%2520cost%2520price%2520data%2520package.pdf>
3. http://osse.dc.gov/sites/default/files/dc/sites/osse/service_content/attachments/2012%20MRS%20Final%20Report.pdf
4. <http://cssd.dc.gov/page/receiving-child-support-payments>
5. http://cfsa.dc.gov/sites/default/files/dc/sites/cfsa/publication/attachments/FY_2013_APR_FINAL.pdf
6. http://www.supportguidelines.com/glines/dc_cs.html
7. https://www.dactionforchildren.org/sites/default/files/Snapshot-CFSA-final_0.pdf
8. <http://cssd.dc.gov/page/enforcing-order>
9. <http://www.disabilityrightswa.org/how-file-complaint-against-child-protective-services-cps-because-disability-based-discrimination-0>
10. <http://ccld.ca.gov/PG408.htm>
11. <http://www.hhs.gov/ocr/civilrights/complaints/>

Cost of Services

<p>Cost/Price Data Requirements (2)</p> <p>exceeding \$500,000 in total value, must include a complete cost and pricing data breakdown</p>	<p>Interest (3)</p> <p>2012 District of Columbia Child Care Market Rates and Capacity Utilization</p>	<p>Child Support Order Formula (6)</p> <p>Chart of costs at the bottom</p>
--	---	--

of cases

Child Abuse and Neglect annual cases 2005-2010
Chart (7)

Cases in Arrears (8)

<p>Federal Tax Intercept</p>	<p>State Tax Intercept</p>	<p>Credit Bureau Reporting</p>	<p>Administrative Offset</p>
-------------------------------------	----------------------------	--------------------------------	------------------------------

When TANF/foster care arrears reaches \$150, federal income tax refunds can be intercepted and used to repay the back child support. Similarly, when arrears in a non-TANF/Medicaid case reach \$500, these tax refunds can be intercepted.

CSSD will send case information, including the arrears amount, to the DC Tax and Resolution Office to intercept state income tax refunds in the amount of the arrears.

When the arrears amount is at least \$1,000, CSSD will send a letter to the non-custodial parent. The non-custodial parent has thirty (30) days to respond before CSSD will send information about the arrears amount to the Credit Bureau.

Administrative offset gives the CSSD the authority to intercept certain types of federal payments when arrears are at least \$25.00. The Department of Treasury will deduct 25% from the following types of federal payments:

Complaints

Disability-Based Discrimination (9)

How to file a complaint and how it will be handled (10)

Complaint Requirements (11)

Collections (4)

Policy
 CSSD cannot guarantee that payments will be received on a consistent basis. If the payments are deducted from the wages of a non-custodial parent, the employer should remit the payments to the Clearinghouse according to the NCP's pay dates.

Methods
 Electronic Payments, checks, recent payments, lost payments, tax refund intercept delays

More Info

Government District of Columbia
 Department of Human Services
 Information and Facts About Child Care pdf:
http://dhs.dc.gov/sites/default/files/dc/sites/dhs/service_content/attachments/ChildCareFAQ.pdf

Programs Offered (1):
 Background Checks

Annual Public Report (5)

Be Heard!
 Become a Foster/Adoptive Parent
 Find Help Now
 Grandparent Program

District of Columbia Child and Family Services Agency

PEER AREA Hennepin County, MN

Sources

- 1. <http://www.hennepin.us/residents/human-services/child-support>
- 2. <http://mn.gov/dhs/people-we-serve/children-and-families/services/child-support/programs-services/applying-for-services.jsp>
- 3. <http://mn.gov/dhs/people-we-serve/children-and-families/services/child-support/index.jsp>
- 4. http://www.dhs.state.mn.us/main/idcplg?IdcService=GET_DYNAMIC_CONVERSION&RevisionSelectionMethod=LatestReleased&dDocName=id_003703

Cost of Services

There is a one-time \$25 application fee. Do not send cash. You also may pay additional cost recovery fees. Applicants who are receiving public assistance in Hennepin County do not pay a fee.

of cases

2013 Data

- 55,000 child support cases
- 162,000 clients, including almost 73,000 children
- \$102 million in child support collected. Statewide, Minnesota counties collected about \$596 million in child support in 2013.

Cases in arrears

About 83 percent of Hennepin’s cases are under a court order. The county has a 68 percent collection rate, which exceeds the national average. Still, the gap in unpaid child support averages more than \$3 million per month.

Complaints

To apply for child support services in Hennepin County you must be a resident of Hennepin County or have a Hennepin County court order. If you are a resident of Hennepin County, but have a court order from a different county, apply for services in the county.

Services are available to: parents of minor children, if one parent does not live with the child, parents who pay child support through court-ordered income withholding, people who receive public assistance for a minor child who lives in their home.

Ways to get an application. 1. Call 612-348-3593. Leave your name and address. An application package will be sent to you by mail. 2. Download an application from the Minnesota Department of Human Services.

Collections

Receiving Child Support

Paying Child Support

Once income withholding papers have been sent to an employer, it may take as long as 45 days to receive a payment. Then, the Minnesota Child Support Payment Center distributes the support to the custodial parent.

The payment center is open 24 hours a day, seven days a week. Do not send cash. Make the support payments by check or money order, payable to Minnesota Child Support Payment Center. Include your Social Security or participant number so proper credit is recorded.

PEER AREA Philadelphia, PA

Sources

1. <http://www.dhs.state.pa.us/dhsorganization/officeofincomemaintenance/bureauofchildsupportenforcement/index.htm>
2. <http://www.courts.phila.gov/pdf/brochures/dr/child-support-brochure.pdf>
3. <https://www.humanservices.state.pa.us/csww/>
4. <http://courts.phila.gov/common-pleas/family/dr/>

**Cost of Services
(2)**

It costs \$35.50 to file. If you cannot pay the filing fee, you may ask to be excused from paying the fee by filing a "Petition to Proceed In Forma Pauperis (IFP)." Ask for and fill out an IFP Petition.

of Cases (4)

PENNSYLVANIA CHILD SUPPORT PROGRAM CASELOAD STATISTICS: Full Time Equiv. Staff- 2,683. Total Caseload- 558,944 Unable to find other statistics for just Philadelphia.

Cases in Arrears Unable to find

Complaints (2)

Who may file for Child Support in Philadelphia? In order to obtain child support, you must show that the child lives primarily with you. This requirement is called standing. You do not need a custody order to file for support.

How do I file for Child Support?
Where: The Intake Unit of Philadelphia Family Court, on the 8th floor of 1501 Arch Street, Philadelphia, PA. Court personnel will assist you in preparing your petition.

Collections

Receiving Child Support (2)

Child Support payments are collected and enforced by the State through PASCDU. This agency receives payments from the people who owe support and then distributes these payments to you. Most new child support orders require wage attachment.

Paying Child Support (4)

Support Compliance: The main function of the Support Compliance Unit is to monitor and track all child support orders to ensure compliance. Support orders are monitored through the Pennsylvania Automated Child Support Enforcement System (PACSES) for payment.

More Info (1)

If you have a support order and the other party is not obeying the order, you can file a contempt petition. There is no charge for a contempt petition.

Pennsylvania's child support enforcement program is a joint effort involving the Department of Human Services' Bureau of Child Support Enforcement and the County Courts of Common Pleas, Domestic Relations Sections within the 67 Pennsylvania counties.

Appendix B

Summary Findings from Observations and In-Depth Interviews

- Fiscal and Account Supervisor
 - Pain points- the system being down as this affects everything.
 - If she could fix something- the elevators and computers.
- Trainer
 - The systems do need improvement.
 - She has the burden of training people on systems that don't always work as they should.
 - The staff is pretty resilient in going with the flow.
- Heather-Enforcement Supervisor
 - Been here for eight years, supervising for three.
 - Enforcement is challenging, not a lot of staff, not much turnover.
 - There are a lot of staff members working and therefore a lot to review.
 - Her day is a lot of reviewing, approving, de-escalating, etc.
 - The systems pose a number of issues.
 - Overall, they are heading in a good direction.
 - They are looking at strengths and weaknesses in terms of process improvement .
 - A lot of her day is making sure people are where they are supposed to be.
 - If she could fix something-she would ask for money to incent the staff.
- Manager of Intake
 - Modifications, consent establishment, reviewing cases.
 - He spends a lot of time running from floor to floor.
 - Manages the flow of clients to make sure there are no bottlenecks.
 - Change the communication between the office of special counsel, the office, and the courts.
 - They are never consistent with the message.
 - Office of Special Counsel often changes the way they want things done.
 - Attorneys are not on the same page.
 - One attorney may reject the same thing that another attorney may accept.
 - There are certain stop gaps with the courts.
 - The Office of Special Counsel is short-staffed.
 - They are not reviewing the cases in a reasonable timeframe.
- Human Capital Specialist
 - Staffing, recruitment, ER issues that arise, record keeping, reviewing.
 - Things she would change: a bigger budget to be able to do more activities.
- Supervisor for the Walk-In Unit
 - Duties: to see that they are staffed in the mornings, interview their clients that come in with the full force of their dissatisfaction with child support services.
 - Deals with some escalations when client is dissatisfied even the answer was correct.
 - If he could change something he would clone himself.

- He seems to be busier in walk-in than he was in enforcement.
- Operations Managers
 - Primarily manages data.
 - Barriers: the show rate (getting people to come into the office when they need to come in), there are many barriers to employment that they cannot fix, there are a large number (about 46% of the non-custodial parties in the caseload) are currently or formerly incarcerated), the ability of an individual to support themselves as well as their family, financially, education issues, housing issues, addiction issues, many people have multiple or all of these issues.
 - A barrier to them is the inability to get data in a closer to real-time (even weekly or daily data).
 - A lot of their data they only get monthly so by the time it is published and available to people it is 45 days old.
 - They have been trying to drill down and find out which collections each person is responsible for so that they can accurately track goals and goal attainment, remedy issues with low collections, incentive correctly, etc.
 - There was a short time period in the first year of this contract (the 157 Report that has their key performance indicators).
 - The state was giving them weekly progress reports for this short period of time.
 - That would allow them to determine, more accurately, the timing of their collections and determine if they need to adjust their staff accordingly.
 - The sooner they see changes in collections, the sooner they can react to them.
 - He worked in child support on the west coast for a while where this process was more administrative than judicial which helped to not overwhelm the court systems and make the process smoothly.
 - In other places where this is more administrative, the non-custodial parent is served with a notice of financial responsibility and the burden is then on the individual to appeal that notice.
 - In Baltimore, where it is more judicial, people know that they can drag out the process by denying or pushing back against everything as it can take a long time just to get a court date.
 - He would change how call centers are measured in child support.
 - Now, it is more about how fast they can get someone off the phone or out the door.
 - This is inconsistent with what they should be doing.
 - Speed of process versus quality of addressing questions.
 - In his previous place of employment, they didn't base their performance measures on abandonment rates or talk time.
 - Rather they focused on addressing peoples' issues.
 - Customer service measurements versus speed of service measurements.
 - In child support, you are dealing with three fundamentals: financials, children, and private information.

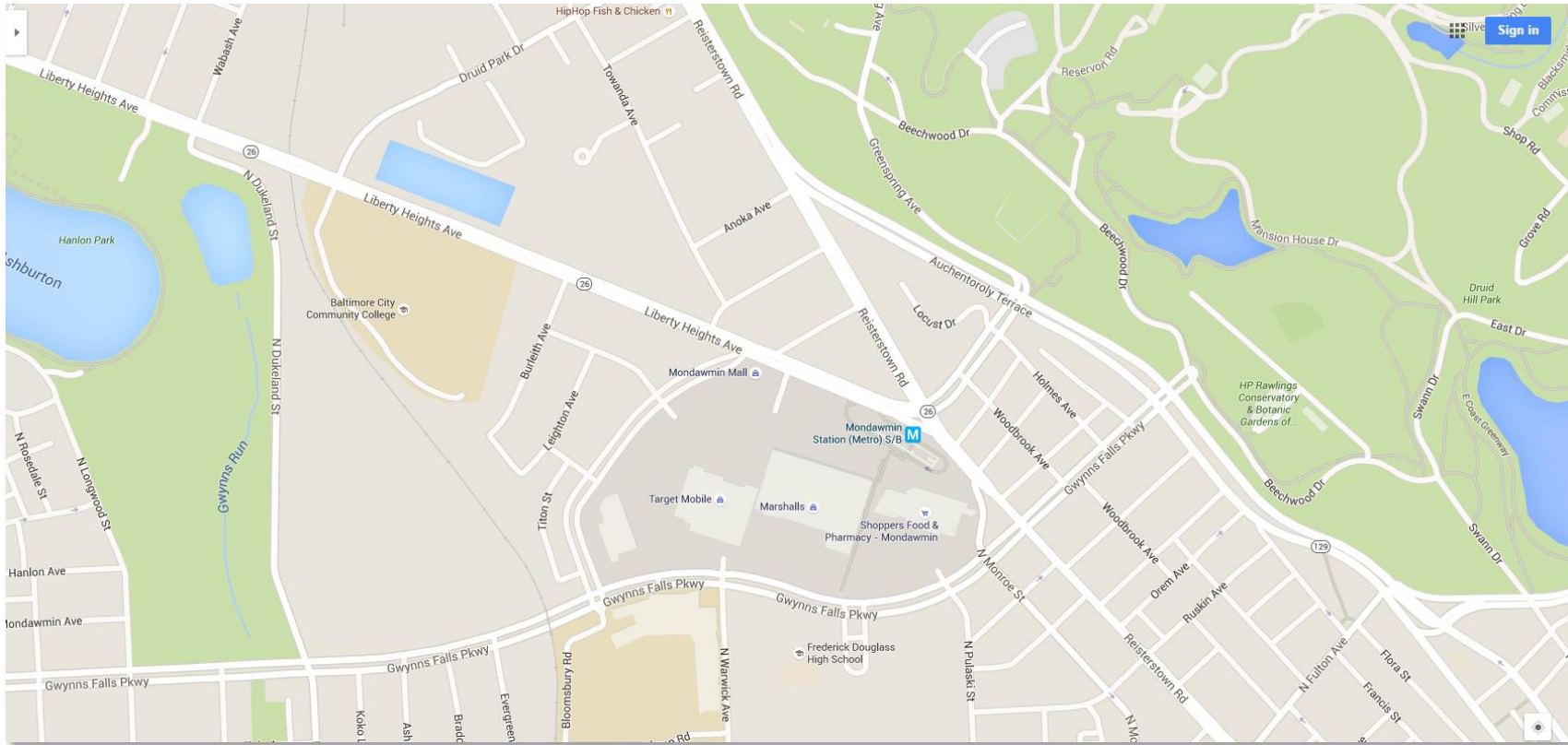
Appendix C
Current BCOE Case Zip Codes

CP Residential Zip	Cases		NCP Residential Zip	Cases
21201	1,004		21201	802
21202	1,388		21202	1,934
21203	21		21205	1,475
21205	1,771		21206	2,591
21206	3,048		21207	1,819
21207	1,567		21208	424
21208	338		21209	140
21209	165		21210	21
21210	22		21211	261
21211	311		21212	1,033
21212	1,109		21213	3,389
21213	3,904		21214	678
21214	858		21215	4,028
21215	4,218		21216	2,996
21216	3,109		21217	3,652
21217	4,054		21218	3,139
21218	2,914		21222	659
21222	635		21223	2,628
21223	2,847		21224	1,181
21224	1,684		21225	1,445
21225	2,116		21226	161
21226	171		21227	381
21227	411		21228	316
21228	233		21229	2,761
21229	3,287		21230	985
21230	1,245		21231	579
21231	723		21233	18
21233	5		21234	878
21234	997		21236	191
21236	247		21237	318
21237	307		21239	1,403
21239	1,576		21287	2
Total	46,285		Total	42,288

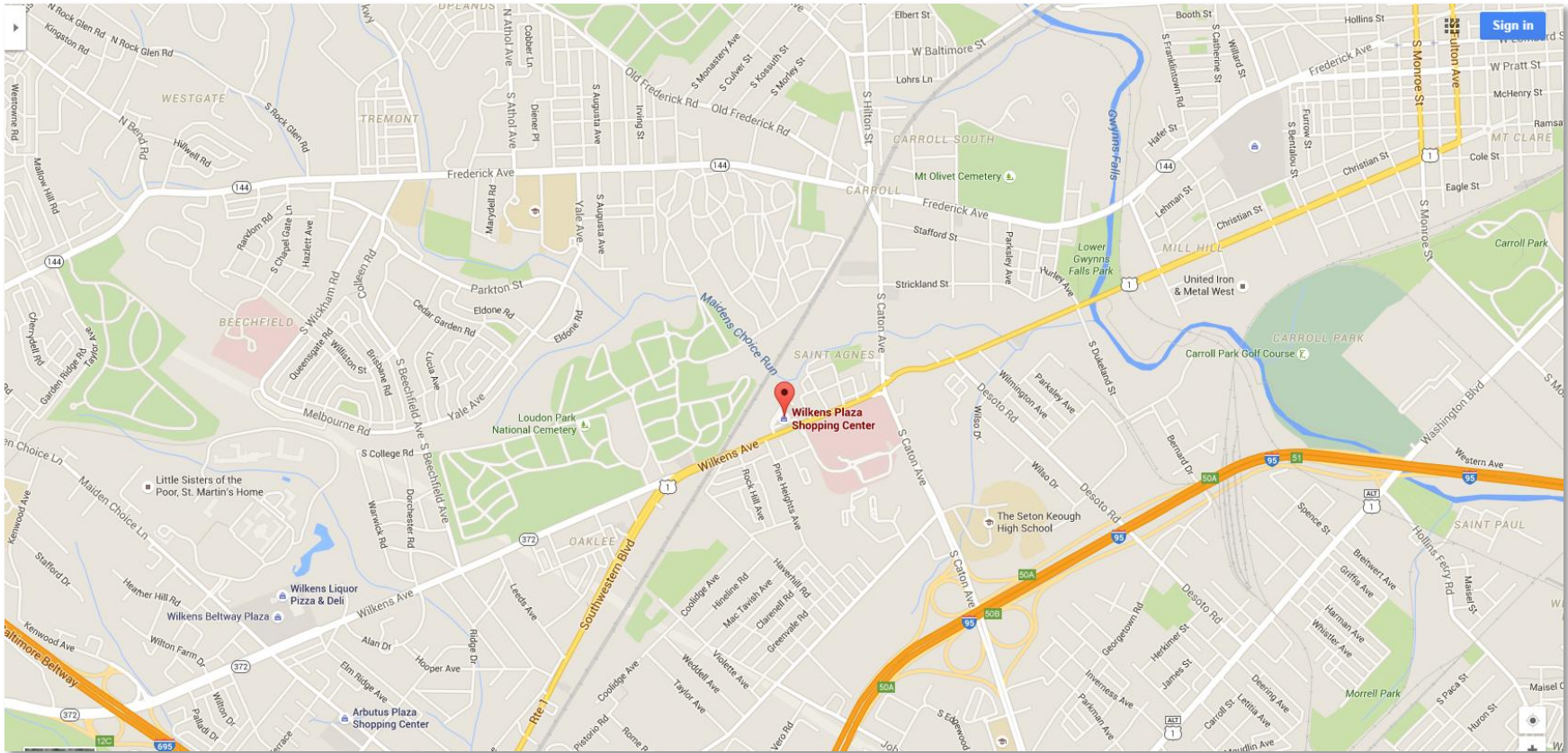
Appendix D

The Three Proposed Locations for BCOCSE Operations

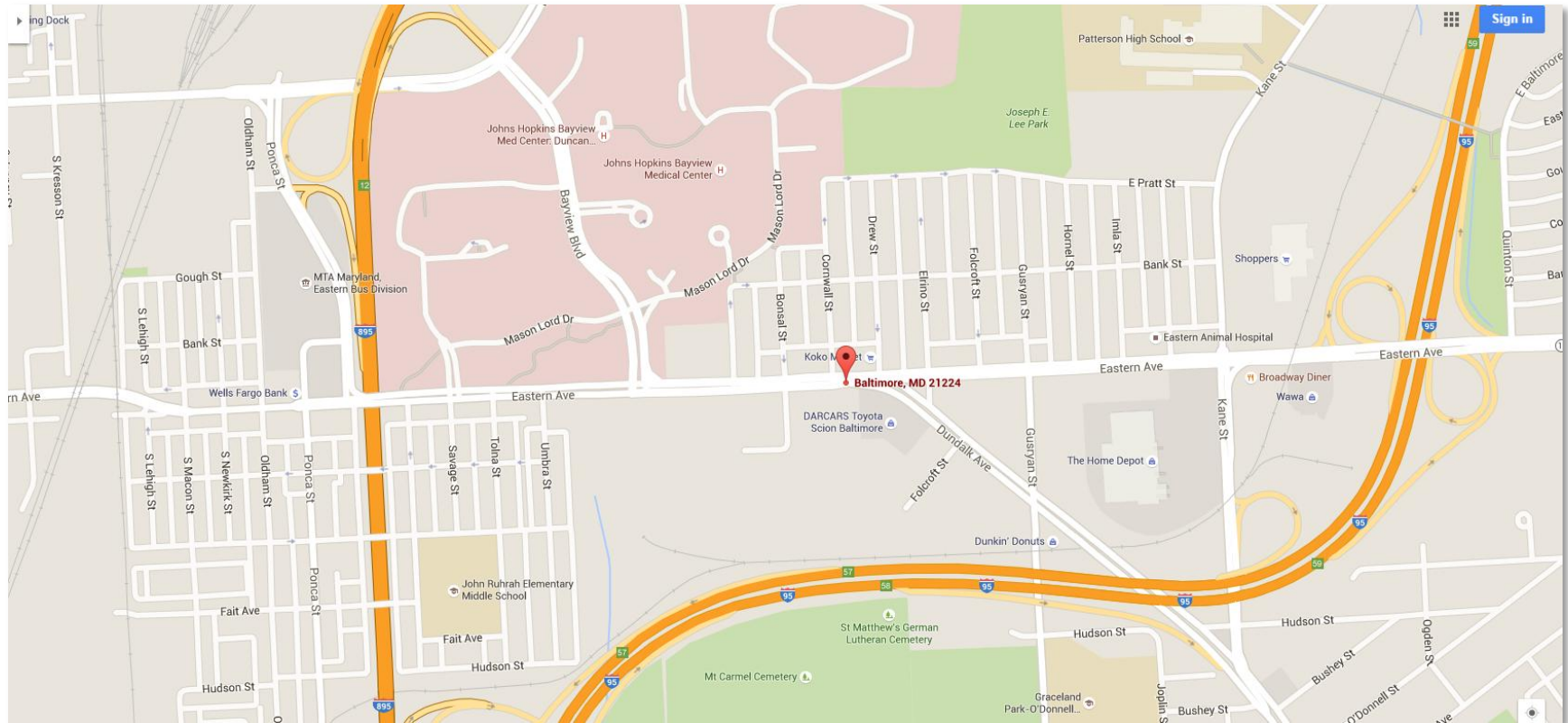
Location 1: Mondawmin Mall, 2401 Liberty Heights Ave, Baltimore, MD 21215



Location 2: Wilkens Plaza Shopping Center, 3450 Wilkens Ave, Baltimore, MD 21229



Location 3: Intersection of Dundalk and Eastern Avenues, Baltimore, MD 21224



Appendix E

Facility Layout for Baltimore County Office of Child Support

