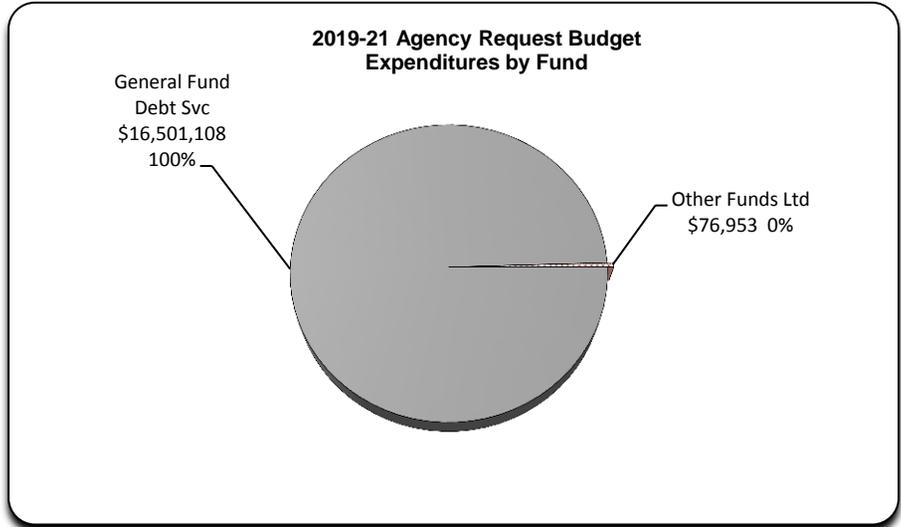
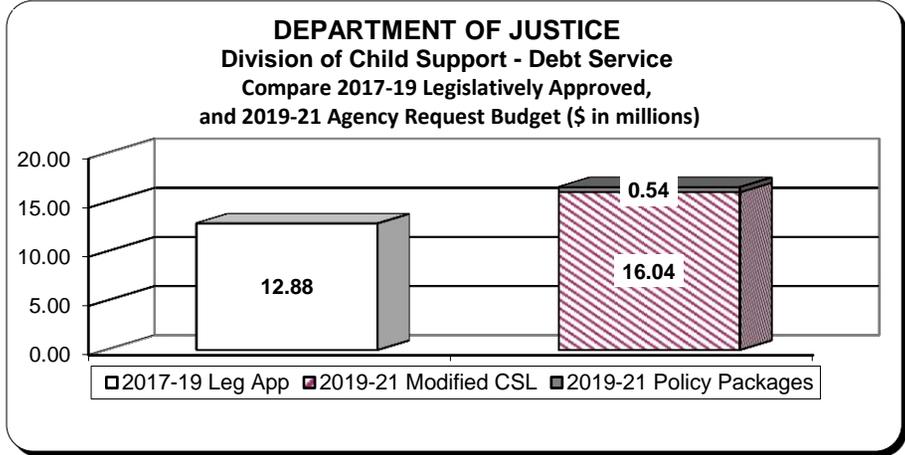


Agency Request Budget

Division of Child Support Debt Service



Agency Request Budget

Program Overview

The debt service funding is intended to support the Oregon Child Support Program's Child Support Systems Project, which is being partially funded by State Article XI-Q bonds. The Project's purpose is to develop a new automated system for the Oregon Child Support Program. This federally mandated and certified system must function as a case management system, an accounting and distribution system, and a data exchange system that interfaces with multiple agencies within Oregon and across the United States. The process is complicated and must proceed through a number of federally mandated steps. Before obtaining approval for federal funding for a system replacement, the federal Office of Child Support Enforcement (OCSE) required the state to conduct a Feasibility Study to demonstrate the best approach to satisfy the need for a new system, provide an objective analysis of which replacement system best meets the state's needs, provides the federally required components, and demonstrate the economic payoff of a new system.

Program Description

The Oregon Child Support Program exists to ensure that the children of Oregon receive the support they need to rise out of or avoid poverty, that reliance on public assistance is diminished, and that Oregon's families and future citizens thrive. The Child Support System Project is the effort to build the core essential tool for the Program to fulfill its mission, which is to enhance the well-being of children by providing child support services to families.

Program Justification and Link to Long Term Outcomes

The Project is a serious and major investment for the state. Confidence in moving forward toward completion lies in the level of due diligence and development that the federal government requires, the close side-by-side partnership that Oregon has fostered with its federal oversight agency at each step of the process, and the major funding commitment by the federal government at the conclusion of the due diligence process.

The Oregon Child Support Program's mission aligns the Division of Child Support with the "Healthy, Safe Oregonians" and "A Seamless System of Education" outcome areas. The Division's work also reaches the "Excellence in State Government" and "A Thriving Statewide Economy" outcome areas. The Program's work supported by the new system is foundational to the safety, health, and well-being of children and families. For example:

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- Healthy, Safe Oregonians

Ensure there is a Route to Independence for Oregonians Receiving Foster Care and Housing Services.

While receipt of child support and provision of medical support or coverage may not be a complete answer to a family's needs, they do contribute to successful outcomes and move families toward self-sufficiency and an improved quality of life. The new system will assist the Program in collecting more child support for Oregonians and decreasing families' reliance on public assistance. The Program has no means test and can provide services for a family from cradle to college graduation.

Ensure a Safe Environment for Children that Receive Services.

Support for Oregon's children is foundational to their safety, health, education, and well-being. When issues of violence exist, the Program has processes in place to help protect parents and children from potential harm while continuing to provide child support services.

- A Seamless System of Education

Establish Affordable Access to Higher Education

The Program can continue to provide services until a child reaches emancipation or is no longer in school. Children of least age 18 and under 21 and attending school can receive child support payments from their parent(s). Receiving support during this time allows adult children to focus on their continuing education by reducing their need to join the workforce or reduce their course load to cope with financial demands. Because participating children are required to make academic progress based on their school standards, students are encouraged to perform so they continue receiving support payments.

- Excellence in State Government

Continued Improvement of Performance Management

The outcomes achieved by the Program demonstrate excellence in state government by leveraging General Fund dollars to bring in more than two times the amount in federal dollars. To receive these federal funds, the Program must conform and perform to set standards. The federal government measures, monitors, and audits the Program's performance. In addition to the matched dollars, the federal government provides performance-based incentive funding each year to the Program. Federally matched funds and incentive dollars allow the Program to provide high-quality services with minimal financial impact to the state budget. Implementation of a new child support system will allow the Program to automate basic case functions and redirect worker efforts to the more difficult aspects of case management requiring the human touch. The business intelligence component of the new system will provide the Program with the tools necessary for data-driven analysis and process improvement—tools currently unavailable in the legacy system.

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- A Thriving Statewide Economy

Create Conditions for Business to Grow

The Program's relationship with employers is crucial to continued success, and the Program works to minimize the statutory burden on employers as much as possible. By working with the Child Support Program, and its dedicated Employer Services team, Oregon employers need only work with a single government entity, a single set of forms, and a single group of people exclusively assigned to support them. Additionally, Oregon's Program has received federal recognition for its online Employer Portal that rolled out in 2013 and further enhanced, automated, and simplified the interactions between employers and the Program. Through process improvements, the Program continues to reduce the administrative and compliance burden that Oregon's small businesses face, and encourages them to grow. The new system includes improvements and enhancements to the Employer Portal that will enhance services and increase the ease of use.

Growing Middle Class

Self-sufficiency helps families attain equitable standing in their communities and diminishes reliance on public assistance. The overwhelming societal problem of child poverty can be addressed significantly by the administration of an effective and fiscally responsible child support program—nationally, the child support program is recognized as the fourth-most effective anti-poverty program. The Oregon Child Support Program's efforts with its federal partner to build a modern case management and accounting system move Oregon in this direction.

Program Performance

There is currently no effective way to measure performance of the new system as it is still under construction. The new system will increase overall performance of the Program. System replacement goals are:

- Increase in support collections for families
- Increase in recoveries for state agencies
- Remove increasing risk of CSEAS system catastrophic failure
- Compliance with federal and state regulations and data security requirements
- Data warehousing and business intelligence
- Timely completion of legal actions
- Reduction in manual processes
- Public cost savings

Agency Request Budget

Performance data for the new system will not be available until the Project is complete and the Division has migrated completely to the new system.

Enabling Legislation/Program Authorization

Title IV-D of the Social Security Act (42 USC 651 *et seq*) and ORS 180.345 provide authority to the Department of Justice to administer child support services in Oregon. Federally mandated requirements for operating and maintaining a child support program system are in a State Plan required by 45 CFR 302. ORS Chapters 286A.820 through 286A.826 provides the authority and guidance for the use of XI-Q bond funds for this Project.

Funding Streams

The Project's debt service is funded by state general fund. The cost of issuance expenses are funded by the sale of XI-Q bonds.

Significant Proposed Program Changes from 2017-19

There have been no significant changes to the Project from 2017-19. The Legislatively Adopted Budget maintains debt service payments to reflect all previous bond sales. Package 475 adds General Fund debt service related to bond sales in the 2019-2021 biennium to continue funding the project.

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Program Narrative

The Division of Child Support (DCS) program is currently undergoing a major IT project that involves debt service and related costs. All states must maintain a child support automated system that meets federal certification requirements. Oregon's current system (CSEAS) is one of the oldest systems in the nation, using components and databases from the 1970s that are difficult to use and complex to maintain. DCS initiated a formal process to replace CSEAS and meet the current and future needs of the program (Child Support System Project). At the Project's conclusion, Oregon will have a web-interface system that combines the best functionality of three of the newest child support systems in the nation.

For more information, please refer to the "Child Support Enforcement Automated System" (CSEAS) section of this document.

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Division of Child Support Debt Service

022 – Phase-Outs

Purpose: This package phases out the cost of issuance limitation associated with state XI-Q bond sales in the 2017-2019 biennium for the Project.

How Achieved: Abolished expenditures.

2019-2021 Staffing Impact: None

2021-2023 Staffing Impact: None

Revenue Source: (\$373,830) Other Funds Limited

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ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Justice, Dept of
 Pkg: 022 - Phase-out Pgm & One-time Costs

Cross Reference Name: Debt Service and Related Costs
 Cross Reference Number: 13700-187-00-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
General Fund Obligation Bonds	-	-	(373,830)	-	-	-	(373,830)
Total Revenues	-	-	(\$373,830)	-	-	-	(\$373,830)
Services & Supplies							
Other COP Costs	-	-	(373,830)	-	-	-	(373,830)
Total Services & Supplies	-	-	(\$373,830)	-	-	-	(\$373,830)
Total Expenditures							
Total Expenditures	-	-	(373,830)	-	-	-	(373,830)
Total Expenditures	-	-	(\$373,830)	-	-	-	(\$373,830)
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	-	-	-	-	-	-	-

Agency Request Budget

Division of Child Support

475 – CSEAS/Origin Development & Implementation

Purpose: Provides continued funding necessary for the debt service needs surrounding the replacement of the state child support system.

In the 2013-2015, 2015-2017 and 2017-2019 Legislatively Approved Budgets, the Department of Justice (DOJ) Division of Child Support (known as the Oregon Child Support Program, with inclusion of 22 participating District Attorney offices) received funding for the state's portion of the cost to replace the state child support system. Due to the scope of the Project, the funding and the Project extends over several biennia. Work started in one biennium extends into the next biennium. After the 2015 Legislative Session, project team members worked in partnership with DAS Procurement Services and DOJ procurement attorneys to complete four separate procurements (contractors for Project Management, Quality Assurance, Independent Verification & Validation, and Implementation or System Integrator) to hire the necessary expertise to ensure DOJ meets the project objectives successfully. The project facility was set up with the onboarding of the Implementation Contractor, followed by the baselined schedule and budget. Additionally, Project team members worked with the Office of the State Chief Information Officer (OSCIO) and the Legislative Fiscal Office (LFO) to receive Stage Gate 3 endorsement in January 2016 and Readiness Assessment approval in July 2016. The project moved forward in the 2017-2019 biennium with system design, development, and testing. The operational system began the phased rollout in fall 2018 and anticipates implementation statewide in spring 2019. Biennium 2019-2021 represents the last phase of the project, ending with the 22-month maintenance transition period.

How Achieved: The Department of Justice is developing a child support system that meets the requirements of Title IV-D of the Social Security Act (42 USC 651 *et seq*) and enables the Oregon Child Support Program to continue delivering child support services in Oregon. The System Project anticipated a 34-month design and development period, a nine-month transition period for regional rollouts of the system, and a 22-month maintenance transition period. Accounts were adjusted using the DAS published instructions.

2019-21/2021-23 Staffing Impact: None

Revenue Source:	\$460,108	General Fund Debt Service
	\$76,953	Other Funds
	\$537,061	Total Funds

Agency Request Budget

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Justice, Dept of
 Pkg: 475 - CSEAS/Origin Development & Implementation

Cross Reference Name: Debt Service and Related Costs
 Cross Reference Number: 13700-187-00-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
General Fund Appropriation	460,108	-	-	-	-	-	460,108
General Fund Obligation Bonds	-	-	76,953	-	-	-	76,953
Total Revenues	\$460,108	-	\$76,953	-	-	-	\$537,061
Services & Supplies							
Other COP Costs	-	-	76,953	-	-	-	76,953
Total Services & Supplies	-	-	\$76,953	-	-	-	\$76,953
Debt Service							
Principal - Bonds	360,000	-	-	-	-	-	360,000
Interest - Bonds	100,108	-	-	-	-	-	100,108
Total Debt Service	\$460,108	-	-	-	-	-	\$460,108
Total Expenditures							
Total Expenditures	460,108	-	76,953	-	-	-	537,061
Total Expenditures	\$460,108	-	\$76,953	-	-	-	\$537,061
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	-	-	-	-	-	-	-

Agency Request Budget

DETAIL OF LOTTERY FUNDS, OTHER FUNDS, AND FEDERAL FUNDS REVENUE

Source	Fund	ORBITS		2017-19		2019-21		
		Revenue Acct	2015-17 Actual	Legislatively Approved	2017-19 Estimated	Agency Request	Governor's Budget	Legislatively Adopted
Child Support Debt Service - Other Funds Ltd	3400	0555	\$ 14,566	\$ 373,830	\$ 373,830	\$ 76,953		
Misc. Transfers In/(Out) - Other Funds Ltd	3400		\$ 17					
Total Other Funds Ltd	3400		\$ 14,583	\$ 373,830	\$ 373,830	\$ 76,953	\$ -	\$ -

Agency Request Budget

DETAIL OF LOTTERY FUNDS, OTHER FUNDS, AND FEDERAL FUNDS REVENUE

Justice, Dept of
2019-21 Biennium

Agency Number: 13700

Cross Reference Number: 13700-187-00-00-00000

<i>Source</i>	2015-17 Actuals	2017-19 Leg Adopted Budget	2017-19 Leg Approved Budget	2019-21 Agency Request Budget	2019-21 Governor's Budget	2019-21 Leg. Adopted Audit
Other Funds						
General Fund Obligation Bonds	8,931	317,367	373,830	76,953	-	-
Interest Income	5,635	-	-	-	-	-
Transfer In - Intrafund	17	-	-	-	-	-
Total Other Funds	\$14,583	\$317,367	\$373,830	\$76,953	-	-