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**TESTIMONY BEFORE THE
APPROPRIATIONS COMMITTEE**

H.B. No. 6830 AAC The Budget for the Biennium Ending June 30, 2013

MARCH 4, 2011

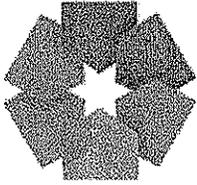
Good evening, my name is Tom Horan, I am a Child Support Specialist with Auctor Corporation. Auctor provides child support subject-matter experts, application software and technical support services to the Department of Social Services, Bureau of Child Support Enforcement. In order to improve service to Child Support constituents while providing significant financial savings we urge implementation of two Web based portals for the Connecticut Child Support Enforcement System (CCSES). The two proposed Web based portals include the following:

- A Self-Service Information Portal would allow custodial and non-custodial parents to access and update case and personal information, to print forms, initiate a case, and complete various other activities without involving a case worker.
- An Employer Portal would allow employers to provide new-hire and termination information via the Internet.

The portals could be developed and implemented for \$2.7 million in approximately 18 months, and the cost of the project could be funded in two ways. One way would be to designate \$2.7 million of federal child support incentive payments to pay for the project instead of depositing that amount into the general fund. (See last section below regarding Federal Incentive Fund) The other method would be to appropriate \$2.7 million for the project and receive back 66% federal reimbursement. Overall the cost for the development and implementation project would be revenue neutral in year one and the year-over-year savings would be dramatic as has been measured and proven by a similar project for child support in Pennsylvania. Pennsylvania has had child support customer service portals for seven years and recently published a report of the actual cost and time savings that have accrued from portal use. The following financial benefits are projected for Connecticut using the same assumptions, measures, and calculations as in the Pennsylvania report:

1. Savings by reducing the number of "no shows" at appointments and court appearances through the use of "E-reminders" and text messages. On average 45 minutes per case (0.75 hours) in staff time is lost in court proceeding delays, updating the system, and rescheduling appointments and court hearings. Assuming 25% of the reminders result in prevention of a "no-show" the projected number of court dates and office visits that will NOT need to be rescheduled or postponed in Connecticut is 135,714. Calculating the average worker wage in CT at \$26.04/hr (\$50,000.00 average salary divided by 1920 work hours per year) the total savings would be:

Savings $135,714 \times .75 = 101,785$ (hours) $\times \$26.04 = \$2,650,481.00$



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2. Savings due to self-service customer and employer demographic updates, such as address and employment changes input directly by the clients / employers without state case worker intervention. Based on 50,000 updates and assuming it takes a state worker 10 minutes (0.167 hours) per update, which includes worker's time on the telephone, processing mail, taking action in the system and verifying data entry, using the same salary as above the total savings would be:

$$\text{Savings } 50,000 \times 0.167 = 8,350 \text{ (hours)} \times \$26.04 = \$217,434.00$$

3. Savings in communications and postage costs by using interactive client and employer portals rather than postage and staff time on the telephone. Assuming an average of 12,900 client / employer communications, currently requiring one telephone call followed up by one piece of mail, and taking a state worker 10 minutes per case the total savings would be:

$$\text{Savings } 12,900 \times .44 \text{ (postage)} = \$5,676 \text{ plus } 12,900 \times .167 = 2,154 \text{ (hours)} \times \$26.04 = \$56,090 + \$5,676 = \$61,766.00$$

Combined one year savings is \$2,929,681.00 which exceeds the projected cost of developing and implementing the portals.

The 5-year cost savings would be \$14,648,405.00 which represents a 542% return on Investment.

In addition, due to anticipated increases in collections and disbursements by implementing the enhancements above Connecticut should expect improvement in performance measures and thereby increased federal performance incentive funds. Improving performance relative to other states is critical to Connecticut's ability to obtain maximum federal funds for the child support program. The Obama budget released 2/14/2011 includes a provision to increase the funding pool authorized for performance-based incentives by \$300 million to a total of approximately \$800 million in both 2012 and 2013. The federal government requires that these funds be spent on the child support program, and most states will be spending the funds received on projects to increase performance. Connecticut can expect to lose funds to other states if initiatives like the self-service Internet portals described herein are not funded.

Thank you for your consideration of this proposal please contact me if you have any questions.

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