

GAO

United States General Accounting Office

Report to the Chairman, Committee on
Governmental Affairs, U.S. Senate

October 1991

**INTERSTATE CHILD
SUPPORT
ENFORCEMENT**

**Computer Network
Contract Not Ready to
Be Awarded**



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**Information Management and
Technology Division**

B-244907

October 23, 1991

The Honorable John Glenn
Chairman, Committee on
Governmental Affairs
United States Senate

Dear Mr. Chairman:

In response to your request, we are reporting to you on the Department of Health and Human Services (HHS), Office of Child Support Enforcement's (OCSE) planned procurement of a nationwide telecommunications network. This network—the Child Support Enforcement Network (CSENET)—is intended to link together 52 automated state systems and facilitate the transmission of case data between the states to enhance the interstate child support enforcement process. Each year about \$4 billion in child support payments go uncollected, due in large part to a lack of information about absent parents. OCSE estimates that CSENET will cost approximately \$20 million to build and operate for 10 years.

As agreed with your office, our objectives were to determine (1) if OCSE's evaluation of the state-run demonstration projects justifies its pursuit of CSENET as the most cost-effective solution for increasing collections and improving the operations of the interstate child support enforcement program, and (2) whether OCSE has followed sound systems development principles in developing CSENET. In addressing our objectives, we relied on interviews with OCSE and state officials, official documents, and the results of a questionnaire that we administered to 32 randomly selected states. Appendix I details our objectives, scope, and methodology. Appendix II summarizes the questionnaire results.

Results in Brief

OCSE plans to award a contract in October 1991 for the design, development, and implementation of CSENET. However, OCSE is not ready to do so because it has failed to adequately follow sound systems development principles. OCSE has not sufficiently analyzed alternatives to CSENET or developed complete and credible data on the network's costs and benefits. Moreover, in selecting the CSENET alternative, OCSE did not adequately involve the future system users. These users are skeptical of the CSENET project, even though their support and commitment are essential to its successful implementation. In addition, OCSE has not yet begun addressing other key issues, including how states will interface with the network.

We do not believe that OCSE has demonstrated that CSENET is the most feasible and effective automated approach for increasing interstate collections and improving the child support enforcement program. CSENET will only provide electronic transmission of limited data from state to state, replacing the current process of sending information through the mail. CSENET will also have minimal impact on increasing interstate collections because it will not provide additional information to help locate an absent parent and establish a case nor automate critical functions within the child support enforcement program. These automated functions will remain the responsibility of the states; however, the majority of states are not fully automated. As such, we believe that CSENET may be premature and may not effectively meet the presidential priority to develop a nationwide parent locator system.

Because of these shortcomings, the Secretary of Health and Human Services should not proceed with contract award without demonstrating, through a comprehensive analysis of alternatives and using complete and validated cost/benefit data, that CSENET is the most feasible alternative. Further, regardless of which alternative is pursued, the Secretary should ensure that future users are involved throughout the system's design and development, and issues, such as the network's interface with state systems, should be addressed soon. To do less would invite unacceptable risks and potentially hinder OCSE's progress in attaining its ultimate goal of improving child support collections.

Background

In 1975, the Congress created the Child Support Enforcement Program to strengthen state efforts to locate absent parents, determine paternity, establish support orders, and collect payments.¹ This entire process is lengthy and complicated and involves local, state, and federal governments. The first step, critical to the ultimate collection of payments, is locating absent parents. Location efforts begin at a local child support enforcement office and may be requested by a custodial parent or a child support agency. Local and state agency officials try to locate absent parents through available records, including those of the Department of Motor Vehicles, state employment security agencies, credit bureaus, and federal agencies, such as the Social Security Administration. Interstate cases—in which absent parents reside or work in a different state than the custodial parent and child—remain the most demanding and complex to process. For these cases states communicate

¹Pub. L. 93-647, 88 Stat. 2337.

primarily by mailing absent parent location requests and other case processing forms from state-to-state.

In 1984 the Congress enacted the Child Support Enforcement Amendments to the Social Security Act. The amendments authorized funding for OCSE to make grants to selected states for the development and demonstration of new automated methods for improving interstate child support collections.² OCSE provided grants for five demonstration projects from which the best technical capabilities were to be incorporated into a nationwide system. CSENET is based on one of these state demonstration projects.

CSENET will consist of a network of 52 microcomputers located in the 50 states, Washington, D.C., and Puerto Rico.³ This network will provide nationwide communications for electronically transmitting standard information—including absent parent's name, employer, and location; paternity establishment; and child support award establishment and enforcement—from one state to another. CSENET is intended to replace information on four of the eight standard Uniform Reciprocal Enforcement of Support Act (URESA) forms.⁴ These forms are currently mailed between state child support enforcement offices. CSENET is not intended to be an absent parent locator data base; it will only automate the exchange of information found on four URESA forms.⁵ It will not directly access locate files in the states.

OCSE plans to eventually have state automated systems interface with CSENET, providing an electronic flow of information between state child support enforcement offices. As part of the planned procurement, the contractor will provide technical assistance in developing this automated interface. In addition, CSENET will be able to assist OCSE in the collection of statistics on case work load, such as the number of absent parent location requests. OCSE plans to award the CSENET contract in

²Pub. L. 98-378, 98 Stat. 1305, 1315.

³The microcomputers will be linked to a central computer capable of storing and forwarding messages between microcomputers. This linkage will be provided by the Federal Telecommunications System (FTS 2000).

⁴The Uniform Reciprocal Enforcement of Support Act has been enacted by the states, the District of Columbia, Puerto Rico, and Guam. URESA standardizes the administrative forms and processing of interstate child support enforcement cases.

⁵A parent locator data base is a system that contains address and identification information (i.e., Department of Motor Vehicle or state employment security agency data). The information can be searched to identify the location of an absent parent.

October 1991.⁶ OCSE will pay for the initial installation of CSENET and 66 percent of its operational costs. States will pay the remaining 34 percent.

Evaluation of Demonstration Projects and Analysis of Alternatives Inadequate

OCSE made grants to several states to develop and demonstrate new automated projects for improving interstate child support collections. OCSE stated in its Agency Procurement Request that the approach selected for the development of CSENET reflects the lessons learned and the best features and characteristics of the demonstration projects. Further, in requesting CSENET funding from the Office of Management and Budget, OCSE indicated that after assessing the demonstration project results, the agency selected CSENET as the best approach to increase interstate collections. However, OCSE did not evaluate the relative merits of the demonstration projects before selecting CSENET. According to OCSE's Associate Deputy Director for Information Systems, CSENET was an important initiative of the President, who stated that he wanted a nationwide parent locator system to track parents who moved across state lines. As a result, OCSE decided not to do a comprehensive comparative analysis of other demonstrations. While OCSE did have independent evaluations performed to identify benefits and unresolved issues associated with each project, OCSE's Associate Deputy Director agreed that the agency did not thoroughly assess and compare the technical benefits and costs of the demonstration projects before selecting CSENET. In fact, OCSE selected CSENET's concept 2 years before evaluating the demonstration project it was based on—the Western Interstate Clearinghouse Project.⁷

In selecting CSENET, OCSE performed an analysis of alternatives in 1987. However, this analysis falls short of federal regulations requiring agencies to identify feasible alternatives and thoroughly analyze each to determine the most effective automation solution.⁸ Specifically, OCSE

⁶OCSE issued the request for proposals on September 28, 1990. As of October 1991, OCSE was evaluating the offers proposed for the contract award.

⁷The Western Interstate Clearinghouse Project (WICP) was developed and is currently being used in five states: Alaska, Idaho, Oregon, Utah, and Washington. The Clearinghouse Project was designed to facilitate interstate case processing by providing an automated system for exchanging information related to locating, registering, tracking, enforcing, updating, monitoring, and reporting all interstate child support cases shared among the five states.

⁸Federal Information Resources Management Regulation (FIRMR) 201-30.009. (The General Services Administration has issued a new version that applies to solicitations issued on or after April 29, 1991. Our references are to the earlier version that was in effect during the period covered by this report. This section was supplanted by a similar FIRMR subpart 201-20.2.)

considered three alternatives: (1) continue with the current manual process, (2) establish a nationwide telecommunications network under federal management (i.e., CSENET), and (3) establish a nationwide telecommunications network through individual state efforts (i.e., CSENET developed by the states). However, OCSE decided on these alternatives before completing an independent analysis of each demonstration project.

The alternatives fail to consider other viable automation options. For example, OCSE did not consider a demonstration project—the Electronic Parent Locator Network (EPLN)—that users deem very successful.⁹ OCSE officials stated that confidentiality and privacy issues would be concerns in expanding EPLN nationwide, and thus, did not believe EPLN was a viable alternative. An EPLN State Executive Director for Information Resource Management admitted that confidentiality issues have been challenging, requiring both formal administrative agreements between the states and appropriate security measures; however, in 3 years of operation, 10 states have successfully used EPLN without a known breach of security. Further, independent analyses of EPLN did not identify confidentiality issues as a major obstacle in implementing the project.¹⁰

OCSE's alternatives analysis also did not include credible data on CSENET's costs and benefits. Specifically, it did not (1) include significant costs associated with the project, and (2) sufficiently justify its expected benefits. Federal regulations and guidance require a complete and supportable cost/benefit analysis that provides adequate information to analyze and evaluate alternative approaches.¹¹ These analyses provide management with information on the quantifiable and nonquantifiable costs and benefits of alternative approaches to solving a given problem, which should then enable managers to determine the best alternative for achieving agency objectives.

⁹EPLN is a data base designed to provide state parent locator services with access to other states' locate resources. It uses a centralized data base containing extracts from each states' employment, unemployment, Department of Motor Vehicles, Department of Corrections, and food stamp data bases. Ten states are currently members of EPLN.

¹⁰Hallman & Associates, Evaluation of the First Year Activities of the Electronic Parent Locator Network, December 31, 1986, and Deloitte & Touche, Electronic Parent Locator Network Cost/Benefit Analysis, September 1990.

¹¹Information Processing Standards Publication 64 and FIRMR 201-30.009.

OCSE's cost/benefit analysis for CSENET had several serious deficiencies that lessened its credibility and made its results inconclusive. For example, the agency did not consider the expense of case reconciliation—an extensive effort.¹² Furthermore, OCSE did not include the cost of developing state interfaces that will allow state systems to communicate with CSENET. (See page 11 for further discussion.) Because OCSE officials have yet to project either of these costs, CSENET's true costs are unknown.

The benefits cited in OCSE's cost/benefit analysis are also based on unsupported assertions. For example, the analysis projects over \$1.2 billion in increased child support collections in 1993. However, the analysis provides little explanation of how the increased collections will be realized. OCSE officials could not provide additional support for the projected collections and stated that a lack of accurate data made it difficult to accurately project these collection benefits.

CSENET is only intended to electronically transmit information from state to state. While this may provide some administrative savings by transmitting information electronically versus by mail, it will have minimal impact on increasing the number of absent parent locates and corresponding collections. In fact, CSENET only allows the state to request information from one state; it does not provide simultaneous locate requests to multiple states. As a result, CSENET's effectiveness is dependent upon the custodial parent's knowledge of where the absent parent resides.

CSENET will not provide additional information to help locate an absent parent and establish a case nor automate critical functions within the child support program. Automating these functions remains the responsibility of the states. However, only eight states currently have automated systems certified by OCSE.

¹²Case reconciliation is the process of determining which open cases a state is attempting to resolve for other states. It is a complex process because the states have to search a variety of automated and manual systems in courts and local jurisdictions just to ascertain the status of each case. (For further discussion, see page 10.)

OCSE Did Not Follow Basic Systems Development Principles for CSENET.

The application of sound system development principles is critical to any information system's or network's successful implementation. OCSE has not adequately applied such principles in planning for CSENET's design and development. Specifically, OCSE has not

- developed the accurate work-load information necessary to define automation capacity and performance requirements,
- adequately involved system users in CSENET's planning to ensure that customers' needs are met, and
- defined the technical requirements and provided the states with guidance on a major component—the interface with state systems—and addressed important limitations of CSENET.

As we have previously reported, several government agencies' system acquisitions have resulted in skyrocketing costs, long delays, and systems that do not meet users' needs.¹³ The causes most often cited are a lack of effective communication among those involved with developing information systems, incomplete knowledge of customers' needs, and the absence of clearly defined mission needs.

OCSE Lacks the Case Work-Load Information Needed to Properly Size CSENET

OCSE does not have essential information on the interstate child support enforcement case load to effectively define transaction work loads, which is critical to ensure that the system is efficiently managed. For example, OCSE has not obtained accurate information on past, current, and projected interstate case volume.

The case volume information that does exist is incomplete and not readily available because OCSE lacks a process to consistently capture this data. While OCSE collects states' data on case requests sent and received, multiple requests can be made on a single case, inflating the national count. On the other hand, cases worked without requests during a given year are not reported, potentially underestimating the national count. Further, state systems' capabilities vary greatly and are not standardized, hindering OCSE's ability to collect uniform mission-related data.

OCSE stated that they estimated CSENET's case load using data from the agency's 13th and 14th Annual Reports to Congress, supplemented with a year's worth of actual transmission data from the Western Interstate

¹³Information Technology: A Model to Help Managers Decrease Acquisition Risks (GAO/IMTEC 8.I.6, August 1990).

Clearinghouse Project.¹⁴ However, the project officer stated that the annual report information is inaccurate and does not include all interstate cases. Further, state collection processes and criteria vary, making comparison difficult. State-by-state case volume information, one of several critical elements needed to accurately develop message traffic projections for a network like CSENET, is also incomplete. Without critical data on past and existing interstate trends and the factors affecting those trends, it is extremely difficult to project future work loads. Inaccurate projections could result in an over or underloaded system, making it more costly to operate.

CSENET User Involvement Limited

In selecting the CSENET alternative, OCSE did not adequately involve the future system users, violating a basic principle of systems design. Active user involvement in defining and validating system requirements and developing solutions, before preparing an acquisition plan, is important to decrease the risk of failure.¹⁵

OCSE's efforts to involve users was limited to selected states' participation in developing standard data elements and transactions, which will be used by the network.¹⁶ State officials indicated this was a valuable effort and will provide a starting point for standardizing data elements nationwide. However, beyond this, no comprehensive efforts were made to obtain user input on the selection of and plans for CSENET. OCSE's Associate Deputy Director for Information Systems said that after the contract is awarded, the agency will get users involved by providing more detailed information on CSENET. The contractor will also provide technical assistance to state child support enforcement offices.

Although our survey of state users cited some benefits of CSENET, including increased communication between states and a reduction of

¹⁴The annual reports contain a description of the child support enforcement program; fiscal year accomplishments; and statistics on program collections, expenditures, accounts receivable, and interstate enforcement. The 13th Annual Report to Congress was published at the end of fiscal year 1988 by the Office of Child Support Enforcement and reported 403,802 requests for assistance in interstate cases. The 14th Annual Report to Congress was published at the end of fiscal year 1989 and reported 399,399 requests for assistance in interstate cases.

¹⁵GAO/IMTEC 8.1.6, August 1990.

¹⁶The CSENET Standard Transactions Workgroup consisted of 23 individuals, 10 OCSE officials, and 13 officials from 11 states. The workgroup's final report was issued December 1990.

paperwork, some states voiced considerable skepticism about the project.¹⁷ Twenty-five of 31 state officials we surveyed were not involved in the planning, analysis, or design of CSENET. Further, 10 states responded that they had heard of the project, but did not know its implications or objectives. Several state officials were unclear about both the project's goals, costs, and benefits and their responsibilities in interfacing their state systems with CSENET. One state representative stated that "given that specific details on state commitment and technological feasibility have not been provided, I am doubtful the system can deliver." Another state official stated that "the project appears to have been developed in a virtual vacuum and to be a priority of OCSE that was developed by that office with little state input except for the Standard Transactions Workgroup. . . . The only tangible benefit is that CSENET might be faster than postal service transfer of the same information." Finally, several state officials indicated that CSENET will not adequately address the most important element needed to collect child support payments—the locate function—and therefore will not provide for increases in interstate child support collections.

Major Issues of CSENET Have Not Been Adequately Addressed

OCSE's ultimate goal is to connect all state child support enforcement automated systems through CSENET in order to improve information exchange between state systems. The state automated systems will be connected to CSENET through software interfaces that allow each state's system to communicate with the CSENET processor. However, the technical intricacies of this interface have not been defined. Specifying requirements for interfacing with existing technology is a critical factor in effective acquisition planning.¹⁸

OCSE plans to have the contractor help the states define and implement each interface after the contract is awarded. Consequently, the development and some of the cost of this software will be the responsibility of the states. Until the states develop this interface capability, they will have to manually transfer interstate case data from the CSENET processor to the state system, reducing the network's effectiveness.

Because the differences between the states' systems may necessitate 52 separate software development projects, the interface may be the most

¹⁷GAO questionnaire: Survey of States' Knowledge and Views of the U.S. Department of Health and Human Services, Office of Child Support Enforcement's Network (CSENET) Project. We distributed 32 questionnaires to randomly selected states and received 31 responses.

¹⁸GAO/IMTEC 8.1.6, August 1990.

difficult and critical effort to CSENET's success. Twenty-two states we surveyed were unsure if their offices will provide the CSENET interface. One state official said that OCSE has not provided sufficient information about the value, cost, and effort of interfacing with CSENET.

OCSE has also not effectively addressed problems identified in the demonstration project upon which CSENET is based, the Western Interstate Clearinghouse Project. In August 1989, the Urban Institute evaluated this demonstration project for OCSE and identified several benefits, including decreased processing time and increased communication between states. However, the evaluation also identified two major problems that it recommended addressing before the project was implemented nationwide.

First, the evaluation stated that "it is critical that as many cases as possible be reconciled between the states before attempting to implement an automated interstate system."¹⁹ However, the Associate Deputy Director for Information Systems said that OCSE decided not to address this problem until after contract award because case reconciliation was not critical to the installation of CSENET. Yet, the Urban Institute reported that each of the five states participating in the Clearinghouse project "voiced its conviction" that the project could not have succeeded if the case reconciliation effort had not preceded it. The evaluation also indicated that a mass reconciliation effort involving all of the nation's interstate cases presents "logistical problems of nightmarish proportions." Nine state officials we surveyed said that a mass reconciliation effort would take 5-10 staff years for each of their states to complete. Further, 21 states said that they did not have adequate staffing for such an effort.

The Urban Institute report also noted the Clearinghouse project's inability to replace hardcopy documentation. The child support enforcement program requires certified documents, such as support orders and paternity affidavits. The evaluation report indicated that four of the five states that participated in the project waited until they had both the electronic transmission and the hardcopy documentation before forwarding a case for action. While the Commission on Interstate Child Support is currently working on recommendations to address the acceptance of electronic transmissions as legal documents, OCSE plans to award

¹⁹Case reconciliation entails each state identifying all of their cases being worked on by another state. Once the identification is made, the states have to verify each case's status, update the information, and ensure consistencies in the data between the states.

the contract before resolving this issue.²⁰ According to a state official, "OCSE needs to begin coordination efforts between states to work out the acceptance of electronic documents and facsimiles. As long as hardcopy documents with original signatures are required, CSENET cannot be as efficient as it should be."

Conclusions

Attempting to replace a paper-intensive information exchange process with an automated one that is better able to assist with child-support enforcement, is a worthy goal. However, because of deficiencies, both in examining alternative ways of accomplishing this goal and in selecting CSENET, proceeding with contract award at this time entails risks—risks that are not justified.

We are concerned about CSENET for several reasons. The demonstration project from which CSENET evolved was not adequately compared to other options for solving the problems associated with interstate child support enforcement, and both OCSE's alternatives analysis and cost/benefit analysis were flawed. Further, future CSENET users were not adequately consulted and key issues that will influence the success or failure of CSENET have not been addressed. Each of these concerns deserve to be addressed before any development contract is awarded—not after.

Recommendations

We recommend that the Secretary of Health and Human Services not proceed with contract award without a comprehensive analysis of alternatives according to federal guidelines. This should include the identification of other viable alternatives that meet the agency's requirements for increasing interstate child support collections and the determination of the most advantageous alternative based on a comparison of validated costs and benefits.

We also recommend that the Secretary of Health and Human Services ensure that (1) users are involved throughout the design and implementation of an automated nationwide child support enforcement system, and (2) a comprehensive plan to rectify problems associated with the selected alternative, such as case reconciliation, be developed.

²⁰The Commission was established by the Congress through the Family Support Act of 1988 to improve the interstate establishment and enforcement of child support awards, and to revise URESA.

Agency Comments

The Department of Health and Human Services disagrees with our recommendation to not proceed with the contract award of CSENET. The Department believes it made a comprehensive analysis of alternatives according to federal guidelines, and obtained user participation in the design and development of an automated nationwide child support enforcement system. We reviewed the Department's comments and see no reason to change our recommendation. The Department's comments are reprinted in appendix III.

Federal Regulations and Alternatives Analysis

The Department believes that OCSE complied with the Federal Information Resources Management Regulations (FIRMR) by performing requirements, cost/benefit, and alternatives analyses. We found that the analyses were based on a narrowly defined systems requirement and did not adequately consider viable alternatives to meet the agency's goal of increasing interstate collections and improving the efficiency of the child support enforcement program. Further, OCSE completed the alternatives and cost/benefit analysis, identifying a telecommunications network as the most effective solution, before even defining their requirements. This is not the intent of FIRMR and demonstrates their predisposition towards a telecommunications network.²¹

The objectives of the Child Support program are to enforce the support obligations owed by absent parents to their children and the spouse (or former spouse) with whom the children are living, locate absent parents, establish paternity, and obtain child and spousal support. The Congress, to improve the effectiveness of the interstate child support enforcement program, provided funding for states to develop demonstration projects identifying different ways of handling interstate cases. OCSE, in its Agency Procurement Request, stated that CSENET's design reflected the best features and characteristics of the interstate demonstration projects. However, OCSE failed to do a comprehensive comparative analysis of the demonstration projects to identify the most effective use of their resources. Instead, OCSE decided to address only one aspect of the interstate child support enforcement program—interstate communications. With such a narrow requirement, OCSE only considered CSENET and failed to consider other feasible alternatives, such as EPLN, which would provide a state with the ability to simultaneously query information from a number of other states to locate absent parents. CSENET does not provide this enhanced locate functionality, though users deemed it extremely necessary. Further, the Federal Parent Locator Service, cited

²¹See FIRMR 201-30.007.

in HHS's comments, also does not provide complete state locate information, and therefore, is not a substitute for this enhanced locate function.

In addition, OCSE did not consider other alternatives even within their narrowly defined requirement. Instead, OCSE considered only the following: (1) continue with the current manual process, (2) establish a nationwide telecommunications network under federal management (i.e., CSENET), or (3) establish a nationwide telecommunications network through individual state efforts (i.e., CSENET developed by the states). These alternatives fail to identify other technical options of telecommunications. They only identify who will develop the telecommunications system on the basis of requirements OCSE already set.

By overlooking other alternatives within a narrowly defined requirement and not addressing other potential technical options, OCSE does not know if they selected the most efficient and effective automation approach to improve the child support program.

CSENET's Cost/Benefit Analysis

The Department states that CSENET will be cost beneficial, increasing collections. However, the increases in collections are based on unsupported assertions that we believe are misleading.

Specifically, OCSE claimed that the WICP evaluation demonstrated a 35 percent increase in collections. However, this increase was not attributed to an increase in cases, only to the amount of money collected per case. In fact, the WICP evaluation noted that the actual number of cases with collections made decreased by 8 percent. We believe CSENET will provide some administrative savings by transmitting information electronically versus by mail. However, CSENET will only have a minimal impact on increasing collections because it only automates the transfer of information. CSENET will not provide additional information to help locate an absent parent and establish a case nor automate critical functions within the child support program. Automating these functions remains the responsibility of the states.

The Department also indicated that the cost of interfacing and case reconciliation will not be significant in implementing CSENET. While the Department recognizes that the WICP evaluation noted the importance of reconciling as many interstate cases as possible before attempting to implement the network, the Department stated that this was not a requirement of CSENET and that central registries, established to track interstate cases, would substantially reduce the case reconciliation

effort. State officials we interviewed agreed that the central registry will help support case reconciliation; however, for states that are not fully automated, case reconciliation will still be labor-intensive. With only 8 states certified and 30 states still in the planning and development stages of automation, we believe that case reconciliation represents a significant effort. Further, in our survey, 21 states said they did not have adequate staffing for such an effort. Finally, state users indicated that CSENET may increase the number of interstate case transmissions, magnifying the importance and need for case reconciliation.

With regard to the state interface, the Department does not address the degree of variation in the numerous state automation environments that must be accommodated. There was no attempt to estimate the costs of converting state systems to achieve either state-to-state interconnectivity or, going even further, full interoperability. State officials showed concern about the complexity of the interface. One state official commented, "Although the report [an OCSE draft workgroup report on CSENET data elements] tends to indicate the states will interface with the network, we are concerned that states may experience greater system costs than benefits." Given the current level of automation among the states and OCSE's failure to define the exact details of the interface, we still believe that OCSE underestimated these expenses and needs to directly address them in their cost/benefit analysis.

Case-Load Information and User Involvement

In our report, we noted that OCSE does not have essential information on the interstate child support enforcement case load. OCSE agrees that these types of data are not currently available. However, they indicated that it would be too much of a paperwork burden on the states to collect these data.

The lack of case-load data has been a long-standing concern with us and congressional oversight committees. We have issued several reports that noted deficiencies in case-load information and the potential programmatic adverse effects.²²

The CSENET procurement is just another example highlighting the critical and continuing need for this type of information. Such information is

²²Child Support: Need to Improve Efforts to Identify Fathers and Obtain Support Orders (GAO/HRD-87-37, Apr. 30, 1987), Interstate Child Support: Case Data Limitations, Enforcement Problems, Views on Improvements Needed (GAO/HRD-89-25, Jan. 27, 1989).

critical to specify the performance and capacity requirements of whatever project is pursued.

We adjusted our report to reflect the fact that OCSE used the 13th as well as the 14th Annual Report to Congress and other data to project the interstate transaction case load. However, as discussed in this report, OCSE's Project Officer for CSENET believes the data in these reports are unreliable because states do not accurately provide their case work-load volume.

HHS strongly challenged our assertion that users were not involved in planning for CSENET's design and development. The Department stated that they had representatives from 11 states participate in a workgroup to help in the design and development of standardized data elements and transactions for CSENET. Our report recognizes this effort and notes that state officials felt that it was a valuable project, providing a starting point for the standardization of data elements nationwide.

The Department further noted that 32 states commented on the workgroup's report. We evaluated all 32 responses and found that many states did make supporting remarks. However, this support does not implicitly indicate that they were actually involved in evaluating the demonstration projects and selecting the concept of CSENET as the best alternative. Further, 23 of the states expressed concerns similar to those we raised in this report. Specifically, states were concerned about: (1) the extensive case reconciliation effort, (2) whether the benefits of CSENET will outweigh its costs, (3) state's ability to provide state interface, and (4) the value of CSENET. And finally, one state official said "We believe that given the current incomplete level of child support systems automation in the various states, the effort is premature."

The Department also indicated that the reason that the majority of states had insufficient knowledge of CSENET's development was due to high turnover of the IV-D directors.²³ We were aware of the potential changes in the IV-D directors and, as such, called each director and asked them to have staff members, who had the most knowledge of CSENET and its history, complete the questionnaire. As a result, over half of the questionnaires had two to three respondents per state. Our survey still indicated that 25 of the 31 states were not involved in the planning, analysis, or design of the network.

²³The IV-D Director is the official in charge of the child support enforcement program in each state.

Technical Interface and the Need for Hardcopy Documentation

The Department indicated that it had already adequately addressed the most important part of interfacing CSENET with the state systems. Specifically, OCSE developed and defined a common set of data exchange elements and transaction record formats and specified the network's hardware, software, and communication's design. While OCSE acknowledges that the technical intricacies of the CSENET interface have not been defined, they believe this cannot be done until after contract award. As we previously stated, the Department has not addressed the degree of variation in the numerous state automation environments that must be accommodated. Further, the data element definition already developed is just one step in the process of achieving a working set of interfacing systems. Other steps include converting the state data bases to conform to the definitions and data formats required by CSENET, or developing conversion routines to perform the data translation during actual operations. If total electronic connectivity is desired, then states also would need to address the problem of communications protocol compatibility.

If too many details, with potentially serious cost consequences, are left until after contract award, OCSE may be underestimating the effort needed to successfully interface with the state systems. Therefore, we continue to believe that OCSE has not sufficiently defined the technical interface required for CSENET's implementation.

Finally, OCSE agrees that there is a need for notarized and certified hardcopy documentation before initiating a case, but stated that most interstate communications do not require hardcopy documentation. This opinion conflicts with state users' belief, as stated in our survey, that most cases (over 50 percent) will require hardcopy documentation. We recognize that after a case has been established with legal documents, then transmissions, such as requests for locate, can be used through CSENET without the need for hardcopy documentation. However, the WICP evaluation noted that four out of the five states had to wait until they had both the electronic transmissions and the hardcopy documentation before forwarding a case to be worked.

We are sending copies of this report to the Secretary of Health and Human Services; the Assistant Secretary of the Administration for Children and Families; the Chairmen, Senate Committee on Appropriations and House Committees on Government Operations and Appropriations; and the Director, Office of Management and Budget. Copies will be made available to others upon request.

This report was prepared under the direction of Frank W. Reilly, Director, Human Resources Information Systems, who can be contacted at (202) 275-4659. Other major contributors are listed in appendix IV.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Ralph V. Carlone". The signature is fluid and cursive, with a large initial "R" and "C".

Ralph V. Carlone
Assistant Comptroller General

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**Appendix IV
Major Contributors to
This Report**

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Abbreviations

CSENET	Child Support Enforcement Network
EPLN	Electronic Parent Locator Network
GAO	General Accounting Office
HHS	Department of Health and Human Services
HRD	Human Resources Division
IMTEC	Information Management and Technology Division
OCSE	Office of Child Support Enforcement
WICP	Western Interstate Clearinghouse Project

Objectives, Scope, and Methodology

The objectives of this assignment were to determine (1) if OCSE's evaluation of the state-run demonstration projects justifies its pursuit of CSENET as the most cost-effective solution for increasing collections and improving operations of the interstate child support enforcement program, and (2) whether OCSE has followed sound systems development principles in developing CSENET.

To accomplish our objectives, we interviewed OCSE officials in charge of planning, designing, and implementing CSENET to obtain an understanding of the project's design and the agency's long-range automation strategy. We reviewed project documents to gain an understanding of how CSENET was justified. We reviewed federal regulations and guidelines pertaining to system development and acquisition, and identified issues that would affect the project's success.

We interviewed state officials and distributed a questionnaire to obtain their confidential views on the CSENET project. To determine the questionnaire recipients, we randomly selected 32 of the 50 states, Puerto Rico, and Washington, D.C., that will be future CSENET users. We received 31 of the 32 distributed questionnaires. The intent of the questionnaire was to obtain the users' opinions on the benefits and the deficiencies of the project and to gain an understanding of how state and federal offices can work together to solve the problems with interstate child support enforcement.

We attended a conference sponsored by the Commission on Interstate Child Support Enforcement in Atlanta, Georgia, on April 5 and 6, 1991, to discuss the child support enforcement process and associated automation problems with state users and to obtain an understanding of the Commission's role and concerns. In addition, we brought together child support enforcement experts from the federal government and state agencies to debate alternative automation approaches and discuss the technical merits of various projects.

We interviewed oversight officials at the Department of Health and Human Services and the General Services Administration in Washington, D.C., and the Public Health Service in Rockville, Maryland, to assess their role in reviewing CSENET and providing procurement authority.

Our audit work was conducted between October 1990 and October 1991. We performed our review in accordance with generally accepted government auditing standards. We obtained written comments from the

Appendix I
Objectives, Scope, and Methodology

Department of Health and Human Services on a draft of this report and have incorporated these comments as appropriate.

Survey of State's Knowledge and Views of the U.S. Department of Health and Human Services, Office of Child Support Enforcement's Child Support Enforcement Network (CSENET)

United States General Accounting Office

GAO

Survey of States' Knowledge and Views of The U.S. Department of Health and Human Services, Office of Child Support Enforcement's Child Support Enforcement Network (CSENET) Project

The U.S. General Accounting Office (GAO) came into existence as an independent nonpolitical arm of Congress in 1921 when the Budget and Accounting Act was enacted. One of GAO's basic responsibilities is to evaluate the programs, activities, and financial operations of Federal departments and agencies and make recommendations toward more efficient and effective operations. As part of our ongoing work in the area of child support, GAO is examining the Child Support Enforcement Network (CSENET) project. We are seeking your views on this topic, as a state both initiating interstate cases and responding to requests for assistance from other states.

The intent of this questionnaire is to obtain opinions from the system's future users on the benefits and deficiencies of the project. In obtaining these views we hope to gain an understanding of how the states and federal offices can work together to solve interstate child support enforcement problems. As such, our questions assess both how the project will improve the effectiveness of the child support enforcement program and interface with existing state systems.

Because states may define some terms differently, we are providing a glossary of terms to insure uniform interpretation of our questions. Should you have any doubts about a term's meaning, please refer to this glossary at the back of the questionnaire.

The respondents for this questionnaire were selected at random. The information collected through this questionnaire is confidential and will only be presented in an aggregate form. The respondent identification information will be destroyed after the results have been tabulated. We are asking for this information to assist us in obtaining clarification of answers, if required. The questionnaire should take approximately 30 minutes to complete. Please be candid and answer each question objectively. If you are unsure about an answer, please explain why before proceeding. Additional space for answers and comments is provided at the end of the questionnaire.

After completing the questionnaire, mail it in the enclosed business-reply envelope. No postage is needed. If you have any questions, please call David Bruno in our Information Management and Technology Division, collect, at (202) 275-8556. Your prompt response would be appreciated. Thank You.

Please provide the following information about the individuals who contributed answers to the questionnaire.

Name _____

Title _____

Name _____

Title _____

Name _____

Title _____

Please return within 7 days after receiving this questionnaire.

**Appendix II
Survey of State's Knowledge and Views of the
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Network (CSENET)**

A. State involvement with the Planning and Design of CSENET

1. Were you involved with either the planning, analysis, or design of the Child Support Enforcement Network (CSENET) project? (Check one.)

- 1. Yes (6)
- 2. No (25)

If yes, please explain your involvement with the CSENET project.

CSENET Standard Transactions Workgroup (2)

Telephone Inquiries (2)

Memos (1)

Meetings (1)

Not Answered (6)

2. Please explain what information, if any, was provided to you regarding the project? (Check all that apply.)

- 1. Basic summary or general description (14)
- 2. Conceptual descriptions (9)
- 3. Detailed descriptions (2)
- 4. Standard Transactions Workgroup Reports (13)
- 5. Request For Proposals (RFP) (3)
- 6. Nothing —→Skip to question 5 (7)
- 7. Other (Please list)

Status Reports (2)

Conference Meetings (2)

Not Answered (1)

3. In what form was the CSENET project information provided? (Check all that apply.)

- 1. Briefings (9)
- 2. Documents (20)
- 3. Videos (1)
- 4. Other (Please list)

4. Approximately how frequently was CSENET project information provided? (Check one.)

- 1. Weekly
 - 2. Monthly
 - 3. Quarterly (5)
 - 4. Annually (12)
 - 5. No information was formally provided (7)
- Not Answered (7)

5. How would you characterize your knowledge of CSENET and its effect on your office? (Check one.)

- 1. Very extensive (Well read on the project and its implications and have spoken to OCSE officials regarding the project)
 - 2. Extensive (Keep abreast of the current status of the project and its implications) (3)
 - 3. Moderately extensive (Have been briefed on the project and read some material) (15)
 - 4. Not extensive (Have heard of the project but its objectives and implications are unknown) (10)
 - 5. None (Have never heard of the project) (2)
- Not Answered (1)

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**B. CSENET's Effect on State Child Support
Enforcement Programs**

6. To what extent, if at all, do you believe CSENET will aid child support staff in your office in locating absent parents outside your state? *(Check one.)*

- 1. Very great extent
- 2. Great extent (4)
- 3. Moderate extent (6)
- 4. Some extent (8)
- 5. Little or no extent (5)
- 6. No basis to judge (8)

Please explain your answer.

- Decrease Response Time (6)
- Increase Information Availability (5)
- Increase Processing (1)
- Cross Reference Ability (1)

7. To what extent, if at all, do you believe CSENET will increase the number of interstate cases *sent* by your office? *(Check one.)*

- 1. Very great extent (More than 100%)
 - 2. Great extent (61% - 100%) (1)
 - 3. Moderate extent (31% - 60%)
 - 4. To some extent (11% - 30%) (7)
 - 5. Little extent (1% - 10%) (4)
 - 6. No extent (0%) (5)
 - 7. No basis to judge (12)
- Not Answered (2)

8. To what extent, if at all, do you believe CSENET will increase the number of interstate cases *received* by your office? *(Check one.)*

- 1. Very great extent (More than 100%)
- 2. Great extent (61% - 100%) (1)

- 3. Moderate extent (31% - 60%) (3)
- 4. To some extent (11% - 30%) (7)
- 5. Little extent (1% - 10%) (4)
- 6. No extent (0%) (2)
- 7. No basis to judge (14)

9. To what extent, if at all, do you believe CSENET will increase the *number* of collections made by your office? *(Check one.)*

- 1. Very great extent (More than 100%)
 - 2. Great extent (61% - 100%)
 - 3. Moderate extent (31% - 60%)
 - 4. To some extent (11% - 30%) (9)
 - 5. Little extent (1% - 10%) (1)
 - 6. No extent (0%) (8)
 - 7. No basis to judge (12)
- Not Answered (1)

10. To what extent, if at all, do you believe CSENET will increase the *dollar value* of collections made by your office? *(Check one.)*

- 1. Very great extent (More than 100%)
 - 2. Great extent (61% - 100%) (1)
 - 3. Moderate extent (31% - 60%) (2)
 - 4. To some extent (11% - 30%) (7)
 - 5. Little extent (1% - 10%) (5)
 - 6. No extent (0%) (1)
 - 7. No basis to judge (13)
- Not Answered (2)

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11. To what extent, if at all, do you believe CSENET will aid child support staff in your office in their efforts to establish paternity? (Check one.)

- 1. Very great extent
- 2. Great extent (1)
- 3. Moderate extent (2)
- 4. To some extent (7)
- 5. Little or no extent (9)
- 6. No basis to judge (12)

12. To what extent, if at all, do you believe CSENET will aid child support staff in your office in their efforts to establish support orders? (Check one.)

- 1. Very great extent
- 2. Great extent
- 3. Moderate extent (2)
- 4. To some extent (9)
- 5. Little or no extent (9)
- 6. No basis to judge (11)

13. To what extent, if at all, do you believe CSENET will aid child support staff in their efforts to enforce support orders? (Check one.)

- 1. Very great extent
- 2. Great extent
- 3. Moderate extent (2)
- 4. To some extent (12)
- 5. Little or no extent (7)
- 6. No basis to judge (10)

C. Hardcopy Documentation Requirements and CSENET Use.

OCSE has indicated that CSENET will replace 4 of the standard forms used for interstate child support enforcement. The forms that will be replaced are as follows: Locate Data Sheet, Child Support Enforcement Transmittal, Child Support Enforcement Acknowledgement, and Order Transmittal.

14. To what extent, if at all, will CSENET reduce the need for hardcopy documentation in your child support program's operations (i.e., to initiate a case, establish support orders, etc.)? (Check one.)

- 1. Very great extent
- 2. Great extent (2)
- 3. Moderate extent (4)
- 4. To some extent (8)
- 5. Little or no extent (7)
- 6. No basis to judge (10)

15. Consider only cases initiated by another state using CSENET. For how many of these cases will you need to receive hardcopy documentation before you begin working a case? (Check one.)

- 1. All cases (100%) (7)
 - 2. Almost all cases (71% - 99%) (9)
 - 3. Most cases (51% - 70%) (7)
 - 4. Many cases (31% - 50%)
 - 5. Some cases (11% - 30%)
 - 6. Few cases (1% - 10%) (2)
 - 7. No cases (0%) (2)
- Not Answered (4)

16. What, if any, hardcopy documents will you have to receive prior to working a case initiated by another state over CSENET? (Check all that apply.)

- 1. No hardcopy documents will be required (1)
- 2. Uniform support petition (19)
- 3. General testimony of URESA (23)
- 4. Public assistance history (19)
- 5. Paternity establishment (21)
- 6. Paternity Affidavit (21)
- 7. Other (Please list)

Court Orders (13)

Arrears (3)

Case Documents (1)

Not Answered (4)

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17. Are facsimiles acceptable instead of originals for the documents listed in your answer to question 16? (Check one.)

- 1. All (4)
- 2. Some (18)
- 3. None (5)
- Not Answered (4)

18. If hardcopy documents are required to begin working a case initiated by another state over CSENET, what benefits, if any, will CSENET provide for your program? (Check all that apply.)

- 1. Reduced need for hardcopy documentation (5)
- 2. Increased communication with other states (13)
- 3. Decreased time to initiate a case (11)
- 4. Decreased cost of managing a case (3)
- 5. No basis to judge (6)
- 6. Other (Please list)

Eliminate Duplication of Info (1)

Case Update (1)

Precase Work and Entry (2)

No Benefits (1)

Decrease Cost and Time (1)

Not Answered (4)

Interoperability will be achieved with the aid of software developed by each state, which will translate CSENET data into a format that can be understood by each state's mainframe-based system.

19. Will your office provide the necessary interoperability between CSENET and your state mainframe? (Check one.)

- 1. Yes (8)
- 2. No → Skip to question 24
- 3. Unsure at this time → Skip to question 24 (14)
- 4. No basis to judge → Skip to question 24 (8)
- Not Answered (1)

20. If your office is planning to provide for CSENET interoperability with your state mainframe-based system, when will this effort begin? (Check one.)

- 1. As soon as CSENET is installed (5)
- 2. 6 - 12 months after CSENET is installed
- 3. 13 - 24 months after CSENET is installed (3)
- 4. 25 or more months after CSENET is installed

D. Interfacing CSENET with State Child Support Enforcement Systems

The Federal Office of Child Support Enforcement's (OCSE) goal is to provide for interoperability between the Child Support Enforcement Network (CSENET) and each state's child support enforcement mainframe-based system.

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21. What types of staff will your office use to develop the support software and provide the necessary system engineering service to create the interface between CSENET and your state mainframe-based system? (Check all that apply.)

- 1. In-house staff (7)
- 2. Contractor staff (4)
- 3. Other (Please explain)

22. Please list the type of information OCSE will have to provide in order for your office to successfully interface your state mainframe-based system with the Child Support Enforcement Network.

Elements	(2)
Software	(2)
Formats	(4)
Requirements	(2)
File Layouts	(2)
Procedures	(2)
Staff and Funds	(1)

23. Does your state have adequate funds to pay for the effort to successfully interface your state system with CSENET? (Check one.)

- 1. Yes (2)
- 2. No (4)
- 3. No basis to judge (2)

24. If your office is not planning to provide the interface between CSENET and your state mainframe-based system, please explain why.

Not Applicable	(4)
Not Answered	(15)
No	(3)
Insufficient Information	(8)
Yes	(1)

E. CSENET Case Reconciliation Effort

CSENET's design is based on the Western Interstate Clearinghouse Project (WICP). The evaluation of this project indicated that it is essential for a nationwide case reconciliation effort to take place prior to the implementation of a nationwide child support enforcement network like CSENET.

See glossary for definition of case reconciliation and man-year.

25. On the basis of your knowledge of your interstate case load, how time-consuming, if at all, do you believe case reconciliation between your state and the other 51 CSENET locations will be. (Check all that apply.)

- 1. More than 10 man-years (3)
 - 2. 9 - 10 man-years (1)
 - 3. 7 - 8 man-years (1)
 - 4. 5 - 6 man-years (4)
 - 5. 3 - 4 man-years (6)
 - 6. 1 - 2 man-years (5)
 - 7. Less than 1 man-year (2)
- Not Answered (5) Unknown (4)

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26. Does your office have an adequate number of staff who can be devoted to the case reconciliation effort? (Check one.)

- 1. Yes
- 2. No (21)
- 3. No basis to judge (8)
Not Answered (2)

F. Benefits and Deficiencies of CSENET

27. Based on your knowledge of CSENET, please explain what you believe are the project's major benefits.

- Increased Communication (9)
- Reduce Paperwork (6)
- Uniformity (4)
- Eliminate Duplication (2)
- Increase Processing Rate (2)
- Increase Locates (5)
- Increase Collections (2)
- Not Answered (2)

28. Based on your knowledge of CSENET, please explain what you believe are the project's major deficiencies.

- Cost (3)
- Resources Required (2)
- Little Known About CSENET (3)
- Inability to Transfer Legal Documents
- All States Won't Be Able to Interface (5)
- No Locate Feature (2)
- Incentives to Submit Incomplete Cases (2)
- Not Answered (3)

29. How would you characterize the automated child support enforcement facilities available to your state? (Check one.)

- 1. Very adequate (Meets all of your needs) (3)
- 2. Adequate (Meets most of your needs) (10)
- 3. Marginally adequate (Meets many of your needs) (8)
- 4. Inadequate (Does not meet many of your needs) (7)
- 5. Very inadequate (Does not meet any of your needs)
Not Answered (3)

30. What locate sources does your state use for interstate cases? (Check all that apply.)

- 1. Credit Bureaus (20)
- 2. Phone Directories (19)
- 3. Federal Parent Locator Service (21)
- 4. Electronic Parent Locator Network (6)
- 5. Western Interstate Clearinghouse Project (5)
- 6. Other (Please list)
 - Employment (14)
 - State Tax (5)
 - Motor Vehicles (12)
 - Unemployment (3)
 - Public Assistance (4)
 - Corrections (4)
 - Post Office (2)
 - State Parent Locate Service (5)

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31. To what extent, if at all, will CSENET improve the automated child support enforcement facilities available to your state? (Check one.)

- 1. Very great extent
- 2. Great extent (1)
- 3. Moderate extent (2)
- 4. Some extent (8)
- 5. Little or no extent (4)
- 6. No basis to judge (12)
- Not Answered (4)

OCSE will have the capability of transferring a copy of each days transactions from CSENET to a Government computer center in the vicinity of Baltimore, Maryland. Sensitive identification information (i.e., parent's name, Social Security Number, etc.) will be removed prior to the transfer.

32. To what extent, if at all, do you object to OCSE transferring this data? (Check one.)

- 1. Very great extent (1)
- 2. Great extent (4)
- 3. Moderate extent (2)
- 4. Some extent (1)
- 5. Little or no extent (8)
- 6. No basis to judge (14)
- Not Answered (1)

33. How would you describe the technical guidance and support provided by OCSE to aid your development of automated child support enforcement systems? (Check one.)

- 1. Very adequate (Meets all of your needs) (2)
- 2. Adequate (Meets most of your needs) (6)
- 3. Marginally adequate (Meets many of your needs) (7)
- 4. Inadequate (Does not meet many of your needs) (7)
- 5. Very inadequate (Does not meet any of your needs) (3)
- No Guidance or Support Sought or Received (1)
- Not Answered (5)

Comments From the Department of Health and Human Services



DEPARTMENT OF HEALTH & HUMAN SERVICES

Office of Inspector General

Washington, D.C. 20201

SEP 19 1991

Mr. Ralph V. Carlone
Assistant Comptroller General
United States General
Accounting Office
Washington, D.C. 20548

Dear Mr. Carlone:

Enclosed are the Department's comments on your draft report, "Interstate Child Support Enforcement: Computer Network Contract Not Ready to Be Awarded." The comments represent the tentative position of the Department and are subject to reevaluation when the final version of this report is received.

The Department appreciates the opportunity to comment on this draft report before its publication.

Sincerely yours,

Bryan Mitchell
For Richard P. Kusserow
Inspector General

Enclosure

**COMMENTS OF THE DEPARTMENT OF HEALTH AND HUMAN SERVICES ON DRAFT
GAO REPORT "INTERSTATE CHILD SUPPORT: COMPUTER NETWORK CONTRACT
NOT READY TO BE AWARDED"**

Department's Comments on GAO Recommendation

The Department of Health and Human Services (HHS) disagrees with the General Accounting Office's (GAO) recommendation that the award of the contract for the Child Support Enforcement Network (CSENet) be postponed. Postponing the contract award for a nationwide communications network would not be in the best interest of the Child Support Enforcement program. CSENet as proposed will improve the national and interstate program performance in such areas as timeliness, collection and efficiency. The Department wishes to clarify the purpose and importance of this project to the Child Support Enforcement program.

CSENet's objectives as established in 1987 were as follows:

- o To enhance States' management of interstate child support cases by providing a cost effective and efficient communication network which is powerful and easy to use.
- o To create for State child support enforcement agencies a means of electronic communication which will have minimal impact on States' existing automated systems.
- o To establish standard and uniform transactions for all States to use in communicating interstate child support enforcement information.

The objectives stated above continue to be relevant and are even more important in today's child support environment. As has been indicated in a number of studies, interstate cases have historically proved a particular case management challenge because of the lack of automated help as well as the high degree of cooperation and coordination between states that is typically required to collect child support payments on interstate cases.

Since 1987, when the CSENet concept was first developed, a number of automated activities to improve management of cases within States have been undertaken. These efforts include the development of Statewide automated systems and development of automated central registries for recording the receipt and forwarding within a state, of an interstate case. In many cases the central registry is part of the Statewide system. Statewide automated systems are required by statute to monitor, account for and control all cases within a State's child support program,

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including interstate cases. States have made significant progress in automating their programs. Twenty-eight states, including most of the large caseload States, have achieved a level of automation that will enable them to communicate electronically with other States through CSENet. All States are now mandated to have an automated system.

The progress made in the development of Statewide automated child support systems serves to highlight the deficiencies in the interstate case process. Even with effective automation of child support processes within the State, interstate cases revert to a paper-intensive process due to lack of an interstate automated telecommunications network. Data regarding an interstate case is now being retyped or printed from the State's system onto an Interstate Form and mailed to another State where the data is reentered into the State's automated system for processing. This is an expensive, labor-intensive, error-ridden, paper-based system that produces significant delays in processing of interstate cases.

CSENet will provide a seamless flow of interstate information among Statewide automated systems in all States. It will link, through a host computer, equipment in one (1) child support office with fifty-one (51) other child support agencies. The concept behind CSENet, however, is much more far reaching. It envisions States creating a link between the CSENet equipment/network and their own statewide automated child support systems encompassing local CSE offices, court systems, locate offices and central registries, thus creating an information network in which data regarding interstate cases will automatically flow between a local child support office in one State to the local child support office in another.

There was no intention to wait until the evaluation of the Interstate Demonstration projects prior to the design of an interstate communication network. While the CSENet solution satisfies a need for electronic communication and eliminates redundant data entry, it was not intended to be, nor is it a mutually exclusive automated solution for States in improving Interstate performance. Interstate Demonstration projects other than the Western Interstate Clearinghouse Project (WICP) tested solutions to single aspects of the interstate problem. For example, the Electronic Parent Locator Network (EPLN) and Region VII Interstate project tested locate solutions.

CSENet does not conflict with any Interstate projects, statewide automated systems or the Federal Parent Locator Service (FPLS). However, the Electronic Parent Locator Network (EPLN) does duplicate some functions in statewide automated systems, and in FPLS.

In the planning of this project, the Department believes that the

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Office of Child Support Enforcement (OCSE) within the Administration for Children and Families (ACF) has complied with the Federal Information Resource Management Regulations (FIRMR) through the conduct of all required analyses: the requirements analysis, the alternatives analysis, and a cost-benefit analysis of all viable alternatives which satisfy the project needs as set forth in the requirements analysis. Those analyses indicate that CSENet is the most cost-beneficial approach for meeting our need for a nationwide communications network.

Because OCSE did not evaluate the state-run interstate demonstration projects against CSENet, GAO has found that "OCSE has not adequately analyzed alternatives to CSENet." The Department believes that OCSE has analyzed all feasible alternatives to meeting our objectives -- establishing an interstate communications network. We do not understand why GAO would expect the Agency to select an alternative which meets its objectives (in this case CSENet) and then compare that approach against alternatives which were not intended to meet the same objectives. The Department believes that GAO has used the FIRMR requirement which requires analysis of all viable alternatives to meet the project objective, to express its concern over the particular policy objective that the Agency identified.

The Department agrees that CSENet is not the only vehicle which will assist the States in increasing collections and improving the operations of the interstate component of the child support enforcement program. Other strategies may need to be developed in the future. As needs are identified through the Department's policy and program development activities, the Agency will continue to work with the states and other groups, such as the Interstate Commission, on developing strategies as appropriate. However, at this time, the Department believes that the development of an interstate communications network, through the award of the CSENet contract, will provide substantial improvement in the enforcement of interstate cases at a reasonable cost and should proceed as scheduled.

GAO Statement:

"Evaluation of Demonstration Projects and Analysis of Alternatives Inadequate"

Department Comments:

ANALYSIS OF ALTERNATIVES

GAO claims that the analysis of alternatives conducted by the Office of Child Support Enforcement (OCSE) falls short of Federal regulations requiring agencies to consider other viable

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automation options. The Department varies from the GAO report in our interpretation of the regulations, (FIRMR 201-30.009/201-20) which require identification and analysis of feasible alternatives that satisfy requirements for Federal Information Processing (FIP) resources. The regulations clearly state that the statement of requirements resulting from the requirements analysis is the basis on which the analysis of alternatives should be conducted. The Department believes that OCSE complied with the Federal regulations requiring an identification and analysis of all feasible alternatives.

The example cited by GAO, i.e., EPLN, does not satisfy our identified requirement for a nationwide communications network. The requirement established during the mission needs analysis phase was to facilitate interstate communications by providing for electronic exchanges of interstate case information, not to provide a free standing database for location of absent parents.

EPLN, which was a project funded through Interstate Demonstration Grant funds, has proven useful for locate efforts for those States who have not yet automated or integrated their locate functions into a Statewide automated child support system. EPLN as an alternative would have been considered only if an entirely different requirement, e.g. the need to have a national database of State locator information, was considered by OCSE. This was not a requirement in 1987 and is not a requirement today. The requirement for locate and consideration of EPLN as an alternative may have been appropriate only if the agency had established as a requirement the need to replace the Federal Parent Locator Services or to modify the requirements for Statewide automated systems, which requires that locate functions be automated and integrated as part of the statewide system. At the same time, OCSE did not consider the New England Interstate Project as a viable alternative because the need was not for a statewide automated child support system. Even today, after the completion of the evaluations for the Interstate Demonstration Projects, these projects would not be considered feasible alternatives because they still do not meet our stated requirements.

OCSE's determination to improve interstate communications through electronic communication came about as a result of a variety of studies, after multiple discussions with State users, and after a preliminary assessment of the interstate grant projects. The Interstate Collections study, the interstate forms project and workgroup, and the development of interstate regulations all cited the need for better interstate communications.

In accordance with the mission critical needs established by OCSE, CSENet will build upon the foundation of Statewide automated child support systems and serve as a conduit for the transmission of information among State automated CSE systems.

It will not be a separate system, but rather an electronic link among developing statewide automated systems. CSENet is intended to readily function in the existing child support organization and operating environment in each State.

COST BENEFIT

Expense of case reconciliation

GAO states that the agency did not consider the expense of case reconciliation, which they termed an extensive effort. GAO is associating costs related to Statewide automated systems and compliance with current regulatory requirements to CSENet. Reconciliation of caseloads occurs at the time a State is converting to its statewide automated system and is a current requirement for the States. It is not a new requirement that will be imposed by CSENet. States currently have the responsibility to reconcile their Interstate caseloads and eliminate duplicate case records. CSENet is not imposing an additional requirement. As States convert to a statewide automated child support system, CSENet may facilitate case reconciliation efforts.

The WICP evaluation did stress the need to reconcile as many interstate cases as possible between the States before attempting to implement a WICP-like network. It should be pointed out however, that the WICP reconciliation effort cited in the WICP evaluation took place before the implementation of interstate regulations that established procedures for case close-out and established central registries to track interstate cases. All interstate cases for the last two-and-one-half years have been tracked by the central registries. While case reconciliation of interstate cases remains an important concern, and has been addressed by the Federal-State workgroup, the States use of case close-out procedures and central registry tracking has substantially reduced the size and cost of this effort.

Expense of developing state interfaces

In its report, GAO states that "OCSE did not include the cost of developing state interfaces that will allow state systems to communicate with CSENet." While the OCSE cost-benefits analysis did not specify the state costs for interface activities as a line item, the Federal costs associated with assisting the States with this interface were included.

The expenses to the States for interface will be minimal. For example, the five States participating in the Western Interstate Clearinghouse project were able to interface their Statewide automated systems with the WICP telecommunications network using existing in-house personnel or contractor staff. In terms of automation, the automation status of the WICP States in 1987 is

typical of the level of automation existing today, in that nationally, most of the States do have some form of automation, although they may not yet meet Federal certification requirements. Those WICP states added a few additional computer screens to existing computer program menus and implemented other system changes based on the unique needs of that State's policies and procedures. The evaluation of the WICP demonstration project indicated that the ongoing costs ranged from \$40 a month to \$400 a month (\$1,050.00 total split among the five participating States). This cost amounts to pennies per each transaction.

The State child support offices have experience in interfacing their databases and automated systems with a variety of Federal systems, such as FPLS, Tax Offset, Project 1099, and SESA Cross-match systems. Based on our experience with these interfaces, we know the development costs are negligible once states are fully automated. The effort placed on the State is, for the most part, a simple modification of a current interface module. Some States may have to develop an extract program of interstate case data for downloading to CSENet.

Developmental support is available through the CSENet contract to assist States with interface and their reconciliation efforts. For non-automated states the developmental support will be available to assist in developing interim solutions as their statewide automated systems are developed.

Discussion of how increased collections will be realized

The GAO report criticizes the CSENet cost-benefit analysis citing that benefits are based on unsupported assertions. The cost benefit analysis for CSENet projected over \$1.2 billion in increased child support collections within six years of contract award. The projection was based on the fact that at the time of the cost/benefit analysis, interstate collections only comprised 3% of total child support collections of \$3.2 billion when estimates of interstate caseload indicate that they should comprise 20-30% of total collections. The CSENet cost benefit analysis projected in addition to the traditional increase in overall child support collections, a 3% increase in interstate child support collections in the first year, increasing to 10% in the 5th year. This is a conservative estimate. The evaluation of the WICP project which was completed after the CSENet cost/benefit analysis indicated that their interstate communications network increased collections by 35%.

Since CSENet is expected to replace up to 72% of existing interstate mailings, the administrative savings in postage and mailings will offset the ongoing costs of the proposed system. CSENet can transmit numerous transactions for fractions of a cent compared to a minimum of 29 cents for the current system of mailings.

GAO Statement:

"OCSE did not follow basic systems development principles for CSENet."

Department Comments:

CASELOAD INFORMATION

The workload information that GAO claims is lacking is primarily statistics on Interstate cases. Numerous studies have been conducted which all place the number of interstate cases to be between 20-30% of total child support caseload. All studies from the Interstate Collections Study in 1985 through GAO's study using Census data in 1991 have provided estimates in the range of 20% to 30% interstate cases.

The GAO report states that OCSE has not obtained accurate information on past, current and projected interstate case volume. These data are not currently available. GAO acknowledged in the exit interview that they too, had been unable to obtain these data. In order to collect this information, OCSE would have to increase the paperwork burden imposed on the States by adding new items for collection in its Form 156, or would have to mount a separate research survey to collect this information. Either alternative would be costly to Federal and State governments. Given the consistency in the range of estimates for interstate caseloads, additional costs and time delays to develop more precise estimates are not warranted.

As indicated above, GAO is incorrect in its assertion that OCSE estimated current and future caseloads solely utilizing the 1988 data from the 13th Annual Report to Congress. To obtain the needed caseload estimates for CSENet traffic projection, we used the FY 1989 data from the 14th Annual Child Support Enforcement Report to Congress, supplemented by the latest non-resident caseload information from the Income Tax Offset requests and a year's worth of actual transmission data from the Western Interstate Clearinghouse Project. The WICP data gave us invaluable information regarding transactions per interstate case, indicating the type of transaction (locate, paternity, enforcement, collection) and the functions (request, provide, update). An analysis of the data indicated that the majority of transmission types (64.7%) are updates to exiting cases and the majority of WICP functions (54%) are locate inquiries. The transactions that require hard-copy documentation or a notarized signature are a very small portion of the interstate data being exchanged between the States.

CSENet User Involvement

The Department strongly challenges the assertion that user involvement in the design and development of the CSENet concept was limited. The involvement of users in the design and development of CSENet has been and continues to be extensive. For example, the National Council of State Child Support Enforcement Administrators (NCSCSEA) provided us with a unanimous resolution of strong support for the development of an interstate communications network for child support enforcement on May 12, 1988.

OCSE convened two separate workgroups in 1988 and 1989 with representatives from eleven (11) States to participate in the design and development of the Standardized Data Elements and Transactions that will be utilized in CSENet. In addition, thirty-two (32) States responded to our May 15, 1989, transmittal of the CSENet Standard Transactions workgroup report with detailed, thoughtful written comments regarding CSENet and the proposed data elements. The recommendations of the two workgroups and the comments from other States formed the basis for the revised requirements and needs analysis and ultimately the Statement of Work for the CSENet Request for Proposal (RFP).

In their written comments regarding the design of CSENet, States remarks included: "an excellent concept"; "very important need for the proper and timely handling of interstate child support cases"; "an important advance"; "innovative and exciting"; "an excellent tool". These comments from State users were not limited to the data elements or standardized formats for transmissions, but also provided user input into the planning and design of CSENet. Concerns, issues and comments expressed by the States were incorporated into the revised specifications for CSENet and/or addressed at the second workgroup session. The misconception that users were not involved in CSENet may result from the tremendous turnover of IV-D Directors during the last three years. It should be noted that very few of the questionnaires returned to GAO by the IV-D Directors were negative towards the CSENet concept, but rather that they had insufficient knowledge to judge the effect of the project. This most likely reflects the fact that over half of the IV-D Directors involved in the concept and design of CSENet have left their position since the CSENet workgroups were convened.

In addition, OCSE has given presentations regarding CSENet at a variety of national and regional organizations during the last two years. These organizations included the Western Interstate, Eastern Interstate, Locate/Central Registry Conference, the IV-A/IV-D Transfer Users Group, National Child Support Enforcement Association Conferences and a number of small workgroup forums.

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The Department believes OCSE has involved State users in the design and development in CSENet to the full degree permitted under the Procurement Integrity Act. The States have been actively involved in the design of the requirements for CSENet. OCSE could not involve State users in the development of the actual RFP or statement of work since virtually all States rely on their contractor staff for expertise on automated systems. There was concern that these same individuals represent companies who would also be interested in the CSENet acquisition.

As part of our ongoing effort to insure State user involvement in CSENet, OCSE plans to establish an ongoing workgroup of State and Federal staff who will guide CSENet through implementation and determine the future direction and growth of this network.

GAO Statement:

"Major issues of CSENet have not been adequately addressed"

Department Comments:

GAO states that OCSE has not specified the technical intricacies of the interface between the CSENet workstation and the State's automated child support systems. The CSENet RFP requirements specify a hardware, software and communication design which can readily function under the widest variety of different data programming environments. The CSENet requirements were written to accommodate the evolving automated environment not just the existing State environment. To enhance the ability of interfacing the CSENet equipment with the wide variety of Statewide automated systems, the CSENet RFP requires the full suite of Government Open System Information Protocols (GOSIP) to be inherent in the CSENet workstation. The CSENet RFP requires the most flexible, open systems currently available. The design of CSENet is intended to interface with the widest variety of hardware, software and communication protocols available.

GAO misconstrued the degree of technical changes that are associated with developing an interface between CSENet and Statewide automated child support systems. The most important part of internal modifications to State systems have already been developed, namely defining a common set of data exchange elements and transaction record formats. The CSENet data elements were derived from the same data required in the paper system -- the Interstate Forms, and the data elements are consistent with current requirements as specified in the Child Support Data Elements Dictionary. The CSENet data element report was distributed in December 1990. With these specifications, each State may continue to operate the statewide automated system based on the State's current operating procedures and standards. However, the technical intricacies of CSENet interface can not be fully defined until after contract award. Many States have

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already begun to integrate these data elements into their Statewide systems.

Again, the states involved in the WICP easily developed the necessary interface with their communications network quickly at a low cost. Three out of the five achieved the necessary interface using in-house staff. CSENet has the added advantage of providing technical assistance to State staff in achieving this interface. The exact details of the interface are dependent upon the hardware/software specifications of the successful CSENet vendor.

GAO cited our inability to replace hard copy documents. OCSE agrees that there is a need for notarized and certified hardcopy documentation before initiating certain case actions. But most interstate communications do not require hardcopy documentation and the CSENet project is not dependent upon obtaining court acceptance of electronic data. The WICP project found that the majority of electronic transmission types (64.7%) are updates to existing cases and the majority of WICP functions are locate inquires (54%).

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