

MINUTES OF THE HOUSE COMMITTEE ON GOVERNMENTAL ORGANIZATION

The meeting was called to order by Representative Thomas F. Walker at  
Chairperson

9:00 a.m./p.m. on Wednesday, March 23, 1988 in room 522-S of the Capitol.

All members were present except:  
Representative Peterson  
Representative Barr - Excused  
Representative Schauf

Committee staff present:  
Avis Swartzman - Revisor  
Carolyn Rampey - Legislative Research Dept.  
Mary Galligan - Legislative Research Dept.  
Julian Efird - Legislative Research Dept.  
Emalene Correll - Legislative Research Dept.  
Conferees appearing before the committee: Jackie Breymeyer - Committee Secretary

Meredith Williams - Legislative Post Audit  
Esther Wolf - Secretary, Department of Aging  
Helen Miller - State Advisory Council on Aging  
Nadine Burch - Senior Advocate  
Ed Flentje - Secretary, Department of Administration

Chairman Walker called the meeting to order. The minutes will stand approved at the end of the meeting if there are no corrections or additions.

The Chairman informed the committee that a picture of the group could be taken if they so desire. He asked them to think it over and it will be discussed at a future meeting.

Representative Brown distributed attachments for the committee's information. State Boards and Commissions (Attachment 1); Voters of Kansas (Attachment 2); and a memorandum from Harley T. Duncan, Secretary, Kansas Department of Revenue (Attachment 3).

The Chairman called on Meredith Williams, Legislative Post Audit on SB 661, Legislative Post Audit Act.

Mr. Williams distributed a paper which showed the current practice of financial-compliance audits and what Senate Bill 661 would accomplish. (Attachment 4) The bill would continue current practice of financial-compliance audits of KAPERS and the lottery, but would not require an annual audit of the Pooled Money Investment Board. The consolidated annual financial-compliance audit would cover major state agencies and those receiving federal assistance, which must be audited annually. The Pooled Money Investment Board, Treasurer's Office and Department of Revenue would be included in the annual consolidated audit. Other agencies not included in the consolidated annual audit would be subject to a financial-compliance audit at least every three years. KPERS and the Kansas Lottery which have an annual statutory audit would be included in the consolidated annual audit, but also be subject to separate annual financial-compliance audits.

Mr. Williams answered several questions from committee members.

The Chairman asked if there were any other conferees on the bill. Seeing none, he announced the hearing closed on SB 661. Testimony from T.C. Anderson Kansas Society of CPA's was submitted. (Attachment 5)

The next bill on the agenda was SB 660 - Advisory Committee on Aging

Esther Wolf, Secretary, Department of Aging, spoke in support of the bill which would reduce the number of members appointed by the Governor from 15 to 11 and remove the requirement of a member from every planning and service area in the state. (Attachment 6) The bill carries a fiscal note of \$6,287.

A question arose as to the number of meetings that were mandated. Suellen Weber, Department of Aging, said there was an error in the bill brief as the Committee had met twice, not once as was written.

Avis Swartzman, Revisor read from the Statutes that the statutory minimum is two times.

Helen Miller, Advisory Council on Aging spoke next on the bill. She would like to see the bill amended on line 042 to read: "members of the council shall be appointed so that council shall consist of a member from each Planning and Service Area." (Attachment 7)

Ms. Miller answered several questions asked of her by the committee.

Nadine Burch, was next to speak to the bill. She is a member of the Advisory Council on Aging, but was present to speak as a private advocate as the Kansas Council on Aging did not take a position on the bill. She stated the State Advisory Council on Aging plays an important role in policy development for the aging in Kansas. There are future critical decisions to be made. She would support the bill with the amendment. (Attachment 8)

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON GOVERNMENTAL ORGANIZATION  
room 522-S Statehouse, at 9:00 a.m./p.m. on Wednesday, March 23, 1988

As there were no other conferees to speak to the bill, the hearing was closed on SB 660.

The next bill on the agenda was SB 654 - Concerning the Division of Architectural Services and Board of Indigents' Defense Services.

Secretary Flentje, Department of Administration addressed the committee. He told which groups of employees would be placed in the classified service and which would remain in the unclassified service. He distributed a balloon showing the the amendments on pages 2 and 4. (Attachment 9)

Secretary Flentje was asked how many people would be affected by the bill, what advantages there would be for those the bill would affect and the job description of the space management officer. He replied that a job description will be forthcoming.

As there were no other conferees, the Chairman closed the hearing on SB 654.

The Chairman asked for action on SB 661.

Representative Sebelius moved that SB 661 be reported favorably for passage. Representative Brown gave a second to the motion.

Discussion commenced on the use of such words as standards and practices, PA and CPA's. After further discussion, the motion carried.

The Chairman asked Cheryl Weber, CAECSES (Comprehensive Automated Eligibility Child Support Enforcement System) Project Manager, to speak briefly. Copies of the CAECSES PROJECT SYSTEM SUMMARY were distributed to the committee. (Attachment 10). The Committee will tour the computer area Thursday at 9:00 a.m. Final action on SB 660 was called for.

Representative Sebelius moved to amend SB 660 in lines 42, 43 and 44 by reinserting language that reads, "members of the council shall be appointed so that the council shall consist of at least one member from each planning and service area."  
Representative Sughrue gave a second to the motion. The motion failed.

Representative Sprague moved that SB 660 be favorably passed. Representative Weimer gave a second to the motion. The motion carried.

Representative Bowden said he had an amendment to present on SB 654, but he did not have copies available for the committee at this time. Others expressed the desire to have the job description of the space management officer before voting on the bill. The Chairman stated that action would take place on SB 654 on Friday; information should be available at that time.

An audit report list was also asked for and told that it would be available Friday.

The meeting was adjourned.



KANSAS LEGISLATIVE RESEARCH DEPARTMENT

Room 545-N – Statehouse

Phone 296-3181

March 8, 1988

TO: REPRESENTATIVE NANCY BROWN

Office No. 181-W

RE: STATE BOARDS AND COMMISSIONS

During a House Governmental Organization Committee meeting last week, you asked for a list of all state advisory boards and commissions. The closest thing we have to a list is the state government organizational chart that is enclosed.

At the bottom on the front of the chart you will see the occupational licensing boards. On the back is a list of all boards, committees, and commissions that are created statutorily.

What we do not have is a list of all of the advisory bodies that have been created at the discretion of agency heads. The only way to get that information would be to ask the cabinet secretaries to supply it.

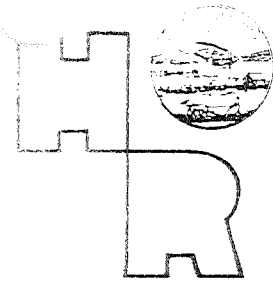
A few years ago, Russ Mills asked Harvey Ludwick, who was then the Secretary of Human Resources, to supply a list of all of the groups that were advisory to or affiliated with his department. His response to Russ is enclosed. I am sending it along, even though it is dated, to give you an idea of what one department reported.

After you have had a chance to look this material over, please let me know if you would like for us to proceed to survey the cabinet secretaries.

Carolyn Rampey  
Principal Analyst

CR/jar

Enclosures



KANSAS DEPARTMENT OF  
*Human Resources*  
OFFICE OF THE SECRETARY

401 TOPEKA AVENUE TOPEKA, KANSAS 66603  
913-296-7474

January 22, 1981

Mr. J. Russell Mills, Jr.  
Principal Analyst  
The Legislative Research  
Department  
Room 545-N  
State Capitol  
Topeka, Kansas 66612

Dear Mr. Mills:

In response to your letter of January 16, 1981, I am enclosing a listing of the advisory councils and boards appointed to assist the Secretary of the Department of Human Resources.

If I can be of further assistance, please let me know.

Sincerely yours,

Harvey L. Ludwick, Ed.D.  
Secretary of Human Resources

HLL:jlr

enclosure

Appointed to Assist the Secretary of Human Resources  
(by Secretary of the Department of Human Resources)

WORKERS' COMPENSATION JOINT ADVISORY COMMITTEE

Members: 6

Function: The Committee was organized to assist the Division of Workers' Compensation in assessing the effectiveness of the program and determining action that might be taken for improving and strengthening it.

ADMINISTRATIVE COUNCIL

Members: 17

Function: The Administrative Council was organized to give management the benefit of inputs from Departmental personnel in the formulation of policy and in decision-making generally, and to foster close cooperation and coordination of our various programs.

KANSAS INDUSTRIAL ROUNDTABLE

Members: 16

Function: The Kansas Industrial Roundtable was organized for the purpose of fostering harmonious and constructive relationships between labor and management.

Appointed to Assist the Secretary of Human Resources  
(by Federal or State Law)

KANSAS APPRENTICESHIP COUNCIL

Members: 8

Function: The Council assists in promoting voluntary apprenticeship training in various skilled occupations to help provide an adequate, skilled work force in Kansas.

The Kansas Apprenticeship Council was created in 1941 by an Executive Order of the Governor.

AGRICULTURAL LABOR RELATIONS BOARD

Members: 3

Function: The duties of the Agricultural Labor Relations Board are to establish procedures for the prevention of prohibited agricultural employer and employee organization practices, establish the services of mediations, and hold such hearings as it deems necessary to carry out its functions and powers.

K.S.A. 44-820

EMPLOYMENT SECURITY ADVISORY COUNCIL

Members: 12

Function: The Council shall aid the Secretary in formulating policies and discussing problems related to the administration of this act and in securing impartiality and freedom from political influence in the solution of such problems.

K.S.A. 44-714(d)

PRIVATE INDUSTRY COUNCIL

Members: 23

Function: The purpose of the Council is to increase the involvement of the business community, including small business, minority business enterprises, and labor organizations, in employment and training activities under the Act, and to increase private sector employment opportunities for economically disadvantaged persons.

Established by P.L. 95-524 of the Comprehensive Employment and Training Act, Federal Register - 679.3-1 dated May 20, 1980.

STATE EMPLOYMENT AND TRAINING COUNCIL

Members: 48

Function: The SETC is an Advisory Council to the Governor providing overview of employment and training activities within the State intended to serve the unemployed, underemployed, and disadvantaged citizens of the State. Its functions are plan and program reviews of employment and training programs statewide. It also seeks coordination, cooperation and the avoidance of excessive duplication of employment and training efforts.

Established by P.L. 95-524 of the Comprehensive Employment and Training Act, Federal Register - 677.36 dated May 20, 1980.

Appointed to Assist the Secretary of Human Resources  
(by Federal or State Law)

Page two

KANSAS BALANCE-OF-STATE PLANNING COUNCIL

Members: 17

Function: To actively participate in the development of grants, make recommendations regarding the Prime Sponsors, Comprehensive Employment and Training Program, and continuously analyze the need for employment, training, and related services.

Established by P.L. 95-524 of the Comprehensive Employment and Training Act, Federal Register - 676.7 dated May 20, 1980.

KANSAS ADVISORY COMMITTEE ON MEXICAN AMERICAN AFFAIRS

Members: 7

Function: The mission of the Kansas Advisory Committee on Mexican American Affairs is to advise the Secretary of Human Resources on matters concerning Mexican American/Hispanics of Kansas. In addition it is to serve the needs of Mexican American/Hispanics in the areas of economic development, employment, education, health, welfare, housing, recreation and culture.

K.S.A. 74-6501

ADVISORY COMMITTEE ON EMPLOYMENT OF THE HANDICAPPED

Members: 25

Function: The Advisory Committee shall consult with and advise the Secretary of Human Resources on all matters relating to programs for the employment of the handicapped.

K.S.A. 74-6701

JOB SERVICE IMPROVEMENT PROGRAM (JSIP)

Function: To advise local Job Service offices of ways to improve their delivery of services to public and private employers. At present there are 32 JSIP committees statewide pursuing this endeavor.

The JSIP was established by the National Employers' Advisory Committee which met in 1971 in Washington, D.C. at the request of the Secretary of Labor.



Attached to the Department of Human Resources  
but not Advisory to the Secretary

PUBLIC EMPLOYEE RELATIONS BOARD

Members: 5

Function: The Public Employee Relations Board is a neutral agency created by the Legislature to resolve disputes arising between public employers and public employees in regard to terms and conditions of employment.

K.S.A. 75-4323

EMPLOYMENT SECURITY BOARD OF REVIEW

Members: 3

Function: The Board of Review is the highest appellate authority in the appeals process relating to unemployment insurance matters. The board may on its own motion, affirm, modify, or set aside any decision of a referee on the basis of the evidence previously submitted in such case, or direct the taking of additional evidence or may permit any of the parties to such decision to initiate further appeal before it.

K.S.A. 44-709(f)

KANSAS VETERANS' COMMISSION

Members: 3

Function: To afford veterans, their relatives and dependents information, advice, direction and assistance through coordination of programs and services and to manage and operate the Kansas Soldiers' Home.

K.S.A. 73-1208(a)

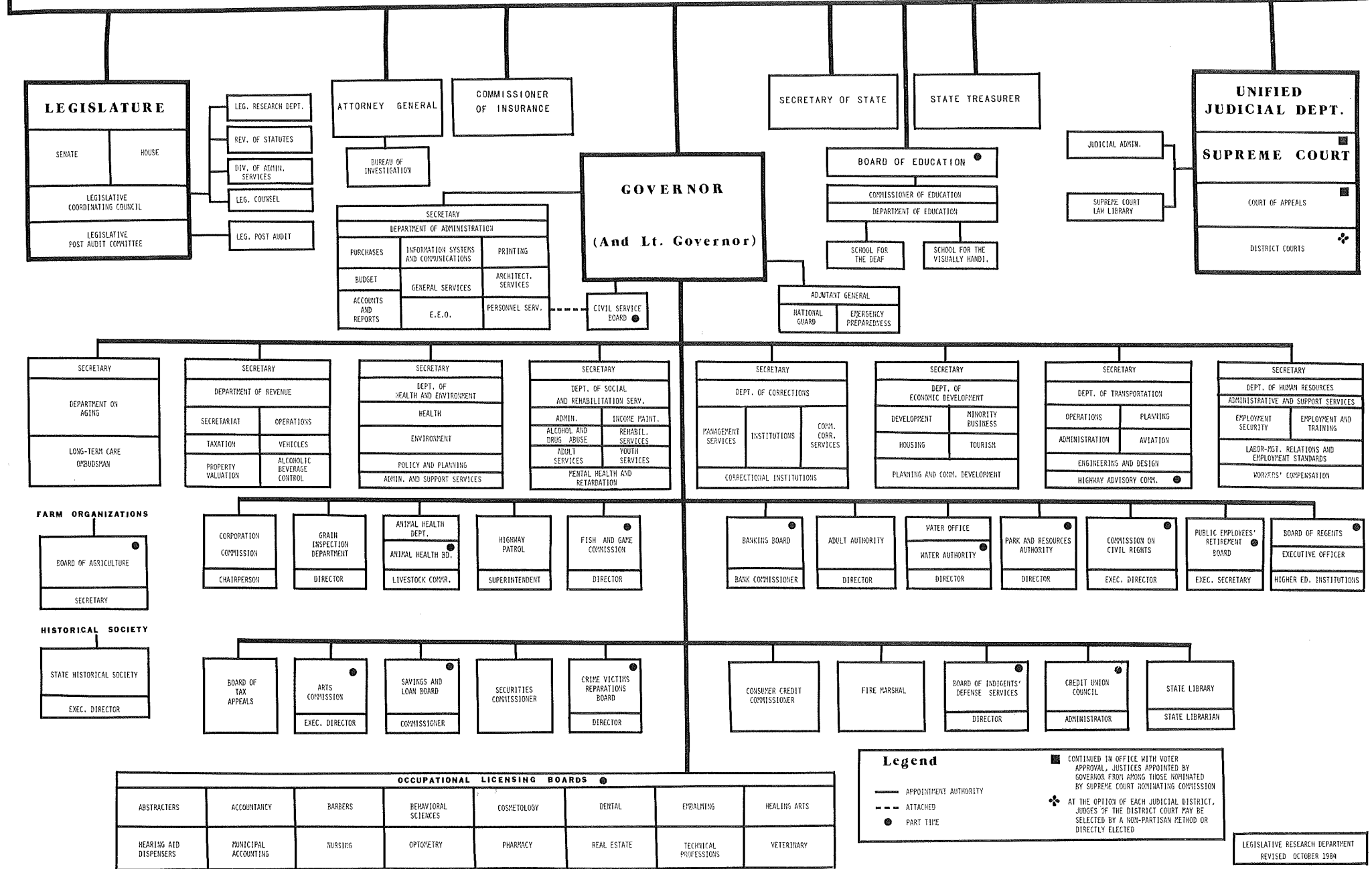
KANSAS OCCUPATIONAL INFORMATION COORDINATING COMMITTEE

Members: 4

Function: To develop an Occupational Information System. The Occupational Information System is to help individuals make wise career decisions and to help administrators make concerted and effective programmatic decisions.

Established by P.L. 94-482 (Title II Vocational Education) and CETA Reauthorization of 1978.

# VOTERS OF KANSAS



Atch 2

ATTACHMENT 2  
G.O. COMMITTEE 3/23/84

COMPLETELY APPOINTED BOARDS

ADVANCED TECHNOLOGY COMMISSION  
ALCOHOLIC BEVERAGE CONTROL BOARD OF REVIEW  
ALL-SPORTS HALL OF FAME  
APPRENTICESHIP COUNCIL  
ASSESSMENT-SALES RATIO STUDY, TECHNICAL ADVISORY  
COMMITTEE  
ATTORNEYS, BOARD FOR ADMISSION OF  
ATTORNEYS, BOARD FOR DISCIPLINE OF  
CORN COMMISSION  
CORRECTIONAL INDUSTRIES ADVISORY COMMITTEE  
COURT REPORTERS, BOARD OF EXAMINERS OF  
CRIPPLED CHILDREN ADVISORY COMMISSION  
ECONOMIC DEVELOPMENT ADVISORY COMMISSION  
EMPLOYMENT SECURITY BOARD OF REVIEW  
ENVIRONMENT, ADVISORY COMMISSION ON  
FIRE PROTECTION PERSONNEL STANDARDS AND EDUCATION,  
GOVERNOR'S COMMISSION ON  
FOOD SERVICE AND LODGING STANDARDS ADVISORY  
COMMITTEE  
GRAIN ADVISORY COMMISSION  
GRAIN SORGHUM COMMISSION  
HEALTH, ADVISORY COMMISSION ON  
HOME HEALTH SERVICES ADVISORY COUNCIL  
JUDICIAL QUALIFICATIONS, COMMISSION ON  
MENTAL HEALTH AND RETARDATION SERVICES, ADVISORY  
COMMISSION ON  
MEXICAN AMERICAN AFFAIRS ADVISORY COMMITTEE  
MILITARY DISABILITY BOARD  
MOTOR VEHICLE DEALER REVIEW BOARD  
PODIATRY ADVISORY COMMITTEE  
PROFESSIONAL PRACTICES COMMISSION  
PROPRIETARY SCHOOLS, ADVISORY COMMISSION ON  
PUBLIC EMPLOYEE RELATIONS BOARD  
SOYBEAN COMMISSION  
SPECIAL EDUCATION, STATE ADVISORY COUNCIL FOR  
STATEWIDE HEALTH COORDINATING COUNCIL  
TEACHING AND SCHOOL ADMINISTRATION PROFESSIONAL  
STANDARDS ADVISORY BOARD  
VETERANS COMMISSION  
VOCATIONAL EDUCATION, STATE ADVISORY COUNCIL FOR\*  
WHEAT COMMISSION\*  
WICHITA STATE UNIVERSITY BOARD OF TRUSTEES

COMPLETELY EX-OFFICIO BOARDS

ANTIQUITIES COMMISSION  
CANVASSERS, BOARD OF  
ELECTION BOARD  
FEDERAL AUDIT COMMITTEE  
GOVERNOR'S RESIDENCE ADVISORY COMMISSION  
INFORMATION SYSTEMS POLICY BOARD  
LAW ENFORCEMENT AND CIVIL DEFENSE COMMUNICATION  
COMMITTEE  
PUBLIC TELEVISION BOARD\*  
RECORDS BOARD  
RULES AND REGULATIONS BOARD  
STATE CAPITOL DOME COMMITTEE  
STATE CAPITOL MURALS COMMITTEE  
STATE FAIR MANAGERS, BOARD OF\*  
STATE FINANCE COUNCIL\*  
STUDENTS' ADVISORY COMMITTEE TO THE  
BOARD OF REGENTS  
SURETY BONDS AND INSURANCE, COMMITTEE ON

PARTLY EX-OFFICIO AND  
PARTLY APPOINTED BOARDS

APPLIED REMOTE SENSING COMMISSION  
ARMORY BOARD  
CAPITOL AREA PLAZA AUTHORITY  
CHILDREN AND YOUTH ADVISORY COMMITTEE  
COMMUNITY COLLEGES ADVISORY COUNCIL  
CONSERVATION COMMISSION\*  
DEAF AND HEARING IMPAIRED, COMMISSION FOR THE  
DEFERRED COMPENSATION ADVISORY COMMITTEE  
DEVELOPMENTAL DISABILITIES SERVICES COUNCIL  
EDUCATION COMMISSION OF THE STATES  
EMERGENCY MEDICAL SERVICES COUNCIL  
HAZARDOUS WASTE DISPOSAL FACILITY APPROVAL BOARD  
HISTORIC SITES BOARD OF REVIEW  
INTERSTATE COOPERATION COMMISSION\*  
JUDICIAL COUNCIL\*  
LAW ENFORCEMENT TRAINING COMMISSION  
LIBRARY ADVISORY COMMISSION  
LIBRARY NETWORK BOARD  
LOW-LEVEL RADIOACTIVE WASTE ADVISORY BOARD  
MILITARY ADVISORY BOARD  
MILK ADVISORY COMMITTEE  
MINED-LAND CONSERVATION AND RECLAMATION BOARD  
PHYSICAL THERAPY EXAMINING COMMITTEE  
POOLED MONEY INVESTMENT BOARD  
RECREATION, JOINT COUNCIL ON  
STATE AND UNIFIED SCHOOL DISTRICTS PURCHASES  
COMMITTEE  
STATE BUILDING ADVISORY COMMISSION  
STATE EMPLOYEES HEALTH CARE COMMISSION  
TURNPIKE AUTHORITY

SPECIALLY APPOINTED BOARDS

ADULT CARE HOME ADMINISTRATORS BOARD  
AGING ADVISORY COUNCIL  
AGRICULTURAL LABOR RELATIONS BOARD  
ALCOHOL AND OTHER DRUG ABUSE, CITIZENS'  
COMMITTEE ON  
CORRECTIONS OMBUDSMAN BOARD\*  
EMPLOYMENT SECURITY ADVISORY COUNCIL  
HANDICAPPED, ADVISORY COMMITTEE ON  
EMPLOYMENT OF  
JUVENILE OFFENDER PROGRAMS ADVISORY COMMISSION  
LAND SURVEY ADVISORY COMMITTEE  
OIL AND GAS ACTIVITIES, ADVISORY COMMITTEE ON THE  
REGULATION OF  
PUBLIC DISCLOSURE COMMISSION\*  
SOCIAL AND REHABILITATION SERVICES REVIEW  
COMMISSION  
SUPREME COURT NOMINATING COMMISSION

PERMANENT STATUTORY LEGISLATIVE COMMITTEES

JOINT COMMITTEE ON ADMINISTRATIVE RULES AND  
REGULATIONS  
JOINT COMMITTEE ON SPECIAL CLAIMS  
JOINT COMMITTEE ON STATE BUILDING CONSTRUCTION  
LEGISLATIVE BUDGET COMMITTEE  
LEGISLATIVE EDUCATIONAL PLANNING COMMITTEE

\* TYPICALLY RECEIVES A SEPARATE APPROPRIATION FROM THE LEGISLATURE.



**KANSAS DEPARTMENT OF REVENUE**  
*Office of the Secretary*  
Robert B. Docking State Office Building  
Topeka, Kansas 66612-1588

**MEMORADUM**

TO: Representative Nancy J. Brown, Chairman  
Governmental Organization Subcommittee

FROM: Harley T. Duncan, Secretary *HTD*  
Kansas Department of Revenue

DATE: February 23, 1988

RE: Report by the House Governmental Organization Subcommittee  
on the Department of Revenue - 1987 Legislative Session

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The request was made for an analysis of the potential for establishing additional field offices within the Division of Collections. The department has not developed an issue paper on this subject primarily due to the establishment of another priority since appearing before your committee last year. Namely, the procurement and installation of an Automated Collections System.

We do not plan on implementing regional offices in FY 1989. Management will be concentrating on the installation of the ACS, if endorsed. In addition, since the Division of Collections has only been in existence since last November, it is inappropriate to study regional offices on past experience given new management direction, increased centralized phone support efforts and increased legal support activities, as well as, increased automation of record systems.

Attached are two reports on our efforts in the collections area which were presented to a House Appropriations Subcommittee last week. Plans call for the study of the regional office issue this summer which would prepare us for a presentation next year, if desired.

c Representative Thomas F. Walker, Chairman  
Governmental Organization Committee

attachments

· THE REORGANIZATION OF  
THE KANSAS DEPARTMENT OF REVENUE

The Establishment of  
The Division of Collections

In 1986-1987, the Department of Revenue reorganized and created the Division of Collections. Preliminary research began in June 1986 and lasted approximately six months. Documents outlining the department's study were submitted to appropriate legislative sub-committees and legislative approval of the recommendations was received during the 1987 session. Work continued in an effort to more fully define job descriptions, determine optimal work flow, develop a management information system and identify future enhancements.

The new division has been staffed and funded with existing personnel and resources. No additional funding was requested for the re-organization. Future enhancements, however, include four new regional field offices, increased legal support, IRS training for field and telephone agents, and an Automated Collection System. Research is currently under way to document the need for these enhancements.

**Purpose.**

The purpose of the Division of Collections is to provide centralized, professional efforts in the collection of delinquent taxes and to establish a more aggressive posture designed to eliminate escalating accounts receivable. This reorganization will improve accountability, reduce document flow, and increase efficiency and effectiveness of the collection process. Equitable and expedient enforcement will insure fairness to all taxpayers by encouraging timely and complete remittance of delinquent accounts.

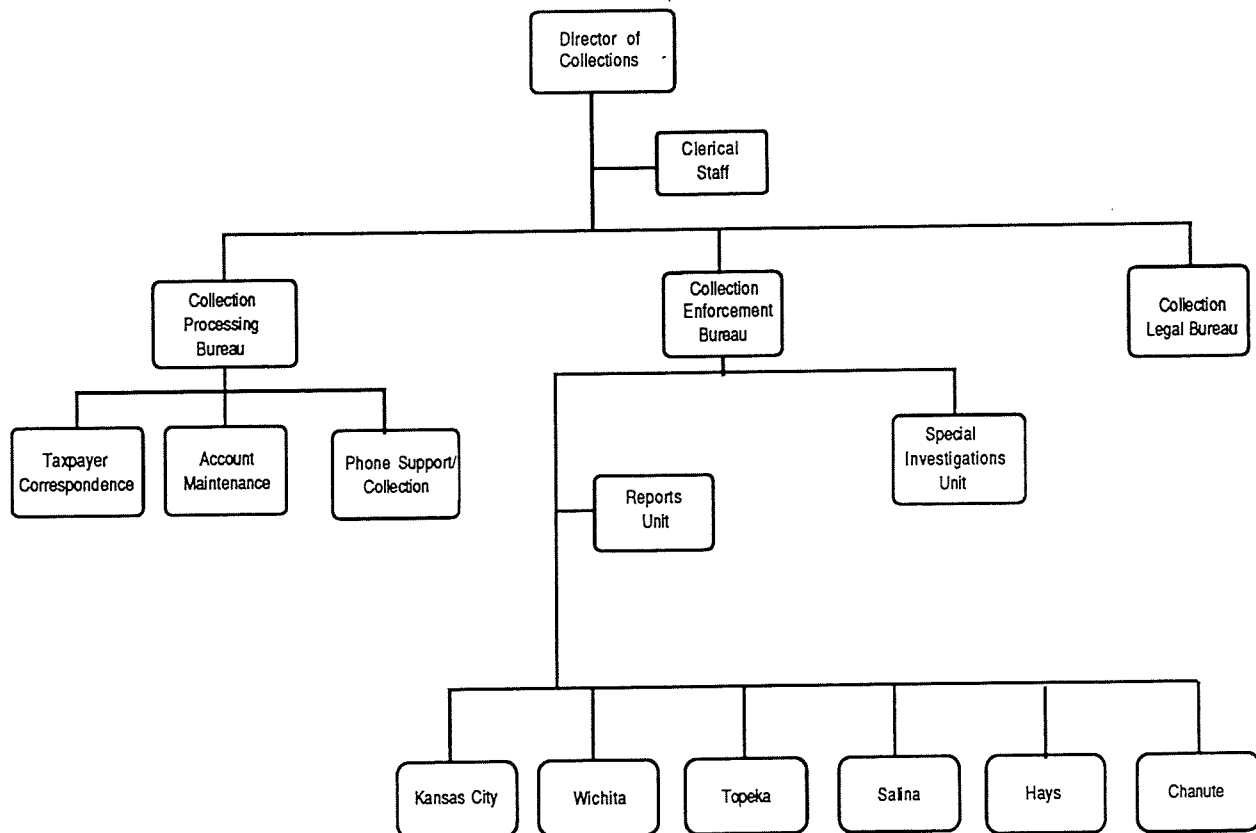
In 1980 accounts receivable for sales, income and withholding measured approximately \$16.1 million. By 1986 this amount had increased to approximately \$53.1 million, an increase of over three fold. Measured as a percentage of collections, accounts receivable in 1980 were approximately 2.2% as compared to 4.5% in 1986. These statistics reveal that the balance of accounts receivable is increasing at a far more rapid rate than actual collections.

It is this rate of increase the Department of Revenue sought to reduce through the re-organization effort and the establishment of the Division of Collections.

## Organizational Structure.

A review of the department's existing collection process showed that the decentralized structure was not efficient and no direct management responsibility existed. Extensive research went into the development of the organizational structure and identifying optimal document flow. The recommended organizational chart and document flow process for the Division of Collections was designed to offer a linear sequential method for the processing of accounts for collection.

The proposed organization structure of the Division of Collections has three bureaus: Collections Processing, Collections Compliance, and Collections Legal. Units within the Collection Processing Bureau include Taxpayer Correspondence, Account Maintenance, and Telephone Support/Telephone Collections. The Tax Compliance Bureau consists of the Field Reports Unit, the Special Investigations Unit and six regional field offices.



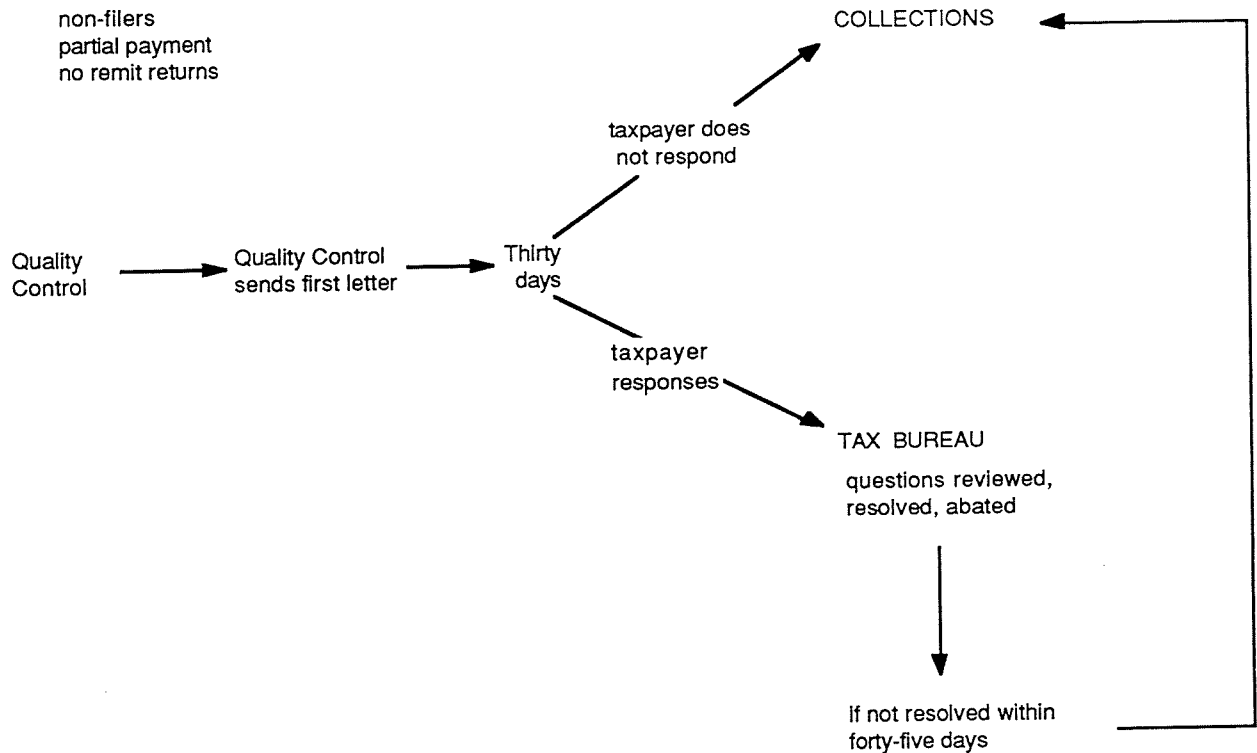
## Document Flow

When a delinquent account is identified by the computer, notification letters are automatically generated and mailed to the taxpayer by the Quality Control Bureau, Division of Operations. The taxpayer has thirty days to contact the department if they feel the department is in error. If no response is received, the account will be referred to the Division of Collections.

If a response is received from the taxpayer, the account is forwarded to the Division of Taxation. The Division of Taxation contacts the taxpayer in an effort to resolve any problems with the account. If, however, efforts fail to collect the balance due, the file is referred to the Division of Collections.

For the population of taxpayers including:

- non-filers
- partial payment
- no remit returns



## DIVISION OF COLLECTIONS ACCOUNT PROCESSING

### COLLECTIONS PROCESSING BUREAU.

When a delinquent account is forwarded to the Division of Collections it is received by the Collections Processing Bureau. The Bureau is comprised of three units: Taxpayer Correspondence Unit, Account Maintenance Unit, and Telephone Support/Collections Unit. Led by Mr. Richard Bauman, Bureau Chief, there are forty-three employees assigned to the Bureau.

#### Taxpayer Correspondence Unit

Delinquent accounts are received by the Taxpayer Correspondence Unit. Accounts are logged in, history files obtained and pertinent account information is recorded. Accounts in the Wichita and Kansas City areas are referred directly to the regional offices in those cities.

#### Account Maintenance Unit

This unit is responsible for a wide variety of duties. All accounts are reviewed for data processing errors, penalties and interest are updated, a review for other tax delinquencies is made, second

notices sent, remittances received, payments credited, returned check notices sent, and out-of-state accounts are referred to the contracted collection agency.

#### Telephone Support/Telephone Collection Unit

The account is researched for vehicle ownership information, taxpayer's place of employment, credit rating prior to the phone collector contact.

Telephone Collection personnel receive accounts from Telephone Support and attempt to make contact with the taxpayer . If payment is not received, the taxpayer is again contacted. If payment is not generated through the second or third call, the file is returned to Telephone Support.

The Telephone Support unit follows up the telephone contact by generating warrants or the forwarding of appropriate payment plan documents to the taxpayer for completion. Established payment plans are tracked in the Telephone Support Unit.

#### COLLECTIONS ENFORCEMENT BUREAU.

The Collections Enforcement Bureau has three units: Reports, Field Enforcement, and Special Investigations. Mr. Jim Lane, Bureau Chief, supervises seventy-one employees located throughout the state and in two regional field offices. Aggressive enforcement measures for delinquent tax collections are carried out through direct contact with the taxpayer by the field agent.

#### Reports Unit

The Reports Unit is located in Topeka. The responsibility of the Reports Unit is to assign the accounts to the field agents and to record the agent's activity.

If field contact is successful and the account is satisfied, payment vouchers are completed by the unit to update the account. If contact proves unsuccessful, accounts are forwarded to either the Special Investigation Unit or the Collections Legal Bureau for further action.

#### Field Enforcement Unit

The Field Enforcement Unit has Field Representatives located throughout the state. Two regional offices are located in Kansas City and Wichita. The responsibilities of the Field Representatives include the filing of tax warrants, making demand notices on taxpayers to appear for hearing and investigating miscellaneous accounts. These efforts are the division's method of attempting to make direct contact with the taxpayer.



### Special Investigation Unit

The Special Investigation Unit performs investigations on accounts that are revoked but still operating. Field Inspections are conducted for the Collections Legal Bureau.

### COLLECTIONS LEGAL BUREAU.

The activities of the Collections Legal Bureau include injunctions, mortgage foreclosures, mandamus actions, bankruptcy actions, garnishments and legal research. Mr. Phil Wilkes, Bureau Chief, and the eight employees of the Collections Legal Bureau represent the division in these actions.

### **Future Enhancements.**

- Future plans for the Division of Collections include the implementation of an Automated Collection System (ACS), the establishment of regional field offices, and the acquisition of portable lap-top computers for use by field collection agents. An ACS is designed to eliminate duplication of efforts and reduce the large volume of paper work which currently drives the system. Such a system is estimated to cost between \$1 and \$1.3 million.
- In an attempt to provide current tax data to field representative, the division plans to establish four new regional offices in addition to the current regional offices in Kansas City and Wichita. The new offices will be located in Topeka, Salina, Hays and Chanute. Terminals with access to collection records will be maintained at these regional offices.
- Future acquisition of portable lap-top computers for field agents will allow immediate access to updated information on all accounts. This will avoid embarrassing attempts to collect paid accounts. Agents may also record payments received, automatically notifying all bureaus of the current status of the account.
- The division is establishing criteria to determine optimum staffing levels. Management within the division is constantly reviewing document flow and collection patterns. Perhaps the most important factor in the equation of timely collection is having adequate personnel to work the case load.
- Training for telephone collectors and field agents is a necessary component of the collection process. Classes are available through the regional IRS offices at no cost. Departmental expenses will consist of per diem pay and off-line costs.

ATTACHMENT - PERMANENT POSITION TRANSFERS TO COLLECTIONS

From: Division/Bureau	To: Collections Bureau/Unit	Old Class Title	New Class Title	KIPPS#
Operations/Field	Director's Office	Administrative Off.II	Director, Adm. Serv.	49095
<b>Processing Bureau</b>				
Taxation/Income	Manager's Office	Tax Specialist II	Revenue Manager II	63389
Planning & Research	Manager's Office	Secretary II	same	47849
Operations/Field	Taxpayer Correspond	Office Assistant IV	same	74981
Taxation/Sales	Taxpayer Correspond	Tax Examiner I	same	65225
Taxation/Income	Taxpayer Correspond	Tax Examiner I	same	48980
Taxation/Income	Taxpayer Correspond	Office Assistant II	same	40878
Operations/Quality	Taxpayer Correspond	Office Assistant I	same	72438
Taxation/Income	Taxpayer Correspond	Office Assistant II	same	40951
Taxation/Income	Account Maintenance	Tax Examiner II	same	42838
Operations/Quality	Account Maintenance	Tax Examiner II	same	55429
Operations/Quality	Account Maintenance	Tax Examiner II	same	60466
Taxation/Income	Account Maintenance	Tax Examiner II	same	53554
Operations/Quality	Account Maintenance	Office Assistant III	same	52986
Operations/Quality	Account Maintenance	Office Assistant III	same	69310
Taxation/Income	Account Maintenance	Tax Examiner I	same	92881
Operations/Quality	Account Maintenance	Tax Examiner I	same	56484
Operations/Field	Account Maintenance	Tax Examiner I	same	94282
Taxation/Income	Account Maintenance	Tax Examiner I	same	75420
Taxation/Income	Account Maintenance	Tax Examiner I	same	59954
Taxation/Sales	Account Maintenance	Tax Examiner I	same	53584
Taxation/Sales	Account Maintenance	Tax Examiner I	same	67594
Taxation/Sales	Account Maintenance	Tax Examiner I	same	63169
Operations/Quality	Account Maintenance	Tax Examiner I	same	56694
Taxation/Sales	Account Maintenance	Tax Examiner I	same	47561
Taxation/Income	Account Maintenance	Office Assistant II	same	44460
Taxation/Income	Telephone Support	Tax Examiner III	same	75312
Taxation/Income	Telephone Support	Tax Examiner I	same	67452
Taxation/Income	Telephone Support	Tax Examiner I	same	67003
Taxation/Sales	Telephone Support	Tax Examiner I	same	57308
Taxation/Sales	Telephone Support	Tax Examiner I	same	66249
Operations/Field	Telephone Support	Tax Examiner I	same	71485
Taxation/Income	Telephone Support	Tax Examiner I	same	69199
Operations/Field	Telephone Support	Tax Examiner I	same	67955
Taxation/Income	Telephone Support	Tax Examiner I	same	76572
Operations/Field	Telephone Support	Tax Examiner I	same	76287
Operations/Field	Telephone Support	Keyboard Operator II	same	41263
Operations/Field	Telephone Support	Keyboard Operator II	same	43487
Operations/Field	Telephone Support	Keyboard Operator II	same	75436

ATTACHMENT - PERMANENT POSITION TRANSFERS TO COLLECTIONS

Operations/Field	Telephone Collections	Rev.Field Rep II	same	50373
Operations/Field	Telephone Collections	Rev.Field Rep II	same	67108
Operations/Field	Telephone Collections	Rev.Field Rep II	same	58030
Operations/Field	Telephone Collections	Rev.Field Rep II	same	42415

**Legal Bureau**

Legal Services	Legal	Attorney II	Attorney III	101372
Taxation/Sales	Legal	Tax Specialist I	same	69989
Legal Services	Legal	Attorney C	Attorney A	64935
Legal Services	Legal	Law Clerk(1/2)	same	92228
Legal Services	Legal	Secretary II	Office Supervisor	60878
Taxation/Sales	Legal	Tax Examiner II	same	107066
Operations/Field	Legal	Tax Examiner I	same	54693
Operations/Field	Legal	Office Assistant I	same	67046

**Enforcement Bureau**

Operations/Field	Manager's Office	Revenue Manager II	same	41462
Operations/Field	Manager's Office	Secretary II	same	48529
Operations/Field	District I	Revenue Field Rep IV	same	41646
Operations/Field	District I	Revenue Field Rep II	same	70379
Operations/Field	District I	Revenue Field Rep II	same	60467
Operations/Field	District I	Revenue Field Rep II	same	64281
Operations/Field	District I	Revenue Field Rep II	same	51468
Operations/Field	District II	Revenue Field Rep IV	same	61091
Operations/Field	District II	Revenue Field Rep II	same	71051
Operations/Field	District II	Revenue Field Rep II	same	74385
Operations/Field	District II	Revenue Field Rep II	same	77008
Operations/Field	District II	Revenue Field Rep II	same	67307
Operations/Field	District II	Revenue Field Rep II	same	65590
Operations/Field	District II	Revenue Field Rep II	same	43600
Operations/Field	District II	Revenue Field Rep II	same	75165
Operations/Field	District III	Revenue Field Rep IV	same	67149
Operations/Field	District III	Revenue Field Rep II	same	41031
Operations/Field	District III	Revenue Field Rep II	same	60343
Operations/Field	District III	Revenue Field Rep II	same	67737
Operations/Field	District III	Revenue Field Rep II	same	68707
Operations/Field	District III	Revenue Field Rep II	same	63161
Operations/Field	District III	Revenue Field Rep II	same	51270
Operations/Field	District III	Revenue Field Rep II	same	75070
Operations/Field	District IV	Revenue Field Rep IV	same	50172
Operations/Field	District IV	Revenue Field II	same	73805
Operations/Field	District IV	Revenue Field II	same	74391
Operations/Field	District IV	Revenue Field II	same	68483

ATTACHMENT - PERMANENT POSITION TRANSFERS TO COLLECTIONS

Operations/Field	District IV	Revenue Field II	same	61681
Operations/Field	District IV	Revenue Field II	same	42962
Operations/Field	District IV	Revenue Field II	same	54363
Operations/Field	District IV	Revenue Field II	same	59211
Operations/Field	Special Investigation Unit	Revenue Field III	same	57730
Operations/Field	Special Investigation Unit	Revenue Field III	same	55323
Operations/Field	Special Investigation Unit	Revenue Field III	same	47326
Operations/Field	Reports Unit	Office Assistant IV	same	50007
Operations/Field	Reports Unit	Office Assistant III	same	62884
Operations/Field	Reports Unit	Office Assistant III	same	69512
Operations/Field	Reports Unit	Office Assistant III	same	75259
Operations/Field	Reports Unit	Office Assistant III	same	55990
Kansas City Office				
Operations/Field	Manager's Office	Revenue Manager I	same	75707
Operations/Field	Manager's Office	Revenue Field Rep IV	same	51719
Operations/Field	Office Unit	Administrative Off.II	same	41623
Operations/Field	Office Unit	Keyboard Operator II	same	64670
Operations/Field	Office Unit	Office Assistant III	same	44756
Operations/Field	Office Unit	Office Assistant II	same	54927
Operations/Field	Field Rep Section	Revenue Field Rep IV	same	59152
Operations/Field	Field Rep Section	Revenue Field Rep III	same	71700
Operations/Field	Field Rep Section	Revenue Field Rep II	same	72947
Operations/Field	Field Rep Section	Revenue Field Rep II	same	62560
Operations/Field	Field Rep Section	Revenue Field Rep II	same	68704
Operations/Field	Field Rep Section	Revenue Field Rep II	same	76963
Operations/Field	Field Rep Section	Revenue Field Rep II	same	72134
Operations/Field	Field Rep Section	Revenue Field Rep II	same	66136
Operations/Field	Field Rep Section	Revenue Field Rep II	same	68989
Operations/Field	Field Rep Section	Revenue Field Rep II	same	66769
Operations/Field	Wichita Office			
Operations/Field	Manager's Office	Revenue Manager I	same	72378
Operations/Field	Manager's Office	Revenue Field Rep IV	same	42818
Operations/Field	Office Unit	Administrative Off.II	same	66128
Operations/Field	Office Unit	Keyboard Operator II	same	52665
Operations/Field	Office Unit	Office Assistant III	same	74931
Operations/Field	Office Unit	Office Assistant II	same	48524
Operations/Field	Field Rep Section	Revenue Field Rep IV	same	42351
Operations/Field	Field Rep Section	Revenue Field Rep III	same	56829
Operations/Field	Field Rep Section	Revenue Field Rep II	same	61501
Operations/Field	Field Rep Section	Revenue Field Rep II	same	57683

ATTACHMENT - PERMANENT POSITION TRANSFERS TO COLLECTIONS

Operations/Field	Field Rep Section	Revenue Field Rep II	same	47378
Operations/Field	Field Rep Section	Revenue Field Rep II	same	72702
Operations/Field	Field Rep Section	Revenue Field Rep II	same	49512
Operations/Field	Field Rep Section	Revenue Field Rep II	same	56377
Operations/Field	Field Rep Section	Revenue Field Rep II	same	50892
Operations/Field	Field Rep Section	Revenue Field Rep II	same	57350

## **AUTOMATED COLLECTION SYSTEM (ACS)**

### **PURPOSE**

The purpose of this paper is to provide updated information regarding collection activity developments in the Department of Revenue and to, once again, stress the need for the acquisition and implementation of an Automated Collection System (ACS) to further enhance our collection potential.

### **DEFINITION OF AN ACS**

An ACS is a system, including both hardware and software, that is used to help manage taxpayer account files in the most efficient manner for supporting a centralized telephone collection staff. It frees staff from much of the manual processing by creating and updating automated work lists that are accessed by collectors through computer terminals. Many other time saving features are included, such as automated dialing, and screen prompts for use by the collectors. Work is scheduled by the ACS continuously throughout the day according to rules which have been pre-established by management.

### **RECENT DEVELOPMENTS IN THE COLLECTIONS AREA**

Rising accounts receivable (see Attachments A-1, A-2 and A-3) have caused the department to look more closely at its collections program with an eye toward improving efficiency and effectiveness. Throughout the last year and a half, we have studied our collections program and planned/implemented a number of changes we believe will modernize our approach to collection activities. On November 1, 1987, the Collections Division was established to carry on all collection activities in the areas of sales, withholding, and individual and corporate income taxes. (A briefing paper has also been prepared on "The Establishment of the Division of Collections".)

Prior to the creation of the Collections Division, collection activities for each type of tax were conducted by individual tax bureaus in the Division of Taxation and by different service bureaus such as Field Services, Quality Control and Legal Services. The consolidation concentrates the expertise already within the department into one division with the specific charge and responsibility to collect delinquent tax dollars. It will also enhance our efforts to be fair, equitable and consistent when dealing with taxpayers.

### **EXISTING COLLECTION PROCEDURES**

Once a return or document is recognized by the computer as being questionable, notification letters are sent to the taxpayer. These letters indicate there is a discrepancy between the liability the taxpayer has indicated on their return and the liability the department believes is correct, or that no return has been received. The letters request that the taxpayer respond and provide either clarification or remittance to the department. Notification letters are sent out by the Quality Control Bureau acting as an agent for the Division of Taxation. Copies

of the notification letter are kept in Quality Control for thirty days to allow the taxpayer adequate time to respond. If the taxpayer responds with a remittance, a return, or an explanation of the discrepancy, the problem is resolved by Quality Control and the Tax Bureau. If the taxpayer does not respond to the notice in any way, the account becomes the responsibility of the Division of Collections.

As an account enters the Collections Division, Taxpayer Correspondence personnel log in accounts, obtain history files and record pertinent account information for all referred accounts except those in the Wichita and Kansas City areas. Accounts in these two areas are referred directly to the regional offices in those cities. Account Maintenance personnel mail second notices to delinquent individual income taxpayers, hold copies of these for ten days, receive payments and credit accounts, send returned check notices and refer out-of-state delinquencies to the contracted collection agency. Tax Examiners update penalty and interest calculations, check accounts for additional delinquencies, close accounts which have been satisfied, review for errors, make needed corrections and refer accounts requiring additional contact to the Telephone Support and Collection Unit. Phone collectors contact delinquent taxpayers throughout the day in an effort to collect the delinquent accounts. If no contact is made or if the account remains unsatisfied, additional action is recommended and the account is referred to the Phone Support Unit. Here, any additional adjustments are made, possible payments are checked, payment plan documents are forwarded to the taxpayer for completion, and tax warrants are generated. All unsatisfied accounts are updated and prepared for field collections.

The Field Reports Unit receives the unsatisfied accounts and field agents are assigned to each account. Field agents are then responsible for making personal contact with the taxpayer. If, after field contact, the account remains unsatisfied, it will be referred to the Collections Legal Bureau to collect through liens, levies, seizures, warrants and/or garnishments. Additional assistance is available to both the field agents and legal services, through the Special Investigations Unit. No delinquent account leaves the Collections Division until it has been satisfied, terminated or written-off.

The existing system is paper driven and requires a great deal of manual processing. Penalty and interest calculations are done by hand, and a useful and effective account tracking system does not exist. The department is very limited in its ability to assess the effectiveness of its collection activities or to determine the revenues that are lost or delayed because the current system does not provide this type of management information.

## **ON-GOING DEVELOPMENTS**

Currently, the Data Processing Services Bureau is working on a system which will automate a portion of this process in the short term. An IBM System 36, which is currently in the department being used by the Property Valuation Division during reappraisal, will be shared by the Collections Division and will be independent of the department's mainframe computer. The division will have use of five terminals and three printers. This new system will track accounts as they travel through the collection process. Letters to taxpayers will be typed and made a part of the collection history automatically. Penalty and interest calculations will also be performed automatically. The system will allow collections personnel to more easily determine a taxpayer's status in all tax areas. It will also allow easy access to complete collection histories for information retrieval and update. We anticipate this system will be available by early summer.

The Division of Operations and the Division of Collections currently have under way a study which is considering the data processing needs of the Division of Collections. While the

continued use of System 36 for the development of a collections package is an option, the use of the department's mainframe for the development of a collections system that is totally integrated with the tax system will receive first consideration.

Until a final long term recommendation is received from the study, the long term hardware/software configuration and environment for the Division of Collections is unknown. No long term decisions will be made with regard to the Division of Collections data processing needs until the Division of Operations recommendation can be incorporated into that decision to insure the Collections system will be able to interface with the Department's tax processing systems.

## **THE NEXT STEP**

The next logical step is the acquisition and implementation of an automated collection system or ACS. This system will interface with the collection data and will provide invaluable support for the telephone and field collection personnel. The computer-based system will prioritize accounts based on rules which have been established by management (perhaps, for example, amount of liability or number of days delinquent) and will automatically assign the account to a phone collector. Phone numbers will be automatically dialed and if the line is busy or no one answers, that account will be returned to the list and the next number dialed.

A series of screens will be provided for the phone collector which include: all taxpayer information (such as name, home address and phone number, business address and phone number, etc.), a detailed history of all previous collection activities, and a set of procedures for the collector to follow when talking to the taxpayer. The system will allow the collector the on-line capability to update the file by adding taxpayer comments, promises to pay or pay plan arrangements which are established. As the collector is entering taxpayer comments, the next account phone number is being dialed. This will save collectors much time that is now lost to busy signals and no answers, and help ensure that high priority delinquencies remain at the top of the collection efforts activity list. Additionally, the system maintains a record of all activities by the collectors and can be used as a valuable source of information for reporting and evaluation purposes.

The collection of delinquent accounts is an ongoing, daily task. New accounts become delinquent every day. During FY 1987 a total of 39,207 accounts were referred for collection for failure to respond to the notification letter mailed by Quality Control. This includes 7,801 sales tax accounts, 19,819 individual income tax accounts, 11,307 withholding tax accounts, and 280 corporate income tax accounts. Additionally, during FY 1987 26,997 sales and excise tax accounts were referred for collection as non-filers (see Attachment B). As of January 1, 1988 sales and excise tax accounts identified as non-filers are being referred to the Business Tax Bureau for filing status verification. The department has no reason to believe this type of activity is anything other than ordinary and expects it to continue into the future.

## **EXPERIENCE IN OTHER STATES**

The Federal Government (IRS) and ten to fifteen other states have automated their collection process. In each case, they found that the system quickly paid for itself through increased collections. It is very difficult to obtain actual implementation costs from other states. In many states, an ACS is only one part of a large automation project and they cannot isolate costs. However, the department has gathered "ballpark" estimates from six of the states. These costs are outlined in Attachment C.



## Pennsylvania

Pennsylvania has two separate ACS systems. The first system to handle individual income tax, which also served as a pilot and model, has been on-line since September 1985. The second system, to handle corporate income tax, has been on-line since November 1986. The second system is currently being expanded to include withholding and sales taxes by the end of 1988.

The individual income tax system brought in \$4 million in delinquent taxes in its first year of operation. This provided the department with a net benefit, after all costs to implement the system were paid, of \$750,000. Prior to ACS, individual income delinquencies were referred to private collection agencies on a commission basis. Not only was the commission saved, but after ACS, the department was collecting \$.65 for every \$1 referred for collection, as opposed to \$.55 for every \$1 referred for collection to the private agencies.

The second system for corporate income tax brought in \$36 million in its first year. The primary goal of this system has been to seek out and contact non-filers. Prior to ACS, collections personnel were unable to work all of the accounts that were in the inventory of available accounts. After implementation, ten collectors contacted 14,100 corporate income tax non-filers in seven months of operation. An additional and unexpected benefit has been the ability to clean-up the tax files and remove from the file corporations that never really got started in business even though all the paper work was completed. These businesses failed to notify anyone of their change in status, and as a result, have remained in the file erroneously.

## New York

New York is in the middle of a modernization of their entire tax system. An automated telephone system (ATS) is a part of the five year plan. ATS is being implemented in four steps - steps one and two are in operation now. This was the only state contacted which uses pre-recorded and computer generated phone messages. In Step 1, phone agents control and monitor the call process. The taxpayer's identity is verified before the synthetic voice message is delivered. Step 2, the system controlled option, is totally automated - that is, calls are placed automatically, the message delivered and the next call made totally by the system. This has allowed call hours to extend dramatically as the system can contact 1500 taxpayers during a three hour evening period, all without increasing work hours.

Anticipated revenues from the automated system were \$1 million in FY 86-87, \$11.5 million in FY 87-88, and \$16.6 million in FY 88-89. So far actual experience has met those expectations. When the entire four step process is in place, revenues are expected to be about \$31.3 million per year. One reason for this increase is the sharp rise in outgoing call capability with the ATS system - from 30,000 to 220,000 calls per year. The calls serve as a prod to encourage taxpayers to contact the department. The fact that the department telephone number is at the end of the recorded message and that the call back rate has been about 60% indicates that taxpayers are actually listening to the message and reacting in the desired way.

In the future, New York hopes to use the system controlled option as a means to deliver important informational tax messages to selected groups of affected taxpayers and tax practitioners.

## Michigan

Michigan has had the Michigan Automated Collection System (MACS) on-line since February 1986. This was the only state contacted who has contracted with a private collection

agency to run the system rather than run it themselves. Department of the Treasury employees supervise the activities and authorize all enforcement actions, but the day-to-day operations are run by employees of the collection agency. This original contract was signed for a five year term. At the end of that time, the Department of the Treasury can renew the contract or take over operation of the facility themselves. The system handles personal income tax, sales and use taxes, withholding, single business tax (in lieu of corporate income tax) and intangibles tax.

The operation is housed in a separate building about five miles from the Treasury building. Accounts enter the system by a tape which is generated by the tax processing systems at the Treasury building. Computer hook-ups between the buildings do exist, however, so accounts can be monitored, updated, and checked from either building. Treasury employees are on-site to provide assistance and to insure that the terms of the contract are being kept. Related to this function is the capability to monitor out-going calls made by the phone collectors. Treasury administrators indicate they have a good working relationship with the contractor and are very pleased with the arrangement.

MACS began operation on February 6, 1986, and by March 3, 1986 had collected it's first \$1 million in delinquent tax dollars. The second \$1 million was collected by March 14th, and by May 21, 1986 \$8.8 million had been collected. The system had more than paid for itself in less than four months. \$30.1 million had been collected by October 16, 1986 and \$50.3 million by March 25, 1987, slightly more than a year after implementation. With the new system, 2,000-3,000 taxpayers can be contacted by phone each day. Prior to implementation, the only real telephone collection efforts were by field representatives.

In addition, they indicated the ACS system was used to make contact concerning other types of non-payment obligations of concern to other state agencies, such as the Department of Education (student loans), Department of Mental Health (parental obligations and cost of care in facilities), and Department of Labor (employee judgements and MIOSHA, the Michigan equivalent of OSHA).

Over the last two years, on an average monthly basis, costs to run MACS are about 14% of the total collections made through the system. Of the total MACS collections about 87% are tax collections while the remaining 13% are collections for the other state agencies mentioned. Finally, over the last two years, MACS tax collections have averaged over 26% of the total collections made by the Department of the Treasury.

### Arizona

Arizona has used an ACS for sales, individual income, corporate income, and withholding delinquencies, as well as sales tax non-filers, since going on-line in January 1987. While they were unable to provide any information about dollars collected, they do have statistics which indicate that the number of accounts in each collector's inventory available to be worked has almost doubled with the implementation of the more efficient method of information flow. Another benefit mentioned was the tremendous decrease in taxpayer complaints resulting from erroneous departmental actions. Since the ACS was implemented, complaints as a result of erroneous levies made against taxpayers have fallen to less than .5%.

### New Jersey

In December 1987, New Jersey brought their ACS back on-line after an amnesty period throughout the fall of 1987. The system was operated on a pilot basis for four months during the summer of 1987. During that time, five people who were also responsible for establishing procedures and training methodologies at the same time, collected \$552,000. This

was from low dollar accounts that under a manual system might not have even been worked. The system is designed to handle all taxes. They believe the potential is there for very large collections through the system, though no dollar amount was indicated.

### Virginia

Virginia has had an ACS in place since 1985. This was the only state contacted who developed their system in-house. However, consultants were used as project leaders and as subcontractors for programming. The system is a small part of a total integrated tax system, and is designed to handle all taxes. They estimate the total system, not just ACS, has generated about \$10 million dollars over compliance revenues prior to ACS in FYs 84, 85 and 86, \$16 million in FY 87. Estimates for FYs 88 and 89 are \$21.5 million and \$22.5 million respectively. Throughout this time period, a number of modules have been added as the entire tax system has been updated. Additionally, account turnover has greatly increased. Essentially the same number of collectors are handling 75% more accounts now with the ACS in place than in 1979.

### New Mexico

New Mexico has had an ACS on-line since September 1986 which handles sales and withholding taxes, but not individual or corporate income tax. The number of calls placed by collectors has increased an average of three times. Under the manual system, the collectors averaged 10 calls/day/collector. Since ACS has been in place, that average has gone to 30-35 calls/day, with one collector averaging 60 calls/day.

## **AREAS OF SIMILARITY**

Much of the information provided by the states contacted was similar. All systems provide the basic collection functions previously outlined. No states had to hire additional personnel although Michigan indicated they would have had to hire additional staff for their program and that was a major factor in deciding to contract with an outside vendor to run their ACS operation. For the most part, existing employees were trained in-house and reassigned. Several states indicated some positions had been dedicated solely to ACS maintenance and administration. All states indicated a variety of management reports coming out of ACS detailing statistics about collections efforts by collector and by tax. Some states started with an existing ACS package which was then customized to meet their specific needs. Other states had a system custom designed just for them. All states agreed it was extremely difficult, if not impossible, to measure incremental revenues related to their ACS system implementation. Reasons cited included 1) lack of management information prior to ACS implementation and 2) ACS implementation was only a small part of a total new tax system, and therefore, the effect of it alone was difficult to isolate.

## **BENEFITS CITED**

A wide variety of benefits were cited by the states contacted - many obvious ones and others not so obvious:

- Increased collections - both in terms of more total dollars and in receiving those dollars more quickly.
- More control and flexibility in determining what accounts are worked first.

- Collectors are free from paper work and can work more accounts.
- More control over accounts as they move through the system. They do not get lost in the paper shuffle. Anyone accessing the system can see where an account is and what has happened to it.
- Vast improvement in taxpayer relationships. Contact with someone who can help straighten out all problems with the department is appreciated. Information relating to the current status of an account is easily obtainable so erroneous and unnecessary departmental actions are avoided.
- More job satisfaction on the part of collectors in an environment that is not so paper intensive.
- Should promote increased voluntary compliance.
- The ability to use the system to select and contact groups of taxpayers to receive important tax news and updates.

## METHODS OF FUNDING

The State of Kansas will realize additional revenue with an automated process. The effect of not obtaining an ACS would be to fail to realize the potential the Division of Collections has in collecting delinquent taxes. The creation of the Division of Collections maximized the potential of the current system by integrating and coordinating collection expertise from throughout the department and providing for the unified management and accountability for the collection process. The next logical step is to provide the mechanism which will allow the division to systematize and automate the information flow within it and on which it must rely to accomplish its mission. Three methods exist for obtaining an ACS.

1. Certificates of Participation The Kansas Finance Development Authority (KFDA) has indicated it would be possible to utilize Certificates of Participation to purchase both the hardware and software necessary to support the automated collection system. Mr. Allen Bell, Director of KFDA, reports that computer systems have been purchased through them in the past and that the collection package, due to its payback potential, would be an attractive investment to investors interested in purchasing the Certificates of Participation. Using figures from the sale date of November 17, 1987, the funding schedule for \$1.5 million with a payback date of three years would be:

Monthly payments	\$47,000
Semi-annual payments	\$284,222
Annual payments	\$568,444
Total cost	\$1,705,332
(\$1.5 million, 8.5% financing rate, three years)	

2. "Percent of the Take" Contract Private contractors have indicated a willingness to provide the system on a payback arrangement based on revenues generated by the system. The contractor and the department would agree on three estimates: (1) an estimate of the department's current accounts receivable, (2) an estimate of dollars collected annually through

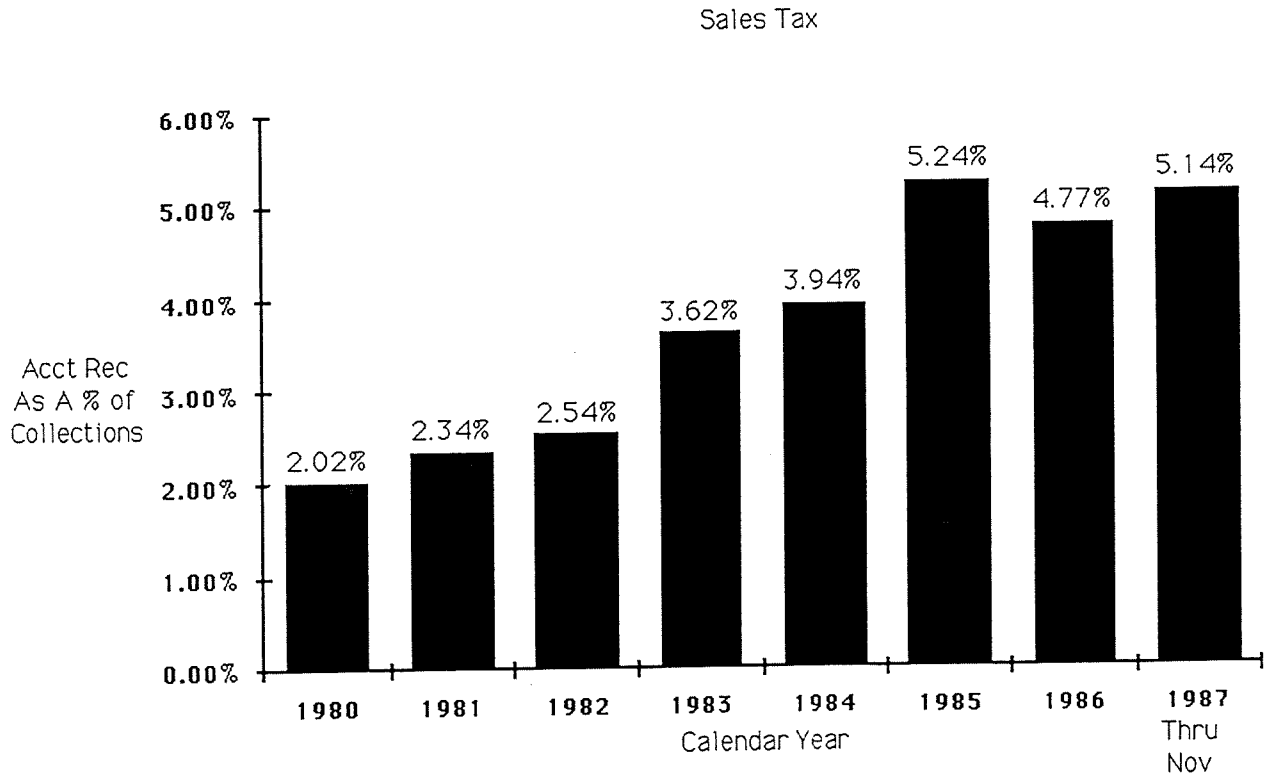
the existing system, and (3) collections collected annually using the automated system. Reimbursement would be based upon a percentage of the difference between current collections and collections realized through the automated system.

3. Budget Appropriation. While the Governor is supportive of the recommendation to pursue the acquisition of an ACS system, funding of the estimated \$1.5 million was not included in the budget. Rather, he has indicated a preference for Method No. 2.

Attachment A-1

<u>Year Period</u>	<u>Accounts Receivable</u>	<u>Total Tax Collections</u>
	Sales Tax	
1980	\$7,542,599	\$372,939,102
1981	\$9,406,267	\$401,751,991
1982	\$10,502,889	\$413,710,687
1983	\$16,795,316	\$463,667,864
1984	\$18,492,792	\$469,525,193
1985	\$25,767,883	\$491,555,709
1986	\$26,767,493	\$561,114,930
1987**	\$31,294,254	\$609,257,121
% Increase 1980-Nov 1987	315%	63%

\*\*As of November 30, 1987

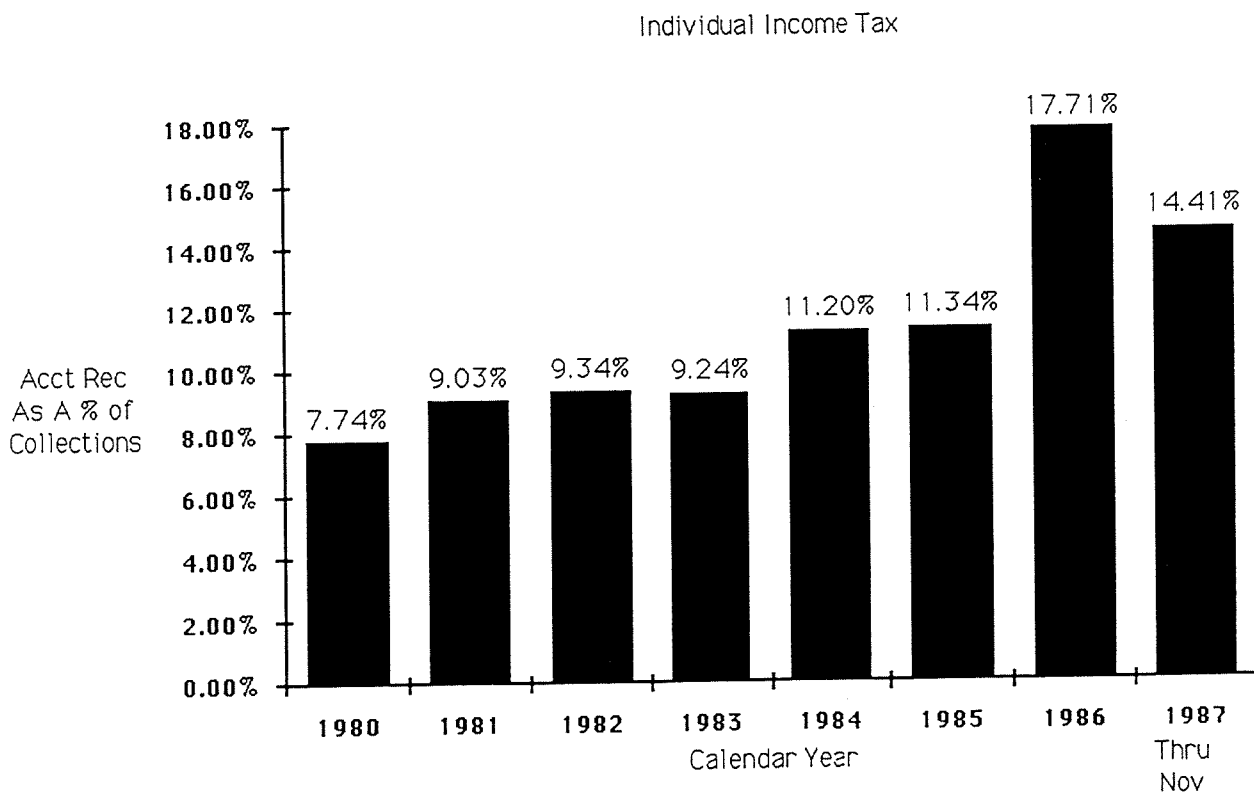


Attachment A-2

<u>Year Period</u>	<u>Accounts Receivable</u>	<u>Total Tax Collections</u>
Individual Income Tax*		
1980	\$5,743,491	\$74,223,670
1981	\$6,811,378	\$75,423,733
1982	\$6,842,352	\$73,288,480
1983	\$7,609,422	\$82,349,251
1984	\$12,734,548	\$113,710,878
1985	\$12,581,655	\$110,911,607
1986	\$15,516,396	\$87,625,151
1987**	\$14,293,000	\$99,171,413
% Increase 1980-Nov 1987	149%	34%

\* Estimated payments are not included since underpayment of the estimate does not result in a collection effort until the tax return is actually filed.

\*\* As of November 30, 1987

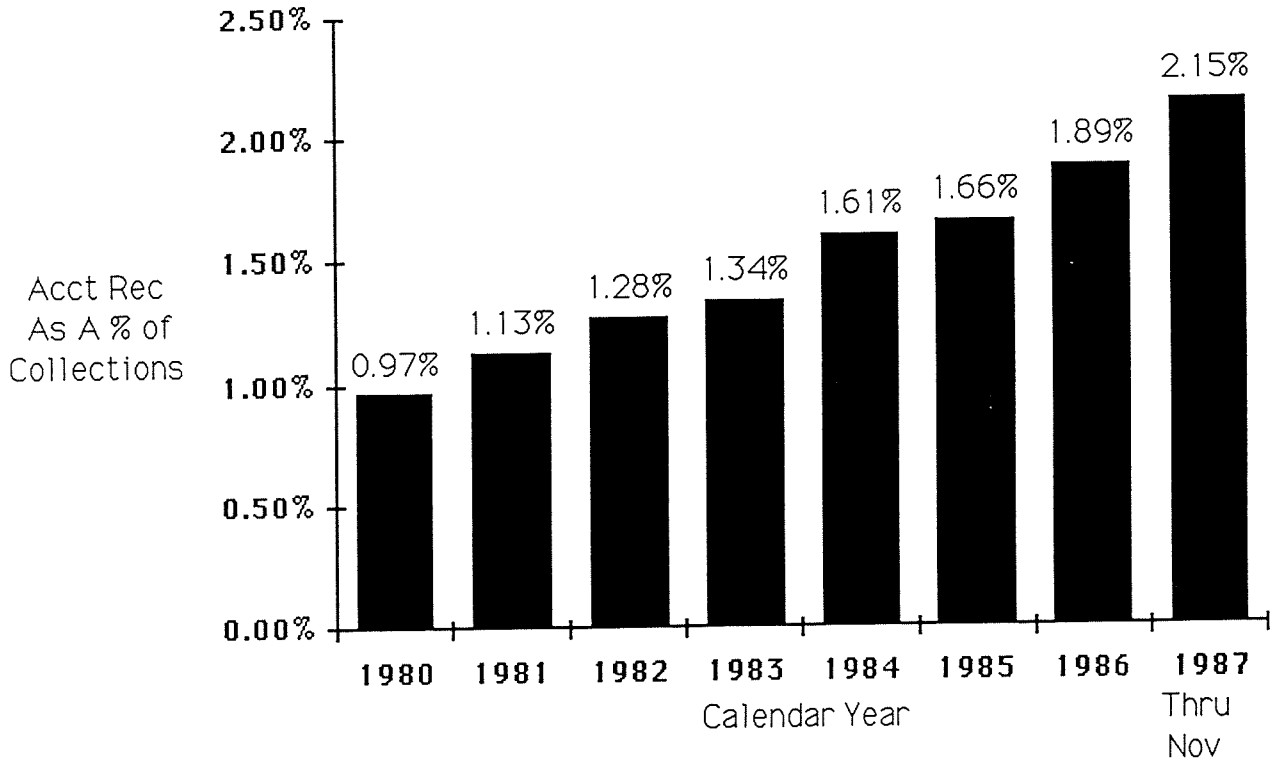


Attachment A-3

<u>Year Period</u>	<u>Accounts Receivable</u>	<u>Total Tax Collections</u>
	Withholding Tax	
1980	\$2,803,452	\$288,315,163
1981	\$4,118,912	\$363,863,591
1982	\$5,262,095	\$412,184,727
1983	\$7,040,378	\$525,231,802
1984	\$8,243,499	\$512,532,472
1985	\$9,025,928	\$543,355,580
1986	\$10,770,554	\$570,917,793
1987**	\$11,981,890	\$557,075,104
% Increase 1980-Nov 1987	327%	93%

\*\*As of November 30, 1987

Withholding Tax





## Attachment B

Accounts Referred for Collections  
Fiscal 1987

<u>Month</u>	<u>Sales</u>	<u>Individual Income</u>	<u>Withholding</u>	<u>Corporate Income</u>	<u>Total</u>
July 1986	508	929	921	34	2,392
August	854	1,105	829	42	2,830
September	584	623	692	11	1,910
October	538	3,996	1,223	16	5,773
November	533	2,277	561	23	3,394
December	892	952	240	35	2,119
January 1987	678	1,283	1,354	51	3,366
February	708	1,652	579	- -	2,939
March	619	2,898	1,546	40	5,103
April	349	993	1,152	- -	2,494
May	785	1,779	1,082	28	3,674
June	753	1,332	1,128	- -	3,213
Total	7,801	19,819	11,307	280	39,207

Sales and Excise Tax Non-Filers  
Fiscal 1987

July 1986	1,150
August	1,061
September	3,890
October	1,372
November	1,182
December	8,293
January 1987	1,258
February	1,148
March	1,290
April	1,288
May	1,302
June	3,763
Total	26,997

ATTACHMENT C

IMPLEMENTATION COSTS OF ACS SYTEMS IN OTHER STATES

State	Software & Consulting Fees	Hardware	Other Expenses	Total Cost	Vendor
Arizona	\$800,000	\$290,000	NA	\$1,090,000	American Management Systems
Michigan	NA	NA	NA	\$7,714,594	GC Services - Management Agreement and Arthur Anderson
New Jersey	\$700,000	\$0	NA	\$700,000	Arthur Anderson
New Mexico	\$470,000	\$20,000	NA	\$490,000	American Management Systems
Pennsylvania					
Individual	\$626,000	\$22,694	\$51,306	\$700,000	American Management Systems
Corporate	\$226,000	NA	NA	\$226,000	and Arthur Young
Total	\$852,000	\$22,694	\$51,306	\$926,000	
Virginia	\$500,000	NA	NA	\$500,000	In-house Development

FINANCIAL-COMPLIANCE AUDITS

Atch 4

Current Practice

Senate Bill No. 661

◇ Annual Audits (5 each year)

Retirement System

Lottery

Department of Transportation

State Treasurer's Office

Pooled Money Investment Board

◇ Biennial Audits (about 30 each year)

Agencies Receiving Federal Assistance

Department of Revenue

◇ Triennial Audits (about 15 each year)

◇ Annual Statewide Audit

◇ Annual Audits (3 each year)

Retirement System

Lottery

Department of Transportation

◇ Triennial Audit Work (20 - 25 agencies each year)



# Kansas Society of Certified Public Accountants

FOUNDED OCTOBER 17, 1932

400 CROIX / P.O. BOX 5654 / TOPEKA, KANSAS 66605-0654 / 913-267-6460

House Governmental Organization Committee

Re: SB 661

T. C. Anderson, Executive Director

Kansas Society of CPAs

March 23, 1988

Mr. Chairman, members of the Committee, I am T. C. Anderson, Executive Director of the 2,000-member Kansas Society of Certified Public Accountants.

I appear today to discuss SB 661 relating to audits of federal financial assistance to state agencies and other audit work.

It is our understanding the federal government has imposed an annual audit requirement on those state agencies receiving federal funds. This requirement negates the current language contained in K.S.A. 46-1106 which calls for a financial compliance audit of those agencies once every three years.

I have circulated SB 661 to the CPA firms, that I am familiar with, which currently perform the audits required under the Legislative Post Audit Act.

X While most would prefer the status quo, they realize the proposed change is being generated by external forces. They concur that an annual single audit of the entire state is the best avenue for the state to pursue.

They understand that the intent of the new language in Section 1(b) beginning at line 35 is to insure that an audit presence in each state agency is maintained and that these engagements can be performed by all Kansas CPA firms.

They also understand individual audits will still be necessary for K.P.E.R.S., the Department of Transportation and the Kansas Lottery.

Mr. Chairman, the profession appreciates the efforts of the Post Auditor and his staff to keep it informed of the issues involved relating to SB 661 and for discussing various alternatives available for legislative consideration.

Thank you, and I'll be pleased to stand for questions.

TESTIMONY ON SB 660  
TO  
HOUSE GOVERNMENTAL ORGANIZATION COMMITTEE  
BY  
KANSAS DEPARTMENT ON AGING  
MARCH 23, 1988

Bill Summary:

Act would reduce the number of members on the State Advisory Council on Aging from 19 to 15.

Bill Brief:

Amendments to K.S.A. 75-5911 would

1. Reduce number of members appointed by Governor from 15 to 11;
2. Number of legislative appointees (4) would not change;
3. Reduce number of licensed adult care home administrators on the Council from 2 to 1;
4. Remove requirement that at least one member represent each Planning and Service Area in the State.

Bill Testimony:

The Kansas State Advisory Council on Aging serves as advocate on behalf of more than 400,000 Older Kansans. As an advisory committee to the Governor and the Department on Aging, the Council is responsible for reviewing all programs, services and facilities provided to Older Kansans by public, private, local and state agencies. The Secretary of the Kansas Department on Aging consults with the Advisory Council regarding the operations of the Department, and the Council's recommendations are adhered to.

Created in 1977 by the Kansas Act on Aging, K.S.A. 75-5901, et seq., the State Advisory Council currently consists of 19 members. The Governor appoints 15 of the members and the Kansas State Senate President, Senate Minority Leader, Speaker of the House, and House Minority Leader each name one member to the Council. While appointments to the Council are for three years, legislative appointees serve at the discretion of the legislative leadership who appoint them. Members are eligible for reappointment. The Governor designates the chairperson who serves at the Governor's pleasure. A vice-chairperson and secretary are elected by Council members.

The 1987 Legislature eliminated \$11,612 in funding for the 19-member State Advisory Council from the Department on Aging's budget. Therefore, since last year, the Department has had a Council with no funds appropriated to meet the expenses of their meetings, which are held four times per year.

The Advisory Council on Aging is an entity in the State's Aging Network. The Department on Aging believes the Council should be permitted to continue and that funding should be allocated to provide reimbursement of members' travel to council meetings.

However, the Department is aware of the financial constraints the State of Kansas currently faces. In order that the Advisory Council may continue and council members may be reimbursed while at the same time saving State revenue, the Department recommends a reduction in membership of the Council from the current 19 members to 15. The change would reduce the number of Governor's appointees from 15 to 11; the number of legislative appointees would remain at 4. Members of the Advisory Council on Aging in attendance at their December, 1987 meeting voiced approval of this reduction of the Council's membership. It was their belief that it would be easier to obtain funding for the Council if its size was reduced.

The only other major amendment to K.S.A. 75-5911 which SB 660 would enact would be removal of the requirement that at least one member of the Council represent each of the eleven Planning and Service Areas. These PSAs correspond to the state's Area Agencies on Aging. In the past, it has sometimes been difficult to fill vacancies on the Council using the PSA requirement. The language in Section 1(a) of SB 660 does state that "insofar as possible different geographical, social and ethnic groups" shall be represented on the Council. Therefore the geographic factor will still be considered at time of appointment of members to the Council.

Recommended Action:

The Kansas Department on Aging supports SB 660 and encourages this Committee's favorable passage of it. An amount of \$6,287 has been included in the Governor's recommended KDOA budget for per diem and travel for a 15-member Advisory Council on Aging for FY 89.

SW:bms  
6.2006  
3/88

Representative Walker. Thank you for allowing me to testify today. My name is Helen R. Miller and I am a registered lobbyist for the National Council on Aging.

I am currently a member of the State Advisory Council on Aging to the Governor. I would like to address Senate Bill #660.

As I testified to the Senate Committee, I support Senate Bill 660 for the most part. I am most appreciative that they accepted my ammendment regarding the ages of the members of the council. At that same hearing I expressed my distress with the Departments ammendment that would eliminate representation through each of our Planning and Service Areas.

After speaking with many of my colleagues in the field, that concern has intensified. Again, with our diverse populations in Kansas coupled with the fast growing rate of our older adult population, I feel we would be remiss if we did not insure that each Planning and Service area be prepresented, therfor, I would like to offer an ammendment to Senate Bill 660, line 042 to read as follows: members of the council shall be appointed so that council shall consist of a member from each Planning and Service Area.

I hope you will take this suggested ammendment under advisement. I thank you for your time and continued support of our older adult population.

*Helen R. Miller*

TESTIMONY IN SUPPORT OF SB 660  
NADINE BURCH  
HOUSE GOVERNMENTAL ORGANIZATION COMMITTEE  
MARCH 23, 1988

My name is Nadine Burch. I am here today to speak in support of SB 660, as amended. This bill reduces the number of members on the State Advisory Council on Aging from ~~19~~ to 15. Originally, the Kansas State Advisory Council was patterned after a similar organization in Illinois. The Illinois group had 19 members, consequently, the Kansas State Advisory Council on Aging was formed with 19 members. I see no problem with now reducing that number to 15, if it is believed that the council can operate effectively with that number.

An amendment in the Senate made it mandatory that a majority of the council be comprised of persons who are at least 60 years old. Since the council is advising the Department on Aging and the Department serves persons who are at least 60 years old, it only seems fitting that a majority of members of the council would be comprised of older Kansans. I support this provision which was added in the Senate.

Another requirement relating to the composition of the council is the requirement that each of the eleven planning and service areas be represented on the council. This provision is not included in SB 660. I would contend that a state advisory council needs to be geographically representative of the state of Kansas. We must assure that all parts of Kansas are represented in the council's deliberations. I would suggest that you consider amending the bill to include language that will assure that all parts of the state are represented on the advisory council.

In closing, I want to say that I believe the State Advisory Council on Aging plays an important role in the development of aging public policy in Kansas. The 85+ group is the fastest growing age group in Kansas. We, as a state will have to make critical decisions regarding the provision of long term care. We need to have in place a state advisory council on aging which will provide us with direction in this important area.



0046 attend all meetings of the state building advisory commission  
 0047 and keep a full and correct record of its proceedings which when  
 0048 approved by the commission and signed by the chairperson shall  
 0049 be the official record. The director of architectural services shall  
 0050 have such powers and duties as may be prescribed or imposed by  
 0051 the secretary of administration or by law.

0052 (b) Subject to approval by the secretary of administration and  
 0053 in accordance with appropriation acts, the director of architec-  
 0054 tural services shall appoint the professional, technical, adminis-  
 0055 trative, clerical and other personnel of the division of architec-  
 0056 tural services. *Except as provided in K.S.A. 75-1202a and*  
 0057 *75-2935 and amendments thereto, all professional and adminis-*  
 0058 *trative positions of the division of architectural services shall be*  
 0059 *in the unclassified classified service under the Kansas civil*  
 0060 *service act. On and after the effective date of this act, all techni-*  
 0061 *cal, clerical and other nonprofessional positions of the division of*  
 0062 *architectural services shall be in the classified service under the*  
 0063 *Kansas civil service act. Each person performing services for the*  
 0064 *division of architectural services in any such nonprofessional*  
 0065 *position immediately prior to the effective date of this act shall*  
 0066 *continue in such position and shall attain permanent status in the*  
 0067 *classified position without examination and without a proba-*  
 0068 *tionary period. Such person shall retain all retirement benefits*  
 0069 *earned prior to the effective date of this act and such person's*  
 0070 *service shall be deemed to have been continuous. Each person*  
 0071 *employed on the day preceding the effective date of this act in a*  
 0072 *professional or administrative position in the division of archi-*  
 0073 *tectural services, which is placed in the classified service under*  
 0074 *the Kansas civil service act by this act, shall continue in such*  
 0075 *position and shall attain permanent status in that classified*  
 0076 *position without examination and without a probationary*  
 0077 *period. Such person shall retain all retirement benefits earned*  
 0078 *prior to the effective date of this act and such person's service*  
 0079 *shall be deemed to have been continuous.*

0080 See 3. K.S.A. 75-1017 is hereby amended to read as follows:  
 0081 75-1017. The compensation to be paid employees of the division  
 0082 of printing shall be no greater than that paid by other printing

who has been employed continuously for at least  
 the six-month period immediately prior to

0120 and the biweekly earnings shall be paid to officers and employ-  
 0121 ees on the twelfth calendar day following the end of the  
 0122 biweekly work period.

0123 See 4 3. K.S.A. 1987 Supp. 22-4524 is hereby amended to  
 0124 read as follows: 22-4524. (a) There is hereby created the position  
 0125 of state director of indigents' defense services. The director shall  
 0126 *be in the unclassified service under the Kansas civil service act,*  
 0127 *shall be appointed by the state board of indigents' defense*  
 0128 *services and shall devote full time to the performance of the*  
 0129 *duties of the office of director.*

0130 (b) The state director of indigents' defense services, *the*  
 0131 *assistant director* and all ~~other officers and employees~~ *attorneys*  
 0132 appointed or employed by the state board of indigents' defense  
 0133 services shall be in the unclassified service under the Kansas  
 0134 civil service act. *All other officers and employees of the board*  
 0135 *shall be in the classified service.*

0136 (c) ~~Each person employed on the day preceding the effective~~  
 0137 ~~date of this act who is an officer or employee of the board, which~~  
 0138 ~~is placed in the classified service under the Kansas civil service~~  
 0139 ~~act by this act, shall continue in such position and shall attain~~  
 0140 ~~permanent status in that classified position without examination~~  
 0141 ~~and without a probationary period. Such person shall retain all~~  
 0142 ~~retirement benefits earned prior to the effective date of this act~~  
 0143 ~~and such person's service shall be deemed to have been continu-~~  
 0144 ~~ous.~~

0145 Sec. 5 4. K.S.A. 75-1017, 75-1202a and 75-1202d and K.S.A.  
 0146 1987 Supp. 22-4524 are hereby repealed.

0147 Sec. 6 5. This act shall take effect and be in force from and  
 0148 after its publication in the statute book.

who has been employed continuously for at least  
 the six-month period immediately prior to

KANSAS DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES  
CAECSES PROJECT

M E M O R A N D U M

**TO:** Chairman Walker  
House Committee on  
Government Organization

**DATE:** March 18, 1988

**FROM:** Cheryl Weber CW  
CAECSES Project Manager

**SUBJECT:** Tour of CAECSES  
Computer Facilities

As part of the SRS presentation on March 23 to the Government Organization Committee, we will be providing a status update on the CAECSES Project (Comprehensive Automated Eligibility Child Support Enforcement System). Attached is a description of the system which will provide you with some background information. We hope this will make my discussion with you more meaningful.

At Commissioner Duncan's suggestion, we have also arranged for the members of the committee to tour the CAECSES computer facilities at Landon State Office Building on Thursday, March 23. We will meet for the computer tour in the Director's Conference Room in the South Wing of the 7th Floor of the Landon Building at 8:45 and begin the tour at 9:00. We plan to complete the tour by 9:45.

We are looking forward to meeting with you and hope you can join us for the tour.

CLW:mj

Enclosure

CAECSES PROJECT  
SYSTEM SUMMARY

November 1987

## INTRODUCTION

In September of 1986, the Kansas Department of Social and Rehabilitation Services formally began a major project aimed at automating its public assistance and child support enforcement programs. Referred to as the Comprehensive Automated Eligibility and Child Support Enforcement System (CAECSES) project, it represents the combined efforts of the Department of Social and Rehabilitation Services, Division of Information and Communications and the Office of the Judicial Administrator. During the next two years, staff from these three organizations will be working with a system development contracting firm to design and develop a computer system which will assist staff in correctly determining eligibility for public assistance as well as in collecting child support from absent parents.

The CAECSES project is being undertaken at this time for these major reasons:

- o It is becoming increasingly difficult for the Department to meet its current responsibilities in a primarily manual environment.
- o There is the definite likelihood that enhanced federal funding for such automated systems will not be available within the next 2 to 3 years.

## SUMMARY DESCRIPTION

CAECSES will be an on-line real time computer system which will enable field staff to immediately determine eligibility, and benefits as well as collect and accurately distribute child support payments. Child support information from the court system will be an integral part of the child support function of the CAECSES system. Computer terminals placed in field offices will provide immediate access to a central computer in Topeka. A statewide communications network will allow staff to transmit data to and from the central computer as well as to each other.

Eligibility staff will directly enter information obtained from clients during the interview process onto the computer via terminals located at their desks. CAECSES will use that information to identify verifications required and determine initial or continued eligibility and immediately inform the worker of the result and the amount of benefits due. The results of the determination will be used to issue benefits, generate client notices and produce relevant reports.

The system will continuously monitor each case to alert workers to actions which should occur, reminding them of redeterminations due, changes in ages of recipients which may affect eligibility and outstanding verifications required.

When child support staff collect from an absent parent, the information will immediately be available to the appropriate eligibility worker, appropriate disbursements will be made and if the amount paid exceeds the amount of recipients grant, the case will be closed and the client notified.

The automated eligibility portion of the system which includes all cash maintenance, medical and food stamp benefits will be fully integrated with the child support enforcement portion the system. This integration, the internal

interconnections which allow impartial data to be processed simultaneously for each of the programs, promises to make CAECSES one of the most modern state-of-the-art computer systems in the country. Other state welfare agencies are currently redesigning their automated systems to achieve such integration.

### SYSTEM BENEFITS

Offsetting the costs of CAECSES are the considerable benefits to be gained by the State and its residents. The following summarizes the tangible and intangible benefits anticipated.

#### Client Benefits:

SRS clients can expect improved service as a result of CAECSES implementation. Because the system will be programmed in conformance with State and Federal eligibility policy and provides for more efficient operation they can anticipate:

- o Equitable and fair treatment in any office in the State.
- o Accurate assessment of eligibility and computation of benefits.
- o Assurance that allocated funds are available to eligible, needy clients rather than being reduced by payments to in-eligible clients or program abusers.
- o Timely determination of eligibility and issuance of benefits as well as timely notification of eligibility or change in eligibility.
- o Immediate recognition of child support payments made.
- o Timely distribution of absent parent payments to custodial parents.
- o Improved absent parent locating capabilities
- o Timely identification of child support non-payment situations to ensure appropriate enforcement action to obtain monies rightfully due.
- o Automated review and prioritization of child support cases requiring worker attention.

#### Staff Benefits:

Implementation of CAECSES provides the following improvement for staff:

- o Electronic mail so that staff at all levels can directly communicate with each other.
- o Automated interfaces with external agencies to verify client information.
- o Access to statewide data for better absent parent tracking/locating.

- o Notices/letters subsystem to generate required documents for clients, absent parents, and the courts.
- o Automated referrals from eligibility staff of potential child support cases.
- o On-line editing of data entry to correct errors prior to the addition of the data into the system.
- o Reduction in paperwork.
- o Improved ability to manage caseloads.
- o Improved client worker relations due to the ability to respond quickly to client needs.
- o Increased professionalism as a result of having the tools available to do their job effectively and efficiently.
- o Elimination of need to work overtime when mass changes occur.
- o The ability to respond quickly and accurately to requests for information from clients and supervisors.

**Administrative/State Benefits:**

In addition to improving service to clients and benefiting staff, CAECSES will provide significant improvement in the administration of programs offered by SRS, including:

- o Policy "tables" which can be updated by non-data processing staff, thus making the system easier to maintain.
- o Reduced need to gather special statistics for reporting purposes.
- o Elimination of duplicate payments to clients
- o More efficient recovery of incorrectly paid benefits.
- o Accurate and faster distribution of child support collections
- o Improved ability to locate and collect from absent parents
- o The ability to react to Federal regulatory changes and hence avoid non-compliance sanctions.
- o Timely identification and enforcement against absent parents who have not made required support payments.
- o Disincentives to attempts to fraudulently obtain benefits due to knowledge of the use of sophisticated system audit and matching capabilities.

- o Reduction in the need for staff overtime related to manually accomplishing mandated federal and state regulatory changes.
- o The ability to project the impact of proposed federal and state regulatory changes on clients and program costs.
- o The ability to implement state legislation related to Child Support Enforcement.

## PROJECT SCHEDULE

A master project schedule has been established for the development and statewide implementation of CAECSES. The effort will proceed throughout 5 different phases, each of which has associated "deliverables", a product through which progress can be monitored. The phases are as follows:

### I. Project Study

This phase involved the planning and procurement work required to receive required approvals, and obtain qualified contractor assistance.

### II. Conceptual Design

During this period the requirements for the system are defined and a detailed plan is established for completing the work.

### III. Technical Analysis and Transfer

This phase is geared to the development of the actual computer system. The major tasks to be accomplished include the detailed design, implementation plan, development of required software and testing.

### IV. Full Implementation

Once the system is fully tested the Department will proceed through ten months of implementation on an office-by-office basis.

### V. System Modifications and Enhancements

During this period, any final modifications and enhancements to the system are made in order to qualify the system for federal certification.