

Economic Services Administration
060 - PL - FL - NOTIFICATION CHANGES

Agency Submittal: 11-2017-19-YR Agency Req

Budget Period: 2017-19

SUMMARY

The Economic Services Administration (ESA) proposes an ongoing savings of \$314,000 (\$98,000 GF-State) in the 2017-19 Biennium and each biennium thereafter through changes in notification to clients. ESA is requesting agency legislation that would no longer require the Division of Child Support (DCS) and Office of Financial Recovery (OFR) to provide notice by certified mail to a debtor when the debtor already knows that the debt or obligation is owed.

PROBLEM STATEMENT

Statute requires that DSHS send certain notices by certified mail, when due process requirements would allow those notices to be sent by regular mail. In line with the Governor's priority to have an efficient, effective and accountable government and as a part of department-wide efforts to reduce costs, ESA proposes to amend two separate statutes to remove the certified mail requirement and allow DSHS to use regular mail to send notices.

PROPOSED SOLUTION

The Economic Services Administration proposes a savings of \$314,000 (\$98,000 GF-State) in the 2017-19 Biennium and each biennium thereafter. The agency request legislation would allow DSHS to send certain notices by regular mail instead of requiring certified mail when certified mail is not necessary to protect the individual's due process rights. The regular-mail notices refer to already-established obligations.

EXPECTED RESULTS

DSHS expects cost savings from removing these unnecessary certified mail requirements.

STAKEHOLDER IMPACT

This same concept was proposed as Senate Bill 6495 and companion House Bill 2915 in the 2016 Legislative Session, but neither bill passed. DSHS previously proposed this concept but the 2016 Legislative Session was the first session a bill was introduced.

This change would affect the operations of only the DSHS Economic Services Administration and the DSHS Children's Administration. Other interested parts of state government may include the Office of Attorney General, Health Care Authority, and Department of Early Learning.

Agency Contact: Wendy Polzin, (360) 902-8067

Program Contact: Joe LaChance, (360) 725-4514



DSHS VISION

People are healthy • People are safe • People are supported • Taxpayer resources are guarded

DSHS MISSION

To transform lives

DSHS VALUES

Honesty and Integrity • Pursuit of Excellence • Open Communication • Diversity and Inclusion • Commitment to Service

OTHER CONNECTIONS

Performance Outcomes/Important Connections

1. Does this DP provide essential support to one or more of the Governor's Results Washington priorities?

Goal 4: Healthy & Safe Communities - Healthy People - Provide access to good medical care to improve people's lives.

2. The decision package meets the following DSHS' strategic objectives:

2.1: The percentage of child support collected by ESA will increase.

3.1: The percentage of people who leave Temporary Assistance for Needy Families (TANF) due to self-sufficiency or at their request will increase.

3. Identify other important connections or impacts below. (Indicate 'Yes' or 'No'. If 'Yes' identify the connections or impacts related to the proposal.)

- a) Regional/County impacts? Yes. See response to #4.
- b) Other local government impacts? Yes. See response to #4.
- c) Tribal government impacts? Yes. See response to #4.
- d) Other state agency impacts? Yes. See response to #4.
- e) Responds to specific task force, report, mandate or executive order? No
- f) Does request contain a compensation change or require changes to a Collective Bargaining Agreement? No
- g) Facility/workplace needs or impacts? No
- h) Capital budget impacts? No
- i) Is change required to existing statutes, rules or contracts? Yes.
 - a. This proposal would need RCW 43.20B.635 to be amended to allow the ESA OFR to save money when issuing an Order to Withhold and Deliver: under current law, OFR must send the Order to Withhold and Deliver by certified mail to not only the financial institution, employer, or other entity, but also the debtor's informational copy must be sent by certified mail. OFR estimates that the savings from this portion of the bill could be around \$8,000 per year.
 - b. This proposal would also need RCW 74.20A.320 to be amended to allow the Division of Child Support (DCS) to send notices of intent to suspend license by first-class mail rather than certified mail if the support order includes a statement required under RCW 26.23.050 that the responsible parent's privileges to obtain and maintain a license may not be renewed or may be suspended if the parent is not in compliance with a support order. Of all currently existing orders, approximately 57% of them have this required language. DCS issued approximately 11,500 notices of intent to suspend license in

060 - PL - FL - Notification Changes

State Fiscal Year 2015. If 57% of those notices fall within the purview of this bill, then approximately 6,550 could be served by first-class mail. Service by first-class mail saves DCS \$4.65 per notice. The savings from this portion of the bill could be around \$30,000 per year.

- j) Is the request related to litigation? No
- k) Is the request related to Puget Sound recovery? No
- l) Other important connections? Yes. See response to #4.

4. Please provide a detailed discussion of connections/impacts identified above.

Appropriately notifying non-custodial parents of their financial responsibility enables DCS to take necessary enforcement actions as needed. These enforcement actions are important in helping collect current and past child support debt for families located throughout Washington as well as families located in other states. These enforcement actions also increase DCS's ability to collect debt owed to the state and federal governments.

Alternatives/Consequences/Other

5. What alternatives were explored by the agency, and why was this alternative chosen?

If the agency request legislation is not passed, the department will not see the expected savings. If the department is required to continue to use certified mail, the due process protections are not enhanced in any way.

6. How has or can the agency address the issue or need within its current appropriation level?

If the RCW's are not amended, there will be no savings and ESA will continue to send notices by certified mail as is currently required.

7. Does this decision package include funding for any IT-related costs (hardware, software, services, cloud-based services, contracts or IT staff)?

- No
- Yes (Include an IT Addendum)

Fiscal Detail**060 - PL - FL - Notification Changes**

Operating Expenditures	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>
001-1 General Fund-State	-49,000	-49,000	-49,000	-49,000
001-A General Fund-DSHS Fam	-104,000	-104,000	-104,000	-104,000
001-C General Fund-Medicaid	-4,000	-4,000	-4,000	-4,000
Total Cost	-157,000	-157,000	-157,000	-157,000

Staffing	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>
FTEs	0.0	0.0	0.0	0.0

Performance Measure Detail

Activity:	Incremental Changes			
	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>
Program: 060				
F010 Child Support Enforcement	0	0	0	0
F016 Office of Financial Recovery	0	0	0	0
No measures submitted for package				

Object Detail	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>
E Goods and Other Services	-157,000	-157,000	-157,000	-157,000
Total Objects	-157,000	-157,000	-157,000	-157,000

DSHS Source Detail**Overall Funding**

Operating Expenditures		<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>
Fund 001-1, General Fund-State					
<u>Sources Title</u>					
0011	General Fund State	-49,000	-49,000	-49,000	-49,000
Total for Fund 001-1		-49,000	-49,000	-49,000	-49,000
Fund 001-A, General Fund-DSHS Fam					
<u>Sources Title</u>					
563I	Title IV-D Child Support Enforcement (A) (66%)	-104,000	-104,000	-104,000	-104,000
Total for Fund 001-A		-104,000	-104,000	-104,000	-104,000
Fund 001-C, General Fund-Medicaid					
<u>Sources Title</u>					
19UL	Title XIX Admin (50%)	-4,000	-4,000	-4,000	-4,000
Total for Fund 001-C		-4,000	-4,000	-4,000	-4,000
Total Overall Funding		-157,000	-157,000	-157,000	-157,000