

# Washington's Cost Effectiveness for Foster Care Child Support Cases

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## BACKGROUND

Since Federal Fiscal Year (FFY) 2000, the Office of Child Support Enforcement (OCSE) has calculated state incentive payments based on the performance measures (paternity establishment, order establishment, current collections, arrears collections, and cost-effectiveness) mandated in the Child Support Performance and Incentive Act of 1998.

Eight lines from the OCSE-157 report are evaluated for the first four measures – paternity establishment, order establishment, current collections, and cases with an arrears collection. Several of the lines from the OCSE-34A and OCSE-396A forms are evaluated for the cost-effectiveness measure.

## COST-EFFECTIVENESS RATIO FOR ALL CASES

OCSE calculates each state's cost-effectiveness ratio by comparing the total amount of distributed collections to the total amount of expenditures. Based on Washington's OCSE-34A and OCSE-396A forms submitted for October 2017 to September 2018, Washington collected \$4.21 for each dollar expended in FFY 2018:

FFY18 Total Collections for All Cases = \$672,762,579  
FFY18 Total Expenditures for All Cases = \$159,855,434  
FFY18 Cost Effectiveness Ratio for All Cases = \$4.21

## COST-EFFECTIVENESS RATIO FOR FOSTER CARE CASES

In order to determine the cost-effectiveness ratio for foster care cases and using the same methodology as OCSE's calculation for all cases, we need to determine the total collections and total amount of expenditures for foster care cases.

Based on data provided by the Economic Services Administration (ESA) Management Accountability and Performance Statistics Team, Washington collected \$2,946,189 for foster care cases in FFY 2018. During that period, there were 15,358 foster care cases and 324,771 for all cases.

To determine the total amount of expenditures for foster care cases, expenditures for all cases are divided by the total caseload to arrive at a cost per case. The cost per case is then multiplied by the number of foster care cases to arrive at the total expenditures for foster care cases.

Total Expenditures for All Cases = \$159,855,434  
Total Number of All Cases = 324,771 cases  
Cost per Case = \$492.21  
Total Expenditures for Foster Care Cases = \$492.21 x 15,358 foster care cases = \$7,559,185

Using the information above, it shows that Washington collected \$0.39 for each dollar expended on foster care cases in FFY 2018:

FFY18 Total Collections for Foster Care Cases = \$2,946,189  
FFY18 Total Expenditures for Foster Care Cases = \$7,559,185  
FFY18 Cost Effectiveness Ratio for Foster Care Cases = \$0.39

## SUMMARY

Washington collected an average of \$4.21 for each dollar spent on all cases in FFY 2018. When we narrowed that down to just foster care cases, it shows that Washington collected approximately \$0.39 for each dollar spent.