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February 27, 2004

U.S. Department of Health and Human Services
Administration for Children and Families
Office of Grants Management
Division of Discretionary Grants
370 L'Enfant Promenade, SW., 4th Floor West
Washington, D.C. 20447

Attention: Barbara Ziegler Johnson

Subject: Application for OCSE SIP Grant CFDA Number: 93.601

Dear Ms. Johnson:

The San Francisco Department of Child Support Services, in partnership with the San Francisco Unified Family Courts and its Family Law Facilitator, is hereby applying for a Special Improvement Project Grant, CFDA Number: 93.601, under Priority Area 5: Helping Noncustodial Parents (NCPs) Meet Their Child Support and Family Responsibilities.

Enclosed please find the original and two copies of San Francisco's application for an Enhanced Parental Involvement Collaboration project between the Department of Child Support Services and San Francisco's Unified Family Court and its Family Law Facilitator to increase participation of noncustodial parents in the paternity and support establishment process and to reduce default judgments. This application along with all supporting documents is submitted under Priority Area 5.

If you have any questions or need additional information, please contact me at (415)356-2909.

Very truly yours,

MILTON M. HYAMS
Director

Enclosures
cc: Leora Gershenzon, Assistant Director, California Department of Child Support Services
Hon. Rebecca Wightman, Commissioner, San Francisco Unified Courts
Kristin Hoadley, Family Law Facilitator, San Francisco Unified Courts

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ENHANCED PARENTAL INVOLVEMENT COLLABORATION "EPIC"

PROJECT SUMMARY/ABSTRACT

The San Francisco Department of Child Support Services, in partnership with the San Francisco Unified Family Courts and its Family Law Facilitator, is applying for a Special Improvement Project Grant under Priority Area 5: Helping Noncustodial Parents (NCPs) Meet Their Child Support and Family Responsibilities.

The San Francisco Department of Child Support Services, San Francisco's Local Child Support Agency (LCSA), serves the public by ensuring that children receive the financial support to which they are legally entitled. Per California Assembly Bill 1058, each of California's 58 county courts maintains an Office of the Family Law Facilitator to provide self represented parties with education, information, and assistance with child support, spousal support, and health insurance issues. The San Francisco LCSA, Family Law Facilitator (FLF), and the Unified Family Court are collaboratively applying for one of the Special Improvement Project ("SIP") Grants in order to further the national child support mission, vision, and goals. The aforementioned entities will hereinafter be referred to collectively as "San Francisco." San Francisco has named this collaborative project the Enhanced Parental Involvement Collaboration ("EPIC").

If funded, San Francisco, through the EPIC project, will develop, implement, and determine the effectiveness of a number of alternative measures designed to reduce the number of default cases and/or the number of cases in which imputed income was used to establish child support orders. San Francisco will employ alternative measures at every stage in the establishment process, specifically addressing the issues of notice to the non-custodial parent ("NCP") and the educational, cultural, and economic barriers that prevent or deter NCP's from participating in this process. The goal is to increase NCP participation in the establishment process. San Francisco believes that these alternative measures will encourage low-income NCPs to actively participate in the process of establishing paternity and child support obligations, which will, in turn, reduce the default rate, reduce the amount of support arrearages, and increase the payments rates for low income NCPs.

10 percent in Harris County, Texas and 13 percent in New York City to as high as 62 percent in Maricopa County, Arizona and 79 percent in Los Angeles County.

The California Department of Child Support Services estimates that 71 percent of the parents who owed child support arrears in March 2000 had at least one child support order set by default. While this default rate is dramatically higher than that reported by other states or jurisdictions, these figures are consistent with the findings of the California Judicial Council, who reported in their 2001 guidelines review that 68 percent of the orders established in 1999 by the LCSAs (then District Attorney's offices) were entered by default.

Two other California studies also show has a very high default order rate. A California Judicial Council study of the California guidelines, based upon a random sample of orders in nine counties, found that 68 percent of IV-D support orders were entered through default. Most recently, the Urban Institute used regression analysis with data from four CASES counties to estimate a default order rate of 70 percent for California.

San Francisco, in the last three quarters of Federal Fiscal Year (FFY) 2003, established orders by default in 53.2% of the cases. In FFY 2004 to date, orders were established by default in 59.2% of the cases. Figure 1 illustrates the percentage of default rates and presumed income defaults as compared to non-default orders.

Defaults and Presumed Income Defaults, Compared to Non-Default Orders, 2003

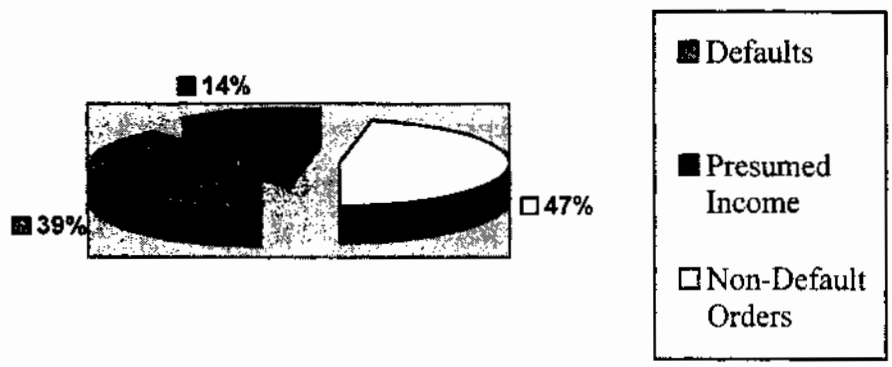


Figure 1

ORDERS BASED UPON PRESUMED/IMPUTED INCOME

Orders entered by default often result in orders based upon presumed/imputed income. When NCP's fail to appear, the LCSA often lacks accurate information regarding the NCP's actual earnings, requiring the agency, and subsequently the court, to impute income to the NCP based upon the legal presumption that the NCP has a specified level of income. Often the court imputes income based upon the presumption that the NCP is earning the equivalent of a full time job at minimum wage. The rationale for presuming income is that a court must use some income determination, even if presumed, to prevent the NCP from benefiting from his or her failure to provide information or to appear at the hearing.

An Office of Inspector General (OIG) study found that all but three states impute (presume) income by policy. The OIG also found that most sampled states (9 out of 10) imputed income if no income information was available and half the sampled states imputed income if the NCP was unemployed. Most states also imputed income if the parent was deemed underemployed. The OIG report further found that income was imputed in 45 percent of the cases it analyzed. Forty-four percent of the imputed income cases generated no child support over a 32-month period, compared to 11 percent of non-imputed income cases. Thus the OIG report concluded that child support was substantially less likely to be paid in cases where income was imputed than in cases where it was not, the most likely reason underlying this result being that the order may exceed the NCP's ability to pay.

CONCERNS RAISED BY DEFAULT ORDERS

When child support orders are established by default, four concerns are raised:

- The NCP may not be initially aware of the existence or the amount of an obligation and therefore may be less likely to make child support payments.
- Since the NCP has not participated in the process, he or she is less likely to accept or "buy-in" to the amount ordered.
- Default orders are too often based upon presumed income, rather than actual income information, and therefore may not reflect the ability of the NCP to pay support.
- Default orders result in lower collection rates on current support.

As a result, default orders can contribute to the build-up of excessive arrears, and can even discourage the participation of the NCP in the life of the child, the later result being antithetical to the child support mission.

AREAS WHERE ASSISTANCE IS NEEDED

While a myriad of reasons explain why a default order may occur, San Francisco's proposed alternative measures will address the following identified areas of concern:

1) Non-custodial parents are not aware of the legal proceeding being brought against them; and
2) Non-custodial parents are aware of the legal proceeding, but they do not understand that they are required to make a legal appearance.

The first target area of concern is the method used to notify NCP's of the complaint being brought against them, known as service of process. Service of process is the formal delivery of documents initiating a court action, and when documents are personally delivered to the person named in the proceeding, this act is called personal service. While personal service should be the preferred method of delivering a child support complaint, as this process is most likely to provide the NCP with actual notice of the proceeding, California law allows "substitute service" if a complaint cannot be hand delivered to the person. Substitute service occurs when the documents are delivered to an adult other than the NCP at the residence or employer of the NCP, with follow-on copies being mailed to the NCP.

Substitute service is problematic in that the adult receiving the court documents may or may not deliver them to the person named in the complaint. Relatives may believe that they may be benefiting the person named in the complaint by not delivering the documents to that individual. Friends, roommates, or employers may discard or misplace the documents. The end result is that the person named in the complaint is never notified of the court action, and consequently, the court enters a default judgment against this individual. Lack of actual notice, however, is not the only dynamic that may be contributing to high default rates.

The second target area of concern relates to the dynamic wherein the NCP has actual notice of the action, but lacks the ability to comprehend the substance of the summons and complaint, and the procedures described therein. While recent changes have been made to the summons and complaint in California, making these documents considerably easier to

understand, far too many NCPs do not understand the content of the documents, and therefore do not appear.

The main objective of this project is to encourage and promote participation at every step in the establishment process to enable NCPs, to not only understand, but to meet their child support and family responsibilities. NCP's cannot pay child support if they are unaware that they are required to do so.

Another objective is to ensure that the NCP is actually the parent of the child at issue. NCPs will be reluctant to pay for children that they do not believe are their own. Participation in the process provides the NCP the opportunity for timely genetic testing.

Another objective is to ensure that child support orders reflect the true earnings of NCP's. Policy makers suggest that NCP's are more likely to meet their child support obligations when these support amounts are based upon their ability to pay. In *Perceived Fairness and Compliance with Child Support Obligations*, the author found that compliance with support orders increased when non-custodial fathers perceived that the amount of support is fair.

These findings reflect that the act of paying child support involves a psychological as well as an economic element. The fact that the NCP's subjective perception of the process directly affects the likelihood that the NCP will meet his or her support obligation supports the need to continually improve customer service, taking into account the humanistic aspects of the dynamic of support collection.

Maryland commissioned a study of its arrears caseload in 1996, which indicated that the most important factor in payment by low-income obligors was their perception of what was going on and how they had been treated. Obligors who understood the child support process, and had been respectfully treated by the child support workers, had far better payment records than those who did not understand their obligation or felt disrespect from the workers.

A report from Colorado contains similar findings. The researchers found that if non-custodial parents had participated in the negotiation conference at which the order was established, their payment pattern was significantly better than that of parents whose order had been established by default.

Therefore, if San Francisco is to reduce the rate of defaults and/or the use of imputed income in establishing child support orders, alternative measures will need to be implemented which take into account educational, cultural, economic, and psychological barriers which

prevent low income NCP's from meeting their child support and family responsibilities. The following section presents practical innovations addressing these existing barriers.

APPROACH

PLAN OF ACTION

San Francisco's plan of action includes the design and adoption of more customer-friendly approaches in establishing child support orders for low-income NCPs. This plan will be implemented in half of the cases opened during the funding period, while the other half of the cases opened during the funding period will be processed in accordance with existing procedures, which involve significant automation. Within the project group, alternative measures will be implemented at various stages of the establishment process, including the period before a Summons and Complaint have even been filed; the service of process stage; the period of time directly after service of process, but before the time for a default has elapsed; the stage of default eligibility (30 days after service of process); and the post judgment stage. The following is a summary of the proposed alternative measures to be accomplished by this collaboration:

1) The first set of alternative measures directly addresses that issue of notice. If funded, San Francisco will be able to improve its process for locating information regarding NCPs. These enhanced strategies will be implemented not only at the onset of the case, but throughout the entire establishment process. San Francisco will implement the following strategies:
    - Obtain NCPs picture from DMV for process server. This measure will reduce the likelihood that service is made upon the wrong individual, and will make it more difficult for respondents to lie about their identity in an effort to avoid service;
    - Cross-check locate information with other agencies and courts, including Family and Dependency Court, Criminal Court, Department of Human Services (GA, Cal Works), local Police Department, local jails and prisons. This measure will allow San Francisco to better utilize the existing information network in achieving its goals;

- Cross-check with Employment Verification Letters. This measure will not only assist in locating the NCP, but will insure that employment/financial date is accurate, making it more likely that the order entered reflects the NCP's ability to pay.

2) The next set of alternative measures addresses both the concerns regarding notice as well as the concerns regarding the NCP's ability to comprehend the subject matter and procedures related to the process of establishing child support orders. San Francisco will develop a more "User-Friendly" service package, which will include letters and notices that have been reconfigured to address the lower level of literacy common in the target population. San Francisco will implement the following:
    - A cover letter professionally translated into "plain" English, Spanish, and Cantonese. This letter will be used for all types of service, and will include information regarding free legal services available, including the Office of the Family Law Facilitator. This measure will increase the likelihood that NCPs are aware of the free assistance available to them;
    - Provide a duplicate "Answer" form in a separate envelope with an FLF appointment telephone number. This measure will more clearly illustrate the necessity of filing an Answer, as well as provide the NCP with direct information regarding obtaining assistance in doing so;
    - Provide incentives for personal service. This measure addresses the fact that currently, process servers receive the same compensation for substitute service as they do for personal service. Moreover, process servers receive significantly less compensation for unsuccessful service, thereby creating an incentive for process servers to perform "substitute service," service upon a relative or roommate residing at the NCPs alleged residence. Therefore, under the present system, there is no positive incentive to perform personal service. By implementing such incentives for personal service, process servers will be less likely to perform substitute service, the end result being that more NCPs receive actual notice.

3) The next set of alternative measures addresses the concerns regarding a NCPs ability to understand the process. Through these measures, San Francisco will

further humanize the process by initiating phone contact, providing the NCP with more opportunities for direct personal contact. Such contact will reduce the degree to which an NCP must rely upon his or her understanding of the written text by introducing an oral communication element which favors NCPs with reduced literacy skills. San Francisco will initiate telephone contact after service to:

- Explain the child support process;
- Make appointments with FLF and LCSA;
- Encourage stipulations.

These measures will provide another opportunity for the NCP to make a personal contact with an informed individual. This contact will aid in addressing the misconceptions many NCPs have regarding the establishment process, and will provide NCPs with alternatives to the court process.

4) The next alternative measure will provide NCPs who have not appeared within 30 days of being served another opportunity to participate in the process, thereby providing the NCP with a second notice regarding the process. Once 30 days have elapsed since valid service of the Summons and Complaint, San Francisco will serve (either personally or by mail depending upon the level of initial service) to the NCP a notice regarding an informal Court Status Conference. The Court Status Conference will be staffed by the Child Support Commissioner, the FLF, and a LCSA representative, and will provide the following services:

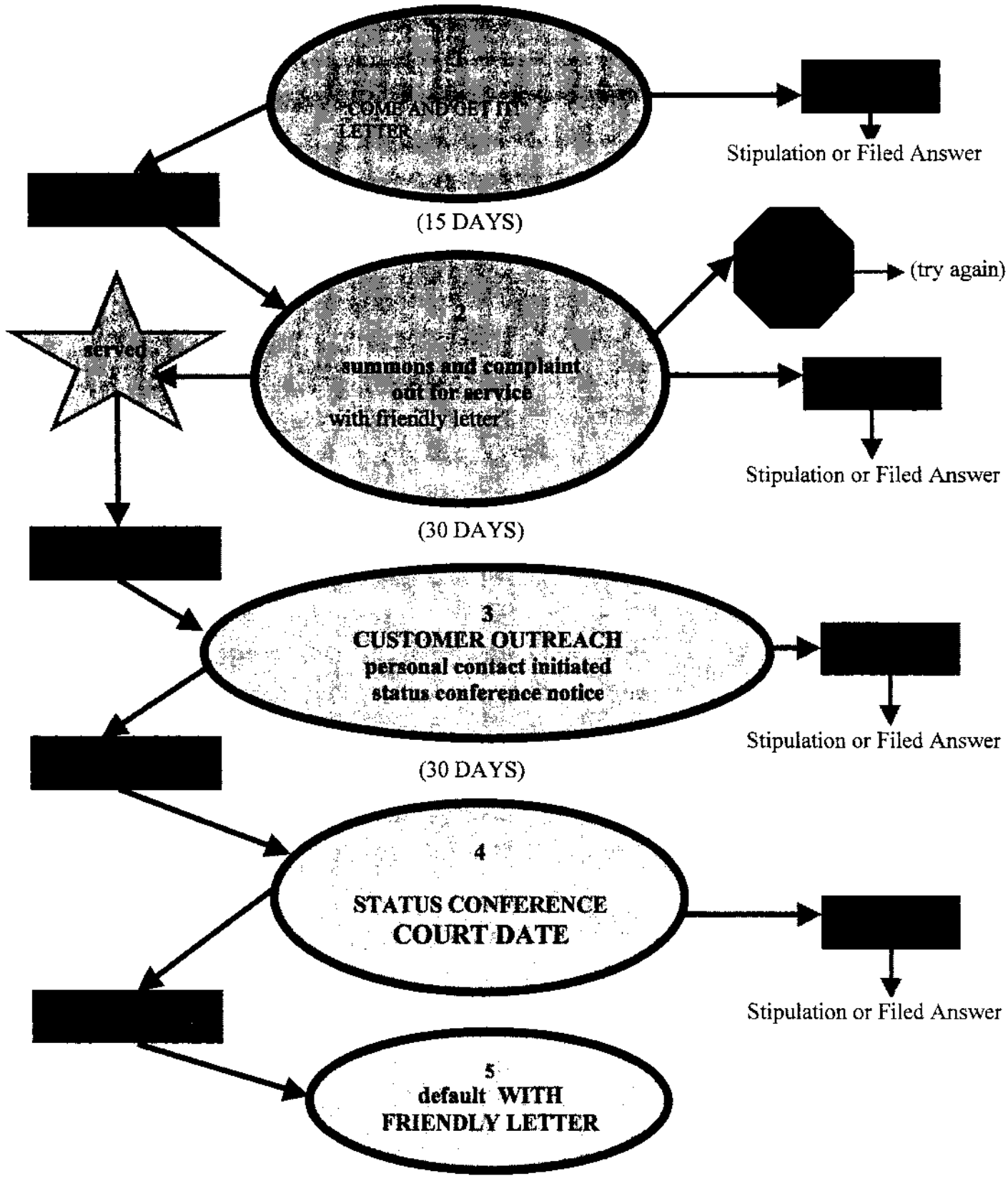
   - Telephonic appearances by LCSA and others;
   - In court processing of Stipulated Judgments and Orders;
   - Coordinate with Dependency Court on foster care cases;
   - Expedite case processing of defaults to assist LCSA in fulfilling all necessary timelines (for no-shows).

   The Court Status Conference will provide a new safeguard calculated to address concerns regarding both notice and comprehension, as this notice will make it clear that a court appearance is unequivocally required. And once they arrive, they will be able to speak with and obtain assistance from a service provider.

5) The final set of alternative measures has an informative purpose. San Francisco will develop and disseminate a Post Judgment Default Review Package, which will

include a user-friendly explanation of a Judgment Regarding Parental Relationship and information regarding how to correct the judgment if it is inaccurate. This information will provide NCPs with information regarding the nature of the document as well as set aside deadlines. San Francisco will also use this opportunity to re-check locate information and income information for updates.

FIVE INTERVENTION POINTS
TO ENHANCE PARENTAL INVOLVEMENT



COOPERATING ENTITIES

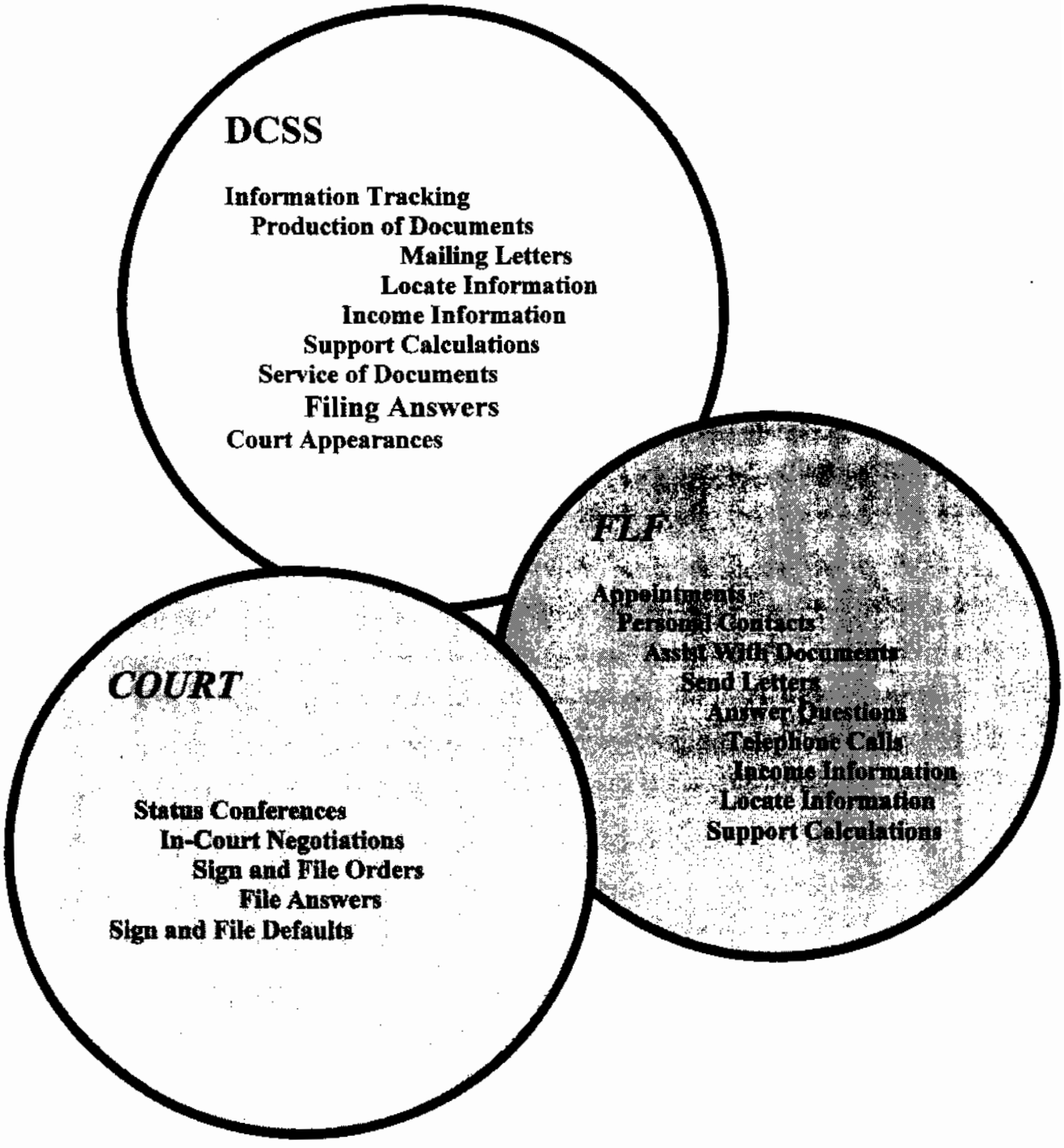
The San Francisco Department of Child Support Services, the Unified Family Court and the Family Law Facilitator for the City and County of San Francisco are collaboratively applying for one of the Special Improvement Project ("SIP") Grants in order to further the national child support mission, vision, and goals. The collaborators will coordinate their efforts and resources so as to maximize the benefits of the proposed funding.

The San Francisco Department of Child Support Services is San Francisco's Local Child Support Agency (LCSA). The LCSA serves the public by ensuring that children receive the financial support to which they are legally entitled, by helping families remain self-sufficient, and by recouping public assistance expended from noncustodial parents. The LCSA is committed to providing timely, competent, and professional services that are cost effective, efficient, and responsive to community needs.

The Unified Family Court (UFC) for the City and County of San Francisco hears and adjudicates matters relating to family law, dependency, juvenile delinquency, and IV-D child support. The UFC is committed to providing citizens with improved and meaningful access to justice, and specifically is continuing to expand the services available to self-represented litigants.

Per Assembly Bill 1058, each of California's 58 county courts maintains an Office of the Family Law Facilitator (FLF), funded by California DCSS under a Plan of Cooperation with the courts, to provide self represented parties with free education, information, and assistance with child support, spousal support enforcement, and health insurance issues. Each court appoints a California-licensed attorney with mediation/litigation experience in family law to head the office, and appoints additional attorneys and support staff depending upon need and available resources.

PARTNERS IN COLLABORATION
FOR ENHANCED PARENTAL INVOLVEMENT



EVALUATION

The purpose of the evaluation is to define, measure, and test the effectiveness of the proposed alternative strategies in reducing default rates as compared to the default rates resulting under the process currently in existence. San Francisco hypothesizes that the EPIC project's strategies calculated to provide notice, to address comprehension and literacy issues, to increase outreach efforts and the amount of personal contact available to NCPs, and to encourage the physical presence of the NCP in the court proceeding, will significantly increase NCP participation in the establishment process.

In determining the success of the EPIC project, San Francisco will ascertain whether the EPIC project's objectives have been met under the following performance objectives:

- The EPIC project will reduce the default rate;
- The EPIC project will reduce number of defaults using presumed/imputed income, resulting in more accurate orders;
- The EPIC project will increase NCP participation in the child support establishment process;
- The EPIC project will increase payment rates among low income NCPs.

Measurements will be taken at five key points in the process to determine whether these measures are, in fact, facilitating the involvement and participation of low income NCPs.

At each point, San Francisco will need to ascertain whether the objectives of the project are being met as stated above.

1) An initial notice of the lawsuit will be sent to the non-custodial parent informing them that they have 15 days to appear at the LCSA to receive a copy of the lawsuit before service of the lawsuit is attempted on them.

The measurement should include:

- The number of NCPs that respond to the notice and the result of the responses;
- The number of NCPs that do not respond to the notice;
- The number of NCPs that do/do not respond to the existing process.

2) If the NCP fails to respond to #1, the lawsuit is sent to a process server for service on the NCP. A "friendly" letter will be included in the service packet, written in plain and simple language that invites the participation of the NCP.

The measurement should include:

- The number of NCPs that respond and the result of the responses;
- The number of NCPs that do not respond;
- The number of NCPs that do/do not respond to existing process.
- 3) Once service has been affected, San Francisco will attempt to initiate phone contact with the NCP. We believe that this opportunity for the NCP to engage in meaningful dialogue with a knowledgeable service provider will facilitate participation by humanizing the process, and by making it easier for NCPs with low literacy skills to understand the content of the documents.

The measurement should include:

- The number of NCPs that respond prior to the court status date, and the result of the responses;
- The number of NCPs that do not respond;
- This step does not correspond to any step in the existing process.

4) 30 days after service has been affected on the NCP, a court status conference notice will be sent to the NCP, either by certified mail or personal service. The notice will provide a date for the NCP to appear at court to participate in the case. The court status conference is the final opportunity for response by the NCP prior to entry of the judgment. If the NCP does not appear at the court status conference, or, appears and refuses or still fails to respond, a default judgment is entered.

The measurement should include:

- The number of NCPs that appear at the court status conference, and the result of the appearances;
- The number of NCPs that do not appear at the conference.

5) The default is served on the NCP, along with a "friendly" letter written in plain and simple language that explains available post-judgment options.

The measurement should include:

- The number of NCPs that respond to the letter, and the results of these responses;
- The number of NCPs that fail to respond to the letter;
- The number of NCPs that do/do not respond in the existing process.

These measurements will be gathered on a monthly basis during the course of the project. At the completion of the project, the measurements will be complied and evaluated by

comparing the results of the project to the cases that are not part of the project, and to past performance of defaults. The measurements will enable us to determine the results achieved in the project and to evaluate its success.

Data Analysis: The process analysis will focus upon the following:

- Measure differences between default rates entered under the cases that were processed through the EPIC project as compared to those processed under the existing system. This assessment will determine whether the alternative measures implemented under the EPIC project have reduced default rates;
- Measure differences between the number of presumed/imputed income orders processed through the EPIC project as compared to those processed under the existing system. This assessment will determine whether the alternative measures implemented under the EPIC project have indeed reduced the number of orders based upon presumed/imputed income;
- Measure differences between the payment rates of NCPs processed through the EPIC project as compared to the payment rates of NCPs who were processed under the existing system. The primary objective of the EPIC project is to reduce default rates so as to increase payment rates. We believe that increased participation will result in more accurate orders, accurate as to both paternity and ability to pay. NCPs who have access to information, who feel respected, who believe that paternity has been accurately established, and who believe that the orders are based upon their ability to pay, are much more likely to meet their child support obligations and responsibilities to their families.

STAFF AND POSITION DATA

We are requesting funding for two additional positions to support this project. The positions will consist of two journey level caseworker positions (Child Support Officer II class 8158). To distinguish these positions from other line caseworker positions in the Department, they will be called Child Support Facilitators. As mentioned above, San Francisco DCSS operates in a highly automated environment, which automates virtually all of the existing establishment process. The default reduction project described in this proposal requires

exception processing to take project cases out of the normal system flow. The characteristic of this project is to devote maximum human intervention into the process to see if it makes a difference. Neither the Department nor the court is currently staffed to accomplish this intervention at this time. The requested positions will provide the staff to work project cases "outside the system" and to provide the enhanced outreach and customer service proposed. If the project is a success, system changes can be undertaken to adopt the practices described above.

Administration and supervision of the project will be performed by existing staff. The Project Manager will be the Head Attorney of San Francisco DCSS and the Legal Team Supervisor will provide first line supervision of the Child Support Facilitator assigned to the LCSA office while the Family Law Facilitator will provide oversight of the position assigned to the court on behalf of the Department.

BUDGET AND BUDGET JUSTIFICATION

The budget narrative for this application is broken down by position and includes itemization of funds provided through the Federal grant and that provided by local match.

Local In-Kind Contributions:

- Project Management and Supervision: Project management and supervision will be performed by existing IV-D funded staff at both the LCSA and at court. As described above, this staff will consist of the Head Attorney of the LCSA, a Supervising Child Support Officer (III), who is the staff supervisor of the LCSA Legal Team and the Family Law Facilitator, an attorney who is an employee of the San Francisco Unified Court.
- Services and Supplies. The agency housing the respective project staff will be responsible for providing office space and furniture as an in-kind contribution to the project.
- Travel. Travel and training costs, to the extent required, will be provided as an in-kind contribution by the LCSA.

Federal SIP Grant:

- $88,077: To fund one Child Support Officer II position (to be called a Child Support Facilitator) for 17 months, to be assigned to the LCSA to do "exception processing"

from the automated system of all project establishment cases and manage the project establishment/default caseload from filing through service of the final judgment.

- $88,077. To fund one Child Support Officer II position (to be called a Child Support Facilitator) for 17 months, to be assigned to the court to perform project outreach to NCPs, research/update earnings information and amend pleadings accordingly; negotiate stipulations and represent the LCSA at the Status Conference.
- $2,223. To cover the cost of two workstations and office software for the two Child Support Facilitator positions.
- $15,098. To cover contract cost for increased process service services to support the enhanced attempts to provide actual notice of the process and for translation and simplification services for the service documents.

A detailed budget display is set forth on the next page.