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KIDS INFORMATION DATA SYSTEM

Wisconsin completed implementation of an automated child support enforcement system known as the Kids Information Data System (KIDS) in September 1996. KIDS, which is used by staff in the state's 72 counties and supported centrally, is intended to assist child support enforcement efforts to ensure that parents provide financial and medical support for their children. The system was developed at a cost of \$51.4 million—\$41.8 million in federal funds, and \$9.6 million in state general purpose revenue—under the direction of the former Department of Health and Social Services. The Department of Workforce Development assumed responsibility for KIDS in November 1996.

Problems Remain to Be Addressed

Although several factors influenced the development of KIDS, priority was given to ensuring that the system would meet the requirements of the federal Family Support Act of 1988. For example, because serious financial penalties were to be imposed on states that failed to meet a federal implementation deadline, the Department decided to modify, delay until after implementation, or eliminate many of the system functions that county staff indicated would be necessary. Furthermore, there was only limited pilot testing before statewide implementation began. Consequently, county staff who are responsible for day-to-day child support activities have encountered problems with KIDS.

Some of the problems initially encountered, such as monthly child support bills being sent to parents who did not owe any support, were caused by inaccurate and out-of-date data for which the counties were responsible. However, the system itself causes other problems, many of which have not yet been addressed. For example, some parents are inappropriately being assessed interest charges despite consistently meeting their obligations through income withholding; as many as 58.4 percent of Wisconsin's 206,000 child support cases may be subject to this problem. In addition, KIDS inappropriately disburses some payments when child support orders are expressed as a percentage of gross income; 35.9 percent of support orders are expressed in this way. KIDS is also periodically unavailable to county staff, and functions designed to automate case referral and parent location information have required additional manual work.

System Benefits Are Not Yet Clear

Problems experienced by the counties did not prevent KIDS from being certified in September 1997 as a comprehensive statewide automated system capable of meeting the requirements of the federal Family Support Act of 1988. Wisconsin is 1 of 17 states that met the federal deadline, which had been extended to October 1, 1997. Nevertheless, questions continue to be raised about the system's overall effect on the child support program and child support collections.

Currently, conclusions about the system's effectiveness cannot be drawn from available data. For example, although the Department has asserted that collections have increased significantly because of KIDS, this assertion is based on questionable data. Reliable collection data are available only for cases that involve county enforcement services: public assistance cases, former public assistance cases, and those cases for which a small fee has been paid to receive county enforcement services. During the system's first year of operation, collections for these cases increased \$19.3 million, or 4.4 percent, to \$459.6 million. However, in each of the four years before KIDS implementation began, collections for these cases increased at a significantly higher rate.

Substantial System-Related Expenditures Will Continue

The State will continue to incur substantial costs to operate KIDS. In its recent request to the Joint Committee on Finance, the Department estimates operating costs of \$25 million in fiscal year (FY) 1997-98. One-half of this amount is for data processing, which is expected to cost more than twice the amount initially anticipated. To decrease operating costs, the Department should improve its use of available information processing technology and review the efficiency of KIDS computer programming.

Costs will also be incurred to implement recent changes to federal and state welfare legislation. The Department estimates that FY 1997-98 expenditures to make these changes will total \$7.7 million. While we did not attempt to determine the appropriateness of the amount of spending proposed, it is clear that funding is necessary to ensure full compliance with state and federal legislation, particularly the 1996 federal Personal Responsibility and Work Opportunity Reconciliation Act.

Finally, additional resources may need to be committed in order to ensure the Department addresses the ongoing problems that affect county staff. The Department has not requested funding for this purpose because it believes that system changes can be made over time, as part of normal maintenance. However, the Department may receive federal reimbursement for a portion of development costs that were already funded with general purpose revenue. In that case, an additional \$3.7 million may be available, and we recommend the funds be used to address ongoing problems in a timely manner and ensure the system is operating as efficiently and effectively as possible.

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