PROGRAM EVALUATION DIVISION
NORTH CAROLINA GENERAL ASSEMBLY

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Revising State Child Support Incentive System Could Promote Improved Performance of County Programs

Summary

As directed by the North Carolina General Assembly's Joint Legislative Program Evaluation Oversight Committee, this evaluation examines the North Carolina Child Support Services program. The state-supervised, county-administered program is responsible for providing federally-mandated child support services.

Based on federal performance measures, the North Carolina Child Support Services program ranks only 24th among the 50 states. Program performance has stagnated and is not improving.

Although success depends on the cumulative performance of county programs, the Child Support Services State Office does not effectively use its federal incentive award to promote improved county program performance. The incentive goals the CSS State Office develops for county child support programs are not connected to the incentive payments awarded to county programs. Additionally, the CSS State Office cannot ensure federal incentive payments are being used to improve county programs because it has not established specific spending guidelines and does not track incentive payment expenditures.

Limited resources hinder the CSS State Office's centralized services. To improve these services, the CSS State Office could retain a portion of the federal incentive money it receives.

To address these findings, the General Assembly should

- stipulate that 15% of federal incentive payments be retained by the CSS State Office to enhance centralized child support services;
- stipulate that 10% of federal incentive payments be retained for incentive bonuses for employees of county programs that meet or exceed incentive goals;
- direct the CSS State Office to distribute the remaining 75% of federal incentive payments to county programs based on the existing methodology and to determine whether an alternative formula would be appropriate in the future;
- direct the CSS State Office to require county child support programs to document that federal incentive payments are being used to improve program effectiveness and efficiency; and
- require counties to maintain county expenditures for child support services at a level not less than the average level of such expenditures for the two previous state fiscal years.