

Quality and Productivity Commission
29th Annual Productivity and Quality Awards Program
Champions of Change: Together We Make a Difference

2015 APPLICATION

Title of Project (Limited to 50 characters, including spaces, using Arial 12 point font):

NAME OF PROJECT: PREDICTING PROSPERITY: IT'S JUST ANALYTICAL

DATE OF IMPLEMENTATION/ADOPTION: JANUARY 1, 2014
 (Must have been implemented at least one year - on or before July 1, 2014)

PROJECT STATUS: Ongoing One-time only

HAS YOUR DEPARTMENT PREVIOUSLY SUBMITTED THIS PROJECT? Yes No

EXECUTIVE SUMMARY: Describe the project in 15 lines or less using Arial 12 point font. State clearly and concisely what difference the project has made.

1 How does the nation's largest locally operated child support program implement
 2 advancements in technology to improve overall effectiveness, maximize staff resources,
 3 and increase collections distributed to vulnerable children and families? The answer is
 4 both simple as well as complex. We now utilize a highly sophisticated predictive
 5 analytics model to forecast the outcomes of child support cases when they are first
 6 opened. The analytic protocol scores each case based upon pre-determined criteria that
 7 have proven to correspond to the likelihood of securing regular payments. Maximizing
 8 this predictive analytic capability, we have changed our basic business model to assign
 9 case managers to caseloads that are focused on a particular attribute. As a result, we
 10 are able to focus and allocate staff resources based upon case type and need. Within
 11 the first 12 months of implementation a team of nine employees collected \$2 million
 12 dollars for fragile families on previously non-paying cases. We are optimizing
 13 performance through a specifically tailored case management model that has the
 14 potential for countywide transference to improve effectiveness, efficiency, and customer
 15 service across a variety of public sector service delivery programs.

(1) ACTUAL/ESTIMATED ANNUAL COST AVOIDANCE	(2) ACTUAL/ESTIMATED ANNUAL COST SAVINGS	(3) ACTUAL/ESTIMATED ANNUAL REVENUE	(1) + (2) + (3) = TOTAL ANNUAL ACTUAL/ESTIMATED BENEFIT	SERVICE ENHANCEMENT PROJECT
\$	\$	\$ 2,000,000+	\$ 2,000,000+	X

ANNUAL = 12 MONTHS ONLY

SUBMITTING DEPARTMENT NAME AND COMPLETE ADDRESS Child Support Services Department 5500 S. Eastern Avenue, 4 th Floor Commerce, CA 90040		TELEPHONE NUMBER 323-889-3400
PROGRAM MANAGER'S NAME Sara Gaeta-Anguiano		TELEPHONE NUMBER 323-889-3323 EMAIL
PRODUCTIVITY MANAGER'S NAME AND SIGNATURE <small>(PLEASE CALL (213) 893-0322 IF YOU DO NOT KNOW YOUR PRODUCTIVITY MANAGER'S NAME)</small> Jennifer A. Coultas Signature on file	DATE 07/14/15	TELEPHONE NUMBER 323-965-6565 EMAIL
DEPARTMENT HEAD'S NAME AND SIGNATURE Steven J. Golightly, Ph.D. Signature on file	DATE 07/14/15	TELEPHONE NUMBER 323-889-3400

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1st FACT SHEET – LIMITED TO 3 PAGES ONLY: Describe the **Challenge, Solution, and Benefits** of the project. State clearly and concisely what difference the project has made. Use Arial 12 point font

Background

The Los Angeles County Child Support Services Department (CSSD) is the largest, locally operated child support program in the nation with 280,000 cases, 75% of these cases are either current or former public assistance recipients. Federal performance measures guide the administration of the program. One of CSSD's key performance metrics is the percentage of child support collections on current support owed (collections/support owed). In LA County, annual collections have plateaued at approximately \$450 million. Concerned with this flat collection rate, CSSD executive leaders developed a strategic plan to identify a new way of doing business that maximizes staff efforts and improves the quality of service provided to our clients.

Challenge

CSSD employs many dedicated caseworkers. Each are charged with investigating and monitoring approximately 800 cases, including: enforcing child support laws, establishing a child's parentage, collecting and disbursing support payments, and performing other customer service activities. Collectively, within six divisional offices, they handle 24 percent of the state's child support caseload and serve half a million children.

Within each caseload, there was a wide range of case "types." Consequently, the case manager's average caseloads included complex, simple, litigated and onset initiation stage cases. This approach constituted a strain on the case manager and hindered the department's ability to resolve cases and collect support in an efficient and timely manner. Additionally, there are cases from 49 states and 16 foreign countries in the CSSD caseload.

Solution

The Department designed a business model, known as the "Predictive Analytics Model," to assess 280,000 cases within the Department. This model used existing programmatic variables, as well as incorporated participant and economic data to identify and predict case outcomes. We implemented the Predictive Analytics Model to develop guiding principles to enhance effectiveness, maximize the availability of staffing resources, and ultimately increase the amount of distributed collections to the vulnerable children and families we serve.

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Our aim was to improve case performance by utilizing the Predictive Analytic Model to segment the caseload and empower the case manager with tailored enforcement remedies. This enabled the case manager to become a subject matter expert. Case segmentation involved assigning and grouping caseloads with similar performance and needs based upon the "analytic score" as to likelihood the case would receive a payment. By utilizing this model, a case manager can work cases strategically, improve focus by eliminating unnecessary casework, and thereby improve customer service.

Pilot Implementation

In January 2014, we assigned 9,486 cases with an arrears balance and no payment within the last year to a specialized pilot team. The team focused all efforts and enforcement on arrears only cases. All of these cases had similar needs and the team tailored enforcement remedies to meet those needs. The case managers became subject matter experts by developing their participant locate skills. The arrears only project focused on increasing collections and efficiency in order to provide improved customer service. The team used customized letters, received extensive training on asset locate tools, and implemented the use of social media research. This team has collected \$2 million dollars in a span of 12 months on previously non-paying cases. Additionally, the pilot team improved the performance of these cases by 8.3 percentage points.

Due to the success of the arrears only project, CSSD assessed the feasibility of utilizing predictive analytics to *segment the entire department's caseload*. This process required a cross-sectional approach to Change Management that involved all CSSD staff, consultation with other county departments, and other LCSA agencies in the state.

Department Implementation

We moved the remaining six divisional offices to a segmented caseload model in phases. We phased case reassignment by case type, starting with the centralization of all 40,000 establishment cases and 38,000 arrears only cases. Finally, we reassigned the remaining enforcement cases to segmented quadrants based upon the predictive analytic score as to likelihood that the case would pay.

Benefits

In addition to the quantifiable performance improvement in local child support collections, CSSD's implementation of Predictive Analytics as a methodology for smart, sophisticated public sector program management is a model for local and national government transformation. This project leverages the ability of management to utilize

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advancements in predictive analytic modeling technology, in concert with demographic, economic, and social data, to re-design work processes to maximize organizational resources. Additionally, this project significantly improves the administration of the CSSD program and directly improves the financial well-being of fragile families. As such, the project upgrades customer service, care, and response.

Prior to the implementation of Predictive Analytics and case segmentation, the percentage of child support collections on current support owed (collections/support owed) was 58.7%. Post-Predictive Analytic segmentation numbers have reached a department historical high of 61.9%, an increase of 5.5%. Notably, this increase occurred within one year. Our pilot arrears only group continues to collect child support on historically non-paying cases. ***This project has generated revenue in excess of \$2 million dollars. While this pilot team of nine employees collected \$2 million dollars in a span of 12 months on previously non-paying cases, the newly formed arrears only division has already collected more \$34 million dollars in the current fiscal year.*** CSSD anticipates exponential improvement in overall performance with increased collections for families as a direct result of Predictive Analytic modeling.

Conclusion

This project highlights a concrete methodology for optimizing performance and enhancing public service with the use of advanced predictive modeling to revise traditional government business processes. The tenets of this project are both robust and malleable and provide endless possibilities for local and national transference to revolutionize public sector service.

County Values

In accordance with the County Mission "*To enrich lives through effective and caring service,*" the Child Support Services Department maintains a keen focus upon teamwork and collaboration to solve problems innovatively as a national leader in child support enforcement. Accordingly, this project "*Predicting Prosperity: It's Just Analytical*" is anchored in the shared values of Accountability, Can-Do Attitude, Customer Orientation, Leadership, Professionalism and Responsiveness.

Strategic Plan Goals

Goal 1: Operational Effectiveness/Fiscal Sustainability:

Strategic Initiative 4: Innovative Technology Application

Goal 2: Community Support and Responsiveness:

Strategic Initiative 1: Customer Service Innovation/Enhancement

Goal 3: Integrated Services Delivery:

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COST AVOIDANCE, COST SAVINGS, AND REVENUE GENERATED (ESTIMATED BENEFIT): If you are claiming cost benefits, include a calculation on this page. You must include an explanation of the County cost savings, cost avoidance, or new revenue that matches the numbers in the box. Remember to keep your supporting documentation. Use Arial 12 point font

Cost Avoidance: Costs that are eliminated or not incurred as a result of program outcomes.

Cost Savings: A reduction or lessening of expenditures as a result of program outcomes.

Revenue: Increases in existing revenue streams or new revenue sources to the County as a result of program outcomes.

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\$	\$	\$ 2,000,000 +	\$2,000,000+	X

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The pilot project team generated revenue for fragile families (child support collections) on previously non-paying cases in excess of \$2 million dollars.

*While this pilot team of nine employees collected \$2 million dollars in a span of 12 months on previously non-paying cases, following department wide implementation of case segmentation utilizing the Predictive Analytic Model, the **newly formed Arrears Cases Only division has already collected more \$34 million dollars in the current fiscal year.***