

Kansas Department of

# **Social and Rehabilitation Services**

Janet Schalansky, Secretary

**House Judiciary Committee**

March 12, 2003

**SB 71: Repealing the Kansas Payment  
Center sunset provision**

**Integrated Service Delivery**

Candy Shively, Deputy Director

785-368-6200

For additional information contact:

Office of Planning and Policy Coordination

Marianne Deagle, Director

Docking State Office Building  
915 SW Harrison, 6<sup>th</sup> Floor North

Topeka, Kansas 66612-1570

phone: 785.296.3271

fax: 785.296.4685

[www.srskansas.org](http://www.srskansas.org)

**Kansas Department of Social and Rehabilitation Services  
Janet Schalansky, Secretary**

House Judiciary Committee  
March 12, 2003

**SB 71: Repealing the Kansas Payment Center sunset provision**

Mr. Chairman and members of the committee, I appear before you today to speak in support of Senate Bill 71. This bill amends the basic statute governing the Kansas Payment Center by deleting subsection (h), the sunset provision. Currently, the statute is scheduled to sunset on July 1, 2003.

The Kansas Payment Center, or KPC as it is commonly called, began operations in October 2000. The KPC receives, posts, and disburses child support and maintenance payments for nearly all support orders in Kansas. The KPC also maintains payment histories and provides related services to the Kansas courts, to SRS, and to parents in cases handled at the KPC.

Each month, the Kansas Payment Center processes more than 155,000 individual payments, worth a total of \$27 million. In the course of serving more than 618,000 parents and children since its operations began 28 months ago, the KPC has processed over three-quarters of a billion dollars in support payments.

Title IV-D of the social security act requires the State to operate a centralized unit for collection and disbursement of certain support payments, including income withholding performed by employers. The KPC satisfies this federal requirement and related operational mandates, such as timely disbursement of payments and maintenance of records. SRS, in collaboration with the Office of Judicial Administration, contracted with Tier Technologies, Inc. to operate the KPC on behalf of the State of Kansas.

The 2001 Legislature enacted a sunset provision to insure the KPC would be re-examined by the Legislature following a reasonable period of adjustment to the new procedures for payment processing. This is the sunset measure SB 71 will repeal.

An Oversight Commission was also created during the 2001 Session, to monitor the progress of the KPC. The Oversight Commission has expressed approval of the improvements achieved at the KPC during the past two years, particularly in the areas of customer services and customer satisfaction. The Oversight Commission was established under a separate statute (K.S.A. 74-99a01), which is also scheduled to sunset on July 1, 2003. Although we at SRS appreciate the role played by the Oversight Commission, we defer to the wisdom of the Legislature concerning the Commission's duration. SB 71, as passed by the Senate, does not interfere with the upcoming sunset of the Oversight Commission.

Since 2001, our experience with the KPC has been marked by significant improvements, particularly as automated solutions have been brought into production and people have become more familiar with the KPC and its operations. We continue to monitor the KPC closely, to hold the KPC contractor accountable for their errors and to anticipate and prepare for new challenges. Our goal is continual improvement, with error prevention a top priority.

As many of you are aware, the Kansas Payment Center has made it possible to offer a number of valuable services that were not feasible when payments were processed in each individual county. A few of those services are described in the attachment. One unexpected windfall of the KPC has been that people traveling or stationed outside the United States may still keep track of their Kansas child support case by reviewing the payment history via the Internet. Care has been taken to make sure the viewable information includes only what has traditionally been in the public record and that more personal information remains private.

If SB 71 is not enacted and the KPC statute is allowed to sunset July 1<sup>st</sup>, the full scope of the resulting chaos for SRS, for the judicial branch, and most importantly, for families is difficult to imagine. The following are issues we can foresee:

- ! Ending the KPC July 1<sup>st</sup> would place Kansas at risk of being found out of compliance with Title IV-D state plan requirements and facing the loss of significant federal funding.
- ! Two full years of planning and development preceded implementation of the KPC. It would be difficult for the judicial branch and SRS to do the level of planning necessary for the courts to resume responsibility for payment processing by July 1<sup>st</sup>.
- ! An abrupt, unplanned change in payment procedures would keep district court trustees, CSE staff, and CSE enforcement contractors from completing normal enforcement activities while dealing with organizational issues. This would seriously reduce support collections across the State, and full recovery would be slow in coming.

In closing, I would note that enactment of this bill creates no new fiscal impact upon SRS. Funding for the KPC contract, including federal financial participation (66% of eligible costs), is included in the SRS budget submitted for FY2004.

Since the 2001 Legislative Session, the Kansas Payment Center has proven its value to the citizens of Kansas. I encourage you to support SB 71.

## Special Services of the Kansas Payment Center

The Kansas Payment Center offers parents, the legal community, employers, title searchers, and public offices a number of valuable services.

- ! The KPC Website at [www.kspaycenter.com](http://www.kspaycenter.com) provides general information about the Kansas Payment Center, including the toll free numbers for use by parents and employers. The KPC Website also allows people to review case payment history. Information is limited to items that have traditionally been public records.
- ! Toll free telephone access to pre-recorded information about the KPC and case-specific information, through use of a personal identification number, is available 24/7. During regular business hours (8 a.m. to 5 p.m. Monday-Friday, except State holidays), parents may call and connect with a customer service representative. The toll free number for parents and general inquiries is 1-877-572-5722.
- ! Custodial parents who receive payments from the KPC have the option to authorize direct deposits into a bank account, eliminating postal delays and the risk of lost or stolen KPC checks.
- ! The KPC provides employers a single location where they may send support withheld from wages pursuant to a Kansas support order. Before creation of the KPC, large employers often had to mail checks to several Kansas counties.
- ! Employers in the US and Canada have 24-hour, toll free telephone access to pre-recorded information that is specifically geared to employers' needs. During regular business hours, an employer may also connect with the KPC customer service unit for personal assistance. The toll free employer number is 1-877-729-6367.
- ! Employers have the option to transmit support payments to the KPC using EFT (electronic funds transfer). Not only does this improve speed and accuracy at the KPC, it reduces the repetitious tasks and mailing costs for the employer.