

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE

Senate Bill 372 (Senator Ruben)
Judicial Proceedings

Administrative Procedures for Child Support Enforcement Pilot Program

This bill establishes an Administrative Procedures for Child Support Enforcement Pilot Program in the Department of Human Resources (DHR). The pilot program applies to one county and enables a child support enforcement agency to establish paternity and establish and modify child support orders through an administrative process.

This bill takes effect on January 1, 1997 and sunsets on December 31, 1999.

Fiscal Summary

State Effect: Potential indeterminate increase in general fund revenues. Indeterminate impact on expenditures.

Local Effect: Local government finances could be affected as stated below.

Fiscal Analysis

Bill Summary: This bill establishes an Administrative Procedures for Child Support Enforcement Pilot Program in the Department of Human Resources. It provides for the following:

- Enables a local child support enforcement agency to establish paternity and to establish or modify child support orders through an administrative process;
- Requires the Chief Judge of the Court of Appeals to identify a county to participate in the program;

- Requires the Secretary of the Department of Human Resources to appoint an oversight committee to provide guidance to the department and agency chosen to participate in the program;
- The oversight committee must evaluate and submit a report to the Governor and General Assembly by September 1, 1997; and
- Establishes certain administrative procedures in the review of child support enforcement cases.

Background: Under current law, all child support orders have to be issued by the courts. Pursuant to this bill, child support orders would be established in uncontested cases through an administrative process, which reflects approximately 70% of the cases. The remaining contested cases would be referred to the courts for resolution. Based on experiences in other states, an administrative process expedites paternity and support order establishments and increases child support collections. In fiscal 1995, 17,279 support orders and 9,313 paternities were established.

State Revenues: General fund revenues could increase to the extent that the pilot program results in additional child support collections. It is anticipated that an administrative process would speed up child support collections.

State Expenditures: Since the pilot program would be administered by a local child support enforcement agency, the actual State impact will depend upon the location of the pilot. For example, child support enforcement activities are performed by the local departments of social services in 20 jurisdictions and by the Clerk of the Court in Montgomery County. For these counties, administrative costs are shared by the State and federal government. It is projected that a substantial part of one court's activity related to child support enforcement would shift to the Child Support Enforcement Administration (CSEA). Consequently, this will reduce the number of cases requiring a court hearing, thereby enabling certain court employees that are involved in child support functions to be shifted to the CSEA. If the salary structure of the positions do not change, the level of State expenditures would remain the same.

However, support activities are performed by the circuit court in Anne Arundel and Baltimore counties and by the county government in Prince George's County, with administrative costs shared by the federal and local governments. Therefore, even though there could be a reduction in the amount of court staff, these positions would not automatically be transferred over to a local government. Consequently, State expenditures could decline, while local costs in some counties could increase.

In addition, the number of cases heard by the Office of Administrative Hearings (OAH) would increase. However, the extent of any additional hearings would depend upon the location of the pilot program.

In any event, having child support orders and paternity decided through an administrative process instead of going through the court system should reduce the amount of time spent adjudicating each case, thereby speeding up the rate of support payments. The total impact on State expenditures would depend upon the location of the pilot program, the current cost structure within a local child support enforcement office, and whether the program reduces the time spent adjudicating each case.

Local Effect: It is anticipated that the local child support enforcement agency would restructure its existing staff in order to cover any administrative costs. However, the ability of a local agency to accommodate the additional workload within existing resources will vary across the State.

In addition, local expenditures would only be affected if the pilot program was located in one of the three jurisdictions where the circuit court or county government administers child support activities. A portion of these costs would be offset by federal reimbursements.

Information Source(s): Department of Human Resources (Child Support Enforcement Administration), Judiciary (Administrative Office of the Courts), Office of Administrative Hearings, Department of Fiscal Services

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