

SENATE BILL 108

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2000 Regular Session
0lr0031

By: **Chairman, Budget and Taxation Committee (Departmental - Human Resources)**

Introduced and read first time: January 17, 2000

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Child Support - Child Support Reinvestment Fund - Modifications**

3 FOR the purpose of altering the Child Support Reinvestment Fund to include all the
4 federal performance incentive payments received by the Department of Human
5 Resources in a fiscal year; repealing the requirement that the Fund may not
6 receive more than a certain amount in federal performance incentive dollars in
7 any fiscal year and that the Fund balance may not exceed a certain amount at
8 any time; altering the uses of the Fund; providing that the moneys from the
9 Fund may not be used to supplant the budget of a county or a department of
10 social services; providing that expenditures from the Fund may be made to a
11 county only in accordance with a certain methodology; requiring the Secretary to
12 adopt certain regulations; defining certain terms; and generally relating to the
13 Child Support Reinvestment Fund.

14 BY repealing and reenacting, with amendments,
15 Article - Family Law
16 Section 10-106.1, 10-114, and 10-116
17 Annotated Code of Maryland
18 (1999 Replacement Volume and 1999 Supplement)

19 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
20 MARYLAND, That the Laws of Maryland read as follows:

21 **Article - Family Law**

22 10-106.1.

23 (a) (1) In this section the following words have the meanings indicated.

24 (2) "Fund" means the Child Support Reinvestment Fund.

25 (3) "Federal performance incentive [dollars] PAYMENTS" means federal
26 funds [retained by] PAID TO the Department of Human Resources [for the collection

1 of child support payments that are:] AS PROVIDED UNDER TITLE IV-D OF THE
2 FEDERAL SOCIAL SECURITY ACT.

3 (i) over and above the standard federal reimbursement rate for
4 program expenditures as provided under Title IV-D of the federal Social Security Act;
5 and

6 (ii) retained by the Department after appropriate local government
7 distributions are made as provided under § 10-116(b) of this article.]

8 (b) There is established a Child Support Reinvestment Fund within the
9 Administration.

10 (c) (1) The Fund is a special, nonlapsing fund that shall consist of [up to
11 70%] ALL of the federal performance incentive [dollars] PAYMENTS received by the
12 Department of Human Resources in a fiscal year.

13 (2) [The Fund may not receive more than \$5 million in federal
14 performance incentive dollars in any fiscal year.

15 (3) The Fund balance may not exceed \$5 million at any time.

16 (4)] The Fund is not subject to § 7-302 of the State Finance and
17 Procurement Article.

18 (d) (1) The State Treasurer shall hold and the State Comptroller shall
19 account for the Fund.

20 (2) The proceeds of the Fund shall be invested and reinvested.

21 (3) Any investment earnings shall be paid into the Fund.

22 (e) Money in the Fund and any federal funds leveraged with money from the
23 Fund shall only be expended by the Administration OR BY A COUNTY for [the
24 following purposes:] ACTIVITIES WHICH MAY CONTRIBUTE TO THE EFFICIENCY AND
25 EFFECTIVENESS OF THE CHILD SUPPORT PROGRAM INCLUDING:

26 (1) [expanding the privatization] PRIVATIZING AND OUTSOURCING of
27 child support enforcement services;

28 (2) improving [and expanding the Administration's] automation
29 capabilities; [and]

30 (3) [expanding the Administration's] CREATING public awareness
31 [campaign] PROJECTS;

32 (4) DEVELOPING PROGRAMS AND SPECIAL PROJECTS;

33 (5) ESTABLISHING A PERFORMANCE INCENTIVE PROGRAM TO PROVIDE
34 INCENTIVES FOR EMPLOYEES;

1 (6) ASSISTING IN STAFF DEVELOPMENT AND TRAINING; AND

2 (7) ESTABLISHING COMMUNITY OUTREACH PROGRAMS AND
3 ACTIVITIES.

4 (f) [(1) The Department of Human Resources may not transfer or otherwise
5 expend money from the Fund for any purpose other than those specified in subsection
6 (e) of this section.

7 (2)] Moneys from the Fund shall supplement and may not be used to
8 supplant the budget of the Administration, COUNTY, OR A DEPARTMENT OF SOCIAL
9 SERVICES.

10 (g) Expenditures from the Fund may only be made:

11 (1) pursuant to an appropriation approved by the General Assembly in
12 the annual State budget; or

13 (2) by the budget amendment procedure provided for in § 7-209 of the
14 State Finance and Procurement Article.

15 10-114.

16 (a) The Secretary of Human Resources shall:

17 (1) adopt rules and regulations for the collection of support;

18 (2) adopt standards for staffing, recordkeeping, reporting,
19 intergovernmental cooperation, and other management operations that are necessary
20 to proper and efficient collection of support;

21 (3) delegate any responsibility for support enforcement to a local
22 department of social services, for as long as:

23 (i) the local government asks that responsibility be delegated to
24 the local department;

25 (ii) the Secretary finds that the local department is capable of
26 carrying out the responsibility; and

27 (iii) a delegation of that responsibility is consistent with guidelines
28 of the Department of Human Resources;

29 (4) delegate any responsibility for support enforcement to the clerk of a
30 circuit court, for as long as:

31 (i) the local government and the clerk, with the approval of the
32 Chief Judge of the Court of Appeals, ask that responsibility be delegated to the clerk;

33 (ii) the Secretary finds that the clerk is capable of carrying out the
34 responsibility;

1 (iii) a delegation of that responsibility is consistent with guidelines
2 of the Department of Human Resources; and

3 (iv) the Administration makes a cooperative agreement with the
4 clerk that:

5 1. includes arrangements for reimbursement for
6 expenditures incurred by the clerk that are reimbursable under federal regulations
7 that relate to federal financial participation in the operation of a support enforcement
8 program; and

9 2. provides that federal collection incentives that would be
10 payable to the county if the county had a local support enforcement office shall be
11 payable to the [General Fund of the State] FUND ESTABLISHED IN § 10-106.1 OF THIS
12 SUBTITLE; and

13 (5) adopt regulations establishing procedures for the periodic review and
14 adjustment of child support orders being enforced by a support enforcement agency.

15 (b) The clerk of a circuit court, with the approval of the Chief Judge of the
16 Court of Appeals, may:

17 (1) make a written agreement with the Secretary of Human Resources
18 and the Administration to provide support enforcement services pursuant to a
19 delegation of responsibility under subsection (a) of this section;

20 (2) employ the personnel necessary to perform the support enforcement
21 services, notwithstanding any other provisions of law, including any law on the
22 practice of law by employees of a clerk; and

23 (3) include in the clerk's annual budget request submitted to the Chief
24 Judge of the Court of Appeals the projected costs of administering the support
25 enforcement program that are not reimbursable under the agreement with the
26 Secretary of Human Resources and the Administration.

27 10-116.

28 (a) A local support enforcement office:

29 (1) shall be funded from local and federal resources; and

30 (2) may keep any surcharge that is assessed against the obligor to defray
31 the costs of support collection.

32 (b) The Administration shall pay [to] a county that has a local support
33 enforcement office [the maximum collection incentives to which the county is entitled
34 under federal law] COLLECTION INCENTIVES PURSUANT TO A METHODOLOGY
35 BASED ON THE PERFORMANCE OF THE COUNTY IN ACCORDANCE WITH
36 REGULATIONS DEVELOPED BY THE ADMINISTRATION UNDER SUBSECTION (D) OF
37 THIS SECTION.

1 (c) The rules, regulations, and standards of a local support enforcement office
2 control if they generally conform to those adopted by the Secretary of Human
3 Resources under § 10-114 of this subtitle.

4 (D) THE ADMINISTRATION SHALL ADOPT ANY REGULATIONS NECESSARY TO
5 CARRY OUT THE PROVISIONS OF THIS SECTION.

6 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
7 July 1, 2000.