

SENATE BILL 108

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2000 Regular Session  
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By: **Chairman, Budget and Taxation Committee (Departmental - Human Resources)**

Introduced and read first time: January 17, 2000  
Assigned to: Budget and Taxation

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Committee Report: Favorable with amendments  
Senate action: Adopted  
Read second time: February 29, 2000

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CHAPTER \_\_\_\_\_

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~~ local support enforcement office; providing that expenditures  
11 from the Fund may be made to a county only in accordance with a certain  
12 methodology; requiring the Secretary to adopt certain regulations; defining  
13 certain terms; and generally relating to the 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:

## Article - Family Law

10-106.1.

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

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

(3) "Federal performance incentive [dollars] PAYMENTS" means federal funds [retained by] PAID TO the Department of Human Resources [for the collection of child support payments that are:] AS PROVIDED UNDER TITLE IV-D OF THE FEDERAL SOCIAL SECURITY ACT.

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

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

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

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

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

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

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

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

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

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

(e) Money in the Fund, INCLUDING ANY MONEY THAT IS DISTRIBUTED FROM THE FUND TO A COUNTY UNDER § 10-116(B) OF THIS SUBTITLE, and any federal funds leveraged with money from the Fund shall only be expended by the Administration OR BY A COUNTY for [the following purposes:] ACTIVITIES WHICH THAT MAY CONTRIBUTE TO THE EFFICIENCY AND EFFECTIVENESS OF THE STATEWIDE CHILD SUPPORT ENFORCEMENT PROGRAM ESTABLISHED UNDER THIS SUBTITLE, INCLUDING:

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

3 (2) improving [and expanding the Administration's] automation  
4 capabilities; [and]

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

7 (4) DEVELOPING PROGRAMS AND SPECIAL PROJECTS;

8 (5) ESTABLISHING A PERFORMANCE INCENTIVE PROGRAM TO PROVIDE  
9 INCENTIVES FOR EMPLOYEES;

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

11 (7) ESTABLISHING COMMUNITY OUTREACH PROGRAMS AND  
12 ACTIVITIES.

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

16 (2)] Moneys from the Fund shall supplement and may not be used to  
17 supplant the budget of the Administration, A COUNTY, OR A DEPARTMENT OF SOCIAL  
18 SERVICES LOCAL SUPPORT ENFORCEMENT OFFICE.

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

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

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

24 10-114.

25 (a) The Secretary of Human Resources shall:

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

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

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

32 (i) the local government asks that responsibility be delegated to  
33 the local department;

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

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

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

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

9 (ii) the Secretary finds that the clerk is capable of carrying out the  
10 responsibility;

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

13 (iv) the Administration makes a cooperative agreement with the  
14 clerk that:

15 1. includes arrangements for reimbursement for  
16 expenditures incurred by the clerk that are reimbursable under federal regulations  
17 that relate to federal financial participation in the operation of a support enforcement  
18 program; and

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

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

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

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

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

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

1 10-116.

2 (a) A local support enforcement office:

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

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

6 (b) The Administration shall pay [to] a county that has a local support  
7 enforcement office [the maximum collection incentives to which the county is entitled  
8 under federal law] **COLLECTION INCENTIVES PURSUANT TO A METHODOLOGY  
9 BASED ON THE PERFORMANCE OF THE COUNTY IN ACCORDANCE WITH  
10 REGULATIONS ~~DEVELOPED~~ ADOPTED BY THE ADMINISTRATION UNDER SUBSECTION  
11 (D) OF THIS SECTION.**

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

15 (D) **THE ADMINISTRATION SHALL ADOPT ANY REGULATIONS NECESSARY TO  
16 CARRY OUT THE PROVISIONS OF THIS SECTION.**

17 **SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
18 July 1, 2000.**