

**Department of Legislative Services**

Maryland General Assembly

2001 Session

**FISCAL NOTE**

House Bill 246

(Chairman, Judiciary Committee)

(Departmental – Human Resources)

Judiciary

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**Child Support Enforcement Administration - State Case Registry -  
Establishment**

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This departmental bill establishes a State Case Registry of records for each child support order established or modified on or after October 1, 1998. It requires the registry to include standardized identifying information for each custodial parent, noncustodial parent, and child associated with an administration case or a support order issued by the courts. The registry must also include the amount of support owed and other amounts due, the distribution of collected amounts, and the amount of any lien imposed. These records must be updated and monitored. The clerk of each circuit court must obtain the standardized identifying information for all persons involved in support orders and transmit the data elements in an electronic format to the administration for inclusion into the registry.

The bill takes effect July 1, 2001.

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**Fiscal Summary**

**State Effect:** General fund expenditures could increase by \$90,600 in FY 2002, and federal fund expenditures could increase by \$175,900, for a total of \$266,500. Potential minimal increase in special fund revenues from increased support collections. Potential loss of the federal share of child support enforcement program costs if the bill is not enacted.

(in dollars)	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Revenue	-	-	-	-	-
GF Expenditure	90,600	42,300	44,600	47,100	49,800
FF Expenditure	175,900	82,100	86,600	91,400	96,600
Net Effect	(\$266,500)	(\$124,400)	(\$131,200)	(\$138,500)	(\$146,400)

*Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect*

**Local Effect:** None.

**Small Business Effect:** The Department of Human Resources has determined that this bill has minimal or no impact on small business (attached). Legislative Services concurs with this assessment.

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## Analysis

**Background:** Federal law (the Personal Responsibility and Work Opportunity Reconciliation Act of 1996) requires states to maintain a State Case Registry with information on every child support order established in the state. The State Case Registry will interface with the Federal Case Registry to assist states with interstate child support enforcement. The Department of Human Resources (DHR) currently maintains records only for child support cases where one party has requested State child support enforcement services. To comply with federal law, DHR must also maintain records for those cases where State child support enforcement services have not been requested (i.e., child support orders filed with a court). However, Maryland courts cannot currently compel parties to a child support proceeding to render their Social Security numbers or dates of birth.

**Current Law:** DHR currently maintains records for child support cases where one party has filed an application and requested State child support services. These records do not include those cases that were only filed in court, because Maryland law does not require parties involved in child support litigation to render information needed to maintain a State Case Registry.

**State Revenue:** Child support collections could increase to the extent that the State Case Registry facilitates child support enforcement efforts. Any such increase cannot be quantified at this time due to the unavailability of data. Temporary Cash Assistance (TCA) recipients must assign their support rights to the State and federal government as partial reimbursement for TCA payments made on behalf of the children of the obligor; as a result, TCA child support collections are distributed 50% to the State and 50% to the federal government.

**State Expenditures:** DHR advises that general fund expenditures could increase by \$99,830 and federal fund expenditures could increase by \$193,788 in fiscal 2002, which accounts for a 90-day start-up delay. This estimate reflects: the cost of hiring three human service worker IIIs and one human service worker IV to perform verification, updating and monitoring of data on all child support records (DHR does not currently perform this function); \$82,500 in contractual services to create an automated interface with the Maryland courts' currently existing database which would allow DHR's system to capture and register all of the child support orders processed by Maryland courts in connection with private litigation; and \$75,000 in contractual services to examine court domestic case filings back to October 1, 1998 to locate existing support orders that are not currently part of DHR's case file (an estimated 4,500 cases). It includes salaries, fringe benefits, one-time start-up costs, and ongoing operating expenses. Because the functions required in this bill would qualify for IV-D federal fund participation, 34% of the cost would have to be covered by general funds.

The Administrative Office of the Courts (AOC) advises that general fund expenditures could increase by an estimated \$3 million in fiscal 2002. This estimate reflects the cost of examining approximately 131,261 domestic case filings and reopened cases to determine if each has a support order at a rate of \$20 per case file, and \$300,000 to \$500,000 to create a task force to implement an automated reporting system to supply court data on support orders and modifications to DHR.

DLS advises, however, that general fund expenditures for DHR could increase by an estimated \$90,619, and federal fund expenditures could increase by \$175,908 in fiscal 2002, which accounts for a 90-day start-up delay. This estimate is the same as the DHR estimate except that it reflects the cost of only three new positions (two human service worker IIIs and one human service worker IV), reducing the number of positions assumed in the DHR estimate by one. It includes salaries, fringe benefits, one-time start-up costs, and ongoing operating expenses. DLS believes that two human service workers and one supervisor should be sufficient to fulfill the requirements of the bill.

DLS further advises that AOC could comply with requirements of this bill with its existing budgeted resources. Any expenses related to implementing an automated reporting system or examining files for support orders would be covered by DHR since such functions qualify for IV-D federal fund participation. Consequently, AOC's only function would be to collect information from individuals involved in support cases and electronically transmit that data to DHR. It is estimated that this would require the court to transmit information on approximately 1,500 new cases per year plus any orders that are issued in existing cases. That could be done, at least initially, via e-mail. Moreover,

it is assumed that DHR would acquire the capability of interfacing with the courts' existing database to retrieve the required information.

Salaries and Fringe Benefits	\$84,628
Other Operating Expenses	24,399
Computer Interface	82,500
Case File Search	<u>75,000</u>
<b>Total FY 2002 State Expenditures</b>	<b>\$266,527</b>

Future year expenditures reflect: (1) full salaries with a 6.5% increase in fiscal 2003 and a 4.5% increase each year thereafter, with 3% employee turnover; and (2) 1% annual increases in ongoing operating expenses.

If the bill is not passed, the federal government could assess penalties against all or a portion of the federal share (66%) of child support enforcement program costs. The federal share of child support enforcement program costs represents \$55 million in the proposed fiscal 2002 budget.

**Additional Information:** To date, support orders do not contain the types of data required by this bill. Consequently, retrieving support orders back to October 1, 1998 will not produce the information desired. However, according to the Child Support Enforcement Administration, federal law does not require the inclusion of unavailable information in the registry for the State to be in compliance for IV-D federal fund participation.

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### **Additional Information**

**Prior Introductions:** A similar bill was introduced during the 1999 session as SB 633 and received an unfavorable report by the House Judiciary Committee.

**Cross File:** None.

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

**Fiscal Note History:** First Reader – February 5, 2001  
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