

Date: February 2, 2023

Bill number: SB0164

Committee: Senate Judicial Proceedings Committee

Bill title: **Driver's Licenses - Suspension for Child Support Arrearages - Exception**

DHS Position: **FAVORABLE WITH AMENDMENT**

The Maryland Department of Human Services (DHS) thanks the Committee for the opportunity to provide favorable written support with amendments needed in order for the Child Support Administration (CSA) to successfully implement Senate Bill 164 (SB 164).

All states are federally required to have a Drivers' License Suspension (DLS) Program. Maryland's CSA utilizes the DLS Program to intervene as early as possible with obligors who find themselves two months or more out of compliance with payment of their child support orders. Advising obligors of an impending driver's license suspension as early as possible creates an opportunity and incentive for noncompliant obligors to contact their local child support office to access the various services that may be available to them. Such services may include employment programs, state-owed arrears forgiveness programs, and assistance with modifying a child support order that no longer accurately reflects an obligor's ability to pay following a material change in circumstances. This early intervention method is critical to ensuring that an obligor avoids incurring an excessive arrearage that may result in more aggressive enforcement mechanisms, including incarceration for contempt and additional penalties, later in the CSA enforcement proceedings.

The DLS Program is one of CSA's most successful early intervention enforcement tools to ensure that children receive the support they need from their parents. On average, nearly ten percent of child support collections each year in Maryland are received after an obligor has been referred to the DLS Program due to their arrearage accumulation. The DLS Program is an effective enforcement tool, used by CSA to collect an average of \$50 million annually, collections which families rely upon for the care and sustenance of their child(ren). DHS recognizes that, for certain obligors, this enforcement tool may have the reverse effect as it may negatively impact an obligor's employment opportunities or ability to get to work. For this reason, in 2004 the Maryland General Assembly passed legislation adding several grounds an obligor could raise to seek exemption from the DLS program, including one allowing an obligor to challenge a driver's license suspension because it would be an impediment to current or potential employment.

Senate Bill 164 acknowledges that the DLS program is valuable to DHS' enforcement toolbox, while offering a new exemption for Maryland's lower income obligors. As drafted, SB 164 would establish an exemption for using this early intervention and enforcement tool for obligors whose income is at or below 300% of the federal poverty level. However, as written, the bill cannot be implemented due to CSA's inability to obtain information that is required to determine whether an obligor's income exceeds 300% of the federal poverty guidelines, which would require CSA to know (1) the number of people in an obligor's family or household, and (2) the respective income of *all* those individuals. Currently, CSA does not track the number of family members or housemates of the parties for whom they provide child support services, nor is there any authority for CSA to obtain income information on individuals who are not parties to a child support order.

In order to successfully implement this bill, and allow obligors to seek an exemption from the DLS Program based on their income, the Department respectfully recommends the following amendments:



Proposed Amendment 1: Specify that the income determination for the exemption be based on the federal poverty guidelines *for an individual*, to reduce the amount of information required and simplify the process for CSA to determine whether an obligor may/may not be referred for the DLS Program.

Proposed Amendment 2: Similar to the existing exemptions outlined in Maryland statute, instead of creating a wholesale exclusion from the DLS Program, allow an obligor's reduced income to serve as a basis for challenging a DLS referral. CSA requests moving the exemption clause proposed further down the statute to where the other grounds for challenging a DLS referral exist. See Md. Code Ann., Fam. Law 10-119(c)(1)(i).

Proposed Amendment 3: Substitute "federal poverty guidelines" where the bill currently reads "federal poverty level" in order to avoid confusion and in accordance with recommendations from the U.S. Department of Health and Human Services, the agency that periodically releases the federal poverty guidelines.

Proposed Amendment 4: Insert a specific year and dollar amount for determining what federal poverty guideline amount should apply to the exemption analysis to create consistency and avoid any ambiguity in the statute.

Proposed Amendment 5: Add language to clarify that the judicial determination of voluntary impoverishment needs to be made at the time when the most recent child support order was issued in order to ensure that the exception to the exemption is narrowly applied.

Proposed Amendment 6: Reduce the applicable income threshold from 300% of the federal poverty guidelines to 200% of the federal poverty guidelines, which aligns the statute with the recommendations made in the Abell Report 2019.

Moving forward, it is the desire of DHS to continuously seek the income data needed to make ongoing assessments and program revisions to improve the ways in which we serve families. It is the goal of CSA to best serve the whole family by balancing obligor compliance and ability to pay with ensuring children receive the financial support necessary to grow and thrive.

The Department is grateful to offer our support with the Committees receipt and acceptance of the above enumerated amendments. DHS welcomes collaboration with the Committee on SB 164 and requests a favorable with amendments report.

