

**N00H00**  
**Child Support Administration**  
**Department of Human Services**

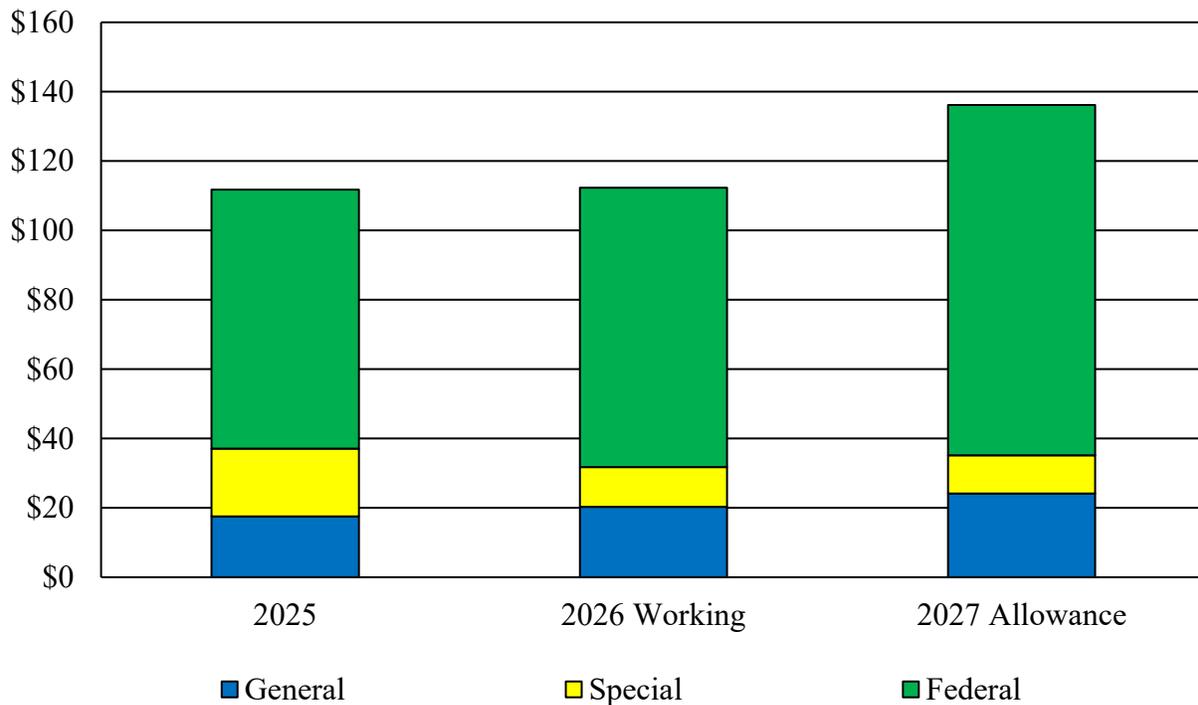
**Program Description**

The Department of Human Services (DHS) Child Support Administration (CSA) administers child support services through the Local Departments of Social Services (LDSS) and other offices, provides technical assistance, formulates policy, develops and implements new programs, and ensures compliance with federal and State regulations and policy. CSA also operates several centralized programs related to locating noncustodial parents, collecting and disbursing child support payments, processing interstate cases, and enforcing support orders. The key goal of CSA is to enable, encourage, and enforce parental responsibility.

***Operating Budget Summary***

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**Fiscal 2027 Budget Increases \$23.9 Million, or 21.3%, to \$136.1 Million**  
(\$ in Millions)



Note: The fiscal 2026 working appropriation accounts for deficiencies. The fiscal 2027 statewide salary adjustments are centrally budgeted in the Department of Budget and Management and are not included in this agency’s budget.

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- In the fiscal 2027 allowance, federal funds increase by \$20.5 million (25.5%) compared to the fiscal 2026 working appropriation after accounting for proposed deficiencies, primarily due to a \$17.4 million increase in cooperative reimbursement agreement (CRA) funding for which the State budget includes only the federal fund match. General funds increase by \$3.9 million (19%), and special funds decrease by \$504,661 (4.4%).

## **Fiscal 2026**

### **Proposed Deficiency**

The fiscal 2027 allowance for DHS' CSA includes five proposed fiscal 2026 deficiency appropriations totaling \$3.7 million (\$2.5 million in special funds and \$1.2 million in federal funds). The largest of these, totaling \$1.5 million, will support the constituent services call center contract. This is part of a larger realignment of funds for the call center due to a misapplication of allocation percentages for invoice payments as well as a broader correction of how funding is split between programs and fund sources. However, as was discussed in the analysis for N00A01 – DHS Administration, despite an overall decrease in the appropriation for the call center through proposed deficiencies, the amount of funding for the call center contract would still exceed the amount that DHS indicates is needed for the contract in fiscal 2026.

A proposed deficiency appropriation would provide \$911,778 to fund higher-than-budgeted expenditures for child support services in Baltimore City, which are handled by a private contractor. While a new contract was approved by the Board of Public Works (BPW) in June 2024, DHS indicates that the contract budget was not fully accounted for during the fiscal 2026 budget formulation process. This deficiency also funds a one-time transition fee for the new contract, which was incurred in fiscal 2025. **DHS should comment on why the portion of this shortfall that related to the transition fee from fiscal 2025 was not paid using the fiscal 2025 appropriation or reported to the Comptroller's office at closeout if there was insufficient appropriation.**

A proposed deficiency appropriation totaling \$620,400 funds a research and technical assistance contract with the University of Maryland School of Social Work (UMSSW) to correct an error during the fiscal 2026 budget formulation process that caused an underfunding of this contract relative to the contract amount.

Another proposed deficiency appropriation would provide \$500,000 to fund Independent Verification & Validation (IV&V) services for CSA. These services are mandated by the federal Office of Child Support Enforcement (OCSE) (formerly named the Office of Child Support Services) until after the Child Support Management System (CSMS) receives federal certification, which DHS anticipates will begin in the third quarter of calendar 2026. DHS indicates that this is a new contract, and full funding for this purpose was not included in the fiscal 2026 budget. Additional discussion about OCSE certification can be found in Key Observation 2.

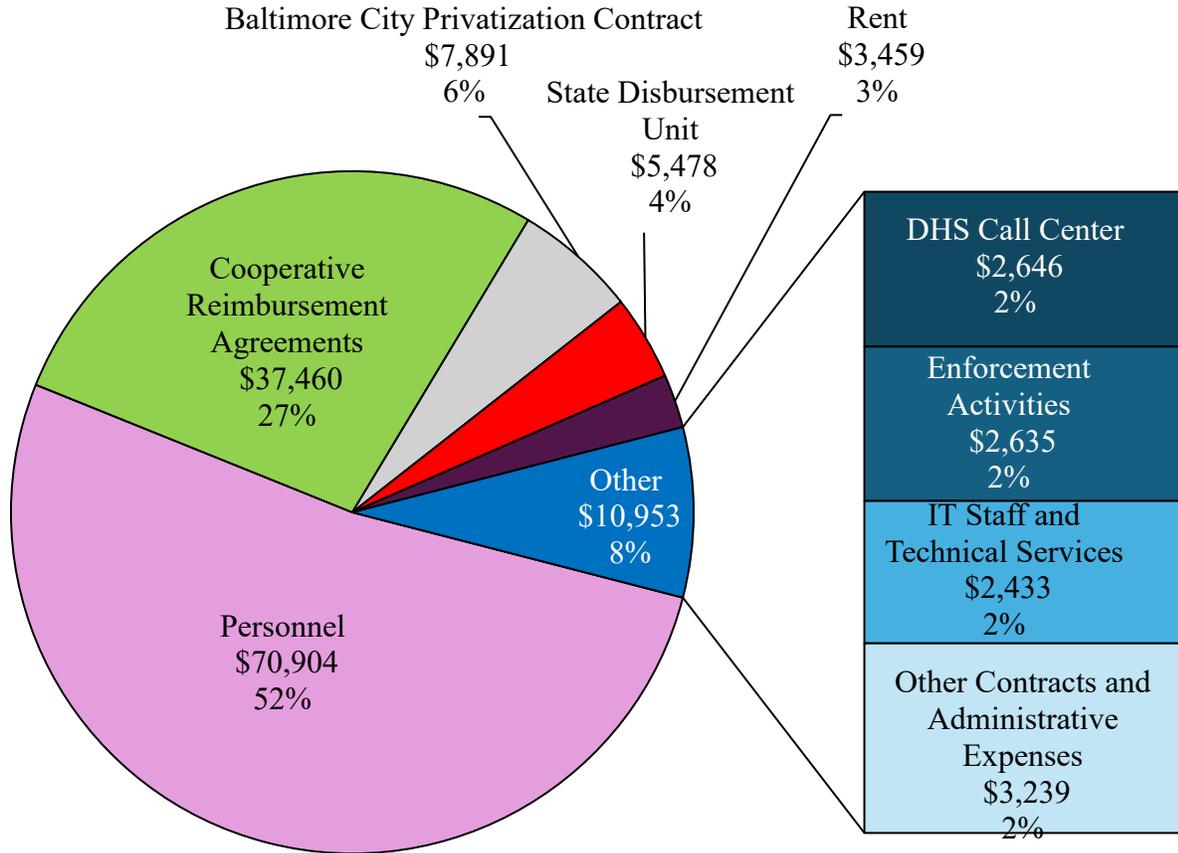
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An additional proposed deficiency appropriation totaling \$119,061 in federal funds would support the Treasury Offset Program. There was no appropriation for the program in the fiscal 2026 budget as enacted, and this deficiency adds funding based on fiscal 2025 actual expenditures.

**Fiscal 2027 Overview of Agency Spending**

The fiscal 2027 allowance for CSA is \$136.1 million. As shown in **Exhibit 1**, the largest portion of spending (52%) is for personnel expenses, primarily to support the operation of local child support offices. Approximately 27% (\$37.5 million) of the fiscal 2027 allowance supports CRAs. Under CRAs, local agencies (including State’s Attorney’s offices, Sheriff’s offices, and Magistrate offices) assume child support functions and receive a 66% federal match for expenses incurred. Those federal funds are centrally budgeted within CSA and distributed to the local agencies. The State share of these costs is incurred by the local agencies and is not budgeted within CSA. Child support services in Baltimore City are provided through a private entity under contract with CSA. The fiscal 2027 allowance for this contract is \$7.9 million.

**Exhibit 1**  
**Overview of Agency Spending**  
**Fiscal 2027 Allowance**  
**(\$ in Millions)**



DHS: Department of Human Services  
 IT: information technology

Note: The fiscal 2027 statewide salary adjustments are centrally budgeted in the Department of Budget and Management and are not included in this agency’s budget.

Source: Governor’s Fiscal 2027 Budget Books

## Proposed Budget Change

As shown in **Exhibit 2**, the fiscal 2027 allowance for CSA increases by \$23.9 million, or 21.3%, compared to the fiscal 2026 working appropriation after accounting for proposed deficiency appropriations. The fiscal 2027 allowance includes \$1.3 million to create an in-house educational and training curriculum for the State’s child support workforce. DHS estimates that this will provide training to over 1,000 State and partner agency staff to start, with annual training sessions using this curriculum in the future. The fiscal 2027 allowance also includes \$600,000 in contracts for job readiness training and personal development for noncustodial parents. However, \$679,639 in funding for this purpose is also included in the fiscal 2027 allowance for the Family Investment Administration (FIA), which is the same amount included in fiscal 2026. DHS reports that there is not a new contract, and the funds in CSA represent a new fund source for the same services. **The Department of Legislative Services (DLS) recommends reducing DHS’ fiscal 2027 appropriation by \$679,639 to correct the double-budgeting of noncustodial parent training contracts.**

**Exhibit 2**  
**Proposed Budget**  
**Department of Human Services – Child Support Administration**  
**(\$ in Thousands)**

<b>How Much It Grows:</b>	<b>General Fund</b>	<b>Special Fund</b>	<b>Federal Fund</b>	<b>Total</b>
Fiscal 2025 Actual	\$17,525	\$19,514	\$74,755	\$111,793
Fiscal 2026 Working	20,302	11,501	80,468	112,271
Fiscal 2027 Allowance	24,163	10,996	100,985	136,145
Fiscal 2026-2027 \$ Change	\$3,862	-\$505	\$20,517	\$23,874
Fiscal 2026-2027 % Change	19.02%	-4.39%	25.50%	21.26%
<b>Where It Goes:</b>				<b><u>Change</u></b>
<b>Personnel Expenses</b>				
Employee and retiree health insurance.....				\$3,344
Salary increases and associated fringe benefits.....				3,149
Turnover rate decrease from 9.19% to 7.03%.....				1,277
Deferred compensation match due to statewide change in budgeting .....				169
Workers’ compensation .....				61
Salary and fringe benefits for employees transferred to DoIT as part of Maryland Benefits transfer.....				-191
<b>Other Changes</b>				
Cooperative reimbursement agreements .....				17,392

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<b>Where It Goes:</b>	<b><u>Change</u></b>
New contracts to create an in-house educational and training curriculum for child support workers.....	1,250
Personal development and job training contracts for noncustodial parents, also budgeted in the Family Investment Administration.....	600
Research and Technical Assistance contract with University of Maryland School of Social Work .....	62
IV&V services to reflect one-time transition fee in fiscal 2026 and contract end after anticipated CSMS federal certification.....	-500
Rent .....	-531
Baltimore City privatization contract primarily due to one-time transition fee in fiscal 2026.....	-912
Constituent Services Call Center expense realignment.....	-1,292
Other changes .....	-4
<b>Total</b>	<b>\$23,874</b>

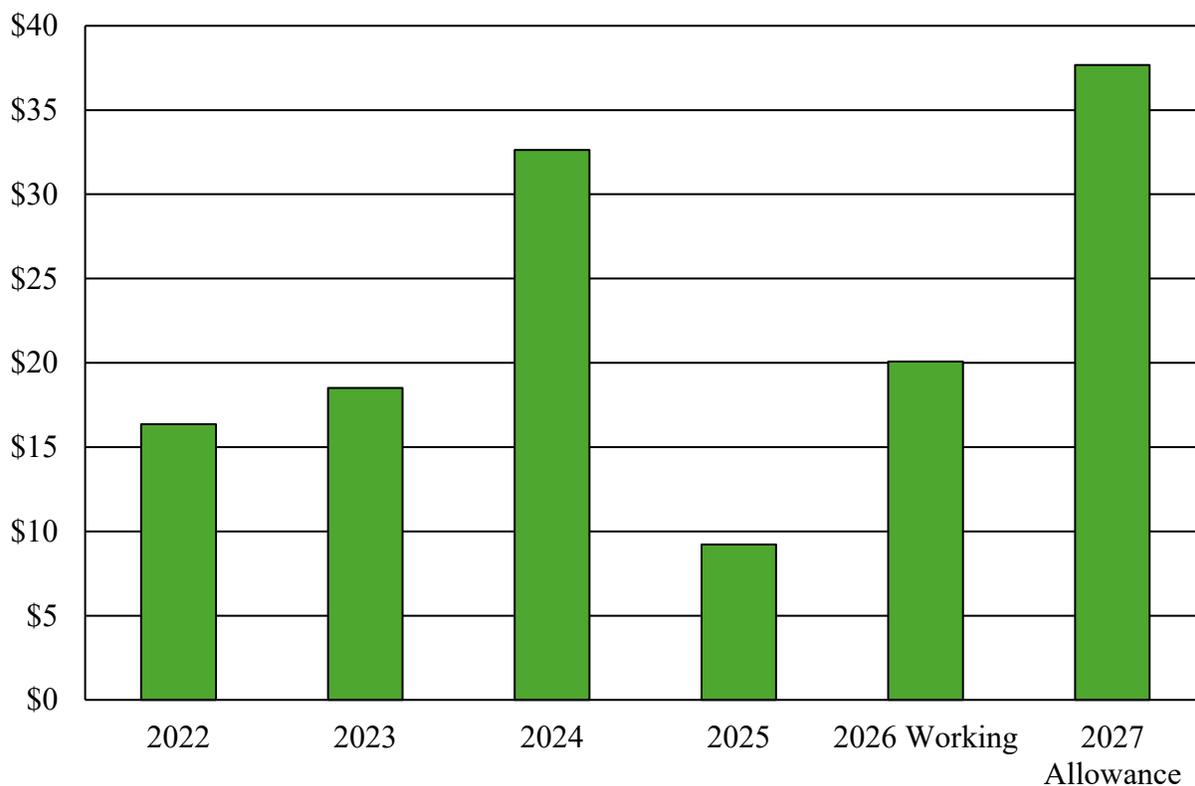
CSMS: Child Support Management System  
DoIT: Department of Information Technology  
IV&V: Independent Verification & Validation

Note: Numbers may not sum to total due to rounding. The fiscal 2026 working appropriation accounts for deficiencies. The fiscal 2027 statewide salary adjustments are centrally budgeted in the Department of Budget and Management and are not included in this agency’s budget.

### **Cooperative Reimbursement Agreements**

The largest contributor to the increase in the fiscal 2027 allowance is a \$17.4 million increase in CRAs. As shown in **Exhibit 3**, spending on CRAs increased by \$16.3 million from fiscal 2022 to 2024 before falling by \$23.4 million (71.7%) in fiscal 2025. The fiscal 2026 working appropriation includes \$20.1 million for CRAs, and the fiscal 2027 allowance further increases this to \$37.7 million. This represents an 86.6% increase over the fiscal 2026 working appropriation and a 306.1% increase over the \$9.2 million reported in fiscal 2025 actual spending. DHS has indicated that the increase between the fiscal 2026 working appropriation and fiscal 2027 allowance is because all contract information was not available at the time of fiscal 2026 budget submission, leading to underbudgeting that year. However, DHS has not explained the substantial decrease in CRA spending in fiscal 2025 actuals or why funds were not added as a fiscal 2026 deficiency. **DHS should comment on the substantial variation in CRA expenditures across years and why fiscal 2025 actual spending was \$23.4 million below spending in fiscal 2024.**

**Exhibit 3**  
**Cooperative Reimbursement Agreement Spending**  
**Fiscal 2022-2027 Allowance**  
**(\$ in Millions)**



Note: Fiscal 2022 through 2025 amounts represent actual spending while fiscal 2026 and 2027 represent budgeted amounts.

Source: Governor’s Fiscal 2027 Budget Books; Department of Budget and Management; Department of Human Services

**Child Support Reinvestment Fund**

The Child Support Reinvestment Fund is a special fund comprised of federal incentive payments allocated to states based on performance against five measures set by OCSE. This revenue can be used to support child support service activities. The five areas in which OCSE sets goals for are:

- establishment of child support orders that are active and valid;
- establishment of paternity;

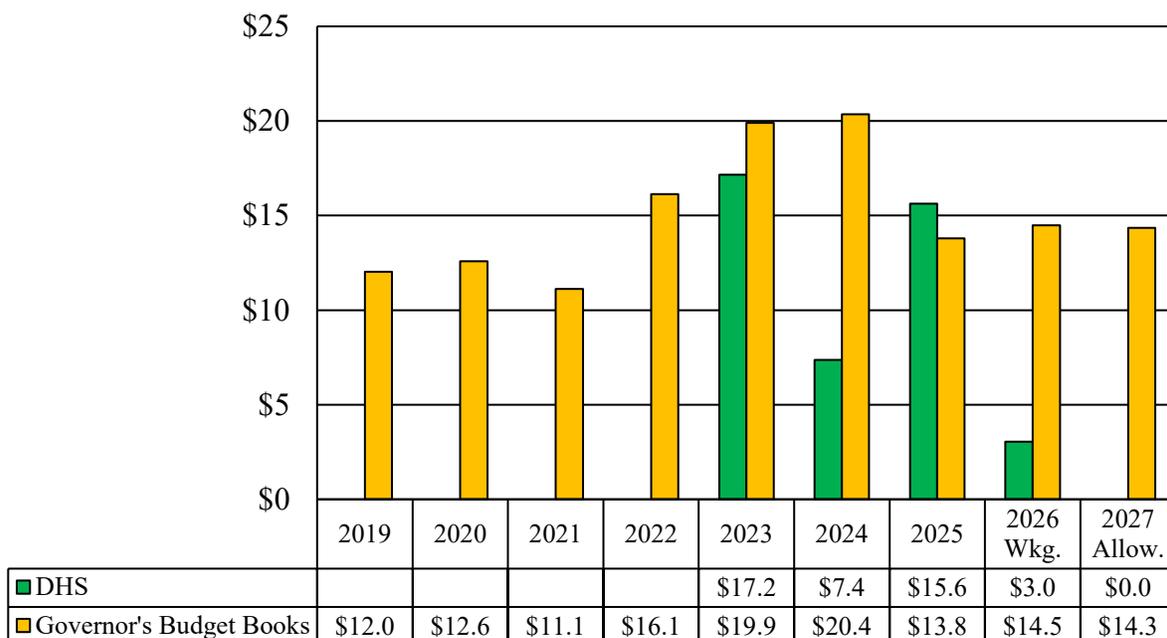
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- collections on current support due;
- collections on arrears; and
- cost effectiveness of State services.

The Child Support Reinvestment Fund holds the federal incentive payments received by CSA for performance. These payments are received based on performance in the second preceding year. For example, incentive payments received in federal fiscal 2026 would reflect the federal fiscal 2024 performance. DHS anticipates receiving money into this fund each year.

As shown in **Exhibit 4**, reported revenue into the Child Support Reinvestment Fund from fiscal 2019 through the fiscal 2027 allowance is not consistent across sources. For example, while for fiscal 2024, the Governor’s Budget Books list \$20.4 million in revenue into the fund, DHS reports that the amount received was \$7.4 million, a difference of \$13.0 million. Additionally, data provided by the Comptroller’s office at fiscal year close shows different amounts than those reported by either of the other sources. For fiscal 2024, the Comptroller’s office reported just \$4.5 million in revenue into the Child Support Reinvestment Fund. This reported revenue rose slightly to \$6 million in fiscal 2025 but is less than half of what was reported by either DHS or in the Governor’s Budget Books. Additionally, the fiscal 2025 closing balance of the Child Support Reinvestment Fund differs significantly by source. While the Comptroller’s office reports the fund closed fiscal 2025 with a balance of \$977,796.41, DHS reports that amount as \$15.6 million. **DHS should comment on the discrepancies in Child Support Reinvestment Fund revenue and balance reported between sources.**

**Exhibit 4**  
**Child Support Reinvestment Fund Revenue**  
**Fiscal 2019-2027 Allowance**  
**(\$ in Millions)**



DHS: Department of Human Services

Note: Fiscal 2026 DHS data is year to date thru December 2025.

Source: Governor’s Budget Books; Department of Human Services

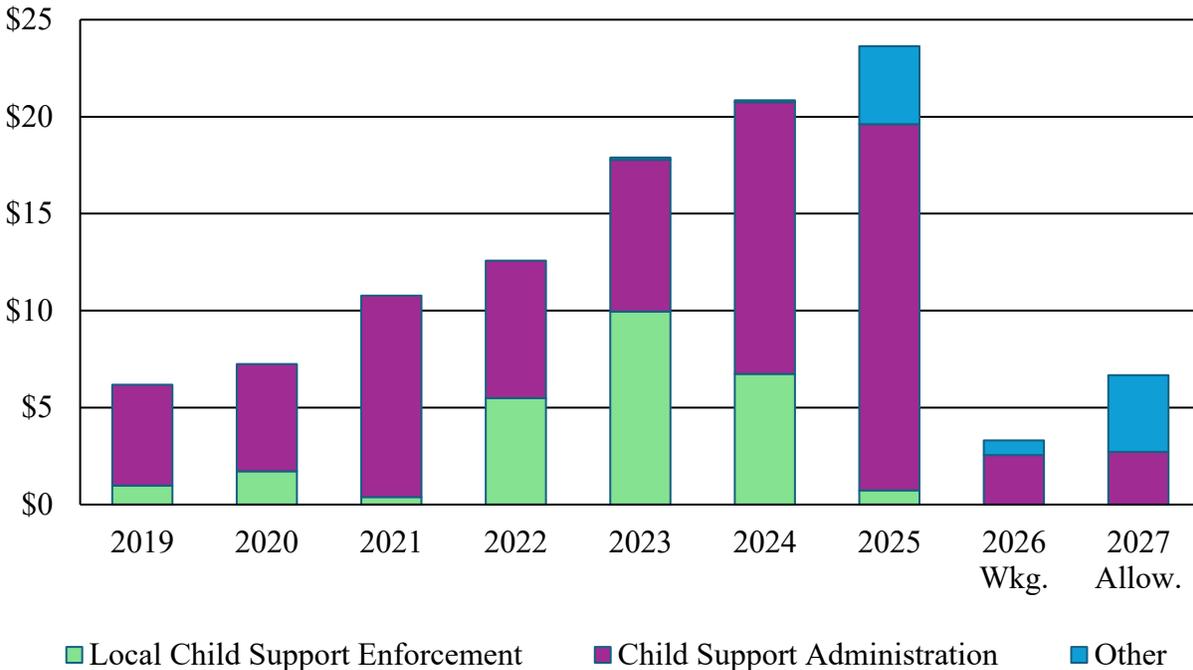
DHS notes that as of February 2026, they have only received awards for the first two quarters of fiscal 2026, totaling \$3 million. If awards for the final two quarters of fiscal 2026 match this amount (making the annual award \$6 million), it would mark a significant decrease from prior years as reported by DHS, with an average annual award of \$15.1 million from fiscal 2019 through 2025 based on the data reported in the Governor’s Budget Books.

**Exhibit 5** shows expenditures from the Child Support Reinvestment Fund from fiscal 2019 through the fiscal 2027 allowance. Between fiscal 2019 and 2025, expenditures have risen each year. Despite anticipating revenue from the Child Support Reinvestment Fund, the fiscal 2025 and 2026 budgets as enacted did not include expenditures from this source. Unlike most fund sources used for child support expenses, DHS cannot use the Child Support Reinvestment Funds to draw down the typical 66% federal fund participation when using special funds from the Child Support Reinvestment Fund. However, not using these funds increases State spending overall.

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Anticipating the availability of these funds, language in the fiscal 2025 Budget Bill reduced a total of \$10.8 million in the Child Support – State program within CSA and authorized a budget amendment to replace these funds with special funds from the Child Support Reinvestment Fund. The fiscal 2026 budget included neither funds from the Child Support Reinvestment Fund nor additional general funds for this program. While DHS did add \$23.6 million in special funds from the Child Support Reinvestment Fund as part of a fiscal 2025 closing budget amendment, \$4 million of these funds were added to local department operations within the FIA, which is not included in the CSA budget and has not traditionally received any funds from the Child Support Reinvestment Fund.

**Exhibit 5**  
**Child Support Reinvestment Fund Expenditures**  
**Fiscal 2019-2027 Allowance**  
**(\$ in Millions)**



Source: Governor’s Fiscal 2027 Budget Books; Department of Human Services

DHS indicates that because they have not yet received full awards for fiscal 2026 or 2027, the appropriations for those years are based on cautious estimates of likely funding. Proposed fiscal 2026 deficiency appropriations add \$3.3 million in Child Support Reinvestment Funds, including \$758,000 for foster care maintenance payments, a use that does not appear to have ever been funded with Child Support Reinvestment Funds previously. Additionally, several of the proposed deficiency appropriations add both funds from the Child Support Reinvestment Fund as

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well as federal funds that appear to be utilized as matching funds. For example, the proposed deficiency for child support services in Baltimore City adds \$310,005 from the Child Support Reinvestment Fund plus \$601,773 in federal funds – which is 66% of the total proposed deficiency. While DHS indicates that there was no intention to allocate the money as matching funds, as previously discussed, that is what several of the proposed deficiencies appear to do. **DHS should comment on how the agency will address any potential shortfalls resulting from including federal matching funds in appropriations utilizing the Child Support Reinvestment Fund.**

The fiscal 2027 allowance includes \$6.7 million in Child Support Reinvestment Funds, including \$3.9 million in the Office of the Secretary. Like the fiscal 2025 appropriation for FIA and the fiscal 2026 deficiency for foster care maintenance payments, this use does not have a clear relationship to child support enforcement activities. **DHS should comment on why Child Support Reinvestment Funds are being used for sources outside of CSA or LDSS child support enforcement functions, as well as how these uses support child support service activities. DHS should also comment on the limited budgeting of funds from this source in fiscal 2026 and 2027 despite reporting a fiscal 2025 closing balance exceeding \$15 million and having additional revenue received since that time.**

***Personnel Data***

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	<b>FY 25</b>	<b>FY 26</b>	<b>FY 27</b>	<b>FY 26-27</b>
	<u><b>Actual</b></u>	<u><b>Working</b></u>	<u><b>Allowance</b></u>	<u><b>Change</b></u>
Regular Positions	660.20	648.20	648.20	0.00
Contractual FTEs	<u>12.66</u>	<u>1.00</u>	<u>1.00</u>	<u>0.00</u>
<b>Total Personnel</b>	<b>672.86</b>	<b>649.20</b>	<b>649.20</b>	<b>0.00</b>

***Vacancy Data: Regular Positions***

Turnover and Necessary Vacancies, Excluding New Positions	45.57	7.03%
Positions and Percentage Vacant as of 12/31/25	49.50	7.64%
Vacancies Above Turnover	3.93	

- On October 22, 2025, BPW approved the abolition of 502.7 positions statewide, including 170.7 vacant positions and 332.0 positions associated with the Voluntary Separation Program (VSP). In DHS’ CSA, 9 positions were abolished, of which 2 were vacant and 7 were due to the VSP. Of these positions, 7 of the 9 were within Local Child Support Enforcement, where abolitions consisted of 2 fiscal accounts technicians and 5 child support specialists. The other 2 abolished positions were in the State Office of Child Support Administration.
- As of December 31, 2025, CSA had 49.5 vacant positions. Out of these vacant positions, 42 had been vacant less than a year.

## ***Key Observations***

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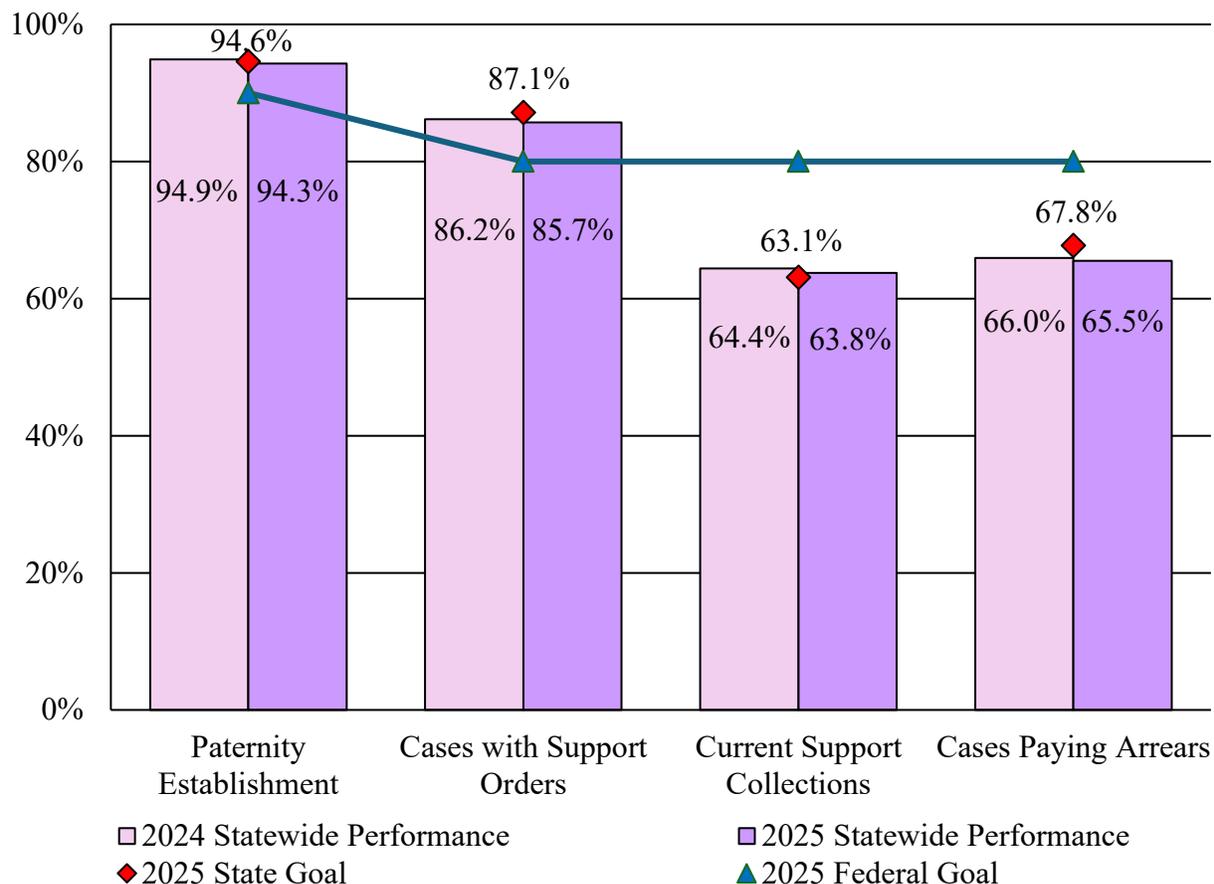
### **1. Child Support Performance**

Committee narrative in the 2025 *Joint Chairmen’s Report* (JCR) requested that DHS submit three periodic reports on statewide and local performance toward achieving the five federal incentive goals (support order establishment, paternity establishment, collections on current support due, collections on arrears, and cost effectiveness). As of the writing of this analysis, DHS has submitted two of the three requested reports, providing data through September 30, 2025. The third report is due on February 28, 2026.

#### **Statewide Performance**

**Exhibit 6** shows statewide service performance for four of the measures used as part of the federal performance program along with the State goal for each measure. These performance goals are set by the State and are based on the previous federal fiscal year’s actual performance. This exhibit shows that statewide service performance for federal fiscal 2025 declined in all four measures compared to federal fiscal 2024, each by less than 1 percentage point. Performance declined in current child support collections by 0.64 percentage points, paternity establishment by 0.59 percentage points, cases with support orders by 0.45 percentage points, and cases paying arrears by 0.43 percentage points. Despite experiencing the largest decline, current support collections was the only performance measure that exceeded the statewide performance goal for federal fiscal 2025. When looking at federal performance goals, a slightly different story emerges. While both cases with support orders and paternity establishment exceeded their federal performance goals in both federal fiscal 2024 and 2025, current support collections and cases paying arrears fell short. In federal fiscal 2025, current support collections and cases paying arrears were 16.2 percentage points and 14.5 percentage points below the federal goal, respectively.

**Exhibit 6  
Statewide Performance and Goals  
Federal Fiscal 2024-2025**



Note: 2025 Federal Goal is 90% for Paternity Establishment, 80% for all other measures.

Source: Department of Human Services

The fifth federal incentive goal, cost effectiveness, measures the total child support dollars collected compared to the total amount of child support funds spent. The federal government’s goal is for states to collect at least \$5 in child support funds for every \$1 spent. While DHS has not reported actual cost effectiveness for federal fiscal 2025, the agency has indicated that this data will be available by April 2026. **Exhibit 7** shows cost effectiveness for federal fiscal 2021 through 2024 and includes DHS estimates for federal fiscal 2025. While cost effectiveness decreased each year between federal fiscal 2021 and 2024, DHS estimates a 40.2% increase in cost effectiveness for federal fiscal 2025 compared to 2024. However, this amount would still be well below the federal goal of \$5.

**Exhibit 7  
Cost Effectiveness  
Federal Fiscal 2021-2025 Estimated**



Source: Department of Budget and Management; Department of Human Services

**Local Performance**

The committee narrative also requested child support performance by county. At the close of federal fiscal 2025 (September 2025), only five counties (Allegany, Calvert, Carroll, Frederick, and Talbot) met or exceeded the statewide goals for the four measures reported (support order establishment, paternity establishment, collections on current support due, and collections on arrears). Three jurisdictions (Cecil and Wicomico counties along with Baltimore City) did not reach any of the four goals. **Exhibit 8** shows the jurisdictions underperforming the State goals at the close of federal fiscal 2025 by performance measure. The cases paying arrears goal was the least attainable, with 16 out of 24 jurisdictions failing to meet it. The goals related to paternity establishment and current support collections were the most attainable, with 9 jurisdictions failing to meet either goal. While cases with support orders and current support collections are measures that can vary throughout the year, paternity establishment and cases paying arrears are measures that grow during the federal fiscal year, meaning that the data at the close of federal fiscal 2025 represents performance for the full federal fiscal year. However, DHS notes that the numbers provided are only preliminary, and final performance is reported to the U.S. Department of Health and Human Services (HHS) each year by December 31. **DHS should comment on any changes between the preliminary data and final numbers reported to HHS for federal fiscal 2025. Additionally, DHS should comment on measures being taken to improve LDSS performance in the federal incentive goals.**

**Exhibit 8  
Jurisdictions with Performance under State Goals  
Federal Fiscal 2025**

<b>Cases with Support Orders (87.13% Goal)</b>		<b>Paternity Establishment (94.56% Goal)</b>		<b>Current Support Collections (63.11% Goal)</b>		<b>Cases Paying Arrears (67.76% Goal)</b>	
Montgomery	86.83%	Baltimore City	94.18%	Dorchester	62.87%	Queen Anne’s	67.50%
Anne Arundel	86.72%	Caroline	94.07%	Cecil	62.36%	Prince George’s	67.42%
Washington	86.36%	Somerset	92.97%	Montgomery	61.75%	Baltimore County	66.69%
Prince George’s	86.02%	Anne Arundel	92.81%	Kent	61.70%	Garrett	65.82%
Baltimore City	85.55%	Prince George’s	91.49%	Caroline	59.11%	Kent	65.76%
Worcester	85.55%	Charles	90.20%	Wicomico	58.02%	Washington	65.20%
Wicomico	85.30%	Baltimore County	90.13%	Worcester	57.86%	Caroline	64.27%
Harford	84.54%	Wicomico	88.11%	Baltimore City	56.19%	Baltimore City	63.89%
Howard	83.70%	Cecil	79.41%	Somerset	50.61%	Anne Arundel	63.00%
Charles	83.63%					Wicomico	62.97%
Baltimore County	81.61%					Dorchester	62.24%
Cecil	70.72%					Worcester	61.68%
						Montgomery	61.03%
						Cecil	60.45%
						St. Mary’s	58.93%
						Somerset	52.34%

Source: Department of Human Services; Department of Legislative Services

## ***Life After Welfare Report***

The *Life After Welfare: 2025 Annual Update* report by UMSSW further examined DHS child support performance data specifically for families exiting Maryland’s cash assistance programs. UMSSW found that the percentage of families exiting Temporary Cash Assistance (TCA) with an open child support case has significantly declined over time, from 67% in fiscal 2020 to just 46% in fiscal 2024. One possible contributor to this decrease is a policy change by DHS in December 2021. The Temporary Assistance to Needy Families program requires participating families to pursue child support if applicable. Families are exempt from this requirement for good cause, which can include a fear of physical or emotional harm from pursuing child support. Historically, State law provided for a full family sanction (TCA case closure) for failure to cooperate with child support requirements. Chapter 457 of 2020 altered the sanction policy to instead reduce TCA benefits by 25% for failure to cooperate. This change may have impacted cooperation with these requirements.

## **2. Child Support Management System**

According to the 2025 Annual Update, another possible contributor to the decline in families exiting TCA with an open child support case is system errors with CSMS, which supports various statewide child support functions including compiling child support data. Although CSMS was implemented in 2022, system errors have been identified by DHS over time. These errors are primarily related to lack of system integration and inaccessibility of data across programs. In addition to CSMS, DHS also utilizes the Eligibility & Enrollment (E&E) system and the Child, Juvenile, and Adult Management System (CJAMS). E&E is a service shared by DHS and the Maryland Department of Health for eligibility determination of various benefit programs while CJAMS supports the monitoring and coordination of child welfare and adult protective services. Despite being considered part of the broader Maryland Total Human-services Integrated Network (MD THINK) project, because each system was developed separately, they were not originally designed to integrate. This has led to CSMS experiencing delays updating payment calculations when families stop receiving TCA or when children leave foster care, as well as discrepancies caused by manual data entries or calculations. DHS has worked to correct these errors through reconciliations of data between the three systems and reported the successful interface between CSMS, E&E, and CJAMS in the September 2025 performance report submission providing child support performance data through June 30, 2025. However, progress is ongoing, particularly with the cross-program accessibility of data.

In response to committee narrative in the 2025 JCR, DHS submitted a report in February 2025 outlining Maryland Benefits costs, implementation progress, and long-term sustainability. Maryland Benefits, formerly MD THINK, is a shared platform supporting the CJAMS, CSMS, and E&E applications. The report included updated information regarding improvements made to CSMS as well as planned initiatives in fiscal 2026 and 2027. In this report, DHS stated that they are working to correct inconsistencies in the user interface and reconcile data with additional systems including Financial Institution Data Match, the Child Support Enforcement Network, DHS’ payment processing vendor, and the Parent Locator Service, which

the agency believes will improve data accuracy within CSMS. Additionally, DHS is conducting data cleansing and migrating CSMS' core data repository to improve report generation capabilities. Further discussion of this report may be found in the analysis for N00A01 – DHS Administration.

### **CSMS Certification Status**

OCSE is the office within HHS' Administration for Children and Families responsible for federal oversight of child support, including the child support programs in CSA. OCSE certifies automated child support enforcement systems like CSMS that meet certain objectives and requirements. While CSMS was originally developed with these objectives and requirements in mind, the certification process has experienced a variety of delays over the past several years. As such, DHS was requested to provide an update on federal certification of CSMS as part of their report outlining Maryland Benefits costs, implementation progress, and long-term sustainability. In this report, DHS outlined a tentative schedule for CSMS' federal certification. The certification process began in January 2026 after the new IV&V vendor was onboarded, and DHS estimates that final certification will be received in July 2026.

### **3. Motor Vehicle License Suspensions**

In the 1995 legislative session, the General Assembly created a pilot program in Baltimore City and Prince George's and Anne Arundel counties requiring the Motor Vehicle Administration (MVA) to suspend the driver's licenses of certain individuals for failure to pay child support upon notification from CSA. This program was eventually expanded statewide. In calendar 2023, MVA suspended more than 20,000 licenses due to child support noncompliance.

Chapter 578 of 2025 made several changes to both who is eligible and the process for driver's license suspensions. Effective October 1, 2025, the law exempts individuals whose income is at or below 250% of federal poverty guidelines from having their license suspended, expanded the time period individuals must be out of compliance with a child support order from 60 to 120 days, and allows individuals to request a review of CSA's decision to refer their license for suspension before the suspension takes effect. **DHS should discuss its efforts to implement the changes in the driver's license suspension program.**

### **Referral Rejections**

In April 2025, the Office of Legislative Audits (OLA) published a fiscal compliance audit of CSA covering the period September 1, 2020, to December 31, 2023. This audit contained one finding, which was repeated from a previous audit, that CSA did not have sufficient procedures to ensure that MVA suspended the driver's licenses of noncustodial parents who were delinquent in their child support payments.

In order to suspend the driver's licenses of noncustodial parents with unpaid child support, MVA requires an exact match of four data elements between what is provided by CSA and what is in MVA records. If one or more data points do not match, MVA rejects the referral from CSA.

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Between September 2023 and February 2024, of the 13,636 referrals sent by CSA, more than 37% (5,070) were rejected by MVA. OLA found that CSA did not research any claims rejected by MVA to determine whether the rejection may have been a result of a data entry error. Additionally, while the agreement between MVA and CSA requires an exact match of the noncustodial parent's driver's license number, CSA does not require caseworkers to enter that information in CSMS. In response to OLA's findings, CSA noted that they would implement a new report for local offices to locate and resolve potential data entry issues. CSA also noted that they would provide training on how to review the new report. **DHS should comment on specific steps being taken to ensure that LDSS' are utilizing this report to address rejected referrals.**

## Operating Budget Recommended Actions

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1. Add the following language:

Provided that this appropriation shall be reduced by \$679,639 in federal funds for noncustodial parent employment and training contracts. The Department of Human Services is authorized to allocate this reduction across programs.

**Explanation:** The fiscal 2027 allowance includes \$600,000 in funding in the Child Support Administration (CSA) and \$679,639 in the Family Investment Administration (FIA) for the Noncustodial Parent Employment Program. The program has historically been budgeted in FIA, but the Department of Human Services indicates that a change in federal rules allows child support federal funds to be used for this purpose and that while this is a new source of funding, it is not a new contract. This action reduces the federal funds in fiscal 2027 associated with noncustodial parent employment and training contracts that are budgeted in both CSA and FIA. This action leaves the \$600,000 budgeted within CSA.

2. Adopt the following narrative:

**Child Support Performance Reports:** The federal government evaluates states' performance against five measures to determine federal incentive payments: paternity establishment; support order establishment; collections on current support; cases paying toward arrears; and cost effectiveness. Recent data from the Department of Human Services (DHS) Child Support Administration (CSA) shows that the agency is stagnating in each of the five areas. Considering CSA's transition of its primary data system, the Child Support Management System (CSMS), to make its agency's processes and tasks more efficient, the committees are interested in understanding how this system is helping CSA achieve its performance goals.

The committees request that DHS submit three reports on performance using data as of June 30, 2026; September 30, 2026; and December 31, 2026. Each report should include:

- a discussion of factors affecting performance in the quarter;
- the State's aggregate performance set against the five performance measures used to determine federal incentive payments;
- each jurisdiction's performance set against the five performance measures used to determine federal incentive payments;

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- the number of cases in each jurisdiction in the quarter; and
- specific tasks related to each of the five performance measures that are streamlined, made more efficient, or made more complicated by the CSMS

<b>Information Request</b>	<b>Author</b>	<b>Due Date</b>
Child support performance reports	DHS	September 15, 2026 December 15, 2026 February 28, 2026

3. Adopt the following narrative:

**Reconciliation of the Child Support Reinvestment Fund:** The Department of Human Services (DHS) annually receives federal funding related to child support performance in certain measures. These funds are received into the Child Support Reinvestment Fund and used to support child support service activities. Over the last several years, reported Child Support Reinvestment Fund revenue has differed significantly by source, leading to differing accounts of both revenue and balances in the account. The committees request that DHS submit a report reconciling Child Support Reinvestment Fund revenue and expenditures by year from fiscal 2019 through 2026. This report should include opening and closing fund balances for each year.

<b>Information Request</b>	<b>Author</b>	<b>Due Date</b>
Report reconciling the Child Support Reinvestment Fund	DHS	November 30, 2026
<b>Total Net Change to Fiscal 2027 Allowance</b>		<b>-\$679,639</b>

4. Add the following language:

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To become available immediately after passage of this budget to supplement the appropriation for fiscal 2026 to fund call center services.

Special Fund Appropriation .....	1,858,906 <u>0</u>
Federal Fund Appropriation .....	-306,707
	1,552,199 <u>-306,707</u>



**Appendix 1**  
**2025 Joint Chairmen’s Report Responses from Agency**

The 2025 JCR requested that DHS’ CSA prepare three reports. Electronic copies of the full JCR responses can be found on the DLS Library website.

- ***Child Support Services Performance Reports:*** As of this writing, CSA has submitted two of the three required reports. The final report is due on February 28, 2026. Performance data is discussed in Key Observation 1 of this analysis.

**Appendix 2  
Audit Findings**

Audit Period for Last Audit	September 1, 2020-December 31, 2023
Issue Date	April 2025
Number of Findings	1
Number of Repeat Findings	1
% of Repeat Findings	100%
Rating: (if applicable)	n/a

**Finding 1: CSA did not have sufficient procedures to ensure that MVA suspended the driver’s licenses of noncustodial parents who were delinquent in their child support payments.**

\*Bold denotes item repeated in full or part from preceding audit report.

**Appendix 3**  
**Object/Fund Difference Report**  
**Department of Human Services – Child Support Administration**

<u>Object/Fund</u>	<u>FY 25 Actual</u>	<u>FY 26 Work Approp.</u>	<u>FY 27 Allowance</u>	<u>FY 26 - 27 \$ Change</u>	<u>% Change</u>
<b>Positions</b>					
01 Regular	660.20	648.20	648.20	0.00	0.0%
02 Contractual	12.66	1.00	1.00	0.00	0.0%
<b>Total Positions</b>	<b>672.86</b>	<b>649.20</b>	<b>649.20</b>	<b>0.00</b>	<b>0.0%</b>
<b>Objects</b>					
01 Salaries, Wages, and Fringe Benefits	\$62,220,957	\$63,013,817	\$70,822,431	\$7,808,614	12.4%
02 Technical and Special Fees	904,482	81,106	81,165	59	0.1%
03 Communications	173,160	390,604	369,635	-20,969	-5.4%
04 Travel	74,135	154,448	171,911	17,463	11.3%
06 Fuel and Utilities	72,206	100,471	87,923	-12,548	-12.5%
07 Motor Vehicle Operation and Maintenance	44,741	41,477	40,474	-1,003	-2.4%
08 Contractual Services	42,704,301	43,964,044	60,579,408	16,615,364	37.8%
09 Supplies and Materials	273,892	459,431	462,319	2,888	0.6%
10 Equipment – Replacement	6,768	0	0	0	N/A
11 Equipment – Additional	117,360	0	0	0	N/A
12 Grants, Subsidies, and Contributions	19,528	7,674	8,250	576	7.5%
13 Fixed Charges	5,181,856	4,057,489	3,521,195	-536,294	-13.2%
<b>Total Objects</b>	<b>\$111,793,386</b>	<b>\$112,270,561</b>	<b>\$136,144,711</b>	<b>\$23,874,150</b>	<b>21.3%</b>
<b>Funds</b>					
01 General Funds	\$17,524,582	\$20,301,766	\$24,163,386	\$3,861,620	19.0%
03 Special Funds	19,514,243	11,500,636	10,995,975	-504,661	-4.4%
05 Federal Funds	74,754,561	80,468,159	100,985,350	20,517,191	25.5%
<b>Total Funds</b>	<b>\$111,793,386</b>	<b>\$112,270,561</b>	<b>\$136,144,711</b>	<b>\$23,874,150</b>	<b>21.3%</b>

Note: The fiscal 2026 appropriation includes proposed deficiency appropriations. The fiscal 2027 allowance does not include statewide salary adjustments budgeted within the Department of Budget and Management.