

Department of Legislative Services
 Maryland General Assembly
 2016 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 1502 (Delegate Rosenberg)
 Judiciary

Child Support Enforcement - Noncustodial Parent Employment Assistance Pilot Program

This bill requires the Child Support Enforcement Administration (CSEA) to develop and implement a Noncustodial Parent Employment Assistance Pilot Program in Baltimore City in cooperation with specified entities. The program’s purpose is to provide eligible unemployed or underemployed noncustodial parents assistance in obtaining employment that will enable the noncustodial parents to achieve economic self-sufficiency and meet their child support obligations.

The bill terminates September 30, 2019.

Fiscal Summary

State Effect: Federal fund expenditures increase by \$75,000 in FY 2017, which reflects the bill’s October 1, 2016 effective date. Future year expenditures reflect annualization, a combination of general/federal fund expenditures in FY 2018 and 2019, and termination of the pilot program in FY 2020. Potential increase in special fund revenues to the extent that the bill increases child support collections for specified individuals.

(in dollars)	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
SF Revenue	-	-	--	-	-
GF Expenditure	\$0	\$50,000	\$50,000	\$0	\$0
FF Expenditure	\$75,000	\$50,000	\$50,000	\$25,000	\$0
Net Effect	(\$75,000)	(\$100,000)	(\$100,000)	(\$25,000)	\$0

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

Local Effect: None.

Small Business Effect: None.

Analysis

Bill Summary: To be eligible to participate in the program, an individual must be (1) a noncustodial parent of a child who is receiving services in Baltimore City under federal law provisions; (2) unable to meet a child support obligation due to the noncustodial parent's unemployment or underemployment; (3) able to work; and (4) subject to the jurisdiction of the Circuit Court for Baltimore City.

The program must include the identification of noncustodial parents who are eligible to participate in employment services under the program. For an eligible noncustodial parent who has a pending child support order, the program must also include an opportunity to agree to (1) participate in employment services under the program in accordance with a consent agreement between the noncustodial parent and CSEA and (2) have the child support order require participation in the program in accordance with the consent agreement.

For an eligible noncustodial parent who has arrearages under an existing child support order, the program must include an opportunity to choose one of the following methods of addressing the failure to pay child support: (1) pay the arrearages or enter into a payment plan; (2) participate in employment services under the program in accordance with a consent agreement between the noncustodial parent and CSEA; or (3) be subject to any enforcement remedy authorized by law for noncompliance with a child support order, including contempt of court proceedings.

For a noncustodial parent who chooses to participate in employment services, the program must include:

- the issuance of a court order that (1) requires participation in the program in accordance with a consent agreement between the noncustodial parent and CSEA; (2) indicates the noncustodial parent's agreement to comply with all program requirements; and (3) is signed by the noncustodial parent and CSEA;
- immediately after issuance of the court order, an initial assessment of the noncustodial parent's work readiness and determination of appropriate employment assistance services;
- execution of a consent agreement between the noncustodial parent and CSEA that sets forth (1) the noncustodial parent's rights and responsibilities under the program;

(2) an employment plan for the noncustodial parent; and (3) the consequences of a failure to comply with program requirements;

- employment assistance services;
- referrals to other appropriate support services, as determined during the initial assessment or included in the employment plan;
- intensive case management, as specified; and
- strict enforcement procedures for noncompliance with program requirements, including contempt of court proceedings.

The employment assistance services provided to a noncustodial parent under the program may include (1) job skills assessment; (2) job search guidance and assistance; (3) job skills training; (4) job placement; (5) career counseling; (6) assistance with other employment-related needs such as work clothing, testing, transportation, or child care; and (7) referrals to educational programs and other community services.

In a case in which an individual is receiving temporary cash assistance (TCA) and has assigned to the State all right, title, and interest in support, the consent agreement between the noncustodial parent and CSEA may provide for a reduction in the amount of arrearages, as authorized under current law provisions, on full completion of program requirements.

The Secretary of Human Resources may use any available funds for the development and implementation of the program and may adopt implementing regulations. The Secretary must conduct evaluations of the program using specified measures. Annually, by December 31, the Secretary must report to the General Assembly on the effectiveness of the program based on the evaluation.

CSEA must notify the Motor Vehicle Administration to reinstate an obligor's license or privilege to drive if an obligor is a participant in full compliance in the program. CSEA must notify any licensing authority to reinstate any license that has been suspended or denied if an individual has fully complied with the pilot program.

Current Law/Background: CSEA, within the Department of Human Resources (DHR), administers and monitors child support services provided by the local departments of social services and other offices, provides technical assistance, formulates policy, develops and implements new programs, and ensures compliance with regulations and policy.

Individuals who are in noncompliance with child support obligations are subject to the revocation of driving privileges under statutory provisions. Individuals are also subject to suspension, revocation, forfeitures, or termination of occupational and/or recreational licenses.

State Revenues: TCA recipients must assign their support rights to the State and federal governments as partial reimbursement for 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. Special fund revenues may increase to the extent that additional child support is collected from noncustodial parents who participate in the program. Any such impact cannot be quantified beforehand.

State Expenditures: Federal fund expenditures increase by \$75,000 in fiscal 2017, which reflects the bill's October 1, 2016 effective date. This estimate assumes that the program assists 100 individuals annually, at a cost of \$1,000 per client. In fiscal 2018 and 2019, total State expenditures increase by \$100,000 annually, of which \$50,000 annually is federal funds. DHR advises that it intends to work with nonprofit providers to support the remaining \$50,000 of estimated annual expenditures in fiscal 2018 and 2019. Although for purposes of this estimate it is assumed that general fund expenditures increase by \$50,000 annually in fiscal 2018 and 2019, the Department of Legislative Services notes that any impact on the general fund is reduced or eliminated to the extent that outside funding is secured. The fiscal 2020 estimate reflects termination of the pilot program on September 30, 2019.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Baltimore City; Judiciary (Administrative Office of the Courts); Department of Human Resources; Department of Labor, Licensing, and Regulation; Maryland Department of Transportation; Department of Legislative Services

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min/kdm

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