

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1991

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SENATE BILL 464\*

Short Title: Child Support Reform.

(Public)

Sponsors: Senator Marvin.

Referred to: Judiciary II.

April 2, 1991

A BILL TO BE ENTITLED

AN ACT TO BEGIN THE PROCESS OF ADOPTING A REFORMED, UNIVERSAL, STATE-ADMINISTERED CHILD SUPPORT SYSTEM IN NORTH CAROLINA.

The General Assembly of North Carolina enacts:

Whereas, the current child support enforcement system in North Carolina is actually the combination of two programs, with one provided through the Department of Human Resources, Division of Social Services and the county departments of social services, and the other provided by the clerks of court; and

Whereas, regardless of which program they access, people needing State child support enforcement receive inequitable program services; and

Whereas, North Carolina's ratio of child support collections per administrative dollar expended is below the national average; and

Whereas, this organizational fragmentation in the child support enforcement system creates confusion and unnecessary duplication and too often forfeits potential federal reimbursements; and

Whereas, the phasing in of the adoption of a reformed, universal, State-administered approach to delivering child support enforcement services in North Carolina would yield immediate improvement in the provision of essential support to the children of this State as well as a positive cost benefit to State taxpayers; Now, therefore;

The General Assembly of North Carolina enacts:

Section 1. G.S. 110-128 reads as rewritten:

"§ 110-128. ~~Purposes.~~ Purposes; phasing in of reformed, universal child support enforcement system.

1 (a) The purposes of this Article are to provide for the financial support of dependent  
2 children; to enforce spousal support when a child support order is being enforced; to  
3 provide that public assistance paid to dependent children is a supplement to the support  
4 required to be provided by the responsible parent; to provide that the payment of public  
5 assistance creates a debt to the State; to provide that the acceptance of public assistance  
6 operates as an assignment of the right to child support; to provide for the location of  
7 absent parents; to provide for a determination that a responsible parent is able to support  
8 his children; and to provide for enforcement of the responsible parent's obligation to  
9 furnish support and to provide for the establishment and administration of a program of  
10 child support enforcement in North Carolina.

11 (b) Effective October 1, 1991, the General Assembly shall begin the phasing in  
12 of a reformed, universal, State-administered child support enforcement system, which  
13 will merge most of the child support enforcement system administered by the clerks of  
14 court pursuant to Chapter 50 of the General Statutes into the system prescribed by this  
15 Article. The clerk's role in collecting child support payments shall continue and a  
16 recipient of a court support order may elect whether to have payments made through the  
17 clerk of court or directly to the recipient. The collection and distribution activities of  
18 the clerk of court shall be assumed by a central clearinghouse prescribed by this Chapter  
19 that shall serve as a single repository and distribution point for all child support  
20 collections. Part of this phasing in shall also involve the phasing out of the URESA  
21 case processing responsibilities of the district attorneys and the establishment within the  
22 court system of a quasi-judicial process using hearing officers to adjudicate support  
23 matters in controversy.

24 The phasing in shall begin, effective October 1, 1991, with six counties designated  
25 by the General Assembly in the Expansion Appropriations Act of 1991, and shall be  
26 completed for all counties by that date established by the General Assembly in the  
27 Expansion Appropriations Act of 1991."

28 Sec. 2. Article 9 of Chapter 110 of the General Statutes is amended by  
29 adding the following new section to read:

30 "**§ 110-128.1. Child Support Trust Fund.**

31 There is established in the Department of Human Resources the Child Support Trust  
32 Fund. The Fund shall receive the funds generated from federal reimbursements and  
33 other savings resulting from the phasing in of the reformed, universal, State-  
34 administered child support enforcement system established pursuant to G.S. 110-128(b)  
35 as well as any funds specifically appropriated to it by the General Assembly.  
36 The Fund shall be used to fund the phasing in of the universal system, to serve as a  
37 source of funds to aid counties seeking to operate a local program under a cooperative  
38 agreement, or as otherwise provided by the General Assembly. Funds appropriated to  
39 the Fund or otherwise received by it shall not revert to the General Fund."

40 Sec. 3. Chapter 120 of the General Statutes is amended by adding a new  
41 Article to read:

42 **"ARTICLE 12I.**

43 **"JOINT LEGISLATIVE CHILD SUPPORT OVERSIGHT COMMISSION.**

1 **"§ 120-70.85. Creation and membership of Joint Legislative Child Support**  
2 **Oversight Commission.**

3 The Joint Legislative Child Support Oversight Commission is established. The  
4 Commission consists of 16 members as follows:

- 5 (1) Eight members of the Senate appointed by the President Pro Tempore  
6 of the Senate; and  
7 (2) Eight members of the House of Representatives appointed by the  
8 Speaker of the House of Representatives.

9 Terms on the Commission are for two years and begin on the convening of the  
10 General Assembly in each odd-numbered year, except the terms of the initial members,  
11 which begin on appointment and end on the day of the convening of the 1993 General  
12 Assembly. Members may complete a term of service on the Committee even if they do  
13 not seek reelection or are not reelected to the General Assembly, but resignation or  
14 removal from service in the General Assembly constitutes resignation or removal from  
15 service on the Committee.

16 A member continues to serve until his successor is appointed. A vacancy shall be  
17 filled within 30 days by the officer who made the original appointment.

18 **"§ 120-70.86. Purpose and powers of Commission.**

19 (a) The Joint Legislative Child Support Oversight Commission shall examine,  
20 on a continuing basis, the child support enforcement system in North Carolina, in order  
21 to make ongoing recommendations to the General Assembly on ways to improve the  
22 enforcement of child support.

23 The Commission's oversight study shall include:

- 24 (1) A continuing oversight review of the phasing in of the reformed,  
25 universal, State-administered child support system established  
26 pursuant to G.S. 110-128(b);  
27 (2) A continuing fiscal analysis of the cost of implementation of the  
28 phasing in, with a report on funding and other legislative  
29 recommendations to the 1993 General Assembly;  
30 (3) A long-term fiscal analysis of an equitable plan for State/county  
31 sharing consistent with the Social Services Plan;  
32 (4) An exploration of State and local cooperative agreements that would  
33 maximize federal reimbursement, particularly in regard to obtaining  
34 federal participation in the cost of the following services: (i) sheriff's  
35 service of process costs, (ii) district attorney costs, (iii) AOC systems  
36 costs, and (iv) AOC blood testing costs, as these costs are affected by  
37 the phasing in's transferring of many of the court's roles to DHR; and  
38 (5) By continuing consultation with all the State and local agencies and  
39 individuals involved in child support enforcement both currently and  
40 as continuing progress is made towards completing the reformed  
41 system prescribed by G.S. 110-128(b), a continuing consideration of  
42 the issues that are still causing confusion and inequities even as the  
43 phasing in works towards the reformed system aimed at by G.S. 110-  
44 128(b), and that develop as the phasing in continues.

1 (b) The Commission may make interim reports to the General Assembly on  
2 matters for which it may report to a regular session of the General Assembly. A report  
3 to the General Assembly may contain any legislation needed to implement a  
4 recommendation of the Committee.

5 **"§ 120-70.87. Organization of Committee.**

6 (a) The President Pro Tempore of the Senate and the Speaker of the House of  
7 Representatives shall each designate a cochair of the Joint Legislative Child Support  
8 Oversight Commission. The Commission shall meet at least once a quarter and may  
9 meet at other times upon the joint call of the cochairs.

10 (b) A quorum of the Commission is nine members. No action may be taken  
11 except by a majority vote at a meeting at which a quorum is present. While in the  
12 discharge of its official duties, the Commission has the powers of a joint commission  
13 under G.S. 120-19 and G.S. 120-19.1 through G.S. 120-19.4.

14 (c) Members of the Commission receive subsistence and travel expenses as  
15 provided in G.S. 120-3.1. The Commission may contract for consultants or hire  
16 employees in accordance with G.S. 120-32.02. The Legislative Services Commission,  
17 through the Legislative Administrative Officer, shall assign professional staff to assist  
18 the Commission in its work. Upon the direction of the Legislative Services  
19 Commission, the Supervisors of Clerks of the Senate and of the House of  
20 Representatives shall assign clerical staff to the Commission. The expenses for clerical  
21 employees shall be borne by the Commission."

22 Sec. 4. The Department of Human Resources and the Judicial Department  
23 shall adopt joint rules to implement this act, including the phasing in of the reformed,  
24 universal, State-administered child support enforcement system, and shall make regular  
25 reports to the Joint Legislative Child Support Enforcement Commission on rules being  
26 developed.

27 Sec. 5. This act becomes effective July 1, 1991, provided that the General  
28 Assembly appropriates funds for its implementation.