

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1991

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HOUSE BILL 542*

Short Title: Child Support Reform.

(Public)

Sponsors: Representative Barnes.

Referred to: Human Resources.

April 1, 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.