



JENNIFER M. GRANHOLM
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF HUMAN SERVICES
LANSING



ISMAEL AHMED
DIRECTOR

November 30, 2009

The Honorable Bill Hardiman, Chair
Senate Appropriations Subcommittee on DHS
State Capitol Building
Lansing, MI 48909

The Honorable Dudley Spade, Chair
House Appropriations Subcommittee on DHS
State Capitol Building
Lansing, MI 48909

Dear Senator Hardiman and Representative Spade:

Section 911(2) of Public Act 129 of 2009 (Enrolled Senate Bill No. 248) requires the Department of Human Services to provide the chairs of the Senate and House appropriations committees with model legislation authorizing a \$25.00 annual fee pursuant to title IV-D, 42 USC 654(6)(B) by December 31, 2009.

If you have any questions, please contact Susan Kangas, chief financial officer, at (517) 373-7787.

Sincerely,

Stanley M. Stewart for

Ismael Ahmed

cc: Senate and House Subcommittee on DHS
Senate and House Fiscal Agencies
State Budget Office

DHS' SUGGESTIONS
ANNUAL \$25 CHILD SUPPORT FEE

OFFICE OF CHILD SUPPORT ACT
Act 174 of 1971

Changes in Bold with Border on Left-Hand Side

400.233 Office of child support; duties.

Sec. 3.

The office shall do all of the following:

- (a) Serve as a state agency authorized to administer title IV-D.
- (b) Assist a governmental agency or department in locating an adult responsible for the child for any of the following purposes:
 - (i) To establish parentage.
 - (ii) To establish, set the amount of, modify, or enforce support obligations.
 - (iii) To disburse support receipts.
 - (iv) To make or enforce child custody or parenting time orders.
- (c) Coordinate activity on a state level in a search for an adult responsible for the child.
- (d) Obtain information that directly relates to the identity or location of an adult responsible for the child.
- (e) Serve as the information agency as provided in the revised uniform reciprocal enforcement of support act, 1952 PA 8, MCL 780.151 to 780.183, and uniform interstate family support act, 1996 PA 310, MCL 552.1101 to 552.1901.
- (f) Develop guidelines for coordinating activities of a governmental department, board, commission, bureau, agency, or council, or a public or private agency, in providing information necessary for the location of an adult responsible for the child.
- (g) Develop, administer, and coordinate with the state and federal departments of treasury a procedure for offsetting the state tax refunds and federal income tax refunds of a parent who is obligated to support a child and who owes past due support. The procedure shall include a guideline that the office submit to the state department of treasury, not later than November 15 of each year, all

requests for the offset of state tax refunds claimed on returns filed or to be filed for that tax year.

(h) Develop and implement a statewide information system to facilitate the establishment and enforcement of child support obligations.

(i) Publicize through regular and frequent, nonsexist public service announcements the availability of support establishment and enforcement services.

(j) Develop and implement in cooperation with financial institutions a data matching and lien and levy system to identify assets of and to facilitate the collection of support from the assets of individuals who have an account at a financial institution and who are obligated to pay support as provided in this act.

(k) Provide discovery and support for support enforcement activities as provided in the support and parenting time enforcement act, 1982 PA 295, MCL 552.601 to 552.650.

(l) Have in effect safeguards against the unauthorized use or disclosure of case record information that are designed to protect the privacy rights of the parties as specified in sections 454 and 454a of title IV-D, 42 U.S.C. 654 and 654a, and that are consistent with the use and disclosure standards provided under section 64 of the social welfare act, 1939 PA 280, MCL 400.64.

(m) As provided in section 10 for friend of the court cases, centralize administrative enforcement remedies and develop and implement a centralized enforcement program to facilitate the collection of support.

(n) In the case of an individual who has never received assistance under a program funded under part A of title IV of the Social Security Act and for whom the State has collected at least \$500 of support, impose an annual fee of \$25 for each case in which services are furnished under the provisions of part D of title IV of the Social Security Act, chapter 531, 49 Stat. 620, 42 U.S.C. 651 to 655, 656 to 660, and 663 to 669b.

(i) The office shall collect the fee from support collected on behalf of the individual (but not from the first \$500 so collected).

(ii) The fee shall not be charged to participants in the food stamps program unless otherwise permitted by and pursuant to federal law.

(iii) The office shall comply with federal law and policy in assessing, enforcing, collecting and reporting the fee.

(v) Fee revenues shall be used to administer and operate the child support program under part D of title IV of the social security act.

OFFICE OF CHILD SUPPORT ACT (EXCERPT)
Act 174 of 1971

400.236 State disbursement unit; establishment; processes and procedures; collection; electronic disbursement.

Sec. 6.

(1) The state disbursement unit is established as the direct responsibility of the office. The SDU shall use automated procedures, electronic processes, and computer-driven technology to the maximum extent feasible, efficient, and economical to receive and disburse support and fees.

(2) The SDU is the single location to which a payer or source of income subject to this section shall send a support or fee payment. The SDU shall disburse a support payment to the recipient of support within 2 business days after the SDU receives the support payment. Not less than twice each calendar month, the SDU shall disburse fees that it receives to the appropriate county treasurer or office of the friend of the court.

(3) The SDU shall transmit the fee collected under Section 400.233(n) pursuant to Section 400.233(n).

(4) If a payer or source of income attempts to make a support or fee payment to the SDU and the payment transaction fails due to nonsufficient funds, the SDU may take actions to collect from the payer or source of income the support or fee payment amount, plus an amount for the expense of those actions.

(5) By not later than 1 year after the effective date of the amendatory act that added this subsection, the SDU shall disburse support electronically, in not fewer than 3 counties in this state, to either the recipient of support's account in a financial institution or to a special account that may be accessed by the recipient of support by an electronic access card. By not later than 2 years after the effective date of the amendatory act that added this subsection, the SDU shall disburse support electronically either to the recipient of support's account in a financial institution or to a special account that may be accessed by the recipient of support by an electronic access card. This subsection does not apply under any of the following circumstances:

(a) If electronic transfer is not feasible to meet federal requirements on the disbursement of child support payments.

- (b) If the support payment is from a source that is nonrecurring or that is not expected to continue in a 12-month period.
- (c) The recipient of support is a person with a mental or physical disability that imposes a hardship in accessing an electronically transferred payment.
- (d) The recipient of support is a person with a language or literacy barrier that imposes a hardship in accessing an electronically transferred payment.
- (e) The recipient of support's home and work addresses are more than 30 miles from an automated teller machine and more than 30 miles from a financial institution where funds in the recipient's account may be accessed.