

SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

BILL: CS/SB 418

SPONSOR: Committee on Judiciary, Senators Bullard, Diaz de la Portilla, and others

SUBJECT: Child Support Enforcement

DATE: March 2, 2004 REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Dowds</u>	<u>Whiddon</u>	<u>CF</u>	<u>Favorable</u>
2.	<u>Matthews</u>	<u>Lang</u>	<u>JU</u>	<u>Fav/CS</u>
3.	_____	_____	<u>AGG</u>	_____
4.	_____	_____	<u>AP</u>	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

I. Summary:

Committee Substitute for Senate Bill 418 amends the child support enforcement program law in ch. 409, F.S., to supersede a 1985 and 1986 provision in the Laws of Florida which created and governed two demonstration child support enforcement programs in Manatee and Miami-Dade counties. The CS removes the designation of demonstration projects from these programs to establish in statute that these programs are now permanent but still *locally* administered rather than administered statewide by the Department of Revenue as part of the state’s child support enforcement program in the other 65 counties. The department is required to enter into contracts to continue to fund these programs through cost-reimbursement contracts with these programs. These programs are required to abide by all state and federal reporting requirements and are subject to audits. The department may withhold funds or terminate the contracts with these programs under specified circumstances.

This CS substantially amends section 409.2557 of the Florida Statutes.

II. Present Situation:

Florida’s statewide child support enforcement program was created in 1975. The child support enforcement services for child support include locating parents, determining paternity of children, establishing court orders for payment of support, initiating enforcement action when parents fail to comply with their support obligations, collecting support, and distributing the funds to custodial parents.

In 1985, in response to concerns arising from “administrative fragmentation, inconsistencies in enforcement services, delays in providing services, and the cost-effectiveness of different

agencies providing child support services,”¹ the Legislature created three child support enforcement *demonstration projects* based on three different enforcement models.² Each of these demonstration projects provided for a distinct enforcement model based on a consolidation of services under a single entity as follows:³

- The state attorney for the eleventh judicial circuit administers the project in Dade County,
- The clerk of the circuit court administers the project in Manatee County, and
- The Department of Health and Rehabilitative Services administers the project in Palm Beach County.

Each demonstration project was required to provide all of the services stipulated in Florida’s state Title IV-D plan, to meet all federal and state reporting requirements, and to be subject to review and audits by Title IV-D state and federal officials. Funds for the Dade County and Manatee County demonstration projects were to be provided on a cost reimbursement basis under contract with the state Title IV-D agency. In 1986, ch. 85-178, L.O.F., was amended to authorize the state IV-D agency to withhold funds or terminate contracts underlying the demonstration projects if they failed to comply with federal IV-D requirements. *See* s. 156, ch. 86-220, L.O.F. Moreover, the Legislature appropriated \$50,000 for an evaluation of the three projects. *Id.*

In 1994, the Department of Revenue (in lieu of the Department of Health and Rehabilitative Services) became the designated Title IV-D agency and assumed responsibility for the statewide administration of the child support enforcement program. Therefore, the Department of Revenue (DOR) now administers the Palm Beach County child support enforcement program in the same manner as it operates similar programs in the other 64 counties. DOR is authorized to privatize support enforcement services whenever contracting is cost-effective. *See* s. 409.25575, F.S.

As for the child support enforcement programs in Miami-Dade County and Manatee County, the state attorney for the eleventh judicial circuit and the clerk of the court continue to operate the child support enforcement services projects, respectively. In November 2000, OPPAGA followed up on a January 1998 progress report on these projects and noted that the only significant differences between the DOR’s operation and that of the Miami-Dade County and Manatee County projects were as follows⁴:

- *Provision of legal services*: DOR provides legal support for the child support activities conducted through contracts with private attorneys and the Office of Attorney General. Miami-Dade County and Manatee County, on the other hand, use their own staff to provide this service.
- *Organization of the child support function*: DOR has organized its delivery of child support services using a process management system which utilizes teams with specialized knowledge to handle distinct tasks for each case such as opening a case, locating the non-custodial parent, and establishing paternity. Miami-Dade County is using this same process management model. However, Manatee County uses a

¹ *See Child Support Enforcement Demonstration Projects Show Mixed Results, But Should Be Continued*, OPPAGA Report 98-39, January 1999.

² *See* s. 6, ch. 85-178, L.O.F.

³ *Id.* at footnote 1.

⁴ *See Child Support Enforcement Demonstration Projects Continue to Show Mixed Results*, Report 00-19, November 2000. *Id.* footnote at 2.

caseworker model which assigns a caseworker to a child support case with that caseworker handling most of the tasks from establishment to enforcement of the child support order.

Each of these demonstration projects operates pursuant to a cost-reimbursement contract with the DOR. These contracts have performance targets which if not met, DOR may order corrective action. Below is a comparison of the performance of the department, Miami-Dade County, and Manatee County based on the federal incentive measures.

Federal Incentive Measures	Dade FFY 01-02	Dade FFY 02-03	Manatee FFY 01-02	Manatee FFY 02-03	DOR FFY 01-02	DOR FFY 02-03
Cases with Support Orders	52.9%	56.7%	62.5%	71.7%	67.1%	70.5%
Collections on Current Support	59%	59%	60%	59.3%	56%	56%
Collections on Arrears	60.4%	63.9%	65.5%	65%	63.1%	64.6%

The Office of Program Policy Analysis and Government Accountability recommended in both its January 1999 report and November 2000 progress report that Florida law be amended to reflect that these two projects are no longer demonstration projects but offer local solutions to providing child support enforcement services. These projects have not been evaluated by any other entity.

III. Effect of Proposed Changes:

The CS amends the child support enforcement program law in ch. 409, F.S., to give permanent status in statute to two child support enforcement programs in Manatee and Miami-Dade Counties created as demonstration projects in 1985 under ch. 85-178, L.O.F., as amended subsequently by ch. 86-220, L.O.F. These programs will no longer be considered demonstration projects. The CS requires the same responsibilities that the current chapter law requires. That is, the Department of Revenue is required to enter into cost-reimbursement contracts to continue to fund these programs, effective July 1, 2004. The effective date is provided to ensure that the current annual contracts are not nullified or otherwise altered by this law. The programs must continue to meet all state and federal reporting requirements, provide services in accordance with the state’s Title IV-D plan, and provide services in accordance with federal and state policies. Additionally, the operations of these providers will still be subject to audit review by state and federal officials which is also a requirement under the current chapter law.

The Department of Revenue will still have authority to withhold funds or terminate contracts if the programs fail to comply with the federal Title IV-D program requirements. The Department of Revenue still retains responsibility for ensuring that all services required by the state Title IV-D program are provided in accordance with state and federal laws. DOR is similarly responsible for all such programs around the state.

In essence, this CS supersedes (and implicitly repeals) the provisions of section 6 of ch. 85-178, L.O.F., as amended by s. 156 of ch. 85-220, L.O.F., to provide child support enforcement services and continues to place responsibility for their operation with the local provider under

cost-reimbursement contracts. DOR does not have the option of terminating these contracts if they are not cost-effective which would be contrary to the policies set forth in s. 409.25575, F.S.

This CS takes effect upon becoming law.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Economic Impact and Fiscal Note:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

The Department of Revenue has not identified a fiscal impact for this CS.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Amendments:

None.