

- SUBJECT:** State liability for some costs related to child support cases
- COMMITTEE:** Juvenile Justice and Family Issues — committee substitute recommended
- VOTE:** 9 ayes — Goodman, Pickett, Isett, P. King, Morrison, Naishtat, A. Reyna, E. Reyna, Truitt
0 nays
- WITNESSES:** For — Cindy Groomer, County and District Clerks of Texas and Texas Association of Child Support Registries
Against — None
On — Howard Baldwin, Office of the Attorney General
- BACKGROUND:** The federal government requires each state to designate a single agency to administer child support cases in which the recipient is receiving certain federal benefits, including Temporary Assistance to Needy Families, and for others who apply for child support services. The agency often called the IV-D agency in reference to Title IV, Part D of the federal Social Security Act. The Office of the Attorney General (OAG) is Texas' IV-D agency.
- In 1996, Congress enacted the Personal Responsibility and Work Opportunity Reconciliation Act, which, among other provisions, requires states to implement a centralized registry to record and track child support cases and to implement an automated, centralized system to collect and disburse child support payments for which wages are withheld and payment made by an employer.
- Texas' statewide registry began operating in early 1998. The statewide disbursement unit must be implemented by October 1, 1999, to collect and disburse child support payments from income withholding ordered after January 1, 1994.
- DIGEST:** CSHB 2354 would amend the Family Code to eliminate the current provision limiting the OAG's liability for specific court costs and fees in IV-D cases to specific appropriations made to the agency for that purpose. It would

eliminate a requirement that to the extent state funds are not available, the counties, through court clerks, sheriffs, or constables, pay costs and fees not reimbursed by the federal government and that represent the state share of the costs. If the federal government disallowed an amount of fees and costs or if the state otherwise did not receive a federal share amount, the state's IV-D agency would be liable for state's share of the costs and fees.

The bill would make the state's IV-D agency liable for the costs to establish and operate the state case registry and state disbursement unit. The agency would have to reimburse counties for their expenses for the initial gathering of data concerning court orders necessary to establish the records for the state case registry and the state disbursement unit. The agency would have to provide to local registries the hardware and software necessary to operate the state disbursement unit and the computer connectivity necessary for the registry's access to the payment identification database and the receipt and disbursement system in the state disbursement unit. The IV-D agency could not charge a county a fee to obtain information from the state case registry or the state disbursement unit.

HB 2354 would take effect September 1, 1999, and would apply only to costs incurred on or after that date.

**SUPPORTERS
SAY:**

CSHB 2354 would ensure that the state pays its fair share of court costs for IV-D child support cases by making the state liable for the statutory fees and costs related to filing suit in IV-D cases. These fees include court filing and process fees for such procedures as establishing paternity or establishing or enforcing child support or medical support.

Current law limits the state's share of these fees to the amount reimbursed by the federal government, about 66 percent, while counties unfairly have to pay the other 34 percent. While this arrangement may have been necessary when the law was established and the state could not afford to pay the whole cost, the state now has adequate funds to pay its fair share. The counties incur many other costs relating to child support cases, so it is only right to relieve them of these costs.

CSHB 2354 would make it clear that the state will not force the counties to pay the costs of giving the state information for the statewide case registry and state disbursement unit. County costs for these programs include

reporting such information as the date of child-support enforcement orders, the amount of the orders, the address of the payers and recipients, and the cause numbers of the orders. The federal government imposed on the state the requirements for the state case registry and the state disbursement unit, and the state should not pass along this unfunded mandate to the counties. The bill also would require the state to give the counties the tools such as computer hardware or software they need for their part in the state case registry and the state disbursement unit.

While CSHB 2354 would cost the state about \$11 million in fiscal 2000-01, the counties would save that amount. The OAG would not have to take this out of its other appropriations because the House version of HB 1, the general appropriations bill for fiscal 2000-01, contains wish-list funding of \$11 million contingent upon the enactment of HB 2354.

**OPPONENTS
SAY:**

CSHB 2354 could expose the state to costs currently paid by counties, estimated by the bill's fiscal note at \$11 million for fiscal 2000-01.

This bill should be made contingent upon getting the necessary appropriation. If CSHB 2354 were enacted and the \$11 million in the appropriation bill's wish list that is contingent on this bill is not funded, the OAG could have to cut programs or services to come up with the needed funds out of other appropriations.

NOTES:

The original bill would have required the IV-D agency to request an appropriation to cover the costs of and fees incurred by counties for IV-D child support cases. The committee substitute eliminated this provision, eliminated the restriction on the IV-D agency's liability for court costs and fees, and added the requirement that the IV-D agency provide computer hardware and software and computer connectivity to the local registries.

The Article 11 wish list for the House version of HB 1 by Junell, the general appropriations bill for fiscal 2000-01, now in conference committee, contains an \$11 million appropriation contingent upon enactment of HB 2354.