

**CHILD SUPPORT ASSURANCE
PROJECT ACT**

House Bill 5833
Sponsor: Rep. Michael Murphy
**Committee: Family and Children
Services**

Complete to 4-10-02

A SUMMARY OF HOUSE BILL 5833 AS INTRODUCED 4-9-02

The bill would create the Child Support Assurance Project Act, to distribute undisbursed child support. The bill states that the CSAP, established and administered by the children's trustee within the Department of Treasury, would be "conducted fairly and efficiently so as to fulfill its purpose of preventing children who live in single-parent households and who are dependent on court-ordered child support payments from living in, and being subjected to the devastating effects of, poverty".

Eligible Children. To be eligible to receive child support under the program, a child would have to:

- Be a Michigan resident and physically present in this state.
- Be less than 18 years of age, or 17 to 19.5 years of age while attending high school full-time and living with an eligible custodian.
- Not have received a child support payment within the previous six months. This requirement could be waived if reasonable fear exists that bringing an action for child support would increase the risk of physical or psychological violence, or both.
- Have an employed eligible custodian or an unemployed disabled eligible custodian.

Eligible Custodian. An eligible custodian would be an individual with whom an eligible child resides and who:

- Is a parent, guardian, or other legal custodian of the eligible child. A person believed to be an eligible child's father would have to establish paternity to meet with requirement.
- Is the payee on behalf of the child. This requirement could be waived if reasonable fear exists that bringing an action for child support would increase the risk of physical or psychological violence, or both.
- Assigns the Family Independence Agency (FIA) to collect child support payments, if he or she is receiving financial assistance under the Social Welfare Act (1939 PA 280).
- Is employed, or if unemployed, is disabled under the disability standards set by the FIA.
- Has a household income less than or equal to 200 percent of the federal poverty level.

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- Is cooperating with the Office of Child support to collect the child support due to the eligible child under the child support order. This requirement could be waived if reasonable fear exists that attempting to establish paternity or enforcing an existing child support order would increase the risk of physical or psychological violence, or both.

- Has child support under the child support order that remains in arrearage.

Undisbursed Child Support Fund. The state would deposit any undisbursed child support in the fund. The children's trustee would, to the extent possible, invest money in the fund in the same manner and under the same restrictions that apply to the investment of surplus state funds. Payments made pursuant to the CSAP would be appropriated from the fund. However, the children's trustee would not be able to distribute any funds for the CSAP, unless the legislature specifies a monthly payment amount. Payments pursuant to the CSAP would be made by the Department of Treasury, at the direction of the children's trustee.

Duties of the FIA. In working with the children's trustee to implement the project, the FIA would have to do all of the following:

- Design an application and procedure to certify eligible children and custodians.
- Publicize the project through friend of the court offices and the Office of Child Support, and have application forms and instructions available through those offices.
- Refer information on eligible applicants to the Office of Child Support for confirmation and enforcement action.
- Send the names, addresses, and other relevant information of eligible children, eligible custodians, and child support payers to the children's trustee.

Duties of the Friend of the Court. In working with the children's trustee to implement the project, each friend of the court and the Office of the Friend of the Court would have to do all of the following:

- Forward in a timely manner any undisbursed child support.
- Accept and forward applications for the project.
- Share records and other information necessary to administer the project with the children's trustee and the FIA.
- Give priority in child support actions to those children and custodians who wish to apply for, and would likely be eligible for, CSAP payments.
- Prior to February 1 and August 1 report to the House and Senate appropriations committees the following information pertaining to the previous six months: The number of applications received and forwarded to the FIA; the number of children who did not receive court ordered child support; the amount of undisbursed child support and the reasons why support was not disbursed; methods used to locate and contact child support payers; and any recommendations to reduce the amount of undisbursed child support.

Report Issued by the Department of Treasury. Prior to February 1 and August 1, regarding the previous six months, the Department of Treasury would report to the House and Senate appropriations committees the balance of the undisbursed child support fund as of January 1 and July 1, respectively; the number of eligible children who receive CSAP payments; the number of CSAP payments returned and the reason for the returns; and the total undisbursed child support received from friends of the court and the reason why the support was not disbursed.

State Disbursement Unit Report. Prior to February 1 and August 1, regarding the previous six months, the state disbursement unit would report to the appropriations committees of the House and Senate on the amount of undisbursed child support and the reasons why the support was not disbursed, and the amount of undisbursed child support remitted to each friend of the court.

The bill is tie-barred to House Bill 4918, which would add provisions concerning a children's trustee to the unclaimed property act, and to House Bill 5834, which would add certain duties to the Office of Child Support pertaining to undisbursed child support.

Analyst: M. Wolf

■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.