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BILL ANALYSIS



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Senate Bill 530 (as introduced 9-19-13)
Sponsor: Senator Bruce Caswell
Committee: Families, Seniors and Human Services

Date Completed: 10-23-13

CONTENT

The bill would amend the Friend of the Court Act to do the following:

- **Delete provisions that require an Office of the Friend of the Court to receive payments and service fees.**
- **Require the Office of Child Support, rather than the Friend of the Court, to report arrearage amounts to consumer reporting agencies.**
- **Require an alternative dispute resolution (ADR) plan that was approved by the chief judge and the State Court Administrative Office (SCAO) to include an option for domestic relations mediation.**
- **Delete provisions that establish minimum qualifications for a domestic relations mediator who performs mediation under a plan approved by the chief judge and the SCAO.**
- **Refer to "domestic relations mediation" instead of "alternative dispute resolution" in provisions relating to Friend of the Court cases.**
- **Require an attorney who was appointed to assist the Friend of the Court to be compensated as provided for the Friend of the Court.**
- **Require that each Friend of the Court submit grievance reports annually, instead of biannually, to the SCAO.**
- **Delete a requirement that each Friend of the Court to provide public access to the report of grievances prepared by the State Friend of the Court Bureau.**

Receipt of Payment & Service Fees

Generally, after a support order is entered in a Friend of the Court case, the Friend of the Court must receive each payment and service fee under the order, record each payment due, paid, and past due, and disburse each payment to the support recipient within 14 days of receiving the payment or within the federally mandated time frame, whichever is shorter. The Friend of the Court must receive payments until the State Disbursement Unit (SDU) begins receiving and disbursing payments and service fees through transitions required in the Office of Child Support Act. (Under the Office of Child Support Act, the transition began in 1999 and was required to be complete after two years.) The bill would remove these provisions.

The Friend of the Court Act also allows a Friend of the Court to accept a support payment. If it does so, the Friend of the Court must forward the payment to the SDU and inform the payer of the SDU's location and the requirement to make payments through the SDU. The bill would retain these provisions.

Reporting to Consumer Reporting Agencies

The bill would require the Office of Child Support to report to a consumer reporting agency the arrearage amount for each payer with a support arrearage of two or more months. The Office could make support information available to the consumer reporting agency concerning any other payer who requested the report.

The Office could not make information available unless it determined that the agency receiving the report had produced evidence satisfactory to the Office that the agency was a consumer reporting agency and that it had sufficient capability to systematically and timely make accurate use of the information.

Before making the initial support information available under these provisions, the Office would have to provide the payer with a notice of the proposed action, the amount of the arrearage, the payer's right to a review, and the payer's ability to avoid the reporting of the arrearage by paying it within 21 days after the notice was sent.

Currently, the Friend of the Court is responsible for making the reports according to the procedure described above.

The Office of Child Support also would be responsible for determining what support information should be provided to a consumer reporting agency and establishing the policies and procedures for making support information available to a consumer reporting agency. Currently, the SCAO is responsible for these actions.

Domestic Relation Mediation & Alternative Dispute Resolution

The Act requires the Friend of the Court Office, in a Friend of the Court case, to provide alternative dispute resolution to assist the parties in voluntarily settling a dispute concerning child custody or parenting time. The ADR must be provided according to a plan approved by the chief judge and the SCAO.

The bill would require an approved ADR plan to include an option for domestic relations mediation, and to include minimum qualifications and training requirements for domestic relations mediation (rather than ADR providers). Currently, a party may not be required to meet with a person conducting ADR. Under the bill, this would apply except by court order.

The bill would delete provisions that establish minimum qualifications for a domestic relations mediator who performs mediation under a plan approved by the chief judge and the SCAO.

Attorney Compensation

The bill would require an attorney who was appointed to assist the Friend of the Court to be compensated according to Section 27. (That section requires the compensation and expenses of the Friend of the Court and employees to be fixed by the chief judge as provided in the Revised Judicature Act, and paid by the county treasurer from the general fund and the Friend of the Court fund of the county or counties served.)

Currently, an attorney appointed to assist the Friend of the Court must be compensated in a reasonable amount, based on time and expenses, to be determined by the county board or boards of commissioners of the judicial circuit.

Grievance Reports

The bill would require that each Friend of the Court submit grievance reports to the SCAO annually. The Act requires biannual reports.

The bill also would delete a provision that requires each Friend of the Court to provide public access to the report of grievances prepared by the State Friend of the Court Bureau.

MCL 552.509 et al.

Legislative Analyst: Glenn Steffens

FISCAL IMPACT

The Department of Human Services does not anticipate that the provisions in the bills would result in any costs or savings to the State or local units of government, as the changes are technical in nature. While the bill would strike language in the Act that refers to a 14-day standard of promptness for disbursement of child support payments, the DHS is required to comply with the Federal standard of promptness, which requires received payments to be disbursed within two business days. Therefore, the elimination of the 14-day standard would not affect the State's eligibility for Federal Title IV-D funding incentives.

Fiscal Analyst: Frances Carley

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.