

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

FILED SENATE
Feb 25, 2015
S.B. 115
PRINCIPAL CLERK

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SENATE DRS35037-LUza-10* (12/04)

Short Title: Federal Child Support Incentive Payments. (Public)

Sponsors: Senators Randleman, Tarte, and Bingham (Primary Sponsors).

Referred to:

A BILL TO BE ENTITLED

AN ACT TO REVISE THE STATE CHILD SUPPORT INCENTIVE SYSTEM TO PROMOTE IMPROVED PROGRAM PERFORMANCE BY DIRECTING THE NORTH CAROLINA CHILD SUPPORT SERVICES SECTION OF THE DEPARTMENT OF HEALTH AND HUMAN SERVICES, DIVISION OF SOCIAL SERVICES, TO RETAIN UP TO FIFTEEN PERCENT (15%) OF FEDERAL INCENTIVE PAYMENTS FOR CENTRALIZED CHILD SUPPORT SERVICES, REVISE THE METHODOLOGY FOR DISTRIBUTING INCENTIVE PAYMENTS TO COUNTY CHILD SUPPORT SERVICES PROGRAMS, AND REQUIRE THE DEVELOPMENT OF A PLAN AND REPORTS ON HOW INCENTIVE FUNDS ARE USED, AS RECOMMENDED BY THE CHILD SUPPORT SUBCOMMITTEE OF THE JOINT LEGISLATIVE PROGRAM EVALUATION OVERSIGHT COMMITTEE.

The General Assembly of North Carolina enacts:

SECTION 1.(a) Centralized Services. – The North Carolina Child Support Services Section (NCCSS) of the Department of Health and Human Services, Division of Social Services, shall retain up to fifteen percent (15%) of the annual federal incentive payments it receives from the federal government to enhance centralized child support services. To accomplish this requirement, NCCSS shall do the following:

- (1) In consultation with representatives from county child support services programs, identify how federal incentive funding could improve centralized services.
- (2) Use federal incentive funds to improve the effectiveness of the State's centralized child support services by supplementing and not supplanting State expenditures for those services.
- (3) Develop and implement rules that explain the State process for calculating and distributing federal incentive funding to county child support services programs.

SECTION 1.(b) County Child Support Services Programs. – NCCSS shall allocate no less than eighty-five percent (85%) of the annual federal incentive payments it receives from the federal government to county child support services programs to improve effectiveness and efficiency using the federal performance measures. To that end, NCCSS shall do the following:

- (1) In consultation with representatives from county child support services programs, examine the current methodology for distributing federal incentive funding to the county programs and determine whether an alternative formula would be appropriate. NCCSS shall use its current



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- 1 formula for distributing federal incentive funding until an alternative
2 formula is adopted.
- 3 (2) Upon adopting an alternative formula, develop a process to phase-in the
4 alternative formula for distributing federal incentive funding over a
5 four-year period.

6 **SECTION 1.(c)** Reporting by County Child Support Services Programs. – NCCSS
7 shall establish guidelines that identify appropriate uses for federal incentive funding. To ensure
8 those guidelines are properly followed, NCCSS shall require county child support services
9 programs to comply with each of the following:

- 10 (1) Submit an annual plan describing how federal incentive funding would
11 improve program effectiveness and efficiency as a condition of receiving
12 federal incentive funding.
- 13 (2) Report annually on: (i) how federal incentive funding has improved program
14 effectiveness and efficiency and been reinvested into their programs, (ii)
15 provide documentation that the funds were spent according to their annual
16 plans, and (iii) explain any deviations from their plans.

17 **SECTION 1.(d)** Plan/Report by NCCSS. – The NCCSS shall develop a plan to
18 implement the requirements of this section. Prior to implementing the plan, NCCSS shall
19 submit a progress report on the plan to the Joint Legislative Oversight Committee on Health
20 and Human Services and the Fiscal Research Division by November 1, 2015.

21 After implementing the plan, NCCSS shall submit a report on federal child support
22 incentive funding to the Joint Legislative Oversight Committee on Health and Human Services
23 and the Fiscal Research Division by November 1 of each year. The report shall describe how
24 federal incentive funds enhanced centralized child support services to benefit county child
25 support services programs and improved the effectiveness and efficiency of county child
26 support services programs. The report shall further include any changes to the State process the
27 NCCSS used in calculating and distributing federal incentive funding to county child support
28 services programs and any recommendations for further changes.

29 **SECTION 2.** This act becomes effective July 1, 2015.