

Date: March 31, 2022

Bill number: SB 884

Committee: Judiciary Committee

Bill title: Driver's Licenses - Suspension For Child Support Arrearages - Exception

DHS Position: Letter of Information

The Department of Human Services (the Department) respectfully submits this letter of information regarding Senate Bill 884 (SB 884). Senate Bill 884 makes a certain exception to the authority of the Child Support Administration (CSA) to notify the Motor Vehicle Administration of an individual's child support arrearages for the purpose of suspending the individual's driver's license or privilege to drive if the obligor's family income is not greater than 300% of the federal poverty level.

DHS is committed to working with Non-Custodial Parents (NCPs), by providing essential support and assistance to these parents. Noncustodial Parent Employment Programs are available throughout the state to provide job training and arrears forgiveness based upon successful completion of participation requirements. For example, CSA's Noncustodial Parent Employment Program in Baltimore City (Step Up!) allows NCPs to receive job training and employment opportunities, while simultaneously reducing state owed arrears. CSA remains steadfast in the commitment to maintain as well as increase noncustodial parent enrollment and successful completion of the Step Up! program. This continued effort will increase collections and simultaneously reduce state owed arrears.

Passage of SB 884 will have an impact on the custodial parents and children served by the Department and CSA. Nearly ten percent of child support collections each year in Maryland are the result of noncustodial parents who owe arrears being referred to the Driver's License Suspension (DLS) program. On average the program collects over \$50 million annually. In Federal Fiscal Year (FFY) 2020, over \$43 million was collected for children through referrals to the program. During the COVID-19 Pandemic the Child Support Administration temporarily paused the suspension of drivers' licenses where feasible to assist noncustodial parents.

It should be noted that this bill will affect payments on arrears and total collections which are federal performance measures that directly affect Maryland's receipt of federal incentive funds. The bill will also reduce the percentage of cases paying on arrears, which is also a federally mandated performance measure. Reduction in the performance measure will reduce the potential federal incentive money the State receives. It is impossible to speculate how much of a decrease would result due to the decline of cases paying on arrears because we are unable to differentiate between cases paying as a result of a DLS referral and those paying arrears either voluntarily or as a result of some other enforcement tool. We can only reiterate that the DLS program remains one of CSA's most successful enforcement tools.

The passage of this bill as currently written would have a fiscal impact, as CSA's automated system would require a modification in order to identify child support obligors with arrears whose income was at or below



300% of the federal poverty level (FPL). Presently, CSA's automated system does not include income data for parents nor does it have a mechanism to identify which parents may be at or below the federal poverty level. If a source cannot be identified, it would require a manual process and necessitate a manual review of every child support case in the CSA caseload; an initial decision would need to be made as to their exclusion from the DLS process, and then a notice of their right to appeal that decision to the Office of Administrative Hearings (OAH). In FFY 2020 there were over 217,000 active child support cases in the CSA IV-D caseload. This manual process would require additional PINS as outlined below in the Fiscal Impact Section. However, amendments offered by the sponsors would alleviate many of these issues.

The Department appreciates the opportunity to provide the aforementioned information to the committee for consideration during your deliberations.