

1 AMENDMENT TO SENATE BILL 163

2 AMENDMENT NO. _____. Amend Senate Bill 163 on page 1,
3 after line 3, by inserting the following:

4 "Section 2. The State Finance Act is amended by adding
5 Section 5.545 as follows:

6 (30 ILCS 105/5.545 new)

7 Sec. 5.545. The Child Support Administrative Fund."; and

8 on page 1, by replacing line 5 with the following:

9 "changing Sections 10-26, 12-8.1, and 12-10.2 and adding
10 Sections 10-26.2 and 12-10.2a as follows:"; and

11 on page 1, after line 23, by inserting the following:

12 "(a-2) The contract entered into by the Illinois
13 Department with a public or private entity or an individual
14 for the operation of the State Disbursement Unit is subject
15 to competitive bidding. In addition, the contract is subject
16 to Section 10-26.2 of this Code. As used in this subsection
17 (a-2), "contract" has the same meaning as in the Illinois
18 Procurement Code."; and

19 on page 3, after line 9, by inserting the following:

1 "(305 ILCS 5/10-26.2 new)

2 Sec. 10-26.2. Contracts concerning the operation of the
3 State Disbursement Unit.

4 (a) In this Section:

5 "Contract" has the same meaning as in the Illinois
6 Procurement Code.

7 "SDU contractor" means any public or private entity or
8 individual with whom the Illinois Department enters into a
9 contract in connection with the operation of the State
10 Disbursement Unit.

11 (b) Every contract entered into by the Illinois
12 Department with a public or private entity or an individual
13 in connection with the operation of the State Disbursement
14 Unit must contain, at a minimum, the provisions set forth in
15 this Section.

16 (c) The contract must provide that both the Illinois
17 Department and the SDU contractor must take all steps
18 necessary to ensure that (i) all cases in which support
19 payments are no longer being collected and disbursed by the
20 State Disbursement Unit are removed from the State
21 Disbursement Unit's data system and (ii) all of the data
22 relied on by the State Disbursement Unit in performing its
23 functions is accurate so that the State Disbursement Unit
24 will be able to effectively administer the collection and
25 disbursement of support payments.

26 (d) The contract must contain provisions to ensure that
27 all clerks of the circuit court receive all reports or other
28 information necessary to ensure that non-custodial parents'
29 support payment records are accurately stated.

30 (e) The contract must contain provisions to ensure that
31 notices to employers in connection with the collection of
32 support are clear and consistent and that the SDU contractor
33 will promptly inform an employer about any problems and any
34 necessary changes in connection with the collection of

1 support.

2 (f) The contract must contain appropriate management
3 controls to ensure that (i) all of the SDU contractor's
4 actions in performing the functions of the State Disbursement
5 Unit are reasonably planned, timely implemented, and
6 adequately controlled and (ii) all reports that are necessary
7 to provide the Illinois Department with the information
8 necessary to effectively monitor the quality and accuracy of
9 the SDU contractor's actions in performing the functions of
10 the State Disbursement Unit are timely received and reviewed.

11 (g) If the contract authorizes the SDU contractor to
12 enter into a subcontract with another public or private
13 entity or individual for the performance of any function in
14 connection with the operation of the State Disbursement Unit,
15 that authorization must also state that every such
16 subcontract is subject to competitive bidding and all other
17 applicable requirements of the Illinois Procurement Code.

18 (h) The contract must contain provisions specifying
19 standards with respect to the level of performance expected
20 of the SDU contractor. The contract may include provisions
21 for incentives and penalties in connection with the SDU
22 contractor's performance.

23 (i) The contract must contain provisions projecting the
24 number of active support collection and disbursement cases to
25 be handled by the State Disbursement Unit and estimating the
26 number of support disbursement transactions to be handled
27 each year.

28 (j) The contract must contain provisions requiring the
29 SDU contractor to develop a method of calculating support
30 payment processing times that can be used to accurately
31 assess the State Disbursement Unit's compliance with all
32 applicable federal requirements. The contract must also
33 contain provisions for the Illinois Department's regular,
34 periodic review of reports based on that method.

1 (k) The contract must contain provisions requiring the
2 SDU contractor to submit to the Illinois Department, within
3 45 days after the end of each State fiscal year, a completed
4 American Institute of Certified Public Accountants Statement
5 on Auditing Standards Number 88 (SAS 88) for the purpose of
6 enabling the Illinois Department to appropriately monitor the
7 State Disbursement Unit's performance as a service
8 organization and to enable the Auditor General, as the
9 external auditor of the State Disbursement Unit, to ensure
10 that appropriate controls are present.

11 (l) The contract must contain provisions requiring the
12 Illinois Department and the SDU contractor to examine the
13 causes of untimely disbursement of support payments and
14 inappropriate cost recovery and to take prompt action to
15 ensure the timely and accurate disbursement of support
16 payments. The contract must also contain provisions for the
17 final disposition of support payments that cannot be
18 immediately processed by the State Disbursement Unit.

19 (m) The contract must contain provisions to ensure that
20 neither the Illinois Department nor the SDU contractor uses
21 moneys collected and held in trust for the payment of support
22 for any purpose other than that for which the moneys were
23 collected.

24 (n) The contract must contain provisions requiring the
25 Illinois Department to audit the disbursement of all
26 emergency support payments and report to the General Assembly
27 the results of the audit, including, without limitation, the
28 number of emergency support payment checks issued by the
29 State Disbursement Unit, the amount of repayments received
30 from recipients of those checks, and amounts for which the
31 Illinois Department did not seek repayment."; and

32 on page 4, by replacing lines 17 and 18 with the following:

33 "(305 ILCS 5/12-10.2) (from Ch. 23, par. 12-10.2)

1 Sec. 12-10.2. The Child Support Enforcement Trust Fund.

2 (a) The Child Support Enforcement Trust Fund, to be held
3 by the State Treasurer as ex-officio custodian outside the
4 State Treasury, pursuant to the Child Support Enforcement
5 Program established by Title IV-D of the Social Security Act,
6 shall consist of:

7 (1) all support payments assigned to the Illinois
8 Department under Article X of this Code and rules
9 promulgated by the Illinois Department that are disbursed
10 to the Illinois Department by the State Disbursement Unit
11 established under Section 10-26,

12 (2) all support payments received by the Illinois
13 Department as a result of the Child Support Enforcement
14 Program established by Title IV-D of the Social Security
15 Act that are not required or directed to be paid to the
16 State Disbursement Unit established under Section 10-26,

17 (3) all federal grants received by the Illinois
18 Department funded by Title IV-D of the Social Security
19 Act, except those federal funds received under the Title
20 IV-D program as reimbursement for expenditures from the
21 General Revenue Fund,

22 (4) incentive payments received by the Illinois
23 Department from other states or political subdivisions of
24 other states for the enforcement and collection by the
25 Department of an assigned child support obligation in
26 behalf of such other states or their political
27 subdivisions pursuant to the provisions of Title IV-D of
28 the Social Security Act,

29 (5) incentive payments retained by the Illinois
30 Department from the amounts which otherwise would be paid
31 to the federal government to reimburse the federal
32 government's share of the support collection for the
33 Department's enforcement and collection of an assigned
34 support obligation on behalf of the State of Illinois

1 pursuant to the provisions of Title IV-D of the Social
2 Security Act,

3 (6) all fees charged by the Department for child
4 support enforcement services, as authorized under Title
5 IV-D of the Social Security Act and Section 10-1 of this
6 Code, and any other fees, costs, fines, recoveries, or
7 penalties provided for by State or federal law and
8 received by the Department under the Child Support
9 Enforcement Program established by Title IV-D of the
10 Social Security Act, and

11 (7) all amounts appropriated by the General
12 Assembly for deposit into the Fund,

13 (8) any gifts, grants, donations, or awards from
14 individuals, private businesses, nonprofit associations,
15 and governmental entities.

16 (b) Disbursements from this Fund shall be only for the
17 following purposes:

18 (1) for the reimbursement of funds received by the
19 Illinois Department through error or mistake,

20 (2) for payments to non-recipients, current
21 recipients, and former recipients of financial aid of
22 support payments received on their behalf under Article X
23 of this Code that are not required to be disbursed by the
24 State Disbursement Unit established under Section 10.26,

25 (3) for any other payments required by law to be
26 paid by the Illinois Department to non-recipients,
27 current recipients, and former recipients,

28 (4) for payment of any administrative expenses
29 incurred through fiscal year 2001, but not thereafter,
30 including payment to the Health Insurance Reserve Fund
31 for group insurance costs at the rate certified by the
32 Department of Central Management Services, except those
33 required to be paid from the General Revenue Fund,
34 including personal and contractual services, incurred in

1 performing the Title IV-D activities authorized by
2 Article X of this Code,

3 (5) for the reimbursement of the Public Assistance
4 Emergency Revolving Fund for expenditures made from that
5 Fund for payments to former recipients of public aid for
6 child support made to the Illinois Department when the
7 former public aid recipient is legally entitled to all or
8 part of the child support payments, pursuant to the
9 provisions of Title IV-D of the Social Security Act,

10 (6) for the payment of incentive amounts owed to
11 other states or political subdivisions of other states
12 that enforce and collect an assigned support obligation
13 on behalf of the State of Illinois pursuant to the
14 provisions of Title IV-D of the Social Security Act,

15 (7) for the payment of incentive amounts owed to
16 political subdivisions of the State of Illinois that
17 enforce and collect an assigned support obligation on
18 behalf of the State pursuant to the provisions of Title
19 IV-D of the Social Security Act, and

20 (8) for payments of any amounts which are
21 reimbursable to the Federal government which are required
22 to be paid by State warrant by either the State or
23 Federal government.

24 Disbursements from this Fund shall be by warrants drawn
25 by the State Comptroller on receipt of vouchers duly executed
26 and certified by the Illinois Department or any other State
27 agency that receives an appropriation from the Fund.

28 (c) The Illinois Department's child support
29 administrative expenses, as defined in Section 12-10.2a, that
30 are incurred after fiscal year 2001 shall be paid only as
31 provided in that Section.

32 (Source: P.A. 90-18, eff. 7-1-97; 90-587, eff. 6-4-98;
33 91-212, eff. 7-20-99; 91-400, eff. 7-30-99; 91-712, eff.
34 7-1-00.)

1 (305 ILCS 5/12-10.2a new)

2 Sec. 12-10.2a. Child Support Administrative Fund.

3 (a) The Child Support Administrative Fund is created as
4 a special fund in the State treasury. Moneys in the Fund may
5 be used, subject to appropriation, only for the Department of
6 Public Aid's child support administrative expenses, as
7 defined in this Section.

8 (b) As used in this Section, "child support
9 administrative expenses" means administrative expenses,
10 including payment to the Health Insurance Reserve Fund for
11 group insurance costs at the rate certified by the Department
12 of Central Management Services, except those required to be
13 paid from the General Revenue Fund, including personal and
14 contractual services, incurred by the Department of Public
15 Aid, either directly or under its contracts with SDU
16 contractors as defined in Section 10-26.2, in performing
17 activities authorized by Article X of this Code. The term
18 includes expenses incurred by the Department of Public Aid in
19 administering the Child Support Enforcement Trust Fund.

20 (c) Child support administrative expenses incurred in
21 fiscal year 2002 or thereafter shall be paid only from moneys
22 appropriated to the Department from the Child Support
23 Administrative Fund.

24 (d) Before April 1, 2002 and before April 1 of each year
25 thereafter, the Department of Public Aid shall certify to the
26 General Assembly the amount of the Department's child support
27 administrative expenses expected to be incurred during the
28 fiscal year beginning on the next July 1.

29 (e) Beginning July 1, 2001, on the first day of each
30 month, or as soon thereafter as may be practical, the State
31 Comptroller and the State Treasurer shall transfer from the
32 Child Support Enforcement Trust Fund to the Child Support
33 Administrative Fund one-twelfth of the amount appropriated to
34 the Department from the Child Support Administrative Fund for

1 the Department's child support administrative expenses for
2 the then current fiscal year.

3 Section 99. Effective date. This Act takes effect on
4 July 1, 2001."