

1                                    AMENDMENT TO SENATE BILL 163

2            AMENDMENT NO. \_\_\_\_\_. Amend Senate Bill 163, AS AMENDED,  
3 by replacing everything after the enacting clause with the  
4 following:

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

7            (30 ILCS 105/5.545 new)

8            Sec. 5.545. The Child Support Administrative Fund.

9            Section 5. The Illinois Public Aid Code is amended by  
10 changing Sections 10-26, 12-8.1, and 12-10.2 and adding  
11 Sections 10-26.2 and 12-10.2a as follows:

12            (305 ILCS 5/10-26)

13            Sec. 10-26. State Disbursement Unit.

14            (a) Effective October 1, 1999 the Illinois Department  
15 shall establish a State Disbursement Unit in accordance with  
16 the requirements of Title IV-D of the Social Security Act.  
17 The Illinois Department shall enter into an agreement with a  
18 State or local governmental unit or private entity to perform  
19 the functions of the State Disbursement Unit as set forth in  
20 this Section. The State Disbursement Unit shall collect and

1 disburse support payments made under court and administrative  
2 support orders:

3 (1) being enforced in cases in which child and  
4 spouse support services are being provided under this  
5 Article X; and

6 (2) in all cases in which child and spouse support  
7 services are not being provided under this Article X and  
8 in which support payments are made under the provisions  
9 of the Income Withholding for Support Act.

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

17 (a-5) If the State Disbursement Unit receives a support  
18 payment that was not appropriately made to the Unit under  
19 this Section, the Unit shall immediately return the payment  
20 to the sender, including, if possible, instructions detailing  
21 where to send the support payments.

22 (b) All payments received by the State Disbursement  
23 Unit:

24 (1) shall be deposited into an account obtained by  
25 the State or local governmental unit or private entity,  
26 as the case may be, and

27 (2) distributed and disbursed by the State  
28 Disbursement Unit, in accordance with the directions of  
29 the Illinois Department, pursuant to Title IV-D of the  
30 Social Security Act and rules promulgated by the  
31 Department.

32 (c) All support payments assigned to the Illinois  
33 Department under Article X of this Code and rules promulgated  
34 by the Illinois Department that are disbursed to the Illinois

1 Department by the State Disbursement Unit shall be paid into  
2 the Child Support Enforcement Trust Fund.

3 (d) If the agreement with the State or local  
4 governmental unit or private entity provided for in this  
5 Section is not in effect for any reason, the Department shall  
6 perform the functions of the State Disbursement Unit as set  
7 forth in this Section for a maximum of 12 months before July  
8 1, 2001, and for a maximum of 24 months after June 30, 2001.

9 If the Illinois Department is performing the functions of the  
10 State Disbursement Unit on July 1, 2001, then the Illinois  
11 Department shall make an award on or before December 31,  
12 2002, to a State or local government unit or private entity  
13 to perform the functions of the State Disbursement Unit.

14 Payments received by the Department in performance of the  
15 duties of the State Disbursement Unit shall be deposited into  
16 the State Disbursement Unit Revolving Fund established under  
17 Section 12-8.1.

18 (e) By February 1, 2000, the Illinois Department shall  
19 conduct at least 4 regional training and educational seminars  
20 to educate the clerks of the circuit court on the general  
21 operation of the State Disbursement Unit, the role of the  
22 State Disbursement Unit, and the role of the clerks of the  
23 circuit court in the collection and distribution of child  
24 support payments.

25 (f) By March 1, 2000, the Illinois Department shall  
26 conduct at least 4 regional educational and training seminars  
27 to educate payors, as defined in the Income Withholding for  
28 Support Act, on the general operation of the State  
29 Disbursement Unit, the role of the State Disbursement Unit,  
30 and the distribution of income withholding payments pursuant  
31 to this Section and the Income Withholding for Support Act.

32 (Source: P.A. 91-212, eff. 7-20-99; 91-677, eff. 1-5-00;  
33 91-712, eff. 7-1-00.)

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

16 (c) The contract must include standards and procedures  
17 to ensure that the data relied on by the State Disbursement  
18 Unit in performing its functions is accurate so that the  
19 State Disbursement Unit will be able to effectively  
20 administer the collection and disbursement of support  
21 payments.

22 (d) The contract must contain provisions to ensure that  
23 all clerks of the circuit court have access to non-custodial  
24 parents' support payment information in the possession of the  
25 State Disbursement Unit.

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

32 (f) The contract must contain appropriate management  
33 controls to ensure that (i) all of the SDU contractor's  
34 actions in performing the functions of the State Disbursement

1 Unit are reasonably planned, timely implemented, and  
2 adequately controlled and (ii) all reports that are necessary  
3 to provide the Illinois Department with the information  
4 necessary to effectively monitor the quality and accuracy of  
5 the SDU contractor's actions in performing the functions of  
6 the State Disbursement Unit are timely filed.

7 (g) The contract must contain provisions specifying  
8 standards with respect to the level of performance expected  
9 of the SDU contractor. The contract may include provisions  
10 for incentives and penalties in connection with the SDU  
11 contractor's performance.

12 (h) The contract must contain provisions projecting the  
13 number of active support collection and disbursement cases to  
14 be handled by the State Disbursement Unit and estimating the  
15 number of support disbursement transactions to be handled  
16 each year.

17 (i) The contract must contain provisions requiring  
18 compliance with all applicable federal requirements  
19 concerning disbursement of support. The contract must also  
20 contain provisions for the Illinois Department's regular,  
21 periodic review of reports on disbursement performance.

22 (j) The contract must contain provisions requiring the  
23 SDU contractor to submit to the Illinois Department, within  
24 45 days after the end of each State fiscal year, a completed  
25 American Institute of Certified Public Accountants Statement  
26 on Auditing Standards Number 88 (SAS 88) or its successor for  
27 the purpose of enabling the Illinois Department to  
28 appropriately monitor the State Disbursement Unit's  
29 performance as a service organization and to enable the  
30 Auditor General, as the external auditor of the State  
31 Disbursement Unit, to ensure that appropriate controls are  
32 present.

33 (k) The contract must contain provisions requiring the  
34 Illinois Department and the SDU contractor to examine the

1 causes of untimely disbursement of support payments and  
 2 inappropriate cost recovery and to take prompt action to  
 3 ensure the timely and accurate disbursement of support  
 4 payments. The contract must also contain provisions for the  
 5 final disposition of support payments that cannot be  
 6 processed by the State Disbursement Unit within 2 business  
 7 days.

8 (l) The contract must contain provisions to ensure that  
 9 neither the Illinois Department nor the SDU contractor uses  
 10 moneys collected and held in trust for the payment of support  
 11 for any purpose other than that for which the moneys were  
 12 collected.

13 (m) The contract must contain provisions requiring the  
 14 Illinois Department to audit the disbursement of all  
 15 emergency support payments and report to the General Assembly  
 16 the results of the audit, including, without limitation, the  
 17 number of emergency support payment checks issued by the  
 18 State Disbursement Unit, the amount of repayments received  
 19 from recipients of those checks, and amounts for which the  
 20 Illinois Department did not seek repayment.

21 (305 ILCS 5/12-8.1)

22 Sec. 12-8.1. State Disbursement Unit Revolving Fund.

23 (a) There is created a revolving fund to be known as the  
 24 State Disbursement Unit Revolving Fund, to be held by the  
 25 Director of the Illinois Department, outside the State  
 26 treasury State--Treasurer--as--ex-officio--custodian, for the  
 27 following purposes:

28 (1) the deposit of all support payments received by  
 29 the Illinois Department's State Disbursement Unit; and

30 (2) the deposit of other funds including, but not  
 31 limited to, transfers of funds from other accounts  
 32 attributable to support payments received by the Illinois  
 33 Department's State Disbursement Unit;

1           (3) the deposit of any interest accrued by the  
2 revolving fund, which interest shall be available for  
3 payment of (i) any amounts considered to be Title IV-D  
4 program income that must be paid to the U.S. Department  
5 of Health and Human Services and (ii) any balance  
6 remaining after payments made under item (i) of this  
7 subsection (3) to the General Revenue Fund; however, the  
8 disbursements under this subdivision (3) may not exceed  
9 the amount of the interest accrued by the revolving fund;

10           (4) the disbursement of such payments to obligees  
11 or to the assignees of the obligees in accordance with  
12 the provisions of Title IV-D of the Social Security Act  
13 and rules promulgated by the Department, provided that  
14 such disbursement is based upon a payment by a payor or  
15 obligor deposited into the revolving fund established by  
16 this Section; and-

17           (5) the disbursement of funds to payors or obligors  
18 to correct erroneous payments to the Illinois  
19 Department's State Disbursement Unit, in an amount not to  
20 exceed the erroneous payments.

21           (b) The provisions of this Section shall apply only if  
22 the Department performs the functions of the Illinois  
23 Department's State Disbursement Unit under paragraph (d) of  
24 Section 10-26.

25           ~~(e)--Moneys-in-the-State-Disbursement-Unit-Revolving-Fund~~  
26 ~~shall-be-expended-upon-the-direction-of-the-Director.~~

27           (Source: P.A. 91-712, eff. 7-1-00.)

28           (305 ILCS 5/12-10.2) (from Ch. 23, par. 12-10.2)

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

30           (a) The Child Support Enforcement Trust Fund, to be held  
31 by the State Treasurer as ex-officio custodian outside the  
32 State Treasury, pursuant to the Child Support Enforcement  
33 Program established by Title IV-D of the Social Security Act,

1 shall consist of:

2 (1) all support payments assigned to the Illinois  
3 Department under Article X of this Code and rules  
4 promulgated by the Illinois Department that are disbursed  
5 to the Illinois Department by the State Disbursement Unit  
6 established under Section 10-26,

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

12 (3) all federal grants received by the Illinois  
13 Department funded by Title IV-D of the Social Security  
14 Act, except those federal funds received under the Title  
15 IV-D program as reimbursement for expenditures from the  
16 General Revenue Fund,

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

24 (5) incentive payments retained by the Illinois  
25 Department from the amounts which otherwise would be paid  
26 to the federal government to reimburse the federal  
27 government's share of the support collection for the  
28 Department's enforcement and collection of an assigned  
29 support obligation on behalf of the State of Illinois  
30 pursuant to the provisions of Title IV-D of the Social  
31 Security Act,

32 (6) all fees charged by the Department for child  
33 support enforcement services, as authorized under Title  
34 IV-D of the Social Security Act and Section 10-1 of this



1 Code, and any other fees, costs, fines, recoveries, or  
2 penalties provided for by State or federal law and  
3 received by the Department under the Child Support  
4 Enforcement Program established by Title IV-D of the  
5 Social Security Act, and

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

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

11 (b) Disbursements from this Fund shall be only for the  
12 following purposes:

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

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

20 (3) for any other payments required by law to be  
21 paid by the Illinois Department to non-recipients,  
22 current recipients, and former recipients,

23 (4) for payment of any administrative expenses  
24 incurred through fiscal year 2002, but not thereafter,  
25 including payment to the Health Insurance Reserve Fund  
26 for group insurance costs at the rate certified by the  
27 Department of Central Management Services, except those  
28 required to be paid from the General Revenue Fund,  
29 including personal and contractual services, incurred in  
30 performing the Title IV-D activities authorized by  
31 Article X of this Code,

32 (5) for the reimbursement of the Public Assistance  
33 Emergency Revolving Fund for expenditures made from that  
34 Fund for payments to former recipients of public aid for

1 child support made to the Illinois Department when the  
2 former public aid recipient is legally entitled to all or  
3 part of the child support payments, pursuant to the  
4 provisions of Title IV-D of the Social Security Act,

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

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

15 (8) for payments of any amounts which are  
16 reimbursable to the Federal government which are required  
17 to be paid by State warrant by either the State or  
18 Federal government.

19 Disbursements from this Fund shall be by warrants drawn  
20 by the State Comptroller on receipt of vouchers duly executed  
21 and certified by the Illinois Department or any other State  
22 agency that receives an appropriation from the Fund.

23 (c) The Illinois Department's child support  
24 administrative expenses, as defined in Section 12-10.2a, that  
25 are incurred after fiscal year 2002 shall be paid only as  
26 provided in that Section.

27 (Source: P.A. 90-18, eff. 7-1-97; 90-587, eff. 6-4-98;  
28 91-212, eff. 7-20-99; 91-400, eff. 7-30-99; 91-712, eff.  
29 7-1-00.)

30 (305 ILCS 5/12-10.2a new)

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

32 (a) Beginning July 1, 2002, the Child Support  
33 Administrative Fund is created as a special fund in the State

1 treasury. Moneys in the Fund may be used, subject to  
2 appropriation, only for the Department of Public Aid's child  
3 support administrative expenses, as defined in this Section.

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

17 (c) Child support administrative expenses incurred in  
18 fiscal year 2003 or thereafter shall be paid only from moneys  
19 appropriated to the Department from the Child Support  
20 Administrative Fund.

21 (d) Before April 1, 2003 and before April 1 of each year  
22 thereafter, the Department of Public Aid shall provide  
23 notification to the General Assembly of the amount of the  
24 Department's child support administrative expenses expected  
25 to be incurred during the fiscal year beginning on the next  
26 July 1, including the estimated amount required for the  
27 operation of the State Disbursement Unit, which shall be  
28 separately identified in the annual administrative  
29 appropriation.

30 (e) For the fiscal year beginning July 1, 2002 and for  
31 each fiscal year thereafter, the State Comptroller and the  
32 State Treasurer shall transfer from the Child Support  
33 Enforcement Trust Fund to the Child Support Administrative  
34 Fund amounts as determined by the Department necessary to

1 enable the Department to meet its child support  
2 administrative expenses for the then-current fiscal year.  
3 For any fiscal year, the State Comptroller and the State  
4 Treasurer may not transfer more than the total amount  
5 appropriated to the Department from the Child Support  
6 Administrative Fund for the Department's child support  
7 administrative expenses for that fiscal year.

8 (f) By December 1, 2001, the Illinois Department shall  
9 provide a corrective action plan to the General Assembly  
10 regarding the establishment of accurate accounts in the Child  
11 Support Enforcement Trust Fund. The plan shall include those  
12 tasks that may be required to establish accurate accounts,  
13 the estimated time for completion of each of those tasks and  
14 the plan, and the estimated cost for completion of each of  
15 the tasks and the plan.

16 Section 99. Effective date. This Act takes effect on  
17 July 1, 2001."