

AMENDED IN SENATE APRIL 16, 1998

AMENDED IN SENATE MARCH 24, 1998

**SENATE BILL**

**No. 1410**

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**Introduced by Senator Burton**

January 14, 1998

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An act to amend Sections 15200.75 and 15200.81 of, and to repeal Section 15200.91 of, the Welfare and Institutions Code, relating to human services.

LEGISLATIVE COUNSEL'S DIGEST

SB 1410, as amended, Burton. Child support enforcement: incentive program.

Existing law provides that, on and after July 1, 1998, the State Department of Social Services shall establish a state incentive for child support collections, for counties that elect to participate. Existing law requires the office of the Legislative Analyst, in consultation and collaboration with specified interested groups, to prepare a performance-based incentive program, using a flat rate, for the 1998–99 fiscal year and that, for subsequent fiscal years, shall mirror the federal incentive plan, or the most recent draft of the federal plan.

Under existing law, the department shall assess on at least an annual basis each county's compliance with federal and state child support laws and regulations in effect for the time period being reviewed, in accordance with specified eligibility requirements, in order for counties to receive state incentives for child support collections. Existing law provides for corrective action to be taken by a county in the event that

disproportionate representation is found in the county's pool of noncompliant cases, and under existing law, this corrective action shall not affect the county's entitlement to incentives.

This bill would revise state child support collection incentive provisions, as well as the manner in which the department assesses county compliance, and would delete the provision of existing law providing that corrective measures do not affect the county's entitlement to incentives. The bill would also delete the provisions relating to the duties of the office of the Legislative Analyst with respect to the preparation of a performance-based incentive program.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 15200.75 of the Welfare and  
2 Institutions Code is amended to read:

3 15200.75. (a) The department shall assess on at least  
4 an annual basis each county's compliance with federal  
5 and state child support laws and regulations in effect for  
6 the time period being reviewed, using a statistically valid  
7 sample of cases for each compliance issue reviewed. The  
8 information for the assessment shall be based on reviews  
9 conducted by either state or county staff, as determined  
10 by the department.

11 (1) A county shall be eligible for the state incentives  
12 under Section 15200.81 only if the department  
13 determines that the county is in compliance with all  
14 federal and state laws and regulations or if the county has  
15 a corrective action plan in place that has been certified  
16 by the department pursuant to this subdivision. If a  
17 county is determined not to be in compliance, the county  
18 may develop and submit a corrective action plan to the  
19 department. The department shall certify a corrective  
20 action plan if the department determines that the plan  
21 will put the county into compliance with federal and state  
22 laws and regulations and the county remains in  
23 compliance with the corrective action plan. A county  
24 shall be eligible for state incentives under Section



1 15200.81 only for any quarter the county remains in  
2 compliance with a corrective action plan that has been  
3 certified by the department.

4 (2) Counties under a corrective action plan shall be  
5 assessed on a quarterly basis until the department  
6 determines that they are in compliance with federal and  
7 state child support program requirements.

8 (b) The department shall collect information  
9 regarding whether cases on behalf of families receiving  
10 Aid to Families with Dependent Children are  
11 disproportionately represented in the portion of each  
12 county's case sample that is not in compliance. In the  
13 event disproportionate representation is found in a  
14 county's pool of noncompliant cases, the department shall  
15 require corrective action from that county.

16 (c) This section shall become operative on July 1, 1998.

17 SEC. 2. Section 15200.81 of the Welfare and  
18 Institutions Code is amended to read:

19 15200.81.

20 (a) (1) The department shall pay to each county a  
21 child support incentive for child support collections. The  
22 incentive shall consist of a federal incentive component  
23 and; a state incentive component, subject to subdivision  
24 (b), if the county elects to participate in the state  
25 incentives program by complying with the reporting  
26 requirements of Section 11475.8 while federal financial  
27 participation is available for collecting and reporting  
28 data, either by being in compliance with federal and state  
29 child support laws and regulations, or by having a  
30 corrective action plan certified by the department  
31 pursuant to Section 15200.75.

32 (2) (A) For purposes of paragraph (1), the federal  
33 incentive component shall be each county's share of the  
34 child support incentive payments that the state receives  
35 from the federal government, based on the county's  
36 distributed collections and its performance under the  
37 federal incentive performance measures.

38 (B) (i) The state incentive component shall be the  
39 difference between the product of each county's  
40 incentive rate, as defined in clause (iii), and its



1 distributed collections, as defined in clause (ii), and the  
2 county's share of the federal incentive.

3 (ii) For purposes of this subparagraph, "distributed  
4 collections" means collections used to reduce or repay aid  
5 that is paid pursuant to this chapter, collections paid to an  
6 aided family, collections paid to a nonaided family  
7 regardless of the date of collection, collections paid to  
8 other child support agencies on behalf of children  
9 residing in other states, and any other payments collected  
10 that qualify for federal incentives. In determining a  
11 county's distributed collections for purposes of  
12 determining its ~~incentive~~—rate *federal and state*  
13 *incentives*, collections on behalf of aided or previously  
14 aided families are doubled.

15 (iii) For purposes of this subparagraph, a county's  
16 incentive rate shall be: 0.037 plus 0.037 times the division  
17 of the performance score by ~~4,000~~ *the statewide average*  
18 *of the county performance scores, weighted by size*. The  
19 performance score shall consist of the total child support  
20 collections on behalf of children receiving CalWORKs  
21 benefits pursuant to Article 6 (commencing with Section  
22 11450) of Chapter 2, divided by the county's average  
23 CalWORKs caseload over the 12 months of the fiscal year.

24 (b) Any county whose performance score is in the  
25 bottom quartile of all counties and whose rate of  
26 improvement over the prior year is less than the  
27 statewide average shall receive its state incentive only  
28 upon accepting technical assistance from the department  
29 of either or both of the following:

30 (1) If the county's administrative expenditure rate on  
31 behalf of children receiving CalWORKs benefits  
32 pursuant to Article 6 (commencing with Section 11450)  
33 of Chapter 2 is below the statewide average, the  
34 department, in consultation with the county, shall  
35 develop a three-year expenditure plan. If the county  
36 chooses to receive its state incentives under this section,  
37 the county shall comply with the plan.

38 (2) If the county's ratio of collections to cases under its  
39 performance score is below the statewide average, the  
40 department, in consultation with experts from other



1 counties, as appropriate, shall conduct a program review  
2 of the county's child support program, which shall  
3 include a review of the county's management practices,  
4 and provide technical assistance. If the county chooses to  
5 receive its state incentives under this section, the county  
6 shall comply with the recommendations of this review.

7 (c) It is the intent of the Legislature that this  
8 incentive, distributed as specified in subdivisions (a) and  
9 (b), be effective during the 1998-99 fiscal year and  
10 thereafter.

11 (d) Each county shall continue to receive its federal  
12 child support incentive funding whether or not it elects  
13 to participate in the state child support incentive funding  
14 program.

15 (e) The department shall provide incentive funds  
16 pursuant to this section only during any fiscal year in  
17 which funding is provided for that purpose in the Budget  
18 Act.

19 SEC. 3. Section 15200.91 of the Welfare and  
20 Institutions Code is repealed.

