



HOUSE BILL 259: 2023 Appropriations Act, Sec. 9J.6: Federal Child Support Incentive Payments

2023-2024 General Assembly

Committee:		Date:	December 5, 2023
Introduced by:		Prepared by:	Debbie Griffiths Staff Attorney
Analysis of:	Sec. 9J.6 of S.L. 2023-134		

OVERVIEW: Section 9J.6 of S.L. 2023-134 requires the North Carolina Child Support Services Section (NCCSS), Division of Social Services, Department of Health and Human Services, to retain up to 15% of the annual federal incentive payments received to enhance centralized child support services. To meet this requirement, NCCSS must do the following:

- Consult with county child support services representatives to identify how federal incentive funding can improve centralized services.
- Use federal incentive funds to improve centralized services to supplement the State's funding.
- Continue development and implementation of rules explaining the State's process for calculating and distributing federal incentive funds to the county child support services programs.

This section also requires NCCSS to allocate no less than 85% of the annual federal incentive payments to the county child support services programs and to improve effectiveness and efficiency using federal performance measures. To meet this requirement, NCCSS must:

- Consult with county child support services programs to examine the current method of distributing these federal funds to the county programs and determine whether an alternative method is needed.
- Develop a process to phase if an alternative method of distribution upon adoption of an alternate formula.

This section further requires NCCSS to continue implementing guidelines identifying appropriate uses for the federal incentive funding. Each county child support services program must do the following:

- Submit an annual plan describing how receipt of federal incentive funds will improve efficiency and effectiveness.
- Provide an annual report which must include the following:
 - How the federal incentive funding improved efficiency and effectiveness and how that was reinvested into their program.
 - Documentation showing the funds were spent according to the annual plan.
 - Explanation for any deviation from the annual plan.

NCCSS must submit a report by November 1 of each year to the Joint Legislative Oversight Committee of the Department of Health and Human Services and the Fiscal Research Division on the federal child support incentive funding, describing how federal incentive funding enhanced centralized services to

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benefit the county services and improved the effectiveness and efficiency of the county services, any changes to the State process used by NCCSS to calculate and distribute these funds to the county programs, and any recommendations for additional changes.

This section became effective July 1, 2023.