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BILL ANALYSIS

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Senate Bill 553 (as introduced 5-25-07)  
Sponsor: Senator John Pappageorge  
Committee: Families and Human Services

Date Completed: 6-25-07

### **CONTENT**

The bill would amend the Office of Child Support Act to require the State Disbursement Unit (SDU) to operate a secure system for a payer in a Friend of the Court case to make child support payments over the internet with a credit or debit card or electronically from an account, if no withholding order were in effect.

The system would have to allow a payer to gain access to an online record of payments made using the system.

MCL 400.236

### **BACKGROUND**

The State Disbursement Unit is the entity responsible for centralized State receipt and disbursement of child support and fees. The Act requires the SDU to use automated procedures, electronic processes, and computer-driven technology to the maximum extent feasible, efficient, and economical to receive and disburse support and fees.

Public Act 548 of 2004 amended the Act to require the SDU, by January 3, 2006, to begin disbursing support payments electronically in at least three counties, either to the recipient's account in a financial institution or to a special account that the recipient has access to using an electronic access care. Since January 1, 2007, the SDU has been required to disburse all support payments electronically, except under certain circumstances.

Legislative Analyst: Curtis Walker

### **FISCAL IMPACT**

The bill would require the implementation of a system for electronic payment of child support. The Departments of Human Services (DHS) and Information Technology (DIT) have already begun creating the system, and its funding is included in the DHS information technology budget. The estimated cost for making the information accessible is \$111,000; however, the cost of securing the system has not yet been determined, and is currently being negotiated with contractors. The funding is two-thirds Federal dollars and one-third State money.

Fiscal Analyst: Stephanie Yu

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