



## 94TH GENERAL ASSEMBLY

### State of Illinois

2005 and 2006

HB2418

Introduced 2/17/2005, by Rep. Aaron Schock

#### SYNOPSIS AS INTRODUCED:

305 ILCS 5/10-26  
305 ILCS 5/10-26.2

Amends the Illinois Public Aid Code. In provisions concerning (i) the operation of the State Disbursement Unit and (ii) contracts concerning that operation, provides that a child support disbursement check, correspondence related to child support, or any other document related to child support may not contain the social security number of the child support obligor, the obligee, or the child entitled to support unless required under federal law or by order of a court of competent jurisdiction. Provides that nothing in these provisions prohibits the social security numbers of child support obligors, obligees, or children entitled to support from being retained as a confidential record not subject to public disclosure. Effective October 1, 2005.

LRB094 08147 DRJ 38333 b

1 AN ACT concerning child support.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 5. The Illinois Public Aid Code is amended by  
5 changing Sections 10-26 and 10-26.2 as follows:

6 (305 ILCS 5/10-26)

7 Sec. 10-26. State Disbursement Unit.

8 (a) Effective October 1, 1999 the Illinois Department shall  
9 establish a State Disbursement Unit in accordance with the  
10 requirements of Title IV-D of the Social Security Act. The  
11 Illinois Department shall enter into an agreement with a State  
12 or local governmental unit or private entity to perform the  
13 functions of the State Disbursement Unit as set forth in this  
14 Section. The State Disbursement Unit shall collect and disburse  
15 support payments made under court and administrative support  
16 orders:

17 (1) being enforced in cases in which child and spouse  
18 support services are being provided under this Article X;  
19 and

20 (2) in all cases in which child and spouse support  
21 services are not being provided under this Article X and in  
22 which support payments are made under the provisions of the  
23 Income Withholding for Support Act.

24 Notwithstanding any other provision of law, a child support  
25 disbursement check, correspondence related to child support,  
26 or any other document related to child support may not contain  
27 the social security number of the child support obligor, the  
28 obligee, or the child entitled to support unless required under  
29 federal law or by order of a court of competent jurisdiction.  
30 Nothing in this paragraph prohibits the social security numbers  
31 of child support obligors, obligees, or children entitled to  
32 support from being retained as a confidential record not

1 subject to public disclosure.

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

9 (a-5) If the State Disbursement Unit receives a support  
10 payment that was not appropriately made to the Unit under this  
11 Section, the Unit shall immediately return the payment to the  
12 sender, including, if possible, instructions detailing where  
13 to send the support payments.

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

15 (1) shall be deposited into an account obtained by the  
16 Illinois Department, and

17 (2) distributed and disbursed by the State  
18 Disbursement Unit, in accordance with the directions of the  
19 Illinois Department, pursuant to Title IV-D of the Social  
20 Security Act and rules promulgated by the Department.

21 (c) All support payments assigned to the Illinois  
22 Department under Article X of this Code and rules promulgated  
23 by the Illinois Department that are disbursed to the Illinois  
24 Department by the State Disbursement Unit shall be paid into  
25 the Child Support Enforcement Trust Fund.

26 (d) If the agreement with the State or local governmental  
27 unit or private entity provided for in this Section is not in  
28 effect for any reason, the Department shall perform the  
29 functions of the State Disbursement Unit as set forth in this  
30 Section for a maximum of 12 months before July 1, 2001, and for  
31 a maximum of 24 months after June 30, 2001. If the Illinois  
32 Department is performing the functions of the State  
33 Disbursement Unit on July 1, 2001, then the Illinois Department  
34 shall make an award on or before December 31, 2002, to a State  
35 or local government unit or private entity to perform the  
36 functions of the State Disbursement Unit. Payments received by

1 the Illinois Department in performance of the duties of the  
2 State Disbursement Unit shall be deposited into the State  
3 Disbursement Unit Revolving Fund established under Section  
4 12-8.1. Nothing in this Section shall prohibit the Illinois  
5 Department from holding the State Disbursement Unit Revolving  
6 Fund after June 30, 2003.

7 (e) By February 1, 2000, the Illinois Department shall  
8 conduct at least 4 regional training and educational seminars  
9 to educate the clerks of the circuit court on the general  
10 operation of the State Disbursement Unit, the role of the State  
11 Disbursement Unit, and the role of the clerks of the circuit  
12 court in the collection and distribution of child support  
13 payments.

14 (f) By March 1, 2000, the Illinois Department shall conduct  
15 at least 4 regional educational and training seminars to  
16 educate payors, as defined in the Income Withholding for  
17 Support Act, on the general operation of the State Disbursement  
18 Unit, the role of the State Disbursement Unit, and the  
19 distribution of income withholding payments pursuant to this  
20 Section and the Income Withholding for Support Act.

21 (Source: P.A. 92-44, eff. 7-1-01; 93-20, eff. 6-20-03.)

22 (305 ILCS 5/10-26.2)

23 Sec. 10-26.2. Contracts concerning the operation of the  
24 State Disbursement Unit.

25 (a) In this Section:

26 "Contract" has the same meaning as in the Illinois  
27 Procurement Code.

28 "SDU contractor" means any public or private entity or  
29 individual with whom the Illinois Department enters into a  
30 contract in connection with the operation of the State  
31 Disbursement Unit.

32 (b) The contract entered into by the Illinois Department  
33 with a public or private entity or an individual in connection  
34 with the operation of the State Disbursement Unit must contain,  
35 at a minimum, the provisions set forth in this Section.

1 (c) The contract must include standards and procedures to  
2 ensure that the data relied on by the State Disbursement Unit  
3 in performing its functions is accurate so that the State  
4 Disbursement Unit will be able to effectively administer the  
5 collection and disbursement of support payments.

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

10 (e) The contract must contain provisions to ensure that  
11 notices to employers in connection with the collection of  
12 support are clear and consistent and that the SDU contractor  
13 will promptly inform an employer about any problems and any  
14 necessary changes in connection with the collection of support.

15 (e-5) The contract must contain provisions to ensure that a  
16 child support disbursement check, correspondence related to  
17 child support, or any other document related to child support  
18 does not contain the social security number of the child  
19 support obligor, the obligee, or the child entitled to support  
20 unless required under federal law or by order of a court of  
21 competent jurisdiction. Nothing in this subsection prohibits  
22 the social security numbers of child support obligors,  
23 obligees, or children entitled to support from being retained  
24 as a confidential record not subject to public disclosure.

25 (f) The contract must contain appropriate management  
26 controls to ensure that (i) all of the SDU contractor's actions  
27 in performing the functions of the State Disbursement Unit are  
28 reasonably planned, timely implemented, and adequately  
29 controlled and (ii) all reports that are necessary to provide  
30 the Illinois Department with the information necessary to  
31 effectively monitor the quality and accuracy of the SDU  
32 contractor's actions in performing the functions of the State  
33 Disbursement Unit are timely filed.

34 (g) The contract must contain provisions specifying  
35 standards with respect to the level of performance expected of  
36 the SDU contractor. The contract may include provisions for

1 incentives and penalties in connection with the SDU  
2 contractor's performance.

3 (h) The contract must contain provisions projecting the  
4 number of active support collection and disbursement cases to  
5 be handled by the State Disbursement Unit and estimating the  
6 number of support disbursement transactions to be handled each  
7 year.

8 (i) The contract must contain provisions requiring  
9 compliance with all applicable federal requirements concerning  
10 disbursement of support. The contract must also contain  
11 provisions for the Illinois Department's regular, periodic  
12 review of reports on disbursement performance.

13 (j) The contract must contain provisions requiring the SDU  
14 contractor to submit to the Illinois Department, within 45 days  
15 after the end of each State fiscal year, a completed American  
16 Institute of Certified Public Accountants Statement on  
17 Auditing Standards Number 88 (SAS 88) or its successor for the  
18 purpose of enabling the Illinois Department to appropriately  
19 monitor the State Disbursement Unit's performance as a service  
20 organization and to enable the Auditor General, as the external  
21 auditor of the State Disbursement Unit, to ensure that  
22 appropriate controls are present.

23 (k) The contract must contain provisions requiring the  
24 Illinois Department and the SDU contractor to examine the  
25 causes of untimely disbursement of support payments and  
26 inappropriate cost recovery and to take prompt action to ensure  
27 the timely and accurate disbursement of support payments. The  
28 contract must also contain provisions for the final disposition  
29 of support payments that cannot be processed by the State  
30 Disbursement Unit within 2 business days.

31 (l) The contract must contain provisions to ensure that  
32 neither the Illinois Department nor the SDU contractor uses  
33 moneys collected and held in trust for the payment of support  
34 for any purpose other than that for which the moneys were  
35 collected.

36 (m) The contract must contain provisions requiring the

1 Illinois Department to audit the disbursement of all emergency  
2 support payments and report to the General Assembly the results  
3 of the audit, including, without limitation, the number of  
4 emergency support payment checks issued by the State  
5 Disbursement Unit, the amount of repayments received from  
6 recipients of those checks, and amounts for which the Illinois  
7 Department did not seek repayment.

8 (Source: P.A. 92-44, eff. 7-1-01.)

9 Section 99. Effective date. This Act takes effect October  
10 1, 2005.