

Department of Planning and Budget 2001 Fiscal Impact Statement

1. Bill Number SB1209

House of Origin Introduced Substitute Engrossed
Second House In Committee Substitute Enrolled

2. Patron Forbes

3. Committee Rehabilitation and Social Services

4. Title Child support enforcement.

5. Summary/Purpose:

This bill provides that the Division of Child Support Enforcement must disclose information to law-enforcement agencies for enforcement purposes.

6. Fiscal Impact Estimates are: Tentative

6a. Expenditure Impact

Fiscal Year	Dollars	Positions	Fund
2002	\$82,448	.34	GF
2002	\$160,048	.66	Federal
2003	\$41,747	.34	GF
2003	\$81,037	.66	Federal

6b. Revenue Impact

Fiscal Year	Dollars	Positions	Fund
2002	\$160,048	0	Federal
2003	\$81,037	0	Federal

7. Budget amendment necessary: Yes, Item 386

8. Fiscal implications:

This amendment, if passed, can be expected to increase collections in those situations where administrative enforcement actions have not been successful in collecting support. A specific collections dollar amount cannot be projected because neither the number of law-enforcement agencies that may contract with the Department nor the number of non-custodial parents against whom criminal nonsupport charges will result is known. Automated systems modifications will be necessary to make allowable child support information available to law-enforcement agencies. That cost is estimated to be \$65,200 (\$22,820 for functional staff to define the requirements and \$42,380 for programmers to make the modifications).

The (PRWORA) Personal Responsibility and Work Opportunity Act of 1996 changed the way states think about child support data and disclosure of child support case information. PRWORA made a distinction between state level data and federal data. State databases now contain personal information from both federal and state databases. Much of the data in the State Central Registry, which is the subject matter of this section of the Code, comes from the National Directory of New

Hires and the expanded Federal Parent Locator Service. The federal data is restricted from disclosure in a number of ways.

This amendment, if passed and implemented, could result in federal financial sanctions. The federal law at 42 U.S.C. 653 prohibits states from sharing the Federal Case Registry of Child Support Orders or the federal Parent Locator Services data with law-enforcement officials for the enforcement of child support orders. The Code of Federal Regulations, 45 CFR 305.61, provides that if a state fails to comply with a federal child support requirement, the federal TANF Block Grant will be reduced by 1-2 percent (\$1.6 - \$3.2 million) for the first finding of noncompliance; 2-percent (\$3.2 - \$4.7 million) for the second finding; and 3-5 percent (\$4.7 - \$7.9 million) for the third consecutive finding.

The Department's automated child support system is designed to automatically generate case information and advance notices in defined situations. To implement this requirement, modifications would be needed to accommodate this newly defined situation. The estimated cost of the modification is \$44,010. This includes design, development, testing, programming, and implementation (\$22,820 for functional development and \$21,190 for programming).

There would be postage costs for mailing the advance notices of approximately \$50,000 a year. This estimate is based on the number of delinquent obligations and the criteria for sending arrearage information in the amendment. The postal cost for each notice is \$.34.

The non-custodial parent may appeal the release of this arrearage information. Child support appeals take hearing officers approximately two hours to prepare, hear, and report. Assuming that 147,000 advance notices are sent and 10 percent of those (15,000) appealed the action, and two thirds of these are actually heard, the Department anticipates that one full time hearing officer would be needed to hear these appeals. Personnel, equipment, and support costs would total \$65,000 in both FY 02 and FY 03. A hearing officer is in pay band 5, with a salary of \$53,811. Salary and benefits would total \$67,584 annually. Routine operating costs (postage, office, travel, supplies, telephone, rent, liability insurance, etcetera) are estimated at \$5,200. A one-time cost in the first year for a computer, office furniture, and equipment would be \$10,500.

The table below is a summary of SB1209 costs, which does not include potential child support funding sanctions to the TANF Block Grant

	SFY 02	SFY 03
Systems Modifications	\$109,210	-0-
Postage	50,000	\$50,000
Staff	83,284	72,784
Total	\$242,494	\$122,784
State General Fund Share	\$82,448	\$41,747
Federal Share	\$160,046	\$81,037

9. Specific agency or political subdivisions affected:
Department of Social Services, Division of Child Support Enforcement
Local and state law-enforcement agencies

10. Technical amendment necessary:

A). State law needs to comply with the following sections of federal law and regulation:

- (1) Section 453 of the Social Security Act (42 U.S.C. 653), which covers the persons authorized to access FPLS data; law-enforcement personnel are excluded.
- (2) Section 6103 of the IRS Code, which prohibits redisclosure of the information provided.
- (3) 42 U.S.C. 503(h)(1), which covers Department of Labor information disclosure, excludes law-enforcement.
- (4) 45 CFR 205.50 (This is the cite the Child Support Enforcement Program's legal counsel advised the Department to use)

B. There are several sections of the Code of Virginia regarding confidentiality that require review for possible amendment. These include §§ 19.2-81.5; 63.1-53; and 63.1-209.

11. Other comments:

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cc: Secretary of Health and Human Resources

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