

# Department of Planning and Budget

## 2003 Fiscal Impact Statement

**1. Bill Number** SB1157

**House of Origin**    ☐ Introduced    ☐ Substitute    ☐ Engrossed  
**Second House**    ☐ In Committee    ☐ Substitute    ☒ Enrolled

**2. Patron**    Ticer, P.

**3. Committee**    Passed Both Houses

**4. Title**    Withholding Orders Issued by First -Class Mail

**5. Summary/Purpose:** Senate Bill 1157 allows income -withholding orders generated by the Department of Social Services' Division of Child Support Enforcement to be issued by first class mail. In addition, the amended bill provides that an income withholding order issued by an noncustodial parent's employer by first -class mail pursuant to § 63.2-1923 or § 63.2-1924 shall not be liable to the department unless the department t show that such employer had actual notice of the withholding order.

**6. Fiscal impact estimates are final**

**Expenditure Impact:**

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2003-04	(\$503,440)	-	NGF
2004-05	(\$503,440)	-	NGF

**7. Budget amendment necessary:** No

**8. Fiscal implications:** In FY2002, 215,126 income -withholding orders were sent via certified mail at a cost of \$2.67 per order (or \$574,386 for the year). Based on these figures, the department estimates that approximately 217,000 orders will be mailed annually. If these orders are sent via certified mail at \$2.90 per order it would cost the department \$629,300 per year. However, this legislation would allow the department to send the 217,000 orders via first-class mail at \$.58 per order, resulting in an annual savings of \$503,440. The identified savings would accrue as special fund revenue in the Division of Child Support Enforcement.

	<u>FY2004</u>	<u>FY2005</u>
Batch Income Withholdings sent certified mail	217,000	217,000
Cost per Batch	<u>\$2.90</u>	<u>\$ 2.90</u>
Estimated Cost for Postage due to current law	<u>\$629,300</u>	<u>\$629,300</u>
Batch Income Withholdings sent first class mail	217,000	217,000
Cost per Batch	<u>\$0.58</u>	<u>\$0.58</u>
Estimated Cost for Postage with passage of SB1157	<u>\$125,860</u>	<u>\$125,860</u>
Cost Savings for Income Withholding Orders	\$503,440	\$503,440

**9. Specific agency or political subdivisions affected:**  
Department of Social Services

**10. Technical amendment necessary:** No

**11. Other comments:** None

**Date:** 02/19/03/kwm

**Document:** G:\2003FiscalYear \FIS\SB1157er.Doc

cc:Secretary of Health and Human Resources