

## Department of Planning and Budget 2003 Fiscal Impact Statement

**1. Bill Number** SB1312

**House of Origin**    ☒ Introduced    ☐ Substitute    ☐ Engrossed

**Second House**    ☐ In Committee    ☐ Substitute    ☐ Enrolled

**2. Patron**    Quayle

**3. Committee**    Courts of Justice

**4. Title**    Child support.

**5. Summary/Purpose:** Senate Bill 1312 enacts a new Child Support Guideline Schedule, as recommended by the Secretary of Health and Human Resources' Triennial Child Support Guideline Review Panel in its report to the Secretary and the General Assembly of Virginia. The Child Support Guideline Schedule is used by the courts and the Department of Social Services' Division of Child Support Enforcement to determine child support obligations for children of separated parents. In addition, the bill includes several other provisions related to calculation of child support awards:

- 1) Clarification of a new expansion of the components of income that may be considered in rebutting the presumptions established by the Guideline, specifically income from overtime or a second job.
- 2) A detailed list of the key economic assumptions and factors upon which the Schedule is based.
- 3) A self-support reserve embedded in the Schedule, which will protect the ability of low-income noncustodial parents to support themselves, by ensuring that child support obligations will not reduce their income to below 150 percent of the poverty line.
- 4) Clarification that gross income excludes secondary employment income that the payor parent earned in good faith effort to pay off child support arrearages for the children at issue.
- 5) A requirement that parents pay in proportion to their income any uninsured medical and dental expenses in excess of \$250 per child per year.
- 6) New thresholds for calculating the amount for child care costs incurred due to employment that should be added to the basic child support obligation, specifically factoring in the child care tax credit.

**6. Minimal fiscal impact.** (see item 8)

**7. Budget amendment necessary:** No

**8. Fiscal implications:** The new schedule of Child Support Guidelines, the first update since 1988, will bring support awards into better alignment with today's cost of raising children. Due to changes in the guidelines, the Division of Child Support Enforcement's automated

system, APECS, will need to be updated. There is an approximate one that can be absorbed within the existing Division appropriation.

-time cost of \$40,000

**9. Specific agency or political subdivisions affected:**

State Courts

Department of Social Services – Division of Child Support Enforcement

**10. Technical amendment necessary:** No

**11. Other comments:** This bill is a companion to HB2263.

**Date:** 01/21/03/kwm

**Document:** G:\2003FiscalYear\FIS\Sb1312.Doc

cc: Secretary of Health and Human Resources