

Department of Planning and Budget 2006 Fiscal Impact Statement

1. Bill Number SB 168

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

2. Patron Quayle, Frederick M.

3. Committee Passed Both Houses

4. Title Child support; income withholding

5. Summary/Purpose: Provides that when there is more than one child support withholding order against an obligor, the employer shall prorate among the orders based upon the current amounts due, with any remaining amounts prorated among the orders for any accrued arrearages. Currently, Virginia state law directs employers to honor income withholding orders on a first-come basis.

6. No Fiscal Impact (see item 8)

7. Budget amendment necessary: No

8. Fiscal implications: This proposal has a substantial fiscal impact if not passed. Under federal law (42 USC 666) and federal regulation (45 CFR 303.100), proration among all cases based on the respective orders being enforced is required. The federal Office of Child Support Enforcement has informed the Department of Social Services' Division of Child Support Enforcement (DCSE) that Virginia will be found to be non-compliant with the IV-D State Plan if this bill is not enacted. The State Plan is used as a basis for federal financial participation. The federal penalty for non-compliance with the State Plan is suspension of all federal payments for the State's child support enforcement program, which totaled \$52.2 million in 2004. In addition, Virginia would lose one percent (\$1.5 million) of its Temporary Assistance for Needy Families (TANF) grant award for each year of non-compliance.

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

10. Technical amendment necessary: No

11. Other comments: None

Date: 03/16/06

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cc: Secretary of Health and Human Resources