

## Department of Planning and Budget

### 2019 Fiscal Impact Statement

1. **Bill Number:** HB1819-ER

<b>House of Origin</b>	<input type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
<b>Second House</b>	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input checked="" type="checkbox"/> Enrolled

2. **Patron:** Delaney

3. **Committee:** Passed Both Houses

4. **Title:** Child support enforcement; fees.

5. **Summary:** Raises from \$25 to \$35 the fee charged by the State Board of Social Services to individuals who authorize the Department of Social Services to enforce child support obligations but who have never received assistance pursuant to the Temporary Assistance for Needy Families program. The bill provides that such fee shall be collected and retained from the amount of child support collected annually in excess of \$550.

6. **Budget Amendment Necessary:** No, funding for this legislation is included in the Governor's introduced budget.

7. **Fiscal Impact Estimates:**

**7b. Revenue Impact:**

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2019	-	-
2020	\$75,118	nongeneral
	(\$75,118)	general
2021	\$75,118	nongeneral
	(\$75,118)	general
2022	\$75,118	nongeneral
	(\$75,118)	general
2023	\$75,118	nongeneral
	(\$75,118)	general
2024	\$75,118	nongeneral
	(\$75,118)	general
2025	\$75,118	nongeneral
	(\$75,118)	general

8. **Fiscal Implications:** This legislation increases the annual fee charged to child support recipients from \$25 to \$35 for those who have never received assistance under the Temporary Assistance for Needy Families (TANF) program. It also increases the threshold amount of support that the Department of Social Services must collect and disburse to custodial parents. The new threshold of collection before imposing the fee would go from \$500 to \$550. The

federal Bipartisan Budget Act of 2018 requires these changes as a condition to maintain federal funding.

Based on federal fiscal year 2017 child support caseloads, collected program fees are estimated to increase by \$809,170. The state is allowed to retain 34 percent of program income for its operations; the remaining 66 percent is returned to the federal government. Retained earnings are projected to increase by approximately \$275,118 ( $\$809,170 \times .34$ ). The 2018 General Assembly removed \$200,000 from the Department of Social Services' state fiscal year 2020 general fund appropriation in anticipation of the revenue increase. Therefore, the Governor's introduced budget adjusted the agency's nongeneral fund appropriation by the remaining \$75,118 to reflect the fee increase. This impact statement shows an additional \$4,419 general fund savings that was not reflected in HB1700.

**9. Specific Agency or Political Subdivisions Affected:** Department of Social Services

**10. Technical Amendment Necessary:** No.

**11. Other Comments:** None.