

Department of Planning and Budget 2018 Fiscal Impact Statement

1. Bill Number: HB1331

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

2. Patron: Freitas

3. Committee: Health, Welfare and Institutions

4. Title: Review of child support guidelines; federal compliance.

5. Summary: Directs the Secretary of Health and Human Resources to ensure that the Commonwealth's current child support guidelines are reviewed by the Child Support Guidelines Review Panel (the Panel) by October 1, 2018. The bill requires the Panel to identify any modifications to the Commonwealth's current child support guidelines that are necessary in order to bring such guidelines into compliance with the provisions of 45 C.F.R. § 302.56 by December 31, 2019, and to report its findings to the Governor and the General Assembly by November 1, 2018.

6. Budget Amendment Necessary: Yes. Item 342.

7. Fiscal Impact Estimates:

7a. Expenditure Impact:

| <i>Fiscal Year</i> | <i>Dollars</i> | <i>Positions</i> | <i>Fund</i> |
|--------------------|----------------------|------------------|-----------------------|
| 2018 | - | - | - |
| 2019 | \$22,107 \$42,913 | - - | General Nongeneral |
| 2020 | - | - | - |
| 2021 | - | - | - |
| 2022 | - | - | - |
| 2023 | - | - | - |
| 2024 | - | - | - |

8. Fiscal Implications: This bill requires a review of the child support guidelines to be completed by October 1, 2018. To meet this deadline, the Department of Social Services (DSS) will need to contract out the technical assistance needed to accomplish a thorough review of all the guidelines. A similar child support guidelines review was completed in 2013, and had taken place over a period of three and a half years. The previous panel met nine times, held two public hearings, and heard from the economist engaged by the state on three separate occasions. The previous contract was based on research done by a Senior Research Economist at a cost of \$125 per hour and a research assistant at \$70 per hour and included funding for travel expenses during the length of the contract.

For this legislation, the panel shall report the findings to the Governor and the General Assembly by November 1, 2018, and bring those findings into compliance by December 31, 2019. Since the timeframe is condensed for this legislation, it is estimated that two Senior Research Economists will be needed to complete the requirements of this legislation. An hourly rate of \$133 per hour is projected. The number of hours needed to complete the review in the given timeframe is unknown; however, based on the time required for the previous study, a rounded estimate of 220 hours will be needed for each economist at \$133 per hour each, for a total of \$58,520 ($220 \text{ hrs} \times \133×2). In addition, based on the previous study, a rounded estimate for travel, meetings, and hearings, is estimated at \$6,500. The total projected cost for this review is \$65,020 ($\$58,520 + \$6,500$).

General fund appropriation is needed to obtain federal child support funds, which are available at a two-to-one federal-to-state match rate. Therefore, the cost of this legislation is split \$22,107 ($.34 \times \$65,020$) general fund and \$42,913 ($.66 \times \$65,020$) federal funds.

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

10. Technical Amendment Necessary: No

11. Other Comments: None.