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 DATE PREPARED: February 01, 2011  
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**LB 488**

Revision: 00

# FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2011-12		FY 2012-13	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	See below		See below	

\*Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

This bill establishes the Child Support Transparency Act. The act requires the State Treasurer to develop, maintain and publish a list of delinquent child support obligors under the following conditions: 1) the delinquent amount is less than \$5,000 2) the obligor has not made any payments in the preceding six months 3) the obligor is not in bankruptcy proceedings or receiving public assistance and 4) the custodial parent has signed a confidentiality waiver allowing certain case information to be made public. Any name made public shall be removed after payment in full or after the obligor enters into a payment plan agreement. The Department of Health and Human Services shall provide the names that meet the conditions outlined in the act to the State Treasurer.

There is no additional cost to the State Treasurer. The Department of Health and Human Services would need to change their computer system to capture the additional information that would be provided to the State Treasurer. The estimated one-time cost in FY 12 is \$262,000 (\$87,333GF and \$174,667 FF).

The intent of this bill is to increase child support collections from individuals who are significantly delinquent and have not taken actions to address the amount owed. No estimates are available on the additional collections that may be experienced under the provisions of this bill, but other states that have published lists have seen an increase. The increased collections may or may not offset the additional costs incurred by the department. It would depend on how much would apply to cases where state assistance was provided. The families owed the assistance would be the most likely beneficiaries of delinquent accounts that are paid off or paid down.



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LB<sup>(1)</sup> 0488

FISCAL NOTE

2011

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

State Agency or Political Subdivision Name:(2) Department of Health and Human Services

Prepared by: (3) Willard Bouwens

Date Prepared:(4) February 1, 2011

Phone: (5) 471-8072

	FY 2011-2012		FY 2012-2013	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$161,332			
CASH FUNDS				
FEDERAL FUNDS	\$322,668			
OTHER FUNDS				
<b>TOTAL FUNDS</b>	<b>\$484,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Return by date specified or 72 hours prior to public hearing, whichever is earlier.

Explanation of Estimate:

Fiscal impact:

1. There will be additional costs to create a system program to review cases to determine which ones would qualify for the list. The cost of processing the list weekly may be less than a monthly update as some current computer programs review the IV-D records for arrears on a weekly rather than a monthly basis however this would have to be determined. The initial estimate for system changes related to notices, a file for the State Disbursement Unit (SDU), and determining exceptions and qualifications is approximately \$75,000 for 1,000 hours of design and programming time. Programming changes would also be necessary to adjust pay plans at a cost of \$187,000 for 2,500 hours of design and programming time. Total cost for these components are estimated to be \$262,000 (\$174,667 FF, \$87,333 GF).

2. The proposal states that the Department of Health and Human Services (DHHS) shall provide written notice to all child support obligors regarding the existence of a delinquent child support obligors list. This would be a costly process since an initial mass mailing notice would cost approximately \$35,000 (\$23,334 FF, \$11,666 GF) and new obligors would also need to be notified.

3. The required system changes to implement the deduction of the annual fee after support is collected would involve significant programming and business system involvement and the proposed implementation date of January 1, 2012 probably could not be met. An estimated cost for the system changes for this component would be \$187,000 (\$124,667 FF, \$62,333 GF) for 2,500 hours of design and programming time.

The fiscal impact to the Department of Health and Human Services is estimated to be \$484,000 (\$322,668 FF, \$161,332 GF).

**MAJOR OBJECTS OF EXPENDITURE**

**PERSONAL SERVICES:**

POSITION TITLE	NUMBER OF POSITIONS		2011-2012	2012-2013
	11-12	12-13	EXPENDITURES	EXPENDITURES
Benefits.....				
Operating.....			\$484,000	
Travel.....				
Capital Outlay.....				
Aid.....				
Capital Improvements.....				
<b>TOTAL.....</b>			<b>\$484,000</b>	<b>\$0</b>