

Fiscal Estimate - 2001 Session

Original Updated Corrected Supplemental

| | | | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------|------------------------------------------------------------------|
| LRB Number 01-0881/2 | | Introduction Number SB-106 | |
| Subject Require child support orders to be expressed as a fixed sum | | | |
| Fiscal Effect | | | |
| State: | | | |
| <input type="checkbox"/> No State Fiscal Effect | | | |
| <input type="checkbox"/> Indeterminate | | | |
| <input type="checkbox"/> Increase Existing Appropriations | <input type="checkbox"/> Increase Existing Revenues | <input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget | |
| <input type="checkbox"/> Decrease Existing Appropriations | <input type="checkbox"/> Decrease Existing Revenues | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| <input type="checkbox"/> Create New Appropriations | | <input type="checkbox"/> Decrease Costs | |
| Local: | | | |
| <input type="checkbox"/> No Local Government Costs | | | |
| <input type="checkbox"/> Indeterminate | | | |
| 1. <input checked="" type="checkbox"/> Increase Costs | 3. <input type="checkbox"/> Increase Revenue | 5. Types of Local Government Units Affected | |
| <input checked="" type="checkbox"/> Permissive <input type="checkbox"/> Mandatory | <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory | <input type="checkbox"/> Towns | <input type="checkbox"/> Village <input type="checkbox"/> Cities |
| 2. <input type="checkbox"/> Decrease Costs | 4. <input type="checkbox"/> Decrease Revenue | <input checked="" type="checkbox"/> Counties | <input type="checkbox"/> Others |
| <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory | <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory | <input type="checkbox"/> School Districts | <input type="checkbox"/> WTCS Districts |
| Fund Sources Affected | | Affected Ch. 20 Appropriations | |
| <input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS | | | |
| Agency/Prepared By DWD/ Connie Chesnik (608) 267-7295 | | Authorized Signature Kimberly Markham (608) 267-3200 | Date 4/19/01 |

Fiscal Estimate Narratives

DWD 4/20/01

| | | | | | |
|-------------------------------------------------------------|-----------|---------------------|--------|---------------|----------|
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| Subject | | | | | |
| Require child support orders to be expressed as a fixed sum | | | | | |

Assumptions Used in Arriving at Fiscal Estimate

State statutes currently allow Wisconsin courts to express child support orders as a fixed dollar amount, as a percentage of income (percentage-expressed) or as a mixed order (e.g., 17% or \$200 per month, whichever is greater.) This legislation requires that child or family support be expressed as a fixed sum.

This fiscal estimate indicates \$1,467,440 million in one-time GPR costs. Although the legislation only repeals the prospective use of percentage-expressed orders, costs will be incurred because local child support agencies will need to convert existing percentage-expressed orders to fixed dollar amounts. This legislation provides the statutory authority to make these conversions by amending current law to say "...the court is not required to make a finding of a substantial change in circumstances to change to a fixed sum the manner in which the amount of child or family support is expressed in the judgement or order."

The conversion of existing percentage-expressed orders to a fixed sum is necessary in order for the state to meet federal distribution and delinquency monitoring requirements. Wisconsin has approximately 66,400 percentage-expressed child support orders. The one-time costs were derived by estimating a cost of \$65.00 per case conversion times 66,400 percentage-expressed orders. The total cost equals \$4,316,000 for which there is a 66% federal match, resulting in a need for \$1,467,440 GPR.

Long-Range Fiscal Implications

The Department of Workforce Development has been advised by the federal Department of Health and Human Services that the continued use of percentage-expressed orders has the potential to cause severe financial penalties to the State, including the loss of both child support and Temporary Assistance for Needy Families (TANF) funding. Wisconsin currently receives approximately \$380 million per year in child support and TANF funding.

Fiscal Estimate Worksheet - 2001 Session

Detailed Estimate of Annual Fiscal Effect

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 Corrected
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| | | | |
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| Subject | | | |
| Require child support orders to be expressed as a fixed sum | | | |
| I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect): | | | |
| One-time GPR costs of \$1,467,440 will be incurred for the conversion of 66,400 existing percentage-expressed order cases. See narrative on estimate. | | | |
| II. Annualized Costs: | | Annualized Fiscal Impact on funds from: | |
| | | Increased Costs | Decreased Costs |
| A. State Costs by Category | | | |
| | State Operations - Salaries and Fringes | \$ | |
| | (FTE Position Changes) | | |
| | State Operations - Other Costs | | |
| | Local Assistance | | |
| | Aids to Individuals or Organizations | | |
| | TOTAL State Costs by Category | \$ | \$ |
| B. State Costs by Source of Funds | | | |
| | GPR | | |
| | FED | | |
| | PRO/PRS | | |
| | SEG/SEG-S | | |
| III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.) | | | |
| | | Increased Rev | Decreased Rev |
| | GPR Taxes | \$ | \$ |
| | GPR Earned | | |
| | FED | | |
| | PRO/PRS | | |
| | SEG/SEG-S | | |
| | TOTAL State Revenues | \$ | \$ |
| NET ANNUALIZED FISCAL IMPACT | | | |
| | | <u>State</u> | <u>Local</u> |
| | NET CHANGE IN COSTS | \$ | \$ |
| | NET CHANGE IN REVENUE | \$ | \$ |
| Agency/Prepared By | | Authorized Signature | Date |
| DWD/ Connic Chesnik (608) 267-7295 | | Kimberly Markham (608) 267-3200 | 4/19/01 |