

Fiscal Estimate - 2017 Session

Original
 Updated
 Corrected
 Supplemental

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| LRB Number 17-5288/1 | Introduction Number SB-008 (JR8) |
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Description
 requiring child support compliance in the Medical Assistance program

Fiscal Effect

State:

| | | | |
|---|---|---|---|
| <input type="checkbox"/> No State Fiscal Effect | <input type="checkbox"/> Indeterminate | <input type="checkbox"/> Increase Existing Revenues | <input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget |
| <input type="checkbox"/> Increase Existing Appropriations | <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 | 5. Types of Local Government Units Affected | |
| 1. <input type="checkbox"/> Increase Costs | 3. <input type="checkbox"/> Increase Revenue | <input type="checkbox"/> Towns | <input type="checkbox"/> Village <input type="checkbox"/> Cities |
| <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory | <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory | <input type="checkbox"/> Counties | <input type="checkbox"/> Others |
| 2. <input type="checkbox"/> Decrease Costs | 4. <input type="checkbox"/> Decrease Revenue | <input type="checkbox"/> School Districts | <input type="checkbox"/> WTCS Districts |
| <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory | <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory | | |

| | |
|--|---------------------------------------|
| 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 | |

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| Agency/Prepared By DCF/ Sasha Bong (608) 422-6348 | Authorized Signature Kim Swissdorf (608) 422-6351 | Date 1/30/2018 |
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Fiscal Estimate Narratives

DCF 1/30/2018

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|--|----------------------------------|------------------------|
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| Description requiring child support compliance in the Medical Assistance program | | |

Assumptions Used in Arriving at Fiscal Estimate

The bill would require compliance with child support determinations and obligations as an eligibility condition for the Medical Assistance (MA) program. In order to be eligible for MA under the bill, a custodial parent of a dependent minor child is required to cooperate fully in good faith with efforts to establish paternity of the dependent minor child; establish or enforce any support order; or obtain any other payments or property to which the parent or child may have rights. Paternity establishment and support establishment or enforcement requirements would not apply to a custodial parent who has good cause for refusing to cooperate, as determined by the Department of Health Services (DHS) in accordance with federal regulations.

For a noncustodial parent (NCP) to be eligible for MA under the bill, the NCP would also be required to cooperate with paternity establishment and support establishment or enforcement. In addition, a NCP would be considered ineligible for MA in a month in which the parent is delinquent in making court-ordered support payments unless any of the following is true:

- The delinquency balance equals less than 3 months of the court-ordered support payment amount;
- A court or county child support agency allows the NCP to delay child support payments;
- The NCP is complying with a payment plan approved by the county child support agency;
- The NCP is participating in an employment and training program; or
- The NCP is participating in a substance abuse treatment program.

The bill provides that a dependent child remains eligible for MA even if the child's custodial parent is ineligible for MA due to failure to cooperate with paternity establishment or child support without good cause.

If DHS or the Department of Children and Families (DCF) determines that federal approval is required to implement any provision of the bill, the applicable department must submit a state plan amendment or waiver request to the federal Department of Health and Human Services (DHHS). The departments are required to implement the bill to the extent approved by DHHS and if DCF determines the bill can be implemented in a way that is substantially state budget neutral in regard to child support fees.

The department estimates a fiscal effect from the bill of at least \$246,000 to \$328,000 for IT system changes required to include child support requirements for NCPs in the KIDS system. The amount of staff costs involved in implementing the bill's requirements and associated IT changes is indeterminate at this time. No changes are expected to be required for provisions in the bill regarding custodial parent child support cooperation, as it was required under current law. Additional analysis will be required to determine the need for a state child support plan amendment or federal waiver and the impact of the bill on child support fees.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2017 Session

Detailed Estimate of Annual Fiscal Effect

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Description
 requiring child support compliance in the Medical Assistance program

I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):

The department estimates a fiscal effect from the bill of at least \$246,000 to \$328,000 for IT system changes required to include child support requirements for NCPs in the KIDS system. The amount of staff costs involved in implementing the bill's requirements and associated IT changes is indeterminate at this time. Administrative costs for the state's Child Support Enforcement program are generally assumed at a funding split of 34 percent GPR and 66 percent Federal Funds Participation (FFP).

| | | |
|------------------------------|--|-----------------|
| 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 | | |
|------------------------------|-------|-------|
| | State | Local |
| NET CHANGE IN COSTS | \$ | \$ |
| NET CHANGE IN REVENUE | \$ | \$ |

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