

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE
Revised

House Bill 332 (Washington County Delegation)
Appropriations

Referred to Budget and Taxation

**State Personnel - Child Support Enforcement Administration - Transfer of
Personnel**

This enrolled bill transfers child support enforcement activities of the State's Attorney's Office in Washington County to the State Child Support Enforcement Administration (CSEA). The bill transfers all employees, except the Assistant State's Attorney, of the Paternity and Support Division of the Office of the State's Attorney for Washington County to the CSEA.

This bill takes effect July 1, 1996.

Fiscal Summary

State Effect: Federal fund revenues increase by \$35,300 and general fund expenditures increase by \$143,800 in FY 1997. Future year revenues and expenditures reflect inflation.

(in dollars)	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001
FF Revenues	\$35,300	\$36,300	\$37,400	\$38,500	\$39,700
GF Expenditures	143,800	146,700	149,600	152,600	155,700
Net Effect	(\$108,500)	(\$110,400)	(\$112,200)	(\$114,100)	(\$116,000)

Note: () - decrease; GF - general funds; FF - federal funds; SF - special funds

Local Effect: Washington County expenditures would decrease by \$128,800 and revenues (federal) would decrease by \$35,300 in FY 1997.

Fiscal Analysis

Background: Under current law, State's attorneys have the first option on whether to provide CSEA with legal representation in child support enforcement cases. In addition,

local governments have the authority to request that their child support enforcement activities be transferred to CSEA. When the State's attorneys provide legal representation, the costs are shared by the federal and local governments. Currently, ten counties and Baltimore City have transferred responsibility for paternity and support establishment to CSEA.

State Revenues: The State's Attorney's Office in Washington County is expected to receive approximately \$35,300 in federal incentive bonuses in fiscal 1997. By transferring the office's responsibilities to the CSEA, the incentives bonuses would go to the State. Federal incentive bonuses are projected to increase by 3% annually.

State Expenditures: General fund expenditures would increase by approximately \$143,800 in fiscal 1997. Future year expenditures are expected to increase by 2% annually, from \$146,700 in fiscal 1998 to \$155,700 by fiscal 2001.

This estimate is based on the cost of transferring 12 positions from the Washington County State's Attorney's Office to the CSEA and the employees receiving a State salary that is commensurate to the employee's salary paid by Washington County. In fiscal 1996, the State's Attorney's Office budget for child support activities totaled \$414,789. Of this amount, \$141,028 (34%) are local funds and \$273,761 (66%) are federal funds. Under this bill, the State government would be responsible for paying the local share (34% of total expenditures). The level of federal reimbursements would remain the same.

Local Revenues: Local revenues from federal incentive bonuses would decrease by \$35,300 in fiscal 1997 and up to \$39,700 by fiscal 2001.

Local Expenditures: Washington County expenditures would decrease by \$128,800 in fiscal 1997. This results from the \$143,800 decrease in administrative costs at the State's Attorney's Office and a \$15,000 increase due to a one-time payment for unused vacation, sick, and personal leave. Future year expenditures would decrease as discussed in the "State Expenditures" section.

Information Source(s): Department of Human Resources (Child Support Enforcement Administration), Washington County, Department of Fiscal Services

Fiscal Note History: First Reader - February 14, 1996
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