

Department of Fiscal Services  
Maryland General Assembly

FISCAL NOTE

House Bill 49 (Delegate Rosenberg)  
Judiciary

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**Family Law - Noncustodial Parent - Child Support**

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This bill requires a court to order a noncustodial parent who is unable to pay child support to perform community service. In addition, a noncustodial parent under the age of 22 must enroll in or remain in school or a vocational or technical training program until the noncustodial parent's graduation or 22nd birthday. Noncustodial parents aged 22 or older must remain in or return to an institution of postsecondary education or a vocational or technical training program. Noncustodial parents who fail to comply with the bill's provisions are prohibited from receiving public assistance under the Public Assistance to Adults Program and the Transitional Emergency Medical and Housing Program (TEMHA). This bill takes effect July 1, 1996.

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**Fiscal Summary**

**State Effect:** Assuming the Department of Human Resources (DHR) is required to track individuals' compliance with this bill, general fund administrative expenditures could increase by \$874,600 in FY 1997. Future year expenditures reflect annualization and inflation. These expenditures could be offset by an indeterminate reduction in public assistance payments due to sanctions for noncompliance. Revenues could increase by an indeterminate amount.

(in dollars)	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001
GF Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditures	\$874,600	\$931,000	\$949,700	\$968,600	\$988,000
Net Effect	(\$874,600)	(\$931,000)	(\$949,700)	(\$968,600)	(\$988,000)

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

**Local Effect:** None.

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## Fiscal Analysis

**State Revenues:** General fund revenues could increase to the extent that this bill results in additional AFDC related child support collections. AFDC related child support collections are distributed as follows:

State Share	42%
Federal Share	37%
Local Incentives	5%
AFDC Family Bonus	<u>16%</u>
Total	100%

Non-AFDC related child support collections go directly to the private sector.

Noncustodial parents who fail to comply with the bill's provisions are prohibited from receiving public assistance payments under the Public Assistance to Adults program and the Transitional Emergency Medical and Housing Program (TEMHA). The fiscal 1997 budget allowance includes \$8.2 million for the Public Assistance to Adults program and \$18 million for the TEMHA program. The number of noncustodial parents receiving benefits from these programs and who would not comply with the provisions of this bill are not known. Therefore, any cost savings to these two programs cannot be qualified at this time.

Since the State is not required to cover the cost of the education or training requirement, any such additional costs resulting from these requirements would have to be paid by the individual. However, given that these individuals cannot afford to pay their current child support obligations, it is assumed that many of the individuals would not comply with the provisions of this bill.

**State Expenditures:** It is estimated that 18,600 individuals are currently delinquent on child support payments and are not able to pay any support obligations. Accordingly, these individuals would be required to perform community service and continue to receive educational or vocational training. DHR indicates that an additional 36 contractual administrative specialists would be required to track the individuals' compliance with this bill. These additional positions are based on one specialist per 500 cases. Accordingly, general fund expenditures could increase by an estimated \$874,600 in fiscal 1997, which reflects a 3-month start-up delay in fiscal 1997. This estimate reflects the cost of hiring 36 contractual administrative specialists to track the individuals' compliance with the bill.

It includes contractual salaries of \$637,848, one-time start-up costs, and ongoing contractual operating expenses.

Contractual Salaries	\$637,848
Equipment	189,972
Other Operating Expenses	<u>46,737</u>
Total FY 1997 State Expenditures	\$874,557

In fiscal 1995, administrative costs for child support enforcement initiatives totaled \$46.9 million. Implementing this bill would represent a 1.9% increase over fiscal 1995 administrative costs. Future year administrative expenditures reflect (1) full salaries with 2% annual increases; and (2) 2% annual increases in ongoing operating expenses.

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**Information Source(s):** Department of Human Resources, Department of Fiscal Services

**Fiscal Note History:** First Reader - January 23, 1996

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