

**Department of Legislative Services**  
 Maryland General Assembly  
 2001 Session

**FISCAL NOTE**  
**Revised**

House Bill 426 (Allegany County Delegation)

Appropriations

Finance

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

This bill transfers the child support enforcement activities of the State’s Attorney’s Office for Allegany County to the Child Support Enforcement Administration (CSEA) of the Department of Human Resources on July 1, 2002. The bill transfers all employees of the Paternity and Support Division of the Office of the State’s Attorney for Allegany County (except for the assistant State’s Attorneys) to the CSEA, and requires Allegany County to pay each transferred employee any compensation due them as of June 30, 2002.

The bill takes effect July 1, 2001.

**Fiscal Summary**

**State Effect:** No effect in FY 2002. General fund expenditures for the CSEA could increase by \$79,400 in FY 2003. Future year expenditures reflect ongoing expenditures and inflation. Revenues would not be affected.

(in dollars)	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	0	79,400	75,100	79,300	83,700
FF Expenditure	0	154,000	145,800	153,800	162,400
Net Effect	\$0	(\$233,400)	(\$220,900)	(\$233,100)	(\$246,100)

*Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect*

**Local Effect:** Total Allegany County expenditures would decrease by \$227,000, of which \$65,000 are local expenditures. (The remaining expenditures, and corresponding revenues, are federal matching funds at the rate of 66%, plus additional federal reimbursement for medical costs.)

**Small Business Effect:** None.

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## **Analysis**

**Current Law:** A county or circuit court with a local child support enforcement office may request that the responsibility for support enforcement be transferred to the CSEA. A request for transfer of responsibility under this section must be made to the Department of Human Resources by September 1 of the year preceding the fiscal year for which responsibility will be transferred.

The personnel of the local support enforcement office are transferred to the State Personnel Management System and placed in the closest comparable position. Accumulated leave is transferred and the employee's pension credit is transferred.

**Bill Summary:** In addition to the existing provisions governing the transfer of local support enforcement personnel, the bill provides that transferred Allegany County employees will receive a salary classification commensurate with the employee's previous salary grade, and that the employees will be given credit for their Allegany County employment for seniority purposes for leave determination and layoff rights.

**Background:** Under current law, State's Attorneys have the first option on whether to provide CSEA with legal representation in child support enforcement cases. Alternatively, 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, 13 counties and Baltimore City have transferred the legal responsibilities of support enforcement from their local State's Attorney offices to CSEA. Baltimore County transferred its legal enforcement employees to the State two years ago without legislation. This year, legislation has been introduced to transfer Anne Arundel County as well.

**State Expenditures:** Combined federal and general fund expenditures by the CSEA could increase by an estimated \$233,620 in fiscal 2003. This estimate reflects the cost of transferring 4.6 employees currently employed by the Allegany County State's Attorney's Office with equivalent salaries, as required by the bill. It includes salaries, fringe benefits, one-time start-up costs, and ongoing operating expenses.

Salaries and Fringe Benefits	\$200,770
Operating Expenses	<u>32,850</u>
<b>Total FY 2003 State Expenditures</b>	<b>\$233,620</b>

Future year expenditures reflect: (1) full salaries with a 4.5% increase each year, with 3% employee turnover; and (2) 1% annual increases in ongoing operating expenses.

Child support enforcement activities are eligible for a two-for-one federal match. Thus, the total expenditures for the CSEA's activities will be paid 34%, or \$79,431 in fiscal 2001, from State general fund revenues and 66%, or \$154,189, from federal matching funds. The State currently receives federal matching funds for Allegany County's operations; however, these funds are passed directly through to the county.

**Local Expenditures:** Total Allegany County expenditures would decrease by approximately \$227,000, the amount of the State's Attorney fiscal 2002 budget allocated to support enforcement activities. Of this amount, \$65,000, are local expenditures. The remaining expenditures of \$162,000, and corresponding revenues, are federal matching funds at the rate of 66% plus additional federal reimbursement for medical costs. This expenditure reduction includes the 4.6 transferred employees and associated expenses, as discussed above.

### Additional Information

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Department of Human Resources, Allegany County, Department of Legislative Services

**Fiscal Note History:** First Reader – February 13, 2001  
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