

Department of Legislative Services  
 Maryland General Assembly  
 2012 Session

FISCAL AND POLICY NOTE

House Bill 1322 (Delegate Mitchell, *et al.*)  
 Appropriations

Family Investment Program - Assistance Determination - Child Support

This bill prohibits a child support payment due under a court order from being included as household income in determining whether an applicant meets the eligibility standards for assistance from the Family Investment Program or in determining the amount of assistance, unless the payment is actually received by an applicant or recipient.

Fiscal Summary

**State Effect:** Total expenditures increase by \$652,200 in FY 2013, consisting of \$260,900 in general funds and \$391,300 in federal funds. This estimate reflects the cost of hiring additional staff to monitor child support payments actually received and to recalculate benefits monthly. Future year expenditures reflect annualization and inflation. Revenues are not directly affected.

(in dollars)	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	260,900	318,500	339,100	354,900	371,600
FF Expenditure	391,300	477,800	508,600	532,400	557,300
Net Effect	(\$652,200)	(\$796,300)	(\$847,700)	(\$887,300)	(\$928,900)

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

**Local Effect:** None.

**Small Business Effect:** None.

## Analysis

**Current Law/Background:** The Family Investment Program (FIP) within local departments of social services has the primary purpose of supporting family efforts to achieve and maintain self-sufficiency through services and financial aid geared to individual family needs. FIP for a recipient must include supportive services activities, appropriate referrals to family planning counseling and services, and temporary cash assistance, as a last resort.

As one of the conditions to receiving assistance from FIP, the applicant or recipient must apply for child support services with the appropriate local child support enforcement office, if applicable, and comply with the requirements of that office. An individual applying for assistance must meet other requirements established by regulation, which include a determination of financial eligibility. In addition to earned income (*e.g.*, wages, salaries, commissions, tips, etc.), unearned income, such as child support payments, is also considered when determining financial eligibility.

**State Fiscal Effect:** Total expenditures increase by \$652,160 (\$260,864/general funds and \$391,286/federal funds) in fiscal 2013, which accounts for the bill's October 1, 2012 effective date. This estimate reflects the cost of hiring 10 family investment specialists, 2 supervisors, and 3 office clerks to recalculate benefits each month in order to ensure that only actual income received is included when determining the amount of assistance paid. It includes salaries, fringe benefits, one-time start-up costs, and ongoing operating expenses. The information and assumptions used in calculating the estimate are stated below:

- at least 5% of the 300,000 families on the Food Supplement Program, one component of FIP, receive child support (15,000 cases);
- verifying the child support received each month, recalculating benefits, and processing any changes will take at least 5 minutes per case for the case worker (75,000 extra minutes or 1,250 extra hours per month); and
- the average work hours per case worker of 120 hours per month and the workload standards of 1 supervisor for every 6 workers and 1 clerk for every 3.5 workers is maintained.

Positions	15
Salaries and Fringe Benefits	\$555,357
Operating Expenses	<u>\$96,803</u>
<b>Total FY 2013 State Expenditures</b>	<b>\$652,160</b>

Future year expenditures reflect full salaries with annual increases and employee turnover as well as annual increases in ongoing operating expenses. DHR further advises that although the workload of FIP staff will increase to ensure compliance with the bill, the bill is not expected to have a material impact on eligibility for FIP services or the amount of assistance paid to recipients.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

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

**Fiscal Note History:** First Reader - March 14, 2012  
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