

FISCAL NOTE

Requested by Legislative Council
04/10/2003

Amendment to: SB 2160

1A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2001-2003 Biennium		2003-2005 Biennium		2005-2007 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues		\$74,250		\$16,050		\$7,223
Expenditures	\$38,250	\$74,250		\$13,391		\$2,592
Appropriations	\$0	\$0	(\$2,659)	\$13,391	(\$4,631)	\$2,592

1B. **County, city, and school district fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

2001-2003 Biennium			2003-2005 Biennium			2005-2007 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
			\$10,927			\$8,352		

2. **Narrative:** *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

This bill would implement the federally mandated National Medical Support Notice which is used to enroll children in the noncustodial parent's employment health insurance plan. This should result in cost savings to the Medicaid and CHIP programs. The amount of the cost savings is unknown. Costs would be incurred by the Department of Human Services (DHS) for postage and programming changes to Fully Automated Child Support Enforcement System (FACSES). Postage costs would also be incurred by the Regional Child Support Enforcement Units (RCSEU), resulting in additional retained funds for DHS based on the SWAP legislation.

The bill would also change the monthly amount a noncustodial parent owes on arrears in arrears-only cases. This would increase child support collections which would result in a decrease in general funds needed. Costs would be incurred by DHS for programming changes to FACSES. The increase in collections is unknown.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

The Department of Human Services would receive federal funds of \$74,250 for the 01-03 biennium and \$8,838 for the 03-05 biennium which is 66% of the expenditures incurred.

The increase in county expenditures by the RCSEUs would cause the Department to realize an increase in retained dollars (Other Funds) of \$7,212 for the 03-05 biennium based upon the SWAP legislation passed in the 1997 Legislative Session. \$7,212 is 66% of the total county expenditures of \$10,927 for the 03-05 biennium.

B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

The Department of Human Services would incur operating costs of \$112,500 for the 01-03 biennium and \$13,391 for the 03-05 biennium. \$112,500 for the 01-03 biennium and \$10,000 for the 03-05 biennium would be used for programming FACSES to support the National Medical Support Notices and changes in arrears amounts owed. Postage to mail the National Medical Support Notices would cost \$3,391 for the 03-05 biennium.

The RCSEUs would also incur costs to the counties for postage of \$10,927 for the 01-03 biennium.

C. Appropriations: *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

The Department of Human Services would incur costs of \$112,500 in the 01-03 biennium to reprogram FACSES. These costs would be absorbed into the current budget by reprioritizing current budgeted projects and no additional appropriation would be requested.

The Department of Human Services would need additional appropriation authority of \$13,391 for the 03-05 biennium. Retained dollars of \$2,659 would be in excess of the amounts needed to match additional federal expenditures incurred for the 03-05 biennium and would be used to replace General Funds.

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Agency: Human Services
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