

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Committee on Appropriations

BILL: HB 5303

INTRODUCER: Government Operations and Technology Appropriations Subcommittee and Representative Williamson

SUBJECT: Child Support Enforcement

DATE: April 10, 2019

REVISED: _____

ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1. <u>Blizzard</u>	<u>Kynoch</u>	<u>AP</u>	Favorable

I. Summary:

HB 5303 authorizes and directs the Department of Revenue (department) to pay the federal mandatory fee for child support cases involving an individual who has never received temporary cash assistance and for whom the department has collected at least \$550 of support.

The Federal Bipartisan Budget Act of 2018, Public Law No. 115-123 § 53117, amended 42 U.S.C. s. 654(6)(B)(ii), to increase the annual fee from \$25 to \$35, and the minimum amount of support collected and disbursed by the department before the fee is payable, from \$500 to \$550.

SB 2500, the Senate's proposed 2019-2020 General Appropriations Bill and HB 5001, the House's proposed 2019-2020 General Appropriations Bill, include appropriations of \$147,701 in nonrecurring funds from the General Revenue Fund to pay for the \$35 federal annual fee that states must impose for child support services. This fee is for cases in which an individual has never received temporary assistance and for whom the department has collected and disbursed at least \$550 of support.

The effective date of the bill is July 1, 2019.

II. Present Situation:

The Federal Government requires each state to operate a child support program as a condition for receiving the Temporary Assistance for Needy Families federal block grant. The programs are established to collect child support for two groups of families: families who receive public assistance such as temporary cash assistance, Medicaid, and food assistance, and families who do not receive public assistance, but need aid from the state in collecting child support.

The department oversees Florida's Child Support Enforcement Program (program). The program administers Florida's child support laws and helps ensure that children receive the financial support needed when it is not received from one or both of their parents. The department runs the

program for all but two Florida counties. For the two counties not managed by the department, partnerships have been established with the State Attorney's Office in Miami-Dade County and the Manatee County Clerk of Court in Manatee County to provide those services. Section 409.2567(1), F.S., authorizes and directs the department to pay the \$25 annual fee required by 42 U.S.C. s. 654(6)(B)(ii) that states must impose for child support services for cases in which an individual has never received temporary cash assistance and for whom the department has collected and disbursed at least \$500 of support.¹

The Federal Deficit Reduction Act of 2005, Public Law No. 109-171, § 7310,² requires payment of the annual fee by either the parents or the state. The Florida Legislature amended s. 409.2567(1), F.S., in ch. 2007-85, L.O.F., to require the department to pay the annual fee prescribed by the Federal Government, on behalf of the parents.

The Federal Bipartisan Budget Act of 2018, Public Law No. 115-123, § 53117,³ amended 42 U.S.C. s. 654(6)(B)(ii) to increase the annual fee from \$25 to \$35, and the minimum amount of support that is required to be collected and disbursed before the fee is payable, from \$500 to \$550.

III. Effect of Proposed Changes:

The bill amends s. 409.2567(1), F.S., to require the department to pay the federally mandated increase in the annual fee from \$25 to \$35 and to increase the minimum amount of child support the department must collect and disburse to impose the annual fee, from \$500 to \$550.

The bill provides an effective date of July 1, 2019.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. State Tax or Fee Increases:

None.

¹ Section 6, ch. 2007-85, L.O.F.

² 42 U.S.C. s.654(6)(B)(ii) (2006)

³ 42 U.S.C. s.654(6)(B)(ii) (2008)

E. Other Constitutional Issues:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

The bill requires the department to pay the federally required increase in the annual child support fee.

B. Private Sector Impact:

None.

C. Government Sector Impact:

The department estimates the cost for the annual fee increase for Fiscal Year 2019-2020 to be \$140,701 in nonrecurring funds from the General Revenue Fund. This amount is sufficient funding for the first year of implementation as the amount covers the fourth quarter of the federal fiscal year, which closes on September 30, 2019.⁴ The department estimates increased funding of \$1.4 million in Fiscal Year 2020-2021 and \$1.5 million in Fiscal Year 2021-2022 from general revenue to fully fund the annual federal fee.⁵ The increase in additional funding represents growth in caseloads and the increase in the annual fee from \$25 to \$35.

SB 2500, the Senate's proposed 2019-2020 General Appropriations Bill and HB 5001, the House of Representatives' proposed 2019-2020 General Appropriations Bill, appropriate \$147,701 in nonrecurring funds from the General Revenue Fund to pay the \$35 federal mandatory fee that states must impose for child support services.⁶ This fee is for cases in which an individual has never received temporary assistance and for whom the department has collected and disbursed at least \$550 of support.

VI. Technical Deficiencies:

None.

VII. Related Issues:

Section 71 of SB 2502, the Senate's proposed General Appropriations Implementing Bill, includes similar language to require the department to pay the federally mandated increase in the child support fee and to increase the minimum amount of child support collected and disbursed.⁷

⁴ Department of Revenue Fiscal Year 2019-2020 Legislative Budget Request (October 18, 2018) pp. 25-26

⁵ Email correspondence received from Department of Revenue on file with the Senate Appropriations Committee. (July 3, 2018)

⁶ Senate Bill 2500, the Senate's proposed 2019-2020 General Appropriations Bill, Specific Appropriation 3109 and House Bill 5001, the House's proposed 2019-2020 General Appropriations Bill, Specific Appropriation 3109.

⁷ Senate Bill 2502, the Senate's proposed 2019-2020 General Appropriations Implementing Bill, Section 71.

VIII. Statutes Affected:

This bill substantially amends section 409.2567 of the Florida Statutes.

IX. Additional Information:

A. Committee Substitute – Statement of Changes:

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

B. Amendments:

None.

This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.
