

HF3406 - 0 - "Mod Prov Potential Income; Report Arrears"

Chief Author: **Peggy Scott**
 Committee: **Health and Human Services Finance**
 Date Completed: **03/27/2018**
 Agency: **Human Services Dept**

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology	X	
Local Fiscal Impact		X

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2017	FY2018	FY2019	FY2020	FY2021
General Fund	-	-	23	-	-	-
Total	-	-	23	-	-	-
Biennial Total			23			-

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2017	FY2018	FY2019	FY2020	FY2021
General Fund	-	-	-	-	-
Total	-	-	-	-	-

Executive Budget Officer's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with MMB's Fiscal Note policies.

EBO Signature: Travis Bunch Date: 3/27/2018 4:27:17 PM
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State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands		FY2017	FY2018	FY2019	FY2020	FY2021
General Fund		-	-	23	-	-
Total		-	-	23	-	-
Biennial Total				23		-
1 - Expenditures, Absorbed Costs*, Transfers Out*						
General Fund		-	-	23	-	-
Total		-	-	23	-	-
Biennial Total				23		-
2 - Revenues, Transfers In*						
General Fund		-	-	-	-	-
Total		-	-	-	-	-
Biennial Total				-		-

Bill Description

Under Minnesota’s child support laws, if a parent is considered to be voluntarily unemployed, underemployed, or employed on a less than full-time basis, child support is calculated based on a determination of potential income, with a presumption that a parent can be employed full-time. In certain circumstances, however, a parent cannot be considered to be voluntarily unemployed, underemployed, or employed on a less than full-time basis. This bill, if passed, would modify those circumstances.

Under section 528A.685, if a child support obligor does not pay their obligation and any arrears for three months, the public authority (the local unit of government responsible for child support enforcement or the DHS Child Support Enforcement Division) is required to report that information to a consumer credit reporting agency. If the public authority reports that an obligor is in arrears but then determines that the obligor has paid the arrears in full or is paying their monthly support with an arrearage payment, the public authority must inform the consumer reporting agency that the obligor is current on child support. This bill, if passed, would remove the requirement to notify the consumer reporting agency when an obligor pays all arrears or begins paying the monthly obligation with arrearage payments.

Section 1: Parent not considered voluntarily unemployed, underemployed, or employed on a less than full-time basis. Amends § 518A.32, subd. 3. Modifies the circumstances in which a parent is not considered to be voluntarily unemployed, underemployed, or employed on a less than full-time basis for child support calculation purposes.

Makes this subdivision applicable to all incarcerated parents by removing the exception for parents incarcerated due to nonpayment of child support.

Makes this subdivision applicable to a parent who has been determined to be eligible for general assistance or Supplemental Security Income payments. Specifies that any income that is not from public assistance payments may be considered in calculating child support.

Section 2: Consumer reporting agency; reporting arrears. Amends § 518A.685. Removes the requirement that the public authority inform the consumer reporting agency if an obligor is currently paying child support, if an obligor has paid the arrears in full or is making the obligated monthly payments with added arrearage payments.

Assumptions

The PRISM electronic child support case management system will need to update 16 Court document Request Detail

system forms.

Expenditure and/or Revenue Formula

There are system costs to implement this change in the eligibility and payment system for PRISM. MN.IT @ DHS estimates that the total first year cost including system changes are estimated at \$68,490 in SFY 2019, of which the state share is \$23,000.

Fiscal Tracking Summary (\$000's)						
Fund	BACT	Description	FY2018	FY2019	FY2020	FY2021
GF	11	State share of systems cost (PRISM @ 34%)	0	23	0	0
		Total Net Fiscal Impact	0	23	0	0
		Full Time Equivalents	0	0	0	0

Long-Term Fiscal Considerations

None

Local Fiscal Impact

None

References/Sources

MN.IT @ DHS

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