

HF2889 - 1E - "Child Support Mod; Parenting Exp Adj"

Chief Author: **Kim Norton**  
 Committee: **Health and Human Services Finance**  
 Date Completed: **04/10/2016**  
 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	FY2015	FY2016	FY2017	FY2018	FY2019
General Fund	-	-	149	-	-	-
<b>Total</b>	-	-	<b>149</b>	-	-	-
<b>Biennial Total</b>			<b>149</b>			-

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2015	FY2016	FY2017	FY2018	FY2019
General Fund	-	-	-	-	-
<b>Total</b>	-	-	-	-	-

**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: 4/10/2016 5:25:22 PM  
 Phone: 651 201-8038      Email [travis.bunch@state.mn.us](mailto:travis.bunch@state.mn.us)

### 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 Dollars in Thousands	Biennium			Biennium	
	FY2015	FY2016	FY2017	FY2018	FY2019
General Fund	-	-	149	-	-
<b>Total</b>	-	-	<b>149</b>	-	-
<b>Biennial Total</b>			<b>149</b>		-
<b>1 - Expenditures, Absorbed Costs*, Transfers Out*</b>					
General Fund	-	-	149	-	-
<b>Total</b>	-	-	<b>149</b>	-	-
<b>Biennial Total</b>			<b>149</b>		-
<b>2 - Revenues, Transfers In*</b>					
General Fund	-	-	-	-	-
<b>Total</b>	-	-	-	-	-
<b>Biennial Total</b>			-		-

### Bill Description

The changes in this bill relate to the parenting expense adjustment when determining child support. The bill is based on work done by the Child Support Work Group which was created in 2015 by the legislature to review the child support parenting expense adjustment. This adjustment allows a percentage reduction in the child support payment based on the amount of time the parent (without custody of the child) spent with the child in a month.

Section 1 amends M.S. §518.175, subd. 5 and instructs the court to modify the parenting plan in order to determine parenting time when a parenting plan or parenting time order does not clearly provide the amount of time a child spends with each parent.

Section 2 amends M.S. §518A.26, subd. 14 to add new language related to the definition of an obligor to presume that a parent with more than 55 percent parenting time will not be ordered to pay child support to the other parent, unless other factors outlined in the bill can be shown to override this presumption.

Section 3 amends M.S. §518A.34 to clarify that the child support obligation is determined after a parenting expense adjustment.

Section 4 amends M.S. §518A.36 to replace the current formula for calculating a parenting expense adjustment with a formula that determines the child support obligor and the child support obligation according to the parenting time schedule.

Section 5 amends M.S. 2015 Statutes Supplement §518A.39, subd. 2 to add a new provision that states that if child support was established by applying a parenting expense adjustment or presumed equal parenting time calculation under previously existing guidelines, and there is no parenting plan or order from which overnights or overnight equivalents can be determined, there is a presumption that the established adjustment or calculation shall continue after modification, so long as modification is not based on a change in parenting time.

### Assumptions

The changes in this bill significantly alter guidelines for computation of child support in Minnesota. Extensive and complex changes to the Child Support Guidelines Web Calculator and PRISM (the federally mandated computer system for child support and collection), as well as many child support guideline worksheets and court documents, would be required to accurately implement the modified guidelines and ensure all stakeholders understand the changes.

This Child Support Guidelines Calculator is based on the Minnesota child support guidelines statute and is used to

estimate the amount of child support that the court may order on a case. The calculator is for informational and educational use only and is not a substitute for the child support guidelines. The court has the final authority to determine the amount of a child support order.

This fiscal estimate also assumes that a new Child Support Parenting Time on-line calculation tool would be developed and integrated with the Child Support Guidelines Web Calculator. These tools help family law attorneys and the public to understand changes in child support and parenting time adjustments under the new provisions in this bill.

MN.IT staff at DHS estimate that 5,919 total hours of systems work will be necessary to implement the requirements of this bill, including time for the following:

- collection and documentation of business requirements;
- analysis and design;
- technical development; and
- testing.

The work detailed above must be sequenced and cannot be performed simultaneously. A full analysis of the existing system would first be required to determine where system changes would be needed to carry out the requirements of the bill. Once business requirements are fully documented and analysis and design are complete, technical development could begin utilizing the limited resources available within the MN.IT team at DHS with the experience to work independently in a complex, legacy mainframe system such as PRISM. Based on historical data on previous efforts to re-write child support computation guidelines that had an average duration of 18-24 months and the magnitude of system changes required by the bill, MN.IT staff at DHS estimate August 1, 2018, as the earliest possible implementation date.

Based on the estimated time to complete the systems work necessary to implement this legislation, we assume an implementation date of August 1, 2018. The bills author has been informed of the estimated implementation timeline and resulting assumptions. The accuracy of the estimates in this fiscal note are dependent upon the bill's effective date being amended to match the assumed implementation date in the fiscal note.

Note that the cumulative effect of all changes resulting from the legislative session may affect when this change can actually be implemented. The Department will evaluate system changes and implementation dates for the omnibus package and work with legislative staff to prioritize the new initiatives and ensure that enacted effective dates and associated fiscal estimates coincide with the time needed to implement the entirety of the omnibus package changes.

**Expenditure and/or Revenue Formula**

This estimate was provided by MN.IT staff.

One-time costs to update the current Minnesota Child Support Online Calculator are estimated at \$375,504, of which the state share is \$127,671.

One-time costs to develop the new parenting time calculator are estimated at \$64,059, of which the state share is \$21,780.

Fiscal Summary (\$000s)						
Description	Fund	BACT	FY2016	FY2017	FY2018	FY2019
Operations (PRISM)	GF	11	0	149	0	0
<b>Total Net Fiscal Impact</b>	<b>GF</b>	<b>11</b>	<b>0</b>	<b>149</b>	<b>0</b>	<b>0</b>

Fiscal Summary (\$000s)						
Full Time Equivalents			0	0	0	0

**Long-Term Fiscal Considerations**

Costs are one-time.

**Local Fiscal Impact**

None

**References/Sources**

Jennifer Sommerfeld, Children and Family Services

Minnesota Department of Human Services

651-431-4550#

**Agency Contact:** Jenny Ehrnst 651-431-3831

**Agency Fiscal Note Coordinator Signature:** Don Allen

**Phone:** 651 431-2932

**Date:** 4/5/2016 3:49:35 PM

**Email:** Don.Allen@state.mn.us