

N.C. GENERAL ASSEMBLY LEGISLATIVE FISCAL NOTE

Fiscal Research
733-4910

Prepared By: Nina Yeager	Date Prepared: May 23, 1989	Bill No.: SB 777	Edition: 1
Approved By: Tom Covington TOMC	MAY 23, 1989		Sponsor: Sen. Helen Marvin
Short Title: Repeal Cost Recovery/Child Support			

TYPE OF FISCAL IMPACT			FUNDS AFFECTED:				
			(X) General	() Highway	() Other:		
			(X) Local				
County/							
	State Gov't	Local Gov't	State Fiscal Impact	FY	FY	FY	
No Fiscal Impact	()	()	State Total Req'ments Receipts/Revenues				
Increase Expenditure	()	()	Net State Expend./Rev. No. of Positions				
Decrease Expenditure	()	()	-----				
			Local Fiscal Impact	FY	FY	FY	
Increase Revenue	()	()	Local Total Req'ments Receipts/Revenues				
Decrease Revenue	()	()	Net Local Expend./Rev. No. of Positions				
No Estimate Avail.	(X)	(X)					

Description of Legislation

1. Summary of Legislation:

Under current law, non-AFDC families with incomes in excess of 200% of federal poverty level are required to pay for the cost of Title IVD Child Support Enforcement Services (a family of 3 with an income in excess of 200% of the federal poverty level has an income of \$20,010 per year). This bill will repeal this statutory requirement.

2. Effective Date:

Upon ratification

3. Fund or Tax Affected:

General Fund

4. Principal Department/Program Affected:

Department of Human Resources, Division of Social Services,
Child Support Enforcement Program

Cost or Revenue Impact on State

FY	FY	FY
88-89	89-90	

1. Non-Recurring Costs/Revenues

2. Recurring Costs/Revenues

3. Fiscal/Revenue Assumptions:

1. No estimate available on the number of non-AFDC families with incomes over 200% of the poverty level who will apply for Title IVD services in coming fiscal years.
2. Title IVD clients are subject to eligibility determination procedures by local program staff to determine whether the client is eligible for services without chore, or is subject to cost recovery. No estimate available on the administrative cost of this process for local programs.

Cost/Revenue Impact on County or Local Government

FY	FY	FY
88-89	89-90	

1. Non-Recurring Costs/Revenues

2. Recurring Costs/Revenues

3. Fiscal/Revenue Assumptions

Sources of Data for Fiscal Note

Technical Considerations/Comments

"Cost Recovery" receipts come from billings for attorney's fees (\$45/hr) and child support agent time (\$19/hr). In FY 87-88, statewide receipts to the Title IVD program from this source totaled \$60,542. Of this sum, \$21,171 were receipts for state operated local programs, of which \$6,668 was returned to the state program as a receipt. The balance (\$14,503) was returned to the federal government to offset their share of the cost of providing services to this group of eligibles.

The fastest growing portion of the Title IVD caseload is the non-AFDC caseload. To date, however, a relatively small portion of the Non-AFDC caseload has an income in excess of 200% of the federal poverty level. As the Child Support Enforcement Program implements the federally mandated changes associated with federal Welfare Reform, the number of non-AFDC cases, and the portion with incomes in excess of 200% of the federal poverty level is likely to increase. It is not possible at this time to project the portion of non-AFDC cases who will be subject to cost recovery requirements under current law.



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