

Fiscal Estimate Narratives

DCF 12/16/2013

LRB Number	13-3248/2	Introduction Number	AB-0461	Estimate Type	Original
Description Refund setoff for state debt collections					

Assumptions Used in Arriving at Fiscal Estimate

This bill would change the order of distribution of collections on debts owed to a state agency. Instead of the Department of Revenue (DOR) collecting first on any debts it is owed and the Wisconsin child support, family support and maintenance obligations certified by the Department of Children and Families distributed second, the bill would require DOR to first collect the DCF-certified child support, family support and maintenance obligations before collecting on any other debt.

As of October 1st, 2013, there is approximately \$5.4 billion in delinquent child support, medical support, interest and fees owed in this state. This amount reflects court-ordered financial support that is never received by custodial parents (CP) because the non-custodial parent (NCP) failed to pay. The amount of collections received through tax intercept in the previous federal fiscal year (October 1, 2012 through September 30, 2013) was approximately \$45,611,730 in federal tax offset and \$12,858,282 in state tax offset.

By requiring child support, family support and maintenance obligations to be collected first, this bill should increase the amount of past-due child support collected and received by CPs and the State on assigned arrears through the state tax offset. Based on information from DOR, this increase is estimated to be approximately \$1.6 million on an annual basis.

The DCF will not have to modify the statewide child support data system (KIDS), to reflect these changes, so no additional administrative expenditures will be incurred as a result of this bill.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2013 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

LRB Number 13-3248/2	Introduction Number AB-0461	
Description Refund setoff for state debt collections		
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):		
II. Annualized Costs:		
	Annualized Fiscal Impact on funds from:	
	Increased Costs Decreased Costs	
A. State Costs by Category		
State Operations - Salaries and Fringes	\$	\$
(FTE Position Changes)		
State Operations - Other Costs		
Local Assistance		
Aids to Individuals or Organizations		
TOTAL State Costs by Category	\$	\$
B. State Costs by Source of Funds		
GPR		
FED		
PRO/PRS		
SEG/SEG-S		
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, ets.)		
	Increased Rev	Decreased Rev
GPR Taxes	\$	\$
GPR Earned		
FED		
PRO/PRS		
SEG/SEG-S (CS)	1,600,000	
TOTAL State Revenues	\$1,600,000	\$
NET ANNUALIZED FISCAL IMPACT		
	<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS	\$	\$
NET CHANGE IN REVENUE	\$1,600,000	\$
Agency/Prepared By		
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