

Fiscal Estimate Narratives
DCF 8/28/2019

LRB Number 19-3906/1	Introduction Number SB-350	Estimate Type Original
Description eliminating administrative rule limitation on recovery of birth costs		

Assumptions Used in Arriving at Fiscal Estimate

Chapter DCF 150 of the Administrative Code allows for recovery of birth costs from an alleged father if the father was not part of an intact family including the mother and child at the time paternity or child support was established, and the mother was enrolled in Medical Assistance at the time of the child's birth. As of July 1, 2018, DCF 150 prohibits recovery of birth costs in cases where the alleged father is a member of an intact family, and the father's income, if any, contributes to support of the child.

Senate Bill 350 repeals the provision of DCF 150 that prohibits birth cost recovery from alleged fathers in intact families.

The bill is not anticipated to have any fiscal effect on DCF, as the department does not receive any part of the revenue collected from birth cost recovery. When funds are collected as part of birth cost recovery, 85 percent of the amount collected is remitted to the Medical Assistance program, administered by DHS. The remaining 15 percent is retained by county child support agencies as an incentive for birth cost recovery.

For the period starting July 1, 2018, it is likely that revenue collections from birth cost recovery for Medical Assistance and county child support agencies decreased due to the intact families provision under DCF 150. Similarly, by repealing the intact family provisions, the bill is likely to result in increased revenue from birth cost recovery. However, the exact number of cases against which birth cost recovery is unknown, and the resulting impact on revenue for Medical Assistance and county child support agencies is indeterminate.

Long-Range Fiscal Implications