

Fiscal Estimate Narratives

DHFS 5/28/2003

LRB Number 03-2486/1	Introduction Number SB-156	Estimate Type Original
Subject Calculating child support		

Assumptions Used in Arriving at Fiscal Estimate

Under current law, a parent must contribute, based on ability to pay, to the cost of care and maintenance of the parent's minor child who has been placed by court order in a residential, non medical facility such as a group home, foster home, treatment foster home, or residential care center. If a child support order is in effect when the child is removed from the home, that support is paid to the county child welfare agency, or in Milwaukee County, to the Bureau of Milwaukee Child Welfare (BMCW), for out-of-home care costs. In all other cases, the child welfare agency may refer the case for child support collection. All cases that are eligible for federal IV-E funding must be referred to child support. If the case is not IV-E eligible, the child welfare agency, in consultation with the child support agency, may determine not to refer the case to child support if specific criteria exist.

Currently, the court determines the amount of child support by using the percentage standard established by the Department of Workforce Development. This bill changes the methodology for determining child support for children in out-of-home care from the percentage standard to an income shares model.

The new methodology could lower child support orders, thus reducing the amount of child support collected by counties, and in Milwaukee County, BMCW, for the costs of out-of-home care. However, because the extent of the reduction is unknown, the exact fiscal effect of the bill cannot be determined.

Long-Range Fiscal Implications