



## Fiscal Estimate Narratives

DCF 2/29/2012

LRB Number	11-3844/1	Introduction Number	AB-0603	Estimate Type	Original
<b>Description</b> The collection of delinquent child support and granting rule-making authority					

### Assumptions Used in Arriving at Fiscal Estimate

The Department is responsible for the receipt and disbursement of child support collections. Each year the SDU is unable to collect an average of \$215 million in delinquent child support collections. This amount reflects court-ordered financial and medical support that is never received by custodial parents (CP) because the non-custodial parent (NCP) failed to pay.

This bill would require the Department of Revenue (DOR) to collect child support obligations first if a debtor owes more than one certified debt. The amount received through tax intercept in the previous federal fiscal year (October 1, 2010 through September 30, 2011) was approximately \$43,150,000 in federal tax offset and \$13,344,100 in state tax offset. This should result in an increase in the amount of past-due child support collected and received by CPs and/or the State through the state tax offset; however, the amount of this increase cannot be determined.

The bill would also require insurers authorized to do business in Wisconsin to check the statewide support lien docket and pay the claim proceeds to the Department up to any support liability amount before issuing a claim to an NCP. This should also result in additional child support collected and distributed to custodial parents and/or the State; however, the amount of the increase cannot be determined.

The Department will not have to modify KIDS, the statewide child support data system, to reflect these changes. Therefore, DCF will not incur additional expenditures due to this bill.

Under current law, when a child support enforcement agency of another state sends a notice to a financial institution in Wisconsin to freeze a NCP's bank account, they must go through a child support enforcement agency in Wisconsin. This bill allows the support enforcement agency of another state to contact the financial institution directly for enforcement of an overdue support obligation. This change should decrease the workload for county child support agencies, who currently take on these interstate cases and file the notices to these financial institutions. However, the extent to which this workload will be decreased cannot be determined. Also, allowing another State to contact a financial institution directly will bring Wisconsin into compliance with federal law under the Uniform Interstate Family Support Act (UIFSA).

### Long-Range Fiscal Implications