

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

May 7, 2003

TO: Honorable Harold V. Dutton, Jr., Chair, House Committee on Juvenile Justice & Family Issues

FROM: John Keel, Director, Legislative Budget Board

IN RE: HB503 by Dutton (Relating to determinations of paternity in a suit affecting the parent-child relationship.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB503, Committee Report 1st House, Substituted: a negative impact of (\$2,450,988) through the biennium ending August 31, 2005.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2004	(\$966,975)
2005	(\$1,484,013)
2006	(\$2,001,055)
2007	(\$2,518,107)
2008	(\$2,935,169)

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from GENERAL REVENUE FUND 1	Probable Revenue (Loss) from CHLD SUPPORT RETAINED COL 787	Probable Revenue Gain/(Loss) from FEDERAL FUNDS 555	Probable (Cost) from FEDERAL FUNDS 555
2004	(\$630,000)	(\$336,975)	(\$696,985)	(\$5,670,000)
2005	(\$630,000)	(\$854,013)	(\$2,217,685)	(\$5,670,000)
2006	(\$630,000)	(\$1,371,055)	(\$3,738,397)	(\$5,670,000)
2007	(\$630,000)	(\$1,888,107)	(\$5,259,138)	(\$5,670,000)
2008	(\$630,000)	(\$2,305,169)	(\$6,779,909)	(\$5,670,000)

Fiscal Year	Probable Revenue Gain from FEDERAL FUNDS 555
2004	\$5,670,000
2005	\$5,670,000
2006	\$5,670,000
2007	\$5,670,000
2008	\$5,670,000

Fiscal Analysis

The bill would change the time period to bring various paternity actions to before the child's 18th birthday. The bill would also provide for motions to vacate orders that state a person is the father of a child. The bill provides several grounds under which a court must vacate orders and several grounds under which a court may vacate these orders.

Before a court may order a parent to pay child support in a suit affecting the parent-child relationship, the bill would require genetic testing.

Methodology

It is assumed that child support could no longer be established through an administrative review process or default orders. The Office of the Attorney General (OAG) estimates an increased case processing time that would result in 7,715 fewer child support orders per year. The impact would be cumulative. The average child support monthly collection is \$358. It is assumed that collections would be made in 60% of these cases. The OAG estimates decreased child support that would have been collected on behalf of families totaling \$9.1 million in FY 2004, \$28.3 million in FY 2005, \$47.6 million in FY 2006, \$67 million in FY 2007, and \$86.3 million in FY 2008. The state would have retained 2.6% of the total collections; this is reflected as a revenue loss to retained collections and a loss of federal matching funds.

The OAG also estimates that the state's award of federal performance incentive payments would be reduced as a result of the reduction in child support orders by \$100,000 per year.

The OAG estimates that an additional 40,000 cases would require paternity testing under the proposal at a total cost of \$6.3 million in all funds per year. The state share is \$630,000 per year.

Local Government Impact

No significant fiscal implication to units of local government is anticipated. There may be increased demand on court dockets.

Source Agencies: 212 Office of Court Administration, Texas Judicial Council, 302 Office of the Attorney General

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