

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION**

**April 24, 2003**

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

**FROM:** John Keel, Director, Legislative Budget Board

**IN RE: HB1461** by Eiland (Relating to mandatory paternity testing before a court may render an order for child support.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB1461, As Introduced: 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)<br>Impact to General Revenue Related<br>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<br><i>GENERAL REVENUE<br/>FUND<br/>1</i> | Probable Revenue<br>(Loss) from<br><i>CHLD SUPPORT<br/>RETAINED COL<br/>787</i> | Probable Revenue<br>Gain/(Loss) from<br><i>FEDERAL FUNDS<br/>555</i> | Probable (Cost) from<br><i>FEDERAL FUNDS<br/>555</i> |
|-------------|---|---|--|--|
| 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<br>Gain from<br><i>FEDERAL FUNDS<br/>555</i> |
|-------------|---|
| 2004        | \$5,670,000   |
| 2005        | \$5,670,000   |
| 2006        | \$5,670,000   |
| 2007        | \$5,670,000   |
| 2008        | \$5,670,000   |

## **Fiscal Analysis**

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 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 totalling \$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

**LBB Staff:** JK, JO, GO, KE, AJ