

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

April 29, 2017

TO: Honorable Richard Peña Raymond, Chair, House Committee on Human Services

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB1671 by Giddings (Relating to child support funds recovered by the Title IV-D agency on behalf of a child in the conservatorship of the Department of Family and Protective Services.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1671, As Introduced: a negative impact of (\$2,838,422) through the biennium ending August 31, 2019.

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
2018	(\$46,750)
2019	(\$2,791,672)
2020	\$0
2021	\$0
2022	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>General Revenue Fund</i> 1	Probable (Cost) from <i>Federal Funds</i> 555	Probable Revenue (Loss) from <i>Chld Support Retained Col</i> 787
2018	\$753,250	(\$90,750)	(\$800,000)
2019	(\$1,991,672)	(\$5,419,128)	(\$800,000)
2020	\$800,000	\$0	(\$800,000)
2021	\$800,000	\$0	(\$800,000)
2022	\$800,000	\$0	(\$800,000)

Fiscal Analysis

The bill would require the Office of the Attorney General (OAG) to work with the Department of Family and Protective Services (DFPS) to identify the amount of child support paid by the parent of a child in foster care that exceeds the amount of the foster care maintenance payment paid by DFPS for the child.

The bill would allocate to DFPS any child support funds recovered by OAG in substitute care cases to reimburse DFPS for the cost of foster care maintenance payments.

If the amount of child support recovered for a child in the conservatorship of DFPS exceeds the amount of the foster care maintenance payment paid by DFPS for the child, the bill directs DFPS to use any excess amount of child support in the manner it determines will serve the best interests of the child.

Methodology

The bill would result in an All Funds cost of \$137,500 in fiscal year 2018 and an All Funds cost of \$8,210,800 in fiscal year 2019 relating to child support funds recovered by the Office of the Attorney General (OAG) on behalf of a child in the conservatorship of the Department of Family and Protective Services (DFPS).

The bill would result in a child support revenue loss of approximately \$800,000 per fiscal year to the Child Support Retained Collection Account (CSRCA) at OAG. The agency's expenditures out of this account are subject to federal financial match at approximately two times the amount. However, due to the CSRCA having a balance carried forward for the foreseeable future, this analysis assumes there would be no significant fiscal impact.

Allocating the child support funds to DFPS would result in a method of finance swap: a gain in DFPS Appropriated Receipts - Child Support Collections of about \$800,000 per fiscal year, a cost in Appropriated Receipts - Child Support Collections of a like amount, and a savings in General Revenue Funds of a like amount.

According to OAG, the bill would require significant system changes to the existing child support case processing system TXCSES 1.0 (T1) and system coding updates in the new TXCSES 2.0 (T2). The agency estimates the bill would require an additional 1,000 contractor project hours at \$100/hour for coding updates in T1 in fiscal year 2018 and an additional 500 contractor project hours at \$150/hour for the system coding updates needed in T2 in fiscal year 2018 and fiscal year 2019. This would result in an All Funds cost of \$137,500 in fiscal year 2018 and \$37,500 in fiscal year 2019.

Due to the structure of the current contract for T2, the new requirements of the bill would require significant modifications of the T2 contract. These would be executed through a contract extension or change orders to the existing contract, and would impact the December 2018-2019 warranty period. OAG estimates the T2 project schedule would experience a two-month delay at a cost of \$8,173,300, in All Funds, in fiscal year 2019.

Technology

Technology costs are estimated to be \$137,500 in fiscal year 2018 for programming services and \$8,210,800 in fiscal year 2019 for changes that would affect T1, T2, and Data Center Services (DCS).

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 302 Office of the Attorney General, 530 Family and Protective Services,
Department of

LBB Staff: UP, KCA, JJ, DFR, RC