

**HOUSE OF REPRESENTATIVES STAFF ANALYSIS  
FINAL BILL ANALYSIS**

**BILL #:** HB 5303      PCB GOT 19-02    Child Support Enforcement  
**SPONSOR(S):** Government Operations & Technology Appropriations Subcommittee, Williamson  
**TIED BILLS:**                    **IDEN./SIM. BILLS:**

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
Orig. Comm.: Government Operations & Technology Appropriations Subcommittee	11 Y, 0 N	Keith	Topp
1) Appropriations Committee	23 Y, 0 N	Keith	Pridgeon
<b>FINAL HOUSE FLOOR ACTION: 112</b>			
<b>GOVERNOR'S ACTION: Approved</b>			
<b>Y's 0                    N's</b>			

**SUMMARY ANALYSIS**

HB 5303 passed the House on April 4, 2019, and subsequently passed the Senate on April 23, 2019.

Currently, the Federal Government requires each state to operate a child support program as a condition for receiving the Temporary Assistance for Needy Families (TANF) federal block grant. The Department of Revenue (department) oversees Florida's Child Support Enforcement Program (program). The program administers Florida's child support laws and helps ensure that children receive the financial support needed when it is not received from one or both of their parents.

Section 409.2567(1), F.S., authorizes and directs the department to pay, on behalf of the parents, the \$25 annual fee, required by 42 U.S.C. s. 654(6)(B)(ii), that all 50 states must impose for child support services for cases in which an individual has never received temporary cash assistance and for whom the department has collected and disbursed at least \$500 of support.

The Federal Bipartisan Budget Act of 2018 amended the federal law to increase the annual fee from \$25 to \$35, and the minimum amount of support that is required to be collected and disbursed before the fee is payable, from \$500 to \$550.

The bill amends s. 409.2567(1), F.S., to require the department to pay for the federally mandated increase to the annual fee and to increase the minimum amount of support that the department must collect and disburse to impose the annual fee.

The FY 2019-2020 General Appropriations Act includes \$140,701 in general revenue funding to pay the federally mandated \$35 annual fee that states must impose for child support services for cases in which an individual has never received temporary cash assistance and for whom the department has collected and disbursed at least \$550 of support.

The bill was approved by the Governor on June 27, 2019, ch. 2019-161, L.O.F., and became effective on July 1, 2019.

**This document does not reflect the intent or official position of the bill sponsor or House of Representatives.**

**STORAGE NAME:** h5303z1.GOT.DOCX

**DATE:** 7/1/2019

## I. SUBSTANTIVE INFORMATION

### A. EFFECT OF CHANGES:

#### ***Current Situation***

The Federal Government requires each state to operate a child support program as a condition for receiving the Temporary Assistance for Needy Families (TANF) federal block grant. The programs are established to collect child support for two groups of families: families who receive public assistance such as temporary cash assistance, Medicaid, and food assistance, and families who do not receive public assistance, but who ask the state for help in collecting child support.

The Department of Revenue (department) oversees Florida's Child Support Enforcement Program (program). The program administers Florida's child support laws and helps ensure that children receive the financial support needed when it is not received from one or both of their parents. The department runs the program for all but two Florida counties. For the two counties not managed by the department, partnerships have been established with the State Attorney's Office in Miami-Dade County and the Manatee County Clerk of Court in Manatee County to provide those services, respectively.

The program works directly with the families being served and partners with state and federal agencies as well as private companies to carry out critical steps in the child support process. Types of services provided are:

- Location of parents and assets;
- Establishment of paternity;
- Establishment and modification of child support orders;
- Monitoring and active assistance to help parents comply with child support orders;
- Receiving and distributing child support payments; and
- Education and assistance to parents and the public.

Section 409.2567(1), F.S., authorizes and directs the department to pay the \$25 annual fee, required by 42 U.S.C. s. 654(6)(B)(ii), that all 50 states must impose for child support services for cases in which an individual has never received temporary cash assistance and for whom the department has collected and disbursed at least \$500 of support.<sup>1</sup> The Federal Deficit Reduction Act of 2005, Public Law No. 109-171, § 7310,<sup>2</sup> requires payment of the annual fee by either the parents or the state. The Florida Legislature amended s. 409.2567(1), F.S., in ch. 2007-85, L.O.F., to require the department to pay the annual fee prescribed by the Federal Government, on behalf of the parents.

The Federal Bipartisan Budget Act of 2018, Public Law No. 115-123, § 53117,<sup>3</sup> amended 42 U.S.C. s. 654(6)(B)(ii), to increase the annual fee from \$25 to \$35, and the minimum amount of support that is required to be collected and disbursed before the fee is payable, from \$500 to \$550.

#### ***Effect of Changes***

The bill amends s. 409.2567(1), F.S., to require the department to pay for the federally mandated increase to the annual fee from \$25 to \$35 and to increase the minimum amount of support that the department must collect and disburse to impose the annual fee, from \$500 to \$550.

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<sup>1</sup> Section 6, Ch. 2007-85, L.O.F.

<sup>2</sup> 42 U.S.C. s. 654(6)(B)(ii) (2006)

<sup>3</sup> 42 U.S.C. s. 654(6)(B)(ii) (2018)

## II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

### A. FISCAL IMPACT ON STATE GOVERNMENT:

#### 1. Revenues:

None.

#### 2. Expenditures:

The FY 2019-2020 General Appropriations Act includes \$140,701 in general revenue funding to pay the federally mandated \$35 annual fee that states must impose for child support services for cases in which an individual has never received temporary cash assistance and for whom the department has collected and disbursed at least \$550 of support.

The increase of \$140,701 in the annual fee cost for FY 2019-2020, represents sufficient funding for the first year of implementation as the amount covers only the fourth quarter of the federal fiscal year, which closes on September 30, 2019.<sup>4</sup> In FY 2020-2021, the first full year of Florida implementing the new annual fee, the department estimates an increased need of \$1.4 million in general revenue funding.<sup>5</sup> In FY 2021-2022, the department projects an increased need of general revenue funding in the amount of \$1.5 million to fully fund the annual federal fee.<sup>6</sup> The increase in additional funding represents both a growth in case load and the increase in the annual federal fee from \$25 to \$35.

### B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

#### 1. Revenues:

None.

#### 2. Expenditures:

None.

### C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

### D. FISCAL COMMENTS:

None.

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<sup>4</sup> Department of Revenue Fiscal Year 2019-2020 Legislative Budget Request (October 18, 2018), pp.25-26; <http://floridafiscalportal.state.fl.us/Document.aspx?ID=18273&DocType=PDF> (last visited March 7, 2019)

<sup>5</sup> Email correspondence from the Department of Revenue on file with the Government Operations and Technology Appropriations Subcommittee. (July 3, 2018)

<sup>6</sup> *Id.*