

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1247-01
Bill No.: SB 330
Subject: Children and Minors; Employees-Employers; Family Law; Social Services
Department
Type: Original
Date: February 14, 2003

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
General	\$177,502	\$219,481	\$226,065
Total Estimated Net Effect on General Revenue Fund	\$177,502	\$219,481	\$226,065

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on Other State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Federal*			
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

***Income and Costs of approximately \$210,000 would net to \$0.**

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Social Services - Division of Child Support Enforcement (CSE)** state that this proposal would allow the CSE to mail income withholding orders and National Medical Support Notices to employers and unions by regular mail instead of strictly by certified, return receipt requested mail.

CSE states the cost of certified mail, return receipt requested service on an item is \$2.30 for certified service and \$1.75 for the return receipt card or a total of \$4.05. This is a per-piece fee in addition to regular first class postage. The first class postage would be the same whether a letter is sent certified or simply by first class.

The CSE estimated the number of actions mailed annually that are affected by this proposal. Actions affected include new, revised and terminated income withholding orders sent to employers and new, revised and terminated National Medical Support Notices (NMSN) that are mailed to an employer or union. CSE assumes that the vast majority of NMSN's are mailed in the same envelope with a wage withholding, so they were not included in the count of letters mailed. In the first half of FY 03 (July through December), CSE has sent a total of 77,374 wage withholding actions. Assuming a one-to-one projection, CSE expects to send approximately 154,748 applicable action in FY 03.

CAM:LR:OD (12/02)

ASSUMPTION (continued)

Assuming an annual mailing volume of 154,748 at a cost of \$4.05 per action, CSE would realize savings of approximately \$626,729.

<u>FISCAL IMPACT - State Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
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GENERAL REVENUE

Savings - Department of Social Services -
 Division of Child Support Enforcement
 Expense and Equipment

<u>\$177,502</u>	<u>\$219,481</u>	<u>\$226,065</u>
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**ESTIMATED NET EFFECT ON
 GENERAL REVENUE**

<u>\$177,502</u>	<u>\$219,481</u>	<u>\$226,065</u>
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FEDERAL FUNDS

Income - Department of Social Services -
 Division of Child Support Enforcement
 Federal Assistance

(\$344,563)	(\$426,050)	(\$438,832)
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Costs - Department of Social Services -
 Division of Child Support Enforcement
 Program expense

<u>\$344,563</u>	<u>\$426,050</u>	<u>\$438,832</u>
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**ESTIMATED NET EFFECT ON
 FEDERAL FUNDS**

<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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FISCAL IMPACT - Local Government

FY 2004 (10 Mo.)	FY 2005	FY 2006
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<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

This proposal allows the Division of Child Support Enforcement to send income withholding orders and orders to enroll to employers by either regular or certified mail.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Social Services

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA
Director
February 14, 2003