

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0567-01  
Bill No.: HB 307  
Subject: Children and Minors; Education, Higher; Family Law  
Type: Original  
Date: March 18, 2009

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Bill Summary: This legislation allows a parent to request that up to ten percent of any child support payments be diverted to offset any current or future educational support obligations.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 5 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## **FISCAL ANALYSIS**

### **ASSUMPTION**

#### **Sections 210.841 & 452.340:**

Officials from the **Office of the State Courts Administrator, Department of Higher Education** and the **Office of the Missouri State Treasurer** each assume the proposal would have no fiscal impact on their respective agencies.

Officials from the **Department of Social Services** state this legislation would allow a parent to request and a court to order that up to ten percent of any child support payments ordered by the court be diverted and dedicated to a savings or educational account for the child.

Pursuant to 42 USC, section 654(4)(A), the Family Support Division (FSD) provides child support services for children receiving public assistance (i.e., Temporary Assistance, Medicaid, and Foster Care) and for children not receiving public assistance but for whom an individual applies for such services with respect to a child. Cases in which FSD provides services are referred to as Title IV-D cases (Chapter 7 of the Social Security Act, Subchapter IV, Part D).

42 USC, section 654(4)(B) requires FSD to enforce any support obligation with respect to a child receiving IV-D services. Although FSD would not petition for the entry of orders that divert support to a savings or educational account for a child, it would have a responsibility to enforce such orders for children receiving IV-D services.

The proposed legislation provides that in cases where the court orders support to be diverted to a savings or educational account, the moneys contributed to the account by the obligor parent and any interest accrued thereon shall be credited towards any current or future educational support obligations of the obligor parent for the child. When providing IV-D enforcement services in cases involving such orders, it will be necessary for FSD staff to obtain from the obligor verification of amounts (s)he paid to a savings or educational account and interest accrued thereon. FSD would expect obligors to provide copies of account statements to verify payments made to savings or educational accounts and to verify any interest earned on such accounts. These activities can be performed by existing staff.

42 USC, section 654b requires the state to operate a state disbursement unit for the collection and disbursement of support in all cases being enforced by FSD and in all cases entered after January 1, 1994, in which the income of the noncustodial parent is subject to income withholding. Enabling legislation for Missouri is found in section 454.530, RSMo. Therefore to comply with federal and state law, upon opening a IV-D case involving an order that diverts support to a

ASSUMPTION (continued)

savings or educational account, FSD will need to direct the obligor to direct all future support payments (including portions previously diverted to a savings or educational account) to the Family Support Payment Center. This activity can be performed by existing staff.

<u>FISCAL IMPACT - State Government</u>	FY 2010 (10 Mo.)	FY 2011	FY 2012
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2010 (10 Mo.)	FY 2011	FY 2012
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

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

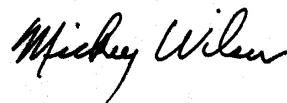
FISCAL DESCRIPTION

The proposed legislation appears to have no fiscal impact.

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 Higher Education  
Office of the State Courts Administrator  
Department of Social Services  
Office of the Missouri State Treasurer



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