

March 16, 2016

The Honorable Will Carpenter, Chairperson
House Committee on Social Services Budget
Statehouse, Room 352-S
Topeka, Kansas 66612

Dear Representative Carpenter:

SUBJECT: Fiscal Note for HB 2727 by House Committee on Appropriations

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2727 is respectfully submitted to your committee.

HB 2727 would effectively implement Children and Family Services—Recommendation #1 from the *Kansas Statewide Efficiency Review* by Alvarez & Marsal.

HB 2727 would prohibit a person from newly registering or renewing the registration of a vehicle or vessel when the person is noncompliant with a child support order or related warrant or subpoena. The bill would require the Kansas Department of Revenue (KDOR) Division of Vehicles or the Kansas Department of Wildlife, Parks and Tourism (KDWPT) to decline issuance of registration at the request of the Secretary of the Department for Children and Families (DCF). The Secretary could request the decline of registration when the applicant owes child support arrearages, or has an outstanding warrant or subpoena in a child support case, or has not complied with a subpoena in a child support case. KDOR or KDWPT could allow the registration once the applicant obtains and delivers a release from DCF or the court trustee. The issues related to the child support order could not be revealed to KDOR or KDWPT.

The Department for Children and Families indicates that HB 2727 would have initial and ongoing costs based on the number of cases that would match and the match process. The agency projects there would need to be several different information technology changes. One change would be to the Child Support Services (CSS) system to find cases that have contempt and match CSS information, another for gathering and sending Court Trustee cases, another for the Department of Revenue to get all the registration information, another for the Department of Wildlife, Parks and Tourism to match, and potentially one more with the Department of Administration to do the match. These IT changes are projected to cost \$1,200,000. This would be a one-time cost prior to the start of the program. There would also be ongoing costs for the program which are hard to estimate. It is anticipated that ongoing IT support, postage, administrative hearing costs, two additional staff and other operating expenditures would be needed. These costs are projected to be \$300,000 per year. These changes would give CSS the opportunity to increase child support collections by a maximum of \$500,000 a year beginning in FY 2018. Most of the collections would be paid to the custodial parent and a portion would

reimburse the federal government; DCF's share that would be deposited in the fee fund would be approximately \$25,000.

The Kansas Department of Revenue states that HB 2727 would require additional operating costs of \$347,800 and 4.00 additional Customer Representative FTE positions in FY 2017. The estimate includes one-time system change costs of \$149,724 and annual operating costs of \$198,076. The required programming for this bill by itself would be performed by existing staff of the Department of Revenue. However, if the combined effect of implementing this bill and other enacted legislation exceeds the Department's programming resources, or if the time for implementing the changes is too short, expenditures for outside contract programmer services beyond the Department's current budget may be required. KDOR also states that HB 2727 would reduce registration fee revenue; however, an estimate of the reduction cannot be made.

KDWPT indicates that it already places revocations on the files for all non-custodial parents with outstanding child support payments for hunting/fishing licenses, permits and boat registrations until the revocation is lifted by request of the DCF Secretary. HB 2727 would not change the agency processes or have a fiscal effect.

The Kansas Association of Counties states that while a fiscal estimate cannot be made HB 2727 would increase expenditures for county government administration and does not provide for an increase in county revenue. Any fiscal effect associated with HB 2727 is not reflected in *The FY 2017 Governor's Budget Report*.

Sincerely,



Shawn Sullivan,
Director of the Budget

cc: Dan Lewein, Children and Families
Melanie Dixon, Children and Families
Jack Smith, Revenue
Chris Tymeson, Wildlife, Parks and Tourism
Melissa Wangemann, Kansas Association of Counties