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FISCAL IMPACT REPORT

ORIGINAL DATE 02/12/14

SPONSOR Martinez, RC LAST UPDATED _____ HB _____

SHORT TITLE Child Support Payment Requirement Equity SJM 26

ANALYST Jorgensen

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY14	FY15	FY16	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	NFI	Unknown	NFI	Unknown	Nonrecurring	General

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Administrative Office of the Courts (AOC)

SUMMARY

Senate Joint Memorial 26 requires the Administrative Office of the Courts to "study equity in awarding child support and how child support payments are calculated" and "to prepare a report and present its findings and recommendations to the appropriate interim legislative committee" by Nov. 1, 2014.

FISCAL IMPLICATIONS

The AOC states that there would be a significant fiscal impact on AOC and also on courts based on the amount of time AOC and court staff would spend analyzing child support cases and underlying factual situations for each support award in order to comply with the bill. However, if AOC assisted Child Support Enforcement Division of the Human Services Department to accomplish a 2014 review of the child support guidelines as discussed below, fiscal impact would be minimal.

SIGNIFICANT ISSUES

Under Title 42 USC, Chapter 7, Subchapter IV(D), New Mexico must have a state plan for child support determination, including state guidelines for child support awards, in order to receive federal monies for child support enforcement. Among the federal requirements of the state plan for child support is a requirement that the plan be reviewed every four years.

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In New Mexico, the Child Support Enforcement Division has convened a Child Support Guidelines Review Commission to review the guidelines and to recommend revisions if needed. The stated statutory purpose of the guidelines developed by the commission is to:

Establish as state policy an adequate standard of support for children, subject to the ability of parents to pay; make awards more equitable by ensuring more consistent treatment of persons in similar circumstances; and improve the efficiency of the court process by promoting settlements and giving courts and the parties guidance in establishing levels of awards.

These purposes appear to match the stated purpose of proposed SJM 26.

The next review of the guidelines by the Child Support Guidelines Review Commission should be conducted this year, 2014, for recommendations of changes for FY2015 to be presented to the legislature during the next 60 day session (2015).

Should SJM 26 require AOC to participate in the Child Support Enforcement Division's review process, there would be a minimal impact to the AOC. If the intent of SJM 26 is to require AOC to review the guidelines and practices independently of the Child Support Enforcement Division's review, there could be significant costs to AOC in time and funding.

CJ/ds