

Dear Senators HEIDER, Souza, Jordan, and
Representatives WOOD, Packer, Chew:

The Legislative Services Office, Research and Legislation, has received the enclosed rules of
the Department of Health and Welfare:

IDAPA 16.03.03 - Rules Governing Child Support Services (Fee Rule) - Proposed Rule (Docket
No. 16-0303-1801).

Pursuant to Section 67-454, Idaho Code, a meeting on the enclosed rules may be called by the
cochairmen or by two (2) or more members of the subcommittee giving oral or written notice to Research
and Legislation no later than fourteen (14) days after receipt of the rules' analysis from Legislative
Services. The final date to call a meeting on the enclosed rules is no later than 11/13/2018. If a meeting is
called, the subcommittee must hold the meeting within forty-two (42) days of receipt of the rules' analysis
from Legislative Services. The final date to hold a meeting on the enclosed rules is 12/12/2018.

The germane joint subcommittee may request a statement of economic impact with respect to a
proposed rule by notifying Research and Legislation. There is no time limit on requesting this statement,
and it may be requested whether or not a meeting on the proposed rule is called or after a meeting has
been held.

To notify Research and Legislation, call 334-4854, or send a written request to the address on the
memorandum attached below.



Eric Milstead
Director

Legislative Services Office

Idaho State Legislature

Serving Idaho's Citizen Legislature

MEMORANDUM

TO: Rules Review Subcommittee of the Senate Health & Welfare Committee and the House Health & Welfare Committee

FROM: Principal Legislative Drafting Attorney - Elizabeth Bowen

DATE: October 24, 2018

SUBJECT: Department of Health and Welfare

IDAPA 16.03.03 - Rules Governing Child Support Services (Fee Rule) - Proposed Rule (Docket No. 16-0303-1801)

Summary and Stated Reasons for the Rule

The federal Social Security Act mandates a fee for child support services enforcement cases. This rule revises the fee from \$25.00 to \$35.00 to conform to federal requirements.

Negotiated Rulemaking / Fiscal Impact

Negotiated rulemaking was not conducted due to the nature of the rule change, which is to conform to federal law. There is no anticipated negative fiscal impact on the state general fund.

Statutory Authority

I.C. 7-1206, 32-1207, 32-1209, 32-1214G, 32-1217, 57-203A, and 56-1004.

cc: Department of Health and Welfare
Frank Powell and Trinette Middlebrook

*** PLEASE NOTE ***

Per the Idaho Constitution, all administrative rules must be reviewed by the Legislature during the next legislative session. The Legislature has 3 options with this rulemaking docket: **1)** Approve the docket in its entirety; **2)** Reject the docket in its entirety; or **3)** Reject the docket in part.

IDAPA 16 – DEPARTMENT OF HEALTH AND WELFARE

16.03.03 – RULES GOVERNING CHILD SUPPORT SERVICES

DOCKET NO. 16-0303-1801 (FEE RULE)

NOTICE OF RULEMAKING – PROPOSED RULE

AUTHORITY: In compliance with Section 67-5221(1), Idaho Code, notice is hereby given that this agency has initiated proposed rulemaking procedures. The action is authorized pursuant to Sections 7-1206, 32-1207, 32-1209, 32-1214G, 32-1217, 56-203A, and 56-1004, Idaho Code.

PUBLIC HEARING SCHEDULE: Public hearing(s) concerning this rulemaking will be scheduled if requested in writing by twenty-five (25) persons, a political subdivision, or an agency, not later than October 17, 2018.

The hearing site(s) will be accessible to persons with disabilities. Requests for accommodation must be made not later than five (5) days prior to the hearing, to the agency address below.

DESCRIPTIVE SUMMARY: The following is a nontechnical explanation of the substance and purpose of the proposed rulemaking:

The Department needs to comply with amendments to the Social Security Act that require an increase to the annual federal fee and the threshold of when this fee is imposed. The annual federal fee increases from \$25 to \$35 and amount of when a fee is imposed is being increased to \$550.

FEE SUMMARY: The following is a specific description of the fee or charge imposed or increased:

Fees will be increased for the annual child support services from a \$25 fee to \$35 fee; and the threshold of when this fee is imposed is being increased to \$550.

FISCAL IMPACT: The following is a specific description, if applicable, of any negative fiscal impact on the state general fund greater than ten thousand dollars (\$10,000) during the fiscal year resulting from this rulemaking:

Non-custodial parents who pay at least \$550 in child support in a fiscal year will pay an annual fee of \$35. Based on current data, it is anticipated that approximately 35,000 child support cases will qualify for this fee increase. The total estimated increase will result in an increase of \$350,000 per each federal fiscal year. The state pays 66% of the total fees assessed to the federal Office of Child Support Enforcement for federal match, which equals \$231,000. The state retains any amount collected above the federal share, which equals up to \$119,000.

NEGOTIATED RULEMAKING: Pursuant to Section 67-5220(2), Idaho Code, negotiated rulemaking was not conducted and deemed not feasible because these changes are being made to keep Idaho in compliance with new federal requirements under Section 454(6)(B)(ii) of the Social Security Act.

INCORPORATION BY REFERENCE: No materials are being incorporated by reference in this rulemaking.

ASSISTANCE ON TECHNICAL QUESTIONS, SUBMISSION OF WRITTEN COMMENTS: For assistance on technical questions concerning the proposed rule, contact Robert Rinard at (208) 334-0620.

Anyone may submit written comments regarding this proposed rulemaking. All written comments must be directed to the undersigned and must be delivered on or before October 24, 2018.

Dated this 31st day of August, 2018.

Tamara Prisock
DHW – Administrative Rules Unit
450 W. State Street – 10th Floor
P.O. Box 83720
Boise, ID 83720-0036
Phone: (208) 334-5500 / Fax: (208) 334-6558
dhwrules@dhw.idaho.gov

THE FOLLOWING IS THE PROPOSED TEXT OF DOCKET NO. 16-0303-1801
(Only Those Sections With Amendments Are Shown.)

304. FEES.

01. Application Fee. At the time of application for child support services, a written application must be completed and a fee of twenty-five dollars (\$25) must be paid. The fee must be paid in advance of any services to be provided and is not refundable. (7-1-98)

02. Income Tax Offset Fees. A fee of twenty-five dollars (\$25) will be deducted each time child support is collected as a result of an income tax offset. (7-1-98)

03. Internal Revenue Service (IRS) Referral Fees. A fee of one hundred twenty-two dollars and fifty cents (\$122.50) shall be charged for a referral to the IRS for full collection of the child support obligation. (7-1-98)

04. Locate Fees. Child Support Services may charge an applicant/recipient a fee of ten dollars (\$10) for referral to FPLS for location of a non-custodial parent when no other child support services are being provided. Child Support Services may also charge a fee of four dollars (\$4) for referral to the FPLS for a social security number search. Child Support Services may charge a fee of seventy cents (\$.70) for referral to FPLS for location of a non-custodial parent. (7-1-98)

05. Federally Mandated Annual Service Fees. Child Support Services must charge an annual fee of ~~twenty~~ **thirty**-five dollars (\$~~23~~**35**) for each Title IV-D support enforcement case in which Child Support Services **it** has collected and disbursed **at least** five hundred **fifty** dollars (\$~~50~~**50**) of support in the federal fiscal year. The fee will be billed to the ~~child support obligor once five hundred dollars (\$500) of support has been collected during the relevant federal fiscal year provided the case otherwise qualifies. The fee~~ **parent ordered to pay support, but** will not be ~~collected~~ **assessed** on any case in which ~~the applicant/recipient~~ **an individual** has ever received benefits under ~~a State or Tribal Title IV A program, or from any child support obligor who is currently required to participate in Title IV D services as an eligibility requirement for Food Stamps participation~~ **the Temporary Assistance for Needy Families program.** (~~4-9-09~~)()

COST/BENEFIT ANALYSIS FORM

Department of Health and Welfare
Administrative Rules Unit (ARU)

Docket Number: 16-0303-1801

Agency Contact: Rob Rinard

Phone: (208) 334-0620

Rules Specialist: Bev Barr

Phone: (208) 334-5736

Date Analysis Completed: 06/15/18

IDAPA Chapter Number and Title: IDAPA 16.03.03 – Rules Governing Child Support Services

Fee Rule Status: **Proposed** **Temporary**

Effective date: Sine Die effective
on 7-1-19

Instructions:

Section 67-5223(3), Idaho Code, requires the preparation of an economic impact statement for all proposed rules imposing or increasing fees or charges. This cost/benefit analysis, which must be filed with the proposed rule, must include the reasonably estimated costs to the agency to implement the rule and the reasonably estimated costs to be borne by citizens, or the private sector, or both.

Cost/Benefit Analysis For This Rule Change:

- Estimated cost to the Department to implement the rule

The fee increase will result in total fees assessed increasing from \$875,000 to \$1,225,000 (increase of \$350,000) each federal fiscal year. Of that \$350,000, 66% is owed to the federal Office of Child Support Enforcement at the end of the federal fiscal year. The state retains any amount collected above the federal share, which equals up to \$119,000.

- Estimated cost to be borne by citizens, or the private sector, or both

Based on current data, we anticipate the number of child support cases expected to qualify for the fee increase to remain at approximately 35,000.

Non-custodial parents who pay at least \$550 in support in a fiscal year will pay a \$35 fee (currently, non-custodial parents pay a fee of \$25 after paying \$500 in support in a federal fiscal year). Non-custodial parents will pay an additional \$10 per child support case in the 12-month period.

This increase will result in a total estimated increase of \$350,000 per federal fiscal year (total fees assessed increasing from \$875,000 to \$1,225,000 annually)

Child support is applied toward the custodial parent's current support, before the department collects the fee. The fee does not reduce the amount owed to the custodial parent and therefore there is no impact to custodial parents.

ACTION TRANSMITTAL

AT-18-02

DATE: February 23, 2018

TO: State IV-D Agencies

SUBJECT: Modernizing child support enforcement fees

ATTACHMENT: State plan preprint page 2.5-4

On February 8, 2018, President Trump signed Public Law (P.L.) 115-123, the Bipartisan Budget Act of 2018. Section 53117 of P.L. 115-123, Modernizing child support enforcement fees, amends Section 454(6)(B)(ii) of the Social Security Act to increase the annual collection fee from \$25 to \$35. The law also revises the amount from \$500 to \$550 that the state must collect and disburse to the family before imposing the fee each federal fiscal year. This fee continues to be assessed on all state IV-D cases that have not received assistance under the former AFDC program, the state TANF program, or the tribal TANF program.

The effective date for this provision is the first day of the first fiscal year beginning on or after the date of P.L. 115-123, or October 1, 2018. If the Secretary of Health and Human Services determines that state legislation is required to meet these new requirements, the state plan shall not be regarded as failing to meet such requirements before the first day of the first calendar quarter beginning after the first regular session of the state legislature that begins after the effective date of this Act. If the state has a 2-year legislative session, each year of the session is deemed to be a separate regular session of the state legislature.

States must submit state plan page 2.5-4, Services to Individuals, no later than December 31, 2018, along with a completed transmittal notice form (OCSE-21-U4) via the online state plan system, attesting to compliance with the requirements set forth on this page.

ACTION REQUIRED: Submit the state plan page, which will be available in the system on March 18, 2018, in accordance with the instructions in AT-15-02.

INQUIRIES: ACF/OCSE Regional Program Managers

Scott M. Lekan
Commissioner
Office of Child Support Enforcement