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FISCAL IMPACT REPORT

ORIGINAL DATE 02/04/15
 LAST UPDATED 02/17/15 HB 102/aHSCAC

SPONSOR Gallegos

SHORT TITLE Judge Discretion for Some Child Support SB _____

ANALYST Boerner

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY15	FY16	FY17	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		NFI	NFI	NFI		HSD Operating Funds

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Human Services Department (HSD)
 Child Support Enforcement Division (CSED)
 Children, Youth, and Families Department (CYFD)

SUMMARY

Synopsis of HSCAC Amendment

The House Safety and Civil Affairs Committee amends the bill by making a technical correction to indicate that the basic child support obligation shall be calculated based on the combined income of both parents and shall be paid by them proportionately *pursuant to Subsection L rather than K* of the section. The technical correction was necessary due new language in the original bill requiring the section to relettered.

Synopsis of Original Bill

House Bill 102 would add a provision allowing a judge discretion to determine child support obligation amounts when parents' combined adjusted gross incomes exceed the uppermost level of the basic child support schedule, provided the amount the judge sets shall not be less than the basic child support obligation amount for the highest level of adjusted gross income on the schedule. It also would amend the basic child support guidelines schedule by expanding the lowest combined adjusted income on the schedule to cover \$0 to \$800 per month.

FISCAL IMPLICATIONS

None noted for the Human Services Department.

SIGNIFICANT ISSUES

CSED noted the following:

The statutorily required quadrennial New Mexico Child Support Commission met in 2014 and recommended these changes to the existing child support guidelines. (See Final Report of the 2014 New Mexico Child Support Guidelines Commission at:

<http://www.hsd.state.nm.us/uploads/files/NM%20chld%20support%20commission%20Final%20report%202014-9-24.pdf>.)

The highest obligation amounts provided on the Basic Child Support Guidelines schedule are not intended to set a cap on the amount of support to be paid, but this is not clearly stated in the current Child Support Guidelines. The current Basic Child Support Schedule stops at combined gross monthly income of \$30 thousand for both parents and provides no direction for incomes above that. Under HB102, judges would be given discretion in setting support amounts for cases where the adjusted gross income for the parents exceed the highest amounts provided on the schedule; however, the highest basic obligations in the schedule would be the minimum support amounts in cases where the parents' combined gross monthly income exceeds \$30 thousand.

The current Basic Child Support Schedule provided in NMSA 1978, § 40-4-11.1(K), starts at \$800 per month combined income for both parents and the guidelines do not specify an amount for combined incomes below \$800 per month. Expanding the \$800-income bracket to cover combined incomes of \$0 through \$800 per month will provide greater consistency in setting support amounts for incomes below \$800 per month. The schedule support obligation amounts at \$800 per month are \$100 per month for one child and \$150 per month for two or more children. These amounts will be a rebuttable presumption for setting support amounts for combined incomes up to \$800 per month.

PERFORMANCE IMPLICATIONS

CSED notes also that HB 102 relates to the HSD FY16 Strategic Plan Goal 3: Assist Parents with their Child Support Obligations.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

The amount of support to be paid at the income levels from \$0 to \$799 will not be addressed by the Child Support Guidelines Schedule, so there will be no presumption regarding the support obligation to be paid for these incomes. Judges' discretion to set support above the highest basic obligations on the child support schedules will not be clearly spelled out.

CEB/bb/je