

HB 1945 -- CHILD SUPPORT

SPONSOR: Franz

COMMITTEE ACTION: Voted "do pass by consent" by the Special Committee on Family Services by a vote of 8 to 0.

This bill requires employers with 25 or more employees to transfer any child support payments withheld from an employee's paycheck to the Family Support Payment Center by electronic transfer.

FISCAL NOTE: No impact on General Revenue Fund in FY 2009, FY 2010, and FY 2011. Estimated Income on Other State Funds of \$521,100 in FY 2009, FY 2010, and FY 2011.

PROPOSERS: Supporters say that in 2006 the General Assembly approved electronic disbursements of child support payments which has saved the state \$2 million annually. By requiring employers with more than 25 employees to use an electronic form of submission to transfer child support collections, it allows for additional efficiency and cost effectiveness and expedites the flow of money. Payments from employers come in the form of paper checks as well as electronic payments. The Department of Social Services pays a fee of \$1.39 to a payment center to receive employer payments for child support and to mail the payments to the corresponding family. The bill reduces the fee to \$1.

Testifying for the bill were Representative Franz; and Family Support Division, Department of Social Services.

OPPOSERS: There was no opposition voiced to the committee.