

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
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FISCAL IMPACT STATEMENT

LS 6132

BILL NUMBER: HB 1125

DATE PREPARED: Nov 2, 1998

BILL AMENDED:

SUBJECT: Work release for failure to pay child support.

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FUNDS AFFECTED: X GENERAL
X DEDICATED
X FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill allows a court to order a noncustodial parent who has a delinquent child support obligation to be confined to the county jail and temporarily released from custody to participate in a work release program. The bill requires the noncustodial parent's work release earnings to be used for the payment of the delinquent child support obligation. It provides that the court may order the noncustodial parent's confinement and participation in work release for any period the court considers appropriate. The bill also prohibits the noncustodial parent from receiving any part of the work release earnings until the noncustodial parent's delinquent child support obligation has been satisfied

Effective Date: July 1, 1999.

Explanation of State Expenditures: This bill allows a court to order a noncustodial parent who is delinquent in child support obligations to be confined in a county jail and participate in a work release program. Any wages left after paying expenses of the work release program are to be forwarded to the clerk of the court to pay for the delinquent child support obligation.

To the extent that child support payments are increased at certain marginal levels of income, some custodial families may be prevented from going onto the Temporary Assistance for Needy Families (TANF) program or may be aided in coming off the TANF program. The TANF program is a cost-shared program with the federal share being 63%, the state share being 22%, and the local share being 15%. AFDC eligibility also guarantees eligibility for Medicaid (shared 61.31% by the federal government and 38.69% by the state).

Secondly, to the extent that these actions lead to an increased recovery of child support payments by the state when payments have been assigned to the state by the application for assistance under AFDC, there could be positive impacts on federal, state, and local governments.

Explanation of State Revenues:

Explanation of Local Expenditures: Individuals who participate in work release programs are required by IC 11-12-5-3 to pay state and federal income taxes and social security deductions not otherwise withheld. Also, the individual is responsible to pay for room and board, transportation costs to and from work, and other work related incidental expenses. Therefore, any additional non-reimbursed county expenses should be minimal.

Explanation of Local Revenues:

State Agencies Affected: Family and Social Services Administration.

Local Agencies Affected: County Sheriffs.

Information Sources: