

**LEGISLATIVE FISCAL OFFICE**  
**Fiscal Note**



Fiscal Note On: **HB 238** HLS 17RS 618  
 Bill Text Version: **ENGROSSED**  
 Opp. Chamb. Action:  
 Proposed Amd.:  
 Sub. Bill For.:

|                                                                         |                                |
|-------------------------------------------------------------------------|--------------------------------|
| <b>Date:</b> May 12, 2017 4:20 PM                                       | <b>Author:</b> BILLIOT         |
| <b>Dept./Agy.:</b> Children & Family Services                           | <b>Analyst:</b> Patrice Thomas |
| <b>Subject:</b> Electronic Submit License Suspension and Reissue to OMV |                                |

MTR VEHICLE/DRIVER LIC EG +\$101,204 GF EX See Note Page 1 of 2  
 Authorizes a request to suspend a license for nonpayment of child support to be made electronically

Proposed law allows the Dept. of Children & Family Services (DCFS) to electronically certify to a licensing authority that a licensee is not in compliance with an order of support for the suspension of the individual's license. Proposed law authorizes DCFS and the licensing authority to enter into an interagency agreement to facilitate the development, implementation, and use of the transmission system. Once an individual is in compliance with an order of support, the proposed law authorizes DCFS to electronically certify that an individual is eligible to have his license reissued to the licensing authority.

| <b>EXPENDITURES</b> | <b>2017-18</b>   | <b>2018-19</b>   | <b>2019-20</b>   | <b>2020-21</b>   | <b>2021-22</b>   | <b>5 -YEAR TOTAL</b> |
|---------------------|------------------|------------------|------------------|------------------|------------------|----------------------|
| State Gen. Fd.      | \$101,204        | (\$2,212)        | (\$2,212)        | (\$2,212)        | (\$2,212)        | <b>\$92,356</b>      |
| Agy. Self-Gen.      | \$0              | \$0              | \$0              | \$0              | \$0              | <b>\$0</b>           |
| Ded./Other          | \$0              | \$0              | \$0              | \$0              | \$0              | <b>\$0</b>           |
| Federal Funds       | \$196,456        | (\$4,293)        | (\$4,293)        | (\$4,293)        | (\$4,293)        | <b>\$179,284</b>     |
| Local Funds         | \$0              | \$0              | \$0              | \$0              | \$0              | <b>\$0</b>           |
| <b>Annual Total</b> | <b>\$297,660</b> | <b>(\$6,505)</b> | <b>(\$6,505)</b> | <b>(\$6,505)</b> | <b>(\$6,505)</b> | <b>\$271,640</b>     |
| <b>REVENUES</b>     | <b>2017-18</b>   | <b>2018-19</b>   | <b>2019-20</b>   | <b>2020-21</b>   | <b>2021-22</b>   | <b>5 -YEAR TOTAL</b> |
| State Gen. Fd.      | \$0              | \$0              | \$0              | \$0              | \$0              | <b>\$0</b>           |
| Agy. Self-Gen.      | \$0              | \$0              | \$0              | \$0              | \$0              | <b>\$0</b>           |
| Ded./Other          | \$0              | \$0              | \$0              | \$0              | \$0              | <b>\$0</b>           |
| Federal Funds       | \$0              | \$0              | \$0              | \$0              | \$0              | <b>\$0</b>           |
| Local Funds         | \$0              | \$0              | \$0              | \$0              | \$0              | <b>\$0</b>           |
| <b>Annual Total</b> | <b>\$0</b>       | <b>\$0</b>       | <b>\$0</b>       | <b>\$0</b>       | <b>\$0</b>       | <b>\$0</b>           |

**EXPENDITURE EXPLANATION**

The proposed legislation will increase expenditures within the Department of Children & Family Services (DCFS) by \$297,660 (\$101,204 SGF and \$196,456 Federal Title IV-D) in FY 18. In subsequent fiscal years, the proposed legislation is anticipated to decrease expenditures within DCFS by \$6,505 (\$2,212 SGF and \$4,293 Federal Title IV-D) as a result of cost savings associated with no longer mailing notices to OMV. The proposed legislation authorizes DCFS to electronically submit a certification of noncompliance to suspend an individual's license for nonpayment of child support to licensing authorities. Also, the proposed legislation authorizes electronic submission of subsequent compliance or partial compliance release certifications to licensing authorities.

In accordance with the proposed legislation, DCFS and the appropriate licensing authority must enter into an interagency agreement (also known as a Memorandum of Understanding - MOU) regarding electronic submission. The department has indicated they will enter into a MOU with OMV in FY 17-18. Last fiscal year, DCFS mailed 12,324 notices to OMV at a cost of \$6,505 regarding license suspension and license reissue associated with child support enforcement. DCFS sends more notifications to OMV than any other licensing authority.

**Implementation Cost and Savings - DCFS** - DCFS has to change programming in the CAFÉ and LASES systems to electronically submit notices to OMV. To develop the minimum functionality required for electronic submission, DCFS estimates a one-time cost of \$297,660 for IT programming changes based on 1,804 development hours at \$165 per hour. The CAFÉ system requires 449 hours and the LASES system requires 1,355 hours. Information provided by the department indicates changes to the LASES system costing \$223,575 may potentially be accomplished utilizing funding allocated to a separate existing IT contract with RedMane Technology. The funding allocated to RedMane is used for maintenance of the LASES system. To the extent that allocated funding under the existing RedMane contract is redirected to mitigate the cost of this measure and the balance is not adequate to complete maintenance of the LASES system, additional funding may be required. Programming changes to the CAFÉ system are not covered under the RedMane contract and is projected to cost \$74,085 (449 hours x \$165 = \$25,189 SGF and \$48,896 Federal). The match rate for child support enforcement is 34% SGF and 66% federal Title IV-E.

**Continue on Page 2**

**REVENUE EXPLANATION**

There is no anticipated direct material effect on governmental revenues as a result of this measure.

Senate      Dual Referral Rules  
 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}  
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}

House  
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}  
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

*Evan Brasseaux*  
**Evan Brasseaux**  
**Staff Director**

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**CONTINUED EXPLANATION from page one:**

**CONTINUED EXPENDITURE EXPLANATION**

Note: The revised IT programming cost in this fiscal note represents only the minimum functionality required for DCFS to electronically submit notices to OMV. In future fiscal years, DCFS may incorporate programming changes beyond minimum functionality during regular CAFÉ and LASES systems maintenance. Future programming upgrades are estimated at \$177,870 for 1,078 development hours (2,884 hours fully functionality – 1,804 minimum functionality).

**Implementation Savings - DCFS** - Once programming is complete and electronic submission is available, electronic notices will be automatically sent to OMV regarding suspension and reissue; thereby saving \$6,505 in supplies and postage expenses in FY 18-19 and subsequent fiscal years.

**Implementation Cost – OMV** - DPS reports that the proposed legislation will require 170 hours of IT work projected to cost \$10,957 SGF. The IT work consists of creating a system that will accept electronic transmissions from DCFS as well as update the licensing record to reflect suspended or clean license. The Legislative Fiscal Office believes that any additional IT work associated with this proposed legislation will be incremental and that the department can potentially accomplish these tasks utilizing existing resources and budget authority. To the extent that numerous pieces of legislation are enacted that require additional programming efforts, the department may require additional resources.

Senate  
 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}  
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}

House  
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}  
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

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