

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 6917**

**BILL NUMBER: HB 1720**

**NOTE PREPARED: Jan 23, 2005**

**BILL AMENDED:**

**SUBJECT:** Work Release in Child Support Contempt Proceedings.

**FIRST AUTHOR:** Rep. Buck

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED: X GENERAL  
DEDICATED  
FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** This bill requires a community corrections advisory board or the county probation department of a county that does not participate in a community corrections program to establish a work release program for certain individuals found in contempt of court for failure to pay child support. The bill requires a court to: (1) find an individual in contempt of court; and (2) order the individual to participate in a work release program; if the individual, as a result of an intentional violation of a child support order, is delinquent by at least four weeks or in an amount exceeding \$1,000.

**Effective Date:** July 1, 2005.

**Explanation of State Expenditures:** Currently, the state makes a line-item appropriation for local work release program costs. On average, existing work release programs receive approximately \$9 per day per work release participant from this appropriation. The fiscal impact of this bill would (a) require additional appropriations be made by the state, or (b) reduce state reimbursement to existing work release centers because current funding would be distributed to more work release programs.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** This bill requires a: (1) county community corrections advisory board or (2) county probation department, if a county does not participate in a community corrections program, to establish a work release program for persons who intentionally are in arrears for child support and (a) are at least 4 weeks delinquent in, or (b) owe an amount exceeding \$1000, in child support. Programs are required to provide job training for program participants and specify the distribution of funds earned by a participant.

The added costs for the county governments to establish and operate these programs will depend on the number of persons who fall into this category in each county. The number of persons who are delinquent in child support by more than four weeks or have an arrearage exceeding \$1,000 is not known. However, the Division of Family and Children (DFC) reports that as of December 29, 2004, the number of cases with total arrears greater than \$1,000 was 651,900 and the number of cases more than four weeks late was 397,372. The actual number of persons is not known because one person may have more than one child support case which would appear as two cases, and there is some duplication in the number of persons that are four weeks delinquent and the number of persons that owe more than \$1000. Assuming that two cases are filed for each person, the number of persons in the \$1,000 or more category would be 325,950; the number of persons in the four weeks delinquent category would be 198,686. The number of these persons who *intentionally* violate a child support order is not known.

Assuming that the larger population number (325,950) is a high-end estimate, the cost to implement the requirements of this bill statewide would be between \$41 M and \$82 M for the state annually. However, the state share is limited to a line-item appropriation, thus, actual increases in expenditures are dependent on additional appropriations.

*Per Diem Costs:* To estimate the cost of developing work release programs for the individuals in these categories, it is assumed that between 25% (81,488 persons) and 50% (162,975 persons) of these persons are intentionally violating child support orders. It is also assumed, though time served is at the discretion of the judge, that the amount of time that a person might remain in the program is eight weeks. The average cost to maintain a person in a work release program is approximately \$22 per day, of which \$9 is funded through the state. The additional cost to the state would be between \$41 M (81,488 persons x 56 days x \$9 per day) and \$82 M (162,975 x 56 x \$9).

<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>
<b>Violator %</b>	<b># of Persons (325,950)</b>	<b># of Days in Program</b>	<b>Average State Cost Per Day</b>	<b>Total Cost for the State (B x C x D)</b>
<b>25%</b>	81,488	56	\$9	<b>\$41 M</b>
<b>50%</b>	162,975	56	\$9	<b>\$82 M</b>

Remaining per diem costs are approximately \$13. Funding for these dollars comes from local government appropriations, work release participant fees, and other sources such as grant money. Local government appropriations vary by county, thus, increases in local government expenditures are unknown.

*Start-up Costs:* Indiana currently has a waiting list for work release programs in the state. Thus, any new program would require construction or reassignment of county jail beds. The Department of Correction (DOC) reports that construction of work release programs will vary across the state. Counties may choose to either build a new building, renovate an existing building, contract for services, or obtain beds in the local county jail. As a result, the cost for construction is not known and is dependent on individual county administrative action. There are 53 counties in the state which currently have available beds in their county jail. Of these, 23 have less than 15% of beds available.

Based on information obtained for one county community corrections program, the reported average cost per

square foot for new construction was \$130, and the average number of square feet needed per work release individual is 26.

Ohio County currently has a population of 392 persons who are delinquent in child support for more than \$1,000. In using the calculations from above, approximately 49  $((392/2) \times 0.25)$  to 98  $((392/2) \times 0.5)$  persons would be eligible for this program. The cost for Ohio County to build a new facility to house these individuals would be between \$165,620  $(49 \times 26 \times \$130 \text{ per square foot})$  and \$331,240  $(98 \times 26 \times \$130)$ .

Marion County currently has a population of 111,566 persons who are delinquent in child support for more than \$1,000. In using the calculations from above, approximately 13,946  $((111,566/2) \times 0.25)$  to 27,892  $((111,566/2) \times 0.5)$  persons would be eligible for this program. The cost for Marion County to build a new facility to house these individuals would be between \$47.1 M  $(13,946 \times 26 \times \$130)$  and \$94.2 M  $(27,892 \times 26 \times \$130)$ .

<b>County</b>	<b>Ohio</b>	<b>Marion</b>
<b># of Delinquent Cases</b>	392	111,566
<b># of Persons Delinquent*</b>	196	55,789
<b>Violator 25 % (# of Persons in Program)</b>	49	13,946
<b>Violator 50 % (# of Persons in Program)</b>	98	27,892
<b># of Sq. Ft. Per Offender</b>	26	26
<b>Cost per Sq. Ft.</b>	\$130	\$130
<b>Total Cost per County (25%)**</b>	<b>\$165,620</b>	<b>\$47.1 M</b>
<b>Total Cost per County (50%)**</b>	<b>\$331,240</b>	<b>\$94.2 M</b>
* Assumes 2 children per case ** Calculation is as follows: $((26 \times 130) \times \text{# of persons in Program})$		

*Note:* Current statute allows counties to contract with other counties for programs or to purchase from one or more counties. Some counties may choose to do so which would result in a reduction of expenditures for that particular county.

*Background Information:* Courts differ in the methods that they use to enforce child support orders. Some judges will sentence a person who does not pay child support to a minimum amount of time in jail with the option of posting a bond. If the person posts the bond, the proceeds from the bond are given to the custodial parent for child support. Other courts use different programs to encourage child support payments.

*Increased Child Support Collection:* The bill requires work release programs to specify the distribution of funds earned by a program participant. Depending on the specification, the amount of child support owed to the state may decrease through collections, however, the actual amount is indeterminable.

**Explanation of Local Revenues:**

**State Agencies Affected:**

**Local Agencies Affected:** Courts, counties.

**Information Sources:** Mike Brown, DOC, 232-5722.

**Fiscal Analyst:** Sarah Brooks, 317-232-9559.