

**Government of the District of Columbia  
Office of the Chief Financial Officer**



**Natwar M. Gandhi**  
Chief Financial Officer

**MEMORANDUM**

**TO:** The Honorable Vincent C. Gray  
Chairman, Council of the District of Columbia

**FROM:** Natwar M. Gandhi  
Chief Financial Officer 

**DATE:** April 17, 2009

**SUBJECT:** Fiscal Impact Statement – “Self-Support Reserve Revision Emergency Amendment Act of 2009”

**REFERENCE:** Draft- No Bill Number

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**Conclusion**

Funds are sufficient in the FY 2009 budget and the proposed FY 2010 through FY 2013 budget and financial plan to implement the provisions of the proposed legislation.

**Background**

The proposed legislation would increase the self-support reserve<sup>1</sup> in child support matters from \$12,382.00 to \$14,403.90, and would authorize the District’s IV-D agency<sup>2</sup>, Child Support Services Division (CSSD), to update the self-support reserve every two years and publish notice of any revision in the District of Columbia Register.

This first part of this amendment is needed in order to comply with D.C. Official Code § 16-916.01(g)(1), which requires that the self-support reserve be calculated at 133 percent of the

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<sup>1</sup> "Self-support reserve" means the poverty level standard of need (i.e. the amount needed to cover the basic living expenses) for a single individual living alone. The self-support reserve is subtracted from the parent's adjusted gross income in order to determine the parent's maximum ability to pay child support. The actual child support obligation is then determined based on the amount of this remainder, whether it is positive or negative, the calculated child support obligation and other factors.

<sup>2</sup> As defined in D.C. Code § 7-201, IV-D agency means "...the organizational unit of the District government...that is responsible for administering...the District’s State Plan under title IV, part D, of the (federal) Social Security Act...pertaining to parent locator services, paternity establishment, and the establishment, modification, and enforcement of support orders." In the case of D.C., this agency is Child Support Services Division.

United States Department of Health and Human Services poverty guideline for a single individual<sup>3</sup> and updated every two years.

The second part would clarify who would be responsible for updating the reserve and publishing notice of any revisions. Currently, no agency or party is identified in the D.C. Official Code to carry out these tasks.

### **Financial Plan Impact**

Funds are sufficient in the FY 2009 budget and the proposed FY 2010 through FY 2013 budget and financial plan to implement the provisions of the proposed legislation. Increasing the self-support reserve would not have a fiscal impact for the District of Columbia Government; instead, its impact would be on parents involved in child support cases.<sup>4</sup> Authorizing CSSD to update the self-support reserve and to publish notices also would not have any fiscal impact, as the resulting minimal increase in CSSD's workload could be accommodated within budgeted resources.

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<sup>3</sup> The 2009 poverty guideline amount is \$10,830 for a single individual. 133 percent of this is \$14,403.90.

<sup>4</sup> For the parent required to pay child support, it would increase the amount of money he or she is allowed to keep. Conversely, this could mean a decrease in the amount of child support received by the other parent.