

NORTH CAROLINA GENERAL ASSEMBLY

LEGISLATIVE FISCAL NOTE

BILL NUMBER: Senate Bill 475 (Third Edition, as amended)

SHORT TITLE: Fund for Displaced Homemakers

SPONSOR(S): Senator Perdue

FISCAL IMPACT ON REVENUES

FY 1998-99 FY 1999-00 FY 2000-01 FY 2001-02 FY 2002-03

Fund for Displaced Homemakers

Revenue	\$370,000	\$740,000	\$740,000	\$740,000	\$740,000
Expenditures	<u>\$37,000</u>	<u>\$74,000</u>	<u>\$74,000</u>	<u>\$74,000</u>	<u>\$74,000</u>
Net Deposit	\$333,000	\$666,000	\$666,000	\$666,000	\$666,000

PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED: Judicial Branch; Department of Administration

EFFECTIVE DATE: December 1, 1998 and applies to final actions on and after that date.

BILL SUMMARY: This act assesses a \$20 fee against persons filing for divorce actions in district court. Revenue from the fee is deposited into the North Carolina Fund for Displaced Homemakers to be administered by the North Carolina Council for Women

ASSUMPTIONS AND METHODOLOGY:

Judicial Department

According to data from the State Center for Health Statistics, there were 36,634 divorces and annulments in 1996. The Center estimates there will be approximately 37,000 divorces in FY 1998-99. The Judicial Department anticipates the extra \$20 fee would be collected up front when the divorce action is filed. Thus, if the fee were collected in all of these cases, an additional \$740,000 would be generated annually for transfer to the Fund for Displaced Homemakers. With a December 1, 1998 effective date, the first year revenue will be half of the estimated amount or \$370,000.

The Department estimates it would take about ten hours of programming to update the accounting system in order to collect the \$20 fee. This programming could be handled by a programmer within the Department's Information Services Division.

Department of Administration

The Department of Administration believes it would need roughly \$86,000 to administer the expanded Displaced Homemaker program. Administrative costs would include costs of promoting the program through newsletters and other mailings, costs of increased travel to monitor local programs, and wages for temporary office support staff to help administer the program. However, the bill allows a maximum of 10% of the fees collected to be spent on administration or \$74,000. Due to the December 1, 1998 effective date, the first year amount available for expenditure is half of the anticipated amount or \$37,000.

The bill would require the Department of Administration to adopt rules to govern the distribution of money from the Fund for Displaced Homemakers. Currently, the Department of Administration distributes grants ranging between \$6,000 and \$25,000 to 23 local displaced homemaker programs. The Department has stated that additional funds generated by this bill would be used to fund more programs and to increase the size of grants to programs already being funded. The Department of Administration would like to fund two to three additional displaced homemaker programs each year over the next five years.

FISCAL RESEARCH DIVISION

733-4910

PREPARED BY: Charles Perusse, Dwayne Pinkney, and Richard Bostic

APPROVED BY: Tom Covington

DATE: July 8, 1998



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