

S B

741

COMMITTEE REPORT

HOUSE

5/34

FURTHER:

(5)

5/13/82

Date: May 19, 1982

Mr. Speaker: (Judiciary waived 5/13)

The Committee on Rules has had CSSB 741 (Fin)

"An Act relating to child support enforcement; and providing for an effective date."

under consideration and reports it back as follows:

- do pass  do not pass
- do pass with attached amendments(s)
- replace with CS for \_\_\_\_\_  same title
- and recommends \_\_\_\_\_  new title
- AND attaches a "Letter of Intent"  New Fiscal Note
- reports it back without recommendation
- referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

[Signature]

[Signature]

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

MEMBERS HAVING  
OTHER RECOMMENDATIONS:

[Signature]

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

[Signature]

CHAIRMAN

AMENDED TITLE: CSSB 741(FIN)  
AN ACT RELATING TO CHILD SUPPORT ENFORCEMENT; AND PROVIDING  
FOR AN EFFECTIVE DATE

PRIME SPONSOR: ELIASON. GENERAL DOLLARS: \$0 (F. NOTE)  
OTHER DOLLARS: \$0

CO-SPONSORS:  
CURRENT STATUS: 5/07/82 IN (H) JUDICIARY

DATE	SEQ	PAGE	LEGISLATIVE ACTION
02/11/82	01	0263	FIRST READING -- COMMITTEE REPORTS
03/05/82	02	0466	FIN COMM REFERRAL ADDED BY UNAN CONSENT
03/18/82	03	0604	JUD -- CS02, NR02
05/05/82	04	1152	FIN -- CS04
05/05/82	05	1152	F/NOTE EQUALS ZERO
05/06/82	06	1175	RLS -- OTHER03 TAKEN UP IMMEDIATELY
05/06/82	07	1176	SECOND READING
05/06/82	08	1176	FIN CS ADOPTED BY UNAN CONSENT
05/06/82	09	1176	ADVANCED TO 3RD READING BY UNAN CONSENT
05/06/82	10	1176	THIRD READING
05/06/82	11	1176	PASSED BY DIV 20-00-00
05/06/82	12	1177	EFFECTIVE DATE VOTE SAME AS PASSAGE

\*\*\*\*\*

DATE	SEQ	PAGE	LEGISLATIVE ACTION
05/07/82	13	1730	FIRST READING -- COMMITTEE REPORTS JUDICIARY RULES

\*\*\*\*\*

hinda -

lucky you - you get to  
hold hearings on SB 741 ☺

This is the file we have  
agreed on the Bill. ~~Since~~ Since  
I didn't know we were going  
to voice it I had already  
done all the research on it.  
It is a very straight forward  
Bill and from what I have  
been able to gather it's in  
good <sup>enough</sup> shape to move from  
committee with ~~out~~ changes.

If you have any questions  
give me a call cuz I probably  
had all the same questions you  
may have & have already  
gotten the answers, (well, nobody  
speaking anyway).

Julia  
House Judiciary

# STATE OF ALASKA

## DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

JAY S. HARMOND, GOVERNOR

POUCH S  
JUNEAU, ALASKA 99811  
PHONE: (907) 465-2300

May 14, 1982

The Honorable John G. Fuller  
Chairman  
House Rules Committee  
Room 204 - Capitol Building  
Juneau, Alaska

Re: CS for Senate Bill No. 741 (Finance)

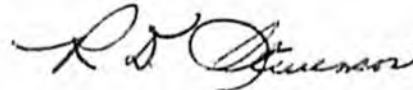
Dear Mr. Fuller:

CS for Senate Bill No. 741 (Finance), an Act relating to child support enforcement, upon first reading in the House on May 7, 1982 was referred to the House Judiciary Committee.

Subsequently on May 13, 1982, Representative Barnes moved and asked unanimous consent that the Judiciary referral on Committee Substitute for Senate Bill No. 741 (Finance) (relating to child support enforcement) be waived. The Speaker then referred CSSB 741 (Fin) to the Rules Committee for consideration.

For the consideration of the House Rules Committee, I am enclosing a copy of a Fiscal Note prepared by Mr. Dan R. Copeland, Director, Child Support Enforcement Division, Department of Revenue, Anchorage concerning the Committee Substitute.

Sincerely,



R. D. Stevenson  
Special Assistant

Enclosure

cc: Joseph K. Donohue  
Deputy Commissioner  
Department of Revenue

Mr. Dan R. Copeland, Director  
Child Support Enforcement Division  
Department of Revenue

THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CSSB 741 (FIN)  
 Title "An Act Relating to Child Support Enforcement"  
 Requested by Senator Eliason Date 5/11/82

II. FISCAL DETAIL

Agency Affected Department of Revenue  
 Program Category Affected Revenue Collection and Management  
 BRU, Program, Or Subprogram(s) Affected Child Support Enforcement Division  
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES	64.0	128.0	140.8	140.8	154.9	154.9
200 TRAVEL	0					
300 CONTRACTUAL	49.4	29.4	32.3	32.3	35.6	35.6
400 COMMODITIES	1.6	1.6	1.8	1.8	1.9	1.9
500 EQUIPMENT	3.4	3.4	3.8	3.8	4.2	4.2
600 LAND & STRUCTURES	0	0	0	0		
700 GRANTS, CLAIMS, ETC.	0	0	0	0		
TOTAL	118.4	162.4	178.7	178.7	196.6	196.6

FUNDING (Thousands of Dollars)

GENERAL FUND	*90.0	120.0	130.0	130.0	145.0	145.0
FEDERAL FUNDS	*26.0	40.0	45.0	45.0	46.0	46.0
OTHER (Specify Source)						
Program Receipts	2.4	2.4	3.7	3.7	5.6	5.6

\*Note: Federal funding will be substantially reduced on 7/1/82.

POSITIONS

FULL TIME	*24	5	5	5	5	5
PART TIME						
TEMPORARY						

\*Note: FY 82 5 full time for one-half of a year.

III. ANALYSIS (See Fiscal Note Preparation Instruction, Section III)

The additional accounting clerk III for each of the five teams will be responsible for handling the additional penalty and interest information. Currently, each team uses one of their six staff members to certify payment records for use in enforcement action. These payment records are a comparison of the fixed monthly obligation and the payments. The addition of a mandatory late penalty and interest will require a comparison of the monthly obligation, payments, dates of the payment, and a computation of the penalty and interest as completed each month. It is

CSSB 741(Fin) "An Act relating to child support enforcement;  
and providing for an effective date."

This bill passed the Senate on May 6, 20 - 0, with a zero fiscal note. Last week Judiciary Committee waived the bill.

SB 741 adds interest and penalties on overdue child support payments. As there currently are no extra charges for late payments, this amounts to an interest-free loan for the person who is supposed to pay the child support. Sen. Eliason is present to testify on the bill. Also ~~(probably) Paula~~ *Liz Cuadra* ~~Ziegler~~ with the League of Women Voters.

(Jack: although Judiciary did not hear the bill, staff did do research on it and recommended that it go through as is; doesn't need any changes. They thought it was a good bill.)

# STATE OF ALASKA

## DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

JAY S. HAMMOND, GOVERNOR

POUCH 5  
JUNEAU, ALASKA 99811  
PHONE: (907) 465-2300

May 18, 1982

The Honorable John G. Fuller, Chairman  
House Rules Committee  
Room 204 -- Capitol Building  
Juneau, Alaska

Re: Withdrawal of Our Fiscal Note to CS SB 741 (Fin)

Dear Mr. Chairman:

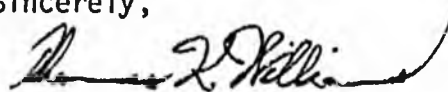
Senator Eliason, the primary sponsor of SB 741, has requested this Department to withdraw our fiscal note to this Bill, which was transmitted to your Committee by R. D. Strverson's letter of May 14th. While we do believe that there will be administrative costs associated with this Bill (which were fairly reflected both in the present fiscal note and in our fiscal note that was deleted by the Senate Finance Committee at Seantor Eliason's request), we recognize the risk to the Bill that would be presented by referring it back to House Finance to delete our fiscal note.

Rather than imperil what apparently is one of the Senate's priority pieces of legislation, we hereby withdraw our fiscal note to CS SB 741 (Fin).

In making this withdrawal we acknowledge the difference of opinion that exists about the staff and funding required by this legislation. In the event that our experience in administering the Bill shows that additional personnel and funds are in fact required for its administration, we will include them in our FY 84 budget preparation and may also have to request a supplemental appropriation to cover them in FY 83. However, because those requests (if they need to be made) will be based on actual experience with the Bill, I am hopeful that Senator Eliason and the Legislature would be more willing to provide the requisite funding for its satisfactory implementation.

Thank you very much for your consideration.

Sincerely,



Thomas K. Williams  
Commissioner of Revenue

cc: Senator Eliason  
Dan Copeland

Proposed CSSB 741 (Finance)

Sec. 1 - Allows income assignments to go directly to the family rather than being channeled through the agency when it is unnecessary for the agency to be involved.

Sec. 2 - Allows the judge to choose which party should pay court costs - not necessarily the Obligor. Also adds attorney's fees to those which one party may be ordered to pay.

{ *discretionary/subject to limitations of federal law*  
Sec. 3 & 4 - Established that interest and penalties will be charged on overdue payments

Sec. 5 - (6) Spells out that interest collected will go on with the payment to the family

(7) Penalties collected will be deposited in the general fund

\*\* This is the first of two changes in this CS from the Judiciary CS. It simply ensures it won't be construed as a dedicated fund.

Sec. 6 - Ensures that those paying child support will be able to get a yearly audit of payments they've made if they request one.

Sec. 7 - House-keeping language to keep statutes consistent by including penalties and interest on arrearages under definition of "duty of support".

Sec. 8 - Repeals statute that limits amount of permanent fund dividends which can be attached for a collection of debt to 50%.

Sec. 9 - Making bill effective January 1, 1983.

\*\* This is the second change from Judiciary CS. Gives the Division time to gear up for adding interest and penalties on late payments - can get it on their computer system.

Section 4 - delete shall, may  
to the extent permitted by federal law

SB 741 - Child Support Enforcement

Main Purpose

- Adds interest and penalties on overdue payments
- Currently no extra charge for late payment - so amounts to interest-free loan for obligor
- Family having to pay interest, etc. on their bills which are late due to lack of payment income
- These are legal debts, unfair to have no disincentive to withhold payment
- This bill adds financial incentive for timely payment
  - An effort to encourage private sector to honor its own debts and legal responsibility
- More important than ever with huge cuts in federal aid for child support enforcement being threatened this year

Many states are in process of adding interest and penalties and others investigating the possibility. Our own Child Support Division said they plan to eventually add these provisions, and statute now says they "may" charge interest. I believe we should institute this now and require that the Division implement it.

Other parts of bill are mostly house-keeping matters:

Section 1 - Allows income assignments to go directly to the family rather than be channeled through the agency when that would be an unnecessary step.

Section 2 - Gives the judge the choice of who should pay court costs and adds that the attorney's fees may be included.

Section 6 - Ensures that those paying child support will be able to get a yearly audit of payments they've made if they request one.

Rest of bill deals with addition of penalties and interest on late payments and adds language wherever needed throughout statutes.

Section 5 - Spells out that interest collected will go on with the payment to the family but that penalties

will go to the State. This will help support the State's cost in collecting support on behalf of obligees.

Only two changes in this CS from the Judiciary CS

- (1) Section 5 specifies that penalty money goes to general fund rather than Division. Ensures it won't be construed as dedicated funds.
  
- (2) Added January 1, 1983 effective date  
Allows Division time to gear up for adding interest and penalties on late payments - get it on their computer system.

I propose passage with a zero fiscal note. Original fiscal note uses faulty logic. Both House and Senate budgets approve new positions for Division. Extra staff plus extra time for computer work due to effective date are plenty to handle the changes.

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the area bec

purported p... to over... the

# Shirking responsibility to children: A big cause of poverty: Deadbeat dads

by Joan Beck  
Chicago Tribune

**P**RESIDENT REAGAN may or may not be able to get the states to pick up the hot potato of welfare he wants to toss them. But the money to pay for it is still going to come out of one or another of the taxpayers' pockets until we look honestly at one of the major causes of poverty and do something sensible about it.

Poverty in the United States is overwhelmingly a matter of women and children. Two out of three poor adults are women. More than half of poor families are headed by women. The great majority of children getting welfare are poor because they live in households headed by women. The nation's biggest welfare program is Aid to Families With Dependent Children, and its money goes almost entirely to families headed by women.

But it isn't enough just to document the increasing feminization of poverty. Public understanding of the problem needs to go one step further: The problem isn't primarily women. It's men.

Most poor children — 85 percent of those on AFDC — are poor because their father won't (much more often won't than can't) support them. And most women are poor because they are swamped with child-care responsibilities that curtail their ability to work.

Of all the mothers who are single, divorced or separated, 40 percent never get any support at all from the fathers of their children — regardless of the men's income level. Eighty percent of women with court orders for child support haven't received as much money as they are supposed to get. And it doesn't make

reneging fathers earn. Altogether, men who don't live with their children make an average contribution to those kids' support of only 2 to 5 percent of their income.

What's curious is that our society is so tolerant of men who skip out on their kids, and that men — but not women — can shirk their responsibility to their children without social disapproval. What's even more puzzling is that although we complain a lot about welfare costs, we rarely gripe about the men who make them so high by running out on their own offspring.

It's almost taken for granted in some age and socio-economic groups that taxpayers — not fathers — will support children. In some urban areas, more than half of all babies are now born to unmarried women, and a majority of them immediately become the financial responsibility of taxpayers.

An increasing number of social-welfare advocates contend that holding fathers responsible for supporting their children is an outdated, moralistic attitude. This view is often reflected in the courts, where many mothers have difficulty getting support orders from judges who frequently set the payments at only token amounts and do nothing to assure that they will be paid.

It doesn't have to be this way. A federal law passed in 1975 gives states funds to establish the paternity of children receiving AFDC, to find fathers, to get support orders, and to collect support payments. Such collections have been growing steadily since the program started, and in 1980 they totaled \$602.3 million from fathers whose children were getting AFDC money (and another \$871 million for non-AFDC families).

Still, this amounts to only 5.2 percent of AFDC payments nationally — although it ranges from 8 percent in Michigan, where the

program has considerable public support, to 3.4 percent in New York and 1.6 percent in Illinois.

If the administration really wants to cut back on welfare costs without hurting helpless poor people, getting more fathers to support their own children is one useful approach. It is now possible to prove paternity with almost total accuracy, and naming the father could be made a requirement for women who apply for AFDC (as it is in Sweden, for example). Court-ordered child support could even be collected from fathers' paychecks by the Internal Revenue Service or Social Security mechanism.

Many social-welfare leaders, however, would prefer to let the state pick up the tab for the children of absent fathers and to consider single-parent households and government support "normal" regardless of the father's ability to pay.

How destructive and dangerous the results of this attitude can be are already evident. Taxpayers now support about 11 percent of the nation's children, and the number is growing rapidly with the increase in births to single women and the rising rate of divorce. Social attitudes — and tax policies — will have a great deal to do with whether this number will increase. An easy acceptance of fathers who abandon their children will only add to the problem.

Perhaps Reagan was right in proposing to turn welfare costs over to the states. At least that might push them to put more effort into collecting support from absent fathers.

Our society has nothing to gain by diminishing the responsibilities of fathers and shoving them off on single mothers and on other taxpayers who have their own families to support. This is what that easy phrase, "the feminization of poverty," really means.

THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CS for Senate Bill No. 741 (Finance)  
 Title Act relating to child support enforcement  
 Requested by Senate Finance Committee Date 5/5/82

II. FISCAL DETAIL

Agency Affected Department of Revenue  
 Program Category Affected Revenue Collection and Management  
 BRU, Program, Or Subprogram(s) Affected Child Support Enforcement  
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES		0				
200 TRAVEL		0				
300 CONTRACTUAL		0				
400 COMMODITIES		0				
500 EQUIPMENT		0				
600 LAND & STRUCTURES		0				
700 GRANTS, CLAIMS, ETC.		0				
TOTAL		0				


FUNDING (Thousands of Dollars)

GENERAL FUND		0				
FEDERAL FUNDS		0				
OTHER (Specify Source)		0				

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instruction, Section III)

IV. DATE May 5, 1982 PREPARED BY   
 AGENCY Don Bennett, Chairman  
 Original: Legislative Finance PHONE Senate Finance Committee  
 cc: Budget and Management 465-3714  
 Prime Sponsor (First Legislator Named)  
 33-001 (Rev. 12/81)

# ALASKA STATE LEGISLATURE - SENATE



SENATOR RICHARD I. ELIASON  
P.O. BOX 143  
SITKA, ALASKA 99835  
POUCH V  
JUNEAU, ALASKA 99811

COMMITTEES  
FINANCE  
RESOURCES  
STATE AFFAIRS

May 17, 1982

## M E M O R A N D U M

To: Representative Jack Fuller, Chairman  
House Rules Committee

From: Senator Dick Eliason

A handwritten signature in cursive script that reads "Dick".

On May 6, 1982, the Senate unanimously passed CSSB 741, " An Act relating to Child Support Enforcement". This piece of legislation is currently in House Rules Committee.

I believe that CSSB 741 is an important step in addressing the problem of enforcing child support payments. It is fair to obligors and their families and is a way for the State to institute extra incentives to encourage the private sector to pay its own obligations at no actual extra cost to the State.

This bill needs to be passed this legislative session. I urge you to consider scheduling CSSB 741 as soon as possible for a vote on the House floor.