

COMMITTEE REPORT
SENATE

FURTHER:

3/7/86

Date 3/27/86

Mr. President

The Committee on FINANCE considered SB 370

relating to aid to families with dependent children and to child support and enforcement; efd.

and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass
- do pass with attached amendment(s)
- replace with/or adopt CS for _____
- new title
- same title and recommends _____
- and attached a "LETTER OF INTENT" NEW FISCAL NOTE
- reports it back without recommendation
- recommends referral to _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS

[Signature]
[Signature]
Keith Halford
Paul Frick
[Signature]
John Sackett

Co-Chairman [Signature]
do pass
Chairman recommendation

STATE OF ALASKA 1986 LEGISLATIVE SESSION FISCAL NOTE

Revision Date : _____

REQUEST

Bill/Resolution No.: 58370
 Title : _____

 Sponsor: Rules Committee by _____
 Requestor: request of the Governor
 Date of Request: 01/10/86

FISCAL DETAIL

Agency Affected: Revenue
 BRU: Child Support Enforcement Division

 Components: Operating

EXPENDITURES/REVENUES : (Thousands of Dollars)

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL						
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REVENUE						
---------	--	--	--	--	--	--

FUNDING : (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS :

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : Attach a separate page if necessary

Prepared by: Holli I. Ploog
 Division: Child Support Enforcement Division

Phone: 263-6202
 Date: 01/10/86

Approved by Commissioner: Matt Barber for Mary A. Nordale, Commissioner
 Agency: Department of Revenue

Date: 1-10-86

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

Jy K'n 053
SR 370

**STATE OF ALASKA 1986 LEGISLATIVE SESSION
FISCAL NOTE**

Revision Date : _____

REQUEST

Bill/Resolution No. : Proposed SB 370
 Title : An Act Relating to Aid to Families with Dependent Children...

Sponsor : Rules by Request
 Requestor : Governor
 Date of Request : 1/86

FISCAL DETAIL

Agency Affected : Health & Social Services
 BRU : Public Assistance/Administration

Components : Eligibility Determination

EXPENDITURES/REVENUES : (Thousands of Dollars)

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES	-0-	-0-	-0-	-0-	-0-	-0-
TRAVEL	-0-	-0-	-0-	-0-	-0-	-0-
CONTRACTUAL	-0-	-0-	-0-	-0-	-0-	-0-
SUPPLIES	-0-	-0-	-0-	-0-	-0-	-0-
EQUIPMENT	-0-	-0-	-0-	-0-	-0-	-0-
LAND & STRUCTURES	-0-	-0-	-0-	-0-	-0-	-0-
GRANTS, CLAIMS	-0-	-0-	-0-	-0-	-0-	-0-
MISCELLANEOUS	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
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REVENUE	-0-	-0-	-0-	-0-	-0-	-0-
---------	-----	-----	-----	-----	-----	-----

FUNDING : (Thousands of Dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS	-0-	-0-	-0-	-0-	-0-	-0-
OTHER	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS :

FULL-TIME	-0-	-0-	-0-	-0-	-0-	-0-
PART-TIME	-0-	-0-	-0-	-0-	-0-	-0-
TEMPORARY	-0-	-0-	-0-	-0-	-0-	-0-

ANALYSIS : Attach a separate page if necessary

Bill will result in no new costs; it will reduce paperwork, but not so substantially as to result in measurable savings.

Prepared by : John R. Taber, Director
 Division : Division of Public Assistance

Phone : 465-3347
 Date : 12-27-85

Approved by Commissioner : John R. By
 Agency : _____

Date : 12/31/85

Distribution (by Agency preparing fiscal note) :

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

Introduced: 1/29/86
Referred: Health, Education and
Social Services and
Finance

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

1 IN THE SENATE

2

SENATE BILL NO. 370

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6

For an Act entitled: "An Act relating to aid to families with dependent
7 children and to child support and enforcement; and
8 providing for an effective date."

9

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10

* Section 1. AS 47.23.020(a) is amended to read:

11

(a) The agency shall

12

(1) seek enforcement of child support orders of the superi-
13 or courts of the state in other jurisdictions and shall obtain, en-
14 force, and administer the orders in this state;

15

(2) adopt regulations to carry out the purposes of this
16 chapter, including regulations that establish

17

(A) schedules for determining the amount an obligor is
18 liable to contribute toward the support of an obligee under this
19 chapter and under 42 U.S.C. 651 -- 665 (Title IV-D, Social Secu-
20 rity Act);

21

(B) procedures for hearings conducted under AS 47.23.-
22 170; and

23

(C) subject to AS 47.23.025 and to federal law, a
24 uniform rate of interest on arrearages of support that shall be
25 charged the obligor upon notice if child support payments are 10
26 or more days overdue or if payment is made by a check backed by
27 insufficient funds;

28

(3) administer and enforce the Uniform Reciprocal Enforce-
29 ment of Support Act (AS 25.25);

1 (4) establish, enforce, and administer child support obli-
2 gations administratively in accordance with this chapter;

3 (5) administer the state plan required under 42 U.S.C. 651
4 -- 665 (Title IV-D, Social Security Act) as amended;

5 (6) disburse [CHILD] support payments collected by the
6 agency to the obligee, together with interest charged under (2)(C) of
7 this subsection;

8 (7) establish and enforce through the superior courts of
9 the state child support orders from other jurisdictions pertaining to
10 obligors within the state;

11 (8) enforce and administer spousal support orders if a
12 spousal support obligation has been established with respect to the
13 spouse and if the support obligation established with respect to the
14 child of that spouse is also being administered; and

15 (9) obtain a medical support order as part of a child
16 support order if health care coverage is available to the obligor at a
17 reasonable cost.

18 * Sec. 2. AS 47.23.062(b) is amended to read:

19 (b) An income withholding order must direct the obligor, the
20 obligor's employer, future employer, and any person, political subdi-
21 vision, or department of the state to withhold money due or to be due
22 the obligor and pay the money to the agency, in an amount determined
23 under (i) [(h)] of this section.

24 * Sec. 3. AS 47.23.062(1) is amended to read:

25 (1) A petition by the obligor to the court to terminate or
26 reduce the withholding of income may be granted upon good cause shown.
27 Payment of arrears alone does not constitute good cause.

28 * Sec. 4. AS 47.23.120(a) is amended to read:

29 (a) An obligor is liable to the state in the amount of

1 assistance granted under AS 47.25.310 -- 47.25.420 to or for the
2 benefit of a child whom the obligor owes a duty of support. However,
3 [EXCEPT THAT] if a support order has been entered, the liability of
4 the obligor may not exceed the amount of support provided for in the
5 support order.

6 * Sec. 5. AS 47.23.170(e) is amended to read:

7 (e) The hearing officer shall consider the following in making a
8 determination under (d) of this section:

9 (1) the needs of the alleged obligee, disregarding the
10 income or assets of the custodian of the alleged obligee;

11 (2) the amount of the alleged obligor's liability to the
12 state under AS 47.23.120 [47.23.125] if any;

13 (3) the intent of the legislature that children be support-
14 ed as much as possible by their natural parents;

15 (4) the ability of the alleged obligor to pay.

16 * Sec. 6. AS 47.23.225 is amended to read:

17 Sec. 47.23.225. SUPPORT PAYMENT OBLIGATIONS AS JUDGMENTS. A
18 support [COURT] order ordering a noncustodial parent obligor to make
19 periodic [CHILD] support payments to the custodian of a child is a
20 judgment that becomes vested when each payment becomes due and unpaid.
21 The custodian of the child, or the agency on behalf of that person,
22 may take legal action under AS 47.23.226 to establish a judgment for
23 [CHILD] support payments ordered by a court of this state that are
24 delinquent.

25 * Sec. 7. AS 47.23.226 is amended to read:

26 Sec. 47.23.226. COLLECTION OF [CHILD] SUPPORT. To collect the
27 payment due, the custodian of a child, or the agency on behalf of that
28 person, shall file with the court (1) a motion requesting establish-
29 ment of a judgment; (2) an affidavit that states that one or more

1 payments of [CHILD] support are 30 or more days past due and that
2 specifies the amounts past due and the dates they became past due; and
3 (3) notice of the obligor's right to respond. Service on the obligor
4 must [SHALL] be in the manner provided in AS 47.23.265. The child's
5 custodian, or the agency on behalf of the custodian, shall file with
6 the court proof of service of the petition, affidavit, and notice.
7 The obligor shall respond no later than 15 days after service by
8 filing an affidavit with the court. If the obligor's affidavit states
9 that the obligor has paid any of the amounts claimed to be delinquent,
10 describes in detail the method of payment or offers any other defense
11 to the petition, then the obligor is entitled to a hearing. After the
12 hearing, if any, the court shall enter a judgment for the amount of
13 money owed. If the obligor does not file an affidavit under this
14 section, the court shall enter a default judgment against the obligor.

15 * Sec. 8. AS 47.23.265(b) is amended to read:

16 (b) A person required by court order to make [CHILD] support
17 payments through the agency shall keep the agency informed of the
18 person's current address.

19 * Sec. 9. AS 47.23.273 is amended to read:

20 Sec. 47.23.273. REPORTING OF PAYMENT INFORMATION CONCERNING
21 DELINQUENT OBLIGORS. (a) The agency may provide to credit bureaus or
22 lending institutions of any kind information about delinquent [CHILD]
23 support owed by obligors. The information so provided must consist
24 solely of the payment history of the obligor for a period not to
25 exceed 10 years before the date the information is provided.

26 (b) Upon an obligor's payment of delinquent [CHILD] support, the
27 agency shall immediately notify all credit bureaus and lending insti-
28 tutions that were furnished information about the obligor under (a) of
29 this section that the obligor is no longer delinquent.

1 * Sec. 10. AS 47.23.900(3) is amended to read:

2 (3) "duty of support" includes a duty of [CHILD] support
3 imposed or imposable by law, by a court order, decree or judgment, or
4 by a finding or decision rendered under this chapter whether inter-
5 locutory or final, whether incidental to a proceeding for divorce,
6 legal separation, separate maintenance, or otherwise, and includes the
7 duty to pay arrearages of support past due and unpaid together with
8 penalties and interest on arrearages imposed under AS 47.23.-
9 020(a)(2)(C);

10 * Sec. 11. AS 47.23.900(7) is amended to read:

11 (7) "support order" means any judgment, decree, or order of
12 [CHILD] support in favor of an obligee whether temporary or final, or
13 subject to modification, revocation, or remission, regardless of the
14 kind of action or proceeding in which it is entered.

15 * Sec. 12. AS 47.25 is amended by adding a new section to read:

16 Sec. 47.25.345. ASSIGNMENT OF SUPPORT RIGHTS. An applicant for
17 or recipient of assistance under AS 47.25.310 -- 47.25.420 is con-
18 sidered to have assigned to the state, through the child support en-
19 forcement agency, all rights to accrued and continuing support that
20 the applicant and other persons for whom assistance is sought may have
21 from any source. The assignment takes effect upon a determination
22 that the applicant is eligible for assistance under AS 47.25.310 --
23 47.25.420. Except with respect to the amount of any unpaid support
24 obligation accrued under the assignment, the assignment terminates
25 when the applicant ceases to receive assistance.

26 * Sec. 13. This Act takes effect immediately in accordance with AS 01.-
27 10.070(c).

ANALYSIS OF SENATE BILL 370

An Act relating to aid to families with dependent children and to child support and enforcement and providing for an effective date

This bill makes the following revisions to the state's child support enforcement statutes:

- 1) Sections 1 and 6 through 11 amend existing law to reflect the child support enforcement agency's duty to collect spousal support in cases in which it is collecting child support. The current use of the term "child support" restricts the agency's ability to meet its statutory directive.
- 2) Section 4 clarifies that a non-supporting parent is liable for the full amount of an Aid to Families with Dependent Children (AFDC) grant, which includes the amounts paid to the child and to the custodial parent. Unless established by the court, current statute limits the obligor's payment to the amount of AFDC paid to the child even though the amount paid to the parent is for the child's care.
- 3) Section 12 automatically assigns an individual's rights to child and spousal support to the state upon application for AFDC. This assignment is required by federal law and is currently handled through an application form filled out by the Department of Health and Social Services and transmitted to the child support enforcement agency. Section 12 would expedite the process.
- 4) Sections 2 and 5 correct incorrect references. Section 3 brings our statute into compliance with federal law.

There is no fiscal impact although the Child Support Enforcement Agency foresees saving money with passage of this legislation although an amount is hard to determine.

STATE OF ALASKA 1986 LEGISLATIVE SESSION

FISCAL NOTE

Revision Date : _____

REQUEST

Bill/Resolution No. : SB No. 370
 Title : An Act relating to aid to families with dependent children...
 Sponsor : Rules by Request
 Requestor : Governor
 Date of Request : 1/19/86

FISCAL DETAIL

Agency Affected : Health & Social Services
 BRU : Public Assistance/Administration
 Components : Eligibility Determination

EXPENDITURES/REVENUES : (Thousands of Dollars)

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES	-0-	-0-	-0-	-0-	-0-	-0-
TRAVEL	-0-	-0-	-0-	-0-	-0-	-0-
CONTRACTUAL	-0-	-0-	-0-	-0-	-0-	-0-
SUPPLIES	-0-	-0-	-0-	-0-	-0-	-0-
EQUIPMENT	-0-	-0-	-0-	-0-	-0-	-0-
LAND & STRUCTURES	-0-	-0-	-0-	-0-	-0-	-0-
GRANTS, CLAIMS	-0-	-0-	-0-	-0-	-0-	-0-
MISCELLANEOUS	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
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REVENUE	-0-	-0-	-0-	-0-	-0-	-0-
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FUNDING : (Thousands of Dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS	-0-	-0-	-0-	-0-	-0-	-0-
OTHER	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS :

FULL-TIME	-0-	-0-	-0-	-0-	-0-	-0-
PART-TIME	-0-	-0-	-0-	-0-	-0-	-0-
TEMPORARY	-0-	-0-	-0-	-0-	-0-	-0-

ANALYSIS : Attach a separate page if necessary

Bill will result in no new costs; it will reduce paperwork, but not so substantially as to result in measurable savings.

Prepared by: *John P. Taber* *John P. Taber*, Director Phone: 465-3347
 Division: Division of Public Assistance Date: 2-4-86 *JCC*
 Approved by Commissioner: *John R. Poy* Date: 2/7/86
 Agency: Health & Social Services

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

035

POSITION PAPER

SENATE BILL No. 370

For "An Act relating to Aid to Families with Dependent Children and to Child Support Enforcement; and providing for an effective date."

I. BACKGROUND

This Act provides for a variety of changes relating to child support enforcement statutory provisions. The Department of Health and Social Services supports all reasonable measures that enhance the ability of the Child Support Enforcement Division to collect child support, since active collection efforts tend to delay or eliminate the need for single parents to obtain assistance from the Aid to Families with Dependent Children Program (AFDC) and assist AFDC recipients families to leave assistance rolls. We particularly support the proposal of Section 4, which would clarify existing statutes to provide that an absent parent is obligated to repay the State up to the total amount of the AFDC provided, not merely to the child's portion of the AFDC payment.

However, we wish to make specific comments concerning only Section 12 of SB No. 370, which would amend AS 47.25.345 to provide for an automatic assignment of rights to the State to collect child support on behalf of an AFDC recipient. This would eliminate the need for each AFDC applicant to individually complete an "Assignment of Rights to Child Support" form as a mandatory part of the application process.

This may seem to be insignificant change, but in fact it would result in a substantial benefit to assistance clients and to the staff of the Division of Public Assistance (DPA) and of the Child Support Enforcement Division (CSED). There are approximately 750 applications and reapplications for AFDC each month. Of these actions, almost 650 must, as a federal condition of AFDC eligibility, be accompanied by a signed assignment form. A copy of each of these forms must be retained in the DPA AFDC casefile. The original must be timely forwarded from DPA to CSED, where it must be promptly filed in the correct new or existing enforcement file. However, processing 15,600 pieces of paper between the many offices of DPA and CSED each year, quickly and accurately, is a substantial burden. Since DPA cannot grant AFDC without a valid assignment, and CSED cannot enforce collection without a valid assignment, any errors in this clerical processing can result in federal fiscal penalties in AFDC and the inability of CSED to take enforcement actions.

In addition, having to complete this form is frequently difficult for AFDC applicants, particularly for those who are not well-educated, those who have difficulty reading, or those who apply by mail or through a DPA Fee Agent. The form has been worded as simply as possible, and it requires only a signature and a date. However, it is a legal form, and

Position Paper SB 370
Page 2

clients have trouble understanding what it means. They frequently fail to understand that no AFDC can be granted unless the form is signed and submitted with their application or reapplication. Particularly in rural areas, we find we must often delay assistance to clients who are clearly otherwise eligible and are in fairly urgent need of assistance, while we correspond to obtain a valid assignment.

Section 12 of SB No. 370, as proposed, would eliminate this increasing avalanche of paper, and its enactment would be beneficial to the Child Support Enforcement Division, to the Division of Public Assistance, and to their mutual clients.

II. RECOMMENDATION

The Department of Health and Social Services supports passage of SB No. 370.

[This position paper has been coordinated with the Department of Revenue, Child Support Enforcement Division.]

Recommended by: John R. Taber
John R. Taber, Director
Division of Public Assistance

Date: 2-5-86

Approved by: John R. Pugh
John R. Pugh, Commissioner
Department of Health &
Social Services

Date: 2/7/86

BILL SHEFFIELD
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

January 29, 1986

The Honorable Don Bennett
President of the Senate
Alaska State Legislature
P. O. Box V
Juneau, AK 99811

Dear Senator Bennett:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill that automatically assigns to the state the support rights of recipients of Aid to Families with Dependent Children (AFDC), clarifies a nonsupporting parent's liability for AFDC paid for his or her child, and makes technical amendments to the support enforcement statutes.

AFDC is a joint federal-state program that provides financial assistance to needy dependent children living with parents or relatives. In order to participate in the AFDC program, a state must require that all applicants for and recipients of AFDC assign their rights to support, from any source, to the state. 45 C.F.R. sec. 232.11. In order to comply with federal law, the Department of Health and Social Services requires an applicant to sign a form assigning those rights, and transmits the form to the child support enforcement division (CSED) of the Department of Revenue for action. By making assignment of AFDC applicants' and recipients' support rights automatic, sec. 1 of the bill eliminates the need to pass papers from one state agency to another, thereby allowing CSED to proceed more expeditiously to collect support.

Sections 2 and 7 -- 12 of the bill amend child support enforcement statutes in AS 47.23 to reflect CSED's duty under AS 47.23.020 to collect spousal support in cases in which it is administering child support. By referring to

"support," rather than "child support," the statutes would enhance the agency's ability to meet its statutory directive.

The amendment to AS 47.23.062(b), in sec. 3 of the bill, merely corrects a reference to reflect amendments enacted in the 1985 session.

The amendment to AS 47.23.062(1), in sec. 4 of the bill, is to bring our statute into compliance with federal law. 45 C.F.R. 303.100(a)(9).

By adding the phrase "for the benefit of" before the word "child" in AS 47.23.120(a), sec. 5 of the bill makes clear that a nonsupporting parent is potentially liable for the full amount of an AFDC grant paid to the parent or relative caring for the nonsupporting parent's child, rather than just the portion paid "to" the child. This is appropriate, because AFDC grants are calculated to allow parents or relatives to care for needy dependent children. The full amount of the grants is intended to benefit the children.

The amendment to AS 47.23.170(e)(2), in sec. 6 of the bill, is a technical one, to correct an incorrect reference.

Finally, sec. 13 provides that the bill take effect immediately so that the agency can fully exercise its enforcement authority and collect support without delay.

Because the bill brings Alaska law into compliance with federal law, expedites the support enforcement process, and fosters the agency's ability to meet its statutory directive to collect both child and spousal support, I urge your prompt passage of this bill.

Sincerely,



Bill Sheffield
Governor

COMMITTEE REPORT
SENATE

FURTHER: Finance

1/29/86

Date 3-6-86

Mr. President

The Committee on HESS considered SB 370
relating to aid to families with dependent children and to child
support and enforcement; efd.

and (a majority of the committee) (the committee) reports it back with
the following recommendations:

- do pass
- do pass with attached amendment(s)
- replace with/or adopt CS for _____
- new title
- same title and recommends _____
- and attached a "LETTER OF INTENT" [] NEW FISCAL NOTE
- reports it back without recommendation
- recommends referral to _____ Committee

MEMBERS SIGNING
DO PASS

Paul Josephson
Paul Frick
Arthur Stupulski

MEMBERS HAVING
OTHER RECOMMENDATIONS

Edna M. Wier N.R.

Dittye Fahrenkamp
Chairman

Chairman recommendation