

SB

116

STATE OF ALASKA

DEPARTMENT OF REVENUE

TONY KNOWLES, GOVERNOR

STATE OFFICE BUILDING
P.O. BOX 110410
JUNEAU, ALASKA 99811-0410

March 13, 1995

Honorable Lyda Green, Chair
Senate HESS
Alaska State Senate
State Capitol, Room 423
Juneau, Alaska 99801

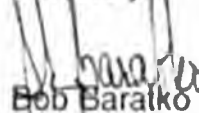
Re: SB 116

Dear Senator Green:

On behalf of the Commissioner of Revenue, I wish to request that SB 116 (an Act relating to administrative establishment of paternity and establishing paternity by affidavit; relating to child support enforcement; and providing for an effective date) be scheduled for an early hearing. The bill would amend relevant portions of the laws currently found in AS 25.27 to allow CSED to administratively determine the paternity of children. The bill also amends AS 18.50.160 relating to the identification of parents on birth certificates by voluntary acknowledgement. The bill does not affect any existing court rules.

If you need additional information, please let me know.

Sincerely,



Bob Baratko
Legislative Liaison
Department of Revenue

95-026

MAR 13 1995

March 13, 1995
Page 2

cc: Pat Pourchot, Legislative Director
Office of the Governor

Deb Behr, Legislative Liaison
Department of Law

Elmer Lindstrom, Legislative Liaison
Department of Health and Social Services

MAR 13 1995

HB 244 - SB 116

This bill provides for the administrative establishment of paternity, and for paternity to be established based upon the affidavits of the child's mother, her husband, and another man who is the child's father. The benefits and important features of the bill include the following:

- Paternity cases are currently handled only by Alaska's courts. Providing for establishment of paternity by CSED will speed up the establishment and enforcement of child support orders.
- The statute allows for paternity establishment through the courts or the agency. More complicated cases will generally be referred to court.
- Administrative establishment of paternity will allow CSED to meet federal deadlines for support order establishment, assuring continued federal funding.
- Paternity may be established administratively based on the putative father's acknowledgement of paternity or based on genetic test results according to the standard set forth in AS 25.20.050.
- The administrative paternity procedures are designed to give full due process, including service of the notice of paternity and financial responsibility by formal service rules; opportunity to object to genetic test results; and availability of full administrative hearing procedures followed by opportunity for court review.
- In the case of a child born in wedlock who is not the natural child of the husband, paternity may be established by affidavit of the mother, the husband and the other man who is the father of the child. This will avoid the expense and delay of filing a paternity action where all relevant parties agree.

TONY KNOWLES
GOVERNOR



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STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

March 6, 1995

The Honorable Drue Pearce
President of the Senate
Alaska State Legislature
State Capitol
Juneau, AK 99801-8881

Dear President Pearce:

Under the authority of art. III, sec. 18. of the Alaska Constitution, I am transmitting a bill relating to the administrative determination of paternity by the Department of Revenue, child support enforcement division (CSED) and addressing the establishment of paternity based on voluntary acknowledgement of paternity by appropriate parties.

The bill would amend relevant portions of the laws currently found in AS 25.27 to allow CSED to administratively determine the paternity of children. The bill also amends AS 18.50.160, relating to the identification of parents on birth certificates by voluntary acknowledgement. The bill does not affect any existing court rules.

Under recent federal regulations adopted in December 1994, time frames for the establishment of paternity and support orders have been significantly shortened. In order to determine how best to meet these deadlines, CSED has reviewed the relevant Alaska statutes and its administrative procedures to identify areas that could be handled more efficiently than under the current state statutes and regulations. One such area is the determination of paternity. Under current state law, such determinations may only be made by a court.

This bill establishes a procedure by which CSED may determine paternity administratively, without resort to the courts. Under the proposed statute changes, CSED may initiate an administrative proceeding to determine paternity upon application of the child's mother or guardian or upon application of the State of Alaska or of another state. The proceeding is initiated through service of a Notice of Paternity and Financial Responsibility, together with an administrative order requiring the parties to submit to

The Honorable Drue Pearce

March 6, 1995

Page 2

genetic testing. Unless paternity is admitted or the alleged father fails to respond to the notice, CSED's determination of paternity will be based upon the results of the genetic testing and other evidence. In conjunction with the paternity proceeding, CSED also may establish the amount of the support obligation, which CSED is already permitted to do under existing law.

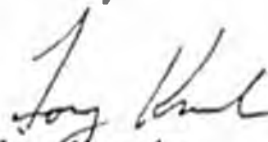
Through an appeal process, the bill safeguards the alleged father's rights with respect to the determination of paternity. Once CSED has issued its finding of paternity, the alleged father may request a formal hearing, after which the alleged father also will be entitled to judicial review if a timely appeal is filed with the superior court.

The bill amends the state law relating to the identification of parents on a child's birth certificate. The bill would allow the Bureau of Vital Statistics to enter a father's name on a child's birth certificate based on voluntary acknowledgements of paternity by the appropriate parties. If the child was born in wedlock (and, thus, the mother's husband is the legally presumed father), affidavits must be provided by the mother, her husband, and the alleged father, attesting that the husband is not the child's father and that the alleged father is the father of the child. If the child was born out of wedlock, affidavits are needed only from the mother and the alleged father, attesting that the alleged father is the child's father.

The bill also recognizes the growing use of administrative procedures in addition to or in place of judicial proceedings in the establishment of paternity and the establishment and enforcement of support orders. The changes proposed in the bill are intended to increase the efficiency of the child support enforcement process by allowing CSED and, in certain cases the parties themselves, to determine the paternity of children.

I urge prompt consideration and passage of this bill.

Sincerely,



Tony Knowles
Governor

STATE OF ALASKA
1995 LEGISLATIVE SESSION

No. 4
Bill Version: SB 116
(S) Publish Date: 3/7/95

Revision Date: _____ Dept. Affected: Health and Social Services
Title: Determination of Paternity BRU: State Health Services
Sponsor: _____ Component: Bureau of Vital Statistics
Requestor: Governor's Office COMPONENT SERIAL NO. 961
See also (SN#): _____

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY96	FY97	FY98	FY99	FY00	FY01
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGES IN REVENUES						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other (please specify)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of any current year (FY95) cost: \$0.0

ANALYSIS: (Attach a separate page if necessary)

This bill has no impact on the Division of Public Health

Prepared by: Peter M. Nakamura, MD, MPH Phone: (907) 465-3090
Division: Public Health Date: 03/06/95

Approved by Commissioner: Karen Perdue, Commissioner Date: 3/6/95
Agency: Department of Health & Social Services

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FISCAL NOTE

No. 3

STATE OF ALASKA
1995 LEGISLATIVE SESSION

Bill Version: SB 116

(S) Publish Date: 3/7/95

Revision Date: _____
Title: Administrative Establishment of Paternity
Sponsor: Rules
Requestor: Governor

Department Affected: Revenue
BRU: Child Support Enforcement Division
Component: Child Support Enforcement Division
COMPONENT SERIAL NO. 111

EXPENDITURES/REVENUES:

(Thousands of Dollars)

OPERATING EXPENDITURES	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
PERSONAL SERVICES	169.1	351.7	385.8	380.4	395.6	411.5
TRAVEL						
CONTRACTUAL	86.2	180.2	180.3	196.9	206.0	215.4
SUPPLIES	3.2	6.4	6.4	6.4	6.4	6.4
EQUIPMENT	83.1	0	0	0	0	0
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	341.6	538.3	560.5	583.7	608.0	633.3

CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
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CHANGE IN REVENUES ()	425.0	850.0	850.0	850.0	850.0	850.0
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FUND SOURCE:

(Thousands of Dollars)

1002 Federal Receipts	225.4	355.3	369.9	385.3	401.3	418.0
1003 GF Match	46.1	72.7	75.7	78.7	82.1	85.4
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
OTHER	70.0	110.3	114.9	119.7	124.6	129.9
TOTAL	341.6	538.3	560.5	583.7	608.0	633.3

Estimate of any current year (FY 95) cost: \$ 0.0

POSITIONS:

FULL-TIME	3	3	3	1	3	3
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary.)

The administrative establishment of paternity, in cases where the putative father has acknowledged paternity or a genetic test indicates a 95% or better probability that the putative father is the father, will decrease the time required to establish paternity. This decreased time will help CSED meet the new Federal time frame for establishment which require that an order must be established in 75% of the cases within 6 months of location of the obligor including establishing paternity if required. The previous requirement was that paternity had to be established within one year of serving the paternity complaint on the putative father. Once paternity was established CSED had an additional 3 months to establish an order. By establishing paternity more quickly, obligors will not accumulate large arrearage prior to being adjudicated the father. Obligor will be more likely to pay and will begin paying earlier. This will increase AFDC collections approximately \$1,700,000 per year of which the state will retain \$850,000. FY 96 revenues will be \$425,000 for half a year.

Prepared by: Glonda Straube
Division: Child Support Enforcement Division

Phone: 262-6801
Date: _____

Approved by Commissioner: Wilson L. Conger
Agency: Department of Revenue

Date: 3/6/95

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PERSONNEL SUPPLY COSTS

Line of Item	Program Title	Range	Salary	Benefits	FY 95 Total Costs	FY 97 Total Costs	FY 98 Total Costs	FY 99 Total Costs	FY 00 Total Costs	FY 01 Total Costs
8	CPD1	15	20,794	12,537	160,000	261,751	265,000	269,411	269,677	271,473

Contractor salaries are estimated using 2001-02
 * Program is effective 1/1/98 plus the cost reduction 1/2 of total state fiscal year cost
 ** Estimated, based on 4% increase in salary fiscal year

PERSONNEL SUPPLY COSTS

Line of Item	FY 95 Est Supply Cost Per Day	FY 97 Est Supply Cost Per Day	FY 98 Est Supply Cost Per Day	FY 99 Est Supply Cost Per Day	FY 00 Est Supply Cost Per Day	FY 01 Est Supply Cost Per Day	
8	400	600	600	600	600	600	
TOTAL SUPPLY COSTS		2,500	4,000	2,000	9,000	6,000	6,000

Salary costs were estimated at \$10 per year per person. The number is based on FY 95 planning
 Budget was divided by 171 employees
 ** Program is effective 1/1/98 plus the cost reduction 1/2 of total state fiscal year cost

PERSONNEL EQUIPMENT COSTS

Line of Item	FY 95 Workstation Est Cost Per Day	FY 97 Workstation Est Cost Per Day	FY 98 Workstation Est Cost Per Day	FY 99 Workstation Est Cost Per Day	FY 00 Workstation Est Cost Per Day	FY 01 Workstation Est Cost Per Day
8	10,900	-	-	-	-	-
TOTAL EQUIPMENT COSTS		10,900				

Workstation costs are based on a projection of \$100 in FY 95 planning and \$100 per workstation
 \$2,900 for technical workstation, \$500 for chairs and \$450 for the address. 3,600
 Computer costs are based on a projection of \$100 in FY 95 planning and \$100 per workstation
 all workstation costs. (see attachment) 3,700
 (Workstation and computer cost in FY 95 planning, program and workstation
 all workstation costs. (see attachment) 1,100
 10,900

PERSONNEL CONTRACTUAL COSTS

Line of Item	FY 95 Contractual Est Cost Per Day	FY 97 Contractual Est Cost Per Day	FY 98 Contractual Est Cost Per Day	FY 99 Contractual Est Cost Per Day	FY 00 Contractual Est Cost Per Day	FY 01 Contractual Est Cost Per Day	
8	9,812	10,833	11,854	12,875	13,896	14,917	
TOTAL CONTRACTUAL COSTS		9,812	10,833	11,854	12,875	13,896	14,917

Contractual costs were estimated by using FY 95 budget contract cost (\$1,000) and dividing by average number of employees (126.5)
 FY 97 and 98 were projected at 5% increase each year 10,833
 ** Program is effective 1/1/98 plus the cost reduction 1/2 of total state fiscal year cost

PERSONNEL SPONSORSHIP COSTS

Line of Item	FY 95 Sponsorship Est Cost Per Day	FY 97 Sponsorship Est Cost Per Day	FY 98 Sponsorship Est Cost Per Day	FY 99 Sponsorship Est Cost Per Day	FY 00 Sponsorship Est Cost Per Day	FY 01 Sponsorship Est Cost Per Day	
8	1,000	2,000	3,000	4,000	5,000	6,000	
TOTAL SPONSORSHIP COSTS		1,000	2,000	3,000	4,000	5,000	6,000

Spouse and dependent costs are based on a projection of \$1,000 per spouse and \$1,000 per dependent
 \$1,000 at 120 spouse and 120 dependent. No spouse and dependent in fiscal year projected above 3,000
 ** Program is effective 1/1/98 plus the cost reduction 1/2 of total state fiscal year cost

2073

**ADMINISTRATIVE PATERNITY ESTABLISHMENT
COST PROJECTIONS**

	FY 96 Projected Cost \$	FY 97 Projected Cost \$	FY 98 Projected Cost \$	FY 99 Projected Cost \$	FY 00 Projected Cost \$	FY 01 Projected Cost \$
Personnel Services	180,000	251,211	305,700	309,411	305,627	411,451
Supplies	1,000	8,400	6,400	8,400	8,400	8,100
Equipment	87,000	-	-	-	-	-
Contractual	28,010	163,878	172,000	180,657	180,858	110,141
Space	8,500	16,320	16,320	16,320	16,320	16,320
Total	341,556	538,265	660,525	583,758	608,005	633,313
Projected Funding Sources						
Federal Match (65%)	225,427	355,255	360,947	385,290	401,288	411,451
Federal Incentive (20.5%)	70,019	110,344	114,008	119,670	121,841	129,870
State General Fund (13.6%)	46,110	72,666	75,570	78,807	85,081	85,427
Total	341,556	538,265	660,525	583,758	608,005	633,313

STATE OF ALASKA
1995 LEGISLATIVE SESSION

FISCAL NOTE

No. 2
Bill Version: SB 116
(S) Publish Date: 3/7/95

Revision Date: _____ Dept. Affected: Health and Social Services
Title: An Act relating to the administrative establishment of paternity BRU: Assistance Payments
Sponsor: Rules Component: AFDC
Requestor: Governor COMPONENT SERIAL NO. 220

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY96	FY97	FY98	FY99	FY00	FY01
PERSONAL SERVICES	0.0	0.0	0.0	0.0	0.0	0.0
TRAVEL	0.0	0.0	0.0	0.0	0.0	0.0
CONTRACTUAL	0.0	0.0	0.0	0.0	0.0	0.0
SUPPLIES	0.0	0.0	0.0	0.0	0.0	0.0
EQUIPMENT	0.0	0.0	0.0	0.0	0.0	0.0
LAND & STRUCTURES	0.0	0.0	0.0	0.0	0.0	0.0
GRANTS, CLAIMS	0.0	0.0	0.0	0.0	0.0	0.0
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
CHANGES IN REVENUES	0	0	0	0	0	0

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1003 GF Match	(425.0)	(850.0)	(850.0)	(850.0)	(850.0)	(850.0)
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts	425.0	850.0	850.0	850.0	850.0	850.0
1006 GF/MHTA	0.0	0.0	0.0	0.0	0.0	0.0
Other 1007 I/A Receipts	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	0.0	0.0	0.0	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

Estimate of any current year (FY95) cost: \$ NONE

ANALYSIS: (Attach a separate page if necessary)

This bill establishes authority for the Child Support Enforcement Division of the Department of Revenue to establish paternity by an administrative process. CSED expects child support collections on behalf of AFDC children to increase as a result of this legislation.

AFDC applicants assign to the State the right to collect child support on behalf of AFDC children. When CSED collects child support on behalf of an AFDC child, the first \$50 per month is paid to the AFDC family. Fifty percent of the amount collected is transferred as GF Program Receipts to the AFDC component of the Assistance Payments BRU. The remainder is paid to the federal government to offset federal AFDC costs.

Prepared by: Jim Nordlund, Director Phone: 465-2680
Division: Division of Public Assistance Date: 3/6/95
Approved by Com: Karen Perdue, Commissioner Date: 3/6/95
Agency: Department of Health & Social Services

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ANALYSIS (cont.):

The GF Program Receipts transferred to the AFDC component are used in place of GF Match funds.

Assumptions:

We assume that the GF Program Receipt funds transferred from CSED to the AFDC program offset AFDC GF Match funds dollar-for-dollar.

Calculations:

CSED projects the following amounts of increased GF Program Receipts to be transferred to the AFDC Component as a result of this legislation:

FY 96: 425.0

FY 97- FY 01: 850.0 per year

FISCAL NOTE

No. 1

Bill Version: SB116

(S) Publish Date: 3/7/95

STATE OF ALASKA
1995 LEGISLATIVE SESSION

Revision Date: _____ Dept. Affected: Department of Law
 Title: "...administrative establishment of paternity and BRU: Legal Services
establishing paternity by affidavit...child support enforcement..." Component: Operations
 Sponsor: Rules by Request of the Governor
 Requester: Governor's Office/OMB COMPONENT SERIAL NO. 0093

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES						
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FUND SOURCE (Thousands of Dollars)

FUND SOURCE	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY95) cost: \$ 0.0

POSITIONS

POSITIONS	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
FULL-TIME	0.0	0.0	0.0	0.0	0.0	0.0
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

This bill would allow the Child Support Enforcement Division to administratively determine the paternity of children. The bill also amends AS 18.50.160, relating to the identification of parents on birth certificates by voluntary acknowledgement.

The bill establishes a procedure by which CSED may determine paternity administratively, without resort to the courts. Under the proposed statute changes, CSED may initiate an administrative proceeding to determine paternity upon application of the child's mother or guardian or upon application of the State of Alaska or of another state. The proceeding is initiated through service of a Notice of Paternity and Financial Responsibility, together with an administrative order requiring the parties to submit to genetic testing. Unless paternity is admitted or the alleged father fails to respond to the notice, CSED's determination of paternity will be based upon the results of the genetic testing and other evidence. In conjunction with the paternity proceeding, CSED also may establish the amount of the support obligation, which CSED is already permitted to

Prepared by: Richard I. Peque's Director Phone: 465-3672
 Division: Administrative Services Division Date: 3/6/95
 Approved by Commissioner: Bruce M. Botelho, Attorney General Date: 3/6/95
 Agency: Department of Law

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FISCAL NOTE

STATE OF ALASKA
1995 LEGISLATIVE SESSION

BILL NO.

ANALYSIS CONTINUATION:

do under existing law.

Through an appeal process, the bill safeguards the alleged father's rights with respect to the determination of paternity. Once CSED has issued its findings of paternity, the alleged father may request a formal hearing, after which the alleged father also will be entitled to judicial review if a timely appeal is filed with the superior court.

CSED does not require the Department of Law's assistance in CSED's administrative proceedings, except in extreme circumstances. Consequently, the bill will not have a fiscal impact for the Department of Law.