

**SB**

**154**

**SFIN**

**FILE**

STATE OF ALASKA  
1997 LEGISLATIVE SESSION

Bill Version: CS 98154 (HES)  
(S) Publish Date: 4/29/97

Revision Date: 04/25/97  
Title: Paternity Determination & Child Support  
Sponsor: Pearce  
Requestor: Senate HESS

Dept. Affected: Health and Social Services  
BRU: State Health Services  
Component: Bureau of Vital Statistics  
COMPONENT SERIAL NO. 961  
See also (SN#): \_\_\_\_\_

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING	FY98	FY99	FY00	FY01	FY02	FY03
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

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						
1037 GF/Mental Health						
Other (please specify)						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of any current year (FY97) cost: \$0.0

ANALYSIS: (Attach a separate page if necessary)

The Division of Public Health is submitting this revised fiscal note to reflect a zero cost. The Bureau of Vital Statistics will be able to reduce the one time costs by performing the reprogramming of the vital records file in house through the utilization of the two staff Analyst/Programmers. The remaining costs of \$4.7 will be covered by the current budget allocation.

*5/4/97*

Prepared by: Peter M. Nakamura, MD, MPH  
Division: Public Health  
Approved by Commissioner: Karen Perdue, Commissioner  
Agency: Department of Health & Social Services

Phone: (907) 465-3090  
Date: 04/25/97  
Date: 4/25/97

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MAY 8 1997

Revision Date: \_\_\_\_\_ Dept. Affected: Revenue  
 Title: Child Support and Paternity BRU: Child Support Enforcement  
 Component: Child Support Enforcement  
 Sponsor: Senator Pearce  
 Requestor: (S) HES COMPONENT SERIAL NO. 111

Expenditures/Revenues: (Thousands of Dollars)

	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
<b>OPERATING EXPENDITURES</b>						
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>CAPITAL EXPENDITURES</b>						
<b>CHANGE IN REVENUES ( )</b>						

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY97) cost \$ 0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

**ANALYSIS: (Attach a separate page if necessary)**

While this fiscal note reflects no increased operating funds associated with this legislation, there are continuing increases in federal requirements. These increases will continue to drive up the costs of collecting child support. To meet these increasing federal demands each state must review its operating procedures and workflow requirements and determine if these are best met with an increase of personnel and contracting for services or with further automation.

Past experience has shown that adding modest increments has ultimately resulted in an increase in revenues that meet or exceed the general fund increment. In a different budget atmosphere, we would have asked for funding authority for an additional \$2.2 million. Of that amount \$680,000 would have been general fund appropriation. Because of the intense focus on the general fund line (regardless of any corresponding increase in revenue), we have not asked for more operating funds. In addition, a review of workflow within the Division indicates that an increase in automation would provide a better solution at this time. With the maximum use of technology (see capital budget), we can better attempt to meet federal requirements without additional operating costs.

Prepared by: Glenda Staube Phone: 269-6801  
 Division: Child Support Enforcement Date: April 25, 1997  
 Approved by Commissioner: Wilson L. Condon *Robert M. Bartelme* Date: April 25, 1997  
 Agency: Revenue *for*

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# FISCAL NOTE

STATE OF ALASKA  
1997 LEGISLATIVE SESSION

REPORTED DATE  
**MAY 8 1997**

No. 3  
Bill Version: CS SB 154(AES)  
(S) Publish Date: 4/29/97

Revision Date: \_\_\_\_\_ Department: Commerce and Economic Development  
Title: An Act relating to paternity determination and child BRU: Occupational Licensing  
support; ... \_\_\_\_\_ Component: Operations  
Sponsor: Senator Pearce  
Requestor: Senate HESS COMPONENT SERIAL NO. 1844

Expenditures/Revenues	(Thousands of Dollars)					
OPERATING EXPENDITURES	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	0.0	0.0	0.0	0.0	0.0	0.0
<b>CAPITAL EXPENDITURES</b>						
<b>CHANGE IN REVENUES</b>	0.0	0.0	0.0	0.0	0.0	0.0

FUND SOURCE	(Thousands of Dollars)					
1002 Federal Receipts						
1003 GF Match						
1004 General Fund						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other 1091 Designated PR						
<b>TOTAL</b>	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY 97) cost: \$ 0.0

**POSITIONS**

FULL-TIME						
PART-TIME						
TEMPORARY						

**ANALYSIS:** (Attach a separate page if necessary)

SB 154 amends the Centralized Licensing statutes of AS 08.01 to: 1) require the social security number of applicants; 2) allow copies of records maintained for child support enforcement purposes to be copied to other child support enforcement agencies; and 3) prohibit the renewal of a license unless a social security number is provided. New funds are not required to implement these provisions.

Prepared by: Jennifer Strickler, Administrative Manager  
Division: Occupational Licensing  
Approved by Commissioner: William L. Hensley  
Agency: Commerce and Economic Development

Phone: 465-2144  
Date: 4/22/97  
Date: 4-23-97

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REPORTED 1997F  
MAY 8

**FISCAL NOTE**

No. 4  
Bill Version: CSSB 154(HES)  
(S) Publish Date: 4/29/97

STATE OF ALASKA  
1997 LEGISLATIVE SESSION

Revision Date: \_\_\_\_\_ Dept. Affected: Alaska Court System  
Title: Child Support Obligations BRU: Trial Courts  
Sponsor: Sen. Pearce Component: \_\_\_\_\_  
Requestor: Senate HESS COMPONENT SERIAL NO. 788

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY 97	FY 98	FY 00	FY 01	FY 02	FY 03
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS & CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
CAPITAL EXPENDITURES						
CHANGE IN REVENUES ( )						

Fund Source (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY 97) cost: None

Positions

Full-Time						
Part-Time						
Temporary						

**ANALYSIS:** (Attach a separate page if necessary)

Although SB 154 increases the types of licenses subject to revocation, no significant increase in court reviews is anticipated as most hunting, fishing, and crewmen license revocations will be done concurrently with driver's license revocations.

Note that the court will see an increase in the number of actions related to people hunting, fishing, and crewing without a license. Because the number of such cases cannot be accurately assessed, no cost is estimated.

Prepared by: Doug Wooliver, Administrative Attorney Phone: 264-8228  
Agency: Alaska Court System Date: 04/28/97

Approved by: Stephanie J. Cole, Acting Administrative Director Date: 04/28/97  
Agency: Alaska Court System

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STATE OF ALASKA  
1997 LEGISLATIVE SESSION

FISCAL NOTE

No. 5  
Bill Version: CSSB 154(HES)  
(S) Publish Date: 4/29/97

REPORTED OUT OF  
SFC MAY 8 1997

Revision Date: \_\_\_\_\_  
Title: Paternity Determination and Child Support  
Sponsor: Senator Drue Pearce  
Requestor: HESS, Finance

Dept. Affected: Health and Social Services  
BRU: Public Assistance  
Component: ATAP  
COMPONENT SERIAL NO. 220  
See also (SN#): \_\_\_\_\_

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING	FY98	FY99	FY00	FY01	FY02	FY03
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

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						
1037 GF/Mental Health						
Other (please specify)						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of any current year (FY97) cost: \$0.0

ANALYSIS: (Attach a separate page if necessary)

The proposed legislation, if enacted and adequately funded, will increase child support collections. Presuming that the increase in collections includes additional support payments for dependent children receiving assistance from ATAP, DPA should see an increase in designated general fund program receipts.

If CSED is unable to implement provisions of this legislation, CSED will be out of compliance with federal law (PL104-193). Failure to comply with federal law results in a penalty of up to 5% of the federal TANF block grant. Federal law also requires that in the year following a reduction in the TANF grant due to a penalty, the state must increase its spending by an amount equal to the penalty. The penalty for non-compliance could be as much as \$3,150,000 in the first year.

DPA does not have enough information to determine the fiscal impacts of this legislation.

*SJP/AN*

Prepared by: Jim Nordlund  
Division: Public Assistance

Phone: 45-3349  
Date: 04/14/97

Approved by Commissioner: Karen Perdue, Commissioner  
Agency: Department of Health & Social Services

Date: 7/17/97

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REPORTED OUT OF  
SFC MAY 8 1997

FISCAL NOTE

STATE OF ALASKA  
1997 LEGISLATIVE SESSION

No. 6  
Bill Version: C3SB154(HES)  
(S) Publish Date: 4/29/97

Revision Date: \_\_\_\_\_  
Title: Child Support and Paternity.....  
Sponsor: Senator Pearce  
Requestor: S. HESS

Department Affected: Administration  
BRU: Motor Vehicles  
Component: Driver Services, Field Services  
COMPONENT SERIAL NO. 0501.0502

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING EXPENDITURES	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ( )						
------------------------	--	--	--	--	--	--

FUND SOURCE: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
OTHER						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY 97) cost: \$ \_\_\_\_\_

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary.)

Section 150 is the only section in the bill that relates to the Division of Motor Vehicles (DMV). Section 150 does not have any fiscal impact to DMV.

Prepared by: Juanita M. Hensley  
Division: Motor Vehicles

Phone: 465-2650  
Date: 4/21/97

Approved by Commissioner: Mark Boyer  
Agency: Department of Administration

*Alison M. Elgee*  
Date: 4/21/97

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FISCAL NOTE

STATE OF ALASKA  
1997 LEGISLATIVE SESSION

REPORTED OUT OF  
SFC MAY 8 1997

No. 7  
Bill Version: CS SB 154 (HES)  
(S) Publish Date: 4/29/97

Revision Date: \_\_\_\_\_  
Title: Paternity Determination and Child Support

Dapt. Affected: Health and Social Services  
BRU: Family and Youth Services  
Component: DFYS Central Office  
COMPONENT SERIAL NO. 359  
See also (SN#): \_\_\_\_\_

Sponsor: Pearce  
Requestor: S HESS

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING	FY98	FY99	FY00	FY01	FY02	FY03
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						
1037 GF/Mental Health						
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 (FY97) cost: \$0.0

ANALYSIS: (Attach a separate page if necessary)

The Division of Family and Youth Services does not have sufficient information to estimate whether CSED collections on the Division's behalf will have any fiscal impact

Prepared by: L. Diane Worley, Director  
Division: Family & Youth Services  
Approved by Commissioner: Karen Perdue, Commissioner  
Agency: Department of Health & Social Services

Phone: 465-3191  
Date: 04/10/97

Date: 4/17/97

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**SENATE FINANCE COMMITTEE REPORT**

DATE: 4/29/97

REPORTED OUT OF  
FURTHER: SSC MAY 8 1997

DATE TURNED  
IN TO OFFICE: 5-8-97

Finance Committee considered  
CHILD SUPPORT & PATERNITY

SENATE BILL NO. 154

*CS forthcoming*

and recommends:

- be replaced with CS SB 154 (FIN)
- adopt previous CS ( )
- attached amendment(s)
- adopt Letter of Intent by \_\_\_\_\_ Committee
- further referral to the \_\_\_\_\_ Committee

- Senate Bill:**
- same title
  - new title

**House Bill:**

  - same title
  - technical change
  - new: SCR# \_\_\_\_\_

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
		<i>Joseph Harrell</i>	<input checked="" type="checkbox"/>		
		<i>John Brown</i>	<input checked="" type="checkbox"/>		
Co-Chair: <i>[Signature]</i>	<input checked="" type="checkbox"/>	Co-Chair:			
Co-Chair:		Co-Chair: <i>[Signature]</i>	<input checked="" type="checkbox"/>		

**NEW FISCAL NOTE(S):**

Department                      Date    Zero    Fiscal

Department	Date	Zero	Fiscal

**PREVIOUS FISCAL NOTE(S):\***

Department                      Date    Zero    Fiscal

Department	Date	Zero	Fiscal
7 DHSS-DFYS	4/17	<input checked="" type="checkbox"/>	
6 DOA	4/21	<input checked="" type="checkbox"/>	
5 DHSS-Pub. Asst.	4/17	<input checked="" type="checkbox"/>	
4 Court	4/28	<input checked="" type="checkbox"/>	
3 DCED	4/22	<input checked="" type="checkbox"/>	
2 DOR	4/25	<input checked="" type="checkbox"/>	
1 DHSS-Pub. Health	4/25	<input checked="" type="checkbox"/>	

APPROPRIATION -- no fiscal note

\*include fiscal notes accompanying Governor's bill

SENATE FINANCE  
COMMITTEE

Amendment Number: 1 0-LS0853\B.1  
Bill Number: SB 154 Lauterbach  
Sponsor: Parnell Date: 5/7/97 5/7/97  
Logged In By: JK

A M E N D M E N T

OFFERED IN THE SENATE

TO: CSSB 154(HES)

*moved* BY SENATOR PARNELL  
*w/o objection, adopted*  
*withdrawn*

- 1 Page 30, line 27, following "U.S.C. 666(a)(17)":
- 2       Insert "; the agency may pay a reasonable fee to a financial institution for
- 3 conducting a data match under a contract or agreement under this subparagraph: the
- 4 fee may not exceed the actual costs incurred by the financial institution for conducting
- 5 the data match"

CSSB154(HESS)  
CSED Expanded Provisions  
of Federal Welfare Reform Requirements

*Sen. Parnell  
moved to delete*

- Section 87(f) — Mandate is \$500. CSED provision is a civil penalty not more than \$1,000
- Section 87(f) — Since Alaska already has a less restrictive new hire law, we have until 10/1/98 to change our law to comply with federal requirements
- Section 140 (e) — Federal law requires respondents to send property to CSED within 7 business days of garnishment. This CSED expanded provision uses the same deadline for answering requests for information
- Section 91(e) — Federal requirement to comply with administrative subpoenas. This CSED expanded provision allows the court to levy a civil penalty of \$5,000 for obstructing justice (e.g., destroying documents or falsifying documents)

# LEGAL SERVICES

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FAX (907) 465-2029  
Mail Stop 3101

130 Seward Street, Suite 409  
Juneau, Alaska 99801-2105


## MEMORANDUM

May 8, 1997

**SUBJECT:** Paternity and Child Support (CSSB 154(FIN))

**TO:** Senator Drue Pearce  
Attn: Jerry

**FROM:** Terri Lauterbach  
Legislative Counsel



Enclosed is the CS you requested.

The references to interest rates and Civil Rule 60(b) have been deleted from the bill title because of the deletion of the sections in the HES CS that related to interest rates and retroactive changes to child support orders based on false information. The latter deletion, sec. 84 of the HES CS, also resulted in the deletion of sec. 164 of the HES CS which referred to the court rule change.

The conceptual amendment to "conform sec. 89(e) to federal law" is reflected in sec. 84(e) of the enclosed CS. I have attached a copy of the federal law that I think you meant. Please review that law and sec. 84(e) to ensure that your intent was met. Thank you.

TML:glc  
97-307.glc

Enclosure

of the employer, an equivalent form, and may be transmitted by 1st class mail, magnetically, or electronically.

"(d) CIVIL MONEY PENALTIES ON NONCOMPLYING EMPLOYERS.—The State shall have the option to set a State civil money penalty which shall be less than—

"(1) \$25; or

"(2) \$500. if, under State law, the failure is the result of a conspiracy between the employer and the employee to not supply the required report or to supply a false or incomplete report.

"(e) ENTRY OF EMPLOYER INFORMATION.—Information shall be entered into the data base maintained by the State Directory of New Hires within 5 business days of receipt from an employer pursuant to subsection (b).

"(f) INFORMATION COMPARISONS.—

"(1) IN GENERAL.—Not later than May 1, 1998, an agency designated by the State shall, directly or by contract, conduct automated comparisons of the social security numbers reported by employers pursuant to subsection (b) and the social security numbers appearing in the records of the State case registry for cases being enforced under the State plan.

"(2) NOTICE OF MATCH.—When an information comparison conducted under paragraph (1) reveals a match with respect to the social security number of an individual required to provide support under a support order, the State Directory of New Hires shall provide the agency administering the State plan approved under this part of the appropriate State with the name, address, and social security number of the employee to whom the social security number is assigned, and the name and address of, and identifying number assigned under section 6109 of the Internal Revenue Code of 1986 to, the employer.

"(g) TRANSMISSION OF INFORMATION.—

"(1) TRANSMISSION OF WAGE WITHHOLDING NOTICES TO EMPLOYERS.—Within 2 business days after the date information regarding a newly hired employee is entered into the State Directory of New Hires, the State agency enforcing the employee's child support obligation shall transmit a notice to the employer of the employee directing the employer to withhold from the income of the employee an amount equal to the monthly (or other periodic) child support obligation (including any past due support obligation) of the employee, unless the employee's income is not subject to withholding pursuant to section 466(b)(3).

"(2) TRANSMISSIONS TO THE NATIONAL DIRECTORY OF NEW HIRES.—

"(A) NEW HIRE INFORMATION.—Within 3 business days after the date information regarding a newly hired employee is entered into the State Directory of New Hires, the State Directory of New Hires shall furnish the information to the National Directory of New Hires.

"(B) WAGE AND UNEMPLOYMENT COMPENSATION INFORMATION.—The State Directory of New Hires shall, on a quarterly basis, furnish to the National Directory of New Hires extracts of the reports required under section 303(a)(6) to be made to the Secretary of Labor concerning the wages and unemployment compensation paid to individuals, by such dates, in such format, and containing such



Child  
Support  
Unit

Child  
Support  
Unit

**CSSB154 (FIN)**  
**FEDERAL CHILD SUPPORT REQUIREMENTS**  
**Child Support Enforcement Bill**

Background

Congress and President Clinton have stressed the correlation between strong child support efforts and a successful welfare reform program. This bipartisan effort to strengthen child support laws recognizes the responsibility of ALL parents to support their children.

The new Federal Welfare Reform Law (PRWORA Act) makes substantial changes to child support mandates for all states and requires a major overhaul of Alaska child support operations. Many of these changes require only operational or regulatory changes. Listed below are the changes requiring statutory revisions.

Penalties

Without passage of the bill this year, Alaska can lose ALL federal funds for the child support program. The Public Assistance Division will lose \$8+ million in state reimbursements collected by CSED. Additionally, Alaska can lose a portion of their TANF block grant — possibly up to \$3.2 million.

Federal Mandates

- All employers must report new hires or rehires within 20 days (presently employers with 20 or more employees must report within a month). CSED must send data to feds within 7 days of receiving information.
- Employer must send withheld money to CSED in 7 days (presently 10 days)
- No prior notice of withholding order to obligors (presently prior notice given)
- Financial institutions and other entities must match data quarterly with CSED (reduces need for subpoenas to get financial information)
- Existing licensing statutes amended to:
  - make revocable for noncompliance with subpoena or warrant
  - add: hunting (for non-personal use); fishing (non-subsistence) and commercial fishing (crew members only - not limited entry) licenses
- Payments disbursed according to federal law - past AFDC recipients must receive all child support payments before state can collect to reimburse itself
- Social security numbers required on state licenses, permits and other documents, such as divorce decrees and death certificates. SSN must be shared with all state child support agencies.
- Various state agencies must provide information to all child support agencies - for child support purposes only
- Entities providing information or honoring CSED actions are immune from prosecution if acting in good faith
- Expanded paternity establishment requirements
  - after a 60-day period, a signed acknowledgment of paternity can't be rescinded - except in a court and based on fraud, duress, or material mistake of fact

Federal Child Support Requirements  
Child Support Enforcement Bill  
Page 2

- parents must be informed of rights and consequences of signing an acknowledgment of paternity
- acceptance of paternity establishments from other states
- putative father can request blood tests and establishment of paternity
- DHSS to decide "good cause" exceptions to required genetic testing and CSED decides noncompliance
- parties to paternity establishment must provide employer information - so that the support order can be established and a withholding order can be sent quickly
- Location of custodial parent or children to be withheld if risk to health, safety or liberty (presently in interstate law, but not domestic law)
- Conformance with ALL provisions of Uniform Interstate Family Support Act
- Authority to contract out child support disbursement functions
- State authority to require delinquent obligors to participate in appropriate work activities
- Fraudulent transfers voided when used to evade child support collections
- Recognizing liens from other states
- Legal service by first class mail if diligent efforts made for in-person delivery
- No "statute of limitations" on reporting arrears to credit bureaus



DEPARTMENT OF HEALTH & HUMAN SERVICES

Administration for  
Children and Families

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RECEIVED

2201 Sixth Avenue, Suite 600  
Seattle, WA 98121-1827

Glenda Straube  
Director  
Child Support Enforcement Division  
550 West 7th, 4th Floor  
Anchorage, Alaska 99501-3556

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CSED-DIRECTOR

Dear Ms. Straube:

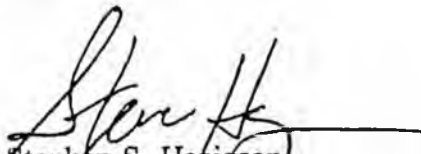
Thank you for your inquiry concerning the child support enforcement provisions of the recently enacted Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104-193), often referred to as Federal welfare reform.

As you know, PL 104-193 introduced several new child support enforcement requirements which, pursuant to Sections 454 and 466 of the Social Security Act, must be reflected in State law in order for a State to maintain an approved Title IV-D State Plan. If a State fails to enact any of the required State laws or procedures under section 466, or otherwise fails to comply with any State plan requirement under section 454, they are at risk of having their State plan disapproved and of losing all Federal IV-D funding.

Alaska received approximately \$11.2 million in Title IV-D funding for the administration of its child support program in FY 1996, as well as nearly \$3 million in Title IV-D performance-related child support incentives. Furthermore, under section 409(a)(8) of the Social Security Act a State failing to comply with the requirements of title IV-D of the Act could also lose a portion of its Federal funding under the Title IV-A (Temporary Assistance to Needy Families) program. Alaska's Federal funding for IV-A for FY 1997 will be about \$63 million dollars.

As always, we in the Regional Office are available to review and discuss issues concerning the implementation of Federal welfare reform requirements with you or with any other representatives of the state. Please let me know if we can be of any assistance.

Sincerely,

  
Stephen S. Henigson  
Regional Administrator

State Plan Disapproval

PROGRAM INSTRUCTION

ACTION TRANSMITTAL

OCSE-AT-97-05

April 28, 1997

TO: STATE AGENCIES ADMINISTERING CHILD SUPPORT ENFORCEMENT PLANS APPROVED UNDER TITLE IV-D OF THE SOCIAL SECURITY ACT AND OTHER INTERESTED INDIVIDUALS

SUBJECT: Procedures for Determining That a State IV-D Plan is Disapproved

BACKGROUND: Title III of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA), P.L. 104-193, made a number of amendments to sections 454 and 466 of the Social Security Act (the Act), requiring States to either establish new, or modify existing, procedures effective either October 1, 1996, March 1, 1997 or October 1, 1997. For States which require legislation in order to conform their State IV-D plans to the revised statute, section 395(b)(2) of PRWORA provides a grace period until not later than the 1st day of the 1st calendar quarter beginning after the close of the 1st regular session of the State legislature that begins after the date of enactment of PRWORA (August 22, 1996). In cases which require that the State constitution be amended, section 395(c) of PRWORA provides a grace period until one year after the effective date of the State constitutional amendment, but no later than five years after the date of enactment of PRWORA.

CSE is tracking the progress of each of the States in enacting the new State plan requirements and mandatory laws, and is noting the date when each State's 1997 legislative session ends in order to ascertain when these laws are required to be in effect and when the State must submit new or amended State plan material for approval by OCSE in order to operate a Child Support Enforcement program according to the requirements of title IV-D of the Act. If a State fails to submit the necessary State plan amendments, OCSE will have to determine that the State does not have an approvable State plan. A determination that a State IV-D plan is disapproved will result in immediate suspension of all Federal payments for the State's child support enforcement program, and such payments will continue to be withheld until the State IV-D plan can be approved by OCSE.

STATUTORY

**AUTHORITY:** Section 455(a)(1)(A) of the Act specifies that funds appropriated under title IV-D shall be paid to States with approved State IV-D plans. There is no authority to expend Federal funds under title IV-D of the Act for the operation of a Child Support Enforcement program unless such State has an approved State IV-D plan.

Section 466 of the Act requires that all States, as a condition for approval of their State IV-D plan, must have in effect laws requiring the use of mandatory procedures to increase the effectiveness of their Child Support Enforcement programs. As a condition for State plan approval, section 454(20) of the Act provides that, to the extent required by section 466, States must have laws in effect and implement the procedures prescribed in or pursuant to such laws.

Section 454 of the Act sets the statutory requisites for the State IV-D plan. In addition, regulations at 45 CFR 301.10 define the State IV-D plan as a comprehensive statement submitted by the IV-D agency describing the nature and scope of its program. The State IV-D plan contains all the information necessary for the Office of Child Support Enforcement (OCSE) to determine whether the plan can be approved, as a basis for Federal financial participation in the State IV-D program.

Section 452(a)(3) of the Act requires that OCSE review and approve State plans for Child Support Enforcement programs under title IV-D of the Act. The authority to approve State plans is delegated to the Regional Office, but OCSE retains authority for determining that a State IV-D plan is not approvable.

As stated above, a determination that a State IV-D plan is disapproved will result in immediate suspension of all Federal payments for the State's child support enforcement program, and such payments will continue to be withheld until the State IV-D plan can be approved by OCSE. If a State is dissatisfied with OCSE's decision, reconsideration may be requested pursuant to 45 CFR 301.14. Withholding of Federal payments cannot be stayed pending reconsideration.

Section 402(a)(2) of the Act (as amended by PRWORA) provides that the chief executive officer of a State must certify that it will operate a child support enforcement program under an approved IV-D plan as a condition of eligibility for a TANF block grant under title IV-A of the Act. Therefore, States should be aware that TANF funds may also be at risk.

Although it is not required under Title IV-D of the Act, OCSE will give States an advance notice of "Intent to Disapprove" a previously approved State IV-D plan. The State will then be permitted the opportunity to waive reconsideration of the OCSE's final decision and to exercise, prior to the State plan approval/disapproval decision, the right to a hearing under the procedures set forth a 45 CFR Part 213. If the State elects to pursue its hearing rights prior to issuance of OCSE's decision, no further administrative appeal will be allowed.

**ATTACHMENT:** Instructions for State Plan Disapproval  
Timeable of Effective Dates 1997 Legislative Calendar

**SUPERSEDED**

**MATERIAL:** OCSE-AT-86-21

**INQUIRIES:** ACF Regional Administrators

/ S /

Anne F. Donovan  
Acting Deputy Director  
Office of Child Support

Enforcement

April 25, 1997

The Honorable Gary Wilken  
Alaska State Legislature  
State Capitol, Room 510

Dear Senator Wilken:

SB 154 brings Alaska statutes into compliance with the child support provisions of PL 104-193. Passage and implementation of this conforming legislation is needed to avoid fiscal penalties imposed against the state's TANF block grant. The following provides additional information on the penalties that will be imposed if the state is not in compliance with the federally mandated child support provisions of PL 104-193.

Under federal law, failure to comply with paternity establishment and child support enforcement requirements under part D of PL104-193 results in a penalty of up to 5% of the federal TANF block-grant. The block grant payable to the state would be reduced following this schedule:

- For the first quarter and each subsequent quarter that ends before the first quarter that the state is found to be in compliance, not less than 1% and not more than 2%.
- For the second consecutive finding that the state is out of compliance not less than 2% and no more than 3%;
- For the third and subsequent findings of non-compliance not less than 3% and not more than 5%.

Federal law also stipulates that in the fiscal year following a reduction in the TANF grant due to a penalty, states must increase their state spending by an amount equal to the penalty.

If this legislation is not enacted and implemented and the federal penalties are applied, the state would have to voluntarily replace lost federal funds in the first year of the penalty in order to maintain ATAP funding at adequate levels. Federal law, however, mandates that the state must replace these funds in subsequent years. Under a worse case scenario, the maximum penalty that could be levied for non-compliance would be approximately \$3.2 million and the state would be required to offset the loss dollar for dollar in the fiscal year following the year the penalty was imposed.

The net affect of not complying with child support provisions of PL104-193 is a substantial increase in GF spending. However, passage and implementation of this legislation would likely increase child support collections for ATAP children and generate additional general fund program receipts for ATAP.

If you have any questions or need additional information, please contact me or my assistant, Ron Kreher, at 465-3349.

Sincerely,

Jim Nordlund  
Director of Public Assistance

Cc: Glenda Straube, Director  
Child Support Enforcement Division