

HB

301

ALASKA STATE HOUSE OF REPRESENTATIVES

Interim Address:
119 N. Cushman, Suite 211
Fairbanks, AK 99701
(907)-456-5081
Fax# (907)-456-8245



Session Contact:
(907)-465-3719
FAX# (907)-465-3258
State Capitol
Room 102

REPRESENTATIVE JOHN COGHILL

Date: January 22, 2002
To: Representative Fred Dyson, Chair House ~~HESS~~
From: Representative John Coghill *JB*
Re: HB 301

I am requesting a hearing for HB 301. All relevant information is attached. Thank you for your consideration.

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HB 301 Noncash Credit for Child Support

HB 301 is introduced to give credit where credit is due. This legislation recognizes that there are other means of support outside cash payments. I think it is appropriate to count value in noncash contributions that help a person support their family.

This also recognizes the dignity of self-sacrifice in providing even when cash is not available. If a person can provide firewood, fish, labor or game meat that is significant support for family needs, I think that this should be recognized as real child support.

Under current state laws this person received no credit on their child support account with Child Support Enforcement Division (CSED). While a person may be working hard to provide for their children, a cash payment is the only thing we recognize. I hope we can work out a solution to this issue. Therefore, I commend HB 301 for your discussion and perfecting.

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

Fiscal Note Number: _____
Bill Version: HB301
() Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Revenue
Title Non-Cash Child Support BRU Child Support Enforcement
Component Child Support Enforcement
Sponsor Representative Coghill
Requester House HESS Committee Component No. 111

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Personal Services	1,134.4	398.7	398.7	398.7	398.7	398.7
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	1,134.4	398.7	398.7	398.7	398.7	398.7

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

1002 Federal Receipts	756.2	265.8	265.8	265.8	265.8	265.8
1003 GF Match						
1004 GF						
1005 GF/Program Receipts	378.1	132.9	132.9	132.9	132.9	132.9
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	1,134.4	398.7	398.7	398.7	398.7	398.7

Estimate of any current year (FY2002) cost: 0.0
Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal:

POSITIONS

Full-time	16.5 FTE	-10				
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

The personal services increment is for the additional staff that would be required to handle the significant workload expected from this legislation (additional staff at the Child Support Enforcement Division and the collections section of the Department of Law). The division expects that 10 percent of its eligible cases would request participation in this new in-kind child support program, requiring substantial staff work in the first year. After the first year, the division expects it could handle the ongoing casework with substantially less staff (6.5 FTE) than it would require in the first year of the new program (16.5 FTE).

See attached summary for further explanation.

Prepared by: Barbara Miklos, Director Phone 269-6800
Division Child Support Enforcement Division Date/Time 1/28/02 4:48 PM
Approved by: Larry Persily, Deputy Commissioner Date 01/28/2002
Agency Department of Revenue

House Bill 301

Assumptions in Estimating the Workload and Preparing the Fiscal Note

1. A schedule would be produced and maintained by another state agency for assigning values to various natural resource products that might be credited as in-kind child support.
2. Experts in evaluating the quality and quantity of such products would be available in every locale in which a custodial parent lives who might receive in-kind child support. These experts would be called "Monitors," and the division assumes these would be unpaid volunteers.
3. The legislature would provide definitions of critical terms such as "primarily non-cash lifestyle," "basic food, housing or heat" and "basic material needs."
4. CSED would establish an "In-Kind Program" for families who wish to use in-kind products for child support.
5. Only families where all parties live in Alaska would be eligible.
6. Families would apply to the program. An application would have to be completed and signed by both parents, and the Monitor.
7. Once established in the program, families would request credit every time the custodial parent received an in-kind contribution. The credit request would have to be signed by both parents and the Monitor.
8. In FY 2003, 10 percent of total eligible existing cases will request inclusion in the program.
9. About one-third of these will be determined by CSED to be ineligible.
10. Somewhat more than half of these will appeal.
11. About one-fourth of these will prevail in the appeal process.
12. About half of the child support orders involved will be court orders, and about half will be administrative orders.
13. Each family will request credit for two in-kind contributions per year.
14. About 10 percent of the requests will be denied.
15. About two-thirds of these will appeal.
16. About one fourth of these will prevail in the appeal process.
17. Similar experience will occur in new child support cases.
18. In FY04, the new cases experience will be the same as FY03. However, additional existing cases requesting modifications of their orders in order to participate will be about 1 percent of total eligible cases.
19. An equal number of families with existing cases will withdraw or not participate in the program.
20. Similar assumptions are made for FY05 through FY08.
21. Federal matching funds will be available at the usual ratio of approximately two dollars in federal funding for each one dollar in state money.

In-kind child support cases would be handled in the following manner, and would require, on average, the following amount of staff time to complete:

Existing Cases

Eligibility determination:

A. Adjudicator - 3 hours

1. Completed application received and reviewed
2. Evaluation of cash/non-cash lifestyle, including research of:
 - a. Review village/area of residence
 - b. Economic stability of area
 - c. Job history of the non-custodial parent
 - d. Are custodial parent and children on TANF?
 - e. Do the custodial parent and children live in an environment where in-kind food, housing or heat are basic needs?

If decision is appealed:

B. Hearing Officer - 1.5 hours

Modification of order in established cases:

Court Orders

A. Caseworker – 3 - 4 hours

B. Assistance Attorney General - 10 hours

Administrative Orders

A. Caseworker – 3 - 4 hours

Process credit requests:

A. Caseworker - 1 hour

1. Completed request received and reviewed
 - a. Request approved or denied
 - b. Letter sent out

If decision is appealed:

B. Caseworker - 0.5 hour

1. Preparation of affidavit

C. Assistant Attorney General - 10 hours

D. Caseworkers - 1.5 hours

1. Decision Posted
2. Adjustments

New Cases

Eligibility determination:

A. Adjudicator - 3 hours

1. Completed application received and reviewed
2. Evaluation of cash/non-cash lifestyle – research:
 - a. Review village/area of residence
 - b. Economic stability of area
 - c. Job history of the non-custodial parent
 - d. Are custodial parent and kids on TANF?
 - e. Do the custodial parent and kids live in environment where in-kind food, housing or heat are basic needs?

If decision is appealed:

B. Hearing Officer - 1.5 hours

Process credit requests:

A. Caseworker - 1 hour

1. Completed request received and reviewed
 - a. Request approved or denied
 - b. letter sent out

If decision is appealed:

B. Caseworker - 0.5 hour

1. Preparation of affidavit

C. Assistant Attorney General - 10 hours

D. Caseworkers - 1.5 hours

1. Decision posted
2. Adjustments

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REPRESENTATIVE JOHN COGHILL

Date: February 8, 2002

To: Terri Lauterbach, Leg Legal

From: Rynnieva Moss, Legislative Aide *Rynnieva Moss*

Re: Work Order # LS1196\F

Everybody likes the idea of this legislation, including the native organizations. What they object to is the fair market value. In discussing this dilemma with various people, Wes Keller came up with a solution I think can work.

Under existing statute [Sec. 25.27.065(a). Waiver of child support.] a custodial parent can sign a waiver agreement to waive past child support. We would like to revise HB 301 so that the custodial parent and the noncustodial parent agree on the value of the noncash contribution. The custodial they then sign a waiver agreement to deduct that amount from the account.

Additionally, we would like language that would require child support to do this even when the custodial parent is on public assistance. There is an exemption under AS 25.27.065 to the waiver if the custodial parent is on public assistance.

The circumstances of qualification would not change.

Could you please prepare a committee substitute to implement this process.

Thanks,

A handwritten signature in cursive script, appearing to read "Rynnieva Moss".