

ALASKA LEGISLATURE

972

HOUSE and SENATE FINANCE COMMITTEE FILES, 1993-1994

46

**HB**

**125**



# HOUSE COMMITTEE REPORT

(11)

Date Referred: April 21, 1993

FURTHER REFERRALS:

Date of Committee Action: 4/25/93

The FINANCE Committee considered:

HB 125

HOUSE BILL NO. 125

APPROP: CAPITAL PROJECT MATCHING GRANTS

"An Act making appropriations for capital project matching grant programs; and providing for an effective date."

RECOMMENDATIONS:

be replaced with CS HB 125 (FIN)  the same title  a new title

have attached amendments(s)

do pass

do not pass

no recommendations

individual recommendations

additional referral to the \_\_\_\_\_ Committee

ADOPTS: \_\_\_\_\_ letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept) \_\_\_\_\_

APPROVES PREVIOUS: (Dept/Date) \_\_\_\_\_

fiscal impact \_\_\_\_\_

fiscal note(s) \_\_\_\_\_

zero fiscal note \_\_\_\_\_

zero fiscal note(s) \_\_\_\_\_

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
<i>Eileen P. McKeen</i>	<input checked="" type="checkbox"/>				
<i>Donald J. Larson</i>	<input checked="" type="checkbox"/>				
<i>Richard J. Foster</i>	<input checked="" type="checkbox"/>				
		<i>Mark Stanley</i>		<input checked="" type="checkbox"/>	
		<i>Larry Martin</i>		<input checked="" type="checkbox"/>	
		<i>Scott Starnes</i>		<input checked="" type="checkbox"/>	
		<i>Ben Sauer</i>		<input checked="" type="checkbox"/>	
		<i>Tom Throckmold</i>		<input checked="" type="checkbox"/>	
		<i>Fay Brown</i>		<input checked="" type="checkbox"/>	
		<i>Mike Navane</i>		<input checked="" type="checkbox"/>	

*Donald J. Larson* *EP McKeen*  
CHAIRMAN'S SIGNATURE

WALTER J. HICKEL  
GOVERNOR



STATE OF ALASKA  
JUNEAU, ALASKA 99801-2001  
907-485-3500

STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
JUNEAU

February 3, 1993

The Honorable Ramona L. Barnes  
Speaker of the House  
Alaska State Legislature  
State Capitol  
Juneau, AK 99801-1182

Dear Speaker Barnes:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill making appropriations totaling \$67,000,000 for capital project matching grant programs in the Department of Administration and the Department of Community and Regional Affairs.

Today I am also transmitting a companion bill that establishes those programs in statute, to provide funding for essential capital projects in municipalities and unincorporated communities and to establish local share requirements for these projects.

As provided in the companion bill establishing the two capital project matching grant programs, the appropriations to the two funds will be allocated under two formulas to individual grant accounts for municipalities and unincorporated communities. My office of management and budget will provide information that shows the allocation amounts that would result from these appropriations under those formulas. Subsequent project-specific appropriations will be necessary for municipalities and unincorporated communities to draw project grant money from their individual grant accounts. The appropriations requested in the attached bill assume that municipalities and unincorporated communities will contribute a local share toward each capital project, which will maximize limited state money for those projects.

These appropriations will help improve Alaska's health centers, senior centers, women's shelters, youth centers, and other structures essential to providing quality social and health programs in local areas of our state. Also, these appropriations may improve our energy systems, provide weatherization to save energy in funded projects, and make other improvements for more efficient program administration in funded projects. Finally, these appropriations will be available to provide essential infrastructure to encourage economic development.

Capital Project Matching Grant Program  
Office of the Governor

**HB 125 / SB 89 - SECTIONAL ANALYSIS**

Section One

This section of the bill appropriates \$65.3 million in general funds to the Municipal Capital Project Matching Grant Fund, a fund which would be created within the Department of Administration upon the passage of accompanying legislation (HB 124/SB 88). Under the provisions of the latter bill, the \$65.3 million appropriated in this section would be allocated by formula to individual accounts within the fund for all municipalities in Alaska.

Section Two

This section of the bill appropriates \$1.7 million in general funds to the Unincorporated Community Capital Project Matching Grant Fund, a fund which would be created within the Department of Community and Regional Affairs upon the passage of accompanying legislation (HB 124/SB 88). Under the provisions of the latter bill, the \$1.7 million appropriated in this section would be allocated in equal amounts to individual accounts within the fund for all unincorporated communities in Alaska which are eligible for the State's FY 1993 revenue sharing program.

Section Three

This section stipulates that the bill will take effect on July 1, 1994, only if the companion enabling legislation (HB 124/SB 88) also is enacted.

**TABLE 1 - MUNICIPALITIES**

TOTAL FUNDING \$40,000,000      MINIMUM GRANT: \$25,000

Municipal CPMG Fund Appropriation:	\$38,425,000	<u>Population:</u>				
Minimum State Share:	\$25,000	Under 1,000	1,000- 4,999	5,000- 10,000	Over 10,000	
		Allocation Factor:	1.5	1.4	1.2	1.0
		Local Share %:	5%	15%	30%	30%

(A)	(B)	(C)	(D)		(E)	(F)		(G)	(H)
Municipality	Population	Grant Allocation Factor	LOCAL SHARE		\$	STATE SHARE		\$	Leverage Ratio
			%			%			
Akhiok (KIB)	81	1.5	5%		1,316	95.0%		25,000	1.05
Akiak	287	1.5	5%		1,388	95.0%		26,374	1.05
Akutan (AEB)	487	1.5	5%		2,355	95.0%		44,752	1.05
Alakanuk	559	1.5	5%		2,704	95.0%		51,369	1.05
Aleknagik	200	1.5	5%		1,316	95.0%		25,000	1.05
Aleutians East Borough (AEB):	93	1.5	5%		1,316	95.0%		25,000	1.05
Allakaket	172	1.5	5%		1,316	95.0%		25,000	1.05
Ambler (NAB)	301	1.5	5%		1,456	95.0%		27,660	1.05
Anaktuvuk Pass (NSB)	246	1.5	5%		1,316	95.0%		25,000	1.05
Anchorage, Municipality of	240,258	1.0	30%		6,272,075	70.0%		14,634,842	1.43
Anderson (DB)	649	1.5	5%		3,139	95.0%		59,639	1.05
Angoon	705	1.5	5%		3,410	95.0%		64,785	1.05
Aniak	529	1.5	5%		2,552	95.0%		48,612	1.05
Anvik	104	1.5	5%		1,316	95.0%		25,000	1.05
Aiika	87	1.5	5%		1,316	95.0%		25,000	1.05
Almatluak	267	1.5	5%		1,316	95.0%		25,000	1.05
Atkasuk (NSB)	217	1.5	5%		1,316	95.0%		25,000	1.05
Barrow (NSB)	3,702	1.4	15%		55,966	85.0%		317,253	1.18
Bethel	4,868	1.4	15%		73,619	85.0%		417,177	1.18
Bettles	33	1.5	5%		1,316	95.0%		25,000	1.05
Brevig Mission	234	1.5	5%		1,316	95.0%		25,000	1.05
Bristol Bay Borough:	1,415	1.4	15%		21,399	85.0%		121,262	1.18
Buckland (NAB)	318	1.5	5%		1,538	95.0%		29,222	1.05
Chefomak	330	1.5	5%		1,596	95.0%		30,325	1.05
Chevak	619	1.5	5%		2,024	95.0%		56,882	1.05
Chignik (LPB)	177	1.5	5%		1,316	95.0%		25,000	1.05
Chuathbaluk	129	1.5	5%		1,316	95.0%		25,000	1.05
Clark's point	58	1.5	5%		1,316	95.0%		25,000	1.05
Coffman cove	198	1.5	5%		1,316	95.0%		25,000	1.05
Cold bay (AEB)	137	1.5	5%		1,316	95.0%		25,000	1.05
Cordova	2,504	1.4	15%		37,868	85.0%		214,587	1.18
Craig	1,637	1.4	15%		24,757	85.0%		140,287	1.18
Deering (NAB)	158	1.5	5%		1,316	95.0%		25,000	1.05
Delta Junction	736	1.5	5%		3,560	95.0%		67,634	1.05
Denali Borough (DB):	1,183	1.4	15%		17,891	85.0%		101,380	1.18
Dillingham	2,110	1.4	15%		31,910	85.0%		180,822	1.18
Diomedea	180	1.5	5%		1,316	95.0%		25,000	1.05
Eagle	161	1.5	5%		1,316	95.0%		25,000	1.05
Eek	284	1.5	5%		1,374	95.0%		26,098	1.05
Ekwok	78	1.5	5%		1,316	95.0%		25,000	1.05
Eilm	267	1.5	5%		1,316	95.0%		25,000	1.05
Emmonak	692	1.5	5%		3,347	95.0%		63,591	1.05
Fairbanks (FNSB)	32,156	1.0	30%		839,451	70.0%		1,968,719	1.43
Fairbanks North Star Borough (FNSB):	45,903	1.0	30%		1,198,325	70.0%		2,796,091	1.43
Fales Pass (AEB)	84	1.5	5%		1,316	95.0%		25,000	1.05
Fon Yukon	718	1.5	5%		3,473	95.0%		65,980	1.05
Galena	829	1.5	5%		4,009	95.0%		76,180	1.05

**TABLE 1 - MUNICIPALITIES**

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Minimum State Share:	\$25,000	Under 1,000	1,000- 4,999	5,000- 10,000	Over 10,000	
		Allocation Factor:	1.5	1.4	1.2	1.0
		Local Share %:	5%	15%	30%	30%

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
Municipality	Population	Grant Allocation Factor	LOCAL SHARE %	\$	STATE SHARE %	\$	Leverage Ratio
Gambell	546	1.5	5%	2,641	95.0%	50,174	1.05
Golovin	146	1.5	5%	1,316	95.0%	25,000	1.05
Goodnews Bay	236	1.5	5%	1,316	95.0%	25,000	1.05
Grayling	203	1.5	5%	1,316	95.0%	25,000	1.05
Haines (HB)	1,265	1.4	15%	19,131	85.0%	108,408	1.18
Haines Borough (HB):	947	1.5	5%	4,580	95.0%	87,024	1.05
Holy Cross	273	1.5	5%	1,320	95.0%	25,087	1.05
Homer (KPB)	3,937	1.4	15%	59,540	85.0%	337,392	1.18
Hoonah	793	1.5	5%	3,835	95.0%	72,872	1.05
Hooper Bay	890	1.5	5%	4,305	95.0%	81,786	1.05
Houston (MSB)	815	1.5	5%	3,942	95.0%	74,884	1.05
Hughes	66	1.5	5%	1,316	95.0%	25,000	1.05
Huslia	224	1.5	5%	1,316	95.0%	25,000	1.05
Hydaburg	405	1.5	5%	1,959	95.0%	37,217	1.05
Juneau, City and Borough of (JCB)	29,251	1.0	30%	763,614	70.0%	1,781,767	1.43
Kachemak (KPB)	372	1.5	5%	1,799	95.0%	34,185	1.05
Kake	725	1.5	5%	3,506	95.0%	66,623	1.05
Kaktovik (NSB)	224	1.5	5%	1,316	95.0%	25,000	1.05
Kaltag	257	1.5	5%	1,316	95.0%	25,000	1.05
Kasaan	52	1.5	5%	1,316	95.0%	25,000	1.05
Kasigluk	459	1.5	5%	2,220	95.0%	42,179	1.05
Kenai (KPB)	6,535	1.2	30%	205,307	70.0%	479,051	1.43
Kenai Peninsula Borough (KPB):	24,638	1.0	30%	643,189	70.0%	1,500,775	1.43
Keetchikan (KGB)	8,478	1.2	30%	266,350	70.0%	621,483	1.43
Keetchikan Gateway Borough (KGB):	5,253	1.2	30%	165,031	70.0%	385,073	1.43
Kiana (NAB)	401	1.5	5%	1,939	95.0%	36,849	1.05
King Cove (AEB)	871	1.5	5%	4,213	95.0%	80,040	1.05
Kivalina (NAB)	327	1.5	5%	1,582	95.0%	30,049	1.05
Klawock	758	1.5	5%	3,666	95.0%	69,656	1.05
Kobuk (NAB)	110	1.5	5%	1,316	95.0%	25,000	1.05
Kodiak (KIB)	7,229	1.2	30%	227,111	70.0%	529,925	1.43
Kodiak Island Borough (KIB):	7,324	1.2	30%	230,095	70.0%	536,889	1.43
Kotlik	503	1.5	5%	2,433	95.0%	46,223	1.05
Kotzebue (NAB)	3,075	1.4	15%	46,504	85.0%	263,521	1.18
Koyuk	277	1.5	5%	1,340	95.0%	25,455	1.05
Koyukuk	127	1.5	5%	1,316	95.0%	25,000	1.05
Kupreanof	24	1.5	5%	1,316	95.0%	25,000	1.05
Kwethluk	599	1.5	5%	2,701	95.0%	51,369	1.05
Lake and Peninsula Borough (LPB):	949	1.5	5%	4,580	95.0%	87,207	1.05
Larsen Bay (KIB)	149	1.5	5%	1,316	95.0%	25,000	1.05
Lower Kalskag	299	1.5	5%	1,446	95.0%	27,476	1.05
Manokotak	404	1.5	5%	1,954	95.0%	37,125	1.05
Marshall (Fortuna Ledge)	318	1.5	5%	1,538	95.0%	29,222	1.05
Matanuska-Susitna Borough:	33,819	1.0	30%	882,865	70.0%	2,060,018	1.43
McGrath	531	1.5	5%	2,568	95.0%	48,796	1.05
Mekoryuk	206	1.5	5%	1,316	95.0%	25,000	1.05
Mettakatla	1,564	1.4	15%	23,653	85.0%	134,031	1.18

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		Allocation Factor:	1.5	1.4	1.2	1.0
		Local Share %:	5%	15%	30%	30%

(A)	(B)	(C)	(D)		(F)	(G)	(H)
Municipality	Population	Grant Allocation Factor	LOCAL SHARE		STATE SHARE		Leverage Ratio
			%	\$	%	\$	
Mountain Village	727	1.5	5%	3,516	95.0%	66,807	1.05
Napaklak	323	1.5	5%	1,562	95.0%	29,682	1.05
Napaskiak	362	1.5	5%	1,751	95.0%	33,266	1.05
Nenana	504	1.5	5%	2,438	95.0%	46,315	1.05
New Stuyahok	396	1.5	5%	1,915	95.0%	36,390	1.05
Newhalen (LPB)	161	1.5	5%	1,316	95.0%	25,000	1.05
Newtok	213	1.5	5%	1,316	95.0%	25,000	1.05
Nightmute	178	1.5	5%	1,316	95.0%	25,000	1.05
Nikolai	107	1.5	5%	1,316	95.0%	25,000	1.05
Nome	4,559	1.4	15%	68,946	85.0%	390,696	1.18
Nondalton (LPB)	212	1.5	5%	1,316	95.0%	25,000	1.05
Noorvik (NAB)	520	1.5	5%	2,515	95.0%	47,765	1.05
North Pole (FNSB)	1,671	1.4	15%	25,271	85.0%	143,201	1.18
North Slope Borough (NSB):	2,582	1.4	15%	38,048	85.0%	221,272	1.18
Northwest Arctic Borough (NAB):	250	1.5	5%	1,316	95.0%	25,000	1.05
Nulqsut (NSB)	391	1.5	5%	1,891	95.0%	35,931	1.05
Nulato	364	1.5	5%	1,760	95.0%	33,449	1.05
Nunapitchook (Akolmlut)	475	1.5	5%	2,297	95.0%	43,650	1.05
Old Harbor (KIB)	298	1.5	5%	1,441	95.0%	27,384	1.05
Ouzinkie (KIB)	216	1.5	5%	1,316	95.0%	25,000	1.05
Palmer	3,039	1.4	15%	45,959	85.0%	260,435	1.18
Pelican	265	1.5	5%	1,316	95.0%	25,000	1.05
Petersburg	3,680	1.4	15%	55,653	85.0%	315,368	1.18
Pilot Point (LPB)	97	1.5	5%	1,316	95.0%	25,000	1.05
Pilot Station	470	1.5	5%	2,273	95.0%	43,190	1.05
Platinum	54	1.5	5%	1,316	95.0%	25,000	1.05
Point Hope (NSB)	680	1.5	5%	3,289	95.0%	62,488	1.05
Port Alexander	119	1.5	5%	1,316	95.0%	25,000	1.05
Port Heiden (LPB)	128	1.5	5%	1,316	95.0%	25,000	1.05
Port Lions (KIB)	238	1.5	5%	1,316	95.0%	25,000	1.05
Quinhagak	501	1.5	5%	2,423	95.0%	46,039	1.05
Ruby	207	1.5	5%	1,316	95.0%	25,000	1.05
Russian Mission	266	1.5	5%	1,316	95.0%	25,000	1.05
Sand Point (AEB)	1,073	1.4	15%	16,227	85.0%	91,954	1.18
Savoonga	545	1.5	5%	2,636	95.0%	50,082	1.05
Saxman (KGB)	379	1.5	5%	1,833	95.0%	34,828	1.05
Scammon Bay	360	1.5	5%	1,741	95.0%	33,092	1.05
Selawik (NAB)	597	1.5	5%	2,887	95.0%	54,861	1.05
Seldovia (KPB)	302	1.5	5%	1,461	95.0%	27,752	1.05
Seward (KPB)	2,806	1.4	15%	42,436	85.0%	240,468	1.18
Shageluk	144	1.5	5%	1,316	95.0%	25,000	1.05
Shaktolik	212	1.5	5%	1,316	95.0%	25,000	1.05
Sheldon Point	103	1.5	5%	1,316	95.0%	25,000	1.05
Shishmaref	466	1.5	5%	2,254	95.0%	42,823	1.05
Shungnak (NAB)	224	1.5	5%	1,316	95.0%	25,000	1.05
Sitka, City and Borough of (SCB)	8,815	1.2	30%	276,937	70.0%	646,187	1.43
Skagway	735	1.5	5%	3,555	95.0%	67,542	1.05

**TABLE 1 - MUNICIPALITIES**

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Minimum State Share:	\$25,000	Under 1,000	1,000- 4,999	5,000- 10,000	Over 10,000	
		Allocation Factor:	1.5	1.4	1.2	1.0
		Local Share %:	5%	15%	30%	30%

(A)	(B)	(C)	(D)		(F)	(G)	(H)
Municipality	Population	Grant Allocation Factor	LOCAL SHARE		STATE SHARE		Leverage Ratio
			%	\$	%	\$	
Soldotna (KPB)	3,652	1.4	15%	55,230	85.0%	312,968	1.18
St. George	287	1.5	5%	1,388	95.0%	26,374	1.05
St. Mary's	477	1.5	5%	2,307	95.0%	43,833	1.05
St. Michael	324	1.5	5%	1,567	95.0%	29,774	1.05
St. Paul	771	1.5	5%	3,729	95.0%	70,850	1.05
Stebbins	442	1.5	5%	2,138	95.0%	40,617	1.05
Tanana	407	1.5	5%	1,968	95.0%	37,401	1.05
Teller	254	1.5	5%	1,316	95.0%	25,000	1.05
Tenakee Springs	106	1.5	5%	1,316	95.0%	25,000	1.05
Thome Bay	637	1.5	5%	3,081	95.0%	58,536	1.05
Togjak	738	1.5	5%	3,569	95.0%	67,818	1.05
Toksook Bay	449	1.5	5%	2,172	95.0%	41,260	1.05
Tuluksak	371	1.5	5%	1,794	95.0%	34,083	1.05
Tununak	333	1.5	5%	1,611	95.0%	30,601	1.05
Unalakleet	732	1.5	5%	3,540	95.0%	67,266	1.05
Unalaska	3,825	1.4	15%	57,846	85.0%	327,784	1.18
Upper Kalskag	173	1.5	5%	1,316	95.0%	25,000	1.05
Valdez	4,360	1.4	15%	65,937	85.0%	373,642	1.18
Wainwright (NSB)	536	1.5	5%	2,582	95.0%	49,255	1.05
Wales	147	1.5	5%	1,316	95.0%	25,000	1.05
Wasilla	4,124	1.4	15%	62,368	85.0%	353,417	1.18
White Mountain	182	1.5	5%	1,316	95.0%	25,000	1.05
Whittier	279	1.5	5%	1,349	95.0%	25,638	1.05
Wrangell	2,539	1.4	15%	38,398	85.0%	217,587	1.18
Yakutat	729	1.5	5%	3,526	95.0%	66,991	1.05
<b>TOTAL:</b>	<b>168</b>		<b>20%</b>	<b>13,214,307</b>	<b>74%</b>	<b>38,425,000</b>	<b>1.34</b>

**NOTES:**

- Col. A - Municipalities as of 7/1/92, as certified by DCRA on 12/15/92 for the FY 94 State revenue sharing and municipal assistance programs. Changes may occur prior to program implementation.
- Col. B - Population figures as of 7/1/92, as certified by DCRA on 12/15/92 for the FY 94 State revenue sharing and municipal assistance programs. Changes may occur prior to program implementation.
- Col. D - Equals percentage of total project cost; i.e., Col. E divided by (Col. E + Col. G).
- Col. E - Equals local share percentage (Col. D) divided by state share percentage (Col. F), multiplied by State Share amount (Col. G).
- Col. H - Equals sum of Local Share amount (Col. E) and State Share amount (Col. G), divided by State Share amount (Col. G).

HB 124 / SB 88  
Capital Project Matching Grant Program

**TABLE 2 - UNINCORPORATED COMMUNITIES**

TOTAL FUNDING: \$40,000,000                      MINIMUM GRANT: \$25,000

Unincorporated Community CPMG Fund Appropriation: \$1,575,000  
Minimum State Share: \$25,000  
Local Share Percentage: 5%

(A)	(B)	(C)	(D)
	State Share	Local Share	Local Match %
Aklachak.....	\$25,000	\$1,316	5.0%
Arctic Village.....	25,000	1,316	5.0%
Beaver.....	25,000	1,316	5.0%
Birch Creek.....	25,000	1,316	5.0%
Chalkyitsik.....	25,000	1,316	5.0%
Chenega Bay.....	25,000	1,316	5.0%
Chilkat.....	25,000	1,316	5.0%
Chistochina.....	25,000	1,316	5.0%
Chitna.....	25,000	1,316	5.0%
Circle Civic Community.....	25,000	1,316	5.0%
Copper Valley Community.....	25,000	1,316	5.0%
Crooked Creek.....	25,000	1,316	5.0%
Deltana.....	25,000	1,316	5.0%
Dot Lake Services.....	25,000	1,316	5.0%
Dot Lake Village.....	25,000	1,316	5.0%
Eagle Village.....	25,000	1,316	5.0%
Edna Bay.....	25,000	1,316	5.0%
Elfin Cove.....	25,000	1,316	5.0%
Evansville.....	25,000	1,316	5.0%
Four Mile Road Community.....	25,000	1,316	5.0%
Gakona.....	25,000	1,316	5.0%
Gulkana.....	25,000	1,316	5.0%
Gustavus.....	25,000	1,316	5.0%
Healy Lake.....	25,000	1,316	5.0%
Hollis.....	25,000	1,316	5.0%
Hyder.....	25,000	1,316	5.0%
Kenny Lake.....	25,000	1,316	5.0%
Kipnuk.....	25,000	1,316	5.0%
Kuti-Kaah.....	25,000	1,316	5.0%
Kollganek.....	25,000	1,316	5.0%
Kongkanak.....	25,000	1,316	5.0%
Kwigillingok.....	25,000	1,316	5.0%
Manley Hot Springs.....	25,000	1,316	5.0%
Mentasta.....	25,000	1,316	5.0%
Metlakatla Indian Village.....	25,000	1,316	5.0%
Minto.....	25,000	1,316	5.0%
Nelchina/Mendallna.....	25,000	1,316	5.0%
Northway.....	25,000	1,316	5.0%
Oscarville.....	25,000	1,316	5.0%
Paxson.....	25,000	1,316	5.0%
Pitka's Point.....	25,000	1,316	5.0%
Point Baker.....	25,000	1,316	5.0%
Port Protection.....	25,000	1,316	5.0%
Rampart.....	25,000	1,316	5.0%
Red Devil.....	25,000	1,316	5.0%
Silver Springs.....	25,000	1,316	5.0%
Slana Community Corporation.....	25,000	1,316	5.0%
Slana League.....	25,000	1,316	5.0%
Sleetmute.....	25,000	1,316	5.0%

HB 124 / SB 88  
Capital Project Matching Grant Program

**TABLE 2 - UNINCORPORATED COMMUNITIES**

TOTAL FUNDING: \$40,000,000

MINIMUM GRANT: \$25,000

Unincorporated Community CPMG Fund Appropriation: \$1,575,000  
 Minimum State Share: \$25,000  
 Local Share Percentage: 5%

(A)	(B)	(C)	(D)
	State Share	Local Share	Local Match %
Stevens Village.....	25,000	1,316	5.0%
Stony River.....	25,000	1,316	5.0%
Takotna.....	25,000	1,316	5.0%
Tanacross.....	25,000	1,316	5.0%
Tatitlek.....	25,000	1,316	5.0%
Tazlina.....	25,000	1,316	5.0%
Tetlin.....	25,000	1,316	5.0%
Tok.....	25,000	1,316	5.0%
Tolsona.....	25,000	1,316	5.0%
Tuntutullak.....	25,000	1,316	5.0%
Twin Hills.....	25,000	1,316	5.0%
Venetie.....	25,000	1,316	5.0%
Whale Pass.....	25,000	1,316	5.0%
Wiseman.....	25,000	1,316	5.0%
<b>Total:</b>	<b>63</b>	<b>\$1,575,000</b>	<b>\$82,885</b>
			<b>5.0%</b>

## NOTES:

- Col. A - Unincorporated communities eligible for FY 94 State revenue sharing as of 7/1/92, as certified by DCRA on 12/15/92. Changes may occur prior to program implementation.
- Col. C - Equals local share percentage (Col. D) divided by State share percentage (1 minus local share percentage), multiplied by State share amount (Col. B).
- Col. D - Equals percentage of total project cost; i.e., Col. C divided by (Col. B + Col. C).

Office of the Governor, OMB/JF

File: 93MATCH.XLS

Senate Bill No. 88  
Capital Project Matching Grant Program

SUPPORT FOR LEGISLATION

Please note that communities, organizations and other entities have not had time to develop positions on SB 88, as the proposed legislation differs somewhat from the version discussed during the preceding two legislative sessions as Senate Bill 141.

To indicate potential sources of support and opposition for SB 88, however, the major supporters and opponents of SB 141 (1991-1992 legislative sessions) are summarized below:

SUPPORTED SB 141

AK Municipal League	Supported SB 141, and supports the general concept of SB 88, but no position taken yet on SB 88.
Municipality of Anchorage	Conceptual support for SB 141, but no position taken yet on SB 88.
Fairbanks North Star Borough	Strong support for SB 141, but no position taken yet on SB 88.
Matanuska-Susitna Borough	Expressed wish to cooperate with Legislature and Governor on a matching grant program such as SB 141 (albeit concerned that a distinction should be made between communities which tax themselves and communities which do not), but no position taken yet on SB 88.
Palmer	Conceptual support for SB 141, but no position taken yet on SB 88.
Soldotna	Supported SB 141, but no position taken yet on SB 88.

OPPOSED SB 141

Ouzinkie	Concerned that local revenue base is too limited to support local match requirements.
Port Lions	Concerned that local revenue base is too limited to support local match requirements.

**HB**

**126**

**HFIN**

**FILE**

# HOUSE COMMITTEE REPORT

(11)

Date Referred: March 12, 1993

FURTHER REFERRALS:

Date of Committee Action: 3/27/93

The FINANCE Committee considered:

SSHB 126

SPONSOR SUB. FOR HOUSE BILL NO. 126 PUBLIC CONSTRUCTION PREVAILING WAGE RATES

"An Act establishing the current prevailing rate of wages issued at least 10 days before the final submission of bids as the prevailing wage rate for public construction projects and requiring periodic adjustment of the wage rate."

RECOMMENDATIONS:  the same title  
 be replaced with \_\_\_\_\_  a new title

have attached amendments(s)

do pass

do not pass

no recommendations

individual recommendations

additional referral to the \_\_\_\_\_ Committee

ADOPTS: \_\_\_\_\_ letter of Intent

ATTACHES NEW FISCAL NOTE(s): (Dept) \_\_\_\_\_

APPROVES PREVIOUS: (Dept/Date) \_\_\_\_\_

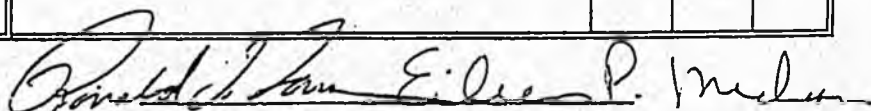
fiscal impact \_\_\_\_\_

fiscal note(s) \_\_\_\_\_

zero fiscal note \_\_\_\_\_

2  zero fiscal note(s) DOTPF 3/12/93  
lawn 3/2/93

SIGNING <u>DO</u> PASS	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
<u>E.P. MacLean</u> MacLean					
<u>Ronald J. Larson</u> Larson	X				
<u>Mark Haxley</u> Haxley	X				
<u>Sean Parnell</u> Parnell	X				
<u>Ben Grussendorf</u> Grussendorf	X				
<u>Mike Navarre</u> Navarre	✓				
<u>Tom Brown</u> Brown	✓				
<u>Tom Harriott</u> Harriott	X				
<u>Richard Foster</u> Foster	☺				

  
 CD CHAIRMAN'S SIGNATURE  
 Larson MacLean

# FISCAL NOTE

No. 2  
 Bill Version SSHB 126  
 (H) Publish Date: 3/12/93

STATE OF ALASKA  
 1993 LEGISLATIVE SESSION

Revision Date: \_\_\_\_\_  
 Title: Public Construction Prevailing  
Wage Rates  
 Sponsor: Representatives Phillips, G. Davis  
 Requestor: House Labor & Commerce

Department Affected: Labor  
 BRU: Labor Standards & Safety  
 Component: Wage & Hour

COMPONENT SERIAL NO. 345

**EXPENDITURES/REVENUES:** (Thousands of Dollars)

OPERATING	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99
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

CAPITAL						
---------	--	--	--	--	--	--

REVENUE FUND SOURCE:						
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**FUNDING:** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipt						
1006 GF/MHTIA						
Other						
<b>TOTAL</b>	0.0	0.0	0.0	0.0	0.0	0.0

**POSITIONS:**

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY93) impact: \$ None

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

Prepared by: Donald G. Study, CSP, Director Phone: 465-6003  
 Division: Labor Standards & Safety Date: 2/24/93  
 Approved by Commissioner: Charles W. Mahlen  
 Agency: Department of Labor Date: 2/24/93

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FISCAL NOTE

Revision Date: 03/04/93 Department Affected: DOT&PF  
Title: Public Construction Prevailing Wage Rates BRU: E&OS  
projects  
Sponsor: Phillips Component: D&C  
Requestor: Phillips Component Serial Number: 547

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY94	FY95	FY96	FY97	FY98	FY99
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 FUND SOURCE	0	0	0	0	0	0
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FUNDING: (Thousands of Dollars)

1002 FEDERAL RECEIPTS	0	0	0	0	0	0
1003 GF MATCH	0	0	0	0	0	0
1004 GF	0	0	0	0	0	0
1005 GF/PROGRAM RECEIPTS	0	0	0	0	0	0
1006 GF/MHTIA	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL FUNDING:	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 current year (FY93) impact: \$ \_\_\_\_\_

ANALYSIS: (Attach a separate page if necessary)

It is very difficult to accurately estimate cost savings for a fiscal note; there will be some impact. Contractors can more accurately predict their projects costs; therefore the department should receive more favorable bids, thus lowering the cost of construction.

Prepared by: Loren Rasmussen

Phone: 465-2960

Division: Engineering & Operations Standards

Date: March 4, 1993

Approved by Commissioner: Frank G. Zupin

Phone: 465-3900

Agency: Department of Transportation and Public Facilities

Date: March 4, 1993

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# Alaska State Legislature

## House of Representatives

Official Business



State Capitol  
Juneau, Alaska 99801-1182  
(907) 465-3718

House Majority Leader

### SPONSOR'S STATEMENT FOR SPONSOR SUBSTITUTE FOR HOUSE BILL 126

### PREVAILING WAGE RATES

Presented to House Finance Committee March 27, 1993

Current law provides that a construction contractor or subcontractor who performs work on public construction in the state shall pay not less than the current prevailing wage for work of a similar nature. However, an increase in the prevailing wage in the middle of a contract creates a financial hardship on the contractor; and anticipation of interim increases may also serve to inflate the cost of construction projects, because the contractor or subcontractor must absorb the costs of any wage rate change.

The prevailing rate of wages is determined by the Department of Labor based on a periodic survey of public and private commercial heavy and highway construction projects in the state. If the union rate is prevailed from the survey results, interim wage and benefit increases are currently prevailed.

The bill before you proposes to address these concerns.

Sponsor Substitute for House Bill 126 was introduced to amend AS 36.05.010 so that the prevailing wage as determined by the Department of Labor will no longer apply immediately to contracts in progress. The wage in effect at least 10 days before final bid submission will remain in effect for 24 months from the date the contract is awarded. Wages will remain the same for the life of most construction projects. In the case of contracts that are longer than 24 months, the bill provides for stable wages for a subsequent 24 month period, and so forth for the life of the contract.

Representatives from Unions, Alaska General Contractors and the Department of Labor worked together to find appropriate language to be introduced, and it is my understanding that the bill now meets with the approval of each.

Zero Fiscal Notes from both the Department of Labor and the Department of Transportation accompany this Sponsor Substitute, and the Department of Labor has introduced a position paper in support of it. The Department of Transportation feels that, while there will be some impact, it is very difficult to accurately estimate cost savings for this fiscal note. They expressed the opinion that "contractors [would be able to] more accurately predict their project costs; and therefore the department should receive more favorable bids, thus lowering the cost of construction."

*Sponsor's Statement*



*Department of Transportation  
and Public Facilities*

# POSITION PAPER

BILL NO: SS HB 126

APPROVED: 

TITLE: Public Construction  
Prevailing Wage Rates

DATE: March 4, 1993

Section 1 of the bill deletes from AS 36.05.010 the phrase (FOR EACH PAY PERIOD) and adds at least 10 days before the final date for submission of bids for the contract. The rate shall remain in effect for the life of the contract or for 24 calendar months, whichever is shorter. At the end of the initial 24-month period, if new wage determinations have been issued by the department, the latest wage determination shall become effective for the next 24-month period or until the contract is completed, whichever, occurs first. This process shall be repeated until the contract is completed (END OF THE PAY PERIOD).

Section 2 only makes a grammatical changes.

Presently contractors are required to pay any increases in prevailing wage rate immediately after they are issued. This bill provides that the prevailing wage rates which are in effect at the time of advertising will remain in effect for two years. With stable wage rates contractors should be able to more accurately estimate the cost of a construction project. There will be less risk of increased labor costs to the contractors therefore the department should see more favorable bids and overall lower costs of the construction projects.

*For Further Information contact Katy McHugh at 465-3900.*

**BILL NO:** Sponsor Substitute for House Bill No. 126

**DATE:** February 25, 1993

**TITLE:** Public Construction Prevailing Wage Rates

**CONTACT:** Arbe Williams  
465-2700

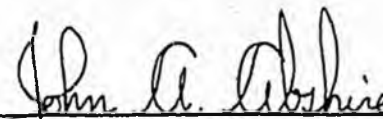
Sponsor Substitute for House Bill No. 126 amends AS 36.05.010 so that the prevailing wage as determined by the Department of Labor will no longer apply immediately to contracts in progress. The wage in effect at least 10 days before final bid submission will remain in effect for 24 months from the date the contract is awarded. Wages will remain the same for the life of most construction projects. In the case of contracts that are longer than 24 months, the bill provides for stable wages for a subsequent 24 month period, and so forth for the life of the contract.

AS 36.05.010 provides that a contractor or subcontractor who performs work on public construction in the state shall pay not less than the current prevailing rate of wages for work of a similar nature. The prevailing rate of wages is determined by the Department of Labor based on a periodic survey of public and private commercial, heavy and highway construction projects in the state. If the union rate is prevailed from the survey results, interim wage and benefit increases are prevailed.

However, an increase in the prevailing wages in the middle of a contract creates a financial hardship on the contractor; anticipation of interim increases may also serve to inflate the cost of construction projects. Sponsor Substitute for House Bill No. 126 proposes to address these concerns.

The Department of Labor supports this legislation.

APPROVED:

  
Charles W. Mahlen, Commissioner

Date: 2/25/93

**POSITION PAPER/Department of Labor**

# CITY OF CORDOVA



MAR 04 1993

March 1, 1993

Representative Gary Davis  
Room 15, Capital  
Juneau, Alaska 99801-1182

Dear Representative Davis:

Please consider this a "Letter of Support" for SS HB No. 126. The world of contracting is complicated enough for "small town" Alaskans to cope with. Any move to streamline or simplify reporting/monitoring requirements gets my full support.

D.O.L. sends out revisions of the minimum rates of pay at a pretty frequent rate. Not having to worry about a "rate change" for up to twenty four months (under one contract) would be a welcome step and one in the right direction.

I only hope I'm around on the day that the paltry \$2000 reporting requirement for contracts involving "public money" is raised to a more reasonable \$50,000 to \$75,000.

It is clear to me through discussions I have had with folks at D.O.L., that they are not crazy about the \$2000 contract limit either. Each time the magic \$2000 limit is reached, they have another contract to monitor with the same general requirements as a \$20,000,000.00 contract. This practice seems to cause an inordinate amount of paper work for D.O.L. too!

Enough of my "soap-boxing". Thanks again for your efforts!

Sincerely,

Jeff Currier  
Director of Public Works

cc: Rep. Bill Hudson, Chair, L&C  
Rep. Ron Larson, Co-Chair, Finance



## G & S CONSTRUCTION

P.O. Box 1493 • Soldotna, Alaska 99669 • (907) 262-6223

January 15, 1993

House of Representative's  
Representative Davis  
Room 15  
Juneau, Ak. 99811-1182

Dear Gary:

I'd like to express my concern over how the Davis Bacon wage increases are affecting contractors involved in State and City construction projects.

-As you are probably aware there are many different pay scales that apply to various trades and each of these trade unions negotiate pay increases for there members. These new pay rates are than adopted by the state labor board and the published Davis Bacon wage scales will change accordingly.

All of this is fine until a contractor either has just bid, or is in the middle of a project that these increased wages will affect. Normally wage rates are part of the bid documents and a contractor will use those rates to bid his job accordingly. When ever these increases become affective any contractor that has bid projects with a lesser scale is than forced to pay a higher wage. Let me give you an example.

A contractor bids a 5 million dollar court house using a carpentry rate of \$29.60 per hour. Before he actually starts construction a rate increase occurs raising the carpenter rate to \$32.10 per hour. If his original carpentry labor figure was \$350,000, the rate increase will cost this contractor almost \$30,000 in added carpentry labor costs. Remember that these rates are set by the state and must be paid on any state or city project.

R. Daniel Green

I find it interesting when the state sets a wage rate, that we must pay, then without warning raises it, the contractor must absorb these added costs. Currently there is no mechanism available for the contractor to recoup this added labor expense.

In my opinion there are two options to correct this problem one of which the Federal government already has in place.

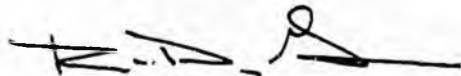
1. When an increase in wages occurs the contractor is allowed to recoup these added costs through the change order process. This already applies at the Federal level.
2. All projects that have either just bid or are in progress will be allowed to continue using the published bid date rate. This option would probably be the least desirable.

This problem of wage rate increases need's to be addressed and it is my hope you can either start or become part of a movement to rectify it. I would be glad to provide you with any other information that you might require.

I would appreciate being kept informed regarding this issue.


Sincerely,

G & S CONSTRUCTION



R. Daniel Green  
owner

*Yes Dan,  
I've heard them elsewhere, probably  
from you after a Council meeting. Good  
points - let's ck on it & get the Labor  
Committee people to pursue it.*



**HB**

**128**

**HFIN**

**FILE**

# HOUSE COMMITTEE REPORT

(11)  
Date Referred: April 8, 1993

FURTHER REFERRALS:

Date of Committee Action: 2/9/94

The FINANCE Committee considered:

SSHB 128

SPONSOR SUB. HOUSE BILL NO. 128

EARLY ACKNOWLEDGEMENT OF PATERNITY

"An Act relating to early acknowledgement of paternity for the child of an unmarried mother."

RECOMMENDATIONS:

be replaced with CSsHB 128 (FIN)  the same title  
 a new title

have attached amendments(s)

do pass

do not pass

no recommendations

individual recommendations

additional referral to the \_\_\_\_\_ Committee

ADOPTS: \_\_\_\_\_ letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept)

APPROVES PREVIOUS: (Dept/Date)

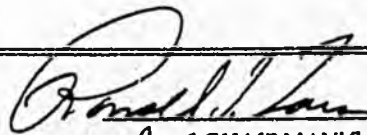
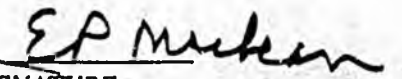
fiscal impact DHSS

fiscal note(s) \_\_\_\_\_

zero fiscal note DHSS

zero fiscal note(s) \_\_\_\_\_

SIGNING <u>DO PASS</u>	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
<i>EP Meehan</i> mackean	<input checked="" type="checkbox"/>				
<i>Ronald Larson</i> Larson	<input checked="" type="checkbox"/>				
<i>Mark Hanley</i> Hanley	<input checked="" type="checkbox"/>				
<i>Terry Martin</i> Martin	<input checked="" type="checkbox"/>				
<i>Sean Parnell</i> Parnell	<input checked="" type="checkbox"/>				
<i>Ben Grossman</i> Grossman	<input checked="" type="checkbox"/>				
<i>Agnes Hoffman</i> Hoffman	<input checked="" type="checkbox"/>				
<i>Mike Navarre</i> Navarre	<input checked="" type="checkbox"/>				
<i>Kay Brown</i> Brown	<input checked="" type="checkbox"/>				
<i>Tom Therrault</i> Therrault	<input checked="" type="checkbox"/>				
<i>Richard Foster</i> Foster	<input checked="" type="checkbox"/>				


  
 CO-CHAIRMAN'S SIGNATURE  
 Larson                      mackean

FISCAL NOTE

STATE OF ALASKA  
1994 LEGISLATIVE SESSION

BILL NO. CS SS HB 128 (HES)

Revision Date: \_\_\_\_\_ Dept. Affected: Health and Social Services  
 Title: "An Act relating to early acknowledgement of paternity for an unwed mother" BRU: Assistance Payments  
 Component: AFDC  
 Sponsor: B. Davis  
 Requestor: \_\_\_\_\_ COMPONENT SERIAL NO. 0220

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY95	FY96	FY97	FY98	FY99	FY00
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
<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	0.0	0.0	0.0	0.0	0.0	0.0
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REVENUE FUND SOURCE	0	0	0	0	0	0
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FUNDING: (Thousands of Dollars)

1002 Federal Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1003 GF Match	0.0	0.0	0.0	0.0	0.0	0.0
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1006 GF/MHTIA	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0
<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	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

Estimate of current year (FY94) impact: NONE

ANALYSIS: (Attach a separate page if necessary)

Paternity establishment is a significant issue in the AFDC program because fathers cannot be held financially responsible for children born to unwed mothers unless paternity has been established under state law.

CSSS SB190 establishes new statutory requirements for acknowledgement of paternity. The new requirements are substantially the same as existing requirements and are not projected to have a significant impact on public assistance program costs.

Prepared by: Jan L. Hansen, Director  
 Division: Division of Public Assistance  
 Approved by Commissioner: Margaret R. Lowe, M.Ed., Ed.S.  
 Agency: Department of Health & Social Services

Phone: 465-2680  
 Date: 1/26/94  
 Date: 1-31-94

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# FISCAL NOTE

STATE OF ALASKA  
1994 LEGISLATIVE SESSION

BILL NO. CS SS HB 128 (HES)

Revision Date: 1/28/94 Dept. Affected: Health and Social Services  
 Title: An act relating to early acknowledgement of paternity BRU: State Health Services  
 Component: Bureau of Vital Statistics  
 Sponsor: B. Davis, Toohey  
 Requestor: House Finance COMPONENTIAL NO. #961

Expenditures/Revenues:	(Thousands of Dollars)					
OPERATING	FY95	FY96	FY97	FY98	FY99	FY00
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	4.5	4.5	4.5	4.5	4.5	4.5
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>4.5</b>	<b>4.5</b>	<b>4.5</b>	<b>4.5</b>	<b>4.5</b>	<b>4.5</b>
<b>CAPITAL EXPENDITURES</b>						
<b>CHANGES IN REVENUES</b>						

FUND SOURCE	(Thousands of Dollars)					
1002 Federal Receipts						
1003 GF Match						
1004 GF	4.5	4.5	4.5	4.5	4.5	4.5
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
<b>TOTAL</b>	<b>4.5</b>	<b>4.5</b>	<b>4.5</b>	<b>4.5</b>	<b>4.5</b>	<b>4.5</b>

POSITIONS:						
FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY94) cost \$ NONE

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

Twelve thousand babies are born each year in this state. Four thousand of these births are to unwed mothers. This requires the printing and distribution of 5,000 pamphlets/year.

The cost incurred for the implementation of this bill would be the costs associated with the printing and distribution of the 5,000 pamphlets.

Printing	3.0
Mailing	1.5

Prepared by: Peter M. Nakamura, MD, MPH Phone: (907) 465-3090  
 Divisor: Public Health Date: 01/28/94  
*Margaret R. Lowe*  
 Approved by Commissioner: Margaret R. Lowe, M.Ed., Ed.S. Date: 1-31-94  
 Agency: Department of Health & Social Services

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2/9/94

8-LS0554V.3  
Lauterbach  
2/8/94

AMENDMENT I passed

OFFERED IN THE HOUSE BY REPRESENTATIVE B.DAVIS  
TO: CSSH B 128(HES)

Page 1, lines 1 - 2:

Delete "early acknowledgement of paternity for the child of an unmarried mother"

Insert "paternity determinations and acknowledgements"

Page 2, after line 8:

Insert a new bill section to read:

"\* Sec. 2. AS 25.20.050 is amended by adding new subsections to read:

(g) A default judgment shall be entered against the defendant in an action where paternity is contested upon

(1) a showing that process was served on the defendant as required under applicable state law and court rules;

(2) a showing that the defendant has failed to appear at a hearing in the action or has failed to respond within a reasonable period of time as specified in court rules; and

(3) any additional showing determined necessary by the court.

(h) The court in a paternity action shall give full faith and credit to a determination of paternity made by another state, whether established through voluntary acknowledgment or through administrative or judicial procedures."

Renumber the following bill sections accordingly.

Page 3, after line 9:

Insert a new bill section to read:

"\* Sec. 4. AS 25.27.040 is amended by adding a new subsection to read:

(c) When the agency is a party in an action in which paternity is contested, the agency shall move for a default judgment in a case that meets the conditions specified in AS 25.20.050(g)."

AMENDMENT

*II passed*

OFFERED IN THE HOUSE

BY REPRESENTATIVE B.DAVIS

TO: CSSH B 128(HES)

Page 1, line 10:

Delete "and"

Page 1, line 11:

Delete "the man signing the form"

Insert "both parents of the child named in the form;

(3) signature lines for both parents; and

(4) a signature line for either a witness or a notary public."

Page 2, line 6, after "AS 09.63.010":

Insert "or other competent adult witness"

# ALASKA STATE LEGISLATURE

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ANCHORAGE, ALASKA 99503  
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STATE CAPITOL  
JUNEAU, ALASKA 99801-1182  
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MINORITY WHIP  
CHAIR  
CHILDREN'S CAUCUS  
HEALTH, EDUCATION  
& SOCIAL SERVICES  
STATE AFFAIRS  
ECONOMIC TASK  
FORCE

## REPRESENTATIVE BETTYE DAVIS DISTRICT 21

### SPONSOR STATEMENT

#### **CSSSHB 128 (HES) - 'RELATING TO EARLY ACKNOWLEDGEMENT OF PATERNITY FOR THE CHILD OF AN UNMARRIED MOTHER.'**

Non-support of children has become a national epidemic with one-fourth of children in the United States now living with a single parent and an estimated 60 percent spending at least part of their childhood in a single-parent home. In almost all of these cases, the absent parent does not pay child support. Many of these children are born out-of-wedlock and paternity is established in only 30 percent of such cases. That interprets into 70 percent of out-of-wedlock births where there is no proof of paternity and no means to collect child support.

CSSSHB 128 <sup>would</sup> add language to A.S. 18.50 and <sup>would</sup> require the State registrar to prepare a paternity acknowledgment form to be used at the time of birth. The form, signed by both parents, <sup>would</sup> list the father's full name and social security number, and <sup>would</sup> require the signature of a notary public. The bill also <sup>would</sup> lay out specific responsibilities of hospitals or midwives (should the birth occurs outside the hospital setting) <sup>would</sup> to get the proper information on the form and to distribute appropriate paternity materials from the Department of Health and Social Services.

This legislation is an attempt to get acknowledgment at the time when a father is particularly willing to develop a relationship with the child, which benefits both parties. The child will have the security of knowing who his/her father is and could gain access to support from Social Security, survivor and veteran benefits and worker's compensation. The child would also be entitled to the father's inheritance, health insurance and have access to the family medical history. The father, in turn, maintains the legal right to have access to his child even though he is not married to the mother.



Sponsor Statement  
CSSSHB 128 (HES)

As of December 1992, there were 36,396 cases pending in the Alaska Child Support Enforcement Division and 7,199 of those cases are directly related to paternity verification. Establishing paternity early on will better enable the state to collect child support in the future and could subsequently reduce the number of families needing public assistance.

CSSSHB 128 (HES) is a step towards giving children in this state a better start in life and the support they deserve from both parents.

# DIVISION OF LEGAL SERVICES

## LEGISLATIVE AFFAIRS AGENCY STATE OF ALASKA

(907) 465-3867 or 465-2450

FAX (907) 465-2029

Mail Stop 3101

130 Seward Street, Suite 409

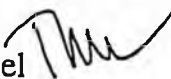
Juneau, Alaska 99801-2105

### MEMORANDUM

February 23, 1993

**SUBJECT:** Sectional Summary of HB 128 (Early Acknowledgement of Paternity)

**TO:** Representative Bettye Davis

**FROM:** Terri Lauterbach   
Legislative Counsel

You have requested a sectional summary of the above-described bill.

As a preliminary matter, note that a sectional summary of a bill should not be considered an authoritative interpretation of the bill and the bill itself is the best statement of its contents.

This summary is brief. If you would like an interpretation of the bill as it may apply to a particular set of circumstances, please let me know.

Section 1. Instructs the state registrar to prepare a form for use in acknowledging paternity under AS 25.20.055, which is enacted in sec. 2 of the bill.

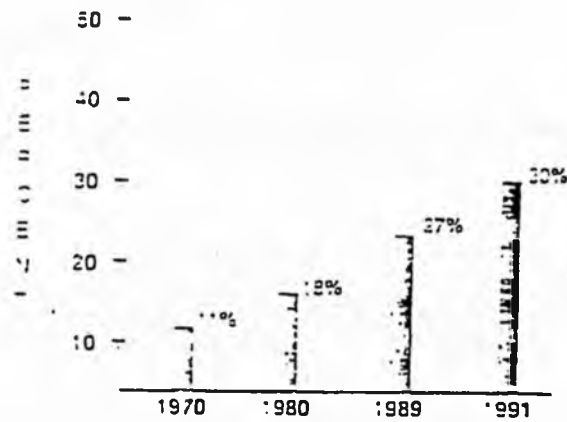
Sec. 2. Requires hospitals to give to unmarried women who give birth in the hospital (or en route to the hospital) information about acknowledgement of paternity and an application for Medicaid and AFDC. If a birth is not in a hospital (or en route to a hospital), the attending physician, nurse-midwife, or direct-entry midwife must perform this duty.

TML:gc  
93-154.glc

Back-up

Overhead #1

## Percent of out of wedlock births in America\*

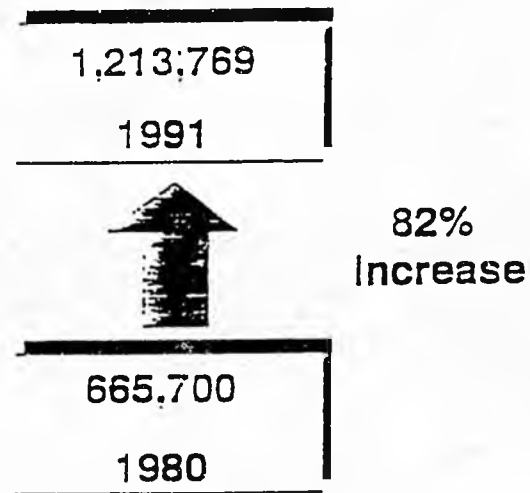


\* Data from National Center for Health Statistics

- According to data from the National Center for Health Statistics, about 29.5% of births in the United States were to unmarried mothers in 1991 (the latest data we have).
- This is a substantial increase from a rate of 11% just twenty years ago.

Overhead #2

## Number of Births To Unmarried Women



- In 1991, there were well over a million births to unmarried women.
- This represents an 82% increase over the number in 1980.

Overhead #3

## Social and Economic Impact of Out of Wedlock Births

- Every hour 56 children are born to teenaged mothers:
  - Approximately 1 out of every 4 children are born out of wedlock:
  - 55% of women receiving AFDC have never been married:
  - The poverty rate for all women with children from absent parents is 32%.
- 
- The high level of out-of-wedlock births has social and economic consequences.
  - Many of the mothers are teenagers. Every hour 56 children are born to teenage mothers.
  - Many of the mothers and children may end up on public assistance. 56% of women receiving AFDC have never been married.
  - Many of these families live in poverty. The poverty rate for all women with children from absent parents is 32%.

# The Washington Post

AN INDEPENDENT NEWSPAPER

## Who Pays for Children?

**T**HE NON-SUPPORT of children has become a national epidemic. A fourth of U.S. children now live with a single parent, and an estimated 60 percent will spend at least part of their childhood in a single-parent home. In nearly half such cases the absent parent, generally the father, won't pay support. More than 40 percent of women raising children on their own have never been awarded child support, and only about a quarter get the full amounts to which they are entitled.

This splitting apart of the family as a financial unit is a major reason why a fifth of the children in the country are poor today, and an eighth are on welfare. The recurrent question is how, besides making welfare payments, the government should respond. Part of the cautious traditional response has been that this is a state and local issue from which Big Brother should keep its distance. A striking proposal now in play on Capitol Hill would abandon that tradition on grounds that only the national government has the resources to combat what has become a national emergency. The problem is such that normal political lines have been blurred. In the House, where the idea has got to the point of hearings, the principal sponsors are the unlikely pair of liberal Thomas Downey and conservative Henry Hyde.

The proposal is to federalize the patchy child support system—the collection, disbursement and periodic adjustment of child support awards—and to make failure to pay on the part of an able parent a federal crime. Awards would still be made in state courts, but increasingly according to federal standards—and state welfare agencies would be given powerful financial incentives to see that the number of such awards increased. The Internal Revenue Service would then become the enforcer of every child support

award in the country, collecting the money just as it does taxes, through withholding, with similar penalties for evasion. Unemployed fathers who had no income would be enrolled at federal expense in a job preparation program and might eventually be given public-sector jobs from which support would be subtracted.

The likely increase in support would reduce welfare costs. The government would reduce them further by guaranteeing every cooperating single parent in the country a minimum level of child support; if for lack of income or other reason the payment from the other parent fell short, the federal government would make up the difference. The result would be a partial federalization of the welfare system as well and a greater payoff for welfare mothers who went to work. They would still lose the welfare part of their benefits as they began to earn, but not the child support part. The lower welfare costs would also provide some fiscal relief for the states.

At the federal level, the system would be costly—the amount depending on the guarantees—and it's not going anywhere this year. Messrs. Downey and Hyde didn't even introduce it as a bill, but as a concept; that's what the Downey Ways and Means subcommittee is holding hearings on. But it's a provocative idea. The government undertakes to shift more resources to children, poor ones especially, but only after making their parents also take more responsibility for them. There's something in that for everyone. A shift of power over domestic relations to the federal level may yet unnerve some people—making non-support of children a federal crime in the same way non-payment of taxes is. You have to ask yourself, which is the greater offense—and who pays when the parents don't?

# Deadbeat Dads

BY STEVEN WALDMAN

**J**ohn Lock goes to court in Chicago next week to explain why he owes back child support, but his ex-wife Esther isn't expecting much. They have, after all, been through more than 100 court hearings about child support and their divorce over the past 19 years. And, according to the state of Illinois, he still owes more than \$160,000 for his four children. She's feeling needy now because she lost her job as a social worker 17 months ago, but she remembers more desperate times, like February 1977. "Our electricity was being turned off," she recalls. "We were lighting the house with candles. We were on what we called the 'white diet'—a lot of rice and cereal. No medical coverage, no dental." Her ex-husband, then a dentist, was living in the affluent suburb of Highland Park with his new family. "I knew he didn't want the kids so I figured I'd use it as a scare tactic," says Esther. She gave their two teenage sons overnight packs and dropped them off in front of their father's house in subzero weather. He called the police. "He told the Highland Park police that there were two boys outside trespassing," she says. "I'm not proud of it, but I was desperate."

John Lock admits he called the police but says he had to because one of his sons was on the verge of "kicking the door down." He concedes he didn't pay the \$1,100 monthly child support for nine years, and admits he fled to Costa Rica for three years because he was "physically, emotionally, financially devastated." But he says he had paid regularly prior to 1977, owes "significantly less" than the state claims and thinks that his ex-wife and the state of Illinois are obsessed with trying to put him in jail. He no longer practices dentistry and works part time delivering flowers in Ida, Mich. "The kids were my world," he wrote in a recent letter to *Newsweek*. "I did my best to give them a nice life." In an interview, he added, "This has gone on to a point where there's no hope." His oldest son, Byron, now 32, agrees. He says he still can't comprehend his father's behavior. "We were his children," he says. "Why would he want to hurt us? That's what was so confusing about the whole deal—why would a father turn his back on a child?"

In battles like these, nobody ever comes out a winner. Fierce struggles over child support pit parent against parent and inevitably spray the children with emotional shrapnel. Increasingly, the private family traumas are spilling into public view. Posters of most-wanted deadbeat dads began peppering subways and bulletin boards in Massachusetts this month, and police quickly arrested five of the fathers. They also hauled in Frederick Grimaldi, who



IRA WYMAN FOR NEWSWEEK

**Checking out delinquent dads in Saugus, Mass. (above), Rose Brown and son Tony in Louisville, Ky. (right), and a Baltimore city sheriff arrests a man for nonpayment of support**

owes \$22,144 and was working in Florida as, of all things, a deputy sheriff, according to Massachusetts officials. Grimaldi has pleaded not guilty to charges of criminal nonpayment, and his lawyer says he owes just \$19,000, some of which accumulated while Grimaldi was unemployed. Next month an association of state child-support enforcement agencies will release its second annual national Wanted list, which will include a Louisiana attorney who owes \$123,000 and a Tennessee man who

owes his quadriplegic daughter \$21,500. These small steps reflect a growing awareness on the part of public officials of just how potent an issue this has become. Consultants for former Louisiana governor Buddy Roemer were surprised to discover that in focus groups during the 1991 campaign, middle-class voters spontaneously mentioned child support as one of their most important concerns. Bill Clinton, in campaign speeches, regularly urges tougher enforcement.

It's easy to understand why: of the 5 million women who are supposed to receive child support, only half reported receiving full payment, according to a 1990 U.S. Census Bureau study. One quarter of the women got partial payment, and one quarter got nothing. An additional 2.7 million women said they wanted support but were never able to obtain an award. Deadbeatness cuts across income groups: college graduates are about as likely to have a negligent ex-spouse or ex-boyfriend as high-school grads. It even spans gender lines. Fifteen percent of custodial parents are now men, and mothers in those cases have an equally dismal record of supporting their children. The consequences of nonpayment are staggering. On average, the family income of the mother retaining custody drops 23 percent after divorce or separation—a disparity that could be wiped out for many families if full child-support payments were made. Families headed by a mother alone are six times as likely to be poor as those with two parents.

These dreary statistics have recently led social-policy thinkers of many ideological stripes to the same conclusion: child support is key both to fighting poverty and to sustaining middle-class fam-



Esther Lock of Wheeling, Ill., once dropped off her sons at her ex-husband's house. He called the police.

situation where you don't see them and they blatantly slam the door in your face, it becomes an emotional thing," he says. "I know that [withholding payment] was not quite the thing to do, but . . . I reacted in an emotional way." He says that he's paid more than \$17,000 over the years, mostly fell behind due to financial hardship and now has child support deducted from his paycheck regularly. But finally, he adds a simple comment about his ex-wife that cuts to the heart of many child-support battles. Withholding money, he says, "was the only way I could hurt her."

How does a father come to see withholding child

support in terms of what it does to the former spouse instead of what it does to the children? Several studies have shown that fathers who retain close contact with their children are more likely to pay child support. Some fathers' rights groups cite these data in arguing that most child-support problems stem from mothers cutting off access to the children. That definitely does happen. But fathers are quite capable of becoming alienated from children without help from mothers. "Fathers tend to see their relationships with their children as being mediated by the wife," says Frank Furstenberg, a sociologist at the University of Pennsylvania and author of "Divided Families." "[It's] a package deal. When the relationship is damaged, it severs the direct connection between fathers and their children." In a survey conducted in central Pennsylvania, close to half the children from broken families had not even seen their fathers in the previous year. Many nonpaying dads ask, in essence, "What's in it for me?"—a statement that is strikingly crass on one level but quite poignant on another. If they have grown distant from their children, fathers come to view child support like making payments on a car they no longer own. Child support becomes a debt competing with all others. "My bills, my car payments were taking all that money up," said Walter Forde, an unemployed father in Riverdale, Md., explaining in court in January why he had fallen \$8,500 behind. Joel Worshtil, the hearing officer at the Prince Georges County circuit court, responded: "If the child had been living with you, you would have found a way to find the \$500 to clothe the child." "What if your wife and kids just leave you?" Forde asked. "I can't speak to the equity of the relationship," Worshtil replied, with sympathy.

But while society moves to confront the child-support problem, one question has received relatively little attention: who are these deadbeat dads, and why would they refuse to support the human beings they helped create? It's hard to look at such behavior as anything but simple irresponsibility. But a closer look reveals a group of men with a wide range of emotionally complex motives.

For a father, child support often becomes not a helping hand to a child, but a lethal weapon in the battle against his ex-wife. Kenneth Marcelles of Schiller Park, Ill., fell about \$6,000 behind on paying support to the two children he had with Donna Caliendo. Partly because of that, she says, the family went on welfare and their daughter had to get eyeglasses donated by the Lions Club. She wasn't shy about telling the kids the source of the deprivation. "In the summer," she says, "I'd say, 'If your father would send money maybe we could go to Kiddieland or buy a new bathing suit.'" Marcelles offers several explanations for not paying. "I don't know what she does with the money," he says. "I had a chance meeting with her in the grocery store and my daughter was wearing some raggedy-looking Levi jacket and [Donna's] got a brand new coat on." Caliendo denies that claim, and in any event, such complaints have a logical flaw: if the kids suffer from poverty, cutting off child support will only make it worse. It's when Marcelles talks about his fractured relationship with his children that his explanations strike a deeper chord. "When you get into a

ALICE Q. HARGRAVE

But we certainly know the child wasn't at fault." Clearly, the failure to pay often sprouts from the initial rupture in the relationship. Fathers who felt humiliated by the breakup may be particularly eager to cut ties with the family. Deanna Willis moved her family to Eugene, Ore., in 1979 while her husband, Drew Itschner, was in the Marines in Okinawa, because she believed he was neglecting them. Itschner paid hardly any child support over the next 12 years and didn't visit his children at all. He says that the state of Oregon treated him unfairly and that the money wouldn't have gone to the kids anyway because she was "going out partying." But Willis has another explanation. "I think

## Where the Money Doesn't Go

Only a small percentage of children in broken homes actually receive support from fathers following divorce or separation.

Of women with children under age 21, with no father present in household (1989):



25.5%  
received  
full amount

11.8%  
received  
part

12.3%  
received  
nothing

8%  
awarded but  
not due in 1989

SOURCE:  
CENSUS  
BUREAU

## SEEKING NEW SOLUTIONS



RICH FRISHMAN

**A**s Leslie Fernen and Jeffrey Smith took turns holding their newborn baby boy last week at Swedish Hospital Medical Center in Seattle, staffer Dorothy Mitchell handed them a brochure. Because they are not married, Mitchell explained, Smith would have to sign a paternity statement if he wanted his name on the birth certificate. This enables the state to "go after you if you were to break up," she added—"but we don't even want to think about that now."

The proud parents may not want to think about it, but the state of Washington sure does. About one in every four children is born outside a marriage, and enforcing child support is most difficult in cases where paternity has not been established. So Washington decided to get men on the hook while they're most proud of fatherhood. In about 40 percent of out-of-wedlock births the father is now acknowledging paternity at the hospital. Smith was one who gladly signed.

Washington's program is one of many innovative approaches states have devised to beef up collections. Taken as a whole, the record of the government's network of locally run, federally financed agencies is pathetic. But prodded by major laws passed by Congress in 1984 and 1988, the agencies have pursued several avenues of reform:

**Hit 'Em Where They Work.** Government officials thought they had the magic bullet in the mid-1980s: take the child support directly out of the father's paycheck. But this approach loses track of people like

Kent Patterson of Seattle, who switched construction jobs 24 times in 11 months. In 1990, Washington state began requiring many employers to give the names and social-security numbers of all hires to the child-support agency so it could track them. By 1994 all states are also supposed to garnish paychecks automatically, without waiting for the father to become delinquent.

**Putting Blood in the Stone.** You can lead a deadbeat to court, but you can't make him pay if he doesn't have any money. So several states have begun requiring fathers to join job-search programs. A Grand Rapids, Mich., program found jobs for 432 of 1,077 employees during an eight-month period—and their child-support payments jumped by more than 300 percent.

**Private Eyes.** Agency workers juggling 1,000 cases can often spend only a few minutes on each case. So some states, and increasing numbers of desperate mothers, are turning to private collection services for help. They are often quite effective, but firms can take a big cut of whatever they collect, while the government collects it all (in theory) for free. Parents can increase their odds by consulting groups like the Association for Children for Enforcement of Support (1-800-537-7072) and the National Child Support Advocacy Coalition (P.O. Box 420, Hendersonville, Tenn. 37077). Noncustodial parents can try the National Council for Children's Rights (202-547-NCCR).

**The Big Fix.** Some child-support experts believe the state-by-state enforcement system is too bureaucratic to ever work well. One proposed solution: turn it over to the IRS. Some advocates go further with a proposal called child-support assurance. The government steps up enforcement, but if the father doesn't pay fully, the state fills the gap. States could then eliminate one of the counterproductive parts of the current law: when poor men do pay support, the state keeps most of it to help finance its welfare operation. Like many of these reforms, the goal here is somewhat unusual for the government: forcing parents, instead of the state, to take care of kids.

S.W. with LORRAINE IANNELLO

in the beginning he was just hurt because I left him," Willis says. "He didn't want to go back into it and bring back up that hurt." Despite his long absence, Itschner carried his kids' pictures in his wallet for more than a decade and on a few occasions drove by their house or to a nearby park and watched them from a distance. His daughter Jewel, who has for several years kept Itschner's service medals in a box by her night stand, recently started a correspondence with him. During a recent interview he pulled out photographs of the girls at the ages of 4 and 2. "You look at those pictures," Itschner says. His eyes well up. "And you look at these," he points to pictures of them at 13 and 15. "How much have they gone through? How much have I missed? How much have they missed from not being with me? All three of us have 'lost out on the deal, and now we're trying to get it back."

**I**n truth, some men never really develop any relationship with their children, so not paying child support doesn't arouse guilty feelings. Roger Hollenbeck of Des Plaines, Ill., met Rose Brown at a pig roast in Louisville, Ky., in 1980. He describes the relationship as a brief fling (she says they lived together seven months) and was furious to learn she was pregnant because she had told him that a medical condition made that impossible. He left town a few months later and over the next 10 years missed \$21,000 in payments. Hollenbeck's explanation for why he didn't pay: he didn't realize he owed any child support. (This seems unlikely, since the IRS in 1985 intercepted his tax refund for nonpayment of child support.) Under threat of a jail sentence, Hollenbeck recently paid \$10,000 of back support and spoke with his son. "Do you hate my mother?" the boy asked, according to Hollenbeck. "I said, 'No. We were friends, and I moved away'."



DAVID WALBERG

**The father of Eric and Alisa Marcelles of Melrose Park, Ill., fell thousands of dollars behind in support. He says his wife kept him away from the kids.**

But asked later what kind of relationship he expects he will have with his son, Hollenbeck says, "absolutely nothing. I know that sounds cold to say, but facts are facts."

Some fathers make so little money that their child-support payments feel like an enormous burden. Since payments are usually based on a percentage of parental income, however, even wealthy fathers can feel the pinch. Washington, D.C. lawyer Grier Raclin currently pays \$4,150 per month to his ex-wife Victoria Reggie, a well-paid Washington lawyer who is about to marry Sen. Edward M. Kennedy. Despite their lucrative jobs, the parents regularly bickered over child support, according to correspondence filed in court. Raclin tried to get reimbursed for camping gear he had bought for a trip with his son. "I absolutely refuse," Reggie replied in October 1990. "I have already paid \$100 for Cub Scouts—an activity for which you said you would be responsible—and I will not pay for the gear you decided you need to take Curran camping . . . If you try to deduct anything from the

support payments you are contractually obligated to pay, I will not hesitate to take you to court for contempt." Last Friday, Raclin asked the court to eliminate his child-support payments because both of their financial situations have changed and he says he's spending, roughly, equal time with his son.

The growing number of cases in which the father gains custody has focused attention on a special group of absent parents: deadbeat moms. The fact that their record is no better than absent fathers' suggests that nonpayment doesn't stem from a uniquely male sense of irresponsibility. Dolores Podhorn of Springfield, Mo., owes her ex-husband Gordon Long of Delavan, Wis., \$72,395 in payments for their four children. "She could never understand that I was paying the light and gas and the rent and child care," says Long, an assistant professor of English at the University of Wisconsin. Podhorn says that at first she didn't pay because she was so devastated over losing custody. The court had decided that because Long was home with the kids so much, giving him custody would be less

disruptive. "I really fell apart," she says. Later she couldn't pay, she adds, because she was a full-time student, but now that she's earning good money conducting health exams for insurance companies, she gives thousands of dollars in gifts to the children. Asked what, in retrospect, she would have done differently, Podhorn pauses and says, "I'll tell you what I would have done. I'd shoot the s.o.b. It would have relieved the emotional-abuse situation."

**K**nowing why absent parents don't want to pay child support does not, of course, excuse their behavior. It also leaves an essential question unanswered: how do they get away with not paying? Ultimately, many parents do not pay because no one makes them. A parent who is having trouble collecting child support has two main choices. She can hire a private lawyer who will try to bring the husband into court. But any real conflict will quickly push the legal fees into the thousands of dollars, outstripping the amount of support the custodial parent is seeking. Or, the

## NO FATHER, AND NO ANSWERS

BY MARCUS MABRY

**M**y father was not the sort of guy who comes to mind when most people think of a deadbeat dad. He was an attorney, a judge and a respected civic leader. He was president of the local NAACP and a church deacon. Above all, he was a good father to his three daughters. As he once told me, he was not "some little boy in the ghetto who makes babies and doesn't take responsibility for his actions."

Yet for 20 years I didn't see my father or know what he looked like. And my mother never received a penny in child support. My mother and my father met in high school. After an intense relationship, she moved away with her family. A few months after she left, she told my father she was pregnant. When I was 10, my mother wanted to send me to Florida to meet my father. He demanded a blood test. Insulted and hurt, she hung up and never spoke to him again. The state of New Jersey required her to sue for child support when she applied for welfare. My mother says she got an order for a token amount, but my father was a penniless college student at the time, and the state never pursued him. My mother often thought about "going after him," but never did. She couldn't afford a lawyer, didn't think she could win and, she says, she didn't want to hurt me.

Even though he was absent I grew up in my father's shadow. My mother told me his name, his occupation, his alma mater and how every time she looked at me, she saw him. But



LARRY DOWNING—NEWSWEEK

NEWSWEEK writer Mabry at home

we were very different. While we were on welfare, he was climbing the corporate ladder to become a successful attorney. While we lived in a run-down house with relatives, he lived in a big house with his wife and three daughters. While I had no male role models until I went to an all-boys school on scholarship, he was president of a local NAACP chapter, a role model to boys he hardly knew. I never knew how affluent he was. And I never thought I cared. I never connected poverty and my absentee father.

I never thought I would meet him. Then my mother called one day while she was vacationing in Florida. In a joyous tone, she told me she had visited my father's mother. My grandmother had given her a picture of my father in his judge's robes. I was angry. All the feelings I

had repressed for 20 years came flooding back. I decided that confronting the unknown was the best therapy. I called my grandmother. She gave me his number. In a cold, scientific voice I told him I wanted to resolve the issue of his paternity. He asked for a test. I agreed.

Weeks later a handsome professional couple walked into the lobby of the Center for Blood Research. After a cordial greeting, pained small talk and a tortured silence, my father asked me to step outside. On the sidewalk in front of the building, in a tone of admirable dignity, he told me that he and my

mother had been very much in love as teenagers and that whatever the results of this test today, I should feel free to call on him when I needed a man's advice. I felt like one of the Bowery Boys being counseled by Father Flanagan. Several months later we received the results. These things don't come out 100 percent positive, because they test genes and two men—say, twins—could have identical genes. But it was 99.78 percent probable that this man was my father. And he didn't have a twin.

Over the next two years, my father and I tried to establish a relationship. After the first year, it was clear that I was making most of the telephone calls. I even visited his hometown several times. When I did, I stayed with my grandmother. He never got around to visiting me.

When I first called him that summer night, I thought I had nothing to lose. But I was wrong. Once I found him I wanted to know who he was and where I came from. Most of all I wanted to know how he could stand a child of his wandering around somewhere in the world and not know if it was sick or well or starving. I realized that the gravity of the void he had left in my life had influenced my relationships and my perspectives, like an uncharted planet affects the bodies around it. Knowing he knew where I was and didn't care had led me to trust friends more than family, to praise the strength and loyalty of women more than men and to promise myself that I would be a better father. After we met, despite my anger, I still wanted his approval and his admiration. But I never felt like I had it. Our relationship is hardly more developed today than it was the day we met.

The nagging question for those of us abandoned by our fathers—however good their reasons—is "How could you?" My father has never given me a satisfactory answer. When I compared him to my brother, who will have to take financial responsibility for his illegitimate daughter or face jail under New Jersey law, he said I could not compare him to some little boy in the ghetto who rejects responsibility. The truth is I don't compare my father to my brother, or other deadbeat dads. I want to think his reasons for not supporting me are better than theirs. He called me two weeks in a row this month. I felt lucky, even grateful. Really, I know I have every reason to be angry and bitter for what he has not given me. But even now, and maybe forever, what I really want is a father.

mother can turn to the local government for free—and enter a surreal world where social workers juggle 1,000 cases at a time, a prosecutor might handle 100 cases a week and fathers evade pursuit for years by merely moving a few miles away across state lines. "There's a fiction that we're working everybody's cases," says Darryll Grubbs, until recently a top official of the Texas child-support-enforcement division. "Good Lord. We're not coming close." Jim Harrelston, until last November an investigator in Ft. Worth, Texas, was supposed to look through his 2,800 cases and chase the most delinquent parents. In fact, he usually ended up responding to whichever irate mother called the most, and he got 30 to 40 calls a day. The squeaky-wheel system pays little attention to which mother is neediest, and the caseload can push overwhelmed employees to the edge. "There's nothing I can do!" one fuming caseworker yelled at a parent on the phone in Prince Georges County, Md. "I can't make him a good person!"

Among the many difficulties caseworkers face, one is frighteningly basic: figuring out who the father is. A startling 27 percent of all American children are born out of wedlock; two thirds of all black kids are. Identifying the father is much easier now than 10 years ago because blood tests show, with 98 or 99 percent certainty, whether a man fathered a child. Yet the system solves fewer than half its paternity cases. Many welfare mothers



Carolyn and Jewel Itchner have kept the service medals of their father, Drew (right), even though they haven't seen him for 12 years



WILSON—NEWSWEEK (TOP), SLOAN—NEWSWEEK

don't cooperate, fearing they'll lose benefits if the father is found, but even when they do identify the man, states must find him and get him into court, a process that can take years. Sometimes the results are ghoulish: a Maryland judge decided that a man who had fathered a child through a sexual assault should legally be considered

the father, paying child support—and getting visitation rights. Knowing who the father is doesn't mean knowing where he is, how much he earns or how to collect from him. Roughly one third of all child-support cases involve parents living in different states—and women in such cases were twice as likely to get nothing as those with the father nearby, according to a 1990 General Accounting Office study.

**T**he system is routinely maddening for women, but can sometimes be merciless to men, too. Fathers who want to have visitation orders enforced or who've hit hard times and want to have their support payments reduced will have to hire their own lawyers, even if they have no money; most states represent mothers for free in collection cases, fathers not at all. One Las Vegas man ended up paying for a judicial mistake for a decade. He had been dating a woman in Derry, N.H., for just about two months when she announced she was pregnant. He married her, but a year later, he says, he came home to discover she had cleaned out the house and left. Bitter and suspicious about the experience, he asked the court for a blood test to see if he was actually the father of the baby girl, but

the court denied the request out of fear that doing so would taint the child with the "implication of illegitimacy." He paid \$100 a month in child support sporadically, falling about \$5,500 behind at one point. He saw the girl a total of four or five weeks over the next 10 years and shifted between feeling defiant and guilty. "I never treated her like a real father treats a real daughter," he says. "You see dads all bright and aglow; I never had that. I kept thinking I was a bad dad." Finally, at the prompting of his new wife, he tricked his daughter into taking a blood test while she was visiting him in Las Vegas—and the test showed he was not her father.

Despite the many examples of governmental foul-ups, the system works much better than it did 10 years ago. Although the average support award is just \$57.59 per week, most courts have increased payment levels because Congress in 1984 required states to write specific child-support guidelines. As the issue has become politically hot, it has even seeped into electoral politics, in sometimes troubling ways. A fathers'-rights group in Las Vegas is running a slate of candidates in the elections for family-court judges, backing only those who, the group thinks, will lean more toward fathers in custody and support cases.

Reforming child-support policy may prevent a few families from entering into the war zone inhabited by people like John Chappell of Port St. Lucie, Fla., and his ex-wife Linda Place of Springfield, Va. She says he owes his three children more than \$20,000 in child support and reimbursement of medical expenses. Eleven-year-old Matthew spends weeks at a time in a hospital with a serious immune disorder; Place has so far been unable to afford specialized treatment at Duke University. Chappell used to earn \$26,000 a year as a medical-bill collector, but he was, until last Friday, unemployed. Place believes he was intentionally not working to avoid paying the \$540 a month and medical expenses. "There's

nothing wrong with him that he could not maintain a job," says Place, who works 32 hours a week as a nurse and often sleeps in a cot by Matthew's bed. "He's removed himself from the situation so it's not real anymore. He doesn't go to the hospital every day and see Matthew with IVs and needles."

Chappell complains bitterly that his ex-wife is pursuing him out of "raw hate" and turning the children against him. He says his new job in a convenience store will enable him to pay more. "To me, this is a battle between her and me—not the kids," he says. He's right that the parents are the combatants, but he shouldn't delude himself about the names of the casualties. Matthew is growing up thinking that his debilitating illness might be better treated if only his father would pay more in child support. Chappell's oldest son, Chris, speaks in more emotional terms. "Not getting stuff hurts," says 14-year-old Chris, "but thinking that Dad doesn't care enough to support you—that really hurts. I don't think I'm ever going to forgive him. It's just too hard." Chris visited his father in Florida just last summer, and Chappell brought him on a special afternoon outing—to court. There, Chris got to watch the judge chastise his father for failure to pay child support, put him in handcuffs and lead him off to jail. ■

# Child SUPPORT

CHILD SUPPORT ENFORCEMENT DIVISION

DEPARTMENT OF REVENUE

STATE OF ALASKA



JANUARY 25, 1993

Child Support Enforcement Division - D O R

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# LEGISLATION

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## LEGISLATION

### INCOME WITHHOLDING

Since 1985, the Child Support Enforcement Division has been required to initiate income withholding when non-custodial parents' payments became delinquent equal to one month's payment.

Immediate Income Withholding began November 1, 1990. Federal regulations require that all child support orders issued on or after November 1, 1990 have income withholding put in place immediately, where the custodial parent has applied for child support enforcement services through the Division. The immediate income withholding takes place even if payments are current.

### EMPLOYER REPORTING

The employer reporting of new employees to the Child Support Enforcement Division is another piece of legislation that became effective in January, 1991. The purpose of this law is to identify employment of non-custodial parents more quickly than the current system, which depends upon the Department of Labor's quarterly employer records. Employers with twenty (20) or more employees must be served notice by CSED before reporting new employees. Employers with fewer than twenty (20) employees do not have this requirement. CSED has served one hundred fourteen (114) employers this year. This is a pilot program for Alaska and three other states. The results of this program will determine implementation of permanent federal regulations.

### PATERNITY ESTABLISHMENT

A new area of legislation passed by several other states include the Early Paternity Acknowledgement program administered by local hospitals. Under this law, a cooperative mother and father may sign an Affidavit of Paternity at the time of birth of their child. Physicians, midwives, and hospitals are required to provide

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parents with the opportunity to sign the Affidavit. A signed and notarized Affidavit establishes a presumption of paternity. This means that the presumed father gains legal rights and responsibilities of fatherhood, and he is added to the birth certificate.

There is benefit to the child, the medical community, and the State child support organization.

The benefits for the child include:

1. Financial support that allows children to thrive at a standard of living based upon the resources of both parents.
2. Child's eligibility for public and private benefits stemming from the father-child relationship.

Social Security benefits.

Military veterans benefits.

Inheritance rights.

Medical information in matters of treatment.

3. Emotional and psychological benefits of knowing both parents.

Benefits to the medical community:

1. Medical and genetic history of the father.
2. Identify responsible parties to pay medical bills.
3. Makes financial sense, because then employer insurance companies will cover medical costs. Hospitals receive higher payments from private health carriers than they do from Medicaid.
4. Children will then have legal parentage which allows them survivor benefits.

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The benefits to the child support organizations include:

1. Reduction in time to locate the alleged father.
2. The mother is willing to cooperate with the establishment efforts.
3. Reduction in staff workload and organization costs.

The child support organizations that now have the early paternity program in place include:

State of Washington  
Commonwealth of Virginia  
Dallas County, Texas  
Guam

#### POST-MAJORITY SUPPORT

Legislation passed last year allows a custodial parent to motion through the agency or the court for support until 19 years of age, if the dependant is attending high school or an equivalent institution. This allows support beyond the normal state age of majority which is 18 years of age. We are receiving requests for CSED to extend this support to 19 years. This places an additional burden on the Division and the Department of Law.



# Child Support Report

Office of Child Support Enforcement

Vol. XIII, No. 10, November-December 1991

## Paternalty Establishment at Birth:

### *Capturing the Happy Hour*

The chances of establishing paternity are greater at the time of a child's birth than at any other time says Jane Clements, Policy Section Chief of Virginia's IV-D office. This propitious moment for obtaining voluntary paternity acknowledgements has been referred to as "the happy hour," the moment when the father is bursting with pride and is most willing to accept his paternity and its obligations.

Capturing a child's legal paternity at this opportune time seems to many to be common sense. Enforcement personnel have long known that, as the child grows and the parents' relationship weakens or deteriorates, the chances of establishing legal paternity progressively worsen. From a programmatic perspective, and in the wider social sense, high numbers of nonmarital births mean growing welfare dependency and growing IV-D caseloads. The backdrop to this picture is often a costly and time-consuming paternity establishment process through overburdened courts.

#### Benefits of Paternity

Apart from the possibility of the father's immediate care and support of the baby, legal paternity confers a multitude of other rights and benefits which new parents may not know. With paternity established:

- The child has a right to the father's name and such support that is based on his work history, such as Social Security and other survivor's benefits, veteran's benefits, and workman's compensation.
- The child can receive any inheritance, life and health insurance, and a right to access family health information.



*Tim Hershberger, 1-day old Patrick John Hershberger, and Brenda Blackull. Photo: Butterworth Hospital, Grand Rapids, Michigan 1991.*

- The father now has a legal right, though not married to the mother, to establish and maintain a relationship with his child.
- In the developing bonds of care and support, the child stands to gain a whole family, reaching to both the mother's and father's sides.

*(continued on page 2)*



U.S. Department of  
Health and Human Services  
Administration for Children and Families  
Office of Child Support Enforcement

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## From the Deputy Director

*Allie Page Matthews*

Allie Page Matthews

**I**t's about the treatment of people—it always is. Whether it's in the highest negotiations for world peace or in simply asking for a glass of water in a restaurant, how you treat people tells a great deal about you.

A long time ago when I worked in the office of then-Congressman George Bush, I was struck with the simple kindheartedness that prevailed in that office.

I felt a part of a team. I was included because the idea was the thing that brought you to the table, not rank or position. There were no territorial battles, we were all treated equally, and our business was about solving problems.

And I could get help if I needed it from the people around me. There was none of this "Use them up and toss them away" attitude that seems to be prevalent today in a lot of places.

Every management book in the world will now tell you that the way I was treated is plain good management, but to me it's more a matter of how you live your life. Do you display kindness or rudeness? Do you offer help or criticism? Do you bring hope or despair?

I pray child support offices all over this country will choose to treat people at every level as I was treated in the Bush office. I want us to be what government should be. ■

## Paternity At Birth

(continued from page 1)

### The Programs

Mindful of these considerations, several states have passed legislation and instituted programs for establishing paternity in the hospital at the time of the child's birth. Child support enforcement programs in Virginia, Washington, and Michigan, for example, have voluntary consent processes in which the father and mother can acknowledge and sign a document that legally establishes paternity.

*The programs  
include carefully  
informed consent...*

Washington State, Kent County (Grand Rapids), Michigan, and Virginia have had hospital-based paternity efforts for about a year. Washington, the first state to establish such a program, currently has 80 participating hospitals and expects 7,000 sworn paternity affidavits to be signed by the end of 1991. Averaging 88 affidavits per hospital, this represents 80 percent of the fathers who were given the

opportunity to acknowledge paternity when their babies were born.

Kent County (Grand Rapids), Michigan, has one large participating hospital and expects to have 791 affidavits signed by the end of a 14-month period. This represents 52 percent of fathers given the chance to establish their paternity in the hospital. Virginia has five hospitals participating in its paternity establishment program and is expecting to add four more, moving toward a statewide program in its 35-40 birthing hospitals. According to Jane Clements, one invaluable ingredient has been the endorsement of the Virginia Hospital Association, which has promoted the program in its newsletter.

### How They Work

The three state programs share several similar practices. In Washington State, hospital personnel, e.g., the doctor, midwife, social worker, or an administrative employee, "provide the opportunity" to the father and mother to acknowledge paternity, and medical records personnel obtain the acknowledgments as part of the birth registration process. In Virginia, a social worker presents the

## Special Issue for Front Line Workers

**J**anuary's *Child Support Report* will be a special issue for frontline workers. To ensure that they see it, please circulate your copies as widely as you can and let us know if you need more for distribution to local offices.

We would also be glad to add to our regular mailing list any local CSE offices that do not now receive *CSR*. Please let us know on 202-401-9383. ■



opportunity and the hospital's medical records clerk who prepares the birth certificate, obtains the paternity acknowledgments. In Grand Rapids, the medical records clerk performs both functions, with some of the groundwork laid by a social worker.

All three programs provide training to hospital personnel involved in paternity establishment—medical records clerks, vital statistics registrars, and supervisors. Also, the usual practice is for state CSE programs to pay the hospital a nominal fee of \$10 to \$20 per acknowledgment, which is eligible for federal financial participation. Clements points out that the fee can in no way compensate for the time the hospital spends with the patients, basically donated time.

#### Questions of Law

The programs include carefully informed consent, providing the mother and father with information which explains the benefits of paternity establishment and the availability of support enforcement services. Kent County has a resource person available at the agency for the hospital to refer any additional questions to, particularly of a legal nature.

How is legal paternity formalized? In Virginia and Washington, paternity is finally established when the hospital-notarized affidavits or declarations of paternity are filed with the state vital records departments. In Washington, the father has several opportunities to later contest the acknowledgment or the support order that results. In Grand Rapids, paternity is legally established when the affidavits are filed with the court.

#### Community Outreach

Kent County has done a lot of outreach with pregnant, unmarried women, so they and the fathers will be prepared when they enter the hospital. It distributes brochures to doctors' offices, health clinics, hospital-run prenatal clinics, and schools with unwed mothers. The

who's  
MY  
daddy?



Fathers  
are important  
for many  
reasons

*Brochure from Kent County Michigan*

hope is that if unmarried fathers have information and have had time to discuss and think about the benefits of paternity to their child, they may be more receptive to acknowledging it when they come to the hospital. In Virginia, posters placed in the hospitals encourage

employees to obtain training in the hope that they can help "market" the program.

#### Cost Savings

In operational terms, the cost savings to state IV-D program can be substantial. Virginia estimates that in-hospital paternity establishment saves about \$440 per case over the cost of getting paternity processed through the courts. In one year, the Virginia CSE program has realized an estimated savings of \$126,700 for 288 hospital-established paternities.

The true benefits of "happy hour" paternity establishment are, of course, for the children. Says Nancy Sterk, District Manager with the Office of Child Support in Kent County, Michigan, "The children can leave the hospital with two legal parents instead of one, starting life on a positive basis." And, with paternity established at birth, and a support order entered soon after, the mother has earlier access to child support enforcement services, if and when she and her child need them.

For further information about these in-hospital paternity establishment programs, contact: Kent County, Michigan: Nancy Sterk, 616-247-6230; Virginia: Jane Clements, 804-662-7469; and Washington: John Hoover, 206-586-3555. ■



# Conservatives' <sup>4/16/93</sup> new 'index' finds society slipping

By PETER A. BROWN  
Scripps Howard News Service

WASHINGTON — Conservatives have come up with a way to quantify the decline in cultural values they have long sought to make a political issue.

William Bennett, a Cabinet member in the Reagan and Bush administrations, Monday announced an "Index of Leading Cultural Indicators" which he said shows that "over the last three decades we have experienced substantial social regression."

The index measures, among other things, welfare caseloads, out-of-wedlock births, crime rates, divorce rates, single-parent families and Scholastic Aptitude Test scores.

Employees of three conservative groups — Bennett's Empower America, The Heritage Foundation and the Free Congress Foundation — analyzed the data and compared the changes on a per-capita basis.

They found, for instance, that out-of-wedlock births were 5.3 percent of the nation's total in 1960 but 28 percent in 1990 — a more than 500 percent increase, when the population grew only 41 percent during the same period.

They found that single-parent families were 9.1 percent of all families with children in 1960, but 28.6 percent in 1991. And the percent of children

who receive Aid to Families with Dependent Children, the major welfare program, jumped from 3.5 percent in 1960 to 12.9 percent in 1991.

Bennett said that despite revisions in the SAT grading system, scores still have dropped about 8 percent since 1960. He said SAT scores dropped at the same time that government spending on education — adjusted for inflation — more than doubled.

Bennett offered a series of ideas to reverse the trends: using the Internal Revenue Service to collect child support from "dead-beat dads"; having hospitals establish paternity at the time of birth; tripling the personal income tax exemption for children; rescinding no-fault divorce laws for parents with children; and much tougher sentences for criminals.

Bennett said that he did not think the large increases in government spending during the 1960-90 period had caused the societal decline spotlighted by his index.

But he said he felt that the government programs may have created harmful incentives by shifting the emphasis from family and private solutions to problems.

"The thesis is: Government can't do it all and in fact, government can't do very much" about these problems, he said.

Affidavit # \_\_\_\_\_

Certificate # \_\_\_\_\_

## AFFIDAVIT OF PATERNITY (LEGITIMATION)

If no father is listed on the birth certificate of a child born out of wedlock, Alaska Law (AS 18.50.160) permits the listing of the natural father. Both the mother and the father must sign the affidavit. The last name to be given to the child must be listed in Item 11.

**Facts as  
Shown on  
Original  
Certificate**

1. <span style="float: right;">FIRST</span> NAME OF CHILD	<span style="float: right;">MIDDLE</span>	<span style="float: right;">LAST</span>	2. CHILD'S DATE OF BIRTH
3. CITY OF BIRTH:		HOSPITAL	4. MAIDEN NAME OF MOTHER

**Natural  
Father of  
Child**

5. <span style="float: right;">FIRST</span> NAME OF FATHER	<span style="float: right;">MIDDLE</span>	<span style="float: right;">LAST</span>	6. SOCIAL SECURITY NO.
7. FATHER'S BIRTHDATE:		8. FATHER'S STATE OF BIRTH:	
9. FATHER'S RACE		10. FATHER'S EDUCATION:	

Please give careful consideration to the name you wish your child to have. This is a one-time opportunity and any future changes will require a court order as a legal change of name through the superior court.

11. HOW IS CHILD'S NAME TO APPEAR ON THE BIRTH CERTIFICATE?
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### BOTH PARENTS MUST SIGN BEFORE A NOTARY PUBLIC

I certify that I am the natural mother; that the above information is true; that there is no legal father; that I make this affidavit for the purpose of showing the natural father; and showing a change of child's name if so indicated.

Mother's Signature: \_\_\_\_\_

Address: \_\_\_\_\_

Subscribed to before me on this \_\_\_\_\_

day of \_\_\_\_\_ 19\_\_\_\_

Notary for: \_\_\_\_\_ (State)

My commission expires: \_\_\_\_\_

I certify that the above information is true; that I make this affidavit for the purpose of showing that I am the natural father and providing for a change of the child's name if so indicated.

Father's Signature: \_\_\_\_\_

Address: \_\_\_\_\_

Subscribed to before me on this \_\_\_\_\_

day of \_\_\_\_\_ 19\_\_\_\_

Notary for: \_\_\_\_\_ (State)

My commission expires: \_\_\_\_\_

**Mail to: Bureau of Vital Statistics, P.O. Box 110675, Juneau, Alaska 99811-0675**

**Sec. 18.50.150. Form of certificate.** The form of certificates, reports, and other returns required by this chapter, or by regulations adopted under it, must include as a minimum the items recommended by the federal agency responsible for national vital statistics subject to approval of any modification by the state registrar. The bureau shall prescribe and furnish forms. (§ 12 ch 118 SLA 1960)

**Sec. 18.50.160. Birth registration.** (a) A certificate of birth for each live birth that occurs in the state shall be filed with the local registrar of the registration district in which the birth occurred, as provided in this section, within seven days after the birth. When a birth occurs on a moving conveyance a birth certificate shall be filed in the district in which the child was first removed from the conveyance.

(b) When a birth occurs in an institution, the person in charge of the institution or a designated representative of the person in charge of the institution shall obtain the personal data, prepare the certificate, secure signatures required on the certificate, and shall file it with the local registrar. The physician in attendance shall certify to the facts of birth and provide the medical information required by the certificate within five days after the birth.

(c) When a birth occurs outside an institution, the certificate shall be prepared and filed by one of the following in the indicated order of priority:

(1) the physician in attendance at or immediately after the birth; or in the absence of a physician;

(2) a person other than a parent in attendance at or immediately after the birth; or

(3) a parent, or, if a parent is unable, the person in charge of the premises where the birth occurs.

(d) If the mother was married at the time of conception or birth, the name of the husband shall be entered on the certificate as the father of the child unless paternity has been determined otherwise by a court of competent jurisdiction, in which case the name of the father, if determined by the court, shall be entered.

(e) If the mother was not married at the time of conception or birth, the name of the father may not be entered on the certificate of birth unless paternity has been determined by a court of competent jurisdiction, or both the mother and father request the entry, or otherwise as specified by statute.

(f) In the case of a child born out of wedlock, the certificate of birth shall be filed in accordance with (a), (b), and (c) of this section unless the state registrar directs another procedure. (§ 13 ch 118 SLA 1960; am § 83 ch 127 SLA 1974; am § 28 ch 37 SLA 1986)



# HOUSE COMMITTEE REPORT

3/19

(9)  
Date Referred: March 8, 1993

FURTHER REFERRALS:

Judiciary  
Finance

Date of Committee Action: 3-17-93

The HEALTH, EDUCATION AND SOCIAL SERVICES Committee considered:

SSHB 128

SPONSOR SUB. FOR HOUSE BILL NO. 128

EARLY ACKNOWLEDGEMENT OF PATERNITY

"An Act relating to early acknowledgement of paternity for the child of an unmarried mother."

**RECOMMENDATIONS:**

be replaced with CS SSHB 128 (HSS)  the same title  
 a new title

have attached amendments(s)

do pass

do not pass

no recommendations

individual recommendations

additional referral to the \_\_\_\_\_ Committee

ADOPTS: \_\_\_\_\_ letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept)

APPROVES PREVIOUS: (Dept/Date)

fiscal impact H+SS

fiscal note(s) \_\_\_\_\_

zero fiscal note \_\_\_\_\_

zero fiscal note(s) \_\_\_\_\_

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
		<i>Pete Kost</i>	+		
		<i>Al Vezey</i>	+		
<i>David G. Davis</i>		<i>Audrey Olberg</i>		✓	
<i>Carla Bunde Bunde</i>					
<i>Debra Ann B. Davis</i>					
<i>Jane Nichols</i>					
<i>Tommy Toomey</i>					
<i>Tom Bunde Bunde</i>					

*Carla Bunde Bunde*  
CHAIRMAN'S SIGNATURE

**HB**

**128**

**SFIN**

**FILE**

# SENATE FINANCE COMMITTEE REPORT

DATE: 4/29/94

FURTHER:

DATE TURNED INTO OFFICE: 5-3-94

The Finance Committee considered CS SSB 128(FIN)

"An Act relating to paternity determinations and acknowledgements."

and recommends:

- replace with \_\_\_\_\_ CS \_\_\_\_\_ (FINANCE)
- or  adopt previous \_\_\_\_\_ CS \_\_\_\_\_
- attaches amendment(s)

- same title
- new title
- technical title change (HB only)

adopts \_\_\_\_\_ Letter of Intent

further referral to the \_\_\_\_\_

do pass

do not pass

no recommendation

individual recommendations

**NEW FISCAL NOTES**

Department	Date	Zero	Fiscal

**PREVIOUS FISCAL NOTES**

Department	Date	Zero	Fiscal
DHSS AFDC	1-31-94	0	
DHSS V.S.	3-22-94		43.3

Appropriation No Fiscal Note

DO PASS: Tim Kelly

Greg Jack

1. Drop NO REC

Co-Chair: Signature/Recommendation

OTHER RECOMMENDATIONS: Bob Murphy NIR

John P. ... NO REC  
John P. ... No Recommendation

2. inmate ...

Co-Chair: Signature/Recommendation

# FISCAL NOTE

STATE OF ALASKA  
1994 LEGISLATIVE SESSION

to. 4

Bill Version: CSSSHB 128 (FIN)

(S) Publish Date: 3-24-94

Revision Date: 3/22/94 Dept. Affected: Health and Social Services  
 Title: An act relating to early acknowledgement of paternity BRU: State Health Services  
 Sponsor: B. Davis, Toohey Component: Bureau of Vital Statistics  
 Requestor: Senate HES COMPONENT SERIAL NO. #961

**Expenditures/Revenues:** (Thousands of Dollars)

OPERATING	FY95	FY96	FY97	FY98	FY99	FY00
PERSONAL SERVICES	33.2	34.0	34.9	35.8	36.6	37.6
TRAVEL						
CONTRACTUAL	4.9	4.9	4.9	4.9	4.9	4.9
SUPPLIES	0.1	0.1	0.1	0.1	0.1	0.1
EQUIPMENT	5.1	0.5	0.5	0.5	0.5	0.5
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>43.3</b>	<b>39.5</b>	<b>40.4</b>	<b>41.3</b>	<b>42.1</b>	<b>43.1</b>

CAPITAL EXPENDITURES						
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CHANGES IN REVENUES						
---------------------	--	--	--	--	--	--

**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
1007 Interagency Receipts	43.3	39.5	40.4	41.3	42.1	43.1
<b>TOTAL</b>	<b>43.3</b>	<b>39.5</b>	<b>40.4</b>	<b>41.3</b>	<b>42.1</b>	<b>43.1</b>

**POSITIONS:**

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

Estimate of current year (FY94) cost \$ NONE

*Replaces #2*

ANALYSIS: (Attach a separate page if necessary)

Twelve thousand babies are born each year in this state. Four thousand of these births are to unwed mothers. The Bureau of Vital Statistics will be working with Child Support Enforcement to identify paternity for child support payments. This will require the printing and distribution of 5,000 pamphlets/year and the processing of 250 affidavits/month.

The cost incurred for the implementation of this bill would be the costs associated with a new position for review, research correction, data entry and filing of the affidavits of paternity, updating and issuing substitute certificates, sealing and storing of original certificates in all related case documents. The salary of this position has a 2-1/2% inflation factor built in.

Prepared by: Peter M. Nakamura, MD, MPH *PMA*  
 Division: Public Health

Phone: (907) 465-3090  
 Date: 03/22/94

Approved by Commissioner: Margaret R. Lowe, M.Ed., Ed.S.  
 Agency: Department of Health & Social Services

Date: 3-22-94

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Revision Date: 3/22/94

BILL NO. \_\_\_\_\_

**ANALYSIS (cont.):**

In order for this position to function, it will need funding in the contractual line for phone bills and postage, in the supply line for normal office supplies, and in the equipment line for a desk, chair and computer with related software. In subsequent years, the equipment line would need to have funds for upgrades to the computer software and replacement costs for hardware.

In addition contractual costs would be incurred for the costs associated with the printing and distribution of the 5,000 pamphlets.

Printing	3.0
Mailing	1.5

Funding for the position and associated costs of the position itself will be through an RSA with the Department of Revenue Division of Child Support Enforcement.

Position Title Document Processor II		No. of Positions 1	Range/Step 8A	Bargaining Unit GGU
Time Status PFT	Staff Months 12	Location Juneau		Election District
<b>TYPE of EXPENDITURE</b>		<b>AMOUNT</b>		
Salary		22.0		
Benefits		11.2		
Premium Pay				
Other				
<b>Total Personal Services</b>		<b>33.2</b>		
Travel				
Contractual		0.4		
Commodities		0.1		
Equipment		5.1		
Other				
<b>Total Cost</b>		<b>38.8</b>		
<b>FUNDING SOURCE for TOTAL COST</b>				
1002	Federal Receipts			
1003	GF Match			
1004	General Fund			
1005	GF/Program Receipts			
1006	GF/Mental Health Trust			
1007	I/A Receipts	38.8		
1061	CIP Receipts			
Other				
<p><b>Justification</b></p> <p>This position will review, research and correct, data enter and file the affidavits of paternity, update and issue substitute birth certificates, seal and store original certificates in all related case documents.</p> <p>This position in order to function will need to have contractual costs for postage and phone bills, office supplies, and a desk, chair and computer equipment plus software.</p>				

**REQUEST for  
NEW POSITION**

AGENCY: Health and Social Services  
 BRU: State Health Services  
 COMPONENT: Bureau of Vital Statistics #961

Page 1 of 1  
 Revised Date:

**FY95**

3-3

FISCAL NOTE

STATE OF ALASKA  
1994 LEGISLATIVE SESSION

No. 3

BILL | Bill Version: CSSSHB 128 (FIN)  
(H) Publish Date: 2/11/94

Revision Date: \_\_\_\_\_ Dept. Affected: Health and Social Services  
Title: "An Act relating to early acknowledgement of paternity for an unwed mother" BRU: Assistance Payments  
Component: AFDC  
Sponsor: B. Davis  
Requestor: \_\_\_\_\_ COMPONENT SERIAL NO. 0220

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY95	FY96	FY97	FY98	FY99	FY00
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	0.0	0.0	0.0	0.0	0.0	0.0
REVENUE FUND SOURCE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

1002 Federal Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1003 GF Match	0.0	0.0	0.0	0.0	0.0	0.0
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1006 GF/MHTIA	0.0	0.0	0.0	0.0	0.0	0.0
Other	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 current year (FY94) impact: NONE

ANALYSIS: (Attach a separate page if necessary)

Paternity establishment is a significant issue in the AFDC program because fathers cannot be held financially responsible for children born to unwed mothers unless paternity has been established under state law.

CSSS SB190 establishes new statutory requirements for acknowledgement of paternity. The new requirements are substantially the same as existing requirements and are not projected to have a significant impact on public assistance program costs.

Prepared by: Jan L. Hansen, Director  
Division: Division of Public Assistance  
Approved by Commissioner: Margaret R. Lowe, M.Ed., Ed.S.  
Agency: Department of Health & Social Services

Phone: 465-2680  
Date: 1/26/94  
Date: 1-31-94

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# ALASKA STATE LEGISLATURE

NOV 17 1988  
HONORABLE  
CHILDREN'S SERVICES  
HEALTH EDUCATION  
& SOCIAL SERVICES  
STATE AFFAIRS  
ECONOMIC DEVELOPMENT  
& REVENUE

REPRESENTATIVE BETTYE DAVIS  
DISTRICT 21

## SPONSOR STATEMENT

### **CSSSHB 128 (FIN) - 'RELATING TO PATERNITY DETERMINATIONS AND ACKNOWLEDGEMENTS'**

Non-support of children has become a national epidemic with one-fourth of children in the United States now living with a single parent and an estimated 60 percent spending at least part of their childhood in a single-parent home. In almost half of these cases, the absent parent does not pay child support. Many of these children are born out-of-wedlock and paternity is established in only 30 percent of such cases. That interprets into 70 percent of out-of-wedlock births where there is no proof of paternity and no means to collect child support.

CSSSHB 128 (FIN) adds language to A.S. 18.50 and requires the state registrar to prepare a paternity acknowledgment form to be used at the time of birth. The form, signed by both parents, will list the father's full name and social security number, and requires the signature of a notary public. The bill also lays out specific responsibilities of hospitals or midwives (should the birth occurs outside the hospital setting) to get the proper information on the form and to distribute appropriate paternity materials from the Department of Health and Social Services. In addition, the State of Alaska is required to give full faith and credit to a determination of paternity made by another state, regardless of the method in which paternity was established. Another component of CSSHB 128 (FIN) provides for procedures to allow a default order to be entered in contested paternity cases upon showing that process was served on the defendant in accordance with state law.

Sponsor Statement  
CSSSHB 128 (FIN)

This legislation is an attempt to get acknowledgment at the time when a father is particularly willing to develop a relationship with the child, which benefits both parties. The child will have the security of knowing who his/her father is and could gain access to support from Social Security, survivor and veteran benefits and worker's compensation. The child would also be entitled to the father's inheritance, health insurance and have access to the family medical history. The father, in turn, maintains the legal right to have access to his child even though he is not married to the mother.

As of December 1993, there were 39,969 cases pending in the Alaska Child Support Enforcement Division and 7,192 of those cases are directly related to paternity verification. Establishing paternity early on will better enable the state to collect child support in the future and could subsequently reduce the number of families needing public assistance.

CSSSHB 128 (FIN) is a step towards giving children in this state a better start in life and the support they deserve from both parents.

STATE OF ALASKA  
1994 LEGISLATIVE SESSION

FISCAL NOTE

No. 2  
Bill Version: CSSSHB 128 (FI)  
BILL (H) Publish Date: 2/11/94

Revision Date: 1/28/94 Dept. Affected: Health and Social Services  
Title: An act relating to early acknowledgement of paternity BRU: State Health Services  
Sponsor: B. Davis, Toohey Component: Bureau of Vital Statistics  
Requestor: House Finance COMPONENT SERIAL NO. #961

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING	FY95	FY96	FY97	FY98	FY99	FY00
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	4.5	4.5	4.5	4.5	4.5	4.5
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	4.5	4.5	4.5	4.5	4.5	4.5

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	4.5	4.5	4.5	4.5	4.5	4.5
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	4.5	4.5	4.5	4.5	4.5	4.5

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY94) cost \$ NONE

ANALYSIS: (Attach a separate page if necessary)

Twelve thousand babies are born each year in this state. Four thousand of these births are to unwed mothers. This requires the printing and distribution of 5,000 pamphlets/year.

The cost incurred for the implementation of this bill would be the costs associated with the printing and distribution of the 5,000 pamphlets.

Printing	3.0
Mailing	1.5

Prepared by: Peter M. Nakamura, MD, MPH  
Division: Public Health

Phone: (907) 465-3090  
Date: 01/28/94

Approved by Commissioner: Margaret R. Lowe, M.Ed., Ed.S.  
Agency: Department of Health & Social Services

Date: 1-31-94

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Mail Stop 3101

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

MEMORANDUM

February 21, 1994

SUBJECT: Sectional Summary of ~~SSSB 128(FIN)~~ (An Act relating to paternity determinations and acknowledgements.)

TO: Representative Bettye Davis

FROM: Terri Lauterbach *TLL*  
Legislative Counsel

You have requested a sectional summary of the above-described bill.

Please note that a sectional summary of a bill should not be considered an authoritative interpretation of the bill and the bill itself is the best statement of its contents. If you would like an interpretation of the bill as it may apply to a particular set of circumstances, let me know.

Section 1. Directs the state registrar to prepare a form that can be used by a man to acknowledge that he is father of a child named in the form. When properly witnessed, this acknowledgement is presumptive evidence of the man's paternity.

Sec. 2. Sets out the conditions under which a default judgment must be entered against the defendant in a contested paternity action.

Sec. 3. Requires hospitals and other health care providers to advise unmarried women, and their male partners if possible, concerning the rights and responsibilities of parents. Also requires them to give the woman, and the man if possible, the paternity acknowledgement form developed under section 1 of this Act.

Sec. 4. Directs the child support enforcement agency to seek default judgments in paternity actions that meet the criteria of section 2 of this Act.

TML:pl  
94-144.plm

ALASKA STATE

HOSPITAL & NURSING HOME

ASSOCIATION

April 27, 1994

Senator Robin Taylor, Chair  
Judiciary Committee  
Alaska State Senate  
Capitol Building, #30  
Juneau, AK 99801

Re: Support HB 128  
Paternity Establishment

Dear Senator Taylor & Members Judiciary Committee:

Alaska's community hospitals support CS HB 128. Hospitals feel an obligation to do so, even though it places another "request" on the hospital to do more than just provide care.

HB 128 sponsor Representative Davis has worked closely with hospitals to make this additional request as least burdensome as possible. I know that you have heard from the Health Information (medical record) organization and we have shared back with them our work with Representative Davis.

The bill addresses a very important social issue, the responsibility of parenthood. We think HB 128 is a step in the right direction for young men and women to accept that responsibility.

Sincerely,



Harlan R. Knudson  
President/CEO

ALASKA STATE LEGISLATURE

bill file  
2/24/30

3111 C STREET  
ANCHORAGE, ALASKA 99503  
(907) 561-2039  
FAX: (907) 561-1691

STATE CAPITOL  
JUNEAU, ALASKA 99801-1182  
(907) 465-3875  
FAX: 907-465-2294



MINORITY WHIP  
CHAIR  
CHILDREN'S CAUCUS  
HEALTH, EDUCATION  
& SOCIAL SERVICES  
STATE AFFAIRS  
ECONOMIC TASK  
FORCE

REPRESENTATIVE BETTYE DAVIS  
DISTRICT 21

HB 128

M E M O R A N D U M

TO: SEN. DRUE PEARCE, CO-CHAIR  
SEN. STEVE FRANK, CO-CHAIR  
SENATE FINANCE COMMITTEE

FROM: REP. BETTYE DAVIS

BD

DATE: APRIL 28, 1994

RE: WAIVING CSSSHB 128 (FIN)

\*\*\*\*\*

I respectfully request that you waive CSSSHB 128 (FIN) "Relating to paternity determinations and acknowledgments" from the Senate Finance Committee. This bill was heard in House HESS, Judiciary and Finance, and passed the House by unanimous vote on February 2. In the Senate, it has had hearings in HESS (March 22) and passed out of the Judiciary Committee today.

This legislation is intended to establish paternity at the time of birth when a father is more willing to take responsibility and support for his child. It will also better enable the state to collect child support payments and could subsequently reduce the number of families needing public assistance.

In addition, CSSSHB 128 (FIN) is necessary to bring the Alaska CSED into compliance with recent paternity changes resulting from the Omnibus Budget Reconciliation Act of 1993. Failure to pass this legislation this year result in a loss of federal funds for CSED.

The costs associated with this legislation (\$43,300) will be handled through an RSA with the Department of Revenue, Division of Child Support Enforcement and will require no additional general fund dollars.



Sen. Drue Pearce, Co-Chair  
Senate Finance Committee  
April 28, 1994  
Page Two

Your favorable consideration of this request would be appreciated so that CSSSHB 128 (FIN) could be brought to the Senate floor for a vote. If you have any questions or comments, please feel free to contact me at x3875.

# ALASKA STATE LEGISLATURE

3111 C STREET  
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JUNEAU, ALASKA 99801-1182  
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REPRESENTATIVE BETTYE DAVIS  
DISTRICT 21

## MEMORANDUM

TO: Senator Tim Kelly  
FR: Rep. Bettye Davis *BD*  
DT: May 2, 1994  
RE: CSSSHB 128 (FIN) - Relating to Paternity Establishments and Determinations

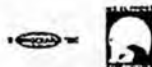
Attached is information which I hope addresses the concerns you expressed regarding HB 128 during the Senate Finance hearing this morning. I am sorry I was unable to attend, but unfortunately, the House was in session at that time.

It is my understanding that your concern was for the protection of the "private" child support agreements made between an obligor and the custodial parent. I have attached a copy of the federal mandates on the State regarding paternity establishment for AFDC recipients, as well as individuals not receiving AFDC or Title IV-E foster care assistance.

In addition, I have attached a copy of A.S. 25.27.065(b) which validates a private written waiver of child support between an obligor and the obligee, except during the period in which the obligee is receiving public assistance.

I am planning to attend the Senate Finance hearing tomorrow morning, and would be happy to answer any additional questions you may have.

cc: Senator Drue Pearce, Co-Chair  
Senator Steve Frank, Co-Chair



(a) *IV-D responsibility.* The IV-D agency will maintain methods of administration designed to assure that persons responsible for handling cash receipts of support do not participate in accounting or operating functions which would permit them to conceal in the accounting records the misuse of support receipts. Such methods of administration shall follow generally recognized accounting standards.

(b) *Scope.* The requirement in paragraph (a) of this section applies to persons who participate in the collection, accounting or operating functions which include:

(1) IV-D agency employees and employees of any other State or local agency to which IV-D functions have been delegated.

(2) Employees of a court or law enforcement official performing under a cooperative agreement with the IV-D agency.

(3) Employees of any private or governmental entity from which the IV-D agency purchases services.

(c) *Exception.* The Regional Office may grant a waiver to sparsely populated geographical areas, where the requirements in paragraph (a) of this section would necessitate the hiring of unreasonable numbers of additional staff. The IV-D agency must document such administrative infeasibility and provide an alternative system of controls that reasonably insures that support collections will not be misused.

(44 FR 28803, May 17, 1979, as amended at 47 FR 67281, Dec. 23, 1982)

§ 302.30 Publicizing the availability of support enforcement services.

Effective October 1, 1985, the State plan shall provide that the State will publicize regularly and frequently the availability of support enforcement services under the plan through public service announcements. Publicity must include information on any application fees which may be imposed for such services and a telephone number or postal address where further information may be obtained.

(Approved by the Office of Management and Budget under control number 0960-0385)

(50 FR 19647, May 9, 1985, as amended at 51 FR 37731, Oct. 24, 1986)

Establishing paternity and securing support.

The State plan shall provide that:

(a) The IV-D agency will undertake:

(1) In the case of a child born out of wedlock with respect to whom an assignment as defined in § 301.1 of this chapter is effective, to establish the paternity of such child; and

(2) In the case of any individual with respect to whom an assignment as defined in § 301.1 of this chapter is effective, to secure support for a child or children from any person who is legally liable for such support, using State laws and reciprocal arrangements adopted with other States when appropriate. Effective October 1, 1985, this includes securing support for a spouse or former spouse who is living with the child or children, but only if a support obligation has been established for that spouse and the child support obligation is being enforced under the title IV-D State plan.

(3) When assigned support payments are received and retained by an AFDC recipient, to proceed as follows:

(i) In States that implement the IV-A State plan requirements to count retained support payments as income under 45 CFR 232.20(a)(3)(v), the IV-D agency shall notify the IV-A agency whenever it discovers that directly received payments are being, or have been, retained; or

(ii) In States that do not implement the IV-A State plan requirements to count retained support payments as income to meet need, the IV-D agency shall recover the retained support payments. This recovery by the IV-D agency shall be carried out in accordance with the standards for program operations provided in § 303.80 of this chapter.

(4) When assigned medical support payments are received and retained by a non-AFDC Medicaid recipient, the IV-D agency shall notify the Medicaid agency whenever it discovers that directly received medical support payments are being, or have been, retained.

(b) Upon receiving notice from the IV-A, IV-E or Medicaid agency that

there has been a claim of good cause for failure to cooperate, the IV-D agency will suspend all activities to establish paternity or secure support until notified of a final determination by the appropriate agency.

(c) The IV-D agency will not undertake to establish paternity or secure support in any case for which it has received notice from the IV-A, IV-E or Medicaid agency that there has been a finding of good cause unless there has been a determination by the IV-A, IV-E or Medicaid agency, as appropriate, that support enforcement may proceed without the participation of the caretaker or other relative. If there has been such a determination, the IV-D agency will undertake to establish paternity or secure support but may not involve the caretaker or other relative in such undertaking.

(Approved by the Office of Management and Budget under control numbers 0960-0385 and 0970-0107)

(50 FR 19647, May 9, 1985, as amended at 51 FR 25526, July 15, 1986; 51 FR 37731, Oct. 24, 1986; 56 FR 8003, Feb. 28, 1991)

§ 302.32 Collection and distribution of support payments by the IV-D agency.

The State plan shall provide that:

(a) In any case in which support payments are collected for a recipient of aid under the State's title IV-A plan with respect to whom an assignment under § 232.11 is effective, such payments shall be made to the IV-D agency and shall not be paid directly to the family.

(b) The IV-D agency must inform the State's IV-A agency of the amount of the collection which represents payment on the required support obligation for the month as determined in § 302.51(a) within 10 working days of the end of the month in which the support is received by the IV-D agency responsible for final distribution. Upon being informed of this amount, the IV-A agency will determine if such amount is sufficient to make the family ineligible for an assistance payment pursuant to the State's IV-A plan (See § 232.20 of Chapter II of this title.) If such amount is sufficient to make the family ineligible for an assistance payment, the IV-A agency will notify the IV-D agency and the

IV-D agency will distribute the amount collected pursuant to § 302.51 of this part. The IV-D agency will notify the family that it will continue to provide services pursuant to § 302.33 of this part.

(c) If the IV-A agency determines that the amount of the collection which represents payment on the required support obligation for the month does not make the family ineligible for an assistance payment, or if a hearing is requested pursuant to § 205.10 of this title, the IV-A agency will notify the IV-D agency of such fact and the IV-D agency will distribute such amount pursuant to § 302.51 of this part.

(d) To the extent any amount collected in a month includes payment on required support obligations for past months, that portion of such amount will be distributed by the IV-D agency pursuant to § 302.51(b) (4) and (5) of this part.

(e) Support collected in a month after any month in which the support collected makes the family ineligible for an assistance payment (pursuant to § 232.20 of this title) but prior to or in the month in which the family receives its last assistance payment, shall be used to reimburse the State for any assistance paid in such months with any excess being paid to the family. This provision will not apply when a hearing is requested pursuant to § 205.10 of this title. In these cases, when the hearing results in a determination that the family was ineligible for an assistance payment, the IV-D agency will determine the amount by which the entire support collection for a month that the family would have received pursuant to paragraph (b) of this section exceeds the amount the family actually received for a month as an assistance payment and pursuant to § 302.51. Such excess shall be paid to the family. If the family is determined to be eligible, distribution will continue to be made pursuant to § 302.51.

(f) *Timeframes for distribution of support payments.* (1) In interstate IV-D cases, amounts collected by the responding State on behalf of the initiating State must be forwarded to the initiating State within 15 calendar

days of the initial point of receipt in the responding State, in accordance with § 303.7(c)(7)(iv).

(2) Amounts collected by the IV-D agency on behalf of recipients of aid under the State's title IV-A or IV-E plan for whom an assignment under § 232.11 of this title or section 471(a)(17) of the Act is effective shall be distributed as follows:

(i) When the IV-D agency sends payments to the family under § 302.51(b)(1) of this part, payments to the family must be sent to the family within 15 calendar days of the date of initial receipt in the State of the first \$50 of support collected in a month, or, if less than \$50 is collected in a month, within 15 calendar days of the end of the month in which the support was collected. When the IV-A agency sends payments to the family under § 302.51(b)(1) of this part, the IV-D agency must forward any amount due the family under § 302.51(b)(1) to the IV-A agency within 15 calendar days of the date of initial receipt in the State of the first \$50 of support collected in a month, or, if less than \$50 is collected in a month, within 15 calendar days of the end of the month in which the support was collected.

(ii) Except as specified under paragraph (i)(2)(iv) of this section, collections for the month after the month the family receives its last assistance payment and collections distributed under § 302.51(b)(3) and (5) of this part must be sent to the family within 15 calendar days of the date of initial receipt in the State of a collection for the first month of ineligibility.

(iii) Except as specified in paragraph (i)(2)(iv) of this section, collections in IV-E foster care cases under §§ 302.52(b)(2) and (4) of this part must be distributed within 15 calendar days of the date of initial receipt in the State.

(iv) Collections as a result of Federal or State income tax refund offset paid to the family under § 302.51(b)(5) of this part, or distributed in title IV-E foster care cases under § 302.52(b)(4) of this part, must be sent to the AFDC family or IV-E agency, as appropriate, within 30 calendar days of the date of initial receipt by the IV-D agency,

unless State law requires a post-offset appeal process and an appeal is filed timely, in which case the IV-D agency must send any payment to the AFDC family or IV-E agency within 15 calendar days of the date the appeal is resolved.

(3) Amounts collected on behalf of individuals receiving services under § 302.33 of this part shall be distributed as follows:

(i) Amounts collected which represent payment on the current support obligation shall be sent to the family within 15 calendar days of the date of initial receipt in the State.

(ii) Except as specified in paragraph (i)(3)(iii) of this section, if the amount collected is more than the amount required to be distributed in paragraph (i)(3)(i) of this section, the State may at its discretion either send such amounts to the family to satisfy past-due support within 15 calendar days of the date of initial receipt in the State or retain such amounts as have been assigned to satisfy assistance paid to the family which has not been reimbursed.

(iii) Collections due the family under § 302.51(b)(5) as a result of Federal or State income tax refund offset must be sent to the family within 30 calendar days of the date of receipt in the IV-D agency, except:

(A) If State law requires a post-offset appeal process and an appeal is timely filed, in which case the IV-D agency must send any payment to the family within 15 calendar days of the date the appeal is resolved; or

(B) As provided in § 303.72(h)(5) of this chapter.

(Approved by the Office of Management and Budget under control number 0960-0385)

(40 FR 27159, June 26, 1975, as amended at 47 FR 57281, Dec. 23, 1982; 49 FR 22289, May 29, 1984; 50 FR 18048, May 9, 1985; 51 FR 37731, Oct. 24, 1986; 54 FR 32300, Aug. 4, 1989; 56 FR 8003, Feb. 20, 1991)

services to individuals not receiving AFDC or title IV-E foster care assistance.

(a) *Availability of Services.* (1) The State plan must provide that the services established under the plan shall

be made available to any individual who:

(i) Files an application for the services with the IV-D agency. In an interstate case, only the initiating State may require an application under this section; or

(ii) Is a non-AFDC Medicaid recipient; or

(iii) Has been receiving IV-D services and is no longer eligible for assistance under the AFDC, IV-E foster care, and Medicaid program.

(2) The State may not require an application, other request for services or an application fee from any individual who is eligible to receive services under paragraphs (a)(1)(ii) and (iii) of this section. If an individual receiving services under paragraph (a)(1)(iii) of this section refuses services in response to a notice under paragraph (a)(4) of this section, and subsequently requests services, that individual must file an application and pay an application fee.

(3) The State may not charge fees or recover costs from any individual who is eligible to receive services under paragraph (a)(1)(ii) of this section.

(4) Whenever a family is no longer eligible for assistance under the State's AFDC, IV-E foster care, and Medicaid programs, the IV-D agency must notify the family, within five working days of the notification of ineligibility, that IV-D services will be continued unless the IV-D agency is notified to the contrary by the family. The notice must inform the family of the consequences of continuing to receive IV-D services, including the available services and the State's fees, cost recovery and distribution policies.

(5) The State must provide all appropriate IV-D services, in addition to IV-D services related to securing medical support, to all individuals who are eligible to receive services under paragraph (a)(1)(ii) of this section unless the individual notifies the State that only IV-D services related to securing medical support are wanted.

(b) *Definitions.* For purposes of this section:

*Applicant's income* means the disposable income available for the applicant's use under State law.

(c) *Application fee.* (i) Until October 1, 1985, the State plan may provide for an application fee to be charged each individual who applies for services under this section. If the State elects to charge a fee, the State plan shall specify either:

(i) A flat dollar amount not to exceed \$25 to be charged each applicant; or

(ii) A fee schedule to be used to determine the fee to be charged each applicant. Such fee schedule will be based on each applicant's income and will be designed so as not to discourage the application for such services by those most in need of them.

(2) Beginning October 1, 1985, the State plan must provide that an application fee will be charged for each individual who applies for services under this section. Under this paragraph:

(i) The State shall collect the application fee from the individual applying for IV-D services or pay the application fee out of State funds.

(ii) The State may recover the application fee from the absent parent who owes a support obligation to a non-AFDC family on whose behalf the IV-D agency is providing services and repay it to the applicant or itself.

(iii) State funds used to pay an application fee are not program expenditures under the State plan but are program income under § 304.60 of this chapter.

(iv) Any application fee charged must be uniformly applied on a statewide basis and must be:

(A) A flat dollar amount not to exceed \$25 (or such higher or lower amount as the Secretary may determine to be appropriate for any fiscal year to reflect increases or decreases in administrative costs); or

(B) An amount based on a fee schedule not to exceed the flat dollar amount specified in paragraph (c)(2)(iv)(A) of this section. The fee schedule must be based on the applicant's income.

(v) The State may allow the jurisdiction that collects support for the State under this part to retain any application fee collected under this section.

(3) In an interstate case, the application fee is charged by the State where

767 (Alaska 1983); *Murphy v. Murphy*,  
Sup. Ct. Op. No. 3700 (File No. S-3693),  
P.2d (1991).

**Sec. 25.27.065. Waiver of child support.** (a) A custodian of a child, including a custodial parent, owes a duty to that child to ensure that child support is paid by a noncustodial parent who is obligated to pay it. An agreement to waive past or future child support, made between an obligor and a person who is entitled to receive support on behalf of an obligee, is not enforceable unless

(1) the agreement is put in writing at the time the agreement is made; and

(2) the agreement is signed at the time it is made by both the obligor and the person acting for the obligee.

(b) When the right to receive child support has been assigned to a governmental entity, an agreement under (a) of this section that has not been adopted as an administrative order of the agency is not effective during a period when the obligee is receiving public assistance under AS 47.25.310 — 47.25.420.

(c) In a separation, dissolution, or divorce proceeding, a court may not accept a waiver of support by a custodial parent without proof that the custodial parent can support the needs of the child adequately. (§ 6 ch 144 SLA 1984)

Revisor's notes. — Formerly AS 47.23.065. Renumbered in 1990.

Cross references. — For legislative findings and purpose in connection with

the enactment of this section, see § 1, ch. 144, SLA 1984 in the Temporary and Special Acts.

#### NOTES TO DECISIONS

Quoted in *Cox v. Cox*, 776 P.2d 1045 (Alaska 1989).

**Sec. 25.27.070. Order to assign wages for support.** (a) In a proceeding in which the court has ordered either or both parents to pay for the support of a minor child, the court may, on its own motion or motion of a party or the agency on behalf of a party, after notice and an opportunity for hearing, order either parent or both parents to assign to the custodian of the child that portion of salary or wages of either parent due them currently and in the future sufficient to pay the amount ordered by the court for the support, maintenance, nurture, and education of the minor child.

(b) The order of assignment is binding upon an employer upon service of a copy of the order upon the employer and until further order of the court. The employer may, for each payment made under the order, deduct \$1 from other wages or salary owed to the employee.

# The Washington Post

AN INDEPENDENT NEWSPAPER

## Who Pays for Children?

**T**HE NON-SUPPORT of children has become a national epidemic. A fourth of U.S. children now live with a single parent, and an estimated 60 percent will spend at least part of their childhood in a single-parent home. In nearly half such cases the absent parent, generally the father, won't pay support. More than 40 percent of women raising children on their own have never been awarded child support, and only about a quarter get the full amounts to which they are entitled.

This splitting apart of the family as a financial unit is a major reason why a fifth of the children in the country are poor today, and an eighth are on welfare. The recurrent question is how, besides making welfare payments, the government should respond. Part of the cautious traditional response has been that this is a state and local issue from which Big Brother should keep its distance. A striking proposal now in play on Capitol Hill would abandon that tradition on grounds that only the national government has the resources to combat what has become a national emergency. The problem is such that normal political lines have been blurred. In the House, where the idea has got to the point of hearings, the principal sponsors are the unlikely pair of liberal Thomas Downey and conservative Henry Hyde.

The proposal is to federalize the patchy child support system—the collection, disbursement and periodic adjustment of child support awards—and to make failure to pay on the part of an able parent a federal crime. Awards would still be made in state courts, but increasingly according to federal standards—and state welfare agencies would be given powerful financial incentives to see that the number of such awards increased. The Internal Revenue Service would then become the enforcer of every child support

award in the country, collecting the money just as it does taxes, through withholding, with similar penalties for evasion. Unemployed fathers who had no income would be enrolled at federal expense in a job preparation program and might eventually be given public-sector jobs from which support would be subtracted.

The likely increase in support would reduce welfare costs. The government would reduce them further by guaranteeing every cooperating single parent in the country a minimum level of child support; if for lack of income or other reason the payment from the other parent fell short, the federal government would make up the difference. The result would be a partial federalization of the welfare system as well and a greater payoff for welfare mothers who went to work. They would still lose the welfare part of their benefits as they began to earn, but not the child support part. The lower welfare costs would also provide some fiscal relief for the states.

At the federal level, the system would be costly—the amount depending on the guarantees—and it's not going anywhere this year. Messrs. Downey and Hyde didn't even introduce it as a bill, but as a concept; that's what the Downey Ways and Means subcommittee is holding hearings on. But it's a provocative idea. The government undertakes to shift more resources to children, poor ones especially, but only after making their parents also take more responsibility for them. There's something in that for everyone. A shift of power over domestic relations to the federal level may yet unnerve some people—making non-support of children a federal crime in the same way non-payment of taxes is. You have to ask yourself, which is the greater offense—and who pays when the parents don't?



# Child Support Report

Office of Child Support Enforcement

Vol. XIII, No. 10, November-December 1991

## Paternity Establishment at Birth:

### *Capturing the Happy Hour*

The chances of establishing paternity are greater at the time of a child's birth than at any other time says Jane Clements, Policy Section Chief of Virginia's IV-D office. This propitious moment for obtaining voluntary paternity acknowledgements has been referred to as "the happy hour," the moment when the father is bursting with pride and is most willing to accept his paternity and its obligations.

Capturing a child's legal paternity at this opportune time seems to many to be common sense. Enforcement personnel have long known that, as the child grows and the parents' relationship weakens or deteriorates, the chances of establishing legal paternity progressively worsen. From a programmatic perspective, and in the wider social sense, high numbers of nonmarital births mean growing welfare dependency and growing IV-D caseloads. The backdrop to this picture is often a costly and time-consuming paternity establishment process through overburdened courts.

#### Benefits of Paternity

Apart from the possibility of the father's immediate care and support of the baby, legal paternity confers a multitude of other rights and benefits which new parents may not know. With paternity established:

- The child has a right to the father's name and such support that is based on his work history, such as Social Security and other survivor's benefits, veteran's benefits, and workman's compensation.
- The child can receive any inheritance, life and health insurance, and a right to access family health information.



*Tim Hershberger, 1-day old Patrick John Hershberger, and Brenda Blackall. Photo: Butterworth Hospital, Grand Rapids, Michigan 1991.*

- The father now has a legal right, though not married to the mother, to establish and maintain a relationship with his child.
- In the developing bonds of care and support, the child stands to gain a whole family, reaching to both the mother's and father's sides.

*(continued on page 2)*



U.S. Department of  
Health and Human Services  
Administration for Children and Families  
Office of Child Support Enforcement

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## From the Deputy Director

*Allie Page Matthews*

Allie Page Matthews

It's about the treatment of people—it always is. Whether it's in the highest negotiations for world peace or in simply asking for a glass of water in a restaurant, how you treat people tells a great deal about you.

A long time ago when I worked in the office of then-Congressman George Bush, I was struck with the simple kindheartedness that prevailed in that office.

I felt a part of a team. I was included because the idea was the thing that brought you to the table, not rank or position. There were no territorial battles, we were all treated equally, and our business was about solving problems.

And I could get help if I needed it from the people around me. There was none of this "Use them up and toss them away" attitude that seems to be prevalent today in a lot of places.

Every management book in the world will now tell you that the way I was treated is plain good management, but to me it's more a matter of how you live your life. Do you display kindness or rudeness? Do you offer help or criticism? Do you bring hope or despair?

I pray child support offices all over this country will choose to treat people at every level as I was treated in the Bush office. I want us to be what government should be. ▀

## Paternity At Birth

(continued from page 1)

### The Programs

Mindful of these considerations, several states have passed legislation and instituted programs for establishing paternity in the hospital at the time of the child's birth. Child support enforcement programs in Virginia, Washington, and Michigan, for example, have voluntary consent processes in which the father and mother can acknowledge and sign a document that legally establishes paternity.

*The programs  
include carefully  
informed consent...*

Washington State, Kent County (Grand Rapids), Michigan, and Virginia have had hospital-based paternity efforts for about a year. Washington, the first state to establish such a program, currently has 30 participating hospitals and expects 7,000 sworn paternity affidavits to be signed by the end of 1991. Averaging 88 affidavits per hospital, this represents 80 percent of the fathers who were given the

opportunity to acknowledge paternity when their babies were born.

Kent County (Grand Rapids), Michigan, has one large participating hospital and expects to have 791 affidavits signed by the end of a 14-month period. This represents 52 percent of fathers given the chance to establish their paternity in the hospital. Virginia has five hospitals participating in its paternity establishment program and is expecting to add four more, moving toward a statewide program in its 35-40 birthing hospitals. According to Jane Clements, one invaluable ingredient has been the endorsement of the Virginia Hospital Association, which has promoted the program in its newsletter.

### How They Work

The three state programs share several similar practices. In Washington State, hospital personnel, e.g., the doctor, midwife, social worker, or an administrative employee, "provide the opportunity" to the father and mother to acknowledge paternity, and medical records personnel obtain the acknowledgments as part of the birth registration process. In Virginia, a social worker presents the

## Special Issue for Front Line Workers

January's *Child Support Report* will be a special issue for frontline workers. To ensure that they see it, please circulate your copies as widely as you can and let us know if you need more for distribution to local offices.

We would also be glad to add to our regular mailing list any local CSE offices that do not now receive *CSR*. Please let us know on 202-401-9383. ▀

