

ALASKA LEGISLATURE COMMITTEE FILES 1901-1902 80/2

1339 HESS HB 210 (#1)

NATIONAL ENFORCEMENT PROGRAM

3. Payment of child support must be enforced in all political subdivisions of the State.
4. Enforcement services must be provided to both welfare and non-welfare families.
5. The State must retain support money collected for an AFDC family unless the amount collected is sufficient to take the family off welfare, in which case the money is disbursed to them. Any money retained is divided between the State and Federal governments proportionate to their participation in local AFDC financing. (In Alaska, each receives 50% of an AFDC collection.)
6. The State must cooperate with other states in interstate enforcement and establishment of paternity.
7. States which do not run an effective program according to standards set by the national child support enforcement office, will lose 5% of their federal matching funds for AFDC.

Requirements for the Federal Government

1. A national child support enforcement office must be established in the Department of Health and Human Services to set standards for state programs, perform annual audits, and provide technical assistance.
2. A Parent Locator Service shall be conducted to retrieve information for states from federal data sources such as the Social Security Administration and the Civil Service Commission.

3. The Internal Revenue Service is authorized, through 1980, to use its collection mechanisms to collect delinquent child support provided all other enforcement methods have been tried. (The state requesting this service must pay the cost of collecting.)
4. The federal courts may be used to litigate interstate child support cases in the event that one state has not acted in a timely manner to enforce a support order referred to it by another state.
5. The federal government shall pay 75% of the total amount expended by states to administer child support enforcement agencies. Additionally, the federal government will also make incentive payment to states which collect child support for an AFDC family on behalf of another state. The incentive payment is 15% of the federal government's share of the money collected.*

The initial legislation authorized federal funding for non-welfare case-work only through September 30, 1978. The Department of Health and Human Services approved some temporary funding after that date in the belief that Congress would soon fund enforcement for non-welfare families on a permanent basis. However, Congress did not act. In May, 1979, programs were notified officially that their non-AFDC funding had been cut, and were ordered to repay the amount they had expended

*Reviewer's Note: "Each State is initially responsible for indentifying and paying incentives pursuant to federal regulations. The incentives paid are then reduced from the federal government's share of collections retained on AFDC cases." Dan Copeland, Administrator, Alaska Child Support Enforcement Agency.

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on non-welfare collections between October 1978 and May 1979. In March 1980, Congress released the funds for non-AFDC enforcement retroactive to October 1978, and in June authorized funding on a permanent basis.

SUPPORT ENFORCEMENT IN ALASKA

Overview

Until 1975, the State court system enforced payment of child support in Alaska. State law required that all child support payments be made to the Court Trustees who administered all court orders. Trustees collected the monthly support obligation from the obligor, as well as a mandatory 3% collection charge, and forwarded the support money to the custodial parent and children. Trustees were empowered to take legal action against obligors who failed to make their payments. In April 1975, however, the State Supreme Court ruled that the doctrine of separation of powers prevented the court from prosecuting for non-payment of support through its trustees. The Court held that prosecutorial and judicial functions could not be combined. (Public Defender Agency vs. Superior Court, Third Judicial District, Alaska, 534 P.2d 947)

Following the Supreme Court decision, the Attorney General's office provided child support enforcement services. However, in '75, the newly-enacted national child support enforcement legislation required each state to develop a child support enforcement program which met federal effectiveness standards or annually lose 5% of the federal funding for their Aid to Families with Dependent Children (AFDC) program. In most states, including Alaska, AFDC is the largest welfare program. A 5% cut in Alaska's federal funding represented about \$300,000 at the time the national child support program passed Congress.

The enforcement performed by the Attorney General's office did not represent a comprehensive child support enforcement program. Consequently, Alaska, like most states, adopted a support enforcement act, and created a child support enforcement agency. Alaska's agency was established by the Legislature in 1976 in the Department of Health and

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Social Services. On October 1, 1976, the Agency formally began operation, taking possession of the child support records from the State superior courts. Regional offices were opened in Fairbanks and Juneau by mid-November. The office in Anchorage served as both a regional office and as the state central office.

However, even with a child support enforcement agency, the State's federal AFDC funding was threatened. In December of 1976 when the Agency was reviewed by the Region X Office of Child Support Enforcement, it was found in violation of at least thirteen of the nineteen federal standards for an effective program. The State was warned its AFDC program could be ruled out-of compliance and all \$6,000,000 in federal program funding withdrawn because child support was not being effectively collected for AFDC families.

During the next legislative session, the Legislature moved the Child Support Enforcement Agency from Health and Social Services to the Department of Revenue where it is presently located. The regional offices were closed and all enforcement centralized in the Anchorage office. Agency staff was expanded from 23 to 48 fulltime employees, and the budget increased 158%, from \$581.5 thousand in state fiscal year 1977 to \$1.5 million in state fiscal year 1978.

The Child Support Enforcement Agency will undergo several changes during the current fiscal year. First, staff is increasing this year from 55 full-time employees to 63. Second, the Agency, which is currently an office under the Division of Audit in the Department of Revenue, will become a division of its own sometime this year. Finally, a regional office will be opened in Fairbanks.

Note on Location of the Child Support Enforcement Agency

The appropriate location of Alaska's Child Support Enforcement Agency has been discussed at length. According to the following quotation from a memorandum prepared by the Department of Health and Social Services in 1977, the Departments of Public Safety, Law, Revenue, and Health - Social Services were all considered at one time.

It must be stated in the strongest possible terms that the Department of Health and Social Services did not volunteer to take on the Child Support Enforcement Program. During the FY 77 hearings with the Governor's Budget Review Committee, the Department took the position that this was a police/enforcement function totally unrelated to our mission of serving people and would be better placed in the Department of Public Safety or the Department of Revenue. Earlier attempts by the Department of Administration to place the Agency in the Department of Law had met with negative results. At one point during the hearings, it appeared the Department of Revenue would be the recipient department; however, once the Commissioner of that department was apprised of this fact, he raised strong objection, with the resultant effect of its being assigned to the Department of Health and Social Services. (Alaska Department of Health and Social Services, "Issue Study, the Child Support Enforcement Agency," February 21, 1977.)

Placement of the Child Support Enforcement Agency depends largely on the role it is perceived to have, i.e., whether it is viewed as an agency which collects debts to the state, such as tax debts, or whether it is viewed as a children's or family services agency. Regardless of where it is placed, the Agency extensively uses the services provided by other departments. Therefore, it is more difficult to identify one department whose duties are most compatible with the Agency's. For example, all families receiving welfare through the Aid to Families With Dependent Children program are referred to the Agency by the De-

partment of Health and Social Services, which also determines whether or not a family will be required to cooperate in enforcement activity. (This will be explained in more detail later in this report.) Consequently, there is extensive interaction between the Agency and the Department of Health and Social Services. Similarly, the Agency relies on the State Troopers, who are under the administration of the Department of Public Safety, to serve "notice" on obligors when enforcement proceedings are underway. In addition, the Department of Law provides legal services to the Agency. The Department of Revenue, through its income tax records, is a major source of information concerning obligor's whereabouts and earnings, and is engaged in collection activity similar to the Agency's.

In other states, the location of the Child Support Enforcement Agency varies. It may be found in any of the departments listed above, or their equivalent.

Program Costs

The Child Support Enforcement Agency receives its appropriation from the State on a state fiscal year basis, i.e., to cover the costs of enforcement between July 1 of one year and June 30 of the following year. However, in this report, costs are examined for each federal fiscal year - October 1 through September 30 - so that interstate comparisons can be made. The only centralized source of data for other states' programs is the National Office of Child Support Enforcement which publishes statistics on a federal fiscal year basis. A table showing the Agency's appropriations for state fiscal year 1977 through 1982 are attached to this report as Appendix C.

State's child support enforcement programs are funded 25% by the state and 75% by the federal government. Since October 1, 1976, the beginning of federal fiscal year 1977, \$6.5 million has been spent on Alaska's child support enforcement program. The federal government has contributed \$4.9 million of this money, and \$1.6 million was supplied from the State's General Fund. Table 2 below shows the expenditures for each of the last four federal fiscal years. (We are currently in federal FY 81.)

The cost of administering Alaska's Child Support Enforcement Agency during federal FY 80 (October 1, 1979 - September 30, 1980) was \$2.2 million as shown on the table. This represents an increase of about \$1.4 million in total program expenditures since federal FY 77. Note, however, that over the four-year period, the state's annual expenditure has only increased by about \$360 thousand. The bulk of the increase has been absorbed by the federal government.

How nice to say it!

TABLE 2
 Child Support Enforcement Agency
 Annual Program Cost
Federal Fiscal Year 1977 through Federal Fiscal Year 1980
 (Thousands)

	FY 77*	FY 78*	FY 79*	FY 80**
Federal Share	589.1	1,186.6	1,451.5	1,683.6
State Share	196.4	395.5	483.8	561.2
Total Program Cost	\$785.5	\$1,582.1	\$1,935.4	\$2,244.8

Source: * Office of Child Support Enforcement, Department of Health, Education and Welfare, Fourth Annual Report to the Congress on the Child Support Enforcement Program, December 31, 1979

** Alaska Child Support Enforcement Agency

The State's actual expenditure for federal fiscal year 1980 was less than the \$560,000 shown on Table 2, however. The State recovered \$0.63 of every dollar it expended through (1) "incentive payments" received from other states for collecting support on behalf of AFDC families living in those states; and (2) retention of 50% of the money collected for domestic AFDC cases.² The amount of State money recovered is shown in the table below. By the end of federal fiscal year 1980, the net cost to the State of operating a child support enforcement program was \$208,000.

²The state retains 50% of the money collected in an AFDC case where the amount collected is not sufficient to make the family eligible for AFDC.

TABLE 3
 Child Support Enforcement Agency
 Amount of State Expenditure Recovered
 Federal Fiscal Year 1980
 (Thousands)

		% of State Share of Program Cost
State Share of Program Cost	\$561.2	100%
Incentive Payments made to State by Federal Government	(74.5)	13%
AFDC Collections Retained by State	<u>(278.5)</u>	<u>50%</u>
Total Amount Received	(\$353.1)	63%
Net State Cost	\$208.1	37%

Source: House Research Agency, 1/2/80, from data provided by the Child Support Enforcement Agency.

Agency Caseload

As of September 30, 1980, a total of 16,800 child support cases were registered with the Child Support Enforcement Agency. In almost 15,000 of these cases (89%), the family lives in Alaska and the obligor either here or in another state. The remaining 2,000 cases represent an out-of-state family, and are being enforced at the request of another state. Using the Agency's estimate that each case represents one adult and two children, approximately 30,000 Alaskan children were participating in the State's child support enforcement program as of September 30, 1980.

TABLE 4
Child Support Enforcement Agency Caseload
As of September 30, 1980

	Alaskan Family Alaskan Father	Alaskan Family Non-Alaskan Father	Non-Alaskan Family Alaskan Father	Total
AFDC	10,561	168	845	11,574 69%
Non-AFDC	3,787	301	1,172	5,260 (31%)
All Cases	14,348 (85%)	469 (3%)	2,017 (12%)	16,834 (100%)

* The Child Support Enforcement Agency estimates that there are two children per case.

Source: Child Support Enforcement Agency

As stated earlier, the clients of the Child Support Enforcement Agency fall into two categories: welfare cases and nonwelfare cases.³ On September 30, 1980, approximately 11,600 cases - or 69% of the Agency's total caseload - were families who were currently receiving AFDC or who had received AFDC in the past. Non-welfare households accounted for 5,300 of the Agency's cases, or 31% of the total caseload. According to the most recent AFDC Recipient Characteristics Study done by the Division of Public Assistance, in March 1979 the Child Support Enforcement Agency was attempting to collect support money for 97% of the AFDC households where there is only one natural parent.

what does attempt mean? sending a letter?

³As a point of information, Child Support Enforcement Agency staff refer to AFDC cases as "IV-A cases" because the AFDC program is Title IV-A of the Social Security Act. Similarly, non-AFDC cases are called "IV-D cases" because Title IV-D of the Act includes the provision authorizing agencies to enforce for non-welfare clients. Child support enforcement agencies are known as "IV-D agencies."

There are several reasons why the Child Support Enforcement Agency appears to be used more by families receiving AFDC. First, AFDC cases are automatically assigned to the Agency for enforcement, while non-AFDC clients request the Agency's services at their own initiative. In order to receive a full grant, all AFDC applicants must agree to cooperate with the Child Support Enforcement Agency in locating the absent parent of the children, and determining paternity, if that should be necessary.⁴

Second, non-welfare families may have been discouraged from using the Child Support Enforcement Agency to collect unpaid support. It was common knowledge among custodial parents that the Agency had no enforcement money for non-AFDC families between May 1979 and March 1980. Non-welfare parents report that they were told by the Agency to go to a private attorney, if possible, during this period. In addition, there is a widespread belief that the Agency's first priority is to provide enforcement for welfare families. Many non-welfare parents are convinced that the Agency has had very little success in collecting sup-

⁴The cooperation requirement may be waived by the Division of Public Assistance. Between October 1979 and March 1980, 54 AFDC recipients requested that the Child Support Enforcement Agency not take action against the children's other parent. For a waiver to be granted, one of the following circumstances must exist: 1) the child is the product of rape or incest; 2) adoption proceedings are underway; 3) there is the possibility of physical or emotional harm to a family member. In addition, so far the State has argued successfully with the federal government that invasion of privacy is also grounds for granting a waiver. According to the Division of Public Assistance, a client who claims invasion of privacy is in fact claiming emotional harm. Most AFDC clients who claim good cause for refusing to cooperate in securing child support or establishing paternity cite psychological or bodily harm as justification. The Division of Public Assistance determined that 23 of the 54 petitioners between October 1979 and March 1980 had a valid claim, having presented evidence of potential harm to themselves or their children. Of the valid claims, 3 alleged harm to the child, while 20 cited harm to the parent or custodian.

port money for non-welfare clients. As this report will discuss later, both these impressions are inaccurate; nevertheless, they may have dissuaded non-AFDC families from coming to the Agency for enforcement services.⁵

Fees

State statutes currently require the Child Support Enforcement Agency to charge non-AFDC families for enforcement based on their ability to pay. To date, the Agency has not charged any fees. However, the Agency's budget for State fiscal year 1981 was approved by the Legislature during the 1980 session with the following Legislative Intent: "The Department of Revenue will establish a sliding scale collection fee schedule for the non-AFDC caseload based on an individual's economic ability to pay." The Agency has developed the fee schedule shown below which will go into effect April 15, 1981. (The proposed regulations are attached as Appendix D of this report.) Families must pay these

⁵In addition, several non-AFDC custodial parents interviewed by the House Research Agency complained of how they were treated when they contacted the Child Support Enforcement Agency regarding the status of their case. One woman said she called the enforcement officer assigned to her case to find out when she could expect some support money and was asked not to call again to inquire about her case. Another enforcement officer who was interviewed for this project also identified public relations as a problem. Custodial parents are not routinely notified regarding the progress in their cases beyond a form letter which is sent out once a year.

Enforcement of child support is a highly technical process involving many unavoidable delays. It may be that this is not being adequately explained to custodial parents. The Agency distributes booklets compiling all the State statutes pertaining to child support (see Attachment B); however, these are written in legal language, use technical terminology, and do not clearly spell out what delays a custodial parent can expect or what her role in the enforcement process will be.

*discriminates according to one's
responsibilities to service on own
recognition.*

fees when they apply for the Agency's services. Any additional services which the Agency later discovers are necessary will not be performed until the family has paid for them as well. Families must pay these fees regardless of whether any support money is ever collected for them.

<u>Type of Service</u>	<u>Agency Fee</u>
Location	\$ 25.00
Establishment of paternity	960.00
Establishment of support obligation	510.00
Modifying a support order	80.
Collection of delinquent support obligation on an annual basis	120.00

In addition to the fees listed above, an annual "processing fee" will be deducted by the Agency from each incoming child support payment. The processing fee equals 0%, 5% or 10% of the monthly payment depending on the family's income. No attempt is made to recover any portion of the collection costs from the obligor and no fees are assessed obligors. Similarly, in child support cases where the family is the prevailing party, the Attorney General's office does not ask that the obligor pay any part of the court costs.

Steps in Support Enforcement

Under Alaska law, all children are entitled to support from their parents. However, enforcement of this child support obligation is often a very complicated process. In most instances, the Child Support Enforcement Agency must take several of the following steps in order to procure support money:

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- Location -- Virtually no action can be taken on a case until the absent parent has been located.
- Determination of Paternity -- A father cannot be compelled to support a child born out of wedlock until the paternity of that child has been legally established.
- Establishment of a child support order -- Before any child support can be collected from an absent parent there must be a legally binding child support order.
- Modification of an existing child support order
- Collection of support money

According to Alaska's Child Support Enforcement Act, payment of child support may be enforced by administrative as well as judicial means. The Child Support Enforcement Agency has sufficient authority to obtain an acknowledgement of paternity, administratively establish a support order, and take action to collect support money without resorting to the courts. When court action is required, the Attorney General's Office represents the Agency on a contractual basis. (The Attorney General's Office provides legal services to most State agencies free of charge. However, the Attorney General's Office and the Child Support Enforcement Agency have a contractual arrangement because the federal government will reimburse the State for 75 percent of the legal expenses incurred by the Agency.)

Unless an absent parent will immediately agree to begin paying monthly support, child support enforcement is time-consuming. There are delays inherent in the process regardless of whether the case is being handled administratively or through the courts. For example, in every case,

the obligor must be given adequate notice of all proceedings so that he may defend himself. In any action, there may be several documents that must be "served" on the absent parent, i.e., either sent to him by registered mail with return receipt requested or delivered to him personally by the State Troopers. The obligor usually has thirty days *decrease to 14 days.* from the date he was served to respond before enforcement proceedings are resumed. Frequently, more than thirty days elapse because the date of service is deferred. For example, an obligor who is being served by registered mail may postpone the official date of notification by refusing to accept or pick up the documents. Similarly, Troopers attempting to personally serve an individual may not be able to locate him, or if he lives in a rural community may not be immediately able to make the trip.⁶ The inherent delays are compounded any time *W. kept about the newly created intermeddling est.* court action is required. Child support cases are civil matters, and may be set back on the court calendar to make time for criminal cases which, by law, must come to trial as quickly as possible.

Location. The Child Support Enforcement Agency cannot take any collection action until the absent parent of a family has been located. According to the Agency, the custodial parent usually knows the whereabouts of the absent parent, or can at least provide helpful information such as his social security number and occupation. When the address of the obligor is not known, the Agency first uses traditional information sources such as telephone directories, real and personal property records, vital statistics, and records of the Division of Motor

⁶According to a child support enforcement officer interviewed by the House Research Agency, the Troopers may assign child support cases a lower priority than other cases which require service. In the officer's opinion, notice could be served faster if the Agency did not rely exclusively on the Troopers but took on some of the responsibility itself, or contracted with ex-Troopers, security guards or private investigators for the job. *Why not try it.*

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Vehicles. State and federal law require government entities to provide address information, and permit access by the Agency to records which are ordinarily confidential. For example, at the State level, the records of the Department of Revenue and the Criminal Justice Planning Agency may be used by the Agency for location and enforcement purposes. The Federal Parent Locator Service provides state enforcement programs with addresses kept in the records of federal agencies such as the Internal Revenue Service and the Social Security Administration. Most child support enforcement agencies, including Alaska's, use social security numbers to retrieve location information available from other State agencies and the federal Parent Locator Service.

Alaska's Child Support Enforcement Agency faces unique problems when attempting to locate absent parents. Conventional location methods are not necessarily as successful in Alaska as they are in other states. For example, social security numbers are not useful in location in all areas of the State. While performing research on another topic, the House Research Agency was told by State alcoholism program administrators that it is not unusual for individuals, particularly in rural areas, to share a social security number with other family members or to have picked their social security numbers at random when asked to provide one. Other factors also make it difficult to locate a parent in rural Alaska. A strong sense of group solidarity exists in some communities so that people may be reluctant to provide information about another member of the community to an outsider. Further, many villages have limited telephone communications.

The difficulty of location in Alaska is compounded by the mobility of the population. The State Department of Labor produced its most current Alaska Population Overview in 1979 using 1970 census statistics. The report stated that approximately 120,000 people moved to Alaska between

Why not
use DHS
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numbers or
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legislation?

1965 and 1970; but almost 100,000 people left the state during the same period. For every six individuals who moved into Alaska, five individuals moved out. The Department of Labor predicted that the results of the 1980 census will show even greater migration to and from the state during the nineteen-seventies.⁷ In addition, assuming most absent parents are between 20 and 34 years of age, the Child Support Enforcement Agency appears to be looking for people who statistically tend to be more mobile than other age groups.⁸ According to U.S. census data, over 55% of the population between 20 and 34 years old moved at least once between 1975 and 1978, compared to 32% of people between 34 and 44, 20% between 45 and 54, and 17% between 55 and 64.⁹

⁷Alaska Department of Labor, Alaska Population Overview, December 1979 pages 30,31.

⁸This estimate of the age of absent parents is based on the 1979 AFDC Recipient Characteristics Study done by the State Division of Public Assistance. According to data included in the study, of the parents (natural and adoptive mothers, natural and step-fathers) receiving AFDC benefits along with their children, 67% were between 20 and 34 years of age. Given this information, we made the following assumptions to reach the conclusion that most absent parents being sought by the Child Support Enforcement Agency are also in that age group, and follow the national migration trends reported for 1975-1978:

1. The custodial parents of both AFDC and non-AFDC families served by the Child Support Enforcement Agency, are approximately the same age.
2. Absent parents are generally the same age as custodial parents.
3. The migration trends demonstrated between 1975 and 1978 are representative of trends in subsequent years.

⁹U.S. Bureau of the Census, Current Population Reports, Series p-60, No. 331

SUPPORT ENFORCEMENT IN ALASKA

Establishment of Support Orders. The Agency must have a valid child support order in hand before it can collect any support money. Most child support orders are obtained from a judge at the time of a divorce. However, orders do not usually exist if the parents of a child are separated but not divorced, or if they never married.

As the following table shows, only 42 percent of the Agency's total caseload had a valid child support order as of September 30, 1980. Consequently, for over half of its cases, the Agency must establish a support order before it can collect any support money. (More than 9300 of the Agency's AFDC cases do not have orders compared to only 470 of its non-AFDC cases) Most non-welfare clients have a child support order before coming to the Agency for enforcement services while most welfare families do not. The State Division of Public Assistance indicated in its 1979 AFDC Recipient Characteristics Study that there is not a court-ordered support obligation for 78.5% of its AFDC households where there is only one parent in the home.

*May this be do
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as not to be
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TABLE 5
Cases with Child Support Orders
Fourth Quarter of Federal Fiscal Year 1980
Ending September 30, 1980

	Number of Cases with Support Orders	% of Total Cases with Support Orders	Number of Cases Without Support Orders	% of Total Cases Without Support Orders	Total Cases
AFDC	2211	19%	9,363	81%	11,574
Non-AFDC	4786	91%	474	9	5,260
All Cases	6997	42%	9,837	58%	16,834

Source: House Research Agency, 1/2/81, from data provided by the Child Support Enforcement Agency.

The federal Child Support Enforcement program permits states to establish child support obligations in three ways:

1. by order of a court;
2. by administrative hearing process
3. by legally enforceable and binding agreement (i.e., by a voluntary out-of-court agreement subsequently signed by a judge).

States specify in their statutes which method(s) will be used by local child support enforcement agencies. Under Alaska Law, child support obligations may be established in all three ways.

Until recently, all support orders in Alaska had to be obtained through the court, a process which takes at least 6 months. Effective August 23, 1980, the Agency adopted regulations enabling it to administratively establish orders.¹⁰ (Regulations are attached as Appendix E.) The Agency anticipates that an administrative order can be obtained in a pproximately 90 days, provided the obligor can be easily located. The Agency has projected that its administrative process will enable it to establish 1,080 support obligations by September 30, 1981, the end of federal FY 81. This represents a 43% increase over the number of groups established during FY 80. However, even at this rate it may be years before the Agency can establish orders for its current case-load, due to the number of cases without support orders.

*How are
we doing
to date?*

¹⁰Note that issues other than child support, such as visitation privileges, may not be decided at an administrative hearing on child support obligations. In Alaska, child support and visitation are separate matters. A custodial parent who denies the absent parent his/her legal visitation rights is subject to a \$200 find. However, denial of visitation is not considered a valid excuse for refusing to make child support payments.

Nationally, there is a general trend towards use of administrative procedures to set support obligations. There are two principal reasons for this: 1) orders can be obtained more quickly; and 2) it is less costly. These advantages are discussed more fully below.

Child support orders can be obtained more quickly using an administrative hearing process largely because the problems of crowded court calendars are eliminated. Child support cases are civil matters and consequently, they may be postponed by criminal cases which by law have priority on the courts' calendar. In addition, hearing officers may be able to handle more cases in a day than a judge. According to a national comparison of court system procedures and administrative procedures done by the U.S. Department of Health and Human Services (at that time, the Department of Health, Education and Welfare), this may be due to "greater formality in the courts stricter rules and procedures, and fewer hours per day spent adjudicating cases."¹¹

The higher overall costs of a court compared to a child support enforcement agency are largely responsible for the comparative cost efficiency of an administrative proceeding. For example, the salaries of the parties involved in establishing obligations administratively, e.g., hearing officers (who may be attorneys), enforcement officers, clerks, are comparatively lower than the salaries of those involved in a court proceeding, e.g., judges, prosecutors, defense attorneys. Further, a court procedure requires more support staff than an administrative procedure, e.g., court clerks, bailiffs, court recorders, prosecutors, defense attorneys. An administratively-oriented child support enforcement procedure offers additional economic advantages for a state.

¹¹U.S. Department of Health, Education and Welfare, Comparative Analysis of Court Systems Procedures and Administrative Procedures to Establish and Enforce Child Support Obligations: Executive Summary, February 1, 1980, page 4.

Currently, states are fully assuming many of the indirect costs of operating a court-oriented child support enforcement system. When determining how much federal funding a state program is entitled to, the federal government does not include as allowable expenses all court costs associated with support enforcement. For example, there is no formula for federal reimbursement of judicial salaries, courtroom costs, court filing costs, or the cost of summonses and notices. The Department of Health and Human Services found that for the states sampled in the study, when these indirect expenses are included, the total cost per case of establishing a support order through the courts was about 60% higher than the cost of establishing an order administratively.

In addition, the research conducted by the federal Department of Health and Human Services showed that an administrative mechanism for establishing support orders may reduce AFDC program abuse. There are instances of custodial parents falsely claiming that the children's other parent is not paying any support, or in states like Alaska where only one-parent families are eligible for AFDC, falsely claiming that the other parent does not live in the home. Often states do not discover that these families are not eligible for AFDC (or not eligible for full benefits) until the local support enforcement program attempts to track down the absent parent and discovers the family's real circumstances. Because it takes so long to process support cases through the courts, it could be six months or longer before this discovery is made, however. The study by the Department of Health and Social Services found that custodial parents are less likely to falsify information if they knew their cases would be looked into by the child support enforcement agency within the next month or two.¹²

¹²Alaska's Child Support Enforcement Agency is currently negotiating with the federal government for reimbursement of some of these costs.

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There are some disadvantages in having an administrative support order. First, in most states, including Alaska, there are collection actions which may be initiated by the child support enforcement agency, and those which are reserved for the court. The most severe measures, e.g., involuntary wage assignments, seizure and sale of property, are imposed by the court. Child support orders which are established by the court may be enforced either administratively or judicially; however, orders obtained administratively are enforceable only through administrative means. Second, administrative orders may not be recognized in other states. Further, the federal government may be reluctant to garnish federal employees' salaries unless there is a court-ordered support obligation. Third, if a family with an administrative order subsequently goes to court to obtain a court order, e.g., for interstate enforcement purposes, the court may not require the obligor to pay the arrearages (unpaid child support from previous months) which have accumulated under the administrative order. All these difficulties may be avoided if administrative orders are summarily ratified by the court, and subsequently enforceable as court orders. Employment of this procedure in Alaska would require legislative action, however.

Kind of getting a Ball on this through Miss Miller

Modification of Support Orders. Modification of a child support order is handled similarly to establishment of an order. At the request of an obligor, obligee, or custodial parent the Child Support Enforcement Agency may modify orders which it has established administratively; however, it may not adjust an order which was originally set by the court. Consequently, in most instances, modification requires court action, since, to date, most of the Agency's cases have a court-ordered support obligation. It takes about six months to obtain a modification, as the case may be delayed by crowded court calendars, and notification of obligors. Most commonly, orders are modified to require that child

support payments be made to the Agency rather than directly to the family. Modifications may also be requested to adjust an order for inflation, or because the obligor's financial status and his ability to pay, has changed.

Determination of Paternity. Illegitimate children have the same right to support from their parents as children who are born in-wedlock. However, a man cannot be compelled to contribute to the support of an out-of-wedlock child until the paternity of the child has been legally established. Depending on the state, paternity must be established in 15-65 percent of all child support cases.

As the table below indicates, nationally, the numbers of children born to unmarried parents has steadily increased, almost doubling between 1960 and 1975.

TABLE 6
Illegitimate Births in the United States

1940	1950	1960	1970	1975
89,500	141,500	224,300	390,700	447,900

Source: National Center for Health Statistics, HEW, Vital Statistics Report, 1972, Vol. I, and National Center for Health Statistics, Advance Report, Final Natality Statistics, 1975.

In 1977, one out of every six children or 16 percent of the children born in the United States were born out-of-wedlock.¹³ The rate of

¹³National Center for Health Statistics, United States Department of Health, Education and Welfare, Advance Report, Final Natality Statistics, 1977.

illegitimacy is particularly high among AFDC recipients. It is estimated that one-third of the children enrolled in the AFDC program are illegitimate.¹⁴

The illegitimate birth rate in Alaska appears to be slightly lower than the national rate. The State Department of Health and Social Services reports that 12.3 percent of the children born in Alaska in 1977 were illegitimate compared to 16 percent nationally. The most recent statistics for (1979) show that 14 percent of the births in the state were out-of-wedlock, i.e., with one out of every seven children born to an unmarried mother.

The Child Support Enforcement Agency first attempts to settle paternity cases out of court by obtaining a voluntary admission of paternity from the putative father. If the putative father will not voluntarily legitimize the child and cannot produce sufficient evidence to clear himself, the Agency refers the case to the Attorney General's Office for adjudication by the court.¹⁵

The Child Support Enforcement Agency is required by federal law to establish paternity for all illegitimate children who are receiving AFDC

¹⁴Judith B. Stouder, "Child Support Enforcement and Establishment of Paternity As Tools of Welfare Reform--Social Services Amendments of 1974, pt. B, 42 U.S.C. Section 651-60 (Supp. V, 1975)," Washington Law Review, Vol. 52: 1-9, 1976, p. 177.

¹⁵Blood tests of the child, the mother, and the putative father are used as evidence both in court and while the Agency is trying to obtain a voluntary admission. By means of blood testing, the genetic make-up of the child, the mother, and the "father" are compared to determine the statistical probability of paternity. Non-paternity can be positively established in almost every case where a man has been wrongly accused. Paternity cannot be proven with the same degree of accuracy; however, the statistical likelihood that the defendant is the father of the child can be computed based on the similarity of their genes.

benefits. Paternity is determined for non-welfare children upon request. The Agency estimates that paternity must be established for one-third of its AFDC caseload, while annually only two or three non-AFDC clients request a paternity determination.

As explained earlier, AFDC recipients must cooperate in establishing paternity in order to receive full assistance benefits, except when it is not in the best interest of the child. At the direction of the State Legislature, violation of privacy is also recognized as sufficient cause for non-cooperation. Consequently, compared to other states, Alaska may more readily excuse AFDC recipients from the cooperation requirement without penalty. Nevertheless, each quarter the Child Support Enforcement Agency meets its projected goals in establishing paternity, as the statistics below show. Goals are approved in advance of the quarter by the federal Office of Child Support Enforcement. Last fiscal year, the Agency surpassed its projection by 13 cases. For fiscal year 1979, the Agency reported 3 cases in which paternity had been established compared to 53 for fiscal year 1980.¹⁶

TABLE 7
Alaska Child Support Enforcement Agency
Number of Cases in which Paternity was Established by Quarter
Federal Fiscal Year 1980

	1st Quarter Ending 12/31/79	2nd Quarter Ending 3/31/80	3rd Quarter Ending 6/30/80	4th Quarter Ending 9/30/80	Year Total
Projected	3	5	14	18	40
Actual	6	13	15	19	53

Source: Child Support Enforcement Agency ?
53 cases of a total amount of new cases

¹⁶Fourth Annual Report to the Congress on the Child Support Enforcement Program, Office of Child Support Enforcement, Department of Health, Education and Welfare, December 31, 1979, p. 113

SUPPORT ENFORCEMENT IN ALASKA

In many instances, the potential advantages for the child make it worthwhile for the mother to request or cooperate in a paternity suite despite the intrusion in to her privacy and the embarrassment of the process. Unless paternity has been established, illegitimate children do not have the same rights as other dependent children to claim benefits through both their parents. In some states, even when the father has been identified, a child born out-of-wedlock does not have the same rights as children born in-wedlock. However, in Alaska, the two may enjoy roughly equivalent legal status once paternity has been established. In this state, upon legitimization, a child has the following rights:

These pts. make it absolutely imperative that priority of paternity be established even over the objections of either parent.

- (s)he is entitled to support from the father;
- (s)he may use the father's name;
- (s)he has a legal right to inherit if the father dies without making a will;
- (s)he is entitled to any social security benefits, workers' compensation, and the like, which is paid to the father's dependents;
- his/her birth certificate is automatically changed so that there is no record that (s)he was born out-of-wedlock.

Execution of a Support Order

After a child support order has been established, the Child Support Enforcement Agency initiates action to collect the debt. The Agency first attempts to bring about voluntary payment using traditional col-

lection techniques. The Agency relies primarily on telephone collection calls and collection letters.¹⁷ These efforts are aimed at committing the obligor to a regular payment schedule or a voluntary assignment of a portion of his wages. If the obligor does not begin to make child support payments of his own volition, the Agency has the authority to initiate two kinds of collection action: 1) issuance of an order to "withhold and deliver" to a person, business, or government entity which has possession of property belonging to the obligor; or 2) assertion of a lien against real property, i.e., land and buildings, and personal property, such as vehicles, bank accounts, and wages. Orders to withhold and deliver are usually sent to the obligor's employer, and stipulate that a portion of his wages be withheld or "garnished". State law requires all persons to cooperate with orders to withhold and deliver and with the conditions of a lien, or be liable for the debt themselves.

¹⁷An effective collection system depends largely on personal contacts. Nationally, commercial collection agencies and support enforcement programs rely on telephone calls which are cheaper and more timely than personal visits. Other states have found, however, that flexible working schedules are necessary for "phone power" to be most effective, as frequently obligors cannot be reached at home during the day. For example, Missouri increased its AFDC collections by 18% and its non-AFDC collections by 40% during a six month pilot project where collection calls were made during the evening and on Saturdays. An enforcement officer for Alaska's Child Support Enforcement Agency said that calling on Saturdays is much more successful. It also seems likely that telephone contact with other parts of the state - many of which are in different time zones - would be more difficult if calls are only placed during regular office hours in Anchorage. Currently, however, the Agency has no policy permitting enforcement officers to work on a flex-time basis.

This must be done - great potential of savings at minimum

Additionally, when the obligor cannot be contacted by telephone, the Agency relies on collection letters. According to the enforcement officers to whom we spoke, personal visits would be a more effective alternative, as obligors often ignore letters. Enforcement officers currently do not do any enforcement work in the field.

Before executing either collection action, the Agency must obtain what is called a "judgment" from the court on the amount in arrears.¹⁸ After obtaining a judgment, the Agency must serve notice upon the obligor specifying his debt, the terms of the child support order, and the action that will be taken unless payment is made. The obligor has thirty days from the date of service to respond. According to custodial parents interviewed for this report, the Agency does not proceed with the action if the obligor makes any payment at all during the thirty day period. Even if the obligor owes a large amount of child support - for example, \$5,000 - a token payment of only \$200 would be enough to prevent the Agency from garnishing his wages, or asserting a lien against his property.* If the obligor makes no attempt to pay within thirty days, a lien will be filed against his property, or an order to withhold and deliver issued, usually to his employer.

Need changes

Lien. By law, property subject to a lien may not be sold, released or transferred until the child support is paid or the lien is released. For example, the Child Support Enforcement Agency can assert a lien

¹⁸Currently, this is a time-consuming process requiring the obligor to appear in court. The Agency and the Attorney General's office have suggested that the process of obtaining a judgment can be streamlined in the following manner: 1) The Agency would submit a statement of the arrearage to the Superior Court, which would serve as a motion for a judgment; 2) at the same time the Agency would notify the obligor of the amount of child support owed and that a judgment had been requested; 3) if the obligor does not present any defense, the court would enter a judgment for the amount of support owed including overdue payment fees.

Reviewer's Note: "Even though payments may be made during the thirty day period, the Agency will proceed with the action to collect the remaining obligated amount. The obligor may negotiate a payment arrangement to satisfy the debt. Action is only stopped when the full amount stated in the notice is paid." Dan Copeland, Administrator, Alaska Child Support Enforcement Agency.

against a building owned by the obligor. If the obligor decides to sell the building, the amount owed to the Agency must be paid before a buyer can obtain title to the property. However, the Agency cannot compel the obligor to sell the building to pay his debt, but must wait until he decides to do so. Consequently, a lien acts as security for future payment of the support debt (provided the obligor ever disposes of the property), but as there is no immediate threat that property will be seized and sold, a lien may not induce an obligor to begin paying his monthly support obligation. Additionally, a lien against an obligor's property usually results in one lump sum payment to the Child Support Enforcement Agency upon disposal of the property. Therefore, it may be a good tool for collecting a large arrearage, but may not be an effective way to start a stream of regular payments between the obligor and the family.

Order to Withhold and Deliver. Almost all orders to withhold and deliver are directed to the obligor's employer, and require that some portion of the obligor's wages be garnished and turned over to the Child Support Enforcement Agency. The amount of earnings to be withheld is determined by the Agency, and depends on the total amount of support owed. Orders to withhold and deliver are commonly called involuntary wage assignments. In contrast to a lien, an order to withhold and deliver may result in money for the Agency within approximately 60 days. However, like a lien, an order to withhold and deliver is not currently an efficient way of collecting support money on a regular basis because the order is only in effect for one pay period. Consequently, the Agency must again serve notice on the obligor, wait the required thirty days, and re-serve the employer with an order to withhold and deliver in order to collect money from the next paycheck. The Agency and the Attorney General's office have proposed that AS 47.23.250 be amended so that one order to withhold and deliver remains in effect until the obligor's child support debt is satisfied.

*See if
this was
done.*

In 1980, the Child Support Enforcement Agency began using a collection procedure called "debt set-off" which has been successful in other states. Debt set-off allows states to collect child support debts by intercepting tax or other refunds due to the obligor. To implement this procedure, social security numbers are used to match the Child Support Enforcement Agency's records with those of the Department of Revenue. Prior to intercepting the refunds, obligors must be served notice, and given 30 days to respond. The Agency had somewhat limited success in attaining 1979 income tax refunds as in many instances, obligors' social security numbers were not on file. However, numbers have been obtained, and the Agency is planning to intercept 1980 tax refunds as well as any dividend payments from the Permanent Fund or royalty oil sales.

In cases where the Child Support Enforcement Agency cannot collect support money by using its own collection mechanisms, it may refer the case to court for further action. The court can require that an obligor's property be seized and sold for payment for the support debt. Similarly, the court may impose wage assignments which follows the obligor from job to job, and does not require monthly renewal. Finally, the court may find that an obligor who willfully does not pay even though he is financially able to do so, is in contempt of the child support order, and imprison him. The court almost never takes this action, however; and the Child Support Enforcement Agency and the Attorney General's Office advise against it in most instances, on the grounds that it may jeopardize the obligor's employment and therefore be counterproductive to payment of support.

Distribution of Collections. The federal Child Support and Establishment of Paternity Act requires all states to distribute support money collected in AFDC cases in the following manner:

- . the family receives the monthly support owed to them if that amount is sufficient to take them off AFDC;
- . if the monthly support obligation is not enough to make the family self-sufficient, the Agency retains the collection;
- . an amount equal to the family's AFDC payment for th month is divided between the State and federal governments according to their contribution to local AFDC financing. In Alaska, the distribution is 50% to the State and 50% to the federal government;
- . when assistance payments have been fully reimbursed, the excess is paid to the family.

Between October 1, 1979 and September 30, 1980 (federal FY 80), the State and federal governments each received \$278,600 as their share of AFDC collections. According to the Child Support Enforcement Agency, almost all the money collected in AFDC cases is retained. The Agency estimates enough support is collected to make the family ineligible for AFDC in less than five AFDC cases a month. Nationally, about 5% of the money collected in AFDC cases is distributed to the families.

Interstate Enforcement

Alaska's Child Support Enforcement Agency currently outlines two procedures to be used in interstate support enforcement. These allow custodial parents to establish child support orders and secure support from absent parents who live in another state without 1) traveling to the obligor's state of residence; 2) hiring an attorney in the obligor's state of residence; or 3) extraditing the absent parent to Alaska on charges of criminal non-support.

URESA -- The Uniform Reciprocal Enforcement of Support Act (URESA) was adopted by Alaska in 1953. Nationwide, URESA is the mostly widely used interstate enforcement mechanism. The URESA procedure may be used to enforce an existing child support order, obtain a support order, and establish paternity where the putative father lives out-of-state. To initiate an interstate action, a petition is filed on behalf of the family in the Alaska court. (Alaska is subsequently known as the "initiating" state.) The petition is then sent to the court in the obligor's state of residence (the "responding" state). The case is carried on between the two courts. When the case comes to trial, the obligor appears before the responding court. If evidence is required from the custodial parent, she presents her testimony before the initiating court, which forwards it to the responding court. The final judgment in the case is made by the responding court. If payment of support is ordered, the obligor pays his local child support enforcement agency which sends the money to the agency in Alaska for disbursement to the family.

Uniform Registration of Support Orders -- In some states, a simpler method of enforcing support obligation exists for cases which already have a support order. An order from Alaska, for example, is registered with the court in another jurisdiction which extends to it "full faith and credit." This means that the second court can enforce the "foreign" order as if it were its own, without holding further hearings on the matter. Consequently, an interstate enforcement case is resolved more quickly using this procedure rather than the original URESA procedure discussed above, as URESA usually requires that hearings be held by the court in the second jurisdiction.

Alaska law extends full faith and credit to support orders from other states; currently, however, the Attorney General's office will not permit foreign orders to be simply registered and enforced, because the

existing State law does not adequately protect either obligors or custodial parents. As AS 25.25 currently reads, upon registration of a foreign order, the jurisdiction of Alaska courts is not confined to collection of child support, but also extends to visitation and custody agreements. The Child Support Enforcement Agency does not have the legal authority to defend a custodial parent from another state in these matters. Consequently, if an Alaskan obligor requests the State court to modify the original custody or visitation agreement, and the custodial parent is indigent and cannot afford to hire an Alaskan attorney, she would not be represented when the matter came to court. Similarly, if the Alaska court modifies a child support order to require less than the amount originally specified, the excess in the out-of-state order continues to amount as arrearages, even though the obligor regularly pays the amount entered in the Alaska support order.

The Uniform Reciprocal Enforcement of Support Act and uniform registration of foreign orders (where it exists) have not entirely simplified interstate enforcement. There are still significant differences among states' enforcement laws and policies. For example, some states do not pursue payment of arrearages. Consequently other states involved in interstate collection actions with these states would not be able to collect arrearages even though their own laws permit it. Additionally, states frequently assign a lower priority to out-of-state cases than to their own cases. As a result, interstate actions may take a long time to resolve. States have several options when another state fails to respond to an interstate action in a timely manner. They may ask the federal Office of Child Support Enforcement to refer the case to a federal court. To date, no cases have reached the federal court for enforcement. The second alternative for a state is extradition of the obligor to be prosecuted for criminal non-support.

SUPPORT ENFORCEMENT IN ALASKA

*What can
St. Legislature
do.*

In some states, including Alaska, local child support enforcement agencies currently have statutory authority to enter into reciprocal enforcement agreements with other states, but not with other countries. Consequently, as a practical matter, obligors who have gone to Canada, for example, are lost to these enforcement agencies. West Germany, Canada, and the other Commonwealth countries have enacted legislation similar to URESA, which enables them to participate in international enforcement proceedings with states that have statutory authority to do so.

[On September 30, 1980, Alaska's Child Support Enforcement Agency was a party to approximately 2,490 interstate enforcement actions. The Agency was responding to 2,020 and had initiated 47.

EFFECTIVENESS OF SUPPORT ENFORCEMENT IN ALASKA

The primary measure of an enforcement agency's success is its collections. However, as the preceding section has discussed, before any support money can be collected, the Agency is forced to spend a significant portion of its time obtaining support orders and establishing paternity. Therefore, the Agency's collections alone do not adequately reflect its overall productivity.

In the following section of this report, the Agency's success in obtaining support orders, determining paternity, and collecting support money are all discussed. With regard to the Agency's collection success, two questions are addressed: 1) how successfully has the Agency collected child support for its caseload; and 2) how does the Agency's collection success compare nationally? In order to answer the first question, the amount of child support in arrears is contrasted with the amount of child support collected, and the number of paying cases is compared to the Agency's total caseload. To respond to the second question, Alaska's total collections, and collections per dollar of expenditure are compared to other states'. A final section discusses the cost efficiency of Alaska's enforcement program relative to other states.

Support Orders Obtained

Roughly 9,800 cases, or 58% of the Child Support Enforcement Agency's caseload do not have a child support order. The Agency's performance with respect to these cases should be measured by its ability to obtain a support order for them.

During federal FY 80, the Child Support Enforcement Agency established a total of 755 child support orders. This compares to 553 for FY 79.

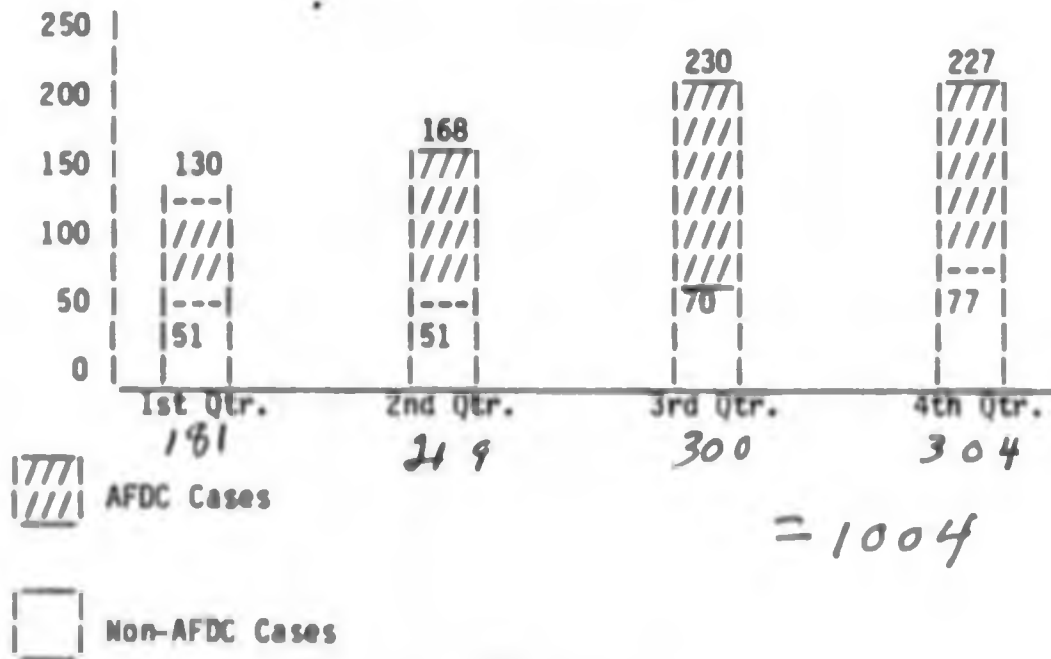
*next page 52 Table 8
shows 1004 child support orders?*

EFFECTIVENESS OF ENFORCEMENT

Each quarter of 1980, the Agency was progressively more successful in obtaining child support orders, as shown by quarterly data on Table 8. One out of every nine cases with support orders on September 30, 1980 had obtained their orders since October 1, 1979.

Orders established during federal FY 80 had to be obtained through the court, a process which takes about 6 months. As noted earlier, the Agency has recently begun establishing orders administratively and anticipates it will be able to obtain 1,080 orders during federal FY 81. However, even at this rate, it will be many years before the agency will have support orders for all its existing cases, due to the backlog of cases currently without orders.

TABLE 8
Support Orders Obtained
Federal Fiscal Year 1980
By Quarter

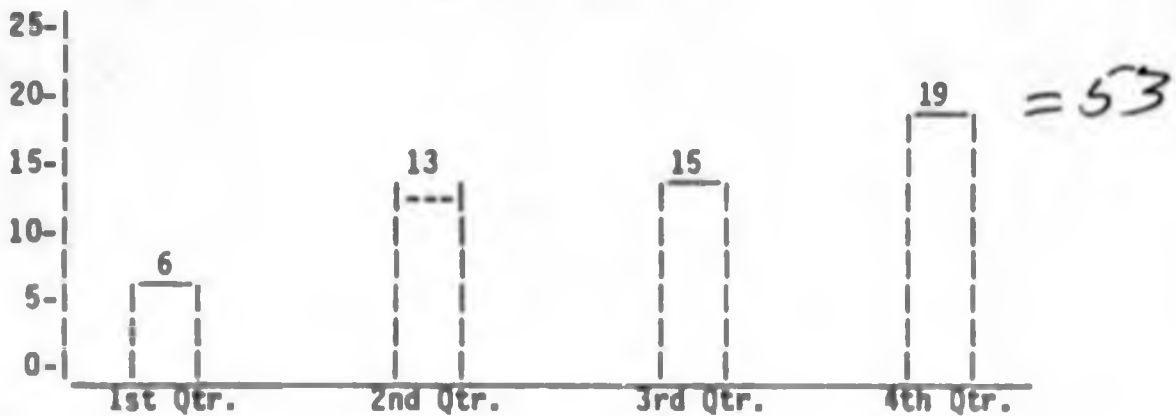


Source: Child Support Enforcement Agency

Paternity Established

As of September 30, 1980, approximately 3,100 of the Agency's cases were awaiting a paternity determination. During federal FY 79, the Agency reported that paternity was established for 3 cases, compared to 53 cases during FY 80. By the last quarter of FY 80, the Agency was completing an average of 6 paternity cases per month compared to 2 cases per month during the first quarter of the year.

TABLE 9
 Number of Cases in which Paternity was Established
 Federal FY 80
 By Quarter



Source: Child Support Enforcement Agency

Child Support Collected

The table on the following page shows the Child Support Enforcement collections for the last two federal fiscal years: FY 79, ending Sep-

EFFECTIVENESS OF ENFORCEMENT

tember 30, 1979, and FY 80 ending September 30, 1980.¹⁹ In the two-year period, a total of \$10.9 million was collected for the Agency's clients. Collections on behalf of AFDC families totaled \$1.9 million while collections for non-AFDC families equaled \$9 million. Collections increased over the two-year period. In federal FY 80, the Agency collected almost \$1 million more than was paid in FY 79, reflecting an increase of 19%.

Each year, approximately \$1.5 million in child support money was exchanged between Alaska and other states, \$1.2 million going out of Alaska and \$300,000 coming into the state. A comparatively small amount of support is being collected by other states on behalf of families living in Alaska because the State has requested such services less often than it has been asked to provide them.

What are we doing to change this?

¹⁹Although the Child Support Enforcement Agency has been in existence since the beginning of federal FY 77, significant internal reorganization occurred during FY 79, including revision of the accounting system. According to the current administrator of the Agency, Dan Copeland, the final totals reported for collections for FY 79 are accurate; however, the totals reported for FY 77 and FY 78 may not be correct, and, in any event were computed in a significantly different manner than totals for FY 79 and FY 80. Statistics are shown for federal fiscal years as they are taken from reports submitted by the Child Support Enforcement Agency to the national Office of Child Support Enforcement to satisfy federal reporting requirements.

TABLE 10
 Child Support Enforcement Agency
 Child Support Collections
 Federal FY 79 and Federal FY 80
 (thousands of dollars)

FY 79	Alaskan Family		Alaskan Family		Non-Alaskan Family		Total	
	Alaskan Father	Non-Alaskan Father	Alaskan Father	Non-Alaskan Father	Alaskan Father	Non-Alaskan Father		
AFDC	226.3	5%	107.8	2%	439.8	9%	773.9	16%
Non-AFDC	3,290.0	66%	220.2	4%	698.6	14%	4,208.8	82%
Sub-Total	3,516.3	71%	328.0	6%	1,138.4	23%	4,982.7	100%
FY 80								
AFDC	454.1	8%	103.0	2%	539.5	9%	1,096.6	19%
Non-AFDC	3,856.1	65%	221.0	4%	759.3	13%	4,836.4	92%
Sub-Total	4,310.2	73%	324.0	6%	1,298.8	22%	5,933.0	100%

Source: Office of Child Support Enforcement, U.S. Department of Health Education and Welfare, Fourth Annual Report to the Congress on the Child Support Enforcement Program, December 31, 1979.

According to the Child Support Enforcement Agency's collection data, significantly more child support is paid for non-welfare cases than welfare cases. In both fiscal year 1979 and 1980, the amount of child support received for non-AFDC families accounted for over 80% of the total support paid.

In the past, the Agency concentrated its collection effort on non-AFDC cases, largely because they are more collectable than AFDC cases. There are several reasons for this:

More Support Orders -- Proportionately more non-welfare families than welfare families have an existing child support order. While this may not make actual collection easier, the Agency does not

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have to spend time securing an order and may be able to initiate enforcement efforts as much as six months sooner.

History of Payment -- A large proportion of the absent parents of AFDC families have never paid any support money. It is likely to be more difficult to collect support from an individual who has never paid than from an individual who has gambled that no collection action would be taken and stopped making payments.

Greater Cooperation -- Non-welfare families initiated the action against the absent parent and they may be more willing than welfare families to assist the Child Support Enforcement Agency in locating him and collecting support. Custodial parents of families on welfare are required to cooperate with the Child Support Enforcement Agency even though they may not want child support collected for personal or financial reasons. Some AFDC parents view collection of support as counter to the family's financial interest. While enough support may be collected to make the family ineligible for AFDC, this amount may not be sufficient to compensate for the medicaid, food stamps, job training opportunities, child care and low cost housing opportunities which can be lost as a result of going off public assistance.

Greater ability to pay -- The absent parents of non-welfare families may be able to pay more support. A staff person from the Child Support Enforcement Agency observed that the financial status of the absent parent of a welfare family is not often significantly better than the family's.

Collection Performance

Support Money Owed. During federal fiscal year 1980, approximately \$6 million in child support was collected, as discussed above. However, this represents only 6% of the child support owed as shown on the table below.

TABLE 11
Child Support Enforcement Agency
Collections as a Percent of Estimated Amount Owed
Federal Fiscal Year 1980

	AFDC	%	Non-AFDC	%	Total	%
Average Collection Per Quarter	\$ 274.1	3%	\$1,209.8	8%	\$1,483.2	6%
Average Arrearage per Quarter	8,782.1	97%	14,017.8	92%	22,799.9	94%
Average Owed Per Quarter*	9,056.2	100%	15,227.6	100%	24,283.1	100%

* The total amount of child support owed per quarter was computed by adding the average collection per quarter and the average amount of support money outstanding, or in arrears, at the end of each quarter.

Source: House Research Agency, 1/12/81, from data provided by the Child Support Enforcement Agency.

Support in Arrears. By the end of federal FY 80, unpaid child support for the Agency's clients amounted to \$9.7 million for welfare families and \$15.2 million for non-welfare families, a total of \$24.9 million.

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TABLE 12
Child Support Enforcement Agency
Child Support in Arrears
4th Quarter of Federal Fiscal Year 1980
(thousands)

	Alaskan Family Alaskan Father	Alaskan Family Non-Alaskan Father	Non-Alaskan Family Alaskan Father	Total
AFDC	\$6,150.8	\$449.0	\$3,085.5	\$9,685.3
Non-AFDC	\$9,970.3	\$924.7	\$4,281.2	\$15,176.2
Total	\$16,121.1	\$1,373.7	\$7,366.7	\$24,861.5

Source: Child Support Enforcement Agency

Obligor living in Alaska owe \$16 million to families who also live here, and an additional \$7 million for support of children residing outside the state. The Child Support Enforcement Agency is attempting to collect slightly over \$1 million from fathers in other states on behalf of families who live here.

During federal FY 80, the amount of child support in arrears grew by \$4 million, from \$20.8 million at the end of the first quarter of FY 80 to \$24.9 million at the end of the fourth quarter. Of this increase, \$1.7 million was in AFDC cases, and \$2.3 million in non-AFDC. The Agency has also seen an increase in its caseload during FY 80.

TABLE 13
 Child Support Enforcement Agency
 Support in Arrears
 Federal Fiscal Year 1980 By Quarter

	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.
AFDC				
Arrearages	\$8.0 million	\$8.5 million	\$8.9 million	\$9.7 million
# of Cases with Support Orders	2,009	2,043	2,119	2,211
Arrearage per case	\$3,963	\$4,182	\$4,218	\$4,381
Non-AFDC				
Arrearages	\$12.9million	\$13.7million	\$14.4million	\$15.2million
# of Cases with Support Orders	4,540	4,621	4,655	4,786
Arrearage per case	\$2,830	\$2,963	\$3,084	\$3,171
All Cases				
Arrearages	\$20.8million	\$22.2million	\$23.2million	\$24.9million
# of Cases with Support Orders	6,549	6,664	6,774	6,997
Arrearage Per Case	\$3,178	\$3,336	\$3,439	\$3,553

Source: House Research Agency, 1/12/81, from data provided by the Child Support Enforcement Agency

However, it is unlikely that these new cases account for the total growth in arrearages, as this would mean that the average arrearage per new case was over \$9,000. The increase in arrearages is probably the result of two factors: 1) the addition of new cases with support in arrears; and 2) an increase in the amount of unpaid support for the Agency's existing caseload. The latter seems to indicate that each month the Agency is falling further behind in collecting the support money owed to its clients.

The amounts shown previously in this section represent the support in arrears for only the clients of the Child Support agency who have a support order. Clients with orders constitute only 42% of the Agency's

EFFECTIVENESS OF ENFORCEMENT

caseload as of September 30, 1980. Significantly more money is owed for support of families for whom a support order has not yet been established; by law, the absent parent of a family on AFDC owes support money even if a child support order has not been established, as an obligor is liable to the State for the amount of public assistance provided to his/her children (AS 47.23.120). This is not true for non-AFDC cases; legally, the absent parent of a non-AFDC family has no specific financial obligation to the family until a support order has been established.

Update this to include non-AFDC

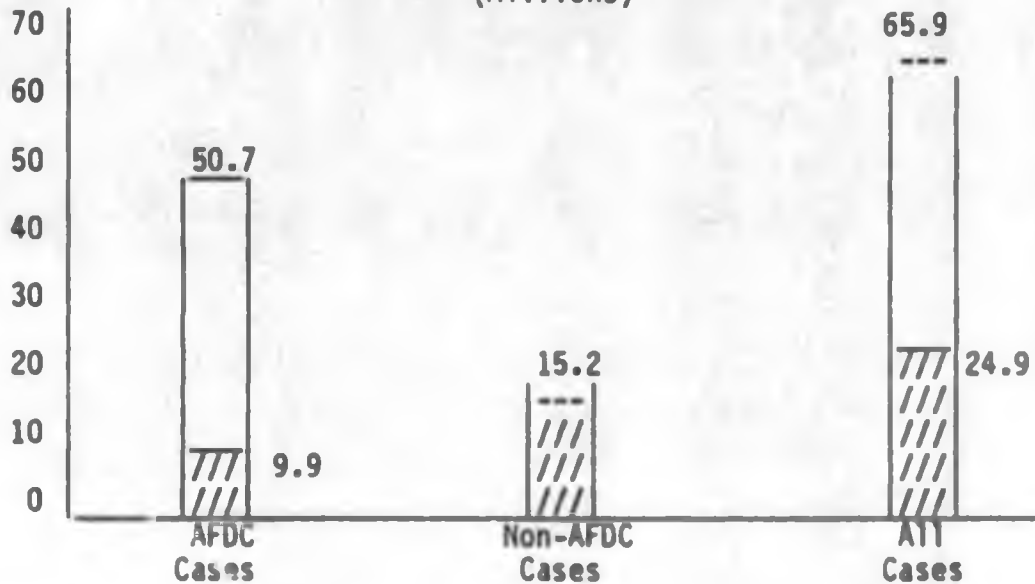
In Table 14, arrearages for cases without orders have been projected for the fourth quarter of federal FY 80. To estimate arrearages where there is no support order, the number of AFDC cases which do not have orders was multiplied by the average arrearage for AFDC cases with a support order.²⁰

According to the table, approximately \$41 million are owed for welfare families without a support order, making total support in arrears for welfare clients of the Child Support Enforcement Agency approximately \$50.7 million, and arrearages for all clients \$65.9 million.

Can Federal Income Tax refund be used for payments

²⁰This assumption may have resulted in slightly understated estimates. The Child Support Enforcement Agency enforces the most collectible of its cases, which are likely to be those with comparatively smaller arrearages.

TABLE 14
 Child Support Enforcement Agency
 Estimated Child Support Arrearages
 July 1, 1980 - September 31, 1980
 (Millions)



/// Arrearages reported by the Child Support Enforcement Agency for cases with existing child support orders.

□ Arrearages for cases without child support order, estimated by House Research Agency, 12/18/80

- * To derive the estimates, the number of AFDC cases without a support order was multiplied by the average arrearage for cases with support orders. This assumes that arrearages for cases with orders and cases without orders will be approximately equal.

Cases Receiving Child Support -- The number of obligors making child support payments to the Agency between July 1, 1980 and September 30, 1980 is shown on Table 15 below. The agency collected support money for roughly one-third of its cases with child support orders, or 12.7% of its total caseload. Using the Agency's estimated average of two children per case, child support was collected for 4,264 children, 1,000 welfare children and 3,264 non-welfare children. However, no money was collected for more than 29,000 children, 9,730 of whom have a child support order.

EFFECTIVENESS OF ENFORCEMENT

TABLE 15
Child Support Enforcement Agency
Number of Payors Copared to Total Caseload
4th Quarter of Federal Fiscal 1980

	Payors	Cases with Support Orders	% of Cases with Orders Receiving Support	Total Caseload	% of Total Caseload Receiving Support
AFDC	500	2,211	22.6%	11,574	4.3%
Non-AFDC	1,632	4,786	34.1%	5,260	31.0%
Total	2,132	6,997	30.5%	16,834	12.7%

Source: Child Support Enforcement Agency

Amount Received Per Case -- As Table 16 shows, for the fourth quarter of fiscal year 1980, the average collection per payor was \$793 for non-AFDC cases, and \$562 for AFDC cases. Consequently, the average collection for each month of the quarter was \$187 for AFDC cases and \$264 for non-AFDC cases. Assuming two children per case, \$93.50 was collected monthly for each welfare child and \$132 for each non-welfare child.

TABLE 16
Child Support Enforcement Agency
Collections for Fourth Quarter 1980
(thousands)

	Collections	# of Payors	Average Collection Per Case for Quarter	Average Collection Per Case for Month	Average Collection Per Child For Month*
AFDC	\$ 281.2	500	\$562	\$187	\$93.50
Non-AFDC	\$1,294.6	1,632	\$793	\$264	\$132.00
Total	\$1,575.8	2,132	\$739**	\$246**	\$123.00**

* Using the Child Support Enforcement Agency's estimate of 2 children per case

** Weighted Average

Source: Child Support Enforcement Agency

EFFECTIVENESS OF ENFORCEMENT

The Agency estimates that the average monthly support obligation for its cases is \$165, which is less than the average collection per case as shown in Table 16.

The difference between the Agency's estimate and the monthly collection shown here can probably be accounted for by the fact that each month many obligors are paying off a portion of their arrearages (unpaid child support from previous months) in addition to their monthly support obligation.

The average collection per case during the fourth quarter of FY 80 represented only 12% of the total owed per case, as shown on the table below.

TABLE 17
Child Support Enforcement Agency
Child Support Collected Per Paying Case as Percent of Amount Owed Per Case
Fourth Quarter of Federal Fiscal Year 1980

	AFDC	Non-AFDC	All Cases
Average Collection Per Paying Case	\$562	\$793	\$789
Average Arrearage For All Cases	\$4,381	\$3,171	\$3,553
Average Owed For All Cases*	\$4,508	\$3,441	\$3,778

* The average owed for all cases was computed by adding the total collection and the total arrearage and dividing by the total number of cases with support orders.

Source: House Research Agency, 1/27/81

EFFECTIVENESS OF ENFORCEMENT

Length of Delinquency. Table 18 on the following page shows the Child Support Enforcement Agency's caseload by length of time since last payment. As of June 30, 1980, the end of the third quarter of fiscal year 1980, 25% of the Agency's cases with support orders were receiving support as scheduled. Forty-eight percent (48%) of the Agency's cases had not received any support money in over a year, 24% in over three years. Cases delinquent more than a year represent an estimated \$12.5 million or more in arrearages and pose the most difficult collection problem facing the Agency.

Using the Child Support Enforcement Agency's estimate that the average monthly support obligation is \$165, 3,700 obligors owed more than \$990 in child support payments, 3,100 owed more than \$1,900, and 1,600 obligors owed at least \$5,900.

TABLE 18
 Child Support Enforcement Agency
 Arrearages by Case by Length of Delinquency
 Third Quarter of Federal Fiscal Year 1980

	Cases with Child Support Orders		Amount in Arrears Per Case, Assuming \$165 Monthly Support Obligation	Total Arrearage Assuming \$165 Monthly Support Obligation (Thousands)
Current Cases	1625	25%	---	---
Delinquent Cases				
Less than 1 month	89	1%	\$165	\$14.7
1-3 months	714	11%	\$165 - 495	\$117.8 - 353.4
3-6 months	379	6%	\$495 - 990	\$187.6 - 375.2
6-12 months	597	9%	\$990 - 1,980	\$591.0 - 1,182.1
1-3 years	1540	24%	\$1,980 - 5,940	\$3,049.2 - 9,147.6
More than 3 yrs.	1582	24%	\$5,940+	\$9,397.1 - 15,661.8
Sub-total	4901	75%		(5 years delinquent) ¹
TOTAL CASES	6526	100%		\$13,357.4 - 26,734.8

¹Five years is used as an upper limit for length of delinquency only for the purposes of this table. The Agency has cases for which child support payments are more than five years delinquent.

Source: House Research Agency, 1/12/81, from data provided by the Child Support Enforcement Agency

Impact of Enforcement on Payment of Support

Even though only one-third of the Child Support Enforcement Agency's cases are currently receiving regular support payments, the Agency's enforcement activity appears to contribute to the level of child support paid in the state.

EFFECTIVENESS OF ENFORCEMENT

Where do no stand on support max AFDC parents

Until March 1979, the Child Support Enforcement Agency concentrated on collections for non-AFDC cases. However, effective April 1, 1979, all federal funding for non-AFDC casework was withdrawn. Consequently, for the remaining two quarters of fiscal year 1979 and the first two quarters of fiscal year 1980, the Agency's enforcement activity was focused on the AFDC caseload.

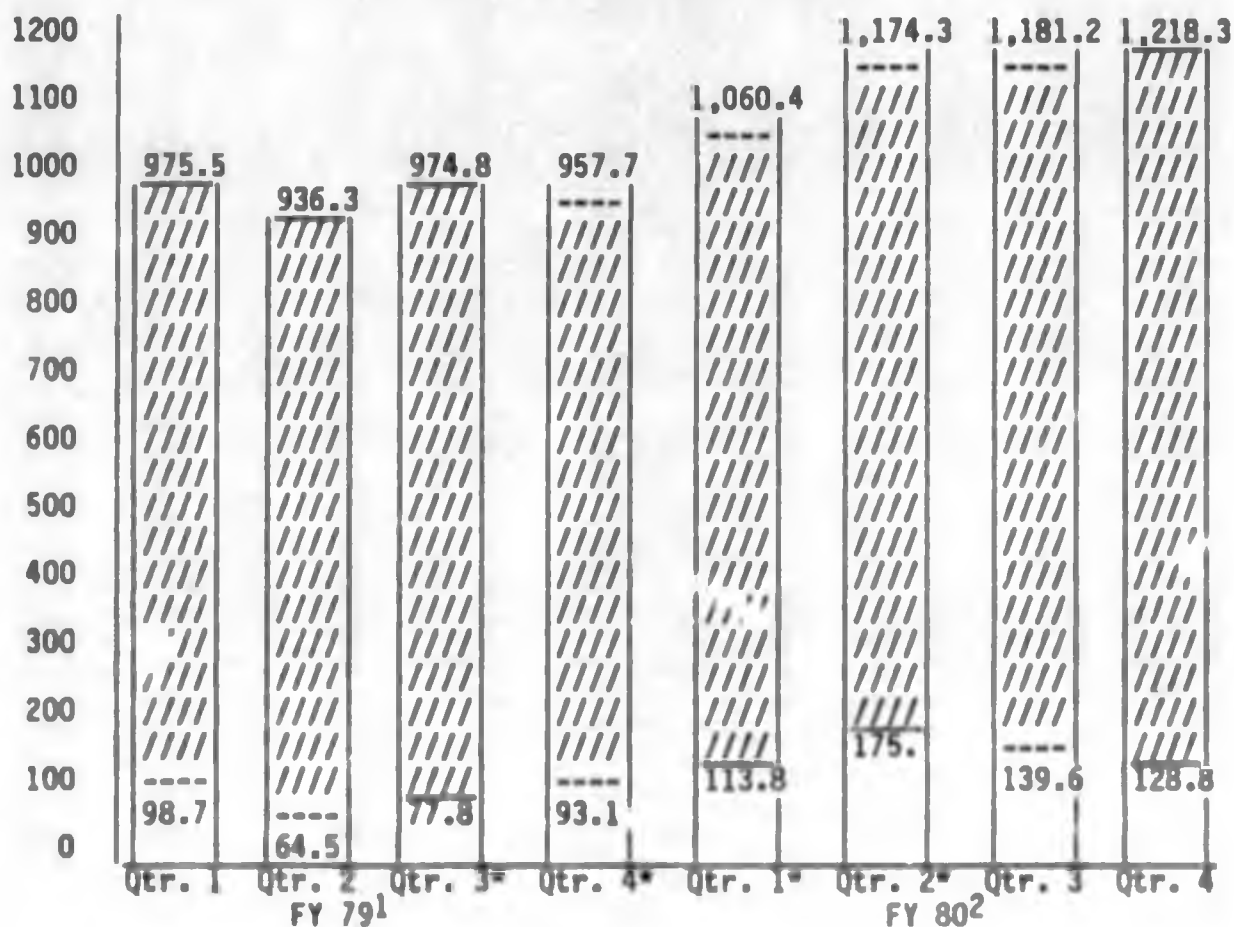
Table 1^c shows the Agency's collections by quarter for fiscal years 1979 and 1980 for cases where the family lives in-state. As stated earlier, the Agency's accounting procedure was changed significantly during fiscal year 1979. Totals reported for the first two quarters of the year must be used as approximations, as the Child Support Enforcement Agency cannot verify their accuracy. According to the Agency, statistics for the final quarters of fiscal year 1979 and the annual total are correct.

Collections for both non-AFDC and AFDC cases improved during the four quarters that the Agency concentrated on collecting support for welfare cases. By March 31, 1980, non-AFDC collections had increased 11% even though no non-AFDC casework was being done. According to Dan Copeland, there are several explanations for the improvement. First, the Agency never publicly announced that it was no longer doing non-AFDC enforcement. Second, during the year there was no funding, the internal management of the Agency was improved. For the first time, the Agency was able to send out regular letters to obligors notifying them of the amount of support owed and the deadlines for payment. The Agency continued to send these letters to absent parents of non-AFDC families, even though no action could be taken if the obligors chose not to pay. Finally, the Attorney General's office had a backlog of non-AFDC cases which they continued to process throughout the four quarters.

As the table shows, when the Agency shifted its priority to enforcement of AFDC cases, collections for this category improved 125%. During the final quarter of the year of intensive AFDC case enforcement, the Agency collected approximately \$100,000 more for AFDC cases than was collected during the first quarter of the year. In the absence of data indicating the amount of child support paid before the Child Support Enforcement Agency was established, the Agency's success in collecting for welfare cases during this period provides some indication that the Agency's collection efforts do increase the amount of support money paid.

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TABLE 19
 Child Support Enforcement Agency
 Child Support Collections
 (not including amounts collected for families in another state)
 Federal Fiscal Years 1979 and 1980 by Quarter
 (thousands of dollars)



* No funding for non-AFDC casework

 Non-AFDC Cases

 AFDC Cases

Source: ¹Fourth Annual Report to the Congress on the Child Support Enforcement Program, Office of Child Support Enforcement, Department of Health, Education and Welfare, December 31, 1979.

²Child Support Enforcement Agency

Interstate Comparisons

Interstate comparisons provide another means of evaluating the success of Alaska's Child Support Enforcement Agency. As stated earlier in this report, an Agency similar to Alaska's exists currently in all the states and most U.S. possessions. Programs are closely monitored by the federal Office of Child Support Enforcement, and are audited annually. Statistics used in this section are taken from the Fourth Annual Report to the Congress on the Child Support Enforcement Program. This publication was prepared by the National Office of Child Support Enforcement for federal fiscal year 1979. The statistics in this report were submitted by each local agency to the national enforcement office, and were derived according to the same procedure.

In the chart on the following pages, state agencies are ranked according to their total collections for both AFDC and non-AFDC families in federal fiscal year 1979. Obviously, these statistics cannot be used to measure the efficiency of local programs, as the amounts shown are a function of many factors, including the size of the state's population; the proportion of the population receiving AFDC; and the extent of enforcement being done for AFDC cases compared to non-AFDC cases. Predictably Alaska, which has a small population, a comparatively low number of AFDC recipients²¹ and which does more non-AFDC case enforcement than AFDC case enforcement, collects a very small amount of support money for AFDC clients compared to other states (see Table 20). However, Alaska ranks seventeenth nationally in the dollar amount collected for non-welfare cases despite its small population relative to other states

²¹Staff of the Committee on Finance, United States Senate, "Staff Data and Materials on Child Support," Washington: U.S. Government Printing Office, March 19, 1979, p. 62.

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(see Table 21).²² In addition, as Table 21 shows, Alaska ranks twenty-third nationally in the amount of child support collected on behalf of AFDC and non-AFDC cases combined.

²²The higher earnings and cost of living in Alaska do not account for its disproportionately large collections. The average monthly support obligation for families registered with the Agency is \$82.50 per child, which apparently does not differ significantly from the national average.

TABLE 20
 Child Support Collections on Behalf of AFDC Families
 (not including amounts collected for families
 living in another state)
 By State, Federal Fiscal Year 1979

<u>Rank of State</u>	<u>Collection</u>	<u>Rank of State</u>	<u>Collection</u>
1 Michigan	\$172,038,798	28 Indiana	\$956,929
2 Pennsylvania	153,528,494	29 Ohio	857,949
3 California	82,412,308	30 Illinois	822,741
4 New York	79,772,980	31 Georgia	670,195
5 Oregon	75,524,966	32 Oklahoma	565,510
6 New Jersey	65,383,004	33 Montana	528,246
7 Connecticut	11,616,898	34 Kansas	520,308
8 Maryland	9,927,024	35 New Mexico	520,110
9 Washington	8,699,058	36 Colorado	495,681
10 Wisconsin	8,223,848	37 South Carolina	479,987
11 Louisiana	7,434,444	38 Idaho	453,987
12 Massachusetts	7,103,188	39 Maine	440,981
13 Minnesota	6,860,788	40 Nebraska	385,124
14 Arizona	5,768,925	41 North Dakota	343,558
15 Tennessee	5,104,836	42 South Dakota	269,543
16 Delaware	4,427,879	43 Kentucky	266,153
17 Alaska	3,510,224	44 Vermont	185,551
18 Nevada	3,350,784	45 Dist. Columbia	179,462
19 Hawaii	2,606,229	46 West Virginia	161,839
20 Iowa	2,363,175	47 Wyoming	140,669
21 Florida	1,925,768	48 Rhode Island	137,475
22 Texas	1,837,465	49 Virgin Islands	116,932
23 Missouri	1,663,991	50 Virginia	116,130
24 Arkansas	1,493,576	51 Mississippi	105,942
25 Puerto Rico	1,476,883	52 Alabama	16,032
26 North Carolina	1,454,154	53 Guam	408
27 Utah	1,182,755	54 New Hampshire	-0-

National Total: \$736,519,844

Source: Office of Child Support Enforcement, Department of Health, Education and Welfare, Fourth Annual Report to the Congress on the Child Support Enforcement Program, December 31, 1979.

EFFECTIVENESS OF ENFORCEMENT

TABLE 21
 Child Support Collections on Behalf of AFDC Families
 (not including amounts collected for
 families living in another state)
 By State, Federal Fiscal Year 1979

<u>Rank of State</u>	<u>Collection</u>	<u>Rank of State</u>	<u>Collection</u>
1 California	\$117,532,204	28 Tennessee	\$3,870,861
2 Michigan	76,375,082	29 Colorado	3,524,599
3 New York	56,587,904	30 Kansas	3,454,426
4 Pennsylvania	33,189,931	31 Rhode Island	3,437,802
5 Massachusetts	29,145,218	32 South Carolina	3,158,955
6 New Jersey	28,621,685	33 Hawaii	2,543,753
7 Wisconsin	26,043,529	34 Arkansas	2,427,570
8 Ohio	21,974,393	35 New Hampshire	2,088,882
9 Washington	18,318,488	36 Nebraska	2,083,322
10 Minnesota	14,509,658	37 Idaho	2,046,847
11 Oregon	12,977,261	38 Mississippi	1,555,947
12 Connecticut	11,416,234	39 West Virginia	1,430,307
13 Maryland	10,928,817	40 Delaware	1,385,587
14 Iowa	10,654,044	41 North Dakota	1,379,127
15 Illinois	9,916,428	42 Oklahoma	1,260,245
16 Virginia	9,080,462	43 Vermont	1,200,839
17 Florida	8,597,752	44 New Mexico	1,160,016
18 Indiana	8,115,632	45 South Dakota	1,137,318
19 North Carolina	7,714,074	46 Dist. Columbia	906,609
20 Alabama	6,837,844	47 Montana	684,566
21 Texas	6,369,617	48 Arizona	642,054
22 Utah	5,441,476	49 Nevada	517,089
23 Louisiana	5,244,166	50 Puerto Rico	439,171
24 Georgia	4,882,688	51 Wyoming	379,302
25 Kentucky	4,615,049	52 Alaska	334,058
26 Missouri	4,164,808	53 Guam	159,096
27 Maine	4,132,562	54 Virgin Islands	143,201
		National Total:	\$596,738,555

Source: Office of Child Support Enforcement, Department of Health, Education and Welfare, Fourth Annual Report to the Congress on the Child Support Enforcement Program, December 31, 1979

TABLE 22
 Child Support Collections per Dollar of Program Expenditure
 Top Ranking States in Collections
 Federal Fiscal Year 1979

<u>Rank in State in Collection</u>	<u>Collection</u>	<u>Expenditure</u>	<u>Rank of State in Expenditure</u>	<u>\$ Collected per \$ Expended</u>	<u>Rank of State in \$ Collected per \$ Expended</u>
1 Michigan	\$248,413,880	\$21,403,343	4	11.61	1
2 California	199,944,512	71,913,955	1	2.78	12
3 Pennsylvania	186,718,425	11,317,791	6	16.50	2
4 New York	136,360,884	56,874,939	2	2.40	14
5 New Jersey	94,004,689	21,521,747	3	4.37	7
6 Oregon	88,502,227	7,481,088	12	11.83	3
7 Massachusetts	36,338,406	6,247,927	16	5.82	4
8 Wisconsin	34,267,377	7,562,355	11	4.53	5
9 Washington	27,017,546	9,186,951	8	2.94	10
10 Connecticut	23,033,132	5,247,884	20	4.39	6
11 Ohio	22,832,342	11,425,116	5	2.00	17
12 Minnesota	21,370,446	8,827,178	9	2.42	13
13 Maryland	20,855,841	8,161,825	10	2.56	12
14 Iowa	13,017,219	3,798,545	25	3.43	8
15 Louisiana	12,678,610	6,715,874	15	1.89	19
16 Illinois	10,739,169	6,907,656	14	1.55	21
17 Florida	10,523,520	7,124,205	13	1.48	23
18 Virginia	9,196,592	5,996,625	17	1.53	22
19 North Carolina	9,168,228	5,800,373	18	1.58	20
20 Indiana	9,072,561	4,021,177	22	2.26	15
21 Tennessee	8,975,697	2,885,789	28	3.11	9
22 Texas	8,207,082	11,32,948	7	0.74	24
23 Alaska	3,844,282	1,935,367	31	1.99	18
24 Alabama	6,853,876	4,633,637	21	1.48	23
25 Utah	6,624,231	3,036,246	27	2.18	16

Should this be reversed

Source: House Research Agency, 1/2/81, taken from data from the Fourth Annual Report to the Congress on the Child Support Enforcement Agency, Office of Child Support Enforcement, Department of Health, Education and Welfare, December 31, 1979.

EFFECTIVENESS OF ENFORCEMENT

The figure on the following page shows the correlation between states' expenditures per case and their collections per case. Although there is considerable variation among states, in general, the amount a state collects is fairly closely related to the amount it is willing to spend. States which ranked in the top half in collection nationally spent an average of \$7 more per case than states ranking lower in total collections.

During federal fiscal year 1980, Alaska's average enforcement expenditure per case was approximately \$133. The State assumed \$33 of the expenditure per case; however, its actual cost at the end of FY 80 was \$12 per case, or \$6 per child.²³

TABLE 23
Child Support Enforcement Agency
Program Costs Compared to Number of Child Support Cases
Federal Fiscal Year 1980

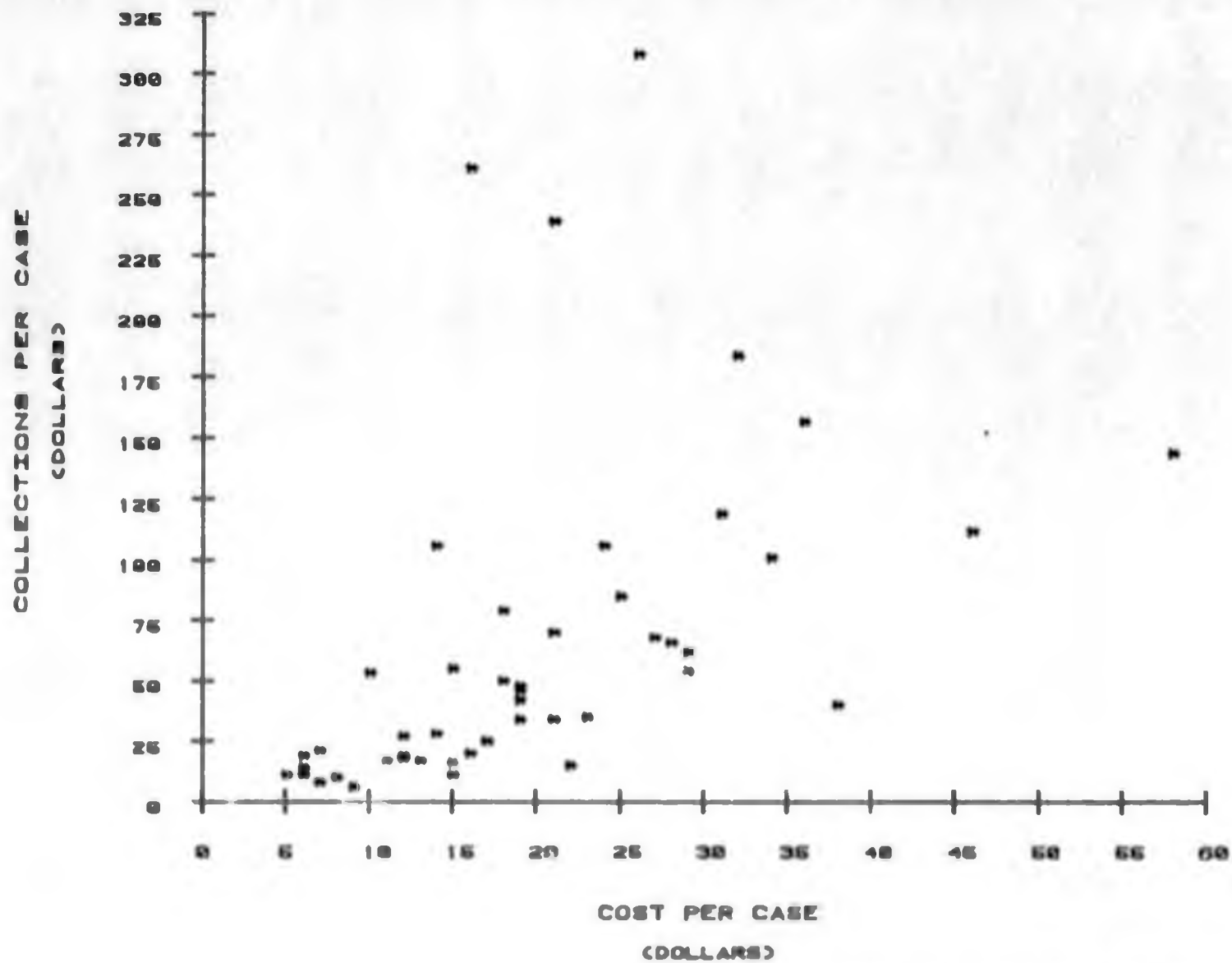
		<u>Cost Per Case*</u>
<u>Program Cost</u>	\$2,244,811	\$133
<u>State Share of Program Cost</u>	561,202	33
State Share of AFDC Collections (278,551)		
Incentive Payments Received	<u>(74,567)</u>	
<u>Net State Expenditure</u>	\$208,084	\$ 12

* On September 30, 1980, the final quarter of federal fiscal year 1980, 16,834 child support cases were registered with the Child Support Enforcement Agency.

Source: House Research Agency, 1/1/81, from data provided by the Child Support Enforcement Agency.

²³Using the Child Support Enforcement Agency's estimate of two children and one adult per case.

RATIO OF CHILD SUPPORT COLLECTIONS PER CASE TO COST PER CASE
FEDERAL FISCAL YEAR 1979



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CONCLUSION

Alaska's Child Support Enforcement Agency has shown progressively more success in collecting support money for its clients. Nonetheless, the number of families in Alaska who are not receiving any support money continues to grow.

The Governor will be introducing legislation this session on behalf of the Child Support Enforcement Agency. The legislation is intended to streamline the existing process of obtaining a child support order and collecting support. The major provisions in the legislation have been referenced in this paper, and a copy of the proposed legislation is attached as Appendix A. The changes proposed will undoubtedly speed case enforcement; however, the backlog of cases currently awaiting action is so large that it may be several years before many of the families registered with the Agency receive any support money.

Although the changes suggested by the Agency will solve some enforcement problems, the State may need to consider more comprehensive revisions to the current enforcement program. A thorough evaluation of enforcement procedures in other states is beyond the scope of this report. However, we have included a brief discussion of two enforcement approaches which have proven successful nationally.

Incarceration for Non-Support

The State of Michigan has had a child support enforcement program since 1917. It was partly Michigan's longstanding success at collecting child support which persuaded Congress to adopt the federal Child Support Enforcement Act and establish a support enforcement program in each of the states. Michigan collected \$248 million in child support during federal fiscal year 1979 -- approximately \$50 million more than California which ranked second in total collections (see Table 22).

CONCLUSION

Certainly the fact that Michigan's child support enforcement program is long-established contributes to its collection success relative to other states. Many states had no enforcement program at all until 1975 when the national support enforcement program was adopted. In contrast, Michigan has had ample opportunity to improve its program organization, evaluate different enforcement techniques, etc. In addition, because payment of child support has been enforced in Michigan for so long, the state's obligors are in the habit of making payments. In other parts of the country, local child support enforcement programs are trying to convince obligors that the state is serious about enforcing payment of child support.

* Michigan's enforcement program has several unique features in addition to being well-established. First, the child support enforcement program applies to all child support cases (welfare and non-welfare). The fact that all child support cases are enforced reinforces the impression that the state is serious about payment of child support.

By law, all child support cases, both welfare and nonwelfare, are automatically assigned to the local support enforcement agency. (In other states, welfare cases are assigned to the enforcement agency but non-welfare cases must come to the agency at their own initiative.)

* Second, by state statute, the willful or negligent failure to make child support payments ordered by the court is a special form of contempt which can lead to a jail sentence of up to a year. Every year thousands of men are jailed for non-support. Defendants can obtain an early release by paying their arrearages or working out a payment schedule satisfactory to the court. Most obligors who are jailed purchase an early release by paying an amount less than their full arrearage.

In addition to regularly jailing for non-support, the Michigan counties which showed the highest collections did not wait for complaints from custodial parents that payments were overdue. Instead, they sent warning notices to obligors at their own initiative after several weeks of non-payment or when a certain arrearage amount had accumulated.²⁴

In summary, Michigan counties which have a self-initiated warning system and a high incidence of jail sentences collect the most child support. Counties which have one or the other mechanism, but not both, collected only slightly more support than counties which employed neither. The study of Michigan's enforcement program concluded that jail is not an effective instrument of collection "unless it is perceived by potential offenders as likely to occur to them, a belief that apparently arises not from the mere occurrence of jail but from an effective reminder system....."²⁵

²⁴Dan Copeland the Administrator of Alaska's Child Support Enforcement Agency, confirmed in a conversation that the faster an agency can contact an obligor who has stopped making payments, the easier it is to persuade him to resume.

²⁵David L. Chambers, "Men Who Know They Are Watched: Some Benefits and Costs of Jailing for Non Payment of Support," University of Michigan Law Review, April - May 1977, 75: 927.

* Reviewer's Comments: Assistant Attorney General Pat Kennedy had these comments regarding Michigan's enforcement policies:

Michigan gets good results, but they allow no due process, i.e. in contrast to us:

1. The fathers, if indigent, do not have the right to an attorney.
2. Inability to pay is no excuse.
3. No jury trial is available.
4. The case worker can arrest and prosecute the case.

Further,

1. They have a very stable working population so people don't flee.
2. Their recidivism rate is high - they have a class of chronic "jail birds."
3. It is unclear whether their collections would not be just as high using our collection techniques.

CONCLUSION

Income Withholding

Other states have found that income withholding is the single most effective tool for enforcing support obligations. Alaska can currently require that income be withheld through 1) wage assignments imposed by the courts; and 2) orders to withhold and deliver which may be issued administratively as well as judicially. The National Conference of State Legislatures (NCSL) has thoroughly researched income withholding methods, and found that the most effective withholding laws have many features which Alaska's law currently does not include: they are mandatory; remain in effect continuously; and follow an obligor from job to job.

The following section is excerpted from an information release prepared by NCSL which concisely describes some of the income withholding laws in effect in other states.

Income Assignments With Every Order.

Wisconsin, Rhode Island and New York are examples of states with mandatory laws requiring that every order for support include an assignment or withholding provision, which is triggered to go into effect when there is a specified default in payments.

Wisconsin law (Chapter 767.265) requires that all orders for child support and maintenance payments include an assignment. The assignment could take effect immediately or when the person owing support fails to make a full payment within twenty days of its due date. The court then notifies the delinquent payor of a right to a hearing. If the hearing is not requested within 10 days, the assignment goes into effect. This law is considered a key fact - in the success of the Wisconsin program, which was just identified as first in the nation by the Office of Child Support Enforcement in returning dollars to the state from AFDC collections, compared to state dollars spent for the first three quarters of fiscal year 1980. In addition, one year of operation using the new law is considered to be the main reason that collections for September 1979, in Milwaukee County were \$550,000 higher than collections for September of the preceding year.

In 1980 Rhode Island adopted an income assignment law (Chapter 15-5-16-3-1) modeled after the Wisconsin statute. New Jersey (S. 1508) has introduced a similar version which also includes a new element for getting the assignment provision into support orders which were set before the adoption of the proposed law. A person entitled to payments under a pre-existing child support, alimony or maintenance order may apply to the court to modify the order to include an assignment, to take effect at the time of a delinquency.

As of January 1, 1979, New York law (Personal Property Law Section 49-b) requires that all orders for support, which require that payment be made to the support collection unit, must include a withholding order which goes into effect when there is a failure to pay a specified number of payments, as determined by the court at the time the order is set. If the parent owing support fails to make the number of payments set by the court in the order, the support collection unit can take action to put the withholding order into effect. The first step is to notify the delinquent payor that the withholding order will be going into effect in fifteen days, unless the arrearage (missed payments) is paid. If the payor still fails to comply, notice is given to the employer to begin withholding an amount from the employee's wages sufficient to meet the support payment.

Of the orders established since January 1979, which include the withholding provision (some courts were slow to comply with the law), and in which the specified delinquency has occurred, steady payments through withholding are now being received in 72.9 percent of the cases. In New York alone there is an 80 percent payment rate on those orders which include the withholding provision, which may or may not be in effect, versus a 40 percent payment rate on orders which do not include the withholding provisions.

Income Assignments Established at Time of Delinquency

California has received a great deal of attention in the popular press for adopting a new income assignment law (Chapter 1341, Section 4700) that is considered to be one of the most stringent. The statute, which takes effect in January 1981, requires the court to issue an order of assignment upon receiving a petition signed under penalty of perjury by the person to whom payment was to be made, that the child support payments are in arrears in a sum equal to one monthly payment within the 24-month period immediately preceding filing of the petition. The order would be issued without notice by the court to the parent owing support. There is a requirement that the parent or representative of the government agency designated to receive support must notify the parent owing support of his or her intent to seek an assignment at

CONCLUSION

least 15 days prior to the date of the filing of the petition. Included in the law is a section specifying the conditions under which the assignment may be terminated.

Under prior California law, the absent parent had to be two months in arrears within the prior 24-month period and a court hearing had to be held to obtain an order for a wage assignment. The court process not only involved a considerable time delay, but also the expense of hiring an attorney. Thus, many custodial parents were unable to take advantage of the wage assignment law, and many of these were forced onto AFDC because of the delay and expense. Under the law the court can issue a wage assignment without a court hearing and therefore the delay and expense have been eliminated. Consequently, it is expected that there will be a substantial increase in the number of wage assignments ordered in California as those custodial parents previously unable to afford the delay and expense involved in obtaining a wage assignment can now obtain one.

Further information regarding all the programs summarized in this section are available from the House Research Agency upon request.

APPENDIX A
Child Support Enforcement Agency's Proposed Legislation

APPENDIX B
Title IV-D of the Social Security Act

APPENDIX

Title IV of the Social Security Act

Part D—Child Support and Establishment of Paternity¹

Appropriation

Sec. 451. For the purpose of enforcing the support obligations owed by absent parents to their children, locating absent parents, establishing paternity, and obtaining child support, there is hereby authorized to be appropriated for each fiscal year a sum sufficient to carry out the purposes of this part.

Duties of the Secretary

Sec. 452. (a) The Secretary shall establish, within the Department of Health, Education, and Welfare a separate organizational unit, under the direction of a designee of the Secretary, who shall report directly to the Secretary and who shall—

(1) establish such standards for State programs for locating absent parents, establishing paternity, and obtaining child support as he determines to be necessary to assure that such programs will be effective;

(2) establish minimum organizational and staffing requirements for State units engaged in carrying out such programs under plans approved under this part;

(3) review and approve State plans for such programs;

(4) evaluate the implementation of State programs established pursuant to such plan, conduct such audits of State programs established under the plan approved under this part as may be necessary to assure their conformity with the requirements of this part, and, not less often than annually, conduct a complete audit of the programs established under such plan in each State and determine for the purposes of the penalty provision of section 403(b) whether the actual operation of such programs in each State conforms to the requirements of this part;

(5) assist States in establishing adequate reporting procedures and maintain records of the operations of programs established pursuant to this part in each State;

(6) maintain records of all amounts collected and disbursed under programs established pursuant to the provisions of this part and of the costs incurred in collecting such amounts;

¹ Part D was established by Part B of Public Law 93-617 with an effective date of July 1, 1975 except for section 452 which was effective as of January 1, 1973.

² The effective date of July 1, 1975 was changed to August 1, 1975 by Public Law 94-65.

(7) provide technical assistance to the States to help them establish effective systems for collecting child support and establishing paternity;

(8) receive applications from States for permission to utilize the courts of the United States to enforce court orders for support against absent parents and, upon a finding that (A) another State has not undertaken to enforce the court order of the originating State against the absent parent within a reasonable time, and (B) that utilization of the Federal courts is the only reasonable method of enforcing such order, approve such applications;

(9) operate the Parent Locator Service established by section 453; and

(10) not later than three months after the end of each fiscal year, beginning with the year 1977, submit to the Congress a full and complete report on all activities undertaken pursuant to the provisions of this part, which report shall include, but not be limited to, the following:

(A) total program costs and collections set forth in sufficient detail to show the cost to the States and the Federal Government, the distribution of collections to families, State and local governmental units, and the Federal Government; and an identification of the financial impact of the provisions of this part;

(B) costs and staff associated with the Office of Child Support Enforcement;

(C) the number of child support cases in each State during each quarter of the fiscal year last ending before the report is submitted and during each quarter of the preceding fiscal year (including the transitional period beginning July 1, 1976, and ending September 30, 1976, in the case of the first report to which this subparagraph applies), and the disposition of such cases;

(D) the status of all State plans under this part as of the end of the fiscal year last ending before the report is submitted, together with an explanation of any problems which are delaying or preventing approval of State plans under this part;

(E) data, by State, on the use of the Federal Parent Locator Service, and the number of locator requests submitted without the absent parent's social security account number;

(F) the number of cases, by State, in which an applicant for or recipient of aid under a State plan approved under part A has refused to cooperate in identifying and locating the absent parent and the number of cases in which refusal to cooperate is based on good cause (as determined in accordance with the standard referred to in section 403(a)(26)(B)(ii));

(G) data, by State, on the use of Federal courts, and on use of the Internal Revenue Service for collections, the number of court orders on which collections were made, the number of paternity determinations made and the number of parents located, in sufficient detail to show the cost and benefits to the States and to the Federal Government; and

(H) the major problems encountered which have delayed or prevented implementation of the provisions of this part during the fiscal year last ending prior to the submission of such report.¹

(b) The Secretary shall, upon the request of any State having in effect a State plan approved under this part, certify the amount of any child support obligation assigned to such State to the Secretary of the Treasury for collection pursuant to the provisions of section 6305 of the Internal Revenue Code of 1954. No amount may be certified for collection under this subsection except the amount of the delinquency under a court order for support and upon a showing by the State that such State has made diligent and reasonable efforts to collect such amounts utilizing its own collection mechanisms, and upon an agreement that the State will reimburse the United States for any costs involved in making the collection. The Secretary after consultation with the Secretary of the Treasury may, by regulation, establish criteria for accepting amounts for collection and for making certification under this subsection including imposing such limitations on the frequency of making such certifications under this subsection.

(c)(1) There is hereby established in the Treasury a revolving fund which shall be available to the Secretary without fiscal year limitation, to enable him to pay to the States for distribution in accordance with the provisions of section 457 such amounts as may be collected and paid (subject to paragraph (2)) into such fund under section 6305 of the Internal Revenue Code of 1954.

(2) There is hereby appropriated to the fund, out of any moneys in the Treasury not otherwise appropriated, amounts equal to the amounts collected under section 6305 of the Internal Revenue Code of 1954, reduced by the amounts credited or refunded as overpayments of the amounts so collected. The amounts appropriated by the preceding section shall be transferred at least quarterly from the general fund of the Treasury to the fund on the basis of estimates made by the Secretary of the Treasury. Proper adjustments shall be made in the amounts subsequently transferred to the extent prior estimates were in excess of or less than the amounts required to be transferred.

Parent Locator Service

Sec. 453. (a) The Secretary shall establish and conduct a Parent Locator Service, under the direction of the designee of the Secretary referred to in section 452(a), which shall be used to obtain and transmit to any authorized person (as defined in subsection (c)) information as to the whereabouts of any absent parent when such information is to be used to locate such parent for the purpose of enforcing support obligations against such parent.

(b) Upon request, filed in accordance with subsection (d) of any authorized person (as defined in subsection (c)) for the most recent address and place of employment of any absent parent, the Secretary shall, notwithstanding any other provision of law, provide through the Parent Locator Service such information to such person, if such information—

¹ Paragraph (10) was amended by sec. 204(c) of P.L. 85-56.

(1) is contained in any files or records maintained by the Secretary or by the Department of Health, Education, and Welfare; or

(2) is not contained in such files or records, but can be obtained by the Secretary, under the authority conferred by subsection (e), from any other department, agency, or instrumentality, or the United States or of any State.

No information shall be disclosed to any person if the disclosure of such information would contravene the national policy or security interests of the United States or the confidentiality of census data. The Secretary shall give priority to requests made by any authorized person described in subsection (c)(1).

(c) As used in subsection (a), the term "authorized person" means—

(1) any agent or attorney of any State having in effect a plan approved under this part, who has the duty or authority under such plans to seek to recover any amounts owed as child support (including, when authorized under the State plan, any official of a political subdivision);

(2) the court which has authority to issue an order against an absent parent for the support and maintenance of a child, or any agent of such court; and

(3) the resident parent, legal guardian, attorney, or agent of a child (other than a child receiving aid under part A of this title) (as determined by regulations prescribed by the Secretary) without regard to the existence of a court order against an absent parent who has a duty to support and maintain a such child.

(d) A request for information under this section shall be filed in such manner and form as the Secretary shall by regulation prescribe and shall be accompanied or supported by such documents as the Secretary may determine to be necessary.

(e)(1) Whenever the Secretary receives a request submitted under subsection (b) which he is reasonably satisfied meets the criteria established by subsections (a), (b), and (c), he shall promptly undertake to provide the information requested from the files and records maintained by any of the departments, agencies, or instrumentalities of the United States or of any State.

(3) Notwithstanding any other provision of law, whenever the individual who is the head of any department, agency, or instrumentality of the United States receives a request from the Secretary for information authorized to be provided by the Secretary under this section, such individual shall promptly cause a search to be made of the files and records maintained by such department, agency, or instrumentality with a view to determining whether the information requested is contained in any such files or records. If such search discloses the information requested, such individual shall immediately transmit such information to the Secretary, except that if any information is obtained the disclosure of which would contravene national policy or security interests of the United States or the confidentiality of census data, such information shall not be transmitted and such individual shall immediately notify the Secretary. If such search fails to disclose the information requested, such individual shall immediately so notify the Secretary. The costs incurred by any such department, agency, or instrumentality of the United States or of any State

in providing such information to the Secretary shall be reimbursed by him. Whenever such services are furnished to an individual specified in subsection (c)(3), a fee shall be charged such individual. The fee so charged shall be used to reimburse the Secretary or his delegate for the expense of providing such services.

(f) The Secretary, in carrying out his duties and functions under this section, shall enter into arrangements with State agencies administering State plans approved under this part for such State agencies to accept from resident parents, legal guardians, or agents of a child described in subsection (c)(3) and, after determining that the absent parent cannot be located through the procedures under the control of such State agencies, to transmit to the Secretary requests for information with regard to the whereabouts of absent parents and otherwise to cooperate with the Secretary in carrying out the purposes of this section.

State Plan for Child Support

Sec. 454. A State plan for child support must—

(1) provide that it shall be in effect in all political subdivisions of the State;

(2) provide for financial participation by the State;

(3) provide for the establishment or designation of a single and separate organizational unit, which meets such staffing and organizational requirements as the Secretary may by regulation prescribe, within the State to administer the plan;

(4) provide that such State will undertake—

(A) in the case of a child born out of wedlock with respect to whom an assignment under section 402(a)(26) of this title is effective, to establish the paternity of such child unless the agency administering the plan of the State under part A of this title determines in accordance with the standards prescribed by the Secretary pursuant to section 402(a)(26)(B) that it is against the best interests of the child to do so, and

(B) in the case of any child with respect to whom such assignment is effective, to secure support for such child from his parent (or from any other person legally liable for such support), utilizing any reciprocal arrangements adopted with other States (unless the agency administering the plan of the State under part A of this title determines in accordance with the standards prescribed by the Secretary pursuant to section 402(a)(26)(B) that it is against the best interests of the child to do so), except that when such arrangements and other means have proven ineffective, the State may utilize the Federal courts to obtain or enforce court orders for support;¹

(5) provide that, in any case in which child support payments are collected for a child with respect to whom an assignment under section 402(a)(26) is effective, such payments shall be made to the State for distribution pursuant to section 457 and shall not be paid directly to the family except that this paragraph shall not apply

¹ Section 454(4) was amended by Public Law 94-55. See also section 202(3) of Public Law 94-55.

to such payments (except as provided in section 457(c)) for any month in which the amount collected is sufficient to make such family ineligible for assistance under the State plan approved under part A;¹

(6) provide that (A) the child support collection or paternity determination services established under the plan shall be made available to any individual not otherwise eligible for such services upon application filed by such individual with the State, (B) an application fee for furnishing such services may be imposed, except that the amount of any such application fee shall be reasonable, as determined under regulations of the Secretary, and (C) any costs in excess of the fee so imposed may be collected from such individual by deducting such costs from the amount of any recovery made;

(7) provide for entering into cooperative arrangements with appropriate courts and law enforcement officials (A) to assist the agency administering the plan, including the entering into of financial arrangements with such courts and officials in order to assure optimum results under such program, and (B) with respect to any other matters of common concern to such courts or officials and the agency administering the plan;

(8) provide that the agency administering the plan will establish a service to locate absent parents utilizing—

(A) all sources of information and available records, and

(B) the Parent Locator Service in the Department of Health, Education, and Welfare;²

(9) provide that the State will, in accordance with standards prescribed by the Secretary, cooperate with any other State—

(A) in establishing paternity, if necessary,

(B) in locating an absent parent residing in the State (whether or not permanently) against whom any action is being taken under a program established under a plan approved under this part in another State,

(C) in securing compliance by an absent parent residing in such State (whether or not permanently) with an order issued by a court of competent jurisdiction against such parent for the support and maintenance of a child or children of such parent with respect to whom aid is being provided under the plan of such other State, and

(D) in carrying out other functions required under a plan approved under this part;

(10) provide that the State will maintain a full record of collections and disbursements made under the plan and have an adequate reporting system;

(11) provide that amounts collected as child support shall be distributed as provided in section 457;

(12) provide that any payment required to be made under section 456 or 457 to a family shall be made to the resident parent, legal guardian, or caretaker relative having custody of or responsibility for the child or children;

¹ See also sections 201(b) and 202(b) of Public Law 94-25.

² See also section 6102(1)(8) of the I.R.C.

(13) provide that the State will comply with such other requirements and standards as the Secretary determines to be necessary to the establishment of an effective program for locating absent parents, establishing paternity, obtaining support orders, and collecting support payments;

(14) comply with such bonding requirements, for employees who receive, disburse, handle, or have access to, cash, as the Secretary shall by regulations prescribe; and¹

(15) maintain methods of administration which are designed to assure that persons responsible for handling cash receipts shall not participate in accounting or operating functions which would permit them to conceal in the accounting records the misuse of cash receipts (except that the Secretary shall by regulations provide for exceptions to this requirement in the case of sparsely populated areas where the hiring of unreasonable additional staff would otherwise be necessary).¹

Payments to States

Sec. 455. (a) From the sums appropriated therefor, the Secretary shall pay to each State for each quarter, beginning with the quarter commencing July 1, 1975, an amount—

(1) equal to 75 percent of the total amounts expended by such State during such quarter for the operation of the plan approved under section 454, and

(2) equal to 50 percent of the total amounts expended by such State during such quarter for the operation of a plan which meets the conditions of section 454 except as is provided by a waiver by the Secretary which is granted pursuant to specific authority set forth in the law;

except that no amount shall be paid to any State on account of furnishing child support collection or paternity determination services (other than the parent locator services) to individuals under section 454(6) during any period beginning after September 30, 1979.²

(b)(1) Prior to the beginning of each quarter, the Secretary shall estimate the amount to which a State will be entitled under subsection (a) for such quarter, such estimates to be based on (A) a report filed by the State containing its estimate of the total sum to be expended in such quarter in accordance with the provisions of such subsection, and stating the amount appropriated or made available by the State and its political subdivisions for such expenditures in such quarter, and if such amount is less than the State's proportionate share of the total sum of such estimated expenditures, the source or sources from which the difference is expected to be derived, and (B) such other investigation as the Secretary may find necessary.

(2) The Secretary shall then pay, in such installments as he may determine, to the State the amount so estimated, reduced or increased to the extent of any overpayment or underpayment which the Secre-

¹ Paragraphs (14) and (15) were added by sec. 502(a) of P.L. 95-50.
² Section 455(a) was amended by sec. 201(c) and 202 of P.L. 94-58, by sec. 2 of P.L. 95-365, and by sec. 4 of P.L. 95-59. See also sec. 505 of P.L. 94-588 which is printed in this document on p. 192. Funding for this purpose for periods after September 30, 1979 has been made available pursuant to Public Law 95-482 (continuing resolutions).

tary determines was made under this section to such State for any prior quarter and with respect to which adjustment has not already been made under this subsection.

(3) Upon the making of any estimate by the Secretary under this subsection, any appropriations available for payments under this section shall be deemed obligated.¹

Support Obligations

Sec. 456. (a) The support rights assigned to the State under section 402(a)(26) shall constitute an obligation owed to such State by the individual responsible for providing such support. Such obligation shall be deemed for collection purposes to be collectible under all applicable State and local processes.

(1) The amount of such obligation shall be—

(A) the amount specified in a court order which covers the assigned support rights, or

(B) if there is no court order, an amount determined by the State in accordance with a formula approved by the Secretary, and

(2) Any amounts collected from an absent parent under the plan shall reduce, dollar for dollar, the amount of his obligation under paragraphs (1) (A) and (B).

[(b) A debt which is a child support obligation assigned to a State under section 402(a)(26) is not released by a discharge in bankruptcy under the Bankruptcy Act.]²

Distribution of Proceeds

Sec. 457.³ (a) The amounts collected as child support by a State pursuant to a plan approved under this part during the 15 months beginning July 1, 1975, shall be distributed as follows:

(1) 40 per centum of the first \$50 of such amounts as are collected periodically which represent monthly support payments paid as assistance to such family during such month;

(2) such amounts as are collected periodically which are in excess of any amount paid to the family under paragraph (1) which represent monthly support payments shall be retained by the State to reimburse it for assistance payments to the family during such period (with appropriate reimbursement of the Federal Government to the extent of its participation in the financing);

(3) such amounts as are in excess of amounts retained by the State under paragraph (2) and are not in excess of the amount required to be paid during such period to the family by a court order shall be paid to the family; and

(4) such amounts as are in excess of amounts required to be distributed under paragraphs (1), (2), and (3) shall be (A) retained by the State (with appropriate reimbursement of the Federal Government to the extent of its participation in the financing) as reimbursement for any past assistance payments

¹ Section 456(b) added by Public Law 94-65. See also section 306 of Public Law 94-65.

² Subsection 456(b) repealed by section 229 of Public Law 95-600 effective Nov. 8, 1978.

³ See section 402(a)(26).

made to the family for which the State has not been reimbursed or (B) if no assistance payments have been made by the State which have not been repaid, such amounts shall be paid to the family.

(b) The amounts collected as child support by a State pursuant to a plan approved under this part during any fiscal year beginning after September 30, 1976, shall be distributed as follows:

(1) such amounts as are collected periodically which represent monthly support payments shall be retained by the State to reimburse it for assistance payments to the family during such period (with appropriate reimbursement of the Federal Government to the extent of its participation in the financing);

(2) such amounts as are in excess of amounts retained by the State under paragraph (1) and are not in excess of the amount required to be paid during such period to the family by a court order shall be paid to the family; and

(3) such amounts as are in excess of amounts required to be distributed under paragraphs (1) and (2) shall be (A) retained by the State (with appropriate reimbursement of the Federal Government to the extent of its participation in the financing) as reimbursement for any past assistance payments made to the family for which the State has not been reimbursed or (B) if no assistance payments have been made by the State which have not been repaid, such amounts shall be paid to the family.

(c) Whenever a family for whom child support payments have been collected and distributed under the plan ceases to receive assistance under part A of this title, the State may—

(1) continue to collect amounts of child support payments which represent monthly support payments from the absent parent for a period of not to exceed three months from the month following the month in which such family ceased to receive assistance under part A of this title, and pay all amounts so collected, which represent monthly support payments, to the family; and

(2) at the end of such three-month period, if the State is authorized to do so by the individual on whose behalf the collection will be made, continue to collect amounts of child support payments which represent monthly support payments from the absent parent and pay the net amount of any amount so collected, which represents monthly support payments, to the family after deducting any costs incurred in making the collection from the amount of any recovery made.

and so much of any amounts of child support so collected as are in excess of the payments required to be made in paragraph (1) shall be distributed in the manner provided by subsection (b)(3) (A) and (B) with respect to excess amounts described in subsection (b).¹

Incentive Payment to Localities

Sec. 458.¹ (a) When a political subdivision of a State makes, for the State of which it is a political subdivision, or one State makes, for another State, the enforcement and collection of the support rights assigned under section 402(a)(20) (either within or outside of such

¹ Subsection (c) was amended by sec. 11 of P.L. 94-171.
² See sections 201(b) and 202(b) of Public Law 94-88.

State), there shall be paid to such political subdivision or such other State from amounts which would otherwise represent the Federal share of assistance to the family of the absent parent an amount equal to 15 per centum of any amount collected and require to be distributed as provided in section 457 to reduce or repay assistance payments.¹

(b) Where more than one jurisdiction is involved in such enforcement or collection, the amount of the incentive payment determined under subsection (a) shall be allocated among the jurisdictions in a manner to be prescribed by the Secretary.⁴

Consent by the United States to Garnishment and Similar Proceedings for Enforcement of Child Support and Alimony Obligations

Sec. 459. (a) Notwithstanding any other provision of law, effective January 1, 1975, moneys (the entitlement to which is based upon remuneration for employment) due from, or payable by, the United States or the District of Columbia (including any agency, subdivision, or instrumentality thereof) to any individual, including members of the armed services, shall be subject, in like manner and to the same extent as if the United States or the District of Columbia were a private person, to legal process brought for the enforcement, against such individual of his legal obligations to provide child support or make alimony payments.

(b) Service of legal process brought for the enforcement of an individual's obligation to provide child support or make alimony payments shall be accomplished by certified or registered mail, return receipt requested, or by personal service, upon the appropriate agent designated for receipt of such service of process pursuant to regulations promulgated pursuant to section 461 (or, if no agent has been designated for the governmental entity having payment responsibility for the moneys involved, then upon the head of such governmental entity). Such process shall be accompanied by sufficient data to permit prompt identification of the individual and the moneys involved.¹

(c) No Federal employee whose duties include responding to interrogatories pursuant to requirements imposed by section 461(b)(2) shall be subject under any law to any disciplinary action or civil or criminal liability or penalty for, or on account of, any disclosure of information made by him in connection with the carrying out of any of his duties which pertain (directly or indirectly) to the answering of any such interrogatory.²

(d) Whenever any person, who is designated by law or regulation to accept service of process to which the United States is subject under this section, is effectively served with any such process or with interrogatories relating to an individual's child support or alimony payment obligations, such person shall respond thereto within thirty days (or within such longer period as may be prescribed by applicable State law) after the date effective service thereof is made, and shall, as soon

¹ Subsection (a) was amended by sec. 502(a)(1) of P.L. 93-20.
² Subsection (b) was amended by sec. 502(a)(2) of P.L. 93-20.
³ Section 459 was amended by sec. 502 of P.L. 93-20.

as possible but not later than fifteen days after the date effective service is so made of any such process, send written notice that such process has been so served (together with a copy thereof) to the individual whose moneys are affected thereby at his duty station or last-known home address.¹

(e) Governmental entities affected by legal processes served for the enforcement of an individual's child support or alimony payment obligations shall not be required to vary their normal pay and disbursement cycles in order to comply with any such legal process.¹

(f) Neither the United States, any disbursing officer, nor governmental entity shall be liable with respect to any payment made from moneys due or payable from the United States to any individual pursuant to legal process regular on its face, if such payment is made in accordance with this section and the regulations issued to carry out this section.¹

Civil Actions To Enforce Child Support Obligations

Sec. 460. The district courts of the United States shall have jurisdiction, without regard to any amount in controversy, to hear and determine any civil action certified by the Secretary of Health, Education, and Welfare under section 452(a)(8) of this Act. A civil action under this section may be brought in any judicial district in which the claim arose, the plaintiff resides, or the defendant resides.

Regulations Pertaining to Garnishments¹

Sec. 461. (a) Authority to promulgate regulations for the implementation of the provisions of section 459 shall, insofar as the provisions of such section are applicable to moneys due from (or payable by)—

(1) the executive branch of the Government (including in such branch, for the purposes of this subsection, the territories and possessions of the United States, the United States Postal Service, the Postal Rate Commission, any wholly owned Federal corporation created by an Act of Congress, and the government of the District of Columbia), be vested in the President (or his designee),

(2) the legislative branch of the Government, be vested jointly in the President pro tempore of the Senate and the Speaker of the House of Representatives (or their designees), and

(3) the judicial branch of the Government, be vested in the Chief Justice of the United States (or his designee).

(b) Regulations promulgated pursuant to this section shall—

(1) in the case of those promulgated by the executive branch of the Government, include a requirement that the head of each agency thereof shall cause to be published, in the appendix of the regulations so promulgated, (A) his designation of an agent or agents to accept service of process, identified by title of position, mailing address, and telephone number, and (B) an indication of the data reasonably required in order for the agency promptly to identify the individual with respect to whose moneys the legal process is brought,

¹ Section 461 was added by am. 591 (r) of P. L. 95-22.

(2) in the case of regulations promulgated for the legislative and judicial branches of the Government set forth, in the appendix to the regulations so promulgated, (A) the name, position, address, and telephone number of the agent or agents who have been designated for service of process, and (B) an indication of the data reasonably required in order for such entity promptly to identify the individual with respect to whose moneys the legal process is brought, and

(3) provide that (A) in the case of regulations promulgated by the executive branch of the Government, each head of a governmental entity (or his designee) shall respond to relevant interrogatories, if authorized by law of the State in which legal process will issue, prior to formal issuance of such process, upon a showing of the applicant's entitlement to child support or alimony payments, and (B) in the case of regulations promulgated for the legislative and judicial branches of the Government, the person or persons designated as agents for service of process in accordance with paragraph (2) shall respond to relevant interrogatories if authorized by the law of the State in which legal process will issue, prior to formal issuance of legal process, upon a showing of the applicant's entitlement to child support or alimony payments.

(c) In the event that a governmental entity, which is authorized under this section or regulations issued to carry out this section to accept service of process, pursuant to the provisions of subsection (a), is served with more than one legal process with respect to the same moneys due or payable to any individual, then such moneys shall be available to satisfy such processes on a first-come, first-served basis, with any such process being satisfied out of such moneys as remain after the satisfaction of all such processes which have been previously served.

Definitions *

Sec. 462. For purposes of section 459—

(a) The term "United States" means the Federal Government of the United States, consisting of the legislative branch, the judicial branch, and the executive branch thereof, and each and every department, agency, or instrumentality of any such branch, including the United States Postal Service, the Postal Rate Commission, any wholly owned Federal corporation created by an Act of Congress, any office, commission, bureau, or other administrative subdivision or creature thereof, and the governments of the territories and possessions of the United States.

(b) The term "child support," when used in reference to the legal obligations of an individual to provide such support, means periodic payments of funds for the support and maintenance of a child or children with respect to which such individual has such an obligation, and (subject to and in accordance with State law) includes but is not limited to, payments to provide for health care, education, recreation, clothing, or to meet other specific needs of such a child or children; such term also includes attorney's fees, interest, and court costs, when and to the extent that the same are expressly made recoverable as such

* Section 462 was added by sec. 501 (d) of P.L. 95-26.

pursuant to a decree, order, or judgment issued in accordance with applicable State law by a court of competent jurisdiction.

(c) The term "alimony," when used in reference to the legal obligations of an individual to provide the same, means periodic payments of funds for the support and maintenance of the spouse (or former spouse) of such individual, and (subject to and in accordance with State law) includes but is not limited to, separate maintenance, alimony pendente lite, maintenance, and spousal support; such term also includes attorney's fees, interest, and court costs when and to the extent that the same are expressly made recoverable as such pursuant to a decree, order, or judgment issued in accordance with applicable State law by a court of competent jurisdiction. Such term does not include any payment or transfer of property or its value by an individual to his spouse or former spouse in compliance with any community property settlement, equitable distribution of property, or other division of property between spouses or former spouses.

(d) The term "private person" means a person who does not have sovereign or other special immunity or privilege which causes such person not to be subject to legal process.

(e) The term "legal process" means any writ, order, summons, or other similar process in the nature of garnishment, which—

(1) is issued by (A) a court of competent jurisdiction within any State, territory, or possession of the United States, (B) a court of competent jurisdiction in any foreign country with which the United States has entered into an agreement which requires the United States to honor such process, or (C) an authorized official pursuant to an order of such a court of competent jurisdiction, or pursuant to State or local law, and

(2) is directed to, and the purpose of which is to compel, a governmental entity, which holds moneys which are otherwise payable to an individual, to make a payment from such moneys to another party in order to satisfy a legal obligation of such individual to provide child support or make alimony payments.

(f) Entitlement of an individual to any money shall be deemed to be "based upon remuneration for employment," if such money consists of—

(1) compensation paid or payable for personal services of such individual, whether such compensation is denominated as wages, salary, commission, bonus, pay, or otherwise, and includes but is not limited to severance pay, sick pay, and incentive pay, but does not include awards for making suggestions, or

(2) periodic benefits (including a periodic benefit as defined in section 228(h)(3) of this Act) or other payments to such individual under the insurance system established by title II of this Act or any other system or fund established by the United States (as defined in subsection (a)) which provides for the payment of pensions, retirement or retired pay, annuities, dependents or survivors' benefits, or similar amounts payable on account of personal services performed by himself or any other individual (not including any payment as compensation for death under any Federal program, any payment under any Federal program established to provide "black lung" benefits, any payment by the Veterans' Administration as pension, or any payments by the Veterans'

Administration as compensation for a service-connected disability or death, except any compensation paid by the Veterans' Administration to a former member of the Armed Forces who is in receipt of retired or retainer pay if such former member has waived a portion of his retired pay in order to receive such compensation), and does not consist of amounts paid, by way of reimbursement or otherwise, to such individual by his employer to defray expenses incurred by such individual in carrying out duties associated with his employment.

(g) In determining the amount of any moneys due from, or payable by, the United States to any individual, there shall be excluded amounts which—

- (1) are owed by such individual to the United States,
- (2) are required by law to be, and are, deducted from the remuneration or other payment involved, including but not limited to, Federal employment taxes, and fines and forfeitures ordered by court-martial,
- (3) are properly withheld for Federal, State, or local income tax purposes, if the withholding of such amounts is authorized or required by law and if amounts withheld are not greater than would be the case if such individual claimed all dependents to which he was entitled (the withholding of additional amounts pursuant to section 3402(i) of the Internal Revenue Code of 1954 may be permitted only when such individual presents evidence of a tax obligation which supports the additional withholding),
- (4) are deducted as health insurance premiums,
- (5) are deducted as normal retirement contributions (not including amounts deducted for supplementary coverage), or
- (6) are deducted as normal life insurance premiums from salary or other remuneration for employment (not including amounts deducted for supplementary coverage).

APPENDIX C
Appropriations for the Child Support Enforcement Agency
FY 77 -- FY 82

APPENDIX C
 Child Support Enforcement Agency
 Appropriation By Funding Source
 State FY 77 -- FY 82
 (Thousands)

	FY 77 ACT.	FY78 ACT.	FY79 ACT.	FY80 ACT.	FY81 AUTH.	FY82 GOV.
Federal Receipts	\$104.7	779.9	1280.4	1505.1	1478.3	1869.0
General Fund Match	401.2	667.4	403.2	504.3	604.7	620.0
General Fund					300.9	
Program Receipts*	75.6	33.0	33.1	70.1	49.0	75.0
Other Funds		19.5				
Total	\$581.5	1499.8	1716.7	2079.5	2432.9	2564.0

* Program Receipts include incentive payments from other states.

APPENDIX D
Child Support Enforcement Agency
Proposed Fee Schedule

CHAPTER 147

CHILD SUPPORT ENFORCEMENT AGENCY

15 AAC 147.120 is amended by adding a new section to read:

15 AAC 147.120 FEES FOR AGENCY SERVICES. (a) Fees shall be charged in all cases where a written application for agency services has been executed pursuant to section 110 (a)(1) of these regulations but will not apply to applications executed pursuant to section 110 (a)(2) and (3) of these regulations.

(b) An application fee shall be computed and if applicable shall be paid by the obligee at the time of initial application for agency services on all cases opened or reopened after January 1, 1981. The application fee will be computed and paid as follows:

(1) The agency will determine the obligee's ability to pay by requiring a notarized statement of the obligee's gross annual income and the size of the family unit.

(2) There is no application fee when the obligee's gross annual income is 125% of the poverty level or lower. The application fee is \$10.00 when the obligee's gross annual income is above 125% of the poverty level and up to 200% of the poverty level. The application fee is \$20.00 when the obligee's gross annual income is more than 200% of the poverty level. For computation purposes the obligee's annual income may be reduced by any extra ordinary mandatory expenses which will be continuous and are not payment for consumer goods or services.

AN APPLICATION FEE SCHEDULE BASED UPON AN OBLIGEE'S ABILITY TO PAY USING THE 1980 POVERTY LEVEL IS ATTACHED AS EXAMPLE No. 1.

(3) After a written withdrawal of services has been submitted by the obligee, any re-application for services will require a new application fee.

(c) A service fee based on the cost of the total expected child support enforcement services shall be computed and if applicable a percentage of this cost shall be paid by the obligee with the application fee. The percentage of the service fee shall be paid prior to the start of each new service required or requested after January 1, 1981. The agency shall notify the obligee when an additional service is required and obtain payment of the additional fee before the agency will provide the new service. The total service fee and the percentage to be paid shall be computed as follows:

(i) Agency services and the related service fees after January 1, 1981 are as follows:

(A) Location	\$ 25.00
(B) Establishment of paternity	960.00
(C) Establishment of support obligation	510.00
(D) Modifying a support obligation	80.00
(E) Collection of delinquent support obligation on an annual basis	120.00

The agency will annually adjust the fee for each service according to the change in the consumer price index, rounded to the nearest \$5.00 increment.