

ALASKA LEGISLATURE COMMITTEE FILES 1983-1984 8072

2461

HJ

HB

647

-

HB

667

2461

Fiscal Note Analysis

This fiscal note is based upon the Alaska State Troopers experience with Security Guard Licensing and upon the Seattle Police Department's licensing experience for concealed weapons permits.

Processing of a security guard license requires approximately 45 minutes to 1 hour by an experienced clerk. Concealed weapons permit application processing should require at least this amount of time. The Seattle Police Department issues concealed weapons permits to approximately 1.6% of the city's population. These permits cover a two-year time period. Because of the more independent nature of Alaska's population, we estimate that approximately 2% of our state's population will request permits in the first year and 1.5% each year thereafter. A figure of 560,000 is used for our current population. Thus, it is estimated that approximately 11,200 permits will be processed during the first year and 8,400 in each succeeding year. Since it will require one hour to process each of the 11,200 permit requests received in the first year and there are 1,950 working hours in each State employee straight-time year, it will require 5.7 employees to implement the program. It is felt that four full-time employees and two six-month project employees can efficiently implement the program.

The costs in future years reflect the reduced work load and the project employees will not be required after the first year nor will any equipment be needed after the first year.

Other assumptions used in these calculations include a 6% cost increase in each year after FY 85, a \$50 permit cost to the applicant, that office space can be provided in Alaska State Troopers headquarters at no cost (dependent upon construction of the new Crime Lab and the resulting space availability), a two year permit period, that the legislation is enacted immediately thus allowing for the positions to be established effective 7/1/84 and a steady population count of approximately 560,000.

HB 647
 Concealed Weapon Permit

100 - Personal Services

	<u>SGT/PFT</u>	<u>CLERK V</u>	<u>CT II/PFT</u>	<u>CT II/PFT</u>	<u>CT II/NP</u>	<u>CT II/NP</u>
Salary	\$ 47,434	\$ 25,404	\$ 20,096	\$ 20,096	\$ 8,826	\$ 8,826
Benefits	12,016	4,553	3,602	3,602	724	724
SBS	2,550	1,557	1,232	1,232		
Ins.	2,612	2,728	2,728	2,728		
Total	\$ 64,612	\$ 34,242	\$ 27,658	\$ 27,658	\$ 9,550	\$ 9,550

Subtotal \$ 173,270

200 - Travel

Only minimal travel is anticipated for investigations and training. 2,000

300 - Contractual

Fingerprint processing - FBI - \$12.50 per card X 11,200 = 140,000
 Lease costs for ASPIN (AJIS) terminal lines \$292 X 12 = 3,504
 Lease costs for one economy size vehicle \$369 X 12 = 4,428
 Telephone/Postage estimated 7,000
 PSEA Cleaning Allowance for Sgt. 540
 PSEA Physical Exam 300
 Maintenance Agreements on Typewriters and ASPIN 825

Subtotal 156,597

400 - Supplies and Materials

Forms 10,000
 Miscellaneous office supplies (eg - typewriter ribbons, desk top commodities, etc.) 3,000

Subtotal 13,000

500 - Equipment

Desk, DP, 60" X 30" 469
 Chair, Executive 235
 ASPIN Terminal 8,194
 Dictating machine 100
 Bookcase 136
 2 X Side Chairs 216
 3 X Desk, with typing arms 1,718
 3 X Chairs, secretarial 816
 Typewriter, IBM 85 1,800
 2 X Typewriter, IBM Correcting Selectric 1,650
 8 X 4 Drawer, Letter size file cabinets 2,844
 3 X Side chairs 324
 Transcriber 900

Subtotal 19,402

Total \$ 364,269

1.	POSITION TITLE Sergeant P.S.			RANGE/STEP 78/A	BARG. UNIT PSEA	FORM 12 PAGE/LINE	GOV.	APPROV.	DISAPP.
2.	TYPE OF POSITION PFT	STAFF MONTHS 13.1	RP NUMBER	PCN NUMBER	BRU PRIORITY 1	LOCATION ERA	ELECTION DISTRICT	LEG.	
3.	CONTINUATION LEVEL	ADDITION	JUSTIFICATION						
4.	TYPE OF EXPENDITURE		AMOUNT			<p>The State Trooper Sergeant is needed to head this small unit because of the expertise an individual in the job class has in background investigations, weapons familiarity and the legal aspects of weapons use. This individual will be responsible for developing, implementing and maintaining the concealed weapons permit program including developing regulations.</p>			
	1	2	3						
	PERSONAL SERVICES								
5.	Salary	47,434							
6.	Benefits	12,016							
7.	Supplemental Benefits	2,550							
8.	Fixed Benefits	2,612							
9.	TOTAL PERSONAL SERVICES	01	64,612						
10.	Travel	02							
11.	Contractual	03							
12.	Commodities	04							
13.	Equipment	05							
14.	Other								
15.	TOTAL COST		64,612						
	RECEIPT CODE	FUNDING SOURCE							
16.		Federal Receipts 1002							
17.		G.F. Match 1003							
18.		General Funds 1004		64,612					
19.		I-A Receipts 1005							
20.		Program Receipts 1028							
21.		Other							
FOR B&M USE ONLY									
4A KEY NUMBER _____									

13 REQUEST FOR
NEW POSITION

AGENCY Department of Public Safety
PROGRAM Crime ID & Apprehension
BRU Alaska State Troopers
COMPONENT Director's Office

FY 85

Page 1 of 6
Revised Date _____

1.	POSITION TITLE Clerk V	RANGE/STEP 11/A	BARG. UNIT APEA/GGU	FORM 12 PAGE/LINE	GOV.	APPRDV.	DISAPP.
2.	TYPE OF POSITION PFT	STAFF MONTHS 13.1	RP NUMBER	PCN NUMBER	BRU PRIORITY 2	LOCATION EBA	ELECTION DISTRICT
3.	CONTINUATION LEVEL	ADDITION	JUSTIFICATION				
4.	TYPE OF EXPENDITURE		AMOUNT				
	1	2	3				
	PERSONAL SERVICES						
5.	Salary	25,404					
6.	Benefits	4,553					
7.	Supplemental Benefits	1,557					
8.	Fixed Benefits	2,728					
9.	TOTAL PERSONAL SERVICES	01	34,242				
10.	Travel	02					
11.	Contractual	03					
12.	Commodities	04					
13.	Equipment	05					
14.	Other						
15.	TOTAL COST		34,242				
	RECEIPT CODE	FUNDING SOURCE					
16.		Federal Receipts	1002				
17.		G.F. Match	1003				
18.		General Funds	1004	34,242			
19.		I-A Receipts	1005				
20.		Program Receipts	1028				
21.		Other					
<p>FOR B&M USE ONLY</p> <p>4A KEY NUMBER _____</p>							

Under the direction of the Sergeant in charge of the Concealed Weapons Permit Program this position will administer and supervise the full time and project employees working in the program. This position would also be responsible for developing a comprehensive knowledge of the program, to include fingerprinting in addition to general administrative duties. These duties would consist of organizing the the unit and providing control over permit files, their classification and cross referencing. This position would be responsible for procurement of of office supplies and materials necessary for the unit. This position would establish uniform correspondence based upon the individuals technical knowledge. Reconcile revenue received.

13 REQUEST FOR NEW POSITION

AGENCY Department of Public Safety

PROGRAM Crime ID & Apprehension

BRU Alaska State Troopers

COMPONENT Director's Office

FY 85

Page 2 of 6

Revised Date _____

1.	POSITION TITLE Clerk Typist II				RANGE/STEP 7/A	BARG. UNIT APEA/GGU	FORM 12 PAGE/LINE	COV.	APPROV.	DISAPP.
2.	TYPE OF POSITION PFT	STAFF MONTHS 13.1	RP NUMBER	PCN NUMBER	BRU PRIORITY 3	LOCATION EBA	ELECTION DISTRICT	LEG.		
3.	CONTINUATION LEVEL				JUSTIFICATION					
4.	TYPE OF EXPENDITURE			AMOUNT						
	1	2	3							
	PERSONAL SERVICES									
5.	Salary	20,096								
6.	Benefits	3,602								
7.	Supplemental Benefits	1,232								
8.	Fixed Benefits	2,728								
9.	TOTAL PERSONAL SERVICES	01	27,658							
10.	Travel	02								
11.	Contractual	03								
12.	Commodities	04								
13.	Equipment	05								
14.	Other									
15.	TOTAL COST		27,658							
	RECEIPT CODE	FUNDING SOURCE								
16.		Federal Receipts 1002								
17.		G.F. Match 1003								
18.		General Funds 1004		27,658						
19.		I-A Receipts 1005								
20.		Program Receipts 1028								
21.		Other								
FOR B&M USE ONLY										
4A KEY NUMBER _____										

This position will be needed to process concealed weapons permits and perform, under close supervision, record checks. This position will utilize the ASPIN (AJIS) terminal to check for a criminal record. It will sort and process permit applications, records and reports. It will perform counter work requiring interpretation of available guidelines and requirements concerning permit applications. This position will secure, prepare and copy data, check figures, collect fees and tabulate necessary data.

13 REQUEST FOR
NEW POSITION

AGENCY Department of Public Safety
PROGRAM Crime ID & Apprehension
BRU Alaska State Troopers
COMPONENT Director's Office

Page 3 of 6
Revised Date _____

FY 85

1.	POSITION TITLE Clerk Typist II				RANGE/STEP 7/A	BARG. UNIT APEA/GGU	FORM: 12 PAGE/LINE	GOV.	APPROV.	DISAPP.
2.	TYPE OF POSITION PFT	STAFF MONTHS 13.1	RP NUMBER	PCN NUMBER	BRU PRIORITY 4	LOCATION EBA	ELECTION DISTRICT	LEG.		
3.	CONTINUATION LEVEL		ADDITION		JUSTIFICATION					
4.	TYPE OF EXPENDITURE			AMOUNT						
	1	2		3						
	PERSONAL SERVICES									
5.	Salary	20,096								
6.	Benefits	3,602								
7.	Supplemental Benefits	1,232								
8.	Fixed Benefits	2,728								
9.	TOTAL PERSONAL SERVICES	01		27,658						
10.	Travel	02								
11.	Contractual	03								
12.	Commodities	04								
13.	Equipment	05								
14.	Other									
15.	TOTAL COST			27,658						
	RECEIPT CODE	FUNDING SOURCE								
16.		Federal Receipts 1002								
17.		G.F. Match 1003								
18.		General Funds 1004		27,658						
19.		I-A Receipts 1005								
20.		Program Receipts 1028								
21.		Other								
FOR B&M USE ONLY 4A KEY NUMBER _____										

This position will be needed to process concealed weapons permits and perform, under close supervision, record checks. This position will utilize the ASPIN (AJIS) terminal to check for a criminal record. It will sort and process permit applications, records and reports. It will perform counter work requiring interpretation of available guidelines and requirements concerning permit applications. This position will will secure, prepare and copy data, check figures, collect fees and tabulate necessary data.

13 REQUEST FOR
NEW POSITION

AGENCY Department of Public Safety
PROGRAM Crime ID & Apprehension
BRU Alaska State Troopers
COMPONENT Director's Office

Page 4 of 6
Revised Date _____

FY 85

1.	POSITION TITLE Clerk Typist II				RANGE/STEP 7/A	BARG. UNIT APEA/GGU	FORM 12 PAGE/LINE	GOV.	APPROV.	DISAPP.
2.	TYPE OF POSITION NP	STAFF MONTHS 6.0	RP NUMBER	PCH NUMBER	BRU PRIORITY 5	LOCATION EBA	ELECTION DISTRICT	LEG.		
3.	CONTINUATION LEVEL		ADDITION		JUSTIFICATION					
4.	TYPE OF EXPENDITURE			AMOUNT						
	1		2		3					
	PERSONAL SERVICES									
5.	Salary		8,826							
6.	Benefits		724							
7.	Supplemental Benefits									
8.	Fixed Benefits									
9.	TOTAL PERSONAL SERVICES		01		9,550					
10.	Travel		02							
11.	Contractual		03							
12.	Commodities		04							
13.	Equipment		05							
14.	Other									
15.	TOTAL COST				9,550					
	RECEIPT CODE	FUNDING SOURCE								
16.		Federal Receipts 1002								
17.		G.F. Match 1003								
18.		General Funds 1004		9,550						
19.		I-A Receipts 1005								
20.		Program Receipts 1028								
21.		Other								
FOR B&M USE ONLY										
4A KEY NUMBER _____										

This position will be needed to process concealed weapons permits and perform, under close supervision, record checks. This position will utilize the ASPIN (AJIS) terminal to check for a criminal record. It will sort and process permit applications, records and reports. It will perform counter work requiring interpretation of available guidelines and requirements concerning permit applications. This position will will secure, prepare and copy data, check figures, collect fees and tabulate necessary data.

This six-month non-permanent position is needed during the initial phase of the program for the anticipated higher-than-normal workload. The cost will not be recurring.

13 REQUEST FOR
NEW POSITION

AGENCY Department of Public Safety
PROGRAM Crime ID & Apprehension
BRU Alaska State Troopers
COMPONENT Director's Office

Page 5 of 6
Revised Date _____

FY 85

1.	POSITION TITLE Clerk Typist II				RANGE/STEP 7/A	BARG. UNIT APEA/GGU	FORM 12 PAGE/LINE	GOV.	APPROV.	DISAPP.
2.	TYPE OF POSITION NP	STAFF MONTHS 6.0	RP NUMBER	PCN NUMBER	BRU PRIORITY 6	LOCATION EBA	ELECTION DISTRICT	LEG.		
3.	CONTINUATION LEVEL	ADDITION			JUSTIFICATION					
4.	TYPE OF EXPENDITURE			AMOUNT	<p>This position will be needed to process concealed weapons permits and perform, under close supervision, record checks. This position will utilize the ASPIN (AJIS) terminal to check for a criminal record. It will sort and process permit applications, records and reports. It will perform counter work requiring interpretation of available guidelines and requirements concerning permit applications. This position will secure, prepare and copy data, check figures, collect fees and tabulate necessary data.</p> <p>This six-month non-permanent position is needed during the initial phase of the program for the anticipated higher-than-normal workload. The cost will not be recurring.</p>					
	1	2	3							
	PERSONAL SERVICES									
5.	Salary	8,826								
6.	Benefits	724								
7.	Supplemental Benefits									
8.	Fixed Benefits									
9.	TOTAL PERSONAL SERVICES	01	9,550							
10.	Travel	02								
11.	Contractual	03								
12.	Commodities	04								
13.	Equipment	05								
14.	Other									
15.	TOTAL COST		9,550							
	RECEIPT CODE	FUNDING SOURCE								
16.		Federal Receipts	1002							
17.		G.F. Match	1003							
18.		General Funds	1004	9,550						
19.		I-A Receipts	1005							
20.		Program Receipts	1028							
21.		Other								
FOR B&M USE ONLY										
4A KEY NUMBER										

13 REQUEST FOR
NEW POSITION

AGENCY Department of Public Safety
PROGRAM Crime ID & Apprehension
BRU Alaska State Troopers
COMPONENT Director's Office

Page 6 of 6
Revised Date _____

FY 85

STATE OF ALASKA

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

April 11, 1984

BILL SHEFFIELD, GOVERNOR

REPLY TO:

1031 W 4th AVENUE
SUITE 200
ANCHORAGE, ALASKA 99501
PHONE: (907) 276-3550

1st NATIONAL CENTER
100 CUSHMAN ST.
SUITE 400
FAIRBANKS, ALASKA 99701
PHONE: (907) 452-1568

POUCH K - STATE CAPITOL
JUNEAU ALASKA 99811
PHONE: (907) 465-3600

The Honorable John J. Liska
Alaska State House of Representatives
Pouch V
Juneau, AK 99811

Re: Opinion on Article I, Section
19, Alaska Constitution

Dear Representative Liska:

The Attorney General has requested that I respond to your March 23, 1984, letter making inquiry about constitutional provisions addressing the right to bear arms. Specifically, you requested our opinion comparing the Alaska language pertaining to the right to bear arms with constitutional language found in the Washington State Constitution. Additionally, you wondered whether the provision in the United States Constitution protecting the right to bear arms conveys identical rights to the people as the provision in the Alaska Constitution.

The relevant provisions found in each constitution are as follows:

A well-regulated militia being necessary to the security of a free state, the right of the people to keep and bear arms shall not be infringed.

Alaska Const. art. I, § 19.

The right of the individual citizen to bear arms in defense of himself, or the state, shall not be impaired, but nothing in this section shall be construed as authorizing individuals or corporations to organize, maintain or employ an armed body of men.

Wash. Const. Art. I, § 24.

A well-regulated militia, being necessary to the security of a free state, the right of the people to keep and bear arms, shall not be infringed.

U.S. Const. amend. II.

The language embodied in Alaska's constitution pertaining to arms is virtually identical, save for two changes in punctuation, to language found in amendment II to the U.S. Constitution. Amendment II to the U.S. Constitution was proposed by the congress on September 25, 1789, and became the law of the United States on December 15, 1791. The Washington constitutional provision was adopted in 1889 and the Alaska provision became operative with the formal proclamation of statehood on January 3, 1959.

During the intervening years since adoption of the United States, Washington, and Alaska constitutional arms provisions, numerous court cases have interpreted the constitutional language which establishes the right to bear arms. The Alaska Supreme Court has not had occasion to pass judgment on the exact nature of the rights contained in the Alaska Constitution, however the Washington Supreme Court has opined that the "constitutional guarantee of certain rights to certain individual citizens does not place such rights entirely beyond the police power of the state." State v. Gohl, 90 P. 259 (Wash. 1907). More specifically, the Washington Supreme Court found that the provision pertaining to the right to bear arms was "subject to reasonable regulation by the state under its police power." State v. Krantz, 164 P.2d 453 (Wash. 1945).

The contemporary judicial view in many jurisdictions does not regard amendment II to the United States Constitution as prohibiting or limiting the legislature's power to regulate the ownership or control of firearms. Whatever the scope of any common law or constitutional right to bear arms, it is not absolute and does not guarantee to individuals the right to carry weapons abroad at all times and in all circumstances. Application of Atkinson, 291 N.W. 2d 396 (Minn. 1980).

Because of the lack of case law in Alaska, we are unable to ascertain with any great certainty how the Alaska Supreme Court would construe article I, section 19, of the Alaska Constitution. It is possible that the Alaska courts would follow case law from other jurisdictions, which has held that the right to bear arms is subject to reasonable regulation under the state's police power.

The Honorable John J. Liska
Alaska State House of Representative

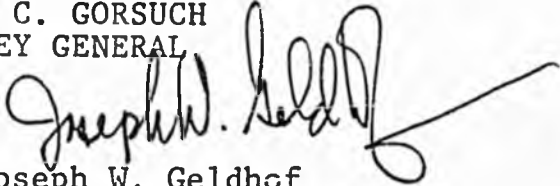
April 11, 1984
Page #3

Please contact us at your earliest convenience if we
can answer additional questions.

Sincerely,

NORMAN C. GORSUCH
ATTORNEY GENERAL

By:


Joseph W. Geldhof
Assistant Attorney General

JWG:eer

H B

653

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____, 1984
Page 1 of 4

REQUEST

Bill/Resolution No.: HB 653
Title: An Act relating to Court Facilities
Sponsor: Hayes, Barnes, et al.
Requestor: _____
Date of Request: _____

FISCAL DETAIL

Agency Affected: Administration
Program Category Affected: General Services & Supply
BRU, Program of Subprogram(s) Affected: Leasing & Facilities

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL	0	3,900.0	3,816.0	4,045.0	4,287.7	4,545.
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC						
800 MISCELLANEOUS						
TOTAL OPERATING	0	3,900.0	3,816.0	4,045.0	4,287.7	4,545.

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

REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND		3,900.0	3,816.0	4,045.0	4,287.7	4,545.
FEDERAL FUNDS						
OTHER						
TOTAL		3,900.0	3,816.0	4,045.0	4,287.7	4,545.

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

NONE

ANALYSIS: Attach a separate page for any Analysis.

Prepared By: Robert Link *[Signature]*
Division: General Services & Supply

Phone: 465-2253
Date: February 23, 1984

Approved by Commissioner: Lisa Rudd *[Signature]*
Agency: DEPARTMENT OF ADMINISTRATION

Date: 3/8/84

Distribution (by Agency preparing fiscal note):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

HB 653
Fiscal Note Analysis
Prepared by Division of General Services & Supply
Department of Administration
February 23, 1984

Currently, affected combined facilities in twelve (12) communities (see attached) are under A.S.H.A. Lease Agreements with the Department of Administration. Costs and Occupancy ratios as follows:

Costs under A.S.H.A. (per year) = \$2,963,100.94

Percentage of Costs:

Court System 70% = \$2,072,219.80.

Other Agencies 30% = \$890,881.14

Occupancy Status: (net 342,151 square feet)

Court System 71.7% = 245,365 square feet

Other Agencies 28.3% = 96,786 square feet

Passage of this bill will probably result in a need to replace approximately 100,000 square feet of Office space. At an estimated replacement cost of \$3.00 per square foot this represents an initial increase in lease costs (budget) of \$3,600,000 per annum, with an estimated \$300,000 as a one time cost to cover moving expenses.

$[100,000 \text{ square ft.} \times 3.00 \times 12] + 300,000 = \$3,900,000.00$

A six percent (6%) adjustment factor was used for estimating subsequent fiscal year costs.

As many of the affected facilities are in Bush areas, other space may not be readily available, resulting in loss of service to the public, or requiring construction of additional facilities. Cost estimates for construction are not known.

The Court System's past actions indicate the probability that they will expand into space now occupied by other agencies, i.e.:

1. ASHA #755 - Fairbanks Court and Facility
Court System occupancy over a five (5) year period:

1970 = 49.40% - 1975 = 84.57%, indicating:

- a. an increased use of 35.07% of total space available
- b. a growth of 70.85% in area required.

Currently, the Court System is attempting to evict the State Recorder's Office which occupies 2,237 square feet.

Position Paper

HB 653

This bill will effectively give the Supreme Court control over all Court facilities in combined Court and office buildings. Historically the Court has evicted Executive branch agencies from Court-controlled facilities.

This department has a neutral position on this bill as long as the legislature realizes that when the Court evicts Executive branch agencies funds must be provided to procure alternate space. We expect the Court to begin to expel Executive branch agencies beginning with the Recorder's Office in Fairbanks as soon as the bill is passed. In order to allow sufficient time to budget for the procurement of alternate space the following amendment is suggested:

Add Section 1, AS 22.05.025(b): The Supreme Court must provide a one (1) year notice prior to requiring an Executive branch agency to vacate a Court facility.

 A

Robert J. Link, Director
Division of General Services & Supply

2-24-84
Date



Commissioner Lisa Rudd
Department of Administration

3/7/84
Date

2. ASHA #765 - Anchorage Court and Office Building (old)
Court System occupies 62.69% of total space available.

In 1980 the Court System ousted both:

- a. The State Recorder's office (3,752 square feet)
- b. The Public Defender office (5,900 square feet)

Currently, the Court System requires additional space in Anchorage, Ketchikan, Kodiak, Kotzebue, Fairbanks and Nome.

<u>BUILDING</u>	<u>COMMUNITY</u>	<u>TOTAL SQ. FT.</u>	<u>TOTAL COST/YR.</u>	<u>ACS SQ. FT.</u>	<u>ACS COST/YR.</u>
ASHA 719	Delta Junction	1,760	\$ 7,831.22	1,447	\$ 6,437.61
ASHA 755	Fairbanks	57,582	197,386.30	48,692	166,980.86
ASHA	Ft. Yukon	2,468	40,291.00	859	14,027.00
ASHA 754	Glennallen	3,476	12,605.20	850	3,083.30
ASHA 734	Juneau	55,156	715,142.04	30,489	394,493.34
ASHA 705	Kenai	15,580	213,518.86	10,595	150,382.62
ASHA 712	Ketchikan	29,487	356,419.72	13,962	168,917.77
ASHA 713	Sitka	20,277	154,290.53	7,906	102,930.70
ASHA 640	Valdez	10,651	147,966.19	4,197	58,279.17
ASHA 717	Kodiak	9,563	40,815.90	6,868	29,157.30
ASHA 765	Anchorage	39,244	159,163.70	28,352	115,030.24
ASHA 794	Anchorage	96,907	917,670.28	91,148	862,499.89

TOTALS	342,151	\$ 2,963,100.94	245,365	\$ 2,072,219.80
--------	---------	-----------------	---------	-----------------

Court Occupied Space:	245,365
Other Agencies Space:	<u>96,786</u>

Total ASHA Combined Facility Office Space:	342,151
---	---------

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

REQUEST

Bill/Resolution No.: HB 653
Title: "An Act relating to Court Facilities."
Sponsor: Hayes, Barnes, et al.
Requestor: _____
Date of Request: _____

FISCAL DETAIL

Agency Affected: Administration
Program Category Affected: _____
BRU, Program or Subprogram(s) Affected: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL	-0-	-0-	-0-	-0-	-0-	-0-
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: Attach a separate page for analysis

Prepared By: House Judiciary Phone: 465-4990
Division: _____ Date: 3 14 84
Approved by Commissioner: [Signature] Date: _____
Agency: _____

Distribution (by agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

12/1/83

FACT SHEET - ANCHORAGE COURTHOUSE EXPANSION

I. Why Expansion is Needed.

A. Present facility is overcrowded:

- The court offices and related justice agencies listed below have been forced to relocate outside of the existing Court complex. These offices and agencies will be relocated into the expanded Anchorage Courthouse.

<u>Office/Agency</u>	<u>Square Feet Occupied</u>	<u>Annual Rental Cost</u>
Administrative Office	7,440	\$ 125,280
Technical Operations	2,045	50,304
Storage in Old PIP Bldg.	4,000	-0-
Attorney General/District Attorney	31,345	789,894
Public Defender	7,035	171,372
Judicial Council	1,340	35,376
Adult Corrections - Presentence Unit	1,710	46,170
Youth Corrections	<u>4,200</u>	<u>65,520</u>
	59,115	\$1,283,916

- Existing Court facility has only 1 courtroom/chambers available, which is currently being used by pro tem and visiting judges. Remodeling of this building has been completed and no additional courtroom or chambers can be built.
- Clerk's Office is crowded to the point of inefficiency; other ancillary offices, jury assembly room, and other spaces have reached their maximum utilization.
- The existing situation in which agencies and offices are separated from the Court facility are inefficient in terms of communication and access. This creates additional operating costs to these offices.

B. Projections for Future Growth and Space Demands:

- The population in Anchorage has grown from 178,000 in 1975 to 230,000 in 1983, an increase of 30%.
- From 1975 to FY 83, superior court filings increased from 6,646 to 9,960, a 50% increase.

- From 1975 to FY 83 district court filings (non-traffic) increased from 12,726 to 16,464, a 30% increase and total filings increased from 45,590 to 65,272, a 43% increase.
- The Institute of Social and Economic Research projects Anchorage population increasing from 230,000 in 1983 to 362,000 by the year 2005, an increase of 57%.
- It is anticipated that superior and district court caseloads will increase approximately, if not more than, this amount over that time period.
- In addition to increases in population, the Court system caseloads are impacted by new legislation such as domestic violence, increased penalties for drugs or DWI's, etc.

II. Development of Anchorage Court Complex.

- 1964 to 1973: the Court System occupied the old court building, approximately 64,000 square feet.
- November 1973 to present: the Court System occupied the old building and the Boney Memorial Court Building, which added 158,000 square feet for a total of 222,000 square feet in the Court Complex.
- In 1982 the Court System received an appropriation of \$9,969,000 for planning and design, land acquisition, and remodeling of existing space.
- In the following year the Court System purchased the land across "I" Street from the Court complex, selected an architect to design the new building, and completed the programming for the new building.
- This programming determined that the space requirements for the year 2005 would amount to approximately an additional 270,000 square feet.
- By 1988 (earliest year that building could be built and occupied) the Court System will need approximately 170,000 to 180,000 additional square feet, leaving approximately 100,000 square feet for other State uses.
- The projected growth from 1988 to the year 2005 will require the expansion of the Court into the full capacity of the building.

III. Costs:

- The cost estimates for construction of the Courthouse expansion were provided by John McCool, Project Architect.
- Construction cost of the Court offices, courtroom, and related spaces will be approximately \$185 per square foot. For 270,000 square feet this cost equals approximately \$49,495,000.
- Approximately 117,500 square feet of parking area will be built at an estimated cost of \$85 per square foot for an additional \$9,987,000.
- The total estimated construction cost is approximately \$59,482,000.
- Architectural and other administrative costs are already budgeted in the 1982 appropriation.

* * *

H B

667



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

February 13, 1984

The Honorable Joe Hayes
Alaska House of Representatives
Pouch V
Juneau, AK 99811

Dear Representative Hayes:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill relating to child support enforcement. As described in sec. 1, this bill is intended to improve the efforts of and increase the remedies available to those persons who seek to enforce the obligations of noncustodial parents to support their children through the payment of court-ordered child support.

Sections 2 and 10 amend AS 09.65.132(g) and AS 47.23.-250(i), respectively, to bring those statutes into conformance with the federal guidelines concerning restrictions on garnishments (15 U.S.C. sec. 1673). This revision is done by making a percentage of an employee's "disposable earnings," rather than "gross wages," subject to attachment. Because of the amendments in secs. 2 and 10, it will be simpler for employers and their bookkeepers to comply with a garnishment order; they will not have to do any further computation or research in determining the amount of money to withhold. The primary function of the amendments is to reduce the burden on employers and thereby increase their cooperation.

Under 15 U.S.C. sec. 1673, the child support enforcement agency (organized as a division in the Department of Revenue) could, under certain circumstances, garnish as much as 60 percent of an obligor's disposable earnings. The agency would, however, have to devote much investigatory time to determining whether those circumstances apply to an obligor before ordering the maximum garnishment. The agency has determined that it would be more productive to establish a set percentage for all garnishments. Although in a small percentage of cases the child support enforcement agency will be collecting less than previously permitted under state law, an advantage is gained through the

amendments in that the obligor will have an increased incentive to continue working and thereby continue paying the child support owed. Under existing statutory language, the agency is allowed to garnish 50 percent of the gross wages which, after mandatory deductions, leaves the obligor with little disposable income and little incentive to work.

Section 3 of the bill amends AS 25.20.050(a), regarding the legitimation of children. In almost all states, the process of legally establishing parentage has been greatly enhanced by scientific progress in blood testing, tissue typing, cell makeup testing, and protein comparisons. Alaska and many other states routinely use the results of these scientific procedures as legal evidence to exclude a person as a possible parent or to prove that a given person is the parent of a child to a degree of certainty well in excess of 90 percent. The use of these methods increases the reliability of parentage determinations and greatly reduces the cost to individuals and the public by shortening and eliminating litigation of parentage disputes. The amendment to AS 25.20.050(a) acknowledges the current use of and requires the admission of the results of modern scientific methods for determining the parentage of children; it also aligns Alaska statutes with current judicial determinations throughout the states. The amendment also creates a presumption of parentage when the blood testing results indicates a 95 percent or higher probability of parentage.

Sections 5 and 7, which amend AS 25.25.250 and AS 47.23.-080(c), respectively, make clear that custody, visitation, and property rights are not to be adjudicated in support enforcement proceedings when the child support enforcement agency is representing the obligee.

Section 6 of the bill, adding new AS 47.23.065, is a clarification of what constitutes an effective waiver of child support by the child's custodial parent. The issue has been addressed by the supreme court of this state in a recent decision, Malekos v. Yin, 655 P.2d 728 (Alaska 1982), in which the court recognized the right of parents to waive child support. In conjunction with this right, it must be stressed that there is an obligation to ensure that the children are supported by the parents themselves and that they do not allow the obligation of support to fall upon the public.

Court recognition of the right to waive past-due child support has been used by some noncustodial parents to complicate the issue; these parents claim the existence of a waiver agreement not known to the court or the agency. The process of disproving these claims results in extensive delays in judicial enforcement and waste of judicial time. New AS 47.23.065 recognizes the right of parties to make agreements without the necessity of court intervention, but also gives some assurance that the waivers embody the current intent of the parties by requiring the agreement to be in writing and to be signed by both parties at the time it is made. The bill also requires that in a divorce or dissolution the court may not accept a waiver without proof that the custodial parent can adequately support the child.

To prevent abuse of this system of waivers, the amendment includes language that will allow the state to recover an amount equal to any public assistance such as AFDC (aid to families with dependent children) payments from the non-custodial parent notwithstanding any waiver agreement that has been recognized by the agency and is made before an assignment of the support obligation to a governmental agency.

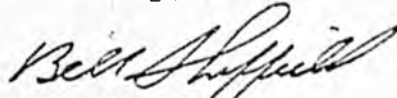
Section 8 adds AS 47.23.085 which will allow the child support enforcement agency, with the concurrence of the commissioner of revenue, to issue subpoenas to gather information regarding a parent's financial assets.

Section 9 of this bill adds AS 47.23.225 as another clarification of the effects of court orders of support. This section is based on an Alaska supreme court decision, Young v. Williams, 583 P.2d 207 (Alaska 1978), which suggested that unpaid and accrued installments of child support become judgments in favor of the custodial parent. The amendment would allow the custodial parent or the child support enforcement agency to collect those judgments with reduced court intervention; however, it would protect the noncustodial parent's right to contest the matter before the court. The procedure set out in the amendment should reduce judicial time spent in hearing routine matters by limiting the hearing to contested cases and by focusing the proceeding on narrow issues. This procedure would allow for prompt and more efficient enforcement of child support orders in a way similar to the income assignment order provision passed by the Twelfth Legislature in 1981 (AS 09.65.132).

The new AS 47.23.265, in sec. 11 of the bill, is an implementation of Civil Rule 67(b) and Civil Rule 5(b). Civil Rule 67(b)(2) requires that orders to pay child support through the child support enforcement agency contain a provision that the parties inform the agency, in writing, of any change of address. Civil Rule 5(b) allows for service by mail; service is effective upon mailing. New AS 47.23.265 makes it clear that the burden of notification of change of address is upon the person who is ordered to pay child support and thereby relieves the department of extraordinary efforts to attempt to locate the obligor when any subsequent papers must be served.

The enforcement of child support obligations is often very difficult, and I believe that the amendments in this bill will substantially improve the situation. Therefore, I urge your favorable action on it.

Sincerely,

A handwritten signature in cursive script, appearing to read "Bill Sheffield".

Bill Sheffield
Governor

RECEIVED

MAR 30 1984

Press Release No. 84-7

CSED

P R E S S R E L E A S E

FOR IMMEDIATE RELEASE
MARCH 23, 1984

UNITED STATES SENATE
COMMITTEE ON FINANCE
SD-219 Dirksen Senate
Office Building

FINANCE COMMITTEE REPORTS CHILD SUPPORT
ENFORCEMENT AMENDMENTS

The Honorable Robert J. Dole (R., Kans.), Chairman of the Committee on Finance, announced that the Committee today unanimously reported amendments in the nature of a substitute to H.R. 4325, "The Child Support Enforcement Amendments of 1983." The amendments agreed to by the Committee during its Executive Session on March 22, 1984, are described below.

1. Statement of Purpose

The Committee agreed to a proposal which amends the "Statement of Purpose" in present law by adding language to ensure that child support enforcement assistance is available to all children whether or not they are eligible for benefits under the Aid to Families with Dependent Children (AFDC) program.

Effective date.--On enactment

2. Federal Matching of Administrative Costs

Under current law, the Federal Government pays 70 percent of State and local administrative costs for services to both AFDC and non-AFDC families, on an open-end entitlement basis.

The Committee agreed to an amendment which would reduce the Federal match as follows: For fiscal year 1987 to 69 percent; for fiscal year 1988 to 68 percent, for fiscal year 1989 to 67 percent, for fiscal year 1990 to 66 percent, and for fiscal year 1991 and years thereafter, to 65 percent.

Effective date.--October 1, 1986

3. Federal Incentive Payments

The Committee agreed to an amendment which repeals the present law 12-percent incentive payment based on AFDC collections. New incentives would be established based on collections made on behalf of both AFDC and non-AFDC families. The Secretary of the Department of Health and Human Services would be required to make incentive payments as follows: Each State will receive incentive payments equal to 6 percent of its

AFDC collections and 6 percent of its non-AFDC collections, as a guaranteed minimum payment. Additionally, for fiscal year 1986 and fiscal year 1987, a State would be eligible to receive the higher of the amount due them under the new incentive and match provisions or 80 percent of what they would have received under the existing 12-percent incentive formula and 70-percent match.

To the extent AFDC or non-AFDC collections exceed combined administrative costs for both AFDC and non-AFDC, higher incentives will be paid on a sliding scale up to 10 percent of AFDC and 10 percent of non-AFDC collections, according to the following cost/collection ratios:

AFDC INCENTIVE

Ratio of AFDC collections to combined AFDC/non-AFDC administrative costs	Incentive equal to this percent of AFDC collections
1.4:1	6.5%
1.6:1	7.0%
1.8:1	7.5%
2.0:1	8.0%
2.2:1	8.5%
2.4:1	9.0%
2.6:1	9.5%
2.8:1	10.0%

NON-AFDC INCENTIVE

Ratio of non-AFDC collections to combined AFDC/non-AFDC administrative costs	Incentive equal to this percent of non-AFDC collections
1.4:1	6.5%
1.6:1	7.0%
1.8:1	7.5%
2.0:1	8.0%
2.2:1	8.5%
2.4:1	9.0%
2.6:1	9.5%
2.8:1	10.0%

Incentive cap.--The total dollar amount of incentives paid for non-AFDC collections will be capped at an amount equal to the State's incentive payment for AFDC collections.

Paternity costs.--At State option, the laboratory costs of determining paternity may be deducted from combined administrative costs for purposes of computing incentive payments.

Pass-through to localities.--Under a pass-through requirement, States must assure that localities which participate in the costs of collecting support will receive their appropriate share of any incentive payments.

Annual projections.--Incentive funds must be estimated and projected on an annual basis so that States will know in advance what their payments will be, subject to later adjustment.

Interstate collections.--Amounts collected in interstate cases will be credited, for purposes of computing the incentive payments, to both the initiating and responding States.

Effective date.--October 1, 1985

4. Matching for Computerization Costs

The Committee agreed to an amendment which expands and clarifies current law regarding the 90-percent Federal match for State costs of establishing automatic data processing and information retrieval systems. The amendment specifies that if a State meets the requirements in present law, matching funds may be used for the development and improvement of the income withholding and other procedures required in the legislation (described below) through the monitoring of child support payments, the maintenance of accurate records regarding the payment of child support, and the provision of prompt notification to appropriate officials with respect to any arrearages that occur. The amendment also specifies that the 90-percent matching rate is available to pay for the acquisition of computer hardware.

Effective date.--October 1, 1984

5. Required State Procedures

The current Federal child support statute generally does not specify the types of procedures States must use in operating their programs. The States are required to comply with such requirements and standards as the Secretary determines to be necessary to the establishment of an effective program.

The Committee agreed to several amendments that require the States to enact laws establishing the following procedures with respect to their IV-D cases:

(1) Mandatory wage withholding.--In the case of each absent parent against whom a support order is or has been established or

modified by the State, the State must provide for withholding wages, in accordance with the following conditions:

- (a) Withholding must occur without amendment of the order.
- (b) The amount withheld must be the amount of current and past-due support that is owed. The total amount withheld must be subject to sec. 303(b) of the Consumer Credit Protection Act which establishes limits in cases of garnishment for child support.
- (c) Withholding procedures must begin the earlier of (a) when the arrearage reaches an amount equal to one month's support payment, or (b) when an absent parent requests withholding. States retain the discretion which they have under current law to begin withholding at any earlier time.
- (d) Withholding must be administered by an entity designated by the State and provision must be made for expeditious distribution of amounts withheld.
- (e) An individual must be given advance notice of withholding and the procedures to be followed in contesting the action.
- (f) The State must give the employer notice of the amount to be withheld and any amount to be retained by the employer as a fee.
- (g) The State must fine an employer who discharges, refuses to hire, or disciplines an individual because of withholding.
- (h) States must establish methods to simplify the withholding process for employers to the extent possible, including permitting the employer to combine all withholding amounts into a single payment to the State.
- (i) The employer must be held liable for the amount he fails to withhold, following the receipt of proper notice.
- (j) Provision must be made for withholding in interstate cases.
- (k) Provisions must be made for the priority of support collections under this procedure over any other legal process under State law against the same wages.
- (l) States must make provisions for terminating withholding.
- (m) The State may make income other than wages subject to withholding.

(2) Liens.--States will be required to have procedures for imposing liens against real and personal property for amounts of past-due support owed by a State resident or an individual who owns property in the State. However, States are given discretion to apply this procedure only in certain cases.

(3) Federal and State Income Tax Refund Offsets.--The current law Federal income tax refund offset for AFDC cases is extended to non-AFDC cases. Additionally, States that have State income taxes must provide for the withholding of any State tax refunds payable to a noncustodial parent who owes past-due child support payments. These tax refund withholding procedures must be applicable to AFDC cases and to non-AFDC cases. The withholding procedure must be used for interstate as well as intrastate cases.

(4) Fees for Services.--States will be required to charge an application fee for non-AFDC cases not to exceed \$25. This fee may be adjusted periodically by the Secretary to reflect changes in administrative costs. The State may charge fees of varying amounts to reflect ability to pay.

Additionally, a State must have in effect a law under which a late payment fee is charged to the noncustodial parents of AFDC and non-AFDC families on support that is past due. The fee will be an uniform amount established by the State equal to 3 to 10 percent of the past due support owed for months beginning the month following the enactment of this bill. The State may not take any action which would have the effect, directly or indirectly, of reducing the support paid to the child and will collect the fee only after the full amount of the past-due support has been paid to the child. The current law provision for optional State recovery of costs for services to non-AFDC families will remain unchanged.

(5) Providing Information to Credit Agencies.--States must make available to consumer credit agencies, at the request of such agencies, information regarding child support arrearages. The State must make available information on arrearages in excess of \$1,000 and may make available information on smaller arrearages. The State may charge a fee to the credit agencies who request and receive this information which cannot exceed the cost to the State of providing the information.

(6) Security or Bond in Certain Cases.--States will be required to have in place procedures to require in appropriate cases that an individual give security, post a bond, or give some other type of guarantee to secure support obligations of noncustodial parents who have a pattern of past-due support.

(7) Expedited Processes.--States will be required to have in effect expedited processes within the State judicial system for establishing paternity and obtaining and enforcing support

orders. Decisions or recommendations resulting from the expedited process must be reviewed (i.e., ratified or overturned) by judges of the court. In addition, appellate review of child support decisions or actions resulting from the expedited processes would be conducted by the regular court system at the request of either party.

The Secretary's authority to waive required State practices would apply to political subdivisions of States due to variations within States in the effectiveness and timeliness of current processes. States that currently use administrative processes would qualify for a waiver on the same basis as States or political subdivisions using regular court processes.

(8) Notification to AFDC Recipient of Child Support Collected.-- States would be required to notify AFDC recipients, at least once each year, of the amount of child support collected on behalf of that recipient.

(9) Exemption Authority.--The Secretary may grant an exemption to a State from the required procedures, subject to later review, if the State can demonstrate that such procedures will not improve the efficiency and effectiveness of the State IV-D program.

Effective date.--October 1, 1984.

If a State agency administering a plan approved under part D of Title IV of the Social Security Act demonstrates, to the satisfaction of the Secretary of Health and Human Services, that it cannot, by reason of State law, comply with the requirements of a provision mentioned above, the Secretary may prescribe that the provision will become effective beginning with the fourth month beginning after the close of the first session of such State's legislature ending on or after October 1, 1984.

6. Periodic Review of State Programs; Modification of Penalty

The Committee agreed to an amendment which retains the general present law requirement for Federal oversight of State child support enforcement programs through standards of performance and audits by the Office of Child Support to assure compliance with those standards. The amendment does, however, provide a more flexible penalty structure for instances where States are not in compliance, and it permits triennial rather than annual audits for States which have been found to meet Federal standards. Under the amendment, the present law penalty of a 5-percent loss of AFDC funds for nonconformity would be changed to a variable 2, 3, or 5 percent (for the first, second, or subsequent years of noncompliance). In addition, the Federal agency would not be required to impose the penalty in cases where noncompliance was not substantial and thus did not significantly impair the effectiveness of the State program. Moreover, the

Committee amendment would allow the penalty to be waived even in cases of substantial noncompliance if the Secretary finds that the State is actively pursuing a corrective action plan which will remedy the noncompliance.

Effective date.--October 1, 1984

7. Special Project Grants

Under current law, there is no special provision for funding of interstate activities. The Committee agreed to an amendment to provide special project grants on interstate enforcement projects. In fiscal year 1985, \$5 million will be authorized to be appropriated to the Secretary to fund special projects developed by the States with the objective of using innovative techniques or procedures for, and otherwise improving, child support collections in interstate cases. In fiscal year 1986, the amount will be \$10 million. In fiscal year 1987 and thereafter, the special projects fund will be authorized at \$15 million.

Effective date.--October 1, 1985

8. Extension of Sec. 1115 Demonstration Authority

The Committee agreed to an amendment which modifies the provision in current law which authorizes the Secretary to grant waivers to States conducting experimental, pilot, or demonstration projects.

Under the amendment, the demonstration authority would be expanded to include the child support enforcement program under the following conditions: (a) the intent of the requested waiver must be to test modifications that will improve the financial well-being of children, or otherwise improve the operation of the program; (b) a waiver will not be allowed for any modification that would disadvantage children in need of support; and (c) the requested waiver will not result in an increase in Federal AFDC costs.

Effective date.--October 1, 1984

9. Modification in Content of Annual Report by the Secretary

Under current law, within three months after the end of each fiscal year, the Secretary must submit an annual report to Congress on child support program activities. The statute specifies certain data which must be included in the report.

The Committee agreed to a proposal modifying the content of the annual CSE report to include the following information:

- (1) The total number of cases in which a support obligation has been established in the past year and the total amount of such obligations for these cases;
- (2) the total number of cases in which a support obligation has been established and the total amount of such obligations for these cases;
- (3) those cases described in (1) in which support was collected during such fiscal year and the total amount of such collections; and
- (4) those cases described in (2) in which support was collected during such fiscal year and the total amount of such collections.

The information is to be separately stated for current and for past AFDC cases and for non-AFDC cases. Additionally, the annual report shall include information on the child support cases filed and the collections made in each State on behalf of children residing in another State or cases against parents residing in another State.

Finally, the annual report shall detail how much in administrative costs are spent in all functional categories (including paternity) of expenditures.

Effective date.--October 1, 1985

10. Child Support Enforcement for Children in Foster Care

There is no specific authority in the law for collection of child support on behalf of children who are placed in foster care under title IV-E of the Social Security Act. This authority was deleted when the foster care program was transferred from title IV-A to title IV-E.

The Committee agreed to an amendment which would require the State child support agencies to undertake child support collections on behalf of children receiving foster care maintenance payments under title IV-E, if an assignment of rights to support to the State has been secured by the foster care agency.

The States would be required to take steps, where appropriate, to secure an assignment to the State of any rights to support on behalf of each child receiving foster care maintenance payments under the title IV-E foster care program. The child support collections would be credited to the State as AFDC collections.

Effective date.--On enactment

11. Continue Child Support Services For Families Losing AFDC Eligibility

Under current law, there is no special provision requiring States to continue support collection activities automatically on behalf of families when they lose eligibility for AFDC.

The Committee agreed to an amendment which would require States to provide that AFDC recipients whose eligibility for AFDC is terminated due to the receipt of (or an increase in) child support payments will be automatically transferred from AFDC to non-AFDC status under the State IV-D program, without requiring reapplication.

Effective date.---October 1, 1984

12. Increased Availability of Federal Parent Locator Services to State Agencies

Federal law requires operation by the Federal Government of a Parent Locator Service (PLS) to assist States in locating absent parents. Under current law, States may use the Federal PLS only after there has been a determination that the absent parent cannot be located through procedures under the control of the State child support agency.

The Committee agreed to an amendment which would repeal the requirement that the States exhaust all State child support locator resources before they request the assistance of the Federal PLS to assist States in locating absent parents.

Effective date.---On enactment

13. Availability of Social Security Numbers for Child Support Enforcement Purposes

Through the Parent Locator Service, the Secretary of HHS is authorized to furnish the most recent address and place of employment of absent parents whose whereabouts are unknown. The Internal Revenue Service is also authorized to release certain information to Federal, State and local child support enforcement agencies concerning absent parents to aid in the establishment and enforcement of support obligations.

The Committee agreed to an amendment which would add the absent parent's social security number (SSN) to the items of information which the Secretary can disclose through the PLS and which the IRS can disclose to child support enforcement agencies.

Effective date.---On enactment

14. Limitation on Discharge in Bankruptcy of Child Support Obligations

In general, support obligations that have been assigned are discharged in bankruptcy. An exception is made for support due to a family receiving AFDC when that support has been assigned to the State. However, even when this exception applies, it does so only where there is a "separation agreement, divorce decree, or property settlement agreement." Support derived from a paternity determination is usually not protected because the above conditions do not apply.

The Committee agreed to an amendment which would broaden the class of cases for which bankruptcy does not discharge the support obligations to include all child support obligations collected through the IV-D agency. Also, it would provide the same protection against discharge to cases for which support is established on the basis of a paternity determination.

Effective date.--On enactment

15. Waiver Authority for Wisconsin Child Support Project

The Committee agreed to an amendment which would require the Department of Health and Human Services to approve requests from the State of Wisconsin for waivers of Federal IV-D CSE and IV-A (AFDC) requirements. The waivers will allow the State to continue to receive Federal CSE and AFDC matching funds while testing modifications in both programs contained in the State's "Child Support Initiative", if the requested waivers meet certain conditions defined in the amendment.

Effective date.--On enactment

16. State Study of Child Support, Child Custody, and Visitation Rights

The Committee agreed to an amendment which adds "sense of the Congress" language expressing the view that State and local governments must focus on the vital issues of child support, child custody, visitation rights, and other related domestic issues that are properly within the jurisdictions of such governments.

Effective date.--On enactment

17. Guidelines for Child Support Awards

The Committee agreed to an amendment which would require each State to develop a set of guidelines to be considered by judges in the State in determining support orders. The exact nature of the guidelines would be determined by each State and could be established by law or by a judicial conference or other mechanism

as may be appropriate in that State. The Federal Office of Child Support Enforcement would be directed to maintain information about State guidelines and to provide a source of technical assistance and information exchange among States on this topic.

Effective date.---October 1, 1986

Press Release #84-7



POUCH V
JUNEAU, ALASKA 99811
(907) 465-4990

Alaska State Legislature
HOUSE OF REPRESENTATIVES

REPRESENTATIVE
CHARLIE BUSSELL
CHAIRMAN

Committee on Judiciary

MEMORANDUM

TO: Representative Bussell

FROM: Craig Lovell
Committee Staff

RE: H.R. 4325

DATE: 22 March, 1984

At your request, I contacted various individuals concerning the content, focus, and impact of H.R. 4325, the federal legislation now pending passage in Washington, D.C.

As to the impact to Alaska -- to current policies of state child support enforcement agencies and to the state legislation subject to the committee's review (HB 667 and HB 668) -- I spoke with Mr. Dan Copeland, Director of the Division of Child Support Enforcement of the Department of Revenue. Fortunately, Mr. Copeland was a wealth of information since, as former President of the National Association of State Administrators, he was instrumental in the drafting of the proposal that was the original version of the bill. Also, in light of his position, he contributed significantly to the state legislation as well.

Mr. Copeland revealed that the federal legislation had little bearing on Alaska policies, as Alaska was already in compliance with the regulations set out in the bill. H.R. 4325, it appears, is geared at inconsistent and uncooperative policies in states that are lax in enforcing interstate and intrastate judgments.

Mr. Copeland forwarded to the Committee a copy of his Memorandum to Deputy Commissioner Bruce Botelho, which in part addresses the effects and progress of the legislation and the concerns of the state enforcement agency.

Attachment

MEMBERS:
REP. JOHN LISKA, VICE CHAIRMAN; REP. RAMONA BARNES, EMERITUS;
REP. JOE HAYES; REP. HUGH MALONE; REP. DON CLOCKSIN; REP. RON WENDTE

MEMORANDUM

State of Alaska

TO: Bruce Botelho
Deputy Commissioner
Department of Revenue

DATE: February 1, 1984

FILE NO:

TELEPHONE NO: 276-3441

FROM: Dan R Copeland
Director, CSED
Dept. of Revenue

SUBJECT: Performance Report
a) FY83: 7-1-82 to 6-30-83
b) First Half FY84:
7-1-83 to 12-31-83

The Child Support Enforcement Division is charged with the enforcement responsibility of collecting payments from the parents who are separated from their children. When the obligation to support the children has not been established, the Division is responsible for establishing an obligation. This will include establishing paternity as needed. To obtain Division services, an application from the custodial parent is required by federal and state statute. State statute expands upon the availability of service and allows the noncustodial parent to apply for service.

The collections are transmitted to either (a) the parent having custody of the children, or (b) to the state and federal government if the custodial parent is receiving welfare in the form of Aid to Families with Dependent Children (AFDC). This creates two groups of cases for which the Division will provide services. The non-AFDC cases are the group for which the Division will collect the money and send it to the custodial parent. The AFDC cases are the group for which the Division will collect the money and send it to the state and federal government. This partially reimburses the state and federal government for the original and ongoing funding of the AFDC program.

One of the most significant factors in maintaining an overall successful child support program is a positive attitude towards child support by both the community and the separated parents. This attitude takes several years to develop, and the ultimate goal of the Child Support Enforcement Division is to have the community at large enforce an ongoing ethic in which all responsible parents provide the needed support to their minor children without any governmental intrusion. All child support collections made by the Division or paid through a voluntary process, relieve or minimize the need for public assistance. This reduces the taxpayer's burden through direct recovery for the custodial parent or repayment of AFDC to the state and federal government.

One of the most encouraging notes about the program came in this month's State of the State speech. Governor Sheffield made it clear that he supported the program and would be asking the legislature for tougher enforcement power in this area. A copy of excerpts from the speech is attached.

OPERATIONS

General Organization:

During FY83 the Division was located in Anchorage, Fairbanks and Juneau with 76 employees. They are organized into five enforcement teams, three establishment teams, an intake unit, a locate specialist, and an accounting unit with two sections to handle cash control and AFDC processing.

TABLE OF CONTENTS

	Page No.
<u>OPERATIONS</u>	
General Organization	1
Team Concept	2
Computer Support	3
IRS Refunds Intercept	4
Permanent Fund Dividend (PFD) Intercept	5
Public Service Announcements (PSAs)	5
Jail Sentences for Non-Support	5
Male and Female Payers	6
<u>FEDERAL ISSUES</u>	
Program Direction	6
Other Federal Legislation	9
Federal Compliance Audit	9
<u>STATE ISSUES</u>	
Program Direction	10
Budget Items	10
FY 85 Budget	10
New Legislation	11
Service Level Measures	11
Total Child Support Cases in the State	11
Interstate Work	12
Comparison of the State and Federal Revenues and Expenditures	13
CSED Monthly Collection and Caseload Statistics	14
Support Documents	15

All casework is completed within the assigned team, and the section supervisor's involvement is limited to the procedural or policy areas. A current organization chart and several from previous years are attached.

Team Concept:

The team concept was introduced in March 1979 with minimal staff. By 1981 the entire Division had reorganized to take full advantage of the team approach. Each collection team has approximately 1,200 cases to control. These cases are distributed among the teams based upon the first two letters of an obligor's last name. With this type of distribution, there is no case transfer when an obligor moves, and each team has a similar mix of tough and easy collection cases. With sufficient staff to monitor all correspondence and actions both coming and going on all cases, the officer can assign routine collections work to one section of the team. The paraprofessional can then handle the next level of difficult cases. The officer in charge is able to handle the more difficult cases while supervising the team as a whole. The officer is close enough to both the caseload and the work performance of the team members on a daily basis to plan and direct the team's resources.

The officer works toward making the routine collection work the major part of the team's workload. This would mean that all cases are paying regularly and only need a reminder on an occasional missed payment. Unfortunately, some cases have a tendency to lean towards nonpayment even after reminders. This requires the officer to apply an appropriate collection action which could be an attachment of wages or assets, liens upon property, or referral to the Department of Law for legal action. In all cases the officer is responsible to see that the action is done correctly and that the end results are steady payments.

The establishment teams follow a similar pattern where responsibility for all actions on a case are assigned to one team. The case does not leave the team until an order has been established or the officer has determined that the case should be closed.

The team approach has greatly improved the agency's ability to manage the caseload and the related activity. As a direct result of the team concept, collections have risen significantly. Additional positions are being requested in this budget to establish a new collection team in response to the need of women and children to further increase the collection rate and reliability of their child support payments.

Prior to using the team concept in organizing the work effort, a function to function approach was in place. This did not provide for any accountability, and in most cases the functions were done without regard to collections. Often case files were lost, and it was impossible to tell who was responsible. On a similar note, it was difficult to determine who was responsible when something good happened to a case. When the team concept was brought on board, the people wanted accountability with regard to the Division's primary objectives made it clear that this concept was excellent.

Not everyone liked the concept, and numerous complaints have been presented to a variety of people in Juneau. The accusations have not changed and are presented in an indirect manner to people other than the management staff within the Division. While each of the questions have been fully answered and explained several times, the same items of complaint are repeated. To respond to this the Federal Office of Child Support Enforcement (OCSE) did an independent review of the caseload and the team concept. Their conclusion was that the approach was well organized and designed for positive results. A copy of their report is attached.

As the Division Director, I plan to continue with the team concept.

Computer Support:

The Division has been implementing and consistently improving an on-line data base computer system. The on-line system provides a good accounting network that has greatly enhanced the amount of work and the number of cases upon which the Division can do active collection work. It is the major case management tool, providing an automatic case by case suspense and tracking mechanism with full automated correspondence capacities. The system will streamline the clerical burdens while providing near instant notice and appropriate correspondence upon delinquency to help keep greater portions of the caseload current with less effort. Thus more time is made available for the more difficult collection cases.

During the development of the on-line system, new technological advances have been made in the computer industry. Some are improvements for ongoing production while others provide for faster development. The development tools are now referred to as "fourth generation" languages. One of the companies that is working in this area is Sperry/UNIVAC, Inc.. Through contacts with a consultant firm, Sperry and the previous Director of the Washington State Child Support Agency came to Anchorage to look at the Alaska data processing system. They experimented with Sperry's development programs and provided a third party review of the Alaska Child Support data processing development. With regard to the present status of the development, the report stated the following:

"The development plan of providing a data base backend to an existing batch process along with related extraction, inquiry, update and form generation functions is classic design, a good use of resources and provides a sound migration path.

The development has been thoughtful and professional in that all required functions are allowed for and demonstrated where feasible.

The quantity and quality of work produced by the two person development team is a compliment to their energy, creativity and dedication, and the state has every right to take pride in the fruits of their labor. The system, however, at its present stage of evolution does not provide full benefits to the user. The limited number of terminals now available further inhibits the utility of the present system.

The real benefits of the system will be increased revenue via intercept programs, locate interfaces to IV-A, Employment Security and licensing and case prioritization and management functions as well as reduced costs associated with case record automation, automated case accounting, case processing and forms generation."

Three recommendations were made, and each was already in process at the time of the report. A copy of the report from the consultant company, Miller and Associates, is attached.

IRS Refunds Intercept:

From a national perspective one of the most effective arrearage collection tools has been the IRS refund intercept process. In some cases the intercept will lead to ongoing payment, but the target is an arrearage collection. Another aspect of the IRS intercept is that it is one of the few collection tools that is effective for interstate cases. Unfortunately, federal law requires each state Child Support Agency to go through this process for AFDC cases and does not allow any state to provide this service for the non-AFDC caseload. In spite of this inequity, the following significant results have been noted at the state and national level.

NATIONAL

<u>Fiscal Year</u>	<u>Cases Submitted</u>	<u>Arrearages Submitted</u>	<u>Number of Collections</u>	<u>Dollars Collected</u>	<u>Average per Case</u>
82	561,000	\$2,163,679,400	273,090	\$168,915,280	618
83	872,320	\$3,053,150,000	323,130*	\$169,353,500*	524

ALASKA

<u>Fiscal Year</u>	<u>Cases Submitted</u>	<u>Arrearages Submitted</u>	<u>Number of Collections</u>	<u>Dollars Collected</u>	<u>Average</u>
82	227	\$1,582,500	99	\$35,000	858
83	927	\$6,092,500	211*	\$186,000*	881
84	1,148	\$6,741,500	-	-	-

*Collections through 8-31-83.

The success of the project has attracted considerable national, state and local attention. There are many people who support making this process available for the non-AFDC area while the Reagan Administration and IRS have provided serious opposition to this change. Here in Alaska the Senate Advisory Council has expressed interest in this area and has prepared Joint Resolution 30 urging Congress to adopt this change. A letter providing information about the process, various federal bills which include the process, and a brief discussion of the other factors involved was sent to the Council. A copy of that letter is attached.

Permanent Fund Dividend (PFD) Intercept:

Much like the IRS refund intercept process, the PFD project starts with arrearages as the primary target. The major difference between the two projects is that the PFD intercept effort applies to both AFDC and non-AFDC cases. While the results from the effort have been significant, the ongoing collection work has continued. For example, during FY83 the PFD collection total accounted for \$1,454,645 but this was only 12.4% of the \$11,700,000 total. The project for the two PFD programs have produced the following results.

<u>Year</u>	<u>PFD Amount</u>	<u>Collection Period</u>	<u>Number of Checks</u>	<u>Total Collections</u>
1982	\$1,000	Jul 82 to Dec 83	1,763	\$1,639,060
1983	\$386.15	Oct 83 to Dec 83	932	\$ 348,390

The ongoing collection totals are increasing. For example, a comparison of December collection total in 1982 and 1983 reveals the following:

	<u>1982</u>	<u>1983</u>	<u>Increase</u>	
Total December	\$909,656.54	\$1,257,160.03	\$347,503.49	38.2%
Less: PFDs				
1982 payments	41,818.53	41,684.16	--	
1983 payments	-0-	243,103.80	--	
Total w/o PFD	\$867,828.01	\$972,372.07	\$104,544.06	12.1%

Public Service Announcements (PSAs):

As activity at the national level started to ease up, the Division started developing a PSA effort via the radio media. The name, address, and contact person for each of the 50 radio stations in the state were identified. The PSA message will be sent to each one monthly and will be about 30 seconds in length. Two general themes have been identified at this point. A general advertisement of the services available and the consequences of nonpayment will be the topics. The initial messages began just prior to the Christmas holidays and have been running consistently since that time. Response in some areas has been good while in others there has been no reaction. The radio stations are being surveyed to get a better understanding of the varied results.

Jail Sentences for Non-Support:

The use of jailing as a deterrent measure in the child support area is an item that creates considerable controversy. In many respects it is an excellent tool to encourage people to pay their support. Others argue that freedom from jailing for nonpayment of debt is one of the founding principles in the establishment of the United States as a country. While recognizing the sensitive nature of the issue, the Division also sees the positive potential in expanding the pursuit of jail sentences for nonsupport.

A major factor in this area is the day to day handling of child support's routine legal matters by the Attorney General's (AGs) office. For a considerable period of time much of their work was backlogged due to a lack of sufficient staff. The legal work they provided was excellent, but their attorneys were spread so thin that looking at casework for jailing was nearly impossible. Contracts with private legal firms were arranged, and additional staff within the AG's office have been able to change this. In early 1984 a special RSA was set up to establish an additional attorney within the Human Services Section to handle child support work. One part of this new attorney's function will be to relieve the work of each of the other attorneys. This will allow each attorney to review their caseloads for potential jailing type situations. The new attorney will then handle each of these cases. Once this project is well underway, it is anticipated that both routine legal matters and special prosecutions will be handled quicker.

Male and Female Payers:

One of the questions that is asked frequently deals with the number of women that are required to pay child support. The Division's records do not specifically identify the payer as a man or woman so the collection teams did a quick manual count. At the time the count was taken, the Division had 210 payers that were women and 6,943 men as payers.

FEDERAL ISSUES

Program Direction:

For the past several years the emphasis from the Federal Government through the Office of Child Support Enforcement (OCSE) has been to redirect the program to the AFDC or governmental reimbursement area. The non-AFDC casework would have been eliminated and cooperation among states for interstate work would have been discouraged. The legislation necessary to make this change was rejected by Congress in 1982. The National Council of State Child Support Enforcement Administrators had opposed the change. To help explain that position, the Council prepared the attached Status Report on the program. It was distributed to every U.S. Senator, Representative, each state's governor and the news media.

In spite of the significant flaws, the proposal was introduced again in 1983. After considerable pressure from a multitude of places, the Secretary of Health and Human Services, Margaret Heckler, withdrew the proposal at a Ways and Means subcommittee hearing on July 14, 1983. The replacement was vague and lacking in detail in every aspect except for the major reduction in the basic funding structure.

Several Congressional leaders collected ideas and concepts from various practitioners. These ideas were worked back and forth with the staff in the Ways and Means Public Assistance and Unemployment Compensation Subcommittee. After considerable debate the proposal was reduced to bill language. The bill, HR 4325, moved through the House quickly and in November was passed on a voice vote 422 to 0. On January 24/26, 1984 the Senate held hearings on the bill with a mark-up session scheduled for January 31, 1984. The bill does provide for a number of

enforcement improvements, but one of the most significant aspects about the bill is that it encourages states to improve collections for non-AFDC cases as well as AFDC cases. Senator Dole as the chair of the Finance Committee is quoted in a Press Release #83-205 as saying, "This is one of the most important features of the various reform bills." A copy of the bill summary and Press Release is attached.

The following is a brief listing of the items addressed by HR 4325:

Purpose Statement:	Make it clear that services are available to all children.
Income Withholding:	Requires the state to provide for income withholding after delinquency occurs.
Procedure to improve upon the establishment and enforcement of orders:	Original concept was to mandate administrative procedures.
State Income Tax Refunds Intercept:	Requires the intercept process for AFDC cases and allows it for non-AFDC cases.
Liens Against Property:	Requires states to provide for liens for real and personal property.
Paternity Statute of Limitations:	Requires states to permit paternity establishment until a child's 18th birthday.
Imposition of Security or Bond:	Requires states to provide imposition of security or bonds to secure payment.
Reporting to Credit Bureau:	Requires states to make delinquency information available to credit bureaus.
Tracking and Monitoring System:	Requires the states to provide a tracking and monitoring system to the absent parent for \$25.00 per year
Continuation of Service After AFDC Termination:	Eliminates the requirement for non-AFDC applications after the termination of Public Assistance AFDC grants.
Enforcement of Child and Spousal Support:	Where child and spousal support are included in the same order, both must be pursued by the state.
Publicizing the Services:	Requires states to publicize the services available.
Incentive Payments:	Provides for incentive payments to the states for both AFDC and non-AFDC cases in interstate and domestic work. Currently incentives are paid only on AFDC domestic cases.

Creation of a Special Fund to Improve Interstate Work:	Provides the Secretary with \$15 million to fund state projects in the interstate area.
Administrative Match Held at 70%:	The states would continue to receive a match rate of 70% of their operating costs.
Audit Penalties Changed to a Graduated Percentage and Placed on a Three Year Cycle:	This provides for a corrective action period and eliminates the required annual audit.
Medical Support Requirements:	Requires states to petition for medical support with each order.
Medicaid Extension:	Provides for four months of Medicaid after AFDC termination.
Federal Parent Locate Service (FPLS):	Eliminates requirement to exhaust all other remedies prior to checking with FPLS.
Contents of Annual Report to Congress:	Requires the Secretary's report to Congress to include the following: <ol style="list-style-type: none">Number of cases with obligations.Dollar amount of the obligations.Number of cases with collections.Dollar amount collected on the obligation.Number of cases 33/66% delinquent.Data regarding interstate collections.
Foster Care Collections:	Provides for the assignment of the support rights for children under Title IV E.
Expands Certain Waiver Rights of the Secretary:	Provides for waivers to allow some experiments in various pilot programs.
Required Waiver for the State of Wisconsin:	Wisconsin is experimenting with combining the Child Support and AFDC program into a straight child grant arrangement.
State Commissions:	Requires each state Governor to appoint a Child Support Commission to consider all aspects of the system to include but not be limited to: <ol style="list-style-type: none">Visitation.Support Standards.Interstate Work.Additional state or federal legislation.

Other Federal Legislation:

In early January 1983, Congressman Long of Maryland introduced HR 216 to provide for intercepting IRS refunds for non-AFDC cases. Since that time a number of bills have been introduced with regard to child support. Most people are of the opinion that none of these bills will see any further movement until HR 4325 is finalized. Some of the significant differences in these bills and HR 4325 are as follows:

- | | |
|--|--|
| HR 2090 - Pat Schroeder | These bills are the Economic Equity Act. They include provisions for non-AFDC IRS intercept. |
| HR 2374 - Barbara Kennely | |
| S 888 - David Durenburger | |
| HR 3546 - Administration Bill | a. No change in the purpose statement.
b. Reduces federal match to 60%.
c. Repeals incentive payment, no details on replacement funding.
d. Requires non-AFDC fees to both parents. |
| HR 3354 - Marge Roukema | Requires wage withholding prior to delinquency in every case where an individual is obligated to pay support. |
| HR 3545 - C. Campbell
S 1708 - C. Grassley
HR 926 - F. Stark | Requires all states to submit quarterly wage reports to their unemployment compensation agencies and the Child Support Program. |
| S 1398 - M. Mallop | Creates the Child Support Tax Act for benefit payments to children. |
| HR 1014 - M. Biaggi | Establishes a National Bipartisan Commission to study factors causing the high rate of nonpayment on support orders. |

Federal Compliance Audit:

Each year federal requirements mandate a Code of Federal Regulations (CFR) compliance audit. The audits take up a considerable amount of time and generally do not indicate whether or not an agency is running efficiently. This is one point upon which the State Directors Council and OCSE agree. While the two organizations have continuously disagreed on funding issues, the audit process has been an area that each side has worked to change. Numerous joint work sessions have taken place with tentative agreement on a set of standards of effectiveness. Unfortunately, the attention required by the funding issues has temporarily stopped progress in this area.

A listing of all of the audits and their conclusion is attached.

STATE ISSUES

Program Direction:

For the past several years the emphasis from the State of Alaska has been to oppose the federal attempt to redirect the program to the AFDC or governmental reimbursement area. This effort was coordinated through the Offices of the Governor, the Commissioner of Revenue, and included the State Director taking an active role in the National State Director's Council. This began in November, 1981 when the federal proposal was first discussed. The State Director, at that time, was the vice president of the Council and on October 1, 1982 started a one year term as President. Activity during this period included numerous trips to Washington, D.C. to testify before various Congressional committees. Copies of the written testimony are attached. Congressional members and staff aides frequently called upon members of the Council to answer questions about the impact of legislation. Towards the end of 1983, the federal proposal was scrapped; President Reagan signed a proclamation declaring August as National Child Support Month, and legislation recognizing non-AFDC work is now the only legislation that is moving in Congress.

A personal high point for Dan Copeland, the State Director and the Council President, was the invitation from the White House to attend President Reagan's signing of the August Child Support Proclamation. Governor Sheffield joined the President and declared August as Alaska's Child Support Month.

Budget Items:

With strong support from the Governor and the Commissioner, the Division has been able to consistently expand the program with budget increases. Since FY 80, the annual budgets have increased each year to include additional staff. Total collections have increased at about twice that level of staff increases. The following is a presentation of the annual increases in staff and collections:

<u>Fiscal Year</u>	<u>Staff</u>	<u>Percent Increase</u>	<u>Collections</u>	<u>Percent Increase</u>
80	55	-	\$5,600,000	-
81	62	12.7%	\$6,800,000	21.4%
82	67	8.0%	\$8,700,000	27.9%
83	76	13.4%	\$11,700,000	34.5%
84	83	9.2%	\$13,400,000*	14.5%

*Projected

FY 85 Budget:

The FY 85 budget proposal continues with the same projected increases in staff, authorized expenditure and collections. The most significant and indicative statement about the FY 85 budget proposal is that it is a continuation and expansion of the team concept approach to running the Division. An additional collection team is part of the increase in staff, and for the first time in six

years additional staff to support the enforcement unit are included in the request. The projected collection increase of \$1,300,000 is a conservative 10% estimate.

New Legislation:

Early during the 1984 Legislative session, the Governor will ask for tougher enforcement powers for the Child Support Program. The legislation will be aimed at expediting the enforcement process and expanding the negative consequences of nonpayment. Particular emphasis shall be directed to the more difficult cases. A detailed report on the legislation will be prepared when the Governor introduces the bills.

Service Level Measures:

One of the biggest problems in judging the effectiveness of the Child Support Program is that while the Division provides service to an entire caseload, the individual involved only sees what happens in their particular case. In addition to this, there are a multitude of ways to count cases, collections, delinquencies, actions or lack of action. Another area that is difficult is in determining how big the problem is or what percentage of the state's child support work the Division handles. The following statistical data provides a general picture of what the Division has accomplished.

Total Child Support Cases in the State:

One of the more difficult questions to answer is what part of the state's child support caseload does the Division handle. To begin with the Division generally handles only those cases where the two parents are having a problem. Many people take care of their support obligations on a voluntary basis, and the Division frequently does not get involved in these cases.

Using information from the 1980 Alaska Planning Information book as prepared by the Department of Labor, the Division estimates that their caseload represents 50% of the child support work in the state. This percentage was developed using two computations based upon information in Tables IX 13 and 15 on page 105 of this book and a Division caseload of 6500 cases. A copy of the tables from this document are attached.

According to Table IX-13 there are 30,050 separated or divorced adults in the state. Assuming two separated or divorced adults for each of the 6500 court ordered cases and 1000 cases in the establishment process less 2300 (1800 men and 500 women) adults for the reciprocal cases where only one parent is in Alaska, the Division is working with 12,700 adults. Using this computation, 12,700 or 42% of the state's 30,050 separated or divorced adults are in the Division caseload.

According to Table IX-15 there are 3540 female households with no husband present and with one or more persons under 18 years of age. Assuming the Division's caseload of 6500 cases, less the 1800 men in the reciprocal type case, the Division is working with 4700 single parent women. Using this computation, 4700 or 55% of the state's single female parent families are in the Division caseload.

Annual Collection Comparison

<u>Fiscal Year</u>	<u>Collections</u>	<u>Staff</u>	<u>Collections per Employee</u>	<u>Population Census</u>	<u>Caseload</u>
79	\$ 5,100,000	54	\$ 94,444	413,700	5,947
80	5,600,000	55	101,818	419,700	6,774
81	6,800,000	62	109,677	435,200	6,511
82	8,700,000	67	129,850	460,800	6,266
83	11,700,000	76	153,947	unpublished	6,887

(See attached for the monthly collection and caseload statistics.)

Interstate Work:

One of the main problems in doing interstate child support work is the imbalance of absent and custodial parents in the various states. The theory is that the collection work done between the states will balance out. In many states the domestic work (both absent and custodial parents in the state) contains the largest group of cases. The other two categories, initiating URESAs (custodial parent instate with the absent parent out of state) and the Responding URESAs (custodial parent out of state and absent parent instate) are substantially different in each state. The problem is complicated further by the federal reporting process. The federal quarterly reports do not acknowledge 34% of Alaska's AFDC collections and 15.5% of the non-AFDC work.

The state of Alaska does substantially more collection work for other states than is returned. The following chart shows a comparison for FY 83 for the three categories in both AFDC and the non-AFDC area.

	<u>AFDC</u>	<u>Non-AFDC</u>	<u>Total</u>
Domestic (made by AK for AK)	\$1,650,439	\$7,002,157	\$8,652,596
Initiating (made by other states for AK)	<u>249,731</u>	<u>476,066</u>	<u>725,797</u>
Totals by Federal Definition	\$1,900,170	\$7,478,223	\$9,378,393
Responding (made by AK for other states)	<u>972,278</u>	<u>1,367,682</u>	<u>2,339,960</u>
Total Activity	<u>\$2,872,448</u>	<u>\$8,845,905</u>	<u>\$11,718,353</u>

Comparison of the State and Federal Revenues and Expenditures:

One of the factors that drives many other state child support programs is the potential to create a profit for the state. During FY 83 Alaska did receive a net profit of \$585,800 via \$1,564,600 in expenditure reimbursements and AFDC collections while being required to provide \$978,800 to support the program. The federal government paid out a net total of \$2,245,400 via \$868,000 in AFDC collections while providing for \$3,113,400 to support the Alaska program. The following chart displays these computations.

Child Support Enforcement Division
 Revenue/Expenditure Report FY 83

	<u>Federal Funds</u>	<u>State Funds</u>	<u>Total</u>
Expenditures for FY 83	\$2,376.0	\$978.8	\$3,354.8
Incentives Paid to Alaska	<u>239.4</u>	<u>(239.4)</u>	<u>-0-</u>
FY 83 Estimated Expenditure Cost	\$2,615.4	\$739.4	\$3,354.8
<u>Other Funds:</u>			
Personal Service Allowance (29.3%)	468.7	(468.7)	-0-
AFDC Recoupment	(850.5)	(349.0)	(1,699.5)
Incentives to Other States for Alaska	29.3	-0-	29.3
Interest Income	<u>(17.5)</u>	<u>(7.5)</u>	<u>(25.0)</u>
Total Cost of the Child Support Program	(1) \$2,245.4	(2) \$(585.8)	\$1,659.6

(1) FEDERAL EXPENDITURES -

This represents the total expenditures required on a federal level to fund Alaska's Child Support Enforcement Program.

(2) STATE NET PROFIT -

This represents the direct cash recieved over the costs to run the program.

CHILD SUPPORT ENFORCEMENT DIVISION
 Monthly Collection and Caseload Statistics

Obligation Payments

Arrearages Payments

Other Payments

Month	Cases	Amt. Due	Obligation Payments				Arrearages Payments				Other Payments		
			Total Amt. Collected	% Obligor's Obligation	Paying	% Paying	Total Amt	Total Amt. Collected	# Obligor's Paying	% Paying	Monthly Collections On C Cases	Direct Payments	Total Mo. Collection
12/30/83	7,255	\$1,210,515	\$703,210	58.09%	3,130	43.14%	23,145,813	379,633	1,557	21.46	116,690	57,627	1,257,160
6/28/83	6,887	1,128,855	591,555	52.40%	2,890	41.96%	21,280,026	335,170	1,312	19.05%	90,505	61,487	1,078,717
12/31/82	6,594	1,064,980	579,085	56.25%	2,820	42.76%	20,657,107	263,519	1,270	19.25%	21,812	74,534	958,950
6/29/82	6,266	1,010,576	492,667	48.69%	2,518	40.18%	20,246,954	185,186	1,054	16.82%	23,969	57,732	758,954
12/29/81	6,206	982,041	476,314	48.50%	2,471	39.82%	20,646,225	161,822	902	14.53%	16,884	100,201	755,221
6/30/81	6,511	1,030,939	439,626	42.64%	2,315	35.55%	23,023,003	148,635	812	12.47%	21,854	41,025	651,120
12/30/80	7,017	1,074,984	413,471	38.46%	2,251	37.08%	25,514,366	122,772	715	10.19%	16,887	32,623	585,753
6/27/80	6,774	1,041,438	356,587	34.23%	2,005	29.60%	23,292,824	104,889	578	8.53%	15,433	25,049	501,958
12/31/79	6,549	1,005,313	351,490	34.96%	1,978	30.20%	20,811,999	79,676	511	7.80%	16,242	26,935	474,343

Support Documents

1. Excerpts from Governor Sheffield's State of the State Message.
2. Organizational Charts - Current and Previous Years.
3. Caseload Review by Federal Office of Child Support Enforcement
4. Computer System, Third Party Review, Miller & Associates
5. Intercept of IRS Refunds, Non-AFDC Child Support
6. A Status Report of the Child Support Enforcement Program
7. Press Release #83-205, Senate Hearings on Child Support
8. Summary of HR 4325, Bill Improving the Enforcement of Child Support
9. Audit History by Federal, Legislative, Governor's Office and Outside Consultants
10. Written Testimony as Provided to:
 - a. House Appropriations Committee, May 10, 1983
 - b. Senate Finance Committee, June 15 & 16, 1983
 - c. Senate Finance Committee, June 20 & 21, 1983
 - d. Ways & Means Committee, July 14, 1983
 - e. Committee on Finance, Subcommittee on Oversight of the IRS, September 16, 1983
11. Alaska Planning Information, Tables IX 13 & 15



**National Council of State Child
Support Enforcement Administrators**



**A Status Report
of the
Child Support Enforcement Program**

February 1983

CONTENTS

<u>Page</u>	
1	EXECUTIVE SUMMARY
3	HISTORICAL PERSPECTIVE
4	Federal Involvement Was Necessary
4	The Scope of the Non-support Problem
5	THE CHILD SUPPORT ENFORCEMENT (IV-D) PROGRAM
6	Table I, Six-Year Progress in Program Effectiveness
7	Non-AFDC Collections
7	Table II, non-AFDC Collections
8	Table III, non-AFDC Child Support Collections
	Compared to Expenditures
9	AFDC Collections
9	Table IV, AFDC Collections
10	AFDC and Non-AFDC Collections
10	Table V, Total Child Support Collections
	Compared to Expenditures
11	Interstate Collection Difficulties
11	Establishing Paternity
12	Table VI, Paternities Established Nationwide
13	Locating Absent Parents and Establishing Support Obligations
13	Table VII, Support Obligations Established
14	Table VIII, Absent Parents Located
15	Increase in Cases Paying
15	Table IX, Average Number of Cases Paying Each Month
16	RESTRUCTURING
16	THE DILEMMA OF NON-AFDC PROGRAM DIRECTION
18	Problems Within the Present System
19	Strengths and Accomplishments Within the Present System
19	POLICY DECISIONS
20	RECOMMENDATIONS
21	SUMMARY
22	NATIONAL COUNCIL OF STATE CHILD SUPPORT ENFORCEMENT ADMINISTRATORS
22	Purpose
22	Membership
22	Information

THE CHILD SUPPORT ENFORCEMENT PROGRAM
A STATUS REPORT - FEBRUARY, 1983

EXECUTIVE SUMMARY

The National Council of State Child Support Enforcement Administrators has prepared this report to present its views regarding the support enforcement problem that exists for the many children affected by divorce, separation, or the lack of established paternity. A brief history has been included to aid the reader in understanding the scope of the problem and the program accomplishments. Recommendations for the future of the program must include the establishment of a national ethic that children have a right to be supported by both parents. The need is basic . . . children need their child support!

It is important for the reader to understand that practitioners in the field of support enforcement believe that the wrong approach has been used in the attempt to address the issue of poverty among children. Although well meaning, the vast network of social legislation addresses the symptom of the problem rather than the cause. The system provided welfare first, and later as an afterthought . . . child support enforcement. This course of action was taken in spite of the fact that at least 80% of the reasons for eligibility for Aid to Families with Dependent Children (AFDC) has been insufficient child support from the absent parent.

It is obvious to practitioners that if the national effort to try to fix the AFDC and other related welfare programs had instead been invested in curing the disease (lack of support), the nation would not be paying an estimated \$30 billion annually for public entitlements. The primary reason for the 30 billion dollar problem was and still is caused by the lack of child support. The problem is not isolated to children receiving public assistance. Regardless of the income level, millions of America's children are being economically deprived and cannot achieve true potential if financial support is withheld by one or both parents.

In 1975, when Congress established the Child Support Program (Title IV-D of the Social Security Act), the establishment of a comprehensive support enforcement system was envisioned. In mandating states to provide AFDC and non-AFDC related services, it appeared the purpose of the program was to provide an opportunity for all children to receive support from their parents through more effective enforcement of state and federal child support laws. While the primary objective was to directly reduce the increasing burden on the taxpayer of maintaining the AFDC program, the law also required states to provide child support enforcement services for all applicants that were not in the AFDC program.

Child support practitioners are of the opinion that the program's focus from the federal perspective has changed. Instead of encouraging states to collect child support for children, AFDC collections for governmental reimbursements are now emphasized. The law created two

programs to address the one issue of non-payment of child support. However, the federal government began to concentrate more than ever on the public assistance aspect of the Child Support Program by consistently recognizing only the AFDC related accomplishments. Faced with this situation, states are placed in a position of either following the letter of the law while ignoring the operational directives of the federal government, or deemphasizing regulatory requirements to adhere to the federal directives.

Actual collection history indicates that states vary considerably in their approach to the two services. Some states concentrate on AFDC collections while others focus on non-AFDC services. In FY 81, the program collected \$1,628,894,466 at a cost of \$512,517,943. This 3.18 to 1.00 ratio is obviously successful. A total of \$958,256,541 was collected in the non-AFDC portion of the program and \$670,637,925 in the AFDC portion.

Several studies done by individual states indicate that the non-AFDC child support program is responsible for saving millions of dollars each year in welfare costs avoided. The non-AFDC portion of the program encourages independent child support payments. This reduces the need for governmental dependency while helping to curtail financial deprivation in general. Federal law allows states, at their option, to charge a fee for these services. However, fees are not universally charged and experience has shown that when they are, they do not cover the cost of the non-AFDC portion of the program.

Decision makers need to realize that both portions of the program are cost effective and vitally important. Sufficient funding must be retained to adequately address both AFDC and non-AFDC child support cases. The establishment of paternity, interstate collections, and the many facets of the total problem of child support enforcement are common to both caseloads. In the final analysis, there is no substantial difference; it is a matter of children and their right to be supported by their parents. Decision makers need to redirect their priorities to address this vital root cause of poverty among children. Both parents, not governmental aid programs, need to be responsible for their children. The current Child Support Program is in the infant stage of returning this responsibility of all children to the parents.

HISTORICAL PERSPECTIVE

The first question to be answered was, "Whose obligation is it to support children?". Common law has historically failed to impose on absent parents a civil obligation to support their children. Although custody of children has traditionally been given to the mother, and the absent parent was the father, common law had not expanded much past that point. As late as 1953, the Supreme Court of New Jersey had difficulty finding a legally enforceable support obligation which bound the father to his children. The need was so basic -- but the remedy only referenced "natural law."

Viewed as a state and local problem for many years, federal attention was attracted as costs in the Aid to Families with Dependent Children (AFDC) program continued to escalate. Inadequate laws and a lack of funding were producing low child support collections while over 80% of those receiving AFDC were eligible due to the non-payment or insufficient payment of child support obligations. Contributing to the problem was the prevailing attitude that government, rather than the absent parent, should support abandoned children by means of the AFDC program. Unfortunately, this gave more credence to the concept that it was the custodial parent's responsibility (usually the mother's) to support the children. Due to the social acceptance of this trend, thousands of single parent families (even those not reliant on AFDC benefits) were left without a viable means of support.

To address this problem, Senator Russell Long, then Chairman of the Senate Finance Committee, and Representative Martha Griffith, then Chairwoman of the Subcommittee on Fiscal Policy of the Joint Economic Committee, developed and published an analysis of the welfare system. Both were dedicated to improvement of child support enforcement laws and practices. Changing social mores and the complexity of the problem helped to convince Congress to relieve the plight of the single parent by creating a federal office with oversight responsibility; the Office of Child Support Enforcement, (OCSE) was created effective August 1, 1975. The Title IV-D amendments to the Social Security Act created a funding mechanism to address this chronic national problem.

In their deliberations on the creation of the Federal Child Support Enforcement Program, the Senate Finance Committee stated:

"The Committee believes that all children have the right to receive support from their fathers. The Committee bill, like the identical provision (H.R. 3153) is designed to help children attain this right, including the right to have their fathers identified so that support can be obtained. The immediate result will be a lower welfare cost to the taxpayer but, more importantly, as an effective support collection system is established fathers will be deterred from deserting their families to welfare and children will be spared the effects of family breakup." (Emphasis added).

Federal Involvement Was Necessary

Since the late 1950's, the number of single parent families has increased dramatically. That growth is directly attributable to the escalating numbers of divorce, marital separation and out-of-wedlock births. Then as well as now, the custodial parent, usually the mother, faced with a financial crisis often seeks financial assistance through governmental outlets. Since most heads of single parent households enter the work force at an inadequate wage level, they find their incomes insufficient to meet ordinary household expenses, day care, clothing and the transportation expenses related to working. The combination of the burdens of daily work, which provides an inadequate income, and the complete responsibility for rearing the children, often overwhelms the custodial parent. These factors, coupled with the lack of financial support from the absent parent, often place the custodial parent in a position of financial dependency upon governmental programs.

Current national estimates indicate one out of every three marriages in the United States ends in divorce. There is an obvious correlation between the increasing divorce rate and the increase in the number of welfare families with single parents heading the household. Seventy-eight percent of all welfare households consist of a single parent, usually a woman, who is providing the basic needs for her family through an assistance grant because the father withdrew or never provided financial support. When absent parents default and avoid their financial responsibilities, the chance of their children being supported by a governmental aid program is much higher. A study presented to the Senate Finance Committee by M. Winston and T. Forsher, "Non-Support of Legitimate Children by Affluent Fathers as a Cause of Poverty and Welfare Dependence", stated that non-support of legitimate children by affluent fathers was often a cause of poverty and welfare dependence. Another conclusion in the study was that many attorneys and public officials found child support issues boring and in some instances were even hostile to the concept of fathers being responsible for their children.

The Scope of the Non-support Problem

How serious is this problem of non-support of families by absent parents? Over seven million children are presently receiving public assistance in the United States through the various federal and state welfare programs. Of greater concern is the possibility that the very existence of the welfare program has caused some of the absent parents to conclude that if they have marital difficulties, they need not worry about the consequences of financially abandoning their families. From their perspective, the government will provide assistance for their children while they establish new lifestyles and often become parents of more children.

The number of children in single parent households is growing at a rapid rate. The 1970 census figures showed 8,265,500 children living with only one parent. By 1980, the number had grown to 12,163,600, nearly a 50% increase! The problem from a financial perspective is that nationally less than half of these custodial parents received the money due to them.

In the early stages of the welfare program, little was done to recoup the welfare dollars expended. As a result of this lack of action, many absent parents who may have been capable of paying became remiss in their obligation to support their children. For a considerable period of time, they were not made to bear the costs of supporting their children. Society simply "picked up the tab." The cost of the tab, however, has become incredible. In 1956, the total cash benefits expended in assistance to children was just over \$617 million. By 1982, that figure increased to an astounding \$12 billion annually -- a 2000% increase in 22 years. As staggering as that figure may be, it is not all inclusive. Additional billions were spent on food stamps, medicaid benefits, foster care, juvenile institutions, and other related programs.

THE CHILD SUPPORT ENFORCEMENT (IV-D) PROGRAM

Because of the immensity of the problem, in 1975 Congress enacted Public Law 93-647. Maintaining a child support program became an individual state eligibility requirement to receive federal match funding in Aid to Families with Dependent Children (AFDC). The Federal Office of Child Support Enforcement (OCSE) promulgated regulations covering the maintenance of case records, the establishment of paternity, the locating of absent parents, the enforcement of support, and the use of cooperative agreements among the states. The administration of the program was left to the state child support units, which are required to function within the parameters of federal regulations, local and state laws, county, and/or judicial prerogatives.

Originally, federal financial participation provided for 75% of the administrative costs of operating a child support program. The remaining 25% was provided by the state and or local government. With the 1982 changes in federal law, effective 10/1/82 financial participation is now a 70% - 30% split.

To encourage cooperation between states, local governments, other political jurisdictions, and to increase AFDC collections, the federal government also provided for a 15% incentive payment on AFDC collections. This 15% payment is deducted from the federal share of the AFDC distribution. However, the 1982 legislation provides that as of October 1, 1983, the 15% payment rate will be reduced to 12%. Lowering the incentive percentage rate will actually provide a disincentive to state programs.

A financial commitment is necessary to begin reversing the trend toward lack of cooperation between states that has developed. Continued and expanded support at the national level will result in future growth and success in the program. At the same time, the individual families will move toward less dependence upon the federal and state government for financial support.

There are two categories of cases; AFDC and non-AFDC. For children receiving AFDC, collections are distributed back to the state and federal governments. These collections are distributed between the two based upon the matching grant rate which the federal government provides to each state for their medicaid and AFDC programs. For families who are not receiving AFDC, collections are sent directly to the custodial parent. Neither the state nor the federal government receives any portion of non-AFDC collections (except fees), but both directly benefit because the collections do significantly reduce the potential for AFDC eligibility.

In FY 81, 1.6 billion dollars in child support payments were recovered from absent parents. This recovery effort represents a step in the right direction, but many barriers still exist which inhibit effective and efficient child support collections. The major barriers have been the lack of enforceable laws and resources to handle the immense nature of the problem. The difficulty is compounded by the large number of absent parents who cross state lines in an attempt to avoid payment of support. Nationally, only 11.3% of the absent parents whose children are on welfare are actually paying child support. Reliable data now exists which indicates that this figure can be greatly increased. A number of states are already receiving payments on over 20% of their cases.

The most current information available to the states demonstrates continuous progress in program effectiveness. The data below has been extracted from the 6th Annual Report to Congress, published by the Department of Health and Human Services, Office of Child Support Enforcement.

TABLE I

	<u>1976</u>	<u>1977</u>	<u>1978</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>
Total Child Support	\$512 mil.	\$864 mil.	\$1,048 mil.	\$1,333 mil.	\$1,478 mil.	\$1,629 mil.
AFDC Collections	204 mil.	423 mil.	472 mil.	597 mil.	603 mil.	671 mil.
Non-AFDC Collections	308 mil.	441 mil.	576 mil.	736 mil.	875 mil.	958 mil.
Paternities Estab.	14,706	68,263	110,714	117,402	144,467	163,554

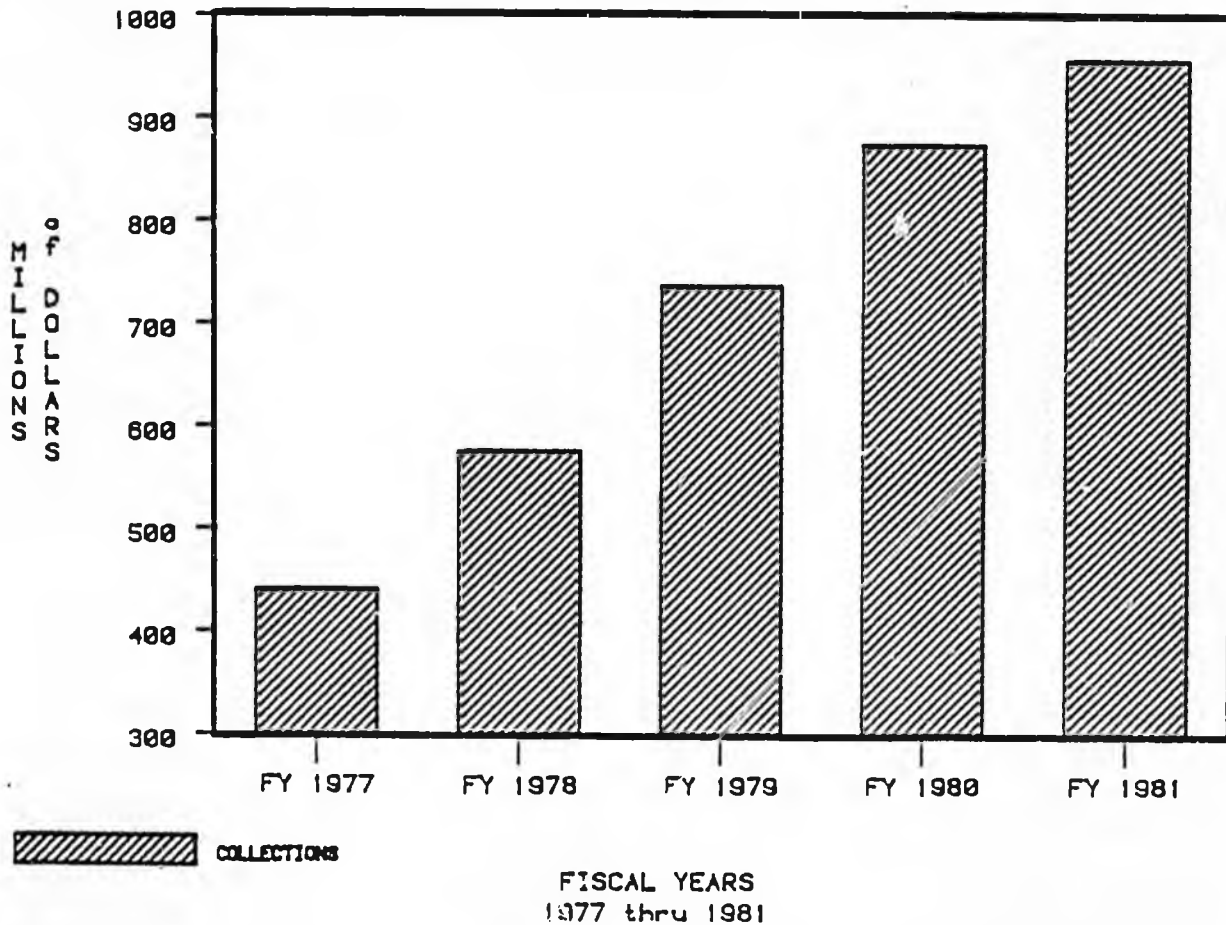
Non-AFDC Collections

It is worthwhile to note, in reference to the figures on the graph below, that the funds collected in the non-AFDC category are distributed directly to families not on public assistance. Several independent state studies have estimated that 15% to 25% of these families would be on public assistance if the child support collection service were not in place. This translates into substantial savings in AFDC, food stamp, and medical assistance expenditures.

Table II depicts annual collection totals for the non-AFDC portion of the program. Collections increased nearly 117% during the five year reporting span and the effect from this collection effort is a reduction in individuals receiving AFDC assistance. While termed "cost avoidance", the AFDC reduction reflects a substantial savings in all welfare program expenditures. There would be a significant increase in the number of AFDC applicants if the non-AFDC collection program were allowed to diminish.

TABLE II

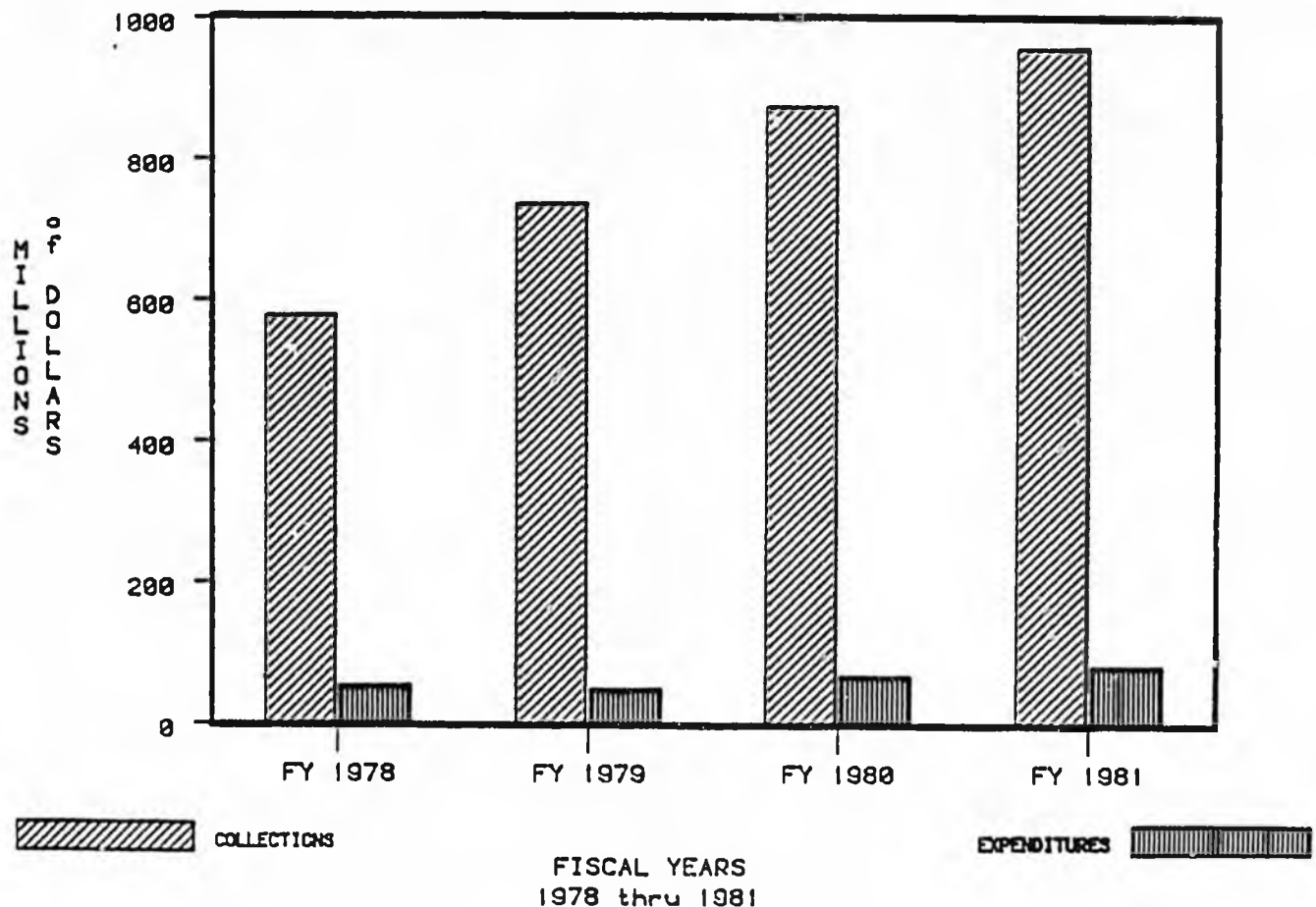
NON-AFDC COLLECTIONS



Non-AFDC collections indirectly offset the costs of the public assistance program. Table III shows the costs compared to collections in the non-AFDC program. It is significant to note that while the non-AFDC collection total is now one billion dollars annually, this collection figure has not been used in the evaluation of the program's achievement. On the other hand, the cost of operations has been used as an integral part of the program evaluation. Practitioners are concerned about this and puzzled by the lack of compliance with congressional intent.

TABLE III

NON-AFDC CHILD SUPPORT
COLLECTIONS COMPARED TO EXPENDITURES

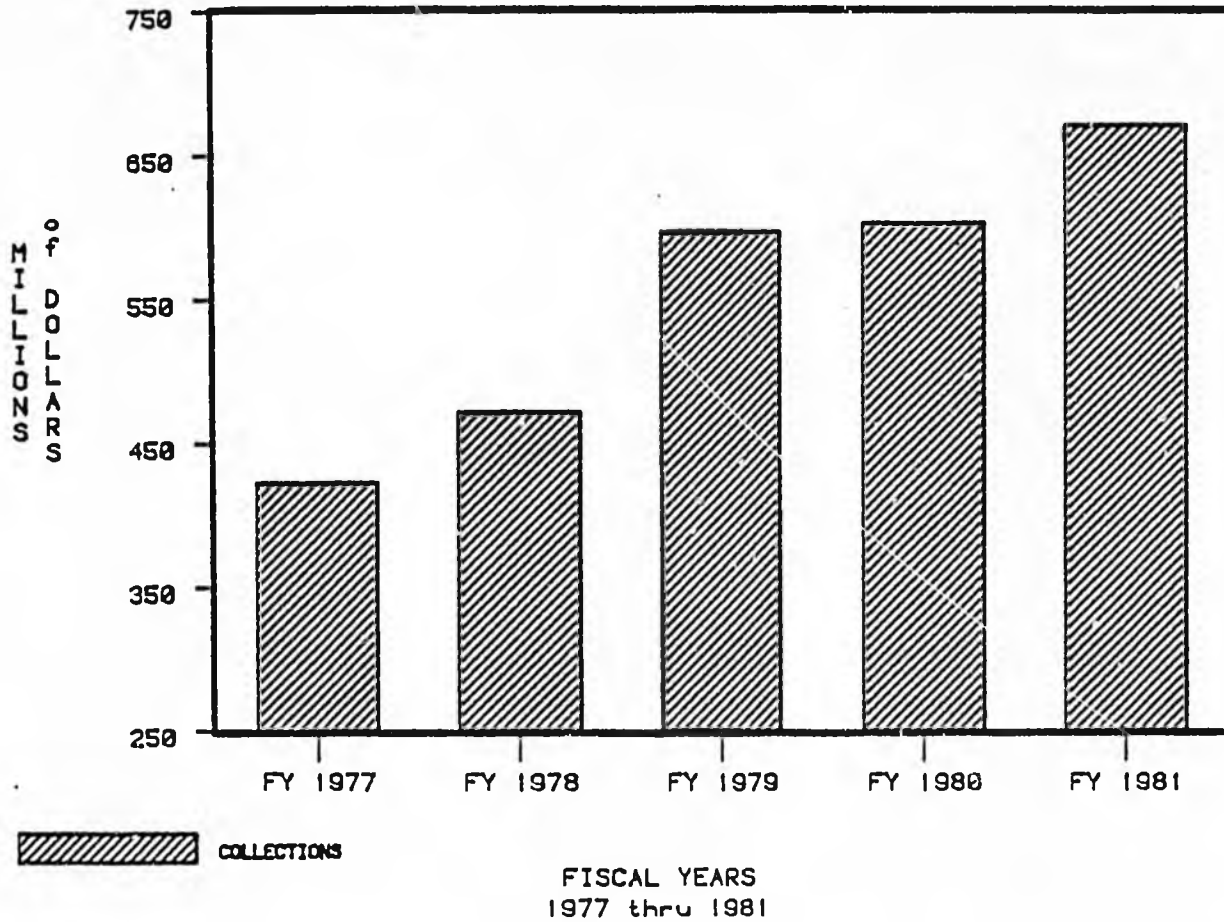


AFDC Collections

AFDC collections directly offset the costs of the public assistance programs. Table IV reflects significant annual AFDC collection increases during the periods FY 77 to FY 81. The program has experienced a 59% increase in funds recovered. Favorable legislative action or improved enforcement techniques at the federal, state, and local level, are directly attributable to this trend.

TABLE IV

AFDC
COLLECTIONS

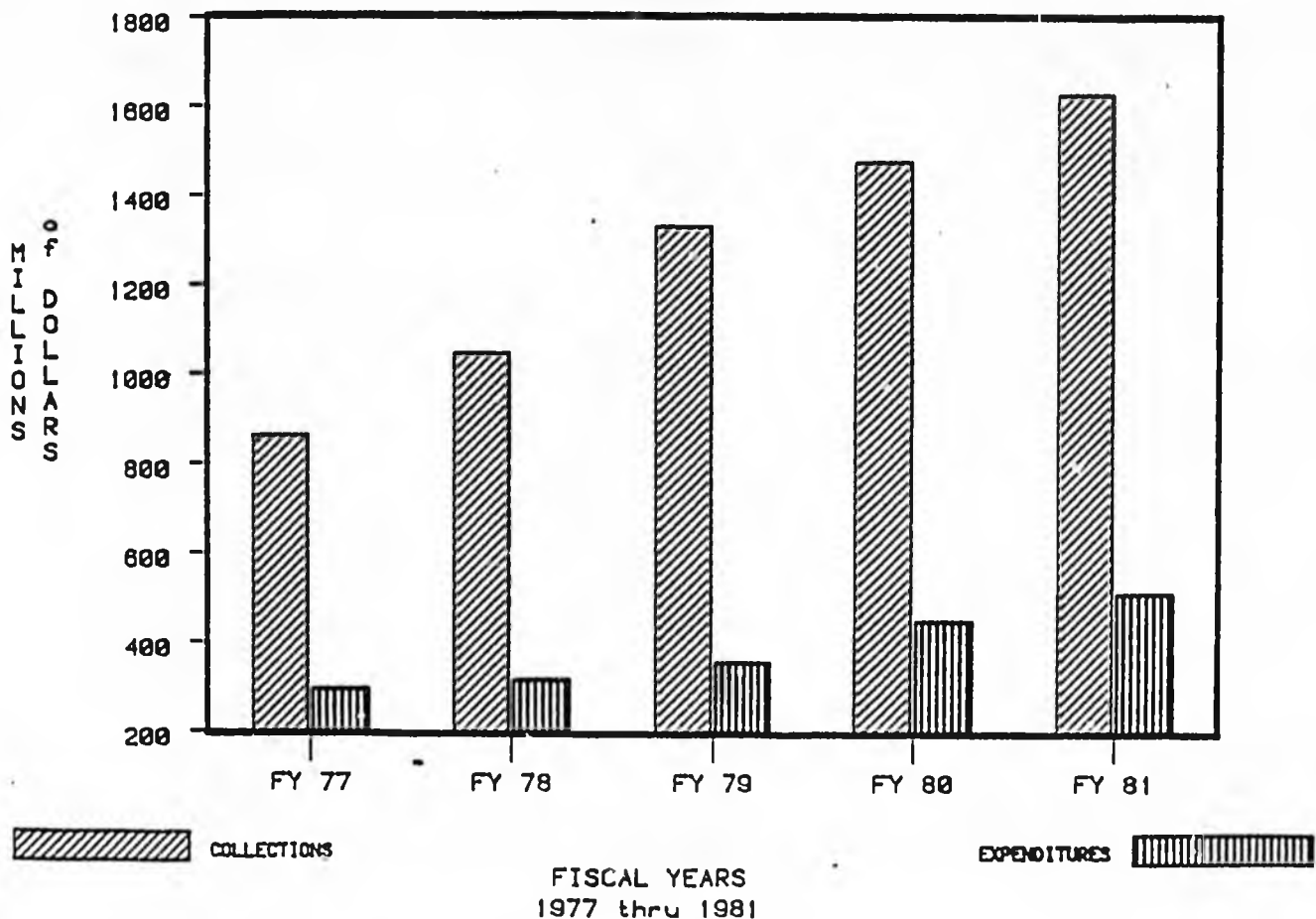


AFDC and Non-AFDC Collections

A combined chart (Table V) showing the effectiveness of the AFDC and non-AFDC initiatives provides dramatic illustration of the program's success. This shows the difference between collections and expenses. Clearly, collections are running ahead of expenses by a 3 to 1 ratio. From FY 77 to FY 81, annual collections have increased by more than 750 million dollars, while the corresponding figure for expenses shows an increase of about 200 million.

TABLE V

TOTAL CHILD SUPPORT COLLECTIONS COMPARED TO EXPENDITURES



Interstate Collection Difficulties

Due to the Nation's transient population, some states are experiencing a large influx of absent parents. These states are collecting an increasing amount of child support which is sent to another state where the custodial parent and children are living. In many cases there is a considerable difference in the amount that is sent out of state as opposed to what is returned. The local jurisdictions within the states are experiencing similar problems.

The state and local jurisdictions that actively pursue collection work on behalf of others, must deal with a distorted and often negative collection to expenditure ratio. This problem is complicated even further by the lack of uniform laws and legal requirements. It is imperative for the absent parent population to recognize that moving to another state does not eliminate their child support obligation.

Currently OCSE has initiated a contract to the National Institute of Child Support Enforcement (NICSE) to survey and study the interstate collection problem. This will include contact with approximately 10,000 jurisdictions and/or organizations which perform child support services nationwide. Work on this contract will start in early 1983.

Establishing Paternity

A significant factor which has contributed to the increased growth of the welfare program (AFDC) is the number of children born out-of-wedlock. According to statistics maintained by the National Health Center in 1979, there were an estimated 597,800 out-of-wedlock babies born in America. This was approximately 17% of all births, but is even more striking when compared to statistics of a decade ago. In 1970, unwed mothers had 399,000 babies, or 10.7% of all births for that year. OCSE reports that the large increase in the non-marital birth rate has brought a corresponding increase in the cost of AFDC funding.

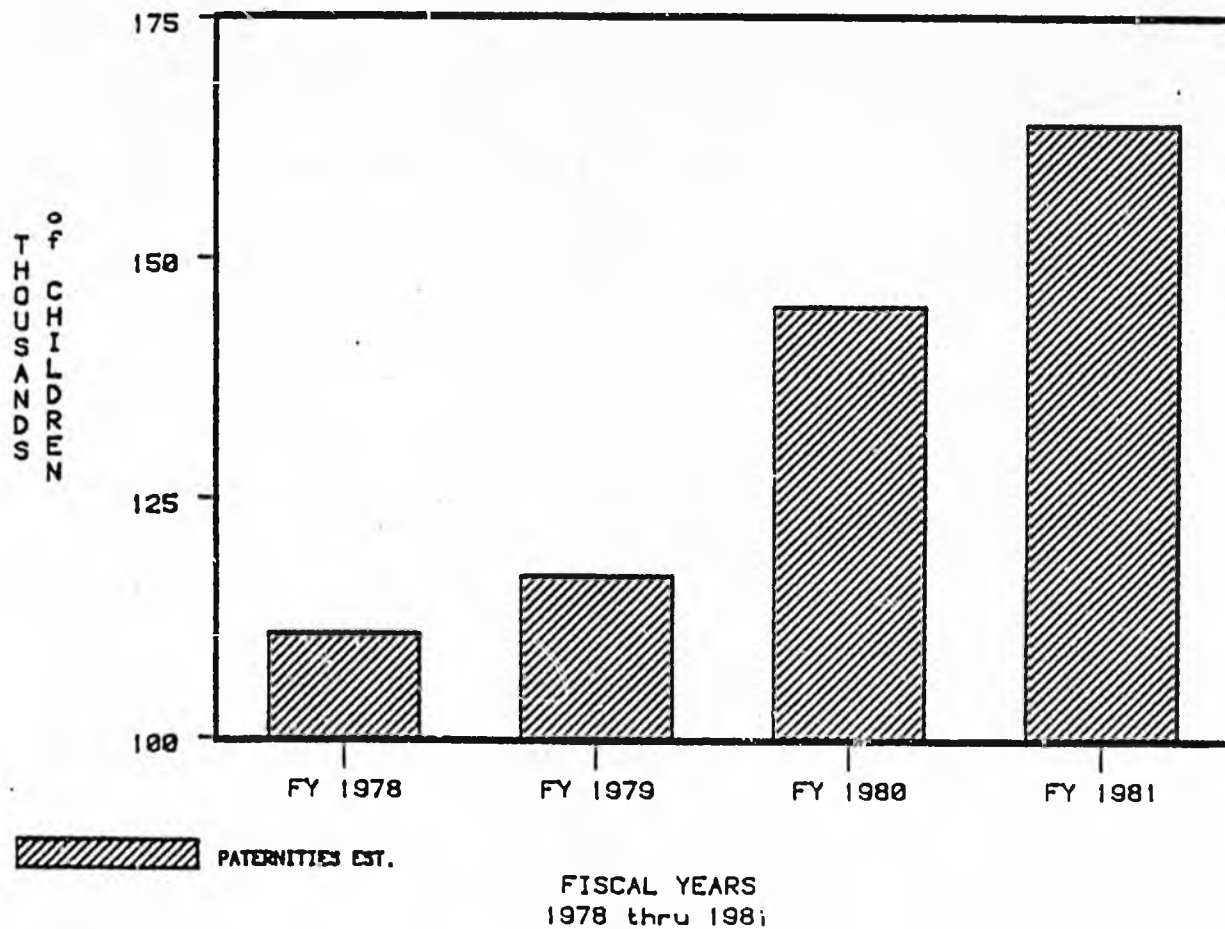
The "inherent right" of the child starts with paternity establishment. Legally identifying the father establishes potential Social Security, veteran's assistance benefits, insurance benefits, and potential inheritance rights. It is the first step in shifting the burden of support from a government program back to both parents.

Currently, OCSE has initiated two contracts to study the cost effective aspects of doing paternity establishment. Work on these contracts will start in early 1983.

Table VI indicates a 68% increase in paternity determinations during the four year period ending 1981. This demand for paternity establishment should be paramount in every child support unit, however, the task is extremely expensive. These costs are immediate while the benefits are of a long term nature.

TABLE VI

PATERNITIES ESTABLISHED
NATIONWIDE



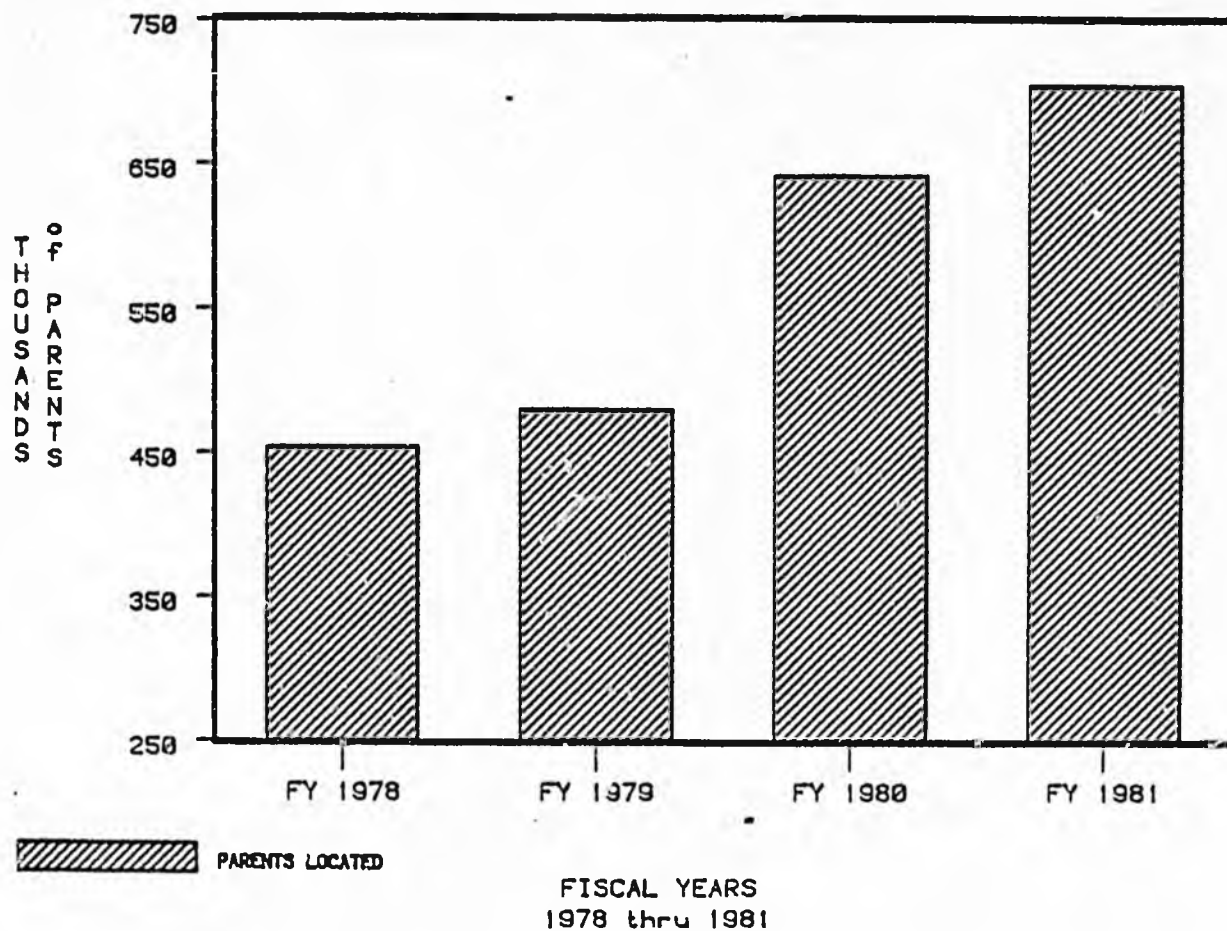
Locating Absent Parents and Establishing Support Obligations

In order to increase collections during the short history of the program, states have had to work on locating absent parents and establishing support orders.

Before a case can be established as an enforceable order, the absent parent must be located. Table VII indicates the number of absent parents located for the establishment or enforcement of a child support obligation.

TABLE VII

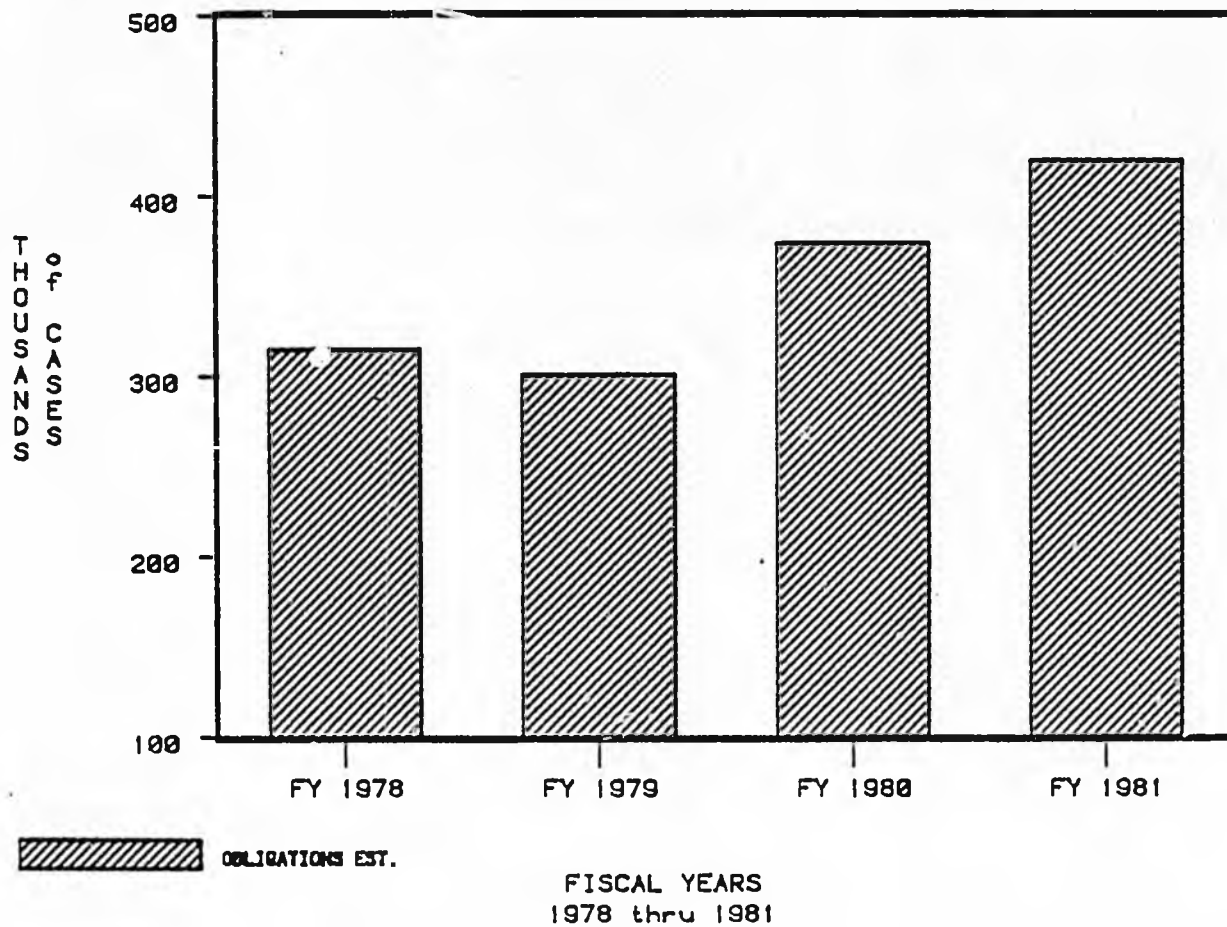
ABSENT PARENTS LOCATED



Once the absent parent is located, a legally binding child support obligation must be established. Table VIII indicates the number of obligations that have been established.

TABLE VIII

SUPPORT OBLIGATIONS
ESTABLISHED



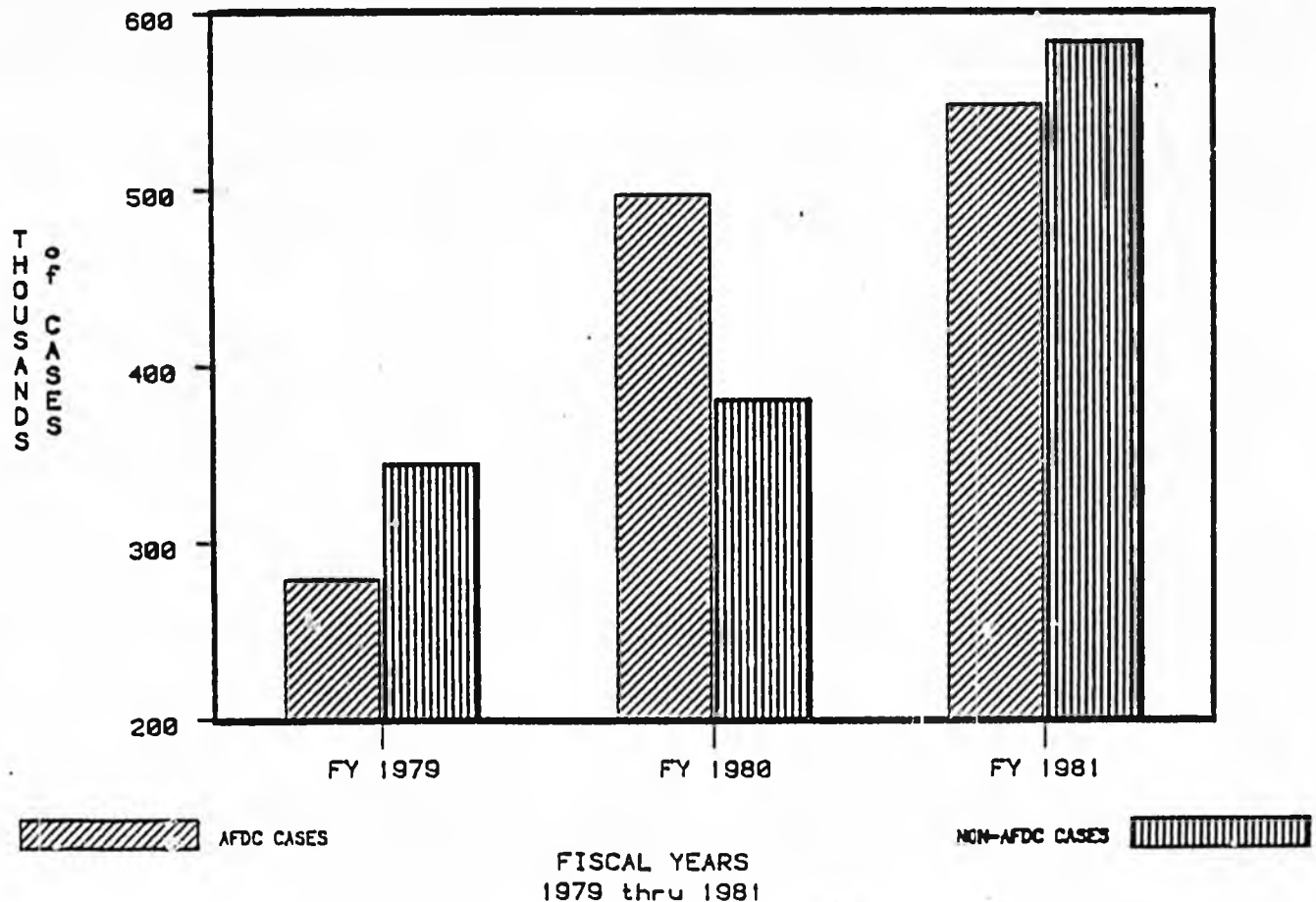
Increase In Cases Paying

The combined factors of locating the absent parent and establishing an obligation to pay has lead to a significant increase in the number of cases paying each month. Table IX illustrates this trend for both AFDC and non-AFDC cases over a three year period.

This chart points out the number of AFDC and non-AFDC cases paying and should be compared with amounts of money collected as indicated in Tables II and IV.

TABLE IX

AVERAGE NUMBER OF CASES PAYING EACH MONTH



RESTRUCTURING

In 1982, operating under the premise that the program could be made more effective, "financial restructuring" was sought by OCSE within the Reagan Administration. There was, however, a considerable difference of opinion with regard to "Restructuring" between OCSE and the practitioners involved in the work. OCSE believed that "Restructuring" provided an incentive requirement that would force states to improve their child support programs. The practitioners in this field were convinced that "Restructuring" had major operational deficiencies that would hurt the program and set it back to pre-1975 levels. Although the dramatic restructuring sought by OCSE was not implemented, it is mentioned here since a modified version is currently before Congress.

Federal funding for the Child Support Program should be provided to ensure services for all needy children. The costs of establishing paternity cases should be recognized for their immediate nature as compared to their long range benefits. The AFDC cost avoidance aspect and other services provided in doing non-AFDC work as well as the transient or interstate nature of the absent parent should be considered as major factors in operating the child support network.

Instead of restructuring, the federal funding participation was reduced from 75% to 70% effective October 1, 1982. Effective October 1, 1983, "incentive payments" will be reduced from 15% to 12%. The concern of practitioners in the field is that these reductions will cause program atrophy. The program may dwindle because state and county budgets are, in many instances, not able to carry the load. This reduction in the federal portion conveys a message to all absent parents that non-payment of debts, like child support, is acceptable. Rather than crippling the program by changing the financial structure, emphasis should be placed on enhancing program efficiency through improved program direction. Better laws for the rights of the child, stronger recognition of existing laws by the judicial branch, and improved enforcement will bring the savings needed to continue a very effective program.

THE DILEMMA OF NON-AFDC PROGRAM DIRECTION

A major problem facing all states at this time is how vigorously to pursue the non-AFDC program. The regulations which provide for federal financial participation require the states to provide child support service to both the AFDC and non-AFDC families. However, emphasis is on AFDC collection. Caseload comparisons indicate that the states vary considerably in their approach to working both caseloads. Some states concentrate their main effort in the AFDC area, while others focus on the non-AFDC caseload. Reasons for this vary widely; some states react to state statutes which provide their guidance, while others operate from administrative direction. The paradox each state must face is whether to follow the letter of the law or the direction from the Office of Child Support Enforcement.

The wide variance in the state programs is illustrated by the fact that in one state only 0.9 percentage of their cases are non-AFDC. At the opposite extreme, another state has 81.3 percentage of its cases in the non-AFDC category. The dilemma is highlighted by the fact that both states are apparently meeting federal compliance requirements.

It appears that the reason AFDC has been emphasized over the non-AFDC work has been the difficulty in measuring the cost avoiding aspects of the non-AFDC program. It is noteworthy that a federal contractor, Maximus Corporation, in their first year study of the Child Support Program, concluded that approximately \$323 million a year in costs of AFDC assistance were avoided through the states' pursuit of non-AFDC collections. Conversely, in their second year study as published in February 1982, they denied the existence of this cost avoiding aspect and indicated that any savings obtained were essentially lost through increased participation by marginal income households in food stamps and medicaid benefits. Based on the contradictory nature of their reports from year-to-year, it must be concluded that their data at this point is certainly inconclusive.

Currently, OCSE is preparing a contract to determine the cost avoiding aspects of the non-AFDC program. Work on this contract is scheduled to start during the summer of 1983.

One of the primary groups affected by the non-AFDC program are former AFDC recipients who are working in marginal income jobs. Obviously, if child support can be collected for these individuals, then very frequently even minimum wage jobs will preclude their need for assistance. Therefore, the need for strong non-AFDC collection efforts has never been greater or more beneficial.

While both programs are funded at the 70% FFP rate, many states are unsure as to how vigorously to pursue the non-AFDC effort given the current federal philosophy of emphasizing AFDC. Practitioners believe that some direction should be initiated by the U.S. Congress in this area.

Several options are available:

- . Increase federal funding for expansion of non-AFDC and interstate services. Required with this is a clear statement that this is the direction to be pursued and that non-AFDC services are important and necessary.
- . Continue federal funding at the current level for non-AFDC and interstate services with optional state fees for recovery of costs. Required with this is a clear statement that this is the direction to be pursued and that non-AFDC services are important and necessary.

- Limit program participation to some prescribed level of income. Required with this is a clear statement that service is limited to low income individuals.
- Mandate recovery of costs by some uniform deduction from collections. Required with this is a clear statement that the custodial parent is to bear part of the costs in operating the program.
- Separate federal funding for the AFDC program from the non-AFDC and interstate portion of the program. Each segment should stand alone.

Problems Within the Present System

The present child support enforcement system lacks reliability and is very slow to react to children's needs. It takes months after a family has separated to procure a child support order and in over 50% of the cases the court order produces little or no results for the child. In comparison, when someone applies for AFDC, rules and regulations ensure that within a 45-day processing period, the eligible applicant will receive money. The AFDC grant is reliable; it comes in monthly and generally the amount is consistent. Thus, the child's subsistence is assured. On the other hand, the custodial parent will often find that the child support order and the enforcement efforts may not produce a payment in time to do any good. Private legal representation is available but most custodial parents find it difficult to meet their basic needs, much less afford legal services.

At first both the child support and AFDC systems appear complicated and intimidating. However, the AFDC system is easier to learn while allowing the client to function independently. This system also provides food stamps and medical care. On the other hand, a lay person has difficulty functioning within the child support system and often has to depend upon legal representation with no guarantee of payment where their children are concerned. It is hard for the custodial parent to understand the delays involved in enforcement and due process for the absent parent. Thus, the child's immediate needs often supercede allowing the child support system a chance to work.

The Child Support Program does offer some relief from these complications for the custodial parent. All the deficiencies and delays are still there but the program does assist the custodial parent with the enforcement process. The practitioners recognize that a child support system that speaks to these problems must be developed so the AFDC Program does not appear to be so attractive.

Strengths and Accomplishments Within the Present System

More children than ever before receive child support and a larger number of paternity establishments are occurring. Simply stated, the program has created substantial results. States are recognizing the positive influences and are trying to enhance their programs by passing more effective legislation. Wage assignments, chemical analysis to establish paternity, enforcement of support orders through administrative processes and intercepting state/federal tax refunds are improving the efficiency of the system as a whole. Steps have been taken in the area of paternity to reduce blood testing costs and legal fees. Performance measures are being initiated to focus on collection goals.

POLICY DECISIONS

Considerable progress has been made in the seven year history of the program. Still, challenges remain and basic questions need to be addressed.

- . Should the Child Support Program be viewed as a service or revenue generation oriented program?
- . Should child support, coupled with an employment readiness and placement program, become the safety net for custodial parents and children who experience financial deprivation when the absent parent leaves the home, or should they depend on AFDC?
- . Should a complete system reform occur?

For purposes of discussion, when giving consideration to any type of system reform, it is important to recognize two factors. State administration, resources and environmental factors will vary to such extremes that development will vary within each state. At this point in time, the Title IV-D Child Support Enforcement Program does not represent all children. When reviewing the system as a whole, the variances in each state should be recognized and all children must be considered.

RECOMMENDATIONS

- . A congressional oversight committee should be established to study the ongoing needs of children deprived of child support.
- . Initiation of congressional hearings to provide an opportunity for an analysis of the nation's child support network and recommendation for program enhancement.
- . The system must obtain initial support payments for the child in less than 45 days.
- . National guidelines should be established to determine the child's support needs and allowance.
- . A stronger interstate system needs to be developed.
- . Legislation must be passed requiring states to have mandatory wage assignments for child support payments.
- . Legislation must be passed requiring states to provide for an administrative or quasi-judicial system.
- . Legislation must be passed requiring states to provide for offset of state income tax refunds.
- . There must be a move from a passive to an active system.
- . The emphasis needs to be on collections.
- . All employers must be required to provide locate and employment information.

SUMMARY

In the past, federal, state and local governments have not placed enough emphasis on child support enforcement programs. It cannot be overlooked that this lack of emphasis was attributable to the fact that recoupment programs were not compatible with the existing social philosophy. As those times have changed, it may be helpful to refer back to a quote that is well over 100 years old and is still true today.

"If we first knew where we are and whither we are attending,
we would better know what to do and how to do it."

-Abraham Lincoln

It should be the policy of this Administration and Congress that the federal government be actively involved in working with the states to develop more effective and efficient programs. With increased national emphasis, the Child Support Program will get the additional support and recognition so greatly needed at the state and local levels.

Over 13 million children need a system they can depend on. The vast nature of the problem requires attention at the national level. Absent parents cannot be allowed to ignore the most basic obligation -- that of supporting and caring for their children.

NATIONAL COUNCIL OF STATE CHILD SUPPORT ENFORCEMENT ADMINISTRATORS

Purpose

The Council was formed to promote the development of legislation and/or policies which would have a positive effect upon the state and national Child Support Enforcement program. The Council provides a forum for the State Child Support Enforcement Administrators to discuss common problems and solutions associated with program administration. It also provides a structured medium for continuous communication with the Federal agencies as to the views, consensus and professional opinions of state practitioners.

Membership

Membership in this Council is open to each state's Child Support Enforcement Administrator.

Information

For additional information about the Child Support Program in a particular state, please contact that state's program administrator.

For more information about this report, contact one of the Council Officers listed below or the State Administrators within your region as listed on the next page.

Dan R Copeland
Council President
201 E. Ninth Avenue, Suite 202
Anchorage, Alaska 99501
(907) 276-3441

Jerrold H. Brockmyre
Council Vice-President
P.O. Box 30037
Lansing, Michigan 48909
(517) 373-7570

Barry Fredrickson
Secretary/Treasurer
Post Office Box 2960
Austin, Texas 78769
(512) 835-0440

John P. Abbott
Past President
3195 South Main Street
Salt Lake City, Utah
(801) 486-1812

Region I

Connecticut
Maine
Massachusetts
New Hampshire
Rhode Island
Vermont

Contact:
Mr. Anthony DiNallo, Chief
Child Support Division
110 Bartholomew Avenue
Hartford, CT 06115
(203) 566-3053

Region II

New Jersey
New York
Puerto Rico
Virgin Islands

Contact:
Mr. Meldon Kelsey, Director
Office of Child Support Enforcement
40 North Pearl Street
Albany, NY 12243
(518) 474-9081

Region III

Delaware
Maryland
Pennsylvania
Virginia
West Virginia
Washington, D.C.

Contact:
Ms. Sandra Gilmore, Director
Office of Child Support Enforcement
1900 Washington Street, East
Charleston, WV 25305
(304) 348-3780

Region IV

Alabama
Florida
Georgia
Kentucky
Mississippi
North Carolina
South Carolina
Tennessee

Contact:
Ms. Susan Smith, Chief
Child Support Enforcement
443 N. Harrington Street
Raleigh, NC 27603
(919) 733-4120

Region V

Illinois
Indiana
Michigan
Minnesota
Ohio
Wisconsin

Contact:
Mr. Jerrold Brockmyre, Director
Office of Child Support
300 South Capitol Avenue
Suite 621
Lansing, MI 48909
(517) 373-7570

Region VI

Arkansas
Louisiana
New Mexico
Oklahoma
Texas

Contact:
Mr. Barry Fredrickson
Assistant Commissioner
Child Support Enforcement Branch
P.O. Box 2960
Austin, TX 78769
(512) 835-0440

Region VII

Iowa
Kansas
Missouri
Nebraska

Contact
Ms. Betty Hummel, Director
Child Support Enforcement Program
Perry Building - First Floor
2700 West Sixth Street
Topeka, KS 66606
(913) 296-3237

Region VIII

Colorado
Montana
North Dakota
South Dakota
Utah
Wyoming

Contact:
Mr. Ray Linder, Bureau Chief
Child Support Enforcement Bureau
P.O. Box 5955
Helena, MT 59601
(406) 449-4614

Region IX

Arizona
California
Hawaii
Nevada
Guam

Contact:
Mr. John Ahl, Program Administrator
Child Support Enforcement
P.O. Box 6123 - Site Code 966C
Phoenix, AZ
(602) 255-3465

Region X

Alaska
Washington
Oregon
Idaho

Contact:
Mr. Dan Copeland, Director
Child Support Enforcement Division
201 E. Ninth Avenue, Suite 202
Anchorage, AK 99501
(907) 276-3441

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date

REQUEST
 Bill/Resolution No: HB 667
 Title: An act relating to child support enforcement
 Sponsor: Rules Committee
 Requestor: Governor
 Date of Request: _____

FISCAL DETAIL
 Agency Affected: Revenue
 Program Category Affected: Revenue Collection and Management
 BRU, Program of Subprogram(s) Affected: Child Support Enforcement Division

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES	-	-	-	-	-	-
200 TRAVEL	-	-	-	-	-	-
300 CONTRACTUAL	-	-	-	-	-	-
400 SUPPLIES	-	-	-	-	-	-
500 EQUIPMENT	-	-	-	-	-	-
600 LANDS & STRUCTURES	-	-	-	-	-	-
700 GRANTS, CLAIMS	-	-	-	-	-	-
800 MISCELLANEOUS	-	-	-	-	-	-
TOTAL OPERATING	-	-	-	-	-	-
CAPITAL	-	-	-	-	-	-
REVENUE	-	-	-	-	-	-

FUNDING: (Thousands of Dollars)

GENERAL FUND	-	-	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-

POSITIONS:

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

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: See attached.

Prepared By: Dan R Copeland
 Division: Child Support Enforcement

Phone: 276-3441
 Date: 2/3/84

Approved by Commissioner: [Signature]
 Agency: Revenue

Date: 2/19/84

Distribution (by Agency preparing fiscal note):
 Legislative Finance
 Legislative Sponsor
 Requestor
 Office of Management and Budget
 Impacted Agency(ies)

Child Support Enforcement

Analysis:

This bill will enhance the ability of all interested parties to enforce the duty of support upon all non-custodial parents by expanding current collection statutes while also adding new amendments. The changes will expedite some of the enforcement procedures and eliminate parts of the potential delay from unnecessary litigation.

Substantial delays often take place when the non-custodial parent claims that payment has been waived verbally or counter claims dealing with custody, visitation or property rights are presented in delinquency court hearings. This bill will create a situation such that when the Child Support Division makes an appearance in the superior courts, counter claims for custody, visitation or property rights may not be adjudicated, and any waivers of support would be required in writing. In these waiver situations, the court would be required to satisfy itself that the custodial parent could adequately support the needs of the child.

The scientific parentage testing procedures are now developed to a point that they are reliable past any reasonable doubt. This bill would require the courts to accept test results of this nature when proof of parentage was in excess of 95 percent. This presumption of parentage could be rebutted only by clear and convincing evidence.

In many instances the Child Support Division must operate without complete information about the non-custodial parent or face significant delays in obtaining the information. This bill would provide subpoena powers to the Division under strict control through the Commissioner of Revenue. Use of the subpoena powers would require a 45 day delinquency on an existing child support order.

The current statute exemption standards for wage or earning attachments deal with a percentage of gross income or \$100 a week. This causes frequent delays from the employer's payroll department. The bill would change the exemption to 50% of net wages as defined by statute, and this would reduce the time it takes to get the wage collection.

The current Civil Rules of Court require the parties in a child support order to inform the Child Support Division in writing of any change of address and provides for service of process by U.S. mail. This bill simply reduces this to statute language.

The Supreme Court decision *Young vs. Williams* suggested that unpaid child support installments would become judgments in favor of the custodial parent upon delinquency. This bill would provide for this by statute language and allow for collecting these judgments with reduced court intervention. The non-custodial parent's rights to contest in court would be maintained.

This bill would greatly enhance the collection possibilities while reducing certain time and processing requirements. In addition to this improvement, a number of payors will choose to pay rather than fight the issue in court. The combination of this impact would be a more efficient process for handling delinquent support for all of Alaska's children



STATE OF ALASKA
OFFICE OF THE GOVERNOR
ALASKA WOMEN'S COMMISSION
3601 C STREET - SUITE 742
ANCHORAGE, ALASKA 99503



March 23, 1984

Legislator Charlie Bussell
Chair, Judiciary Committee
State Capitol
Pouch V
Juneau, AK 99811

Dear Representative Bussell:

The Alaska Women's Commission strongly supports HB 667 and 668 which deal with Child Support Enforcement. As the legislation points out "the harmful effects of unpaid child support touch not only the poor but reach far beyond to diminish the overall quality of life for all Alaskans." We urge you to take action on these two bills as soon as possible.

Sincerely,

A handwritten signature in cursive script that reads "Kathy Marshall".

Kathy Marshall
Executive Director

KM:ms f