

**State of Alaska
FY2003 Governor's Operating Budget**

**Department of Law
Collections and Support
Component Budget Summary**

Component: Collections and Support

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Component Mission

The mission statement appears at the BRU level.

Component Services Provided

The Collections and Support section consists of two units: the collections unit and the child support unit. The collections unit collects unsecured debts owed to the state. The majority of these debts are criminal judgments (fines, judgments for the cost of appointed counsel, judgments for the cost of incarceration on DWI charges, and court and collection costs in minor offense cases). In addition, the collections unit collects various civil judgments, including attorney fee awards, and civil penalties entered by agencies such as OSHA and APOC. Effective January 1, 2002, the collections unit will begin collecting restitution on behalf of victims in criminal and juvenile delinquency proceedings.

The child support unit represents the Child Support Enforcement Division (CSED) in court, including paternity establishment and disestablishment proceedings, establishment and modification of child support orders, employer non-compliance actions, criminal non-support prosecutions, licensing appeals, and miscellaneous other activities related to enforcement of child support orders. In addition, the unit provides legal support in matters relating to administrative child support enforcement actions, drafts legislation and regulations, and provides general legal advice to CSED.

Component Goals and Strategies

1. Assure that child support orders accurately reflect the non-custodial parent's ability to pay and are in compliance with Alaska's child support guidelines.
2. Aid in the collection of child support by assuring that employers within Alaska comply with administrative withholding orders.
3. Assure that paternity is established for Alaska children born out of wedlock.
4. Protect the interest of custodial parents, children, and the State of Alaska, when a non-custodial parent files for bankruptcy.
5. Collect money owed the state on civil judgments and penalties, criminal fines, public defender costs, and costs of incarceration where allowed by law.
6. Initiate paternity actions and actions to recover child support payments on behalf of children and their custodial parents, and on behalf of the state, where children receive welfare benefits.
7. Enforce compliance by employers with wage-withholding requirements.
8. Improve the quality of the child support enforcement services provided by CSED and the AGO to parents in Alaska and elsewhere.
9. Collect restitution awarded to victims in criminal and juvenile delinquency proceedings in Alaska.

Key Component Issues for FY2002 – 2003

Upgrading the Oracle database to assure more efficient collection of new judgment types and to allow more accurate and complete reporting of collection data.

Adopting and implementing new regulations and procedures for the collection of restitution awarded to victims in criminal and juvenile delinquency proceedings in Alaska.

Assisting CSED in addressing legal issues relating to implementation of the National Medical Support Notice and related federal requirements.

Assisting CSED in drafting and adopting the agency's third phase of child support regulations.

Major Component Accomplishments in 2001

- The collections unit of the Collections & Support Section collected over \$3.9 million in FY 2001. These collections included criminal fines, cost of appointed counsel, cost of imprisonment, and civil judgments owed to the State of Alaska. This was a record amount for the collections unit, surpassing the prior year's collections by more than \$1 million. The increase was due primarily to the increased experience and efficiency of the staff, which allowed the unit to bring all judgment data entry current, and new computer programming, which allowed collection of fines and related court and collection costs in minor offense cases.

- The section resolved and closed more than 1,300 child support files in FY2001. These files included paternity establishment and disestablishment cases, appeals, bankruptcies, motions for the establishment and modification of child support orders, license suspensions, employer noncompliance claims, and miscellaneous enforcement actions and claims against the State of Alaska.

- The section was instrumental in establishing paternity through court proceedings for over 140 children in Alaska and elsewhere. In addition, the section assisted in the exclusion of putative fathers through genetic testing and dismissal of court proceedings in an additional 25 cases. This represents a decrease from the number of paternity cases resolved in FY 2000. Over the past several years, the number of paternity cases has declined as more cases are handled through administrative, rather than judicial, paternity proceedings. However, the section is still actively involved in paternity issues and frequently assists CSED in administrative paternity actions by filing court actions for civil contempt to enforce CSED's administrative genetic testing orders.

- The section completed approximately 450 modifications of Alaska child support orders through court proceedings, thus assuring that these support orders comply with the child support guidelines set forth in Alaska Civil Rule 90.3. This assures that the children receive the proper amount of support to which they are entitled under Alaska law.

- The assistant attorney general assigned to this section by the Criminal Division's Office of Special Prosecutions and Appeals obtained convictions of five individuals for criminal nonsupport and related criminal conduct. Three of these individuals were incarcerated for varying periods of time. Eighteen persons are currently on probation and are being monitored for compliance with their support orders. Petitions to revoke probation were filed against five individuals who failed to make payments as required by the terms of their probation. As a direct result of these prosecutions and monitoring of probation, the delinquent obligors in question paid more than \$78,000 toward their child support obligations in FY 2001, with ongoing monthly payments continuing under court orders.

- The section assisted CSED in its successful effort to obtain critical welfare reform legislation. Members of the section provided legal research on state and federal requirements for the child support program, prepared memoranda addressing specific questions from legislators, organized a substantial amount of information into charts and other materials for use by CSED and legislators, and testified on the various bills relating to welfare reform issues.

- The section assisted CSED in drafting new policies and procedures which (1) provide an administrative process by which a legally presumed father may challenge paternity through genetic testing, and (2) allow CSED to seek

support from the man identified as the child's biological father even though another man is named as the legal father on the child's birth certificate. Implementation of these new policies and procedures have significantly reduced the number of complaints against CSED by obligors who believe they are not the biological father of the children whom they were ordered to support. In addition, the new policies and procedures enable CSED to more quickly identify and obtain support from the child's biological father in cases where the parties agree or provide evidence that the legally presumed father is not the child's biological father.

- The section obtained decisions in several supreme court cases. Among other things, these decisions (1) reaffirmed the court's earlier decision in *Turinsky v. Long*, 910 P.2d 590 (Alaska 1996), which requires that support be based on the custody ordered, not on the custody actually exercised (*Bennett v. Bennett*, 6 P.3d 724 (Alaska 2000)); (2) clarified that the needs of subsequent stepchildren may be raised as a defense to a motion to increase an obligor's child support obligation for prior children (*Schuyler v. Briner*, 13 P.3d 738 (Alaska 2000)); (3) held that an obligor may appeal CSED's denial of a petition for administrative review of a judicial support order (*Allen v. State, Dep't of Revenue, Child Support Enforcement Div.*, 15 P.3d 743 (Alaska 2000)); and (4) denied an obligor's request to retroactively modify his support obligation (*Wright v. Wright*, 22 P.3d 875 (Alaska 2000)).

- The section participated in the continuing development of a body of case law relating to the presumption of paternity, which arises when a man voluntarily acknowledges paternity, or was married to the child's mother. *State, Dep't of Revenue, Child Support Enforcement Div. v. Button*, 7 P.3d 74 (Alaska 2000); *State, Dep't of Revenue, Child Support Enforcement Div. v. Maxwell*, 6 P.3d 733 (Alaska 2000); *Atcherian v. State, Dep't of Revenue, Child Support Enforcement Div.*, 14 P.3d 970 (Alaska 2000). In each of these cases, the Court determined that a legally presumed father (based either on the father's marriage to the mother or the father's voluntary acknowledgment of paternity) had the right to challenge paternity in the context of an administrative action to establish a support order against him. These decisions led to the development of the policies and procedures discussed in paragraph 7, above.

Statutory and Regulatory Authority

AS 25.27.050, AS 44.23.020

Collections and Support
Component Financial Summary

All dollars in thousands

	FY2001 Actuals	FY2002 Authorized	FY2003 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	1,324.4	1,383.0	1,491.5
72000 Travel	11.7	23.6	23.6
73000 Contractual	327.1	413.3	464.5
74000 Supplies	25.2	35.8	36.0
75000 Equipment	26.6	6.5	6.5
76000 Land/Buildings	0.0	0.0	0.0
77000 Grants, Claims	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	1,715.0	1,862.2	2,022.1
Funding Sources:			
1004 General Fund Receipts	0.0	228.2	342.0
1005 General Fund/Program Receipts	341.7	291.7	305.6
1007 Inter-Agency Receipts	1,366.4	1,342.3	1,374.5
1053 Investment Loss Trust Fund	6.9	0.0	0.0
Funding Totals	1,715.0	1,862.2	2,022.1

Estimated Revenue Collections

Description	Master Revenue Account	FY2001 Actuals	FY2002 Authorized	FY2002 Cash Estimate	FY2003 Governor	FY2004 Forecast
Unrestricted Revenues						
Unrestricted Fund	68515	2.6	0.0	0.0	0.0	0.0
Unrestricted Total		2.6	0.0	0.0	0.0	0.0
Restricted Revenues						
Interagency Receipts	51015	1,366.4	1,342.3	1,342.3	1,366.1	1,366.1
General Fund Program Receipts	51060	341.7	291.7	291.7	305.6	305.6
Investment Loss Trust Fund	51393	6.9	0.0	0.0	0.0	0.0
Unrestricted Fund	68515	3,193.8	0.0	2,500.0	0.0	2,500.0
Restricted Total		4,908.8	1,634.0	4,134.0	1,671.7	4,171.7
Total Estimated Revenues		4,911.4	1,634.0	4,134.0	1,671.7	4,171.7

Collections and Support

Proposed Changes in Levels of Service for FY2003

Victim Restitution

Effective January 1, 2002, the collections unit will begin tracking and collecting court judgments ordering the payment of restitution to crime victims. Currently, the Unit collects criminal fines and related costs and certain civil judgments and administrative penalties. The primary means of collecting these judgments is through annual automated attachment of permanent fund dividends. For civil judgments, additional collection actions may be taken, including attachment of bank accounts, garnishment of wages, and judgment debtor exams. With only a few exceptions, all money collected by the Unit is paid to the general fund. Thus, the Unit does not currently track individual payees.

The same collection approach will be applied to the victim restitution judgments, except that the unit will pay the amounts collected to the victims, rather than simply depositing collections into the general fund. The collections unit hopes to hire three new staff members to handle the restitution collection work. In addition, the unit is currently working on the development of a new computer database that will allow more efficient tracking of restitution judgments, automatic attachment of permanent fund dividends for payment of those judgments, and more detailed reporting of collections and balances owed on those judgments.

Funds available for the victim restitution effort were provided through a fiscal note attached to the legislation and passed by the legislature in Ch. 92, SLA 2001, (SB 105). In the FY 2002 Governor's Amended Budget, the department had requested total funding of \$306,500; the legislature reduced that request to \$200,000 during passage. It is anticipated that the effect the new victim restitution work will have on the collections unit will necessitate additional funding. An increment of \$106,500 in general funds is requested in the FY 2003 Governor's Budget in order fully fund the requirements under the new victim's rights law.

Summary of Component Budget Changes

From FY2002 Authorized to FY2003 Governor

All dollars in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2002 Authorized	519.9	0.0	1,342.3	1,862.2
Adjustments which will continue current level of service:				
-Year 3 Labor Costs - Net Change from FY2002	8.5	0.0	23.8	32.3
Proposed budget increases:				
-Legal Secretary Reclassification	8.4	0.0	8.4	16.8
-Victim Restitution Program - Fully Fund Fiscal Note	106.5	0.0	0.0	106.5
-.08 Blood Alcohol/Felony DWI - Annualize Fiscal Note Funding	4.3	0.0	0.0	4.3
FY2003 Governor	647.6	0.0	1,374.5	2,022.1

Collections and Support

Personal Services Information

	Authorized Positions		Personal Services Costs	
	<u>FY2002</u> <u>Authorized</u>	<u>FY2003</u> <u>Governor</u>		
Full-time	23	22	Annual Salaries	1,149,915
Part-time	1	1	COLA	34,316
Nonpermanent	0	0	Premium Pay	0
			Annual Benefits	354,816
			<i>Less 3.09% Vacancy Factor</i>	<i>(47,500)</i>
			Lump Sum Premium Pay	0
Totals	24	23	Total Personal Services	1,491,547

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Administrative Clerk II	3	0	0	0	3
Administrative Clerk III	2	0	0	0	2
Assoc Attorney I	1	0	0	0	1
Assoc Attorney II	1	0	0	0	1
Associate Atty II	1	0	0	0	1
Attorney III	2	0	1	0	3
Attorney IV	3	1	0	0	4
Attorney V	1	0	0	0	1
Law Office Assistant I	3	0	0	0	3
Law Office Assistant II	1	0	0	0	1
Paralegal II	1	0	0	0	1
Paralegal II	1	1	0	0	2
Totals	20	2	1	0	23