

**State of Alaska
FY2004 Governor's Operating Budget**

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

Component: Collections and Support

Contact: Diane Wendlandt, Assistant Attorney General

Tel: (907) 269-5100 **Fax:** (907) 278-3458 **E-mail:** diane_wendlandt@law.state.ak.us

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 expanded its work to include the collection of 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 when children have received 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 FY2003 – 2004

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 for the collection of restitution awarded to victims in criminal and juvenile delinquency proceedings in Alaska.

Assisting CSED in addressing legal issues relating to compliance with federal requirements, including providing assistance in obtaining legislation relating to the collection of social security numbers and electronic matching of data with financial institutions.

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

Assisting CSED in addressing and litigating issues relating to the recognition of tribal child support orders pursuant to the Alaska Supreme Court's decision in *John v. Baker*.

Major Component Accomplishments in 2002

- The collections unit of the Collections & Support Section collected over \$3.5 million in FY 2002. These collections included criminal fines, cost of appointed counsel, cost of imprisonment, civil judgments owed to the State of Alaska, and victim restitution.
- In close coordination with several other agencies and the court system, the collections unit prepared detailed policies and procedures, as well as a complete set of forms, to implement the recent legislation authorizing the unit to collect restitution on behalf of victims of crimes and delinquent acts. As of January 1, 2002, the unit began collecting and disbursing restitution on behalf of victims. During the first six months of the program (1/1/02 – 6/30/02), the unit opened collection cases for approximately 650 victims and collected and disbursed to these victims over \$100,000 in voluntary payments. The unit expects to begin involuntary collection actions in these cases, including attachment of permanent fund dividends, bank accounts, and wages, in FY 2003.
- The section resolved and closed more than 1,400 child support files in FY 2002. 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 130 children in Alaska and elsewhere. The section assisted in the exclusion of putative fathers through genetic testing and dismissal of court proceedings in an additional 40 cases.
- The section also assisted CSED with administrative paternity proceedings, primarily by filing judicial proceedings for civil contempt to obtain compliance with administrative genetic testing orders. During FY 2002, the section obtained compliance with administrative genetic testing orders in more than 100 cases.
- The section completed approximately 550 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 received 15 referrals for prosecutions of criminal nonsupport and related criminal conduct in FY 2002. After full investigations, criminal charges were filed in five cases. Convictions were obtained in all five. Jail time was imposed in three cases, although one sentence was stayed pending an appeal. During FY 2002, a significant amount of the prosecutor's time was spent on motion and appellate work, including responding to briefs filed by defendants in the state appellate courts and in the federal Court of Appeals for the Ninth Circuit. Eighteen persons are currently on probation and are being monitored for compliance with their support orders. As a direct result of these prosecutions and monitoring of probation, the delinquent obligors in question paid more than \$121,000 toward their child support obligations in FY 2002, with ongoing monthly payments continuing under court orders.

- The section assisted CSED in drafting new regulations and amending existing regulations to address a variety of subjects. Among other things, the new regulations implement new federal requirements for enforcing medical support orders, provide a method for calculating the genetic testing costs for which a parent may be liable in paternity cases, allow parents to request an administrative review of their support order at any time, provide rules for recording and releasing child support liens, and establish an administrative procedure for determining the controlling order in cases where more than one state has issued a support order for a particular child.
- The section worked closely with CSED to revise the agency's policy and procedures on the disclosure of information from CSED's files. This included legal research with respect to statutory and common law requirements for confidentiality and privacy, particularly in the context of domestic violence, as well as the countervailing requirements of state public records requirements.
- The section actively participated in a joint effort by CSED, DFYS, the court system, and the Department of Law to establish a procedure for referring child support and paternity issues to CSED in Child in Need of Aid cases and juvenile delinquency proceedings. By assuring that paternity and support are addressed promptly in such cases, DFYS and the courts can be assured that a child's parents are properly identified and that parents receive prompt notice of their support obligation. Immediate attention to these issues will prevent the problems that have arisen in the past when parents were faced with large arrearages when a support order was issued in the proceeding years after the fact.

Statutory and Regulatory Authority

AS 25.27.050, AS 44.23.020

Collections and Support
Component Financial Summary

All dollars in thousands

	FY2002 Actuals	FY2003 Authorized	FY2004 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	1,288.3	1,417.3	1,430.5
72000 Travel	7.3	23.6	23.6
73000 Contractual	251.1	413.3	413.3
74000 Supplies	15.8	35.8	35.8
75000 Equipment	17.1	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	1,579.6	1,896.5	1,909.7
Funding Sources:			
1004 General Fund Receipts	17.9	231.2	232.1
1005 General Fund/Program Receipts	291.7	290.8	292.1
1007 Inter-Agency Receipts	1,270.0	1,374.5	1,385.5
Funding Totals	1,579.6	1,896.5	1,909.7

Collections and Support

Proposed Changes in Levels of Service for FY2004

Victim Restitution

Effective January 1, 2002, the collections unit began tracking and collecting court judgments ordering the payment of restitution to crime victims. The collections unit hired two new staff members to handle the restitution collection work state-wide. 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. Based on the level of work generated over the first six months of the program, it is clear that additional funding is needed to adequately handle the new victim restitution work.

Summary of Component Budget Changes

From FY2003 Authorized to FY2004 Governor

All dollars in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2003 Authorized	522.0	0.0	1,374.5	1,896.5
Adjustments which will continue current level of service:				
-Annualize FY2003 COLA Increase for GG/GP/SS Bargaining Units	0.0	0.0	3.6	3.6
-\$75 per Month Health Insurance Increase for Non-covered Staff	2.2	0.0	7.4	9.6
FY2004 Governor	524.2	0.0	1,385.5	1,909.7

Collections and Support

Personal Services Information

	Authorized Positions		Personal Services Costs	
	<u>FY2003</u> <u>Authorized</u>	<u>FY2004</u> <u>Governor</u>		
Full-time	22	21	Annual Salaries	1,102,552
Part-time	1	0	Premium Pay	0
Nonpermanent	0	0	Annual Benefits	361,828
			<i>Less 2.31% Vacancy Factor</i>	(33,880)
			Lump Sum Premium Pay	0
Totals	23	21	Total Personal Services	1,430,500

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Administrative Clerk II	1	0	0	0	1
Administrative Clerk III	3	0	0	0	3
Assoc Attorney I	2	0	0	0	2
Assoc Attorney 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	2	0	0	0	2
Law Office Assistant II	1	0	0	0	1
Paralegal II	2	1	0	0	3
Totals	18	2	1	0	21