

Approved: February 21, 1997  
Date

MINUTES OF THE SENATE COMMITTEE ON JUDICIARY.

The meeting was called to order by Vice Chairperson Keith Schraad at 10:06 a.m. on February 7, 1997 in Room 519-S of the Capitol.

All members were present except: Senator Harris (excused)  
Senator Oleen (excused)  
Senator Steffes (excused)  
Senator Feleciano (excused)

Committee staff present: Mike Heim, Legislative Research Department  
Jerry Donaldson, Legislative Research Department  
Gordon Self, Revisor of Statutes  
Mary Blair, Committee Secretary

Conferees appearing before the committee: Rochelle Chronister, Secretary of SRS  
Jamie Corkhill, Attorney, SRS

Others attending: See attached list

Minutes of the February 6 meeting were approved on a motion by Senator Bond and seconded by Senator Harrington.

**SB 140 - Enforcement of child support, uniform interstate family support act**

Conferee Chronister, speaking as a proponent of **SB 140**, informed the committee that since the enactment of the federal welfare reform law on August 22, 1996, a number of new mandates for the Title IV-D Child Support Enforcement Program were established. She stated that **SB 140** is SRS' proposal for meeting requirements that are due before the 1998 legislative session and cited examples such as a New Hires Directory and using administrative procedures to perform routine tasks. (Attachment 1)

Conferee Corkhill, also a proponent of **SB 140**, gave an overview of the Child Support Enforcement (CSE) Program after providing committee members with a CSE Bill - "Road Map". She covered the fiscal impact of SRS's compliance with federal laws, the function and practical application of the New Hires Directory as well as other additions to the law, (Attachment 2) including technical changes. (Attachment 3)  
Written testimony on the background of CSE was provided by SRS. (Attachment 4)

Following discussion, the vice-chair closed the hearing on **SB 140**. No action was taken at this time.

Meeting adjourned at 10:35 a.m. The next scheduled meeting is Tuesday, February 11, 1997.



S. J. 2/7 2/7 1

Department of Social and Rehabilitation Services  
Rochelle Chronister, Secretary

*SRS Mission:  
To provide services to Kansans in need that contribute to their safety  
and promote dignity, independence, and responsibility.*

**Before the Senate Committee on Judiciary**  
February 7, 1997  
**Senate Bill 140: Child Support Enforcement**

Mr. Chairman and members of the committee, thank you for providing me this opportunity to speak today concerning the SRS Child Support Enforcement Program.

On August 22, 1996, the federal welfare reform law was enacted, establishing a number of new mandates for the Title IV-D Child Support Enforcement Program. Senate Bill 140 is SRS' proposal for meeting requirements that are due before the 1998 legislative session. Jamie Corkhill, a senior attorney with the CSE program, is with me today to provide information about these mandates and the corresponding provisions in the bill.

All too often we see federal mandates that do not fit well with our vision for the future, but in this instance many of the elements of Senate Bill 140 are ideas we have proposed or supported in the past. They are good, solid ways to improve our child support services in Kansas. For example:

- A New Hires Directory will effectively prevent children from being financial casualties of their parents' job changes.
- Using administrative procedures to perform routine tasks, such as income withholding, will reduce pressure on limited judicial resources, make more cost-effective use of CSE resources, and allow faster average service delivery through eliminating bottle necks and volume processing.
- Administrative seizure of cash assets will allow the CSE Program to take full advantage of IRS 1099 information without violating the Internal Revenue Service's strict rules on nondisclosure.

Some ideas are new to us, but we recognize their value. For example, we have learned from other states that liens on judgments and settlements are an excellent method of insuring that children share fairly in such resources.

Child Support Enforcement is a critical component of welfare reform. It will be an important safety net for families trying to become independent of public assistance, particularly as lifetime eligibility limits come into play in a few short years. Acting now, proactively, to strengthen child support services, is the best way we can be sure that the safety net will be there for families needing reliable child support income.

Welfare reform brings us face to face with new concepts and challenges, but it also provides us new ways to serve the children and families of our state. I encourage you to support Senate Bill 140 on their behalf.

Rochelle Chronister, Secretary

*Senate Judiciary  
Attachment 1*

*2-7-97*

55 and 2/7 Oct 20  
*Sen. Judiciary*  
*Attachment 2*  
 2-7-97

Bill No.	KS Stat.; PRWORA S	Area	Topic
1	[new]; 313	New Hires Reporting	Creation, function of directory
2	[new]; 331	Paternity	KDHE providing "paternity svcs"
3	[new]; 369	License sanctions (drivers, professional)	If an outstanding subpoena or warrant (added to existing nonpaym't grounds)
4	[new]; 325(c) (1)(D)(ii); (2)	Access to information; private records	Individuals in case registry; employers; pub.utilit. & cable; fin.inst'n; immun.; part of Art7, Ch39
5	[new]; 372	Financial Institutions	Agreements for data matches
6	[new]; 317	License applicat'ns	Occupational, professional, & marriage licenses; record SSN
7	[new]; 351	Modification of current support in IV-D cases	When ct. must presume change of circumstances (3-yr cycle of review)

Bill No.	KS Stat., PRWORA S	Area	Topic
8	[new]; 325	Administrative Procedures: General	Severability; sovereign immunity; KSA placement
9	[new]; 325 & 314	Admin Proc: General	Definitions
10	[new]; 325	Admin Proc: General	Subject matter jurisdiction; powers of sec'y of SRS; authorized agents
11	[new]; 325	Admin Proc: General	Jurisdiction over persons; service
12	[new];325	Admin Proc: General	Option to waive rights
13	[new]; 325	Admin Proc: General	Admin. orders; corrections
14	[new]; 325	Admin Proc: General	Jud. Enforcement; 2 yr limit on some
15	[new];325	Admin Proc: General	Request for Fair Hearing; specifics
16	[new];325 (c)(1)(B)	AdP - Subpoena	When; compliance options; interstate

2-2

Bill No.	KS Stat.; PRWORA §	Area	Topic
17	[new]; 325 (c)(1)(A) & 331	AdP - Genetic testing	Ordering tests; when mandatory; exceptions; relief from judgment; results
18	[new]; 325(c) (1)(H)	AdP - Order for Minimum Payments	Order for minimum payments to reduce arrears owed
19	[new]; 325(c) (1)(F)	AdP - Income Withholding Order	Initiating Admin. Inc. Withholding; notice to court
20	[new]; 325(c) (1)(F)	AdP - Admin. Income Withholding	Modification; termination; notice to court
21	[new]; 325 (c)(1)(F)	AdP - Admin. Income Withholding	Stay of AIWO; fair hearing
22	[new]; 325(c) (1)(G) (ii) & (iii)	AdP - Levy on cash assets	When; effect (attachment); notices; order to disburse; agrmnts

25-3

Bill No.	KS Stat., PRWORA S	Area	Topic
23	[new]; 325(c) (1)(E)	AdP - Order to Change payee	Supp. to Notice of Assignment; limits & enf. of other states' orders
24	[new]; 325(c)(1) (G)(iv) & 368	AdP - Order of execution	When; x-ref to writ of execution
25	23-4,101 371	International	Int'l reciprocity
26	23-4,106 314	Inc. W'holding	Definitions
27	23-4,107 324 & 325	Inc. W'holding	Order; when; service; notice
28	23-4,108 314	Inc. W'holding	Payor duties
29	23-4,109 321	Inc. W'holding	Priority; multiple IWO's
30	23-4,110 325	Inc. W'holding	Motion to stay
31	23-4,111 325	Inc. W'holding	Modification of IWO

2-4

2-4

Bill No.	KS Stat.; PRWORA S	Area	Topic
32	23-4,129 325	Interstate Inc. W'holding Act	Registration <i>or</i> Admin. initiation
33	23-4,133 325	Interstate IWA	X-ref to IWAct
34	23-4,146 325(c) (1)(G) & 368	Liens - personal property	Liens by operation of law; judmts & settlmts, workers compensation
35	23-9,101  §321 (for all UIFSA changes)	UIFSA (Uniform Interstate Family Support Act)	Definitions
36	23-9,202	UIFSA	[technical change]
37	23-9,205	UIFSA	Jurisdiction
38	23-9,206	UIFSA	[technical change]
39	23-9,207	UIFSA	Jurisdiction
40	23-9,301	UIFSA	[technical change]
41	23-9,304	UIFSA	Documentation
42	23-9,305	UIFSA	Responding state
43	23-9,306	UIFSA	Inapprop. tribunal

2-5

2-5



Bill No.	KS Stat., PRWORA S	Area	Topic
44	23-9,307	UIFSA	Supp. enf. agency
45	23-9,311	UIFSA	[technical change]
46	23-9,313	UIFSA	[technical change]
47	23-9,401	UIFSA	[technical change]
48	23-9,501	UIFSA	Direct inc. w'hold.
49	[new]	UIFSA	Direct inc. w'hold.
50	[new]	UIFSA	Direct inc. w'hold
51	[new]	UIFSA	Direct inc. w'hold.
52	[new]	UIFSA	Direct inc. w'hold.
53	[new]	UIFSA	Direct inc. w'hold.
54	23-9,605	UIFSA	Registration
55	23-9,606	UIFSA	[technical change]
56	23-9,607	UIFSA	[technical change]
57	23-9,609	UIFSA	[technical change]
58	23-9,610	UIFSA	[technical change]
59	23-9,611	UIFSA	Modification
60	[new]	UIFSA	Change of jurisdiction

7-6

Bill No.	KS Stat.; PRWORA S	Area	Topic
61	[new]	UIFSA	Modification
62	23-9,801	UIFSA	[technical change]
63	23-9,902	UIFSA	Short title
64	32-930 369	Recreational license sanctions	Lifetime licenses; not issued if IV-D arrears or warrant/ subpoena; release
65	38-1113 331	Parentage	How estab'd; unrevoked vol ack
66	38-1115 331	Parentage	Action; revocation (60 days; proof)
67	38-1119	Parentage	Evidence; test experts; bills
68	38-1131	Parentage	Correct "blood test" reference; temporary support
69	38-1137	Parentage	Voluntary acknowledgement programs

2-1

2-1

Bill No.	KS Stat.; PRWORA S	Area	Topic
70	38-1138	Parentage	Acknowledgment forms; disclosures (1 yr; minors; 60 days); oral disclos.
71	39-702	SRS	Definitions - add "Title IV-D"
72	39-753	CSE	CSE program; "state case registry"
73	39-758 325 & 315	Locating parents	Gov't agency cooperation; access to law enforcmt & revenue records
74	39-759 303	CSE	Unauthorized disclosure; safeguarding info
75	44-514 314	Workers Compensation	Benefits; income w'holding & liens
76	60-2202 368	Liens on real property	Add interstate liens; perfected by filing

2-8

2-8

Bill No.	KS Stat., PRWORA S	Area	Topic
77	60-2401 325(c) (1)(G)(iv)	Order of execution	Auth'ze SRS to issue execution to sheriff, copy to court file; steps then follow normal execution & sale
78	74-146 369	Licensing bodies	Add sanctions for subpoena or warrant
79	74-147 369	Licensing bodies	Notice; actions upon receiving notice; release
80	75-3306 325(c)(1)	SRS Fair Hearings	Access to admin. hearings in CSE matters
81	79-3234 325(c)(1) (D)(i)(II)	Revenue Dept.	IV-D access to records
82	n/a	Sections repealed	
83	n/a	Date effective	Statute book

JLC: Legis 97 Bill draft SM-KEY23.017

2-9

*Senate Judiciary  
Attachment 3  
2-7-97*

29 New Sec. 23. (a) Nothing in this section shall be construed to prevent  
30 the secretary from redirecting support payments by filing a notice of as-  
31 signment pursuant to K.S.A. 39-754 and amendments thereto, or to re-  
32 quire the secretary to issue an order to change payee in lieu of filing such  
33 a notice of assignment.

34 (b) If a support order has been entered in any IV-D case, the sec-  
35 retary may issue an order to change the payee. The order may be directed  
36 to the clerk of court or any other payer under the support order and shall  
37 require payments to be made and disbursed as provided in the order to  
38 change payee until further notice. The secretary shall serve notice of the  
39 order to change payee on the responsible parent and the custodial parent  
40 and, if the previous payee is a real party in interest, upon the previous  
41 payee.

42 (c) If an order to change payee is directed to any payer other than  
43 the clerk of court, a copy shall also be filed with the tribunal that issued

1 the support order.

2 (d) If the underlying support order was entered or has been regis-  
3 tered in this state, no order to change payee issued by any IV-D agency  
4 shall be effective to require any payer, other than a clerk of court, to send  
5 payments to any location other than to the clerk of court where the sup-  
6 port order was entered or registered, a location specified in the support  
7 order or a location specified by court rule ~~or statute~~. If the clerk of court  
8 receives an order to change payee from anyone other than the secretary  
9 and a notice of assignment pursuant to K.S.A. 39-754 and amendments  
10 thereto or a conflicting order to change payee is still in effect, the clerk  
11 of court ~~shall~~ request review of the order to change payee pursuant to  
12 section 15 and amendments thereto.

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*may*

13 (e) If the underlying support order was not entered and has not been  
14 registered in this state, any person whose interest may be prejudiced by  
15 the order to change payee may request review pursuant to section 15 and  
16 amendments thereto.

17 (f) An order to change payee issued by a IV-D agency in another state  
18 shall have the same force and effect in this state, and be subject to the  
19 same limitations, as an order to change payee issued by the secretary  
20 under this section. Upon request of a IV-D agency in another state, the  
21 secretary may enforce such an order to change payee as though it had  
22 been issued by the secretary of social and rehabilitation services. By serv-  
23 ing an order to change payee related to a support order entered in this  
24 state, such IV-D agency shall be deemed to have consented to the juris-  
25 diction of this state to determine how payments will be directed to main-  
26 tain accurate payment records and rapid disbursement of support collec-  
27 tions.

28 (g) As used in this section, "clerk of court" includes any district court  
29 trustee generally designated to process support payments and includes  
30 any disbursement unit or entity that may be established by court rule ~~or~~  
31 ~~statute~~ to process support payments.

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Department of Social and Rehabilitation Services  
Child Support Enforcement Program

**Background**

Title IV-D of the social security act, creating the Child Support Enforcement Program, was enacted by the Congress in 1975 to counteract the ballooning cost of public assistance for children not being support by both parents and to decrease the risk of children living in poverty. Each state must operate a statewide child support program to reduce tax expenditures for cash, food stamps, foster care, and medical assistance; to help families become independent of public assistance; to return responsibility for supporting children to parents whenever possible; and to improve the economic security of children.

The enactment of federal welfare reform legislation will bring many changes to the CSE Program in future years. The most prominent program features are creation of state and federal New Hires Directories, new administrative tools for locating parents and enforcing orders, and establishment of statewide support payment centers for processing collections.

The Department of Social and Rehabilitation Services is the designated Title IV-D (CSE) agency for the State of Kansas. CSE services are provided by 449 full and part-time SRS staff and through contracts with a variety of government and private entities, including a county attorney, several district court trustees, private collection agencies, private law firms, credit bureaus, process servers, and a genetic testing laboratory.

The Kansas CSE Program must satisfy numerous, specific federal requirements concerning all phases of operation. Failure to meet federal CSE requirements can result in fiscal sanctions to the State's federally funded assistance programs and to the CSE program. CSE must provide a full range of services, from establishment of paternity and support orders through modification and enforcement, in two types of cases:

- ◆ Public Assistance (PA) – When a child's custodian applies for public assistance, the child support rights are assigned to the State. If CSE collects support in certain federally funded cases (AFDC is the major category), it is used to reimburse the State and federal governments for the assistance provided to the child's family. Any support collections beyond the claim for reimbursement are passed on to the family. In other types of assistance cases, CSE participation may be mandatory (child care and, soon, food stamps) or voluntary, but the child support goes to the family to increase their household income and reduce dependence on public assistance.
- ◆ Non-Public Assistance (Non-PA) – Federal law requires CSE to provide the same support enforcement services to anyone, regardless of income, who applies for CSE's services. The idea is to prevent the family's need for public assistance by ensuring reliable support payments, and to provide equal treatment under the law for all children. It is important to note that approximately 60% of Non-PA cases have received AFDC in the past.

The current CSE caseload consists of approximately 141,000 PA and Non-PA cases serving roughly a

quæ million Kansans. Over the last ten years, collections have increased 595% to \$113,000,000 in FY96 from \$19,000,000 in FY86.

By operating a program in compliance with federal requirements, Kansas qualifies for three types of federal IV-D funding:

- Kansas retains 41% of support collections applied toward reimbursement of federally-funded public assistance. The federal government receives the remaining 59%;
- Kansas receives 66% federal financial participation (FFP) of allowable administrative costs of the IV-D program; and
- Kansas earns an incentive of about 6%, each, for PA and Non-PA collections. The Non-PA incentive is limited to 115% of the PA incentive.

In addition, a cost recovery fee of 2% is charged on collections in cases which have no current public assistance eligibility (cash, medical, food stamps, or day care). This fee is split with the federal government as program income. By effectively using these funding mechanisms, CSE has always been a cost-effective, revenue-producing program for the State of Kansas.

Another fiscal benefit results from closure of AFDC cases when IV-D support collections exceed the AFDC grant. CSE's services automatically continue to enhance the family's ability to remain independent of AFDC, and the State benefits from this AFDC cost avoidance. IV-D collection efforts in FY96 resulted in the closure of 5,144 AFDC cases.

The CSE program also establishes and enforces thousands of medical support (health insurance) orders each year – 4,580 were established in FY96 alone. Using the SRS automated system, CSE shares this health insurance information with the Medicaid fiscal agent. This, in turn, allows the child's medical care to be billed to the responsible insurers rather than paid by the State.

Paternity establishment also plays a vital role in the overall agency mission by reducing public assistance and allowing recovery of state-paid birth expenses. Paternity establishment and educational outreach also positively affect the teen pregnancy problem by highlighting parental responsibility. A significant number of children benefit each year from having their parentage clearly established, opening the avenue to both cash and medical support. They also gain access to complete family medical information as well as potential inheritance and other rights. In FY96, CSE established paternity for over 11,363 children.

Initiatives currently being pursued by the CSE Program include:

- Enhanced computerization - completion of a major project (KESSEP) to enhance the existing KAECSES system and meet federal certification requirements (Family Support Act of 1988);
- In-hospital paternity establishment - expansion of early intervention and education efforts at the prenatal stage to encourage voluntary paternity acknowledgment at the time of birth;
- Privatization - use of private resources to perform appropriate functions whenever efficiency or effectiveness can be enhanced; and
- Expanded public assistance referrals - extension of CSE services to families receiving child care or food stamp assistance.