

MINUTES OF THE HOUSE JUDICIARY COMMITTEE

The meeting was called to order by Chairperson Michael O'Neal at 3:30 p.m. on January 29, 2001 in Room 313-S of the Capitol.

All members were present except:

Representative Kathe Lloyd - Excused

Committee staff present:

Jerry Ann Donaldson, Legislative Research Department
Jennifer Strait, Intern for Legislative Research Department
Jill Wolters, Revisor of Statutes Office
Cindy O'Neal, Committee Secretary

Conferees appearing before the committee:

Kathy Porter, Office of Judicial Administration
Marilyn Jacobson, Attorney Department of Social & Rehabilitation Services

The hearings on the Kansas Payment Center were continued with Kathy Porter, Office of Judicial Administration, appearing on behalf of Howard Schwartz. (Attachment 1)

The Kansas Supreme Court issued Administrative Order No. 154 with authorized support payments to be made to the Kansas Payment Center (KPC) for a period of one year. Thereafter, it would require legislation to continue that Order. The KPC collects and disburses payments to the custodial parents while the courts are the enforcement measure.

Mrs. Porter commented that it is understandable that custodial parents are upset when they were use to receiving their payments on time and no longer do. They were use to having direct contact with the trustees who could help them with any problems they might have. Now they have to contact the KPC and are place on hold and have trouble getting closure on their problems. Lately KPC has been in constant contact with the trustees to help solve the problems and close suspense files.

Marilyn Jacobson, Attorney Department of Social & Rehabilitation Services, was asked about the \$144 thousand in fines that have been assessed but not collected. Ms. Jacobson responded that SRS is considering spending the money on enhancements for Tier Technology (TT) so the payment center can run smoothly.

Committee members were still concerned about the turn-around time for checks. Ms. Jacobson reassured the members that the only time a check wouldn't be turned around with in the 48 hour mandated time would be if the check was placed in a suspense file, i.e. one that was missing information. She also informed us that employers could take up to seven days to make payment on child support cases.

Other members were concerned about the amount of interest that TT had received. Ms. Jacobson stated that TT ensures her that by the time all bank fees are paid they only make \$2,000 off of the interest. However, she stated that the Treasurer's office estimated that there would be \$50 thousand per year in interest that could be made. The Committee requested TT provide SRS & the Committee with copies of their bank statements.

Chairman O'Neal made the motion to have a committee bill which would set up a State Disbursement Advisory Commission with would have oversight of the KPC. Representative Loyd seconded the motion. The motion carried.

Ms. Jacobson stated that the Federal mandate required that only payroll withholding and Title IV-D cases any other type of child support payments didn't need to go through the payment center.

Kathy Porter reported that currently there are 54.4% are Title IV-D cases and 45% are non Title IV-D.

Committee minutes from January 10, 16, 17, 22, & 23 were distributed.

The committee meeting adjourned at 4:45 p.m. The next meeting was scheduled for January 30, 2001.



State of Kansas
Office of Judicial Administration

Kansas Judicial Center
301 SW 10th
Topeka, Kansas 66612-1507

(785) 296-2256

Testimony to the Joint Meeting of the Senate and House Judiciary Committees

January 22, 2001

Dr. Howard Schwartz, Judicial Administrator

The Office of Judicial Administration (OJA) has worked closely with the Kansas Department of Social and Rehabilitation Services (SRS) in the development and implementation of the Kansas Payment Center (KPC). Prior to implementation of the KPC, support-related payments were made to the local office of the clerk of the district court or the local court trustee. Cooperation between Tier Technologies (the vendor operating the KPC), SRS, and OJA was necessary to make the transition from the local systems to the centralized system as successful as possible.

SRS introduced Senate Bill 530 to the 2000 legislature. This bill would have, in part, redirected support payments to the KPC. SB 530 died in committee, therefore, SRS sought and was successful in achieving proviso language in its appropriation bill which authorized the Kansas Supreme Court to issue an administrative order directing child support payments to be made to the KPC instead of to the district courts.

SRS was faced with the federal requirement to begin operation immediately or to face substantial federal monetary penalties. In September 2000, Secretary Schalansky contacted Chief Justice McFarland, stating SRS believed the KPC was ready to begin operation, and requested the Kansas Supreme Court to issue the administrative order authorized by the legislature. With that assurance, the Supreme Court issued Administrative Order No. 154, which directs that support payments be made to the KPC. Administrative Order No. 154 is effective only through June 30, 2001, therefore continued operation of the KPC will require legislation this year.

Following is more information concerning the Judicial Branch's role in development and implementation of the KPC.

One of the major tasks in preparation for KPC operations was the transfer of court order data from each of the 110 Kansas district court locations to the KPC database. Also important was training of court staff on the requirements of the new system, as well as providing informational outreach to attorneys and members of the public as to the upcoming implementation of the KPC. These efforts intensified as the late September 2000 implementation drew near, and OJA staff held trainings with district court staff, provided information to the Kansas Bar Association and presented to a few local bar associations, as well as sending an informational letter to all Kansas legislators containing phone numbers and website reference information.

For your information, the KPC toll-free telephone number is (877) 572-5722, and the KPC public access website is www.kspaycenter.com. The public website offers helpful information about the KPC for payors, payees, and employers. Payors and payees can access pay histories for their cases by entering the county and case number for their court order.

Upon KPC implementation, the courts' involvement in child support processing did not end. Although the KPC sent redirect notices to support payors, many payments continue to be made by mail and over the counter at local district court locations. The courts do not turn away these payments, but log and forward them to the KPC each day. These payors have received additional notices from both the courts and the KPC, instructing them to redirect these support payments to the KPC.

The courts also regularly update the KPC database by entering new and modified support order information. The majority of the court locations enter this data through a secure website, while Shawnee, Johnson, and Douglas Counties send the data to the KPC through a daily electronic data file extract.

The KPC merely receipts and disburses payments, it provides no services for enforcement of support obligations. Across the state, payees needing assistance collecting child support may use SRS enforcement services or may hire a private attorney. In addition, district court enforcement of support orders is conducted by court trustees in the 17 of our 31 judicial districts where the district has elected to contract with a trustee to provide those enforcement services.

OJA has a staff member who maintains an office at the KPC to serve as a liaison between court staff and the KPC. She and other OJA staff have worked with Tier and SRS to establish procedures to streamline the flow of data between the courts and KPC, and to address additional issues as they have arisen.

OJA staff participates three times a week with Tier and SRS on a conference call in which technical and operational issues are discussed and tracked. Additional meetings are scheduled as necessary with district court staff and appropriate Tier, SRS, and OJA personnel.

Several items which affect court operations are currently under review. Some of the most important include the following:

- KPC Staffing. At implementation, the KPC appeared to underestimate the number of payment processing and customer service employees needed. Since that time, a number of employees have been added. An adequate number of payment processors, customer service representatives, as well as technical and operational management personnel must remain dedicated to the KPC, so that improvements that have occurred since implementation can be maintained, and so that remaining transitional issues can be addressed.
- Stability and Reliability of the KPC Website. Most court locations must use the secure website to enter new and modified court order information. In addition, the website must be accessed by the courts to provide payment histories for court proceedings. Members of the public also need access to the public website to get information about their own cases.
- KPC Database Stability. Although the majority of payments are successfully processed through the KPC, missing or inaccurate information in the KPC database causes some payments to “exception out.” Manual intervention is required in these cases. Procedures to work these cases and prevent reoccurring exceptions are being developed and tested.
- Accuracy and Formatting of Payment Histories. The KPC is the repository for official payment histories on support orders from the time of the KPC implementation. These payment histories are legal documents and are used regularly in modification, enforcement, and other court hearings. It is vital that the payment histories are complete, correct, and understandable.

The cooperative efforts between OJA and SRS toward KPC implementation have been beneficial and should continue to assist in dealing with the remaining transitional issues in an effective manner.

L. 2000, ch. 183, sec. 20 (m)

[Ch. 183

2000 Session Laws of Kansas

1785

(m) In addition to the other purposes for which expenditures may be made by the department of social and rehabilitation services from any moneys appropriated from the state general fund or any special revenue fund for the fiscal year 2001, as authorized by this or other appropriation act of the 2000 regular session of the legislature, expenditures shall be made by the department of social and rehabilitation services from any such moneys appropriated for fiscal year 2001 for the receipt, crediting and disbursement of moneys received by the department of social and rehabilitation services for payments of support pursuant to a rule or administrative order issued by the Kansas supreme court, which is hereby authorized to be issued by the Kansas supreme court, directing payments of support, which are made pursuant to any court order entered in this state regardless of the date of the order, to be made to a central unit for the collection and disbursement of support payments, notwithstanding the provisions of any statute to the contrary.

IN THE SUPREME COURT OF THE STATE OF KANSAS
ADMINISTRATIVE ORDER NO. 154

Re: Redirection of Court-ordered Support Payments to the Kansas Payment Center

Pursuant to the provisions of L. 2000, ch. 183, sec. 20(m), this order authorizes redirection of payments on all Kansas court orders for child support, spousal maintenance, and other support-related payments, including support payments made pursuant to income withholding orders, which are currently made to the Clerk of the District Court or the District Court Trustee, to the Kansas Payment Center, at P.O. Box 758599, Topeka, Kansas 66675-8599.

Redirection to the Kansas Payment Center will occur on the date set out in the Kansas Payment Center Procedural Guidelines, which are attached to this order. The Kansas Payment Center Procedural Guidelines shall contain policies and procedures which shall be followed to promote the efficient receipt and disbursement of support payments by the Kansas Payment Center.

The Kansas Payment Center Procedural Guidelines may be updated as deemed necessary by the Judicial Administrator.

This order is effective through June 30, 2001.

BY ORDER OF THE COURT this 14th day of Sept 2000.



Kay McFarland
Chief Justice

KANSAS PAYMENT CENTER PROCEDURAL GUIDELINES

1. Beginning September 29, 2000, payments on existing, new, and modified child support, maintenance, and other support-related orders from all Kansas counties shall be paid to the Kansas Payment Center, at P.O. Box 758599, Topeka, Kansas 66675-8599.
2. Court-ordered support which is currently ordered excepted for good cause from payment through the Clerk of the District Court or the District Court Trustee shall not be required to be paid to the Kansas Payment Center.
3. Prior to September 29, 2000, the Kansas Payment Center shall send a redirect notice to each support payor and payee, and if there is an income withholding order in effect, to the employer. Each district court will have notice, by virtue of this order, of the September 29, 2000, redirection of payments to the Kansas Payment Center. Therefore, it is not required that each case file contain a copy of the Kansas Payment Center redirection notice. A copy of this order may be placed in each applicable case file, should a district so choose.
4. Employers withholding support payments for multiple individuals may submit to the Kansas Payment Center a single payment for each pay period, provided that the payment is for the total amount due on all Kansas income withholding orders issued to that employer. The payment must be accompanied by a detailed list itemizing the breakdown between court orders. The employee's social security number must be included, as well as the withholding date.
5. Each payment submitted to the Kansas Payment Center must include the court order number, which must begin with the two digit alpha character identifier for the county in which the order was entered. For example, a payment on a case from Shawnee County must be identified in the following format: SN99D 123456.

6. Support-related payments made pursuant to garnishment proceedings shall continue to be directed to the Clerk of the District Court. The Clerk shall forward the funds to the Kansas Payment Center immediately after receipt of the order to pay out, and shall specify the debt to which the payment shall apply.
7. Payments currently made to child support agencies in states other than Kansas shall continue to be made to those other states, and shall not be redirected to the Kansas Payment Center.
8. All new or modified non-IVD support orders entered on or after September 29, 2000, must be accompanied by a support order information sheet which will be developed by the Office of Judicial Administration and which will be available in the office of each Clerk of the District Court.
9. The official payment history for support payments made prior to September 29, 2000, shall continue to be maintained, as occurs currently, by the Clerk of the District Court or District Court Trustee.

For payments made following September 29, 2000, the official payment history shall be maintained by the Kansas Payment Center, and will be made available for requesting parties by the Clerk of the District Court, who will access the payment history from the electronic Kansas Payment Center database. Clerks' offices will certify information accessed from the Kansas Payment Center as a true and correct copy of information provided by the Kansas Payment Center. Parties will also be able to access payment information regarding their support cases from the Kansas Payment Center website.

10. Any local district court rules which contain support payment provisions contrary to those set out in this order are hereby repealed.

(9/00)

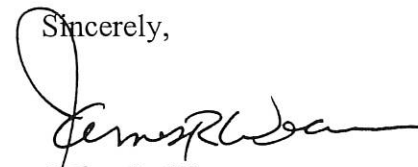
September 12, 2000

Honorable Kay McFarland
Chief Justice
Kansas Supreme Court
Kansas Judicial Center
301 W. 10th Street
Topeka, KS 66612

At its September 12, 2000, meeting, the Kansas Payment Center (KPC) Steering Committee reviewed progress toward implementation of the KPC. The Kansas Department of Social and Rehabilitation Services and Tier Technologies, Inc. have determined adequate progress has been made to implement the KPC for support orders from all Kansas counties on September 29, 2000.

Therefore, we respectfully request the Kansas Supreme Court to issue an administrative order redirecting payments on support orders to the KPC on September 29, 2000, as stated above.

Sincerely,



James R. Weaver
President, Tier Technologies



KANSAS DEPARTMENT OF SOCIAL
AND REHABILITATION SERVICES

915 SW HARRISON STREET, TOPEKA, KANSAS 66612

JANET SCHALANSKY, SECRETARY

September 14, 2000

The Honorable Kay McFarland
Chief Justice
Kansas Supreme Court
Kansas Judicial Center
301 W. 10th Street
Topeka, KS 66612

Dear Chief Justice McFarland:

At its September 12, 2000, meeting, the Kansas Payment Center (KPC) Steering Committee reviewed progress toward implementation of the KPC. The Kansas Department of Social and Rehabilitation Services has determined adequate progress has been made to implement the KPC for support orders from all Kansas counties on September 29, 2000.

Therefore, I respectfully request the Kansas Supreme Court to issue an administrative order redirecting payments on support orders to the KPC on the dates mentioned above.

Sincerely,

A handwritten signature in cursive script that reads "Janet Schalansky".

Janet Schalansky
Secretary

JS:JLC