



CHILD SUPPORT COMMITTEE

State of Arizona

2005 Annual Report

Submitted by:
Representative Peter Hershberger
Senator Jim Waring

TABLE OF CONTENTS

Executive Summary	1
Introduction	2
<i>Historical Background</i>	<i>2</i>
<i>Legislative Response</i>	<i>3</i>
<i>Membership</i>	<i>5</i>
Child Support Committee 2005	6
<i>Summary</i>	<i>6</i>
<i>Membership</i>	<i>7</i>
<i>Work, Findings and Recommendations</i>	<i>7</i>
Tasks and Objectives	8
Economic Study Workgroup.....	8
Child Support Solutions Workgroup	8
Automation Workgroup	9
Public Outreach/Customer Service Workgroup ...	10
Statute Review Workgroup	10
Recommendations for Legislative Action.....	11
Other Issues Before the Committee	11
<i>Future Actions</i>	<i>12</i>

TABLE OF CONTENTS, continued

Appendix

Child Support Committee i
 Purpose i
 Membership ii
 List of Members iv

CHILD SUPPORT COMMITTEE 2005 ANNUAL REPORT

EXECUTIVE SUMMARY

As required by law (A.R.S. § 25-323.01), the Child Support Committee, jointly chaired by Representative Peter Hershberger and Senator Jim Waring, submits to the Governor, the President of the Senate, the Speaker of the House of Representatives and the Chief Justice of the Arizona Supreme Court the following report.

The Child Support Committee (“Committee”) was created in 2002 to continue the work of its predecessor, the Child Support Coordinating Council Subcommittee. The Committee’s purpose to explore concepts for improving the child support system again proved to be successful and beneficial to Arizona’s residents as evidenced by the passage of legislative proposals designed to enhance the child support system. A collaborative effort between the Committee, the Arizona Division of Child Support Enforcement and the courts to create an online child support arrearage calculator will provide fast, accurate information to parents, child support workers, courts and clerks of court. The Economic Study Workgroup delved into a complex study of the costs of raising children in two households – a daunting task that has not previously been successfully undertaken anywhere in the country. An information brochure designed to assist parents involved in Arizona’s child support system was created and published by the Public Outreach/Customer Service Workgroup. The long-standing Statute Review Workgroup continued their exemplary work to streamline and improve the child support system in Arizona.

The Committee was originally conceived as a forum for all system stakeholders to develop and coordinate policies and strategies to improve the child support system. The Committee’s efforts evidenced the wisdom and importance of forging collaborative solutions. Efforts of various Committee workgroups have produced additional recommendations intended for introduction to the Legislature in 2005.

CHILD SUPPORT COMMITTEE 2005 ANNUAL REPORT

INTRODUCTION

Historical Background

Session law establishing the original Child Support Enforcement and Domestic Relations Reform Committee grew from the work of a legislative advisory committee.

In June 1993, Senator John Greene, President of the Senate, and Representative Mark Killian, Speaker of the House of Representatives, appointed a Joint Select Committee on Child Support Enforcement, co-chaired by Senator Matt Salmon and Representative Pat Blake Wilder, with the goal of creating an effective child support system for Arizona families and children. To assist in this effort, in July 1993, the Select Committee appointed a Technical Advisory Committee co-chaired by David Byers, Administrative Director of the Courts, and Bonnie Tucker, Deputy Director of the Arizona Department of Economic Security.

The Technical Advisory Committee brought together major stakeholders in the statewide child support arena. Membership represented a cross section of program administrators, parents, judicial officers and attorneys, creating a forum for meaningful debate on the issues facing Arizona's child support enforcement system.

The Technical Advisory Committee identified various problems within the system and recommended solutions for corrective action, including identification of the agency or entity responsible for initiating implementation. Fifty-seven recommendations, of which 28 required legislative action, were developed. At the conclusion of its mission, the Committee submitted a report of its recommendations dated November 1, 1993.

In the course of deliberations, there was consensus that integrated planning and communication among all of the child support stakeholders is vital to ensure continued improvement in the system. Thus, the first recommendation made in the Committee's report was that a child support coordinating council be formed to provide a mechanism for on-going communication and integrated planning among stakeholders to ensure consistency in child support policies.

The Technical Advisory Committee also identified a problem concerning the difficulty in understanding laws and procedures due to the lack of integration of the statutes relating to domestic relations issues. To address this problem, the Technical Advisory Committee recommended that a domestic relations reform study committee be established to consolidate, revise and modernize the domestic relations statutes.

Legislative Response

During the forty-first session, the Legislature created each of the two subcommittees proposed in the recommendations of the Technical Advisory Committee. By Laws 1994, Chapter 374, Section 24, both the Child Support Coordinating Council Subcommittee (“Council”) and the Domestic Relations Reform Study Subcommittee (“DR Subcommittee”) were established within a single overarching legislative committee called the Child Support Enforcement and Domestic Relations Reform Committee.

The Child Support Enforcement and Domestic Relations Reform Committee consisted of the four co-chairs from each of the two subordinate subcommittees. This overarching committee was established to coordinate the work of the subcommittees, but was specifically directed not to make substantive changes to the work, findings or recommendations of the two subcommittees. Any conflicts between the findings or recommendations of the subcommittees were to be referred back to the subcommittees for resolution.

Each of the subcommittees was co-chaired by a member of the Senate and a member of the House of Representatives. The enabling legislation identified the composition of each subcommittee's membership and prescribed the tasks to be undertaken. Reports were to be submitted by the subcommittees quarterly to the Child Support Enforcement and Domestic Relations Reform Committee. The overarching committee was responsible to report annually

on the work, findings and recommendations of the subcommittees to the Governor, the President of the Senate, the Speaker of the House of Representatives and the Chief Justice of the Arizona Supreme Court.

The original legislation creating the overarching committee and its subcommittees was effective July 17, 1994. That same enabling law appropriated funds to the Arizona Supreme Court for costs associated with staffing the subcommittees. In July 1994, the Arizona Supreme Court designated the Domestic Relations Division of the Administrative Office of the Courts (AOC) to provide that staff support.

The legislation that originally established the committee and its two subcommittees was scheduled for repeal from and after December 31, 1997. Provisions of law enacted in 1997 (Laws 1997, Chapters 45, 176 and 250) extended this date so that each of the subcommittees continued to serve the public until December 31, 2000. New legislation (Laws 2000, Chapter 312) repealed Laws 1994, Chapter 374, Section 24 and added A.R.S. § 25-320.01 to statute. This statute, effective as of July 18, 2000, created the committee and subcommittees by statute, rather than session law, and extended the life of the committee and the two subcommittees until July 1, 2007. The statute further specified that the Domestic Relations Reform Study Subcommittee was to meet jointly with the Child Support Coordinating Council Subcommittee at least twice each year.

Legislation passed in 2002 (Laws 2002, Chapter 332) eliminated the Child Support Enforcement and Domestic Relations Reform Committee, the Child Support Coordinating Council Subcommittee and Domestic Relations Reform Study Subcommittee. The new law created a new structure and two independent committees, the Child Support Committee (Committee) and the Domestic Relations Committee, with simplified purposes, appointments and reporting requirements and provided that the two committees will expire on January 1, 2008. The Court Services Division, Court Programs Unit, AOC, is still responsible for staffing the Committee created by this new legislation. The new statute, A.R.S. §25-323.01, effective August 22, 2002, requires the Committee to prepare an annual report on the work, findings and recommendations regarding child support guidelines, enforcement and related issues to the President of the Senate, Speaker of the House of Representatives, Governor and the Chief Justice of the Arizona Supreme Court each year.

This report reflects the Committee's work, findings and recommendations for the year 2005.

Membership

The session law originally enacted in 1994 outlined the membership of each subcommittee by position or category and directed how chairpersons would be appointed. In 1995, the Legislature amended this law. Chapter 44 of the Laws of 1995 altered the numbers of subcommittee members and attempted to balance political party representation of legislative members. The 1995 law also directly affected the composition of the Council.

Under the original law, the only legislative members of the Council were the two subcommittee co-chairs, one appointed from each legislative chamber. As amended, session law provided there shall be *two* members of the Senate from different political parties and *two* members of the House of Representatives, also from different political parties. As a result, two additional members, both of the minority party, were added to the Council in 1995. Co-chairperson positions were unaffected.

In 1997, the Legislature also added additional requirements of membership. An amendment (Laws 1997, Chapter 173) to the original enabling law (Laws 1994, chapter 374, section 24) provided that members of each subcommittee shall serve two-year terms at the pleasure of the official or officials who appointed them. Additionally, the law specified that the appointments shall be made at the start of each even fiscal year and that members may be re-appointed.

The new law enacted in 2002 that created the Committee did not alter its membership, but eliminated the two-year term limit. Members now serve at the pleasure of the appointing official. Appointments are made by the Governor, the President of the Senate, the Speaker of the House of Representatives and the Chief Justice of the Supreme Court.

CHILD SUPPORT COMMITTEE

2005

Summary

In 2005, as in past years, the importance of the Child Support Committee (Committee) as a recognized forum for cooperative decision making in the area of child support was reaffirmed. Several workgroups that study and suggest recommendations to revise child support laws and rules continued their work throughout the year. Strategic planning measures that were formulated in 2004 were executed in 2005 through the efforts of Committee workgroups, including: Child Support Solutions, Automation and Public Outreach/Customer Service.

The Automation Workgroup was privileged to begin the process of creating an automated, online arrearage calculator that will result in both short and long-term time and cost savings for all involved in the child support system. With the assistance of a grant from the Federal Office of Child Support Enforcement, the project is expected to be completed by mid-2006.

Standing workgroup, Statute Review, did not offer legislative proposals for the Second Regular Session of the Forty-Seventh Legislature; however, the group assisted with the formation of a proposal in conjunction with the Automation workgroup. The proposal is intended to clarify issues relating to child support arrearages in order to simplify the arrearage calculation process and thus, the arrearage calculator.

A new workgroup, Economic Study, began meeting in 2005 to begin studying the underlying economic analysis of the child support guidelines. This important undertaking is designed to better understand the relationship between the child's financial well-being and overall well-being.

As in past years, several presentations were made to the Committee throughout the year to inform them of current issues in the child support system and stimulate new ideas for system improvements.

Membership

The session law originally establishing the Child Support Coordinating Council Subcommittee (Laws 1994, Chapter 374, Section 24) prescribed the membership composition of the Council by title or category and directed how each would be appointed. The new law enacted in 2002 that eliminated the Council and created the Child Support Committee did not alter the membership composition.

Only one resignation from the Committee occurred in 2005. Long-standing member, David Norton, who served many years as a noncustodial parent representative, tendered his resignation. Mr. Norton served actively on the Committee for several years and participated in many workgroups.

One new appointment was made by Chief Justice Ruth McGregor. The Honorable Kim Corsaro was appointed to serve as the IV-D Commissioner representative. Judge Corsaro who comes from the Superior Court in Santa Cruz County replaced the Honorable Rhonda Repp who served on the Committee for many years. Commissioner Repp provided invaluable service to the Committee during her tenure and also served on many workgroups.

Senator Jim Waring and Representative Peter Hershberger again led the Committee as co-chairs. Their cooperative spirit and support of the Committee was instrumental in the passage of several key legislative proposals.

Work, Findings and Recommendations

The Committee met five times in 2005. Workgroups met between Committee meetings to work on the tasks and objectives of the Committee. Their work product and progress was reviewed at each of the regular Committee meetings. Significant progress was realized on important policy issues with the intent of improving the child support system for the citizens of Arizona.

Comment from the public was encouraged to assist the Committee's efforts to continually improve Arizona's child support system.

TASKS AND OBJECTIVES

Listed below is a description of the major activities by Committee workgroups.

Economic Study Workgroup

This new group began meeting in 2005 based on a recommendation of the Guidelines Workgroup to develop a work group to study the economic basis of the guidelines. The group, led by Judge Monica Stauffer and Kim Gillespie, met three times in 2005. Membership consisted of judicial officers, private family law attorneys and law and economic professors. Dr. Burt Barnow, Johns Hopkins University, serves as an economic consultant.

The group studied the factors used to construct child support guidelines tables and whether they adequately estimate the costs of raising children in non-intact households. The group developed a survey with the assistance of academicians at the University of California Berkley. The survey is intended to understand the public's perception of the relationship between a child's financial well-being to their overall well-being. The group will continue meeting through June 2006 when its recommendations will be submitted to the Committee.

Child Support Solutions Workgroup

This group, co-chaired by Michael Jeanes and Leona Hodges, was created as a result of strategic planning that occurred in 2004. They continued to examine and analyze current workflow and logistical processes in the child support system. Based on their studies, the group identified gaps and workflow blockages between the various entities and subsequently experimented with measures intended to streamline the process. Immediate success was realized as a result of the group's efforts. Court orders are now being transmitted more quickly from the court to the clerk and eventually to the Division of Child Support Enforcement, Support Payment Clearinghouse and Attorney General staff.

The group discussed and studied the need for electronic transmission of court documents, an effort that would greatly enhance the system with speed, accuracy and efficiency. The Clerk of Superior Court in Maricopa

County office has begun developing this system with the cooperation of the county recorder's office.

This group's important mission will continue into 2006 with a focus on recommending methods to increase current child support collections in Arizona.

Automation Workgroup

This group, led by Kim Gillespie got its start as a result of the 2004 strategic planning effort. In 2004, the group focused on the idea of developing an automated, online arrearage calculator that could be used by parties involved in a case, lawyers, the state child support agency, clerks and judicial officers. Arrearage calculations are a time-consuming manual process that collectively costs all parties and entities involved in child support a great deal of time and money. The calculator would be efficient, accurate, consistent, and ultimately result in cost-savings.

In 2005, Representative Hershberger proposed legislation that would help fund the calculator but the proposal failed. Understanding the importance and value of the calculator, the Division of Child Support Enforcement in collaboration with the Office of the Attorney General, Arizona Supreme Court and the Governor's Office, submitted a grant application to the Federal Office of Child Support Enforcement to help fund the calculator. Notice was received in September that Arizona was a recipient of a grant award to assist with the development of the calculator.

A sub-group, the Joint Application and Design group, was appointed to develop clear business rules for the calculator. This group after meeting weekly for a few months handed the Project and Objective Design to the programmers in the Division of Child Support Enforcement. The project is expected to be completed in summer 2006 with a "Go Live" date of July 31, 2006.

The group will continue to monitor the calculator's progress through its completion in 2006.

Public Outreach/Customer Service Workgroup

Chuck Shipley continued as chair of the Public Outreach/Customer Service Workgroup. The group was tasked with making recommendations for methods to inform the public about the state child support program and other assistance provided by the courts and public and private agencies as well as to help families who are already involved in the system to navigate the system more easily.

The group focused on creating a brochure that could easily be understood by parents in both the IV-D and non-IV-D systems. The workgroup finalized its draft brochure and submitted it to the Committee where it was adopted unanimously. The brochure will be made available to the courts, clerks of court, child support agencies, county attorneys offices and community and non-profit organizations.

Having finished their main task, the group will await further instruction from the Committee before embarking on a productive year in 2006.

Statute Review Workgroup

The Statute Review Workgroup has functioned for several years to examine particular statutes related to child support enforcement in order to identify inconsistencies, lack of clarity or unnecessary duplication and to recommend improvements.

Chaired by Kim Gillespie, the group took a break during the 2005 legislative session and began meeting in the summer to develop proposals for the 2006 session. The group addressed proposals from the Committee and from members of the public on approval of Committee co-chairs. After considerable study and discussion, the workgroup chose against proposing legislative proposals in those areas because doing so could potentially aggravate the problem. Late in 2005, the Committee asked the group to help develop and review legislative proposals that would ease the application and functionality of the arrearage calculator.

Please see the following section below titled “Recommendations for Legislative Action” for additional details about legislation proposed for 2006.

Recommendations for Legislative Action

The product of the Statute Review Workgroup and Funding & Automation Workgroup resulted in one legislative proposal being recommended for passage during the Second Regular Session of the Forty-Seventh Legislature in 2005. One of the Committee co-chairs will sponsor the legislation.

Included in the 2006 legislative proposal are provisions that:

- Clarify the date that a child support obligation begins in cases where the start date is not specified. The proposal specifies that the support obligation begins to accrue on the first day of the month following entry of the child support order.
- Specify in A.R.S. Title 25 that the interest rate on child support arrearages not reduced to final judgment and on final written money judgments for child support is ten percent.
- Clarify that support payments that have not been made through the Support Payment Clearinghouse or any equitable credits of principal or interest that are permitted by law and allowed by the court after hearing will be applied to support arrearages. In cases where the adjustment dates are unknown, the court would apply the credit on the date of the entry of the order that allows the payment or credit. The proposal also clarifies that adjustments cannot be made in IV-D cases, except with written approval, when the State was not represented or did not have notice of the proceeding.
- Authorize the automated transfer of data from the Support Payment Clearinghouse and Child Support Registry for purposes of the arrearage calculator. The proposal further specifies that the arrearage figure produced by the arrearage calculator is the presumptively correct amount of the arrearage.

Other Issues before the Committee

Educational programs were presented to the Committee in an effort to apprise members of various child support enforcement-related efforts around the state and country. One such presentation provided information about the

Arizona Supreme Court's adoption of Arizona's Rules of Procedure for Family Law Cases, a first for this state.

Leona Hodges provided an informative presentation about the Division of Child Support Enforcement's performance areas of paternity establishment, child support establishment, current support collections, arrearage collections and cost effectiveness. System improvements have resulted in significant increases in the establishment areas and cost effectiveness. Unique barriers to current and arrearage support collections in Arizona are being studied in order to design and implement processes to overcome those barriers and get support to the children for whom it has been ordered. The Child Support Solutions workgroup will be instrumental in achieving these goals in 2006.

The Honorable Norman Davis provided information about improvements in the Family Court in Maricopa County. A post-modification court began in August in which parties are encouraged to reach settlement through a brief interview with court staff. If agreement is reached, necessary paperwork is drafted and submitted to the court for entry of an order. If agreement is not reached, the parties can go immediately into a hearing with a court commissioner who makes a decision the same day. Petition tracking software installation was completed which helps the court track statistics that can be used for future projects. Other measures to reduce pending caseloads has realized great success as cases over twelve months dropped 36% in less than one year. The court plans to continue its endeavors to make the court involvement in child support as efficient as valuable as possible.

Future Actions

The Committee is committed to the continued exploration and development of procedures and mechanisms to enhance the delivery of child support services to the families and children of Arizona. New and existing workgroups will continue to explore issues currently under discussion, new issues that arise, and endeavor to increase public awareness of child support issues. As chartered, the Committee will maintain its important role in providing a forum for cooperative decision making and cohesive policy development among all interested stakeholders in the child support enforcement system.

***APPENDIX TO
CHILD SUPPORT COMMITTEE
2005 ANNUAL REPORT***

CHILD SUPPORT COMMITTEE

PURPOSE

Pursuant to A.R.S. § 25-323.01, effective August 22, 2002, the Child Support Committee was formed to:

Prepare an annual written report on its work, findings and recommendations regarding child support guidelines, enforcement and related issues to the Governor, President of the Senate, Speaker of the House of Representatives and Chief Justice of the Arizona Supreme Court on or before December 31 of each year and provide a copy of the report to the Secretary of State and the Director of the Arizona State Library, Archives and Public Records.

CHILD SUPPORT COMMITTEE

MEMBERSHIP

Membership consists of the following members or their designees who have knowledge of or experience in, child support enforcement and related issues:

- The Director of the Department of Economic Security or the Director's designee.
- The Assistant Director of the Division of Child Support Enforcement of the Department of Economic Security.
- A Division or Section Chief from the Office of the Attorney General who has knowledge of or experience in child support enforcement and related issues and who is appointed by the Attorney General.
- The Director of the Administrative Office of the Supreme Court.
- Two presiding judges from the Domestic Relations Division of the Superior Court who are appointed by the Chief Justice of the Supreme Court. One judge shall be from an urban county and one judge shall be from a rural county.
- A title IV-D Court Commissioner who is appointed by the Chief Justice of the Supreme Court.
- A Clerk of the Superior Court who is appointed by the Chief Justice of the Supreme Court.
- One county attorney who is appointed by the Director of the Department of Economic Security from a county that is currently contracting with the state to provide child support enforcement services.
- An Executive Assistant from the Office of the Governor who is appointed by the Governor.
- One person knowledgeable in child support issues who is a noncustodial parent and one person knowledgeable in child support issues who is a custodial parent. The President of the Senate shall appoint these members.

- One person knowledgeable in child support issues who is a noncustodial parent and one person knowledgeable in child support issues who is a custodial parent. The Speaker of the House of Representatives shall appoint these members.
- One parent knowledgeable in child support issues who has joint custody who is appointed jointly by the President of the Senate and the Speaker of the House of Representatives.
- One person from the Executive Committee of the Family Law Section of the State Bar of Arizona who is appointed by the Chief Justice of the Supreme Court.
- One person from the business community who is appointed jointly by the President of the Senate and the Speaker of the House of Representatives.
- Two members of the Senate from different political parties. The President of the Senate shall appoint the members and designate one of the members as co-chairperson.
- Two members of the House of Representatives from different political parties. The Speaker of the House of Representatives shall appoint the members and designate one of the members as co-chairperson.

CHILD SUPPORT COMMITTEE
LIST OF MEMBERS

Co-Chair: Representative Peter Hershberger

Co-Chair: Senator James Waring

Honorable Manuel Alvarez
House of Representatives

Robert Barrasso
State Bar – Family Law Section

Theresa Barrett
Administrative Office of the
Courts

Honorable Bill Brotherton
State Senate

Honorable Kimberly Corsaro
IV-D Commissioner

Honorable Norman Davis
Domestic Relations Judge
(Urban)

Kim Gillespie
Office of the Attorney General

Leona Hodges
IV-D Deputy Director

Dr. Curtis N. James
Custodial Parent

Honorable Michael Jeanes
Clerk of the Superior Court

Michelle Krstyen
County Attorney

Era Loring
Office of the Governor

Suzanne Miles
Custodial Parent

Chuck Shipley
Business Representative

Russell Smoldon
Joint Custody Parent

Honorable Monica Stauffer
Domestic Relations Judge
(Rural)

Bianca Varelas-Miller
(for John Clayton)
Department of Economic
Security

Vacant
Noncustodial Parent

Vacant
Noncustodial Parent

Prepared by Committee Staff:

Court Services Division - Court Programs Unit
Administrative Office of the Courts
Arizona Supreme Court
1501 West Washington, Suite 410
Phoenix, Arizona 85007