

**CHILD SUPPORT COORDINATING COUNCIL SUBCOMMITTEE**  
**Meeting Minutes - December 20, 1999**

**Members Present:**

Hon. Mark Armstrong  
David Byers  
Bryan Chambers for Jerry DeRose  
Kim Gillespie for Noreen Sharp  
Leona Hodges  
William Hurst

Hon. Michael Jeanes  
Nancy Mendoza for John Clayton  
David Norton  
Hon. David Petersen  
Russell Smolden  
Bianca Varelas

**Members Absent:**

Hon. Linda Aquirre  
Jodi Beckley  
Hon. Robert Duber  
Conrad Greene  
Hon. Laura Knaperek

Hon. David Ostapuk  
Hon. Rhonda Repp  
Hon. Rebecca Rios  
Chuck Shipley  
Carmela Trapani

**Staff:**

Isabel Gillett  
Megan Hunter

David Sands

**Guests:**

Mark Barry  
Judy Bushong  
Kat Cooper  
Rita DeSoto-Ekpe  
Patrick Harrington  
Jane McVay  
Rick Wagner

Arizona House of Representatives  
Clerk of the Superior Court-Maricopa  
Clerk of the Superior Court-Maricopa  
Community Legal Services-Maricopa  
DCSE  
DCSE  
CRC

**Call Meeting to Order**

The meeting was called to order by Senator David Petersen at 10:10 am.

**Announcements**

Senator Petersen noted that David Sands has been temporarily assigned to the legislative team from the Administrative Office of the Courts for this year's legislative session.

**Approval of Minutes**

Nancy Mendoza noted that Senator Gleason's draft bill had been placed under DCSE's legislation and requested that it be placed in a separate section. David Norton noted two typographical errors. The minutes were approved as amended.

**A.R.S. § 25-534** This section requires the employer to notify the IV-D agency and the other parent of termination in medical coverage or change in the carrier, of the last day on which health insurance coverage is effective and of any available conversion privileges.

**A.R.S. § 25-535** The notice of intent to enforce medical support that is sent to an obligor has been stricken. Added to this section is a provision requiring that in a IV-D case a parent who is ordered, either by the court, by another state's process, or by administrative order, to provide health insurance coverage for a child, and shall provide the Department with specific information necessary to enroll the child(ren). This new subsection requires a parent to provide the Department with the name of the insurance plan, the effective date of the coverage, a description of the coverage, the employer's name and any other needed information, forms or documents related to the health insurance coverage as provided to all new members within 30 days after the support order is established.

New subsection B provides that if a court order or administrative order requires a parent to have health insurance coverage, the Department or the other parent may serve on the parent's employer a medical support notice to enroll the child in the health insurance program using the federally required medical support notice. This section also requires the employer to deliver a copy of the medical support notice to enroll to the parent within 10 days of service on the employer. The notice serves to enroll the child in the parent's health insurance plan or the least costly plan and provides that the parent may contest the notice by requesting an administrative review within 10 days. The Department is required to notify the employer that the parent has contested the notice and requires the employer to continue to send withheld employee contributions until the Department notifies the employer that the issue has been resolved. This section prescribes the issues which may be the subject of an administrative review. Additionally, the employer is required to notify the Department if they do not have existing dependent coverage within 10 days of receipt of the notice to enroll.

New subsection D provides that if an employee on whom an income withholding order or order of assignment is served is a new employee entered from the State Directory of New Hires, the Department must provide the medical support notice to enroll to the employer within two days.

New subsection E requires that when a parent changes employment, and the Department knows the new employer, the Department shall transfer the medical support notice to enroll to the new employer. A parent would be required to provide the Department with the name of the insurance plan, the effective date of the coverage, a description of the coverage, the employer's name and any other needed information, forms or documents related to the health insurance coverage as provided to all new members within 30 days after the support order is established.

New subsection F requires the employer to transfer the notice to enroll to the appropriate health insurance plan providing health insurance for the child within 20 days after the notice to enroll. This section requires: 1) the Department to notify the employer that the parent has contested the notice; and 2) the employer to continue to send withheld employee contributions

until the Department notifies the employer that the issue has been resolved.

New subsection G requires a parent who is ordered to provide medical insurance coverage, either by a court or administratively, to make employee contributions. That parent would be subject to appropriate enforcement unless the parent contests the enforcement pursuant to A.R.S. § 25-522.

New subsection H provides that the medical support notice to enroll has the same effect as an enrollment application signed by the parent.

New Subsection I provides that the medical support notice to enroll is the form prescribed by the U.S. Secretary of Health and Human Services to enroll a child in health insurance coverage pursuant to federal law.

Nancy noted that members were provided with a document from the Federal Register. It is a proposed rulemaking by the federal government with regard to the implementation of the new federal National Medical Support Notice requirements. Attached to the document are the federal draft forms to be used by the state.

**A.R.S. § 46-441.01** This section addresses situations when the agency is collecting support for an obligee who does not have the child in his/her custody and a caretaker such as a grandparent provides care for the child. Currently, the money would be sent to the obligee. However, the caretaker needs that financial assistance to care for the child. The agency wants the authority to disburse money to the appropriate person, organization or agency authorized to receive or collect child support or to the caretaker who has physical custody of the child or physical custody with the obligee's consent. The department would be required to: 1) obtain a written statement from the caretaker stating that the caretaker has physical custody of the child or custody with the obligee's consent; 2) mail a copy of the caretaker's statement or verification that the caretaker is receiving cash assistance for the child along with a notice of the change in disbursement to the obligor and obligee at their last known address; and 3) file copy of the notice of change of disbursement with the clerk of the court that entered the original support order.

Any of the parties may request an administrative review to object to the action within ten days of the date of the notice. If they do not request an administrative review, then the department would begin sending the money to the caretaker. The payments would continue to go to the caretaker unless an obligor obtained a current order granting custody to the obligor. When the obligee claims that the child remains in the obligee's custody, payments would continue to go to the obligee until the issue is resolved.

Judge Armstrong suggested that the parties: 1) be given 30 days to respond; 2) require a statement of custody from the caretaker; and 3) require a statement of the obligee's consent to the redirection of payment. He also explained that the courts have a process designed to deal with the caretaker issue, in loco parentis. Another suggestion was made that subsection I be removed from this section. DCSE will continue to research this.

**A.R.S. § 25-320** Subsection L.2. references the meaning of support with Section

25-500.

**A.R.S. § 25-500** defines “arrearages” as the total unpaid support owed, including child support, past support, spousal maintenance and interest thereon. This also clarifies that in a IV-D case support also includes spousal maintenance when it is contained within the same order as child support.

**A.R.S. § 25-503** provides that the addition of medical support or a change in the availability of medical support may constitute a change in circumstance which is substantial and continuing, making it possible for the obligor to request a review.

**A.R.S. § 25-522** adds issues that are the subject of administrative review.

**A.R.S. § 25-816** provides that if the biological mother cannot be located for genetic testing, the Department may order the caretaker of the child to bring the child in for genetic testing. This section also provides that any of the persons tested may contest the genetic test results in writing to the Department within thirty days of the mailing of the test results.

**A.R.S. § 46-408** extends the time in which a custodial parent can dispute the distribution of support from fifteen to thirty days.

DCSE will continue to work on its legislative proposals.

The members of the Council voted to approve the DCSE legislation.

### **Subcommittee Omnibus Child Support Legislative Proposals**

David Sands

**A.R.S. § 12-284** Removed from the fee schedule the \$27 clerk’s annual handling fee for alimony/child support payments. This also removes the clerk’s responsibility and authority to collect and forward alimony/child support payments since the responsibility now rests with the Centralized Payment Clearinghouse.

**A.R.S. § 25-510** Provides that all payments go to the Support Payment Clearinghouse, and amends numbers three and eight of the distribution hierarchy in the following manner:

# 3 Amended to characterize the handling fee at a monthly level of \$2.25 to cover the cost of handling support and maintenance payments as part of the order for support and maintenance.

#8 Assesses past due fees if there is any money left after disbursing monies to the preceding levels.

**A.R.S. § 46-441** amends this section to make proper reference to the appropriate hierarchy to describe the fee as monthly instead of annual and by deleting references to the clerk of court.

This section also adds language that alternative support payment agreements shall not be credited against the support obligation unless the agreement is in writing.

This section also requests an appropriation of \$70,000 from the state general fund to the department for the fiscal year 2000-2001. The appropriation would be used to offset the loss of anticipated revenue for processing support payments incurred as a result of amendments made in section 9 of this act.

**Sunset Legislation** requests that the life of this committee be extended 10 years.

The members voted to approve the child support omnibus legislation. Senator Petersen will open a folder so Legislative Council can begin its drafting work.

## **WORKGROUP REPORTS**

### **Non Disclosure Indicator**

Kat Cooper

The workgroup met in November. Guest speaker, June Melvin Mickens, the federal technical expert on the Family Violence Indicator and Federal Case Registry, answered questions and shared other states' experiences in dealing with these issues.

The group is continuing to work with DCSE on internal issues. Kat reported that a member of the workgroup who was not satisfied initially with changing the workgroup name from Family Violence Indicator to Non Disclosure Indicator has since approved of the change.

### **Financing**

The group continues to meet on schedule with the goal of bringing a recommendation to the Council in late February or early March. The recommendation will focus on how to approach the shortfall that is occurring in the IV-D child support program both at the state and county levels.

The group has reviewed the structural funding issues of how the IV-D program is funded in Arizona, and also looked at the state and county estimates of the shortfall expected this year and in the next two state fiscal years.

They are currently exploring options as to how the shortfall can be addressed. Members of the Department's budget staff, and others who work with the child support from the Joint Legislative Budget Committee and from the Governor's Office of Strategic Planning & Budgeting have attended the meetings and observed the work that the committee is doing.

The group is researching the fee schedules that are in effect in other states and the incomes of parties in IV-D cases in Arizona. They will be meeting at least two more times before they come back to the Council to report their recommendations.

### **Child Support Guidelines**

Public hearings have been held in Phoenix, Mesa, Kingman, Yuma, and Flagstaff. Senator Petersen, Judge Armstrong, Kathie Pearson and Judy Bushong participated in the Maricopa County area hearings. David Sands and Megan Hunter were present at all hearings. Two hearings will be held in January in Globe and Tucson. Attendance has been low.

The workgroup met with Jane Venohr of PSI, Denver, Colorado. Dr. Venohr presented a historical background of our guidelines, answered questions about the current recommendations, and relayed information regarding other states' practices.

The group will review the comments and suggestions from the hearings, website and mail and come back to this Council with its recommendations in late February or early March.

The Arizona Judicial Council was briefed on the progress of the review and informed that they will be requested to take action on the recommendations to the guidelines at their March meeting. The recommendations will then be placed on the Supreme Court's administrative agenda in May for final approval and implementation of the new guidelines in October, 2000.

### **Public Comment**

No comments were received from the public.

### **Next Meeting of the Council**

The next meeting of the Council will be held on February 16, 2000 in Conference Room 119 A/B of the Arizona Courts Building from Noon - 3 p.m.

### **Adjournment**

The meeting was adjourned by Senator Petersen at 2:00 p.m.