



CHILD SUPPORT COMMITTEE

State of Arizona

2006 Annual Report

Submitted by:
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Senator Thayer Verschoor

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CHILD SUPPORT COMMITTEE 2006 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 Thayer Verschoor, 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.¹

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.

Collaborative efforts are on-going between the Committee, the Arizona Division of Child Support Enforcement and the courts to create an online child support arrearage calculator which will provide fast, accurate information to parents, child support workers, courts and clerks of court. The Economic Study Workgroup considered a basic policy question regarding the kind of information that will be available to the 2007 Child Support Guidelines Review Subcommittee when deciding how to balance the often conflicting goals of protecting child well-being and allocating the support burden fairly between the parents. 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 have evidenced the wisdom and importance of forging collaborative solutions. In keeping with their vision, efforts of various Committee workgroups have again produced

¹2006 was an unusual year for Chair appointments. Senator Jim Waring brought in 2006 as Co-Chair and was succeeded by appointment of Senator Ron Gould. Senator Thayer Verschoor is currently Co-Chair of the Child Support Committee.

additional recommendations intended for introduction to the Legislature in 2007.

CHILD SUPPORT COMMITTEE 2006 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 2006.

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

2006

Summary

In 2006, 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 2005 were executed in 2006 through the efforts of Committee workgroups, including: Statute Review, Child Support Solutions, Automation, Child Support Guideline Review, and Economic Study.

Standing workgroup, Statute Review, will offer legislative proposals for the Second Regular Session of the Forty-Seventh Legislature. The group recommends revisions to Title 25 in response to the public's concerns regarding identity issues and the publication of social security numbers. In collaboration with the Child Support Solutions Workgroup, the group also offered a legislative proposal which addresses the establishment of provisions for temporary support and parenting time while paternity is being established.

The Child Support Solutions Workgroup continued to discuss innovative solutions on the subject of improving child support collections, as well as committing to develop methods to ensure better accountability for child support spending.

The Automation Workgroup focused on 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. This extensive project is currently in the final testing phase, under the direction of the Department of Child Support Enforcement. The Department of Child Support Enforcement was the recipient of a \$400,000 grant from the Federal Office of Child Support Enforcement for this important project.

The Economic Study Workgroup continued to research the underlying economic and policy issues behind the child support guidelines before the next guideline review, which will be extensively examined during the 2007 calendar year. 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 2006. Suzanne Miles, a custodial parent representative, tendered her resignation. Ms. Miles served actively on the Committee for several years and participated in many workgroups.

Senator Ron Gould and Senator Thayer Verschoor were appointed to the Child Support Committee during 2006.

Senator Thayer Verschoor and Representative Peter Hershberger 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 three times in 2006. 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 2006. Membership consisted of judicial officers, private family law attorneys, and law and economic professors. Dr. Burt Barnow, Johns Hopkins University, served as an economic consultant.

Over a two-year period the group has studied this matter intensively. The group was aided substantially in this effort by reports and analyses prepared by Ira Ellman and Tara O'Toole Ellman. The group submitted its report to the Committee in June 2006 which outlined the recommended changes in the quadrennial Guideline Review Process. (See Appendix B – ***Report of the Interim Committee on Child Support Guidelines***)

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. This workgroups' charge is to examine and analyze current workflow and logistical processes in the child support system.

This group's important mission continued into 2006 with a focus on recommending innovative methods to increase current child support collections in Arizona in both Title IV-D and Non IV-D cases and to

increase customer service in the courtroom and Clerk of Court's offices. Additionally, the workgroup developed proactive outreach methods to educate people regarding staying current with child support payments, such as public service announcements and simplified applications for enforcement of child support. In addition, a pilot program in Maricopa County is due to commence shortly; this pilot program will focus on improving job training accessibility for both custodial and non-custodial parents who are involved with Non-Compliance of Child Support Hearings. The group also explored allowing Non IV-D cases the same access to collection and enforcement tools which are currently only available to IV-D cases. Moreover; collaborative efforts between the Child Support Solutions Workgroup and the Statute Review Workgroup resulted in proposed legislative changes that affect child support arrears and collection.

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 proposed calculator would be efficient, accurate, consistent, and would 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 design was completed in summer 2006.

As the implementation aspect of the web-based calculator project nears conclusion the group continues to monitor the calculator's progress through the completion of the User Acceptance Testing and training phases. Programmers plan to make any additional changes identified, as feasible.

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 Robert Barrasso, the group began meeting in the summer to develop proposals from the Committee for the 2006 session. The Committee asked the group to fine-tune language and draft statutory language that the Committee identified, in addition to generating ideas back to the Committee.

The group addressed issues such as establishing a provision for temporary parenting time or custody orders while paternity is being established and proposed changes to Title 25 as it relates to Social Security Number requirements.

As previously mentioned, the Child Support Solutions Workgroup, committed to improving child support collections, made several different requests to the Statute Review Workgroup to review issues surrounding effects upon, and standards in, the establishment stage of child support proceedings, expansion of judicial discretion regarding imposition of interest on arrears, and additionally, limits on relief from a child support judgment.

Recommendations for Legislative Action

The product of the Child Support Solutions Workgroup and Statute Review Workgroup resulted in several legislative proposals being recommended for passage during the First Regular Session of the Forty-Eighth Legislature in 2007. One of the Committee co-chairs will sponsor the legislation.

Included in the 2007 legislative proposal are provisions that:

- Create a tax credit program for employers that hire felons who are obligated to pay child support.
- Speaks to the issue of identity theft by eliminating the requirement of identifying Social Security Numbers on public documents, such as petitions for divorce and paternity matters.
- Create temporary parenting time and custody orders in paternity matters during the time the petition is filed and the time the court establishes paternity.

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.

Ira Ellman, author of *Fudging Failure: the Economic Analysis Used to Construct Child Support Guidelines*, The University of Chicago, Legal Forum, Volume 2004, presented the Report of the Interim Committee on Child Support Guidelines to the Committee in June 2006. Ira Ellman's analysis is the basis of a proposed shift in the method used to develop child support guidelines for the 2008 Child Support Guidelines Review.

Leona Hodges provided an informative presentation about the federal child support performance measures and identified programs that the Division of Child Support Enforcement has implemented to improve Arizona paternity establishment rankings such as a hospital outreach program that includes child support services and genetic testing. Additionally, it was reported that two areas of enforcement have increased payments: recent legislation changed the way child support payments are made to the custodial parent which has reduced administrative costs to the State of Arizona and improved the efficiency of child support payment processing. Secondly, the Autodialer program which started on September 8, 2006, contacts clients regarding missed child support payments, hearings, appointments and first payment due date.

Finally, Presiding Family Court Judge Norman Davis, and the Division of Child Support Enforcement collaborated on a job training pilot that will be

implemented in 2007 in the Maricopa County Superior Court to improve job training accessibility for custodial and non-custodial parents.

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 A
TO
CHILD SUPPORT COMMITTEE
2006 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 non-custodial 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 non-custodial 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 Thayer Verschoor

Honorable Manuel Alvarez
House of Representatives

Robert Barrasso
State Bar – Family Law Section

David K. Byers
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 (Rural)

Ezra Loring
Office of the Governor

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 - House
Non-custodial Parent

Vacant - Senate
Non-custodial Parent

Vacant - House
Custodial Parent

APPENDIX B
TO
CHILD SUPPORT COMMITTEE
2006 ANNUAL REPORT

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