

MINUTES

**MONTANA HOUSE OF REPRESENTATIVES
59th LEGISLATURE - REGULAR SESSION**

COMMITTEE ON HUMAN SERVICES

Call to Order: By **CHAIRMAN ARLENE BECKER**, on January 14, 2005 at 3:00 P.M., in Room 472 Capitol.

ROLL CALL

Members Present:

Rep. Arlene Becker, Chairman (D)
Rep. Tom Facey, Vice Chairman (D)
Rep. Don Roberts, Vice Chairman (R)
Rep. Mary Caferro (D)
Rep. Emelie Eaton (D)
Rep. Gordon R. Hendrick (R)
Rep. Teresa K. Henry (D)
Rep. William J. Jones (R)
Rep. Dave McAlpin (D)
Rep. Tom McGillvray (R)
Rep. Mike Milburn (R)
Rep. Art Noonan (D)
Rep. Ron Stoker (R)
Rep. Bill Warden (R)
Rep. Jonathan Windy Boy (D)

Members Excused: Rep. Pat Wagman (R)

Members Absent: None.

Staff Present: Susan Fox, Legislative Branch
Mary Gay Wells, Committee Secretary

Please Note. These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing & Date Posted: HB 216, 1/7/2005
Executive Action: HJ 1, DPAA

CHAIRMAN ARLENE BECKER introduced Mr. Lonnie Olson, Administrator, Child Support Enforcement Division (CSED), DPHHS. He gave a brief overview of what his Division covers. There are five regional offices in Butte, Billings, Helena, Missoula and Great Falls. As of December 1, there were 40,539 cases here in Montana. Therefore, many Montanans are affected by this agency. During the last State fiscal year, the Child Support Agency collected \$54+ million. The Agency is much more than a collection agency. They can establish paternity issues. There is no charge to the participants. There is an application fee based on a sliding scale. Funding comes from the State of Montana and approximately 70% from the federal government. This past year, they had a flat line between income and expenses. He offered to answer any questions that the committee might have.

{Tape: 1; Side: A; Approx. Time Counter: 0 - 14}

REP. JONATHAN WINDY BOY asked about incentives and interstate laws. **Mr. Olson** explained both.

REP. RON STOKER wondered if there had been any changes in the last few years in the root cause of why people don't want to take care of their kids. **Mr. Olson** responded that there are two types of people they deal with: 1) those who are dead broke, and 2) those who just don't want to pay. **Mr. Olson** explained that many people use the system to make their payments. The Division does the accounting for them and makes payments automatically. They don't have to worry about missing a payment. It is a convenience to these people.

REP. DON ROBERTS stated that he had heard that the best way to cut out these situations would be to have three things in place: 1) have a high school education, 2) be married when a person has their first child, and 3) be over 20 when a person has their first child. **Mr. Olson** also felt that this would cut down the numbers of "deadbeat dads."

{Tape: 1; Side: A; Approx. Time Counter: 14 - 22.5}

HEARING ON HB 216

Sponsor: **REP. MARY CAFERRO, HD 80, HELENA**

Opening Statement by Sponsor:

REP. CAFERRO opened the hearing on HB 216. It is a bill that revises laws concerning child support.

***{Tape: 1; Side: B; Approx. Time Counter: 0 - 6.3; Comments:
Tape 1 was turned early so that HB 216 would start on Side B.}***

Proponents' Testimony:

Mr. Lonnie Olson, Administrator, Child Support Enforcement (CSED) Division, DPHHS, explained the purposes of HB 216. First, it will make the system run more effectively. The heart of the bill deals with the Department of Revenue (DOR). The DOR must have the ability to release information, collected from employers concerning their new employees, to the Child Support Agency. This would be in compliance with federal government requirements. If this does not pass, the agency and the TANF grant would be in jeopardy by the withholding of federal monies from Montana. This is a considerably large amount of money.

{Tape: 1; Side: B; Approx. Time Counter: 6.3 - 11.4}

The bill would authorize the establishment and enforcement of medical insurance requirements against both parents without requiring a child support order to be established first. Current law requires the child support order be established first. The word "obligor" or "obligee" would be changed to "parent," recognizing there are parents involved in this process.

Next, the bill would extend the time in which an agency could utilize a collection technique called "warrant for distraint." Currently a warrant only lasts for 90 days whereas a writ lasts for 120 days. This bill would make these two the same.

The bill would change the statutory language of CSED enabling statutes to clarify that the Agency may do income withholding on arrears debt without first holding a hearing on determining the debt. This would bring it into accord with the system currently utilized under Montana law.

Another portion of the bill would allow an electronic e-mail service of certain documents, medical enrollment orders, notices, etc. This would save a great deal of paperwork. It also changes the number of days in which an entity can respond to such a notice. It would change it to 20 working days and 40 days for enrollment of a medical support order.

The bill clarifies language to specifically require children be enrolled in health insurance plans when the health plan administrator receives a enrollment order. It also changes the number of days to 40 working days.

Another measure deals with the prioritization of withholding. Some people may or may not have an arrears debt; but if there is

an arrears debt, the current support would always be paid first; next, the medical insurance would be paid (provided there is enough money to cover the total amount); and then, if there is an arrears debt, the remainder of the money would go toward that debt.

The last portion of the bill deals with crime compensation payments. The bill would make these payments subject to garnishment.

{Tape: 1; Side: B; Approx. Time Counter: 11.4 - 21.5}

Amy Pfeifer, Attorney, Child Support Enforcement Division, DPHHS, took the stand and presented an amendment. She then explained the provisions of the amendment.

EXHIBIT (huh10a01)

{Tape: 1; Side: B; Approx. Time Counter: 21.5 - 27}

Opponents' Testimony: None

Informational Testimony: **Neil Peterson, Montana Department of Revenue,** stated that his Department administers the new hire information and offered to answer any questions the committee might have.

Questions from Committee Members and Responses:

CHAIRMAN BECKER asked for a definition of "distrainment." **Ms. Pfeifer** explained that a warrant of distrainment came from the Department of Revenue. Distrainment is a seizure. A warrant of distrainment is a warrant to go and seize some personal property.

REP. DAVE MCALPIN inquired if new hire information was collected throughout the country. **Mr. Peterson** replied that his Department collects information only from Montana employers. This information is then fed into a national directory of new hire information by CSED.

REP. JONATHAN WINDY BOY asked how Title IV-D of the Social Security Act and TANF relate to each other. **Mr. Olson** explained the relationship.

{Tape: 1; Side: B; Approx. Time Counter: 27 - 30; Comments: Mr. Olson's answer continued on Tape 2, Side A.}

REP. WINDY BOY wanted to know how this bill would affect the Chippewa-Cree Indian tribe. **Mr. Olson** replied that the tribe would be affected somewhat and explained in detail what that might be.

{Tape: 2; Side: A; Approx. Time Counter: 0 - 6.8}

REP. TOM MCGILLVRAY asked if EVERY new employee's name and social security number are transferred from the Department of Revenue to CSED. **Mr. Olson** replied in the affirmative. **REP. MCGILLVRAY** inquired if there were any private child support collection agencies. **Mr. Olson** responded that 'yes' there are.
{Tape: 2; Side: A; Approx. Time Counter: 6.8 - 9.9}

Closing by Sponsor:

REP. CAFERRO closed on HB 216.

{Tape: 2; Side: A; Approx. Time Counter: 9.9 - 11}

EXECUTIVE ACTION ON HJ1

Motion: **REP. FACEY** moved that HJ1 DO PASS.

Motion: **REP. WINDY BOY** moved that HJ1 BE AMENDED.
[EXHIBIT](#) (huh10a02)

REP. WINDY BOY read the amendment.

Vote: Motion carried 15-0. **REP. PAT WAGMAN** was not available to vote.

Motion: **REP. FACEY** moved that HJ1 DO PASS AS AMENDED.

Discussion:

REP. WINDY BOY informed the committee that **REP. EVE FRANKLIN** approved of the amendment.

REP. FACEY stated that resolutions are important and that the committee should remember they do not have the same effect as law.

REP. TERESA HENRY pointed out that this resolution sets forth the tenor of the Legislature's direction for Montana's health policy and disease prevention.

REP. TOM MCGILLVRAY agreed with **REP. HENRY** concerning policy direction that sets a precedent for the Legislature in terms of funding and taxpayer dollars. If the committee votes affirmatively on this resolution, he feels that is the wrong direction to take by spending more money on programs that have been proven ineffective in the past and will probably prove to be ineffective in the future. He urged a no vote.

REP. DAVE MCALPIN supports the resolution because it encourages cooperation and does not speak to funding.

REP. WILLIAM JONES supported the resolution.

REP. EMELIE EATON added her support.

**Vote: Motion carried 13-3 by roll call vote with REPS.
MCGILLVRAY AND STOKER voting no. REP. WAGMAN voted no by proxy.**

ADJOURNMENT

Adjournment: 4:20 P.M.

REP. ARLENE BECKER, Chairman

MARY GAY WELLS, Secretary

AB/MW

Additional Exhibits:

EXHIBIT ([huh10aad0.PDF](#))