

HOUSE COMMITTEE ON CIVIL LAW

February 1, 1999 Hearing Room 357

1:00 p.m. Tapes 15 - 16

**MEMBERS PRESENT: Rep. Lane Shetterly, Chair**

**Rep. Judy Uherbelau, Vice-Chair**

**Rep. Max Williams, Vice Chair**

**Rep. Vic Backlund**

**Rep. Randall Edwards**

**Rep. Kathy Lowe**

**Rep. Vicki Walker**

**Rep. Larry Wells**

**Rep. Bill Witt**

**STAFF PRESENT: Aaron Felton, Counsel**

**Nancy Richards, Administrative Support**

**MEASURE/ISSUES HEARD: HB 2235**

**HB 2232**

These minutes are in compliance with Senate and House Rules. Only text enclosed in quotation marks reports a speaker's exact words. For complete contents, please refer to the tapes.

TAPE/#	Speaker	Comments
<b>TAPE 15, A</b>		
004	Chair Shetterly	Calls meeting to order at 1:03.

	<b>Phil Yarnall</b>	<b>Department of Human Resources, Adult &amp; Family Services.</b>  Overview of the Support Enforcement Division of Department of Justice. <b>(Exhibits A &amp; B).</b> Discusses the purpose and organization of Oregon's Child Support Program.
088	Rep. Uherbelau	What are the six areas of the program?
090	Yarnall	Lists the counties that are involved with the program.
093	Chair Shetterly	Describes a family situation where they are on public assistance and the other situation where they are not on public assistance and the effect of the Child Support Program on these families.
110	Yarnall	Discusses the process of the CSP regarding these situations would follow.
114	Rep. Walker	Why don't we do depositions at the SED office anymore as they now have contracted them out to the county District Attorney?
121	Yarnall	In Lane county, we did a pilot program where SED and the District Attorneys tried exchanging some work to see if it was more efficient.
129	Rep. Walker	Is that pilot project completed? What are the results?
131	Yarnall	The results are inconclusive.
135	Rep. Uherbelau	You do support enforcement for the Oregon Youth Authority?
139	Yarnall	Yes, for the OYA and for the SED.
142	<b>Ronelle Shankle</b>	<b>Department of Justice, Support Enforcement Division.</b>  Discusses that services the Support Enforcement Division provides and where they are located.
201	Rep. Uherbelau	What is the percentage rate of success on locating parents, in state and out of state?
211	Shankle	I do not have that percentage available. Discusses the ways to locate unknown parents.
223	Rep. Uherbelau	States a situation where the parent was known out of state and yet the SED were doing nothing. Is there a problem when it is interstate?

235	Shankle	Verification of the location takes time and it depends on whether we can access this person directly or if we need to follow some legal action.
245	Rep. Uherbelau	When can you locate directly?
249	Shankle	<p>Primarily if the issue we are trying to resolve is establishment of paternity or enforcement remedies, these give us jurisdiction and we can deal with the problem directly.</p> <p>Continues with the discussion of services proved by the Support Enforcement Division.</p>
269	Chair Shetterly	How do the names of parents get in your system when there is no order in place?
271	Shankle	Most of the referrals that the SED gets would be through an electronic referral from Adult and Family Services Division and the Oregon Youth Association.
275	Rep. Uherbelau	Do you have new guidelines effective March 1?
276	Shankle	Yes. Discusses the new guidelines.
291	Chair Shetterly	Is there is provision for a two year periodic modification of support orders?
296	Shankle	Yes, there is a provisional law that says an order is automatically qualified for a review and adjustment. We do not automatically generate those notices, we wait for a request from a party.
289	Chair Shetterly	Is that the distinction between your division's cases and the private cases?
305	Shankle	That is correct. If a private practitioner wanted to modify the support, they would need to prove a change of circumstances on behalf of one of the parties.
309	Rep. Uherbelau	Can those that want modification of support have to go through the court when there is a divorce decree?
314	Shankle	That is correct. If they have language in the underlying decree, we do have the ability in Chapter 4, 16 to do an administrative modification process. Discusses the administrative process and how it works with the support modification.
329	Rep. Uherbelau	Can those that have the changes in the divorce decree, choose when they want it modified and what process would this take?

335	Shankle	They have a choice of going through our division or using a private attorney. Our division would be involved if those involved were on public assistance.
419	Rep. Uherbelau	How long does the administrative process take?
421	Shankle	Discusses the process and how long it takes.
426	Rep. Wells	Discusses the impact the process of employment notification has on the agriculture community.
440	Shankle	It is a federal mandate to enforce the process of employment notification.
452	Rep. Walker	Every new hired employee in the state of Oregon goes through a registry?
459	Shankle	That is correct. Every employer is required to tell us when they have a new hire or a rehire. Discusses the ways this process is implemented.
475	Chair Shetterly	Accept the mandate from the federal government and the money that goes with that or suffer the consequences.
<b>Tape 16, A</b>		
032	Rep. Uherbelau	Discusses the situation of a support involving Oregon Youth Association and the liens placed on property and how that affects the credit report.
044	Shankle	Discusses the language in the Contingency Order and how it controls the support payment. SED works with the credit lenders and mortgage companies to make the program more efficient.
070	Rep. Uherbelau	I don't understand why the lien continues when a person is released from the OYA program?
084	Shankle	Discusses why the Contingency Order Process and other services are provided by the Support Enforcement Division. Partnership Committee meets to talk about new processes. Discusses the achievements of the division and the implementation of the provisions of this bill.
278	Rep. Wells	How confidential are our bank accounts?
282	Shankle	States that the automated tape of accounts are compared to the division's information, just to see if they have an account and if it is eligible for garnishments.

297	Rep. Williams	Banks are called to clear checks, but you would need the account number.
309	Chair Shetterly	Is there a working relationship between the banking institutions in other states and the state of Oregon?
312	Shankle	Discussed that relationship and how it works; it got started with the Welfare Reform Act. Talked about being able to work with the tribes in Oregon. Summed up the achievements of the division.
358	Rep. Wells	Why weren't all the provisions of bills, dealing with Chapter 46, implemented yet?
365	Chair Shetterly	Does that have to do with the sunset provisions?
367	Shankle	We have implemented those provisions that were passed last session and we are operating under that temporary law in Chapter 46 because of the sunset provision.
381	Rep. Wells	Is it because of the sunset provision that we have to keep amending Oregon laws when dealing with the chapter?
385	Chair Shetterly	Some parts of the chapter were not codified because they were not effective when the statutes went to print.
389	Shankle	There is SB 29 which removes the sunset issue.
391	Chair Shetterly	What was the amount of federal funding that is involved with this bill?
399	Yarnell	Discusses the federal funding and how it works.
416	Rep. Witt	What is the dollar amount of unpaid child support obligation outstanding at this time?
427	Yarnell	It is in excess of 800 million dollars in Oregon.
434	Chair Shetterly	That is the total outstanding balance?
434	Shankle	That is correct. That includes the ongoing as well as the arrears in child support payments.
437	Rep. Witt	Do you know how much the unpaid obligation increased?

441	Yarnell	The amount of current support is \$25.5 million. The amount we collect monthly is 18.1 million, so we are losing 7 million a month. This is the difference in the amount billed and the total actually collected.
454	Rep. Uherbelau	Has this amount changed anyway since the welfare reform and prior to 1997?
460	Yarnell	States the improvements made in the last few years in our collections on child support.
469	Shankle	More improvement in that area will be seen when two important reports are documented.
<b><u>HB 2235 Public Hearing</u></b>		
<b>Tape 15, B</b>		
031	Counsel Felton	HB 2235 requires Department of Justice to provide certain child support account information to obligor and obligee regardless of whether the party is represented by an attorney.
049	<b>Ronnelle Shankle</b>	<b>Department of Justice, Support Enforcement Division.</b> Testifies in support of HB 2235 ( <b>Exhibit C</b> ). Discusses how this bill would allow Support Enforcement Division staff to talk to parties who are represented by an attorney without the prior consent of the attorney. Discusses services and organization of the Child Support Accounting Unit. States that the amendment to this bill would be an emergency clause, so customer service to child support customers will be more efficient.
125	Chair Shetterly	The purpose of the disciplinary rules is that it prohibits your division from giving information of the support payment to private persons, it has to go through their lawyer?
135	Shankle	Yes, that is correct.
138	Chair Shetterly	Even if it is the information regarding the status of an account?
139	Shankle	That is correct.
140	Chair Shetterly	In the State Bar Disciplinary Rule, DR7-104, there is an exception that would allow DOJ to communicate with lawyers if the lawyer is "otherwise authorized by law".
145	Shankle	That is correct. Discusses the process of communication between the lawyer and the DOJ.

153	Rep. Wells	How hard do attorneys try to see if the other party is represented?
162	Shankle	Discusses how SED confirms information of attorney representation.
178	Rep. Uherbelau	IN HB 2235, Line 26, what does the "shall notify" involve?
185	Shankle	Discusses the different notices sent out by their division to the obligor and obligee receive and when they are sent out.
198	<b>Carl Stecker</b>	<b>Marion County District Attorney</b>  Testifies in support of HB 2235. Discusses attorney representation and how that affects the customer service as it relates to the county.
223	<b>Maureen McKnight</b>	<b>Attorney, Legal Aid Services of Oregon</b>  Testifies in support of HB 2235 ( <b>Exhibit E</b> ). Discusses the assistance the Legal Aid Service provides in child support situations.
<b><u>HB 2235 Work Session</u></b>		
262	<b>Rep. Walker</b>	<b>MOTION: Moves to ADOPT HB 2235-1 amendments dated 01/29/99.</b>  <b>Vote: 8-1, Rep. Lowe excused.</b>
270	<b>Rep. Walker</b>	<b>MOTION: Moves HB 2235 to the floor with a DO PASS AS AMENDED recommendation and BE REFERRED to the committee on</b>  <b>Vote: 8-1, Rep. Lowe, excused. Carrier: Rep. Wells.</b>
<b><u>HB 2232 Public Hearing</u></b>		
295	Counsel Felton	HB 2232 deletes time limitation on use of alternative address for service of legal documents in support enforcement proceeding.
315	<b>Ronelle Shankle</b>	<b>Department of Justice, Support Enforcement Division</b>  Testifies in support of HB 2232 ( <b>Exhibit E</b> ). Discusses how limiting duration of an address of record hampers the Child Support Program in responding to domestic violence concerns. This bill will improve services to families while continuing to address the issues of domestic violence with regard to parties involved in child support proceedings.
386	Chair Shetterly	The protections that the original limitation were intended to put in place are now

		addressed elsewhere by the administrative rule?
390	Shankle	The statute would still be in place. The administrative rule clarifies that we should verify those addresses, how they are to be used , and how long the limitation would be.
397	<b>Shirley Iverson</b>	<b>Assistant Administer, Department Human Resources, Adult and Family Services Division.</b>  Testifies in support of HB 2232 ( <b>Exhibit F</b> ). Discusses how this bill helps Adult and Family Service case managers as they work with victims to better ensure better confidentiality and the safe collection of child support. States who was involved in the change that this bill implements.
<b><u>HB 2232 Work Session</u></b>		
422	<b>Rep. Edwards</b>	<b>MOTION: Moves HB 2235 to the floor with a DO PASS recommendation.</b>  <b>Vote: 8-1, Rep. Lowe, excused. Carrier: Witt</b>
435	Chair Shetterly	Adjourns meeting at 2:30.

Submitted By, Reviewed By,

Nancy Richards, Aaron Felton,  
Administrative Support Counsel

**EXHIBIT SUMMARY**

**A - HB 2235, Written testimony, Phil Yarnall, p. 8**

**B - HB 2235, Oregon Child Support Program Organization Sheet, Phil Yarnall, p. 6**



**C - HB 2235, Written testimony, Ronelle Shankle, p. 3**

**D - HB 2232, Written testimony, Ronelle Shankle, p. 3**

**E - HB 2235, Written testimony, Maureen McKnight, p. 2**

**F - HB 2232, Written testimony, Shirley Iverson, p. 2**