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BILL: AB 27 Revises Method of Adjusting Presumptive Maximum Amount of Child Support

NEVADA STATE WELARE DIVISION

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Good morning Chairman Andersen and members of the Judiciary Committee. I am Leland Sullivan, Child Support Enforcement Program Chief, of the State Welfare Division. I am here to support AB 27, which in addition to addressing the child support presumptive maximum amount, would amend the provisions of NRS 125B.140, subsection 2(C) regarding interest on child support order arrearages.

The Nevada Child Support Enforcement Program is a federal, state and local partnership operating under Title IV-D of the Social Security Act. The program provides four basic services to the Nevada's children and families: location of obligors, establishment of parentage, establishment of support orders and enforcement of orders. State programs must comply with Title IV-D mandates to be eligible for federal funding. Federal regulations establish program requirements and mandatory services states must provide to families participating in the IV-D program.

Currently, NRS 125B.140 requires the court to determine and award interest on child support arrearages. However, under federal regulations Title IV-D child support enforcement programs are not required to calculate interest. It is a proper IV-D function to collect interest that has been reduced to a sum certain amount.

Requiring the IV-D program to calculate interest represents an enormous burden to the program's limited resources. Although, the statute directs the courts to calculate interest, in practice the child support program must provide the calculations to the courts to avoid too much time being spent calculating interest during the hearing process. As of December 2002, there were 61,034 IV-D child support cases in Nevada with an arrearage balance. This represents 59% of the state's total caseload. The majority of cases enter the child support program with existing arrearage balances, each requiring the child support program to calculate interest.

The interest question was further complicated with the adoption of the federally mandated Uniform Interstate Family Support Act (UIFSA). State differences in arrearage and interest calculations compound the labor necessary for child support enforcement caseworkers to comply with the provisions of NRS 125B.140. UIFSA requires responding states to enforce the initiating state's order. Yet the interest rate of the state with continuing exclusive jurisdiction (CEJ) determines the applicable interest rate.

ASSEMBLY JUDICIARY
DATE: 2/20/03 ROOM 3138 EXHIBIT G
SUBMITTED BY: LELAND SULLIVAN

Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) distribution requirements add yet another layer of complexity to the interest debate. For TANF and former TANF cases, there are no less than five categories of arrearages, which may or may not be assigned to the state based on case specific circumstances. Interest must be addressed separately for each category of arrearages adding to the staff and systems impact of calculating interest.

Recently Welfare Division staff meet with Clark and Washoe County Child Support management staff and have jointly agreed elimination of interest provisions as set forth in NRS 125B.140 are in the best interest of the program. Modification of this statute does not compromise a custodian's ability to pursue interest assignment under the general interest provisions contained in NRS 99.040. It does however clearly distinguish this as a court option rather than a responsibility of the Child Support Enforcement program.

I would be pleased to answer questions from the committee.