

## **Child Support Budget issue**

### **General Background**

The federal child support program was established in 1975 to provide a means for children to receive the financial support they need from both parents to help ensure a bright future. Child support payments, collected from parents not residing with the children, help provide food, shelter, clothing and other basic living expenses for children. By providing vital income to families, the program helps promote family self-sufficiency and is a critical component in the fight against poverty.

The program is funded by a combination of federal and State funding and is only one of a few that provide uncapped federal dollars.

### **Program Funding Background**

Historically, Child Support responsibilities were under each county District Attorney's office until 2000 when it was changed to a state program and individual county run departments were created. The State Child Support Reform Act of 1999 in California created a new California Department of Child Support Services (DCSS) and moved local administration of child support programs from the District Attorney's Office to newly created Local Child Support Agencies (LCSAs). At that time the historical funding allocations were placed into statute and there has not been a major change to the formula since that time.

California's base funding for the child support program has not increased since fiscal year (FY) 2002/03. As a result, local child support agencies (LCSAs) have not received an increase in basic administrative funding for the past 14 fiscal years, despite the fact that those agencies' operating costs continued to rise on an annual basis. In addition, no increase is being proposed for FY 2018/19.

In response to dwindling caseworker resources and the negative impact of flat funding on LCSAs, the Legislature provided a Revenue Stabilization funding augmentation (\$18.7 million--\$6.4 million State General Fund) in 2009/10 indicating that the funding was being provided to "maintain revenue generating caseworker staffing levels in order to stabilize child support collections."

### **Allocation Formula**

The current model is based on a County-centric methodology which was developed in the 1990's while the LCSAs were under the jurisdiction of County District Attorneys. The methodology considered a number of factors, including county collections and the extent to which counties were in compliance with case processing requirements.

After its creation as a stand-alone state agency, the state simply adopted the same funding amount for each LCSA. Since FY 2000/01, the same funding dollars simply roll over from the prior year. The continued use of this antiquated and dysfunctional process, two decades later, has resulted in significant inequities in funding between the counties, which magnifies the problem of inadequate funding for those LCSAs that are relatively the most-underfunded. Despite ongoing discussions with the State child support department about the need for an allocation methodology, as well as an increase in program funding, no changes have been made to the local funding model.

### **Child Support Program and Services**

California's Child Support Services Program works with parents - custodial and noncustodial - and legally acknowledged guardians to ensure children and families receive court ordered financial and medical support. Child support services are available to the general public through a network of 51 county and regional child support agencies.

The following services are provided:

- Establishing paternity (fatherhood)
- Locating absent parents
- Requesting child support orders from the court
- Requesting medical support orders from the court
- Enforcing child support orders
- Modifying child support orders
- Enforcing spousal support orders in conjunction with child support

### **Problem**

Since the allocation formula is not based on caseload or other performance criteria, several counties are underfunded when their caseload and workload is compared with other counties with the same criteria. Specifically, there are fourteen counties that have been identified as the most in need of funding increases. The consequential factor in the determination of the 14 counties is a proposed allocation per case of \$630.00. Those counties, with less than \$630 per case are now referred to as the under-parity counties. A per case allocation amount is directly related to the ability of all counties to provide consistent and uniform services for California families, regardless of where they reside within California.

14 counties that are underfunded:

- Glenn
- Kern
- **Fresno**
- Imperial
- Kings
- **Los Angeles**
- Madera
- Merced
- **Riverside**
- **Sacramento**
- **San Joaquin**
- **San Bernardino**
- Stanislaus
- Tehama

### **Proposed Solution**

Propose an additional state General Fund to be allocated towards those counties that are underfunded or under parity. This proposal would not make changes to the current formula or impact other counties allocations.

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