

5175 Department of Child Support Services

The mission of the California Child Support Program is to promote the well-being of children and the self-sufficiency of families by assisting both parents to meet the financial, medical, and emotional needs of their children through the delivery of quality child support establishment, collection, and distribution services.

The statewide Child Support Program is founded on a belief that California's children have the right to be supported by both parents financially, medically and emotionally. The Child Support Program is committed to ensuring that California's children are given every opportunity to obtain these rights in a fair and consistent manner throughout the state. The Child Support Program is committed to providing the highest quality services and collection activities in the most efficient and effective manner.

3-YR EXPENDITURES AND POSITIONS (Summary of Program Requirements)

	Positions			Expenditures		
	2005-06	2006-07	2007-08	2005-06*	2006-07*	2007-08*
10 Child Support Services Program	435.9	506.5	518.8	\$1,354,650	\$1,551,790	\$1,106,977
TOTALS, POSITIONS AND EXPENDITURES (All Programs)	435.9	506.5	518.8	\$1,354,650	\$1,551,790	\$1,106,977
FUNDING				2005-06*	2006-07*	2007-08*
0001 General Fund				\$499,549	\$584,939	\$319,843
0890 Federal Trust Fund				592,300	723,839	567,455
0995 Reimbursements				39	123	123
8004 Child Support Collections Recovery Fund				262,762	242,889	219,556
TOTALS, EXPENDITURES, ALL FUNDS				\$1,354,650	\$1,551,790	\$1,106,977

LEGAL CITATIONS AND AUTHORITY

DEPARTMENT AUTHORITY

Family Code, Division 17, Chapter 1.

MAJOR PROGRAM CHANGES

- **Alternative Federal Penalty** - The Governor's Budget includes a reduction of \$220 million General Fund due to the state's request for federal certification of its statewide, automated child support system. During the federal certification process, the federal government will hold future penalties in abeyance pending final review of the state's child support automation system. Once the federal government certifies the system, it will reimburse the state \$198 million, or 90 percent of the state's final penalty payment. Given the current project schedule, the state system should be certified in 2008-09, and the Governor's Budget assumes accrual of the penalty reimbursement to 2007-08.
- **General Fund Backfill for Lost Federal Incentives Matching Funds** - Effective October 1, 2007, the federal Deficit Reduction Act of 2005 will eliminate California's ability to claim federal matching funds for earned federal incentive payments. These incentive payments are awarded to all states based on program performance in a number of areas, such as paternity establishment. The Governor's Budget includes increased funding of \$23 million General Fund to maintain the current funding level for local child support agencies.

DETAILED BUDGET ADJUSTMENTS

Baseline Adjustment Descriptions	2006-07*			2007-08*		
	General Fund	Other Funds	Positions	General Fund	Other Funds	Positions
• Alternative Federal Penalty Relief	\$-	\$-	-	-\$220,000	\$-	-
• Lost Federal Fund Participation on Federal Incentives	-	-	-	-	-64,115	-
• California Child Support Automation System - Local Assistance	-117	22,483	-	-10,408	-94,371	-
• California Child Support Automation System - State Operations	-	-	-	-822	-1,596	-
• Deficit Reduction Act - Payment of Federal Share of Mandatory Fee	-	-	-	1,763	-	-
• Federal Incentives Adjustment	-	-	-	-1,321	-2,164	-

* Dollars in thousands, except in Salary Range.

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	2006-07*			2007-08*		
	General Fund	Other Funds	Positions	General Fund	Other Funds	Positions
• Transfer General Fund Authority from Department of Justice to Department of Child Support Services	-	-	-	348	-	-
• Price Increase	-	-	-	852	1,816	-
• Employee Compensation Adjustment	879	1,706	-	786	1,526	-
• Adjustment for Full-Year Cost and Positions for the Child Support Service Center	-	-	-	97	187	4.2
• Removal of One-Time Costs	-	-	-	-44,523	-9,014	-
• Miscellaneous Baseline Adjustments	14,158	32,938	-1.9	68	647	4.3
Totals, Baseline Adjustments	\$14,920	\$57,127	-1.9	-\$273,160	-\$167,084	8.5
Policy Adjustment Descriptions						
• General Fund Backfill of Lost Federal Funds for Child Support Incentives	\$-	\$-	-	\$22,984	\$44,616	-
• Alternate Dispute Resolution Grant	-	409	-	-	287	-
• Office of Audits and Compliance	-	-	-	-	-	1.9
Totals, Policy Adjustments	\$-	\$409	-	\$22,984	\$44,903	1.9
TOTALS, BUDGET ADJUSTMENTS	\$14,920	\$57,536	-1.9	-\$250,176	-\$122,181	10.4

* Dollars in thousands, except in Salary Range.

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Child Support Program Collections

	<u>2005-06 Actuals</u>	<u>2006-07 Nov. Est.</u>	<u>2007-08 Nov. Est.</u>
Non-Assistance Collections (Payments to Families)	\$1,696,346	\$1,770,980	\$1,881,939
Assistance Collections (Payments to Government)	613,146	587,258	540,338
Total Child Support Collections	\$2,309,492	\$2,358,238	\$2,422,277
State Share of Assistance Collections 1/	\$265,482	\$267,375	\$246,110
Federal Share of Assistance Collections	276,678	252,693	231,316
County Share of Assistance Collections	33,820	31,536	28,870
Other Collections 2/	37,166	35,654	34,042
Total Assistance Collections	\$613,146	\$587,258	\$540,338

1/ Based on CS 34/35 report actuals

2/ Other Collections include: Collections for other states, medical support, excess, pass-on and \$50 disregard payments.

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PROGRAM DESCRIPTIONS (Program Objectives Statement)

10 CHILD SUPPORT SERVICES

The Department of Child Support Services is the single state agency designated to administer the Title IV-D state plan. The Department is responsible for providing strong state leadership to ensure that all functions necessary to establish, collect and distribute child support in California, including securing child and spousal support, medical support and determining paternity, are effectively and efficiently implemented. Eligibility for California's funding under Temporary Assistance to Needy Families (TANF) Block Grant is contingent upon continuously providing these federally required child support services. Further, the Child Support Program operates using clearly delineated federal performance measures, with minimum standards prescribing acceptable performance levels necessary for receipt of federal incentive funding. The objective of the Child Support Program is to provide an effective system for encouraging and, when necessary, enforcing parental responsibilities, by establishing paternity for children, establishing court orders for financial and medical support, and enforcing those orders so that children receive financial and medical support as ordered.

10.01-Child Support Administration:

The Child Support Administration program is funded from federal and state funds. The Child Support Administration expenditures are comprised of state staff salaries and benefits and operating expenses, local child support agency administrative, electronic data processing maintenance, and operation costs. The federal government pays 66 percent and the state pays 34 percent of the Child Support Program costs. In addition, the Child Support Program earns federal incentive funds based on the state's performance in five federal performance measures. Prior to October 2007, these federal incentive funds offset the state General Fund on a dollar for dollar basis because these funds have been eligible for federal matching funds. Beginning in October 2007, the incentive funds will not be eligible for federal matching funds.

10.03-Child Support Automation:

Federal law mandates that each state create a single statewide child support automation system that meets federal certification. The Department of Child Support Services, in collaboration with the Franchise Tax Board and private vendors, has implemented Version 1 of the California Child Support Automation System (CCSAS), which provides centralized data processing, collection, and disbursements services according to the federal requirements as an Alternative System Configuration. The Department anticipates full implementation of Version 2 of CCSAS by November 2008, when the system will be operating as a single statewide system. There are two components of the statewide system. The first is the Child Support Enforcement (CSE) system and the second is the State Disbursement Unit (SDU). The CSE component contains tools to manage the accounts of child support recipients and to locate and intercept assets from non-custodial parents who are delinquent in their child support payments. The SDU provides services to collect child support payments from non-custodial parents and to disburse these payments to custodial parents.

10.04-Child Support Payments:

The Child Support Payments program provides the Department of Child Support Services the ability to advance funds to non-custodial parents who have experienced increases in child support due to the change in accounting rules that took effect at the time of the implementation of the State Disbursement Unit.

DETAILED EXPENDITURES BY PROGRAM (Program Budget Detail)

		<u>2005-06*</u>	<u>2006-07*</u>	<u>2007-08*</u>
PROGRAM REQUIREMENTS				
10	CHILD SUPPORT SERVICES PROGRAM			
State Operations:				
0001	General Fund	\$40,439	\$48,013	\$45,844
0890	Federal Trust Fund	79,255	107,455	96,872
0995	Reimbursements	39	123	123
Totals, State Operations		\$119,733	\$155,591	\$142,839
Local Assistance:				
0001	General Fund	\$459,110	\$521,926	\$273,999
0890	Federal Trust Fund	513,045	616,384	470,583
8004	Child Support Collections Recovery Fund	262,762	242,889	219,556
Totals, Local Assistance		\$1,234,917	\$1,381,199	\$964,138
Unclassified:				
0001	General Fund	\$-	\$15,000	\$-
Totals, Unclassified		\$-	\$15,000	\$-
ELEMENT REQUIREMENTS				
10.01	Child Support Administration	\$1,177,292	\$1,288,020	\$985,218

* Dollars in thousands, except in Salary Range.

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	2005-06*	2006-07*	2007-08*
State Operations:			
0001 General Fund	40,439	48,013	45,844
0890 Federal Trust Fund	79,255	107,455	96,872
0995 Reimbursements	39	123	123
Local Assistance:			
0001 General Fund	451,059	477,968	255,829
0890 Federal Trust Fund	343,738	411,572	366,994
8004 Child Support Collections Recovery Fund	262,762	242,889	219,556
10.03 Child Support Automation	\$177,358	\$240,770	\$121,759
Local Assistance:			
0001 General Fund	8,051	20,958	18,170
0890 Federal Trust Fund	169,307	204,812	103,589
Unclassified:			
0001 General Fund	-	15,000	-
10.04 Child Support Payments	\$-	\$23,000	\$-
Local Assistance:			
0001 General Fund	-	23,000	-
TOTALS, EXPENDITURES			
State Operations	119,733	155,591	142,839
Local Assistance	1,234,917	1,381,199	964,138
Unclassified	-	15,000	-
Totals, Expenditures	\$1,354,650	\$1,551,790	\$1,106,977

EXPENDITURES BY CATEGORY (Summary By Object)

1 State Operations	Positions			Expenditures		
	2005-06	2006-07	2007-08	2005-06*	2006-07*	2007-08*
PERSONAL SERVICES						
Authorized Positions (Equals Sch. 7A)	435.9	533.2	533.2	\$24,849	\$30,346	\$30,818
Total Adjustments	-	-	12.9	-	1,787	1,897
Estimated Salary Savings	-	-26.7	-27.3	-	-1,822	-1,863
Net Totals, Salaries and Wages	435.9	506.5	518.8	\$24,849	\$30,311	\$30,852
Staff Benefits	-	-	-	8,744	10,898	11,103
Totals, Personal Services	435.9	506.5	518.8	\$33,593	\$41,209	\$41,955
OPERATING EXPENSES AND EQUIPMENT						
				\$86,140	\$114,382	\$100,884
TOTALS, POSITIONS AND EXPENDITURES, ALL FUNDS (State Operations)				\$119,733	\$155,591	\$142,839
2 Local Assistance						
				2005-06*	2006-07*	2007-08*
County Administration				\$1,057,559	\$1,132,429	\$842,379
Automation Projects				177,358	225,770	121,759
Child Support Payments				-	23,000	-
TOTALS, EXPENDITURES, ALL FUNDS (Local Assistance)				\$1,234,917	\$1,381,199	\$964,138
4 Unclassified						
				2005-06*	2006-07*	2007-08*
California Child Support Automation System Funding				\$-	\$15,000	\$-
TOTALS, EXPENDITURES, ALL FUNDS (Unclassified)				\$-	\$15,000	\$-

DETAIL OF APPROPRIATIONS AND ADJUSTMENTS (Reconciliation with Appropriations)

* Dollars in thousands, except in Salary Range.

5175 Department of Child Support Services - Continued

1 STATE OPERATIONS	2005-06*	2006-07*	2007-08*
0001 General Fund			
APPROPRIATIONS			
001 Budget Act appropriation	\$16,978	\$17,564	\$18,683
Allocation for employee compensation	-	775	-
Adjustment per Section 3.60	-63	98	-
Adjustment per Section 4.75 Statewide Surcharge	-	47	-
002 Budget Act appropriation	26,075	26,951	27,161
Allocation for employee compensation	-	104	-
Prior year balances available:			
Item 5175-001-0001, Budget Act of 2005 as reappropriated by Item 5175-490, Budget Act of 2006	-	1,818	-
Item 5175-002-0001, Budget Act of 2005 as reappropriated by Item 5175-490, Budget Act of 2006	-	733	-
Totals Available	\$42,990	\$48,090	\$45,844
Unexpended balance, estimated savings	-	-77	-
Balance available in subsequent years	-2,551	-	-
TOTALS, EXPENDITURES	\$40,439	\$48,013	\$45,844
0890 Federal Trust Fund			
APPROPRIATIONS			
001 Budget Act appropriation	\$34,378	\$35,968	\$38,654
Allocation for employee compensation	-	1,504	-
Adjustment per Section 3.60	-123	190	-
Adjustment per Section 4.75 Statewide Surcharge	-	-26	-
002 Budget Act appropriation	56,442	58,324	58,218
Allocation for employee compensation	-	202	-
Prior year balances available:			
Item 5175-001-0890, Budget Act of 2005 as reappropriated by Item 5175-490, Budget Act of 2006	-	3,719	-
Item 5175-002-0890, Budget Act of 2005 as reappropriated by Item 5175-490, Budget Act of 2006	-	7,723	-
Totals Available	\$90,697	\$107,604	\$96,872
Unexpended balance, estimated savings	-	-149	-
Balance available in subsequent years	-11,442	-	-
TOTALS, EXPENDITURES	\$79,255	\$107,455	\$96,872
0995 Reimbursements			
APPROPRIATIONS			
Reimbursements	\$39	\$123	\$123
TOTALS, EXPENDITURES, ALL FUNDS (State Operations)	\$119,733	\$155,591	\$142,839
2 LOCAL ASSISTANCE	2005-06*	2006-07*	2007-08*
0001 General Fund			
APPROPRIATIONS			
101 Budget Act appropriation	\$470,649	\$510,504	\$273,999
Prior year balances available:			
Item 5175-101-0001, Budget Act of 2005 as reappropriated by Item 5175-490, Budget Act of 2006	-	11,539	-
Totals Available	\$470,649	\$522,043	\$273,999
Unexpended balance, estimated savings	-	-117	-
Balance available in subsequent years	-11,539	-	-

* Dollars in thousands, except in Salary Range.

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2 LOCAL ASSISTANCE	2005-06*	2006-07*	2007-08*
TOTALS, EXPENDITURES	\$459,110	\$521,926	\$273,999
0890 Federal Trust Fund			
APPROPRIATIONS			
101 Budget Act appropriation	\$501,920	\$541,515	\$470,583
Budget Adjustment	32,606	53,388	-
Prior year balances available:			
Item 5175-101-0890, Budget Act of 2005 as reappropriated by Item, 5175-490, Budget Act of 2006	-	21,481	-
Totals Available	\$534,526	\$616,384	\$470,583
Balance available in subsequent years	-21,481	-	-
TOTALS, EXPENDITURES	\$513,045	\$616,384	\$470,583
8004 Child Support Collections Recovery Fund			
APPROPRIATIONS			
101 Budget Act appropriation	\$295,368	\$273,385	\$219,556
Revised expenditure authority per Provision 1	-32,606	-30,496	-
TOTALS, EXPENDITURES	\$262,762	\$242,889	\$219,556
TOTALS, EXPENDITURES, ALL FUNDS (Local Assistance)	\$1,234,917	\$1,381,199	\$964,138
4 UNCLASSIFIED			
0001 General Fund			
APPROPRIATIONS			
399 Budget Act appropriation	-	\$15,000	-
TOTALS, EXPENDITURES	\$-	\$15,000	\$-
TOTALS, EXPENDITURES, ALL FUNDS (Unclassified)	\$-	\$15,000	\$-
TOTALS, EXPENDITURES, ALL FUNDS (State Operations, Local Assistance and Unclassified)	\$1,354,650	\$1,551,790	\$1,106,977

CHANGES IN AUTHORIZED POSITIONS

	Positions			Expenditures		
	2005-06	2006-07	2007-08	2005-06*	2006-07*	2007-08*
Totals, Authorized Positions	435.9	533.2	533.2	\$24,849	\$30,346	\$30,818
Salary Adjustments	-	-	-	-	1,787	1,428
Workload and Administrative Adjustments:	Salary Range					
Positions Established:						
Operations Division:						
Staff Services Manager I	-	-	0.3	\$4,746-5726	-	18
Tax Technician	-	-	10.6	\$2,331-3,201	-	333
Totals, Workload & Admin Adjustments	-	-	10.9	\$-	\$1,787	\$1,779
Proposed New Positions:						
Executive Division:						
Assoc Management Auditor	-	-	2.0	4,316-5,247	-	118
Totals, Proposed New Positions	-	-	2.0	\$-	\$-	\$118
Total Adjustments	-	-	12.9	\$-	\$1,787	\$1,897
TOTALS, SALARIES AND WAGES	435.9	533.2	546.1	\$24,849	\$32,133	\$32,715

* Dollars in thousands, except in Salary Range.