



California Department of Child Support Services 2008-09 Governor's Budget Highlights

Safeguarding core child support program services for children and families - while moving California out from under the burden of federal automation penalties

HIGHLIGHTS 2008-2009

- **Customer Impacts:** Effective January 1, 2009 provides an increase in the child support disregard from \$50 to \$100 for custodial parties receiving CalWORKs benefits. The Federal Deficit Reduction Act (FDRA) of 2005 also provides for the first time federal participation in child support disregard payments effective October 1, 2008. The net result is a \$3.9 million increase in State General Fund (SGF) revenues.
- **Local Operations Funding:** Local budgets held harmless from across-the-board budget reductions in order to support local system conversion activities and to ensure the successful statewide implementation of the California Child Support Automation System (CCSAS).
- **CCSAS – Federal Certification:** Receiving federal certification removes the potential for future federal automation penalties; currently an estimated \$223 million in federal penalties is held in abeyance pending the outcome of the federal certification review. Federal certification allows the recovery of \$200 million in past federal penalty payments, and when CCSAS is fully implemented, eliminates the current federal spending cap on child support automation expenditures.
- **Program Services:** Provides \$20.1 million (\$6.9 million SGF) to backfill the remaining one-quarter of lost annual federal matching funds lost due to the FDRA which eliminated the federal match on federal child support incentives effective October 1, 2007.

2008-09 State Operation

- Reduces \$13.5 million (\$4.3 million SGF) and 45 positions to the State Operations budget as part of the 10 percent across-the-board reductions to the General Fund. CCSAS project costs were held harmless from across-the-board reductions.

2008-09 Collection Projections:

- \$1.8 billion in Non Assistance collections.
- \$466.9 million (\$207.9 million SGF) in Assistance collections.
- \$25.8 million (\$3.0 million SGF) for the Full Collections Program.

2007-08 PROPOSED ADJUSTMENTS:

Automation

- A reduction of \$1.3 million (\$0.2 million SGF) for CCSAS as a result of a funding shift for the contract payments in the CCSAS project.
- A net reduction of \$2.8 million (\$0.9 million SGF) for CCSAS Maintenance and Operations as a result of the retirement of obsolete local automation systems and a shift in the CCSAS implementation schedule.