



California
Department of
Child Support
Services

FOR IMMEDIATE RELEASE

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LOS ANGELES MOVES TO STATE CHILD SUPPORT PAYMENT PROCESSING SYSTEM

Implementation of Statewide Child Support Automated System Enters Next Phase

SACRAMENTO – California’s child support program achieved a major milestone today as the state’s 58th and final county made the transition to California’s centralized child support payment collection and processing system. With Los Angeles County on board, 100 percent of the state is being served by the Department of Child Support Services’ (DCSS) State Disbursement Unit (SDU), which collects and disburses child support payments previously processed by local child support agencies.

“California’s child support program is entering a new era—thanks to the ongoing commitment of state and local child support professionals across the state. We are well on our way toward meeting federal automation requirements that, when fully realized, will enhance the lives of countless children and families,” said DCSS Director Greta Wallace.

The Los Angeles County Child Support Services Department (CSSD) is the largest locally operated child support agency in the nation and represents approximately 500,000 of the nearly 1.8 million child support cases statewide. Due to the size and complexity of the county’s caseload, members of the state and local implementation team have devoted significant resources to ensure a smooth transition. Outreach efforts targeting customers, local community-based organizations and employers have been a high priority. Californians with private child support orders who do not pay through wage withholding will not initially be affected by this change.

“Los Angeles County has devoted significant resources to the SDU conversion project and worked with the State in identifying potential issues for our customers,” said Philip Browning, Director of Los Angeles County CSSD. “We have notified our customers and partners of the transition, and our call center and public inquiry staff are prepared to answer questions which may arise. We are expecting to process over \$500 million through the SDU and are optimistic that our customers will receive first-class service from the State. Overall, we believe that the transition is a significant breakthrough for the DCSS.”

In November 2005, local child support agencies began transitioning to the SDU. In its first six months of operation, the SDU has issued approximately \$361 million in child support payments to families. The centralized system provides enhanced services to families receiving support and parents making support payments, including:

- Web and toll-free call center access to information.
- Direct deposit services for parents receiving support payments—a continuation of this service in Los Angeles County, but a new practice in many counties.
- Instant access to dollars through electronic payment cards, similar to ATM or debit cards, which can be used at ATM machines and retail outlets beginning this summer.



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Los Angeles County child support customers can expect some changes. Their child support check and envelope will have a new look, and payments will be sent from the SDU's central location. However, payments will continue to be made to the Los Angeles County Court Trustee, and the county will remain the primary point of contact for families and parents with questions about their cases.

During the transition period, Los Angeles County CSSD will forward child support payments daily to the SDU for processing. This forwarding process will delay child support payments for a few days, but is essential to ensuring accurate payment processing as counties convert to the statewide system. Customers making their support payments directly to the CSSD offices are encouraged to pay their support by the 20th day of each month to ensure proper credit on their accounts.

This summer, California's implementation of the statewide system will enter its next phase. Initial delays in payment processing will be eliminated when child support payments formerly handled by local child support agencies are sent directly to the SDU. Processing of all private wage withholding payments will be phased in statewide over several months.

DCSS is responsible for ensuring the efficient implementation of all functions necessary to establish, collect and distribute child support. In 2005, the state program collected \$2.3 billion and served more than two million children. Los Angeles County CSSD collected over \$505 million and served more than 475,000 families.

Child support program services are delivered through 52 local child support agencies. The following services are available at no cost to the public: locating a parent; establishing paternity; establishing, modifying and enforcing a court order for child support; and establishing, modifying and enforcing an order for health insurance coverage.

For more information, log on to <http://www.childsup.ca.gov/>.

BACKGROUND

Federal law requires states to:

- Implement a single statewide automated child support system, including a single location for processing all child support collections and payments.
- Provide statewide case management capabilities.
- Streamline the receipt and disbursement of child support collections and reduce the costs associated with it.

California's delay in meeting these requirements has resulted in significant federal penalties, which will end when the system qualifies for federal certification this September.

In 1999, state legislation required the Franchise Tax Board (FTB) to procure a performance-based contract for a single statewide automated system, now called the California Child Support Automation System (CCSAS). The CCSAS project is overseen by DCSS and managed by FTB.

The CCSAS exemplifies the ability of state entities (DCSS and FTB) and local entities (county child support agencies and the Child Support Directors Association) to work together to develop an automated system that will give state and local officials the necessary tools to better serve California families.

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*Supporting
California's
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State Disbursement Unit

Fact Sheet

Federal law requires states to have a single statewide automated child support system, including a single location for processing all child support collections and payments. The delay in meeting this requirement has resulted in California paying more than \$970 million in penalties. Those federal penalties will stop when the new automated statewide system is in place.

To meet federal requirements, the California Department of Child Support Services (DCSS) is implementing a central payment processing site called the State Disbursement Unit (SDU). The SDU is responsible for collection and disbursement of all child support payments previously processed by the state's 52 local child support agencies, plus all wage assignment payments for private child support orders not currently processed by local child support agencies.

In November 2005, counties began transitioning to the SDU in a series of waves. During the first four waves, 47 local child support agencies in the following counties—Amador, Alpine, Calaveras, Kings, Modoc, Nevada, San Joaquin, Santa Clara, Sierra, Siskiyou, Tulare, Inyo/Mono, Lassen, Tehama, El Dorado, Santa Cruz/San Benito, Merced, Stanislaus, Kern, Fresno, Orange, San Luis Obispo, Imperial, Santa Barbara, Ventura, Riverside, San Bernardino, Colusa, Mariposa, Trinity, Plumas, Glenn, Del Norte, Tuolumne, Marin, Napa, Lake, Mendocino, Sutter, Yuba, Madera, Humboldt, Placer, Yolo, Butte, Shasta, Sonoma, Monterey, Solano, Contra Costa, San Diego, San Mateo, San Francisco, Alameda, and Sacramento—have transferred child support payment collection and processing to the SDU, representing approximately 74 percent of the state's child support program caseload.

Enhanced Services

Families receiving support, parents making support payments, and employers will receive enhanced services from the new system such as:

- Web and toll-free call center access to information.
- Immediate access to direct deposit services for families receiving support payments, if not already available.
- Beginning in summer 2006, families can get instant access to support dollars through electronic payment cards, similar to ATM or debit cards, which can be used at ATM machines as well as retail outlets.
- Parents can make payments using credit cards over a secure internet connection and set up electronic payment transfers from a checking or savings account.

Employers will be able to electronically transfer payments for wage withholding directly to the state and will have access to an Electronic Help Desk.

Implementation

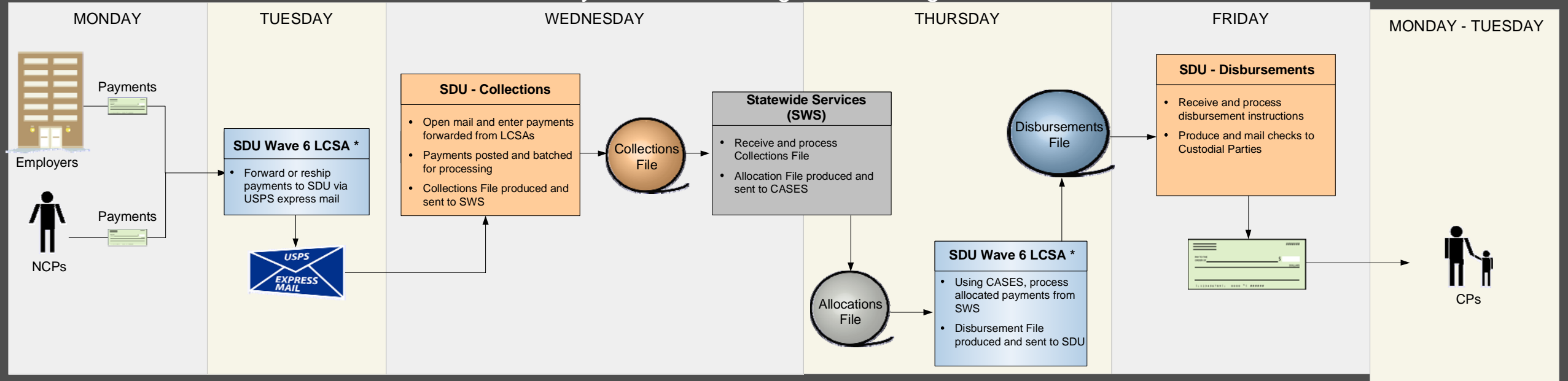
To minimize the impact on customers and ensure smooth local transitions, SDU implementation is being phased in statewide in a series of waves. During SDU transition, local child support agencies will forward child support payments daily via express mail services to the SDU for processing. This extra step during system transition will add a few days to when families usually receive their child support payments. Outreach in transitioning counties is being jointly provided by DCSS and local child support agencies.

- Wave 6, Los Angeles County—representing approximately 26 percent of the state's caseload or approximately 500,000 cases—will transition in May 2006

In summer 2006 when the SDU is fully implemented and operational statewide, child support payments handled by local child support agencies and all wage withholding payments from private child support cases will be redirected to and handled by the SDU.

For more information, log on to www.childsup.ca.gov.

General Payment Processing Flow During SDU Transition



* Los Angeles County

General Payment Processing Timeline (EFT and Direct Deposit)

