



# **CALIFORNIA DEPARTMENT OF CHILD SUPPORT SERVICES**



**2009-2010  
BUDGET**

**BUDGET CHANGE PROPOSALS**

**AND**

**LOCAL ASSISTANCE  
ADMINISTRATIVE COSTS AND  
COLLECTIONS ESTIMATES**

**CALIFORNIA DEPARTMENT OF CHILD SUPPORT SERVICES**

P.O. Box 419064, Rancho Cordova, CA 95741-9064



**TO:** RECIPIENTS OF THE DEPARTMENT OF CHILD SUPPORT SERVICES 2009-10 GOVERNOR'S BUDGET

**FROM:** LINDA ADAMS, Budget Officer  
Budgets and Contract Services Branch

**DATE:** January 9, 2009

**SUBJECT:** LOCAL ASSISTANCE ESTIMATES

This memorandum transmits the 2009-10 Governor's Budget for the California Department of Child Support Services (DCSS). The Governor's Budget includes the State Fiscal Year (SFY) 2009-10 Budget Change Proposals and the November 2008 Subvention of local assistance administrative costs and collection estimates.

The November 2008 Subvention presents the SFY 2009-10 DCSS local assistance budget and provides an update to the SFY 2008-09 Appropriation. The estimates of the administrative costs for the local child support agencies, as well as the detailed methodology for each estimate, are included. It also provides the estimate of the child support collections and miscellaneous revenue to the State General Fund. The total distributed child support collections and revenues are projected to be \$2.3 billion (\$219.7 million SGF) for SFY 2008-09, and \$2.3 billion (\$175.0 million SGF) for SFY 2008-09.

The November Subvention binder includes an Auxiliary Chart section that consists of charts reflecting historical data on child support collections, federal performance measures, and the federal alternative penalty. For convenience, a list of acronyms has been added under the Premises Methodologies section. Also included in the Premise Methodologies section is the Discontinued Premises page.

The material contained in the 2009-10 Governor's Budget binder will also be available on the DCSS website: <http://www.childsup.ca.gov>. Should you have any questions, please contact the Budgets and Contract Services Branch at (916) 464-5177.

cc: Mark Beckley, Acting Deputy Director, Administrative Services Division

**CHILD SUPPORT PROGRAM  
COST COMPARISONS**

**TABLE OF CONTENTS**

**CURRENT YEAR COMPARISONS:**

Table 1. 2008-09 Appropriation to 2008-09 November Estimate.....Nov CY – App CY

**BUDGET YEAR COMPARISONS:**

Table 2. 2008-09 Appropriation to 2009-10 Governor’s Budget.....Gov BY – App CY

Table 3. 2008-09 November Estimate to 2009-10 Governor’s Budget .....Gov BY – Nov CY

**TABLE NUMBER 1**  
**COST COMPARISON OF**  
**2008-09 APPROPRIATION TO THE 2008-09 NOVEMBER ESTIMATE**  
(in thousands)

Budget Item 5175-101	2008-09 APPROPRIATION					ADJUSTMENTS/DIFFERENCES					2008-09 NOVEMBER ESTIMATE				
	Total	Federal	State	County	Reimb.	Total	Federal	State	County	Reimb.	Total	Federal	State	County	Reimb.
<b>1 CHILD SUPPORT PROGRAM COSTS</b>	<b>942,846</b>	<b>635,423</b>	<b>293,823</b>	<b>13,600</b>	<b>0</b>	<b>1,961</b>	<b>1,401</b>	<b>560</b>	<b>0</b>	<b>0</b>	<b>944,807</b>	<b>636,824</b>	<b>294,383</b>	<b>13,600</b>	<b>0</b>
a Local Assistance Child Support Services *	757,334	449,911	293,823	13,600	0	-1,015	-1,575	560	0	0	756,319	448,336	294,383	13,600	0
b Child Support Collections Recovery Fund *	185,512	185,512	0	0	0	2,976	2,976	0	0	0	188,488	188,488	0	0	0
<b>2 CHILD SUPPORT ADMINISTRATION 10.01</b>	<b>775,723</b>	<b>525,175</b>	<b>236,948</b>	<b>13,600</b>	<b>0</b>	<b>581</b>	<b>383</b>	<b>198</b>	<b>0</b>	<b>0</b>	<b>776,304</b>	<b>525,558</b>	<b>237,146</b>	<b>13,600</b>	<b>0</b>
3 Local Child Support Agency Basic Costs	740,599	504,165	222,834	13,600	0	0	0	0	0	0	740,599	504,165	222,834	13,600	0
a Administration	655,393	432,559	222,834	0	0	0	0	0	0	0	655,393	432,559	222,834	0	0
b Federal Performance Basic Incentives	45,206	45,206	0	0	0	0	0	0	0	0	45,206	45,206	0	0	0
c County Match for Administration	40,000	26,400	0	13,600	0	0	0	0	0	0	40,000	26,400	0	13,600	0
d Revenue Stabilization	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4 IRS Intercept Fees	881	582	299	0	0	581	383	198	0	0	1,462	965	497	0	0
5 Dispute Resolution Grant	455	455	0	0	0	0	0	0	0	0	455	455	0	0	0
6 Deficit Reduction Act- Mandatory Fee	3,526	0	3,526	0	0	0	0	0	0	0	3,526	0	3,526	0	0
7 CSE - M & O	33,707	22,247	11,460	0	0	0	0	0	0	0	33,707	22,247	11,460	0	0
reappropriation CSE M & O 1/	-3,445	-2,274	-1,171	0	0	0	0	0	0	0	-3,445	-2,274	-1,171	0	0
<b>8 CHILD SUPPORT AUTOMATION 10.03</b>	<b>167,123</b>	<b>110,248</b>	<b>56,875</b>	<b>0</b>	<b>0</b>	<b>1,380</b>	<b>1,018</b>	<b>362</b>	<b>0</b>	<b>0</b>	<b>168,503</b>	<b>111,266</b>	<b>57,237</b>	<b>0</b>	<b>0</b>
9 California Child Support Automation System - SDU	24,503	16,027	8,476	0	0	1,380	1,018	362	0	0	25,883	17,045	8,838	0	0
a SDU - LCSA	295	195	100	0	0	0	0	0	0	0	295	195	100	0	0
b SDU - Service Provider (SP)	24,208	15,832	8,376	0	0	1,380	1,018	362	0	0	25,588	16,850	8,738	0	0
10 California Child Support Automation System - CSE	142,620	94,221	48,399	0	0	0	0	0	0	0	142,620	94,221	48,399	0	0
a CSE - STATE	123,551	81,544	42,007	0	0	17,919	11,826	6,093	0	0	141,470	93,370	48,100	0	0
b CSE - LCSA	3,319	2,191	1,128	0	0	0	0	0	0	0	3,319	2,191	1,128	0	0
c CSE - M & O	21,208	13,997	7,211	0	0	7,785	5,139	2,646	0	0	28,993	19,136	9,857	0	0
d CSE- Onetime	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
e reappropriation CSE 1/	-5,458	-3,511	-1,947	0	0	-25,704	-16,965	-8,739	0	0	-31,162	-20,476	-10,686	0	0

\* Denotes a non-add item, which is displayed for information purposes only.

1/ Reappropriation reflects unexpended program and project funds from prior years for the benefit of the CCSAS project pursuant to Provisions 1 & 2 of the Budget Acts of 2007-08 & 2008-09.

**TABLE NUMBER 2**  
**COST COMPARISON OF**  
**2008-09 APPROPRIATION TO THE 2009-10 GOVERNOR'S BUDGET**  
(in thousands)

Budget Item 5175-101	2008-09 APPROPRIATION					ADJUSTMENTS/DIFFERENCES					2009-10 GOVERNOR'S BUDGET				
	Total	Federal	State	County	Reimb.	Total	Federal	State	County	Reimb.	Total	Federal	State	County	Reimb.
<b>1 CHILD SUPPORT PROGRAM COSTS</b>	<b>942,846</b>	<b>635,423</b>	<b>293,823</b>	<b>13,600</b>	<b>0</b>	<b>-60,486</b>	<b>-40,035</b>	<b>-20,451</b>	<b>0</b>	<b>0</b>	<b>882,360</b>	<b>595,388</b>	<b>273,372</b>	<b>13,600</b>	<b>0</b>
a Local Assistance Child Support Services *	757,334	449,911	293,823	13,600	0	-18,437	2,014	-20,451	0	0	738,897	451,925	273,372	13,600	0
b Child Support Collections Recovery Fund *	185,512	185,512	0	0	0	-42,049	-42,049	0	0	0	143,463	143,463	0	0	0
<b>2 CHILD SUPPORT ADMINISTRATION 10.01</b>	<b>775,723</b>	<b>525,175</b>	<b>236,948</b>	<b>13,600</b>	<b>0</b>	<b>-12,813</b>	<b>-8,598</b>	<b>-4,215</b>	<b>0</b>	<b>0</b>	<b>762,910</b>	<b>516,577</b>	<b>232,733</b>	<b>13,600</b>	<b>0</b>
3 Local Child Support Agency Basic Costs	740,599	504,165	222,834	13,600	0	18,735	12,365	6,370	0	0	759,334	516,530	229,204	13,600	0
a Administration	655,393	432,559	222,834	0	0	0	0	0	0	0	655,393	432,559	222,834	0	0
b Federal Performance Basic Incentives	45,206	45,206	0	0	0	0	0	0	0	0	45,206	45,206	0	0	0
c County Match for Administration	40,000	26,400	0	13,600	0	0	0	0	0	0	40,000	26,400	0	13,600	0
d Revenue Stabilization	0	0	0	0	0	18,735	12,365	6,370	0	0	18,735	12,365	6,370	0	0
4 IRS Intercept Fees	881	582	299	0	0	-874	-578	-296	0	0	7	4	3	0	0
5 Dispute Resolution Grant	455	455	0	0	0	-412	-412	0	0	0	43	43	0	0	0
6 Deficit Reduction Act- Mandatory Fee	3,526	0	3,526	0	0	0	0	0	0	0	3,526	0	3,526	0	0
7 CSE - M & O	33,707	22,247	11,460	0	0	-33,707	-22,247	-11,460	0	0	0	0	0	0	0
reappropriation CSE M & O 1/	-3,445	-2,274	-1,171	0	0	3,445	2,274	1,171	0	0	0	0	0	0	0
<b>8 CHILD SUPPORT AUTOMATION 10.03</b>	<b>167,123</b>	<b>110,248</b>	<b>56,875</b>	<b>0</b>	<b>0</b>	<b>-47,673</b>	<b>-31,437</b>	<b>-16,236</b>	<b>0</b>	<b>0</b>	<b>119,450</b>	<b>78,811</b>	<b>40,639</b>	<b>0</b>	<b>0</b>
9 California Child Support Automation System - SDU	24,503	16,027	8,476	0	0	-4,545	-2,881	-1,664	0	0	19,958	13,146	6,812	0	0
a SDU - LCSA	295	195	100	0	0	0	0	0	0	0	295	195	100	0	0
b SDU - Service Provider (SP)	24,208	15,832	8,376	0	0	-4,545	-2,881	-1,664	0	0	19,663	12,951	6,712	0	0
10 California Child Support Automation System - CSE	142,620	94,221	48,399	0	0	-43,128	-28,556	-14,572	0	0	99,492	65,665	33,827	0	0
a CSE - STATE	123,551	81,544	42,007	0	0	-86,962	-57,395	-29,567	0	0	36,589	24,149	12,440	0	0
b CSE - LCSA	3,319	2,191	1,128	0	0	-3,319	-2,191	-1,128	0	0	0	0	0	0	0
c CSE - M & O	21,208	13,997	7,211	0	0	41,695	27,519	14,176	0	0	62,903	41,516	21,387	0	0
d CSE- Onetime	0	0	0	0	0	72,700	47,982	24,718	0	0	72,700	47,982	24,718	0	0
e reappropriation CSE 1/	-5,458	-3,511	-1,947	0	0	-67,242	-44,471	-22,771	0	0	-72,700	-47,982	-24,718	0	0

\* Denotes a non-add item, which is displayed for information purposes only.

1/ Reappropriation reflects unexpended program and project funds from prior years for the benefit of the CCSAS project pursuant to Provisions 1 & 2 of the Budget Acts of 2007-08 & 2008-09.

**TABLE NUMBER 3**  
**COST COMPARISON OF**  
**2008-09 NOVEMBER ESTIMATE TO THE 2009-10 GOVERNOR'S BUDGET**  
(in thousands)

Budget Item 5175-101	2008-09 NOVEMBER ESTIMATE					ADJUSTMENTS/DIFFERENCES					2009-10 GOVERNOR'S BUDGET				
	Total	Federal	State	County	Reimb.	Total	Federal	State	County	Reimb.	Total	Federal	State	County	Reimb.
<b>1 CHILD SUPPORT PROGRAM COSTS</b>	<b>944,807</b>	<b>636,824</b>	<b>294,383</b>	<b>13,600</b>	<b>0</b>	<b>-62,447</b>	<b>-41,436</b>	<b>-21,011</b>	<b>0</b>	<b>0</b>	<b>882,360</b>	<b>595,388</b>	<b>273,372</b>	<b>13,600</b>	<b>0</b>
a Local Assistance Child Support Services *	756,319	448,336	294,383	13,600	0	-17,422	3,589	-21,011	0	0	738,897	451,925	273,372	13,600	0
b Child Support Collections Recovery Fund *	188,488	188,488	0	0	0	-45,025	-45,025	0	0	0	143,463	143,463	0	0	0
<b>2 CHILD SUPPORT ADMINISTRATION 10.01</b>	<b>776,304</b>	<b>525,558</b>	<b>237,146</b>	<b>13,600</b>	<b>0</b>	<b>-13,394</b>	<b>-8,981</b>	<b>-4,413</b>	<b>0</b>	<b>0</b>	<b>762,910</b>	<b>516,577</b>	<b>232,733</b>	<b>13,600</b>	<b>0</b>
3 Local Child Support Agency Basic Costs	740,599	504,165	222,834	13,600	0	18,735	12,365	6,370	0	0	759,334	516,530	229,204	13,600	0
a Administration	655,393	432,559	222,834	0	0	0	0	0	0	0	655,393	432,559	222,834	0	0
b Federal Performance Basic Incentives	45,206	45,206	0	0	0	0	0	0	0	0	45,206	45,206	0	0	0
c County Match for Administration	40,000	26,400	0	13,600	0	0	0	0	0	0	40,000	26,400	0	13,600	0
d Revenue Stabilization	0	0	0	0	0	18,735	12,365	6,370	0	0	18,735	12,365	6,370	0	0
4 IRS Intercept Fees	1,462	965	497	0	0	-1,455	-961	-494	0	0	7	4	3	0	0
5 Dispute Resolution Grant	455	455	0	0	0	-412	-412	0	0	0	43	43	0	0	0
6 Deficit Reduction Act- Mandatory Fee	3,526	0	3,526	0	0	0	0	0	0	0	3,526	0	3,526	0	0
7 CSE - M & O	33,707	22,247	11,460	0	0	-33,707	-22,247	-11,460	0	0	0	0	0	0	0
reappropriation CSE M & O 1/	-3,445	-2,274	-1,171	0	0	3,445	2,274	1,171	0	0	0	0	0	0	0
<b>8 CHILD SUPPORT AUTOMATION 10.03</b>	<b>168,503</b>	<b>111,266</b>	<b>57,237</b>	<b>0</b>	<b>0</b>	<b>-49,053</b>	<b>-32,455</b>	<b>-16,598</b>	<b>0</b>	<b>0</b>	<b>119,450</b>	<b>78,811</b>	<b>40,639</b>	<b>0</b>	<b>0</b>
9 California Child Support Automation System - SDU	25,883	17,045	8,838	0	0	-5,925	-3,899	-2,026	0	0	19,958	13,146	6,812	0	0
a SDU - LCSA	295	195	100	0	0	0	0	0	0	0	295	195	100	0	0
b SDU - Service Provider (SP)	25,588	16,850	8,738	0	0	-5,925	-3,899	-2,026	0	0	19,663	12,951	6,712	0	0
10 California Child Support Automation System - CSE	142,620	94,221	48,399	0	0	-43,128	-28,556	-14,572	0	0	99,492	65,665	33,827	0	0
a CSE - STATE	141,470	93,370	48,100	0	0	-104,881	-69,221	-35,660	0	0	36,589	24,149	12,440	0	0
b CSE - LCSA	3,319	2,191	1,128	0	0	-3,319	-2,191	-1,128	0	0	0	0	0	0	0
c CSE - M & O	28,993	19,136	9,857	0	0	33,910	22,380	11,530	0	0	62,903	41,516	21,387	0	0
d CSE- Onetime	0	0	0	0	0	72,700	47,982	24,718	0	0	72,700	47,982	24,718	0	0
e reappropriation CSE 1/	-31,162	-20,476	-10,686	0	0	-41,538	-27,506	-14,032	0	0	-72,700	-47,982	-24,718	0	0

\* Denotes a non-add item, which is displayed for information purposes only.

1/ Reappropriation reflects unexpended program and project funds from prior years for the benefit of the CCSAS project pursuant to Provisions 1 & 2 of the Budget Acts of 2007-08 & 2008-09.

**CHILD SUPPORT PROGRAM  
REVENUE AND COLLECTIONS COMPARISONS**

**TABLE OF CONTENTS**

**CURRENT YEAR COMPARISONS:**

Table 1. 2008-09 Appropriation to 2008-09 November Estimate.....Nov CY – App CY

**BUDGET YEAR COMPARISONS:**

Table 2. 2008-09 Appropriation to 2009-10 Governor’s Budget .....Gov BY – App CY

Table 3. 2008-09 November Estimate to 2009-10 Governor’s Budget .....Gov BY – Nov CY

**TABLE NUMBER 1**  
**REVENUE AND COLLECTIONS COMPARISON OF**  
**2008-09 APPROPRIATION TO THE 2008-09 NOVEMBER ESTIMATE**  
(in thousands)

	2008-09 APPROPRIATION					ADJUSTMENTS/DIFFERENCES					2008-09 NOVEMBER ESTIMATE				
	Total	Federal	State	County	Other 1/	Total	Federal	State	County	Other 1/	Total	Federal	State	County	Other 1/
<b>1 CS REVENUES, TRANSFERS AND COLLECTIONS</b>	<b>2,333,966</b>	<b>185,512</b>	<b>218,895</b>	<b>25,260</b>	<b>1,904,299</b>	<b>-39,067</b>	<b>2,976</b>	<b>754</b>	<b>-425</b>	<b>-42,372</b>	<b>2,294,899</b>	<b>188,488</b>	<b>219,649</b>	<b>24,835</b>	<b>1,861,927</b>
<b>2 CHILD SUPPORT PROGRAM COLLECTIONS</b>	<b>2,347,885</b>	<b>196,431</b>	<b>221,895</b>	<b>25,260</b>	<b>1,904,299</b>	<b>-39,610</b>	<b>2,433</b>	<b>754</b>	<b>-425</b>	<b>-42,372</b>	<b>2,308,275</b>	<b>198,864</b>	<b>222,649</b>	<b>24,835</b>	<b>1,861,927</b>
<b>3 Child Support Assistance Collections</b>	<b>473,134</b>	<b>196,431</b>	<b>221,895</b>	<b>25,260</b>	<b>29,548</b>	<b>3,687</b>	<b>2,433</b>	<b>754</b>	<b>-425</b>	<b>925</b>	<b>476,821</b>	<b>198,864</b>	<b>222,649</b>	<b>24,835</b>	<b>30,473</b>
4 Basic Collections	417,503	193,700	200,028	23,775	0	-28,578	-12,831	-13,612	-2,135	0	388,925	180,869	186,416	21,640	0
5 Disregard Payments to Families /2	24,990	0	0	0	24,990	-542	0	0	0	-542	24,448	0	0	0	24,448
6 FFP in Disregard	0	-9,371	9,371	0	0	0	661	-661	0	0	0	-8,710	8,710	0	0
7 IRS Stimulus Rebate - Assistance	13,843	6,423	6,632	788	0	30,171	14,046	14,464	1,661	0	44,014	20,469	21,096	2,449	0
8 Collections for Other States - Assistance	2,009	0	0	0	2,009	-529	0	0	0	-529	1,480	0	0	0	1,480
9 Miscellaneous Collections - Assistance	2,549	0	0	0	2,549	1,996	0	0	0	1,996	4,545	0	0	0	4,545
10 Full Collections Program - Assistance	6,203	2,878	2,972	353	0	1,874	878	899	97	0	8,077	3,756	3,871	450	0
a FIDM	5,646	2,620	2,705	321	0	2,096	980	1,006	110	0	7,742	3,600	3,711	431	0
b Non-FIDM	557	258	267	32	0	-222	-102	-107	-13	0	335	156	160	19	0
11 Compromise of Arrearage Program (COAP)	6,037	2,801	2,892	344	0	-705	-321	-336	-48	0	5,332	2,480	2,556	296	0
12 Revenue Stabilization Adjustment- Assistance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>13 Child Support NonAssistance Collections</b>	<b>1,874,751</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,874,751</b>	<b>-43,297</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-43,297</b>	<b>1,831,454</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,831,454</b>
14 Basic Collections	1,686,384	0	0	0	1,686,384	-14,807	0	0	0	-14,807	1,671,577	0	0	0	1,671,577
15 FDRA IRS Intercepts for non-minors	19,209	0	0	0	19,209	-18,870	0	0	0	-18,870	339	0	0	0	339
16 IRS Stimulus Rebate- NonAssistance	42,407	0	0	0	42,407	-14,574	0	0	0	-14,574	27,833	0	0	0	27,833
17 Collections for Other States - NonAssistance	106,473	0	0	0	106,473	-4,306	0	0	0	-4,306	102,167	0	0	0	102,167
18 Miscellaneous Collections - NonAssistance	1,275	0	0	0	1,275	151	0	0	0	151	1,426	0	0	0	1,426
19 Full Collections Program - NonAssistance	19,003	0	0	0	19,003	9,109	0	0	0	9,109	28,112	0	0	0	28,112
a FIDM	17,296	0	0	0	17,296	9,651	0	0	0	9,651	26,947	0	0	0	26,947
b Non-FIDM	1,707	0	0	0	1,707	-542	0	0	0	-542	1,165	0	0	0	1,165
20 Revenue Stabilization Adjustment- NonAssistance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>21 REVENUES TRANSFERS</b>	<b>-13,919</b>	<b>-10,919</b>	<b>-3,000</b>	<b>0</b>	<b>0</b>	<b>543</b>	<b>543</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-13,376</b>	<b>-10,376</b>	<b>-3,000</b>	<b>0</b>	<b>0</b>
22 Foster Parent Training Fund Transfer	-3,000	0	-3,000	0	0	0	0	0	0	0	-3,000	0	-3,000	0	0
23 Title IV-E Child Support Collections Recovery Fund	-10,919	-10,919	0	0	0	543	543	0	0	0	-10,376	-10,376	0	0	0

1/ Other reflects collections that are paid to families and collections made in California on behalf of other states.

2/ Estimate assumes federal participation in the disregard from October 1, 2008.



**TABLE NUMBER 2**  
**REVENUE AND COLLECTIONS COMPARISON OF**  
**2008-09 APPROPRIATION TO THE 2009-10 GOVERNOR'S BUDGET**  
(in thousands)

	2008-09 APPROPRIATION					ADJUSTMENTS/DIFFERENCES					2009-10 GOVERNOR'S BUDGET				
	Total	Federal	State	County	Other 1/	Total	Federal	State	County	Other 1/	Total	Federal	State	County	Other 1/
<b>1 CS REVENUES, TRANSFERS AND COLLECTIONS</b>	<b>2,333,966</b>	<b>185,512</b>	<b>218,895</b>	<b>25,260</b>	<b>1,904,299</b>	<b>-51,928</b>	<b>-42,049</b>	<b>-43,895</b>	<b>-6,345</b>	<b>40,361</b>	<b>2,282,038</b>	<b>143,463</b>	<b>175,000</b>	<b>18,915</b>	<b>1,944,660</b>
<b>2 CHILD SUPPORT PROGRAM COLLECTIONS</b>	<b>2,347,885</b>	<b>196,431</b>	<b>221,895</b>	<b>25,260</b>	<b>1,904,299</b>	<b>-55,351</b>	<b>-44,881</b>	<b>-44,486</b>	<b>-6,345</b>	<b>40,361</b>	<b>2,292,534</b>	<b>151,550</b>	<b>177,409</b>	<b>18,915</b>	<b>1,944,660</b>
<b>3 Child Support Assistance Collections</b>	<b>473,134</b>	<b>196,431</b>	<b>221,895</b>	<b>25,260</b>	<b>29,548</b>	<b>-97,661</b>	<b>-44,881</b>	<b>-44,486</b>	<b>-6,345</b>	<b>-1,949</b>	<b>375,473</b>	<b>151,550</b>	<b>177,409</b>	<b>18,915</b>	<b>27,599</b>
4 Basic Collections	417,503	193,700	200,028	23,775	0	-97,400	-44,837	-46,599	-5,964	0	320,103	148,863	153,429	17,811	0
5 Disregard Payments to Families /2	24,990	0	0	0	24,990	-2,397	0	0	0	-2,397	22,593	0	0	0	22,593
6 FFP in Disregard	0	-9,371	9,371	0	0	0	-1,361	1,361	0	0	0	-10,732	10,732	0	0
7 IRS Stimulus Rebate - Assistance	13,843	6,423	6,632	788	0	-13,843	-6,423	-6,632	-788	0	0	0	0	0	0
8 Collections for Other States - Assistance	2,009	0	0	0	2,009	-779	0	0	0	-779	1,230	0	0	0	1,230
9 Miscellaneous Collections - Assistance	2,549	0	0	0	2,549	1,227	0	0	0	1,227	3,776	0	0	0	3,776
10 Full Collections Program - Assistance	6,203	2,878	2,972	353	0	1,521	714	730	77	0	7,724	3,592	3,702	430	0
a FIDM	5,646	2,620	2,705	321	0	2,078	972	997	109	0	7,724	3,592	3,702	430	0
b Non-FIDM	557	258	267	32	0	-557	-258	-267	-32	0	0	0	0	0	0
11 Compromise of Arrearage Program (COAP)	6,037	2,801	2,892	344	0	-442	-199	-210	-33	0	5,595	2,602	2,682	311	0
12 Revenue Stabilization Adjustment- Assistance	0	0	0	0	0	14,452	7,225	6,864	363	0	14,452	7,225	6,864	363	0
<b>13 Child Support NonAssistance Collections</b>	<b>1,874,751</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,874,751</b>	<b>42,310</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>42,310</b>	<b>1,917,061</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,917,061</b>
14 Basic Collections	1,686,384	0	0	0	1,686,384	26,116	0	0	0	26,116	1,712,500	0	0	0	1,712,500
15 FDRA IRS Intercepts for non-minors	19,209	0	0	0	19,209	-18,870	0	0	0	-18,870	339	0	0	0	339
16 IRS Stimulus Rebate- NonAssistance	42,407	0	0	0	42,407	-42,407	0	0	0	-42,407	0	0	0	0	0
17 Collections for Other States - NonAssistance	106,473	0	0	0	106,473	-832	0	0	0	-832	105,641	0	0	0	105,641
18 Miscellaneous Collections - NonAssistance	1,275	0	0	0	1,275	200	0	0	0	200	1,475	0	0	0	1,475
19 Full Collections Program - NonAssistance	19,003	0	0	0	19,003	7,879	0	0	0	7,879	26,882	0	0	0	26,882
a FIDM	17,296	0	0	0	17,296	9,586	0	0	0	9,586	26,882	0	0	0	26,882
b Non-FIDM	1,707	0	0	0	1,707	-1,707	0	0	0	-1,707	0	0	0	0	0
20 Revenue Stabilization Adjustment- NonAssistance	0	0	0	0	0	70,224	0	0	0	70,224	70,224	0	0	0	70,224
<b>21 REVENUES TRANSFERS</b>	<b>-13,919</b>	<b>-10,919</b>	<b>-3,000</b>	<b>0</b>	<b>0</b>	<b>3,423</b>	<b>2,832</b>	<b>591</b>	<b>0</b>	<b>0</b>	<b>-10,496</b>	<b>-8,087</b>	<b>-2,409</b>	<b>0</b>	<b>0</b>
22 Foster Parent Training Fund Transfer	-3,000	0	-3,000	0	0	591	0	591	0	0	-2,409	0	-2,409	0	0
23 Title IV-E Child Support Collections Recovery Fund	-10,919	-10,919	0	0	0	2,832	2,832	0	0	0	-8,087	-8,087	0	0	0

1/ Other reflects collections that are paid to families and collections made in California on behalf of other states.

2/ Estimate assumes federal participation in the disregard from October 1, 2008.

**TABLE NUMBER 3**  
**REVENUE AND COLLECTIONS COMPARISON OF**  
**2008-09 NOVEMBER ESTIMATE TO THE 2009-10 GOVERNOR'S BUDGET**  
(in thousands)

	2008-09 NOVEMBER ESTIMATE					ADJUSTMENTS/DIFFERENCES					2009-10 GOVERNOR'S BUDGET				
	Total	Federal	State	County	Other 1/	Total	Federal	State	County	Other 1/	Total	Federal	State	County	Other 1/
<b>1 CS REVENUES, TRANSFERS AND COLLECTIONS</b>	<b>2,294,899</b>	<b>188,488</b>	<b>219,649</b>	<b>24,835</b>	<b>1,861,927</b>	<b>-12,861</b>	<b>-45,025</b>	<b>-44,649</b>	<b>-5,920</b>	<b>82,733</b>	<b>2,282,038</b>	<b>143,463</b>	<b>175,000</b>	<b>18,915</b>	<b>1,944,660</b>
<b>2 CHILD SUPPORT PROGRAM COLLECTIONS</b>	<b>2,308,275</b>	<b>198,864</b>	<b>222,649</b>	<b>24,835</b>	<b>1,861,927</b>	<b>-15,741</b>	<b>-47,314</b>	<b>-45,240</b>	<b>-5,920</b>	<b>82,733</b>	<b>2,292,534</b>	<b>151,550</b>	<b>177,409</b>	<b>18,915</b>	<b>1,944,660</b>
<b>3 Child Support Assistance Collections</b>	<b>476,821</b>	<b>198,864</b>	<b>222,649</b>	<b>24,835</b>	<b>30,473</b>	<b>-101,348</b>	<b>-47,314</b>	<b>-45,240</b>	<b>-5,920</b>	<b>-2,874</b>	<b>375,473</b>	<b>151,550</b>	<b>177,409</b>	<b>18,915</b>	<b>27,599</b>
4 Basic Collections	388,925	180,869	186,416	21,640	0	-68,822	-32,006	-32,987	-3,829	0	320,103	148,863	153,429	17,811	0
5 Disregard Payments to Families /2	24,448	0	0	0	24,448	-1,855	0	0	0	-1,855	22,593	0	0	0	22,593
6 FFP in Disregard	0	-8,710	8,710	0	0	0	-2,022	2,022	0	0	0	-10,732	10,732	0	0
7 IRS Stimulus Rebate - Assistance	44,014	20,469	21,096	2,449	0	-44,014	-20,469	-21,096	-2,449	0	0	0	0	0	0
8 Collections for Other States - Assistance	1,480	0	0	0	1,480	-250	0	0	0	-250	1,230	0	0	0	1,230
9 Miscellaneous Collections - Assistance	4,545	0	0	0	4,545	-769	0	0	0	-769	3,776	0	0	0	3,776
10 Full Collections Program - Assistance	8,077	3,756	3,871	450	0	-353	-164	-169	-20	0	7,724	3,592	3,702	430	0
a FIDM	7,742	3,600	3,711	431	0	-18	-8	-9	-1	0	7,724	3,592	3,702	430	0
b Non-FIDM	335	156	160	19	0	-335	-156	-160	-19	0	0	0	0	0	0
11 Compromise of Arrearage Program (COAP)	5,332	2,480	2,556	296	0	263	122	126	15	0	5,595	2,602	2,682	311	0
12 Revenue Stabilization Adjustment- Assistance	0	0	0	0	0	14,452	7,225	6,864	363	0	14,452	7,225	6,864	363	0
<b>13 Child Support NonAssistance Collections</b>	<b>1,831,454</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,831,454</b>	<b>85,607</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>85,607</b>	<b>1,917,061</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,917,061</b>
14 Basic Collections	1,671,577	0	0	0	1,671,577	40,923	0	0	0	40,923	1,712,500	0	0	0	1,712,500
15 FDRA IRS Intercepts for non-minors	339	0	0	0	339	0	0	0	0	0	339	0	0	0	339
16 IRS Stimulus Rebate- NonAssistance	27,833	0	0	0	27,833	-27,833	0	0	0	-27,833	0	0	0	0	0
17 Collections for Other States - NonAssistance	102,167	0	0	0	102,167	3,474	0	0	0	3,474	105,641	0	0	0	105,641
18 Miscellaneous Collections - NonAssistance	1,426	0	0	0	1,426	49	0	0	0	49	1,475	0	0	0	1,475
19 Full Collections Program - NonAssistance	28,112	0	0	0	28,112	-1,230	0	0	0	-1,230	26,882	0	0	0	26,882
a FIDM	26,947	0	0	0	26,947	-65	0	0	0	-65	26,882	0	0	0	26,882
b Non-FIDM	1,165	0	0	0	1,165	-1,165	0	0	0	-1,165	0	0	0	0	0
20 Revenue Stabilization Adjustment- NonAssistance	0	0	0	0	0	70,224	0	0	0	70,224	70,224	0	0	0	70,224
<b>21 REVENUES TRANSFERS</b>	<b>-13,376</b>	<b>-10,376</b>	<b>-3,000</b>	<b>0</b>	<b>0</b>	<b>2,880</b>	<b>2,289</b>	<b>591</b>	<b>0</b>	<b>0</b>	<b>-10,496</b>	<b>-8,087</b>	<b>-2,409</b>	<b>0</b>	<b>0</b>
22 Foster Parent Training Fund Transfer	-3,000	0	-3,000	0	0	591	0	591	0	0	-2,409	0	-2,409	0	0
23 Title IV-E Child Support Collections Recovery Fund	-10,376	-10,376	0	0	0	2,289	2,289	0	0	0	-8,087	-8,087	0	0	0

1/ Other reflects collections that are paid to families and collections made in California on behalf of other states.

2/ Estimate assumes federal participation in the disregard from October 1, 2008.

**CHILD SUPPORT PROGRAM  
AUXILIARY CHARTS**

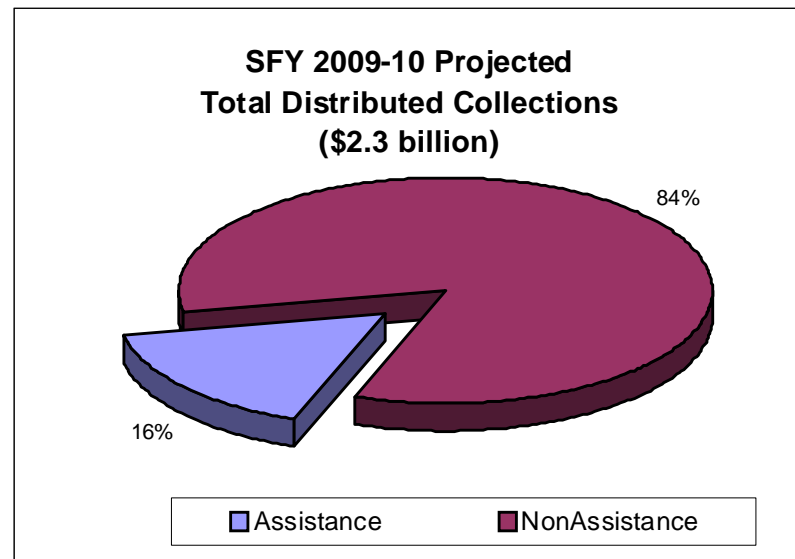
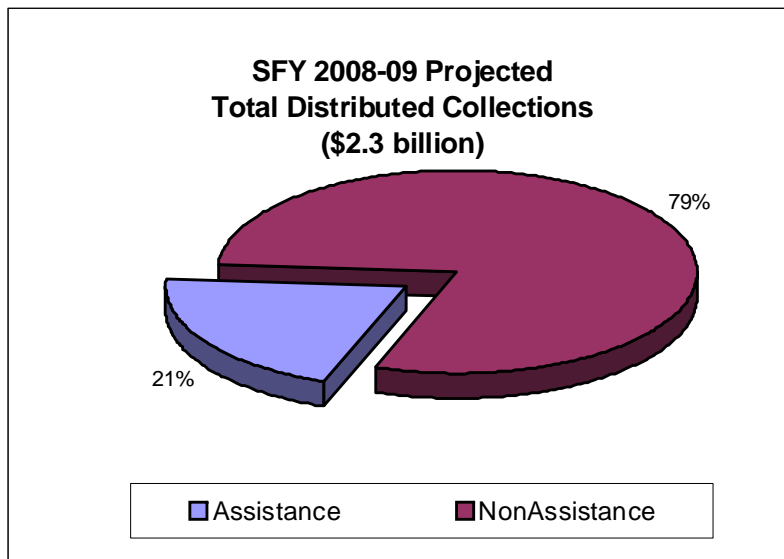
**TABLE OF CONTENTS**

Total Projected Distributed Collections for State Fiscal Years 2008-09 and 2009-10.....	A-1
Total Distributed Collections for State Fiscal Years 2001-02 through 2009-10.....	A-2
Total Distributed Collections for Federal Fiscal Years 2000 through 2007.....	A-3
Basic Assistance Collections Forecast and Trend Analysis Comparisons .....	A-4
Basic Assistance Collections Trend Line.....	A-5
Basic NonAssistance Collections Forecast and Trend Analysis Comparisons.....	A-6
Basic NonAssistance Collections Trend Line.....	A-7
Total Collections Received by Source for SFY 2007-08.....	A-8
Historical Total Collections Received by Source .....	A-9
Historical Incentive Performance Measures.....	A-10
Alternative Federal Penalty .....	A-11

## TOTAL PROJECTED DISTRIBUTED COLLECTIONS FOR STATE FISCAL YEARS 2008-09 and 2009-10

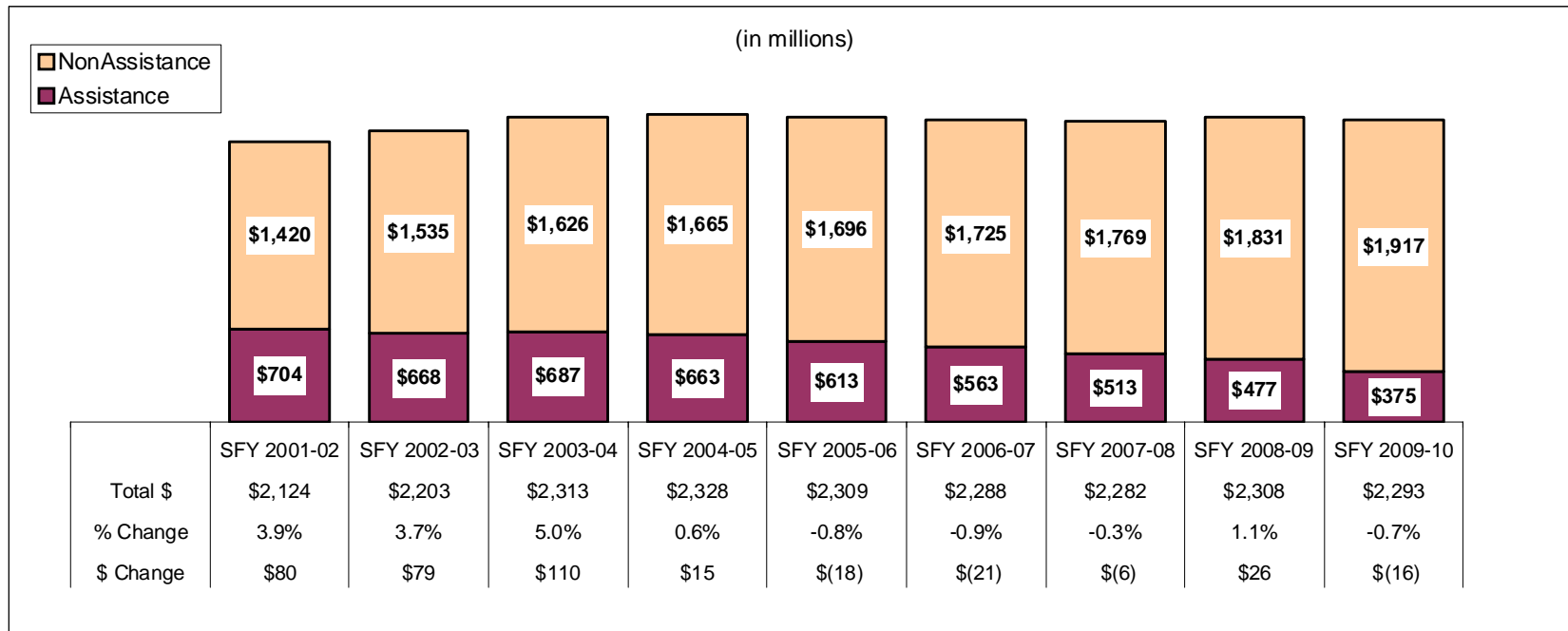
The charts below display California's projected State Fiscal Year (SFY) 2008-09 (\$2.3 billion) and SFY 2009-10 (\$2.3 billion) child support total collections that are distributed to the federal, state and county government as revenue (**Assistance**) and to families (**NonAssistance**).

- **Assistance Collections (\$476.8 million SFY 2008-09, \$375.5 million SFY 2009-10)** are revenue to government entities which reflects basic collections and other premises. Basic Collections (\$388.9 million SFY 2008-09, \$320.1 million SFY 2009-10) are the ongoing efforts of the local child support agencies (LCSA) to collect child support payments from noncustodial parents. Other Collection premises (\$87.9 million SFY 2008-09 and \$55.4 million 2009-10) are those collections that are associated with new or other enforcement activities that are above the basic ongoing functions of the LCSA, such as the Full Collections Program, Compromise of Arrears Collections, \$50 Disregard, Collections for Other States, and miscellaneous collections. IRS Stimulus intercept collections are included in SFY 2008-09.
- **NonAssistance Collections (\$1.8 billion SFY 2008-09, \$1.9 billion SFY 2009-10)** are collections that are made on behalf of families and sent directly to them. These collections are comprised of Basic Collections (\$1.7 billion SFY 2008-09, \$1.7 billion SFY 2009-10) and Other Collection premises (\$159.9 million SFY 2008-09, \$204.6 million SFY 2009-10).



### TOTAL DISTRIBUTED COLLECTIONS FOR STATE FISCAL YEARS 2001-02 through 2009-10

Total child support distributed collections have grown from \$2.1 billion in State Fiscal Year (SFY) 2001-02 to a projected level of \$2.3 billion in SFY 2008-09. The chart below reflects the actual and projected total distributed collections and the year-to-year change.

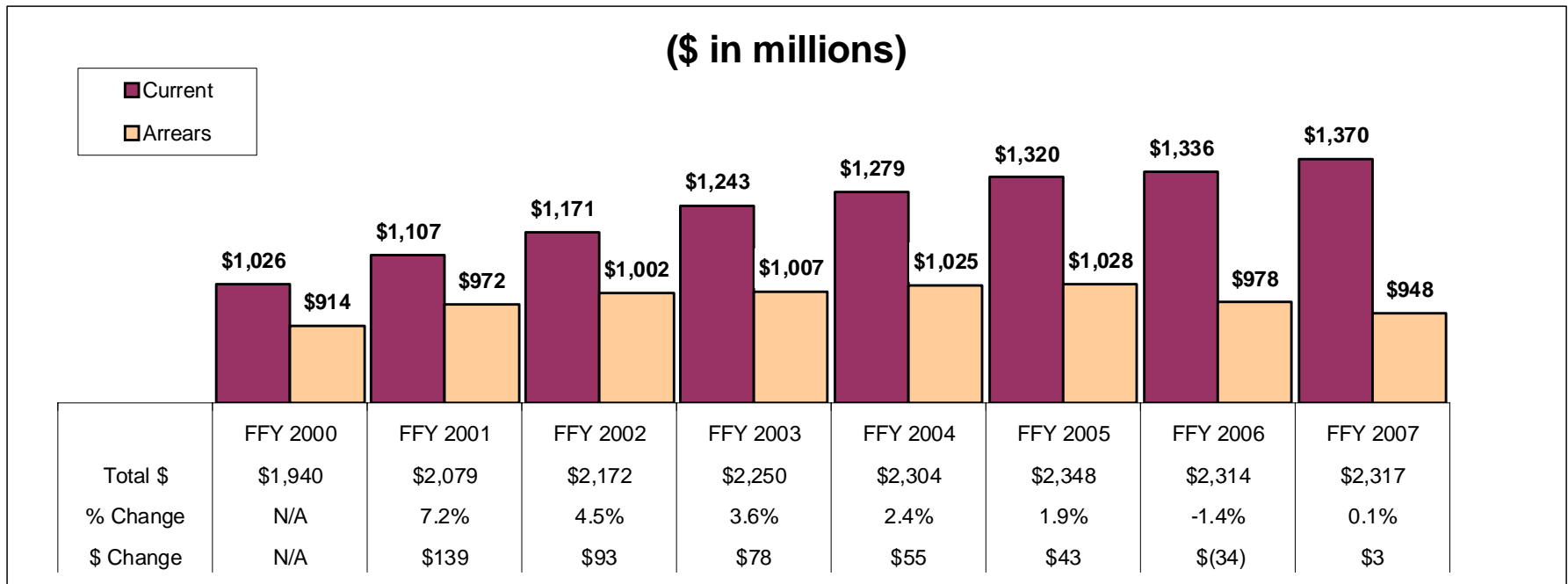


Source: The collections data for SFY 2001-02 are from the CS 800 and 820 reports.  
The collections data for SFY 2002-03 through SFY 2007-08 are from the CS 34 and CS 35 reports.  
CS 800 and 820 reports were revised into CS 34 and CS 35 reports.  
The SFY 2008-09 and SFY 2009-10 projections are based on the current trend analysis.

### TOTAL DISTRIBUTED COLLECTIONS FOR FEDERAL FISCAL YEARS 2000 through 2007

Total Child Support distributed collections have grown from \$1.9 billion in Federal Fiscal Year (FFY) 2000 to \$2.3 billion in FFY 2007. This represents a 19 percent overall growth rate.

The chart below reflects the Total Support Distributed as Current and Arrears Support by federal fiscal years.



Source: The collections data for FFY 2000 through FFY 2007 are from the OCSE-157 line 25 (Total Support Distributed as Current Support During the Fiscal Year) and line 27 (Total Support Distributed as Arrears during the Fiscal Year).

## BASIC ASSISTANCE TREND COLLECTIONS <sup>1/</sup> FORECAST COMPARISON

The current estimate is forecasting a decrease of 13.0% for State Fiscal Year (SFY) 2008-09, and a decrease of 27.7% for SFY 2009-10 over SFY 2007-08 actual. This is based on the most current 24 months of actual data. Basic Assistance collection trends have been declining from a peak level of \$660.3 million in SFY 2000-01.

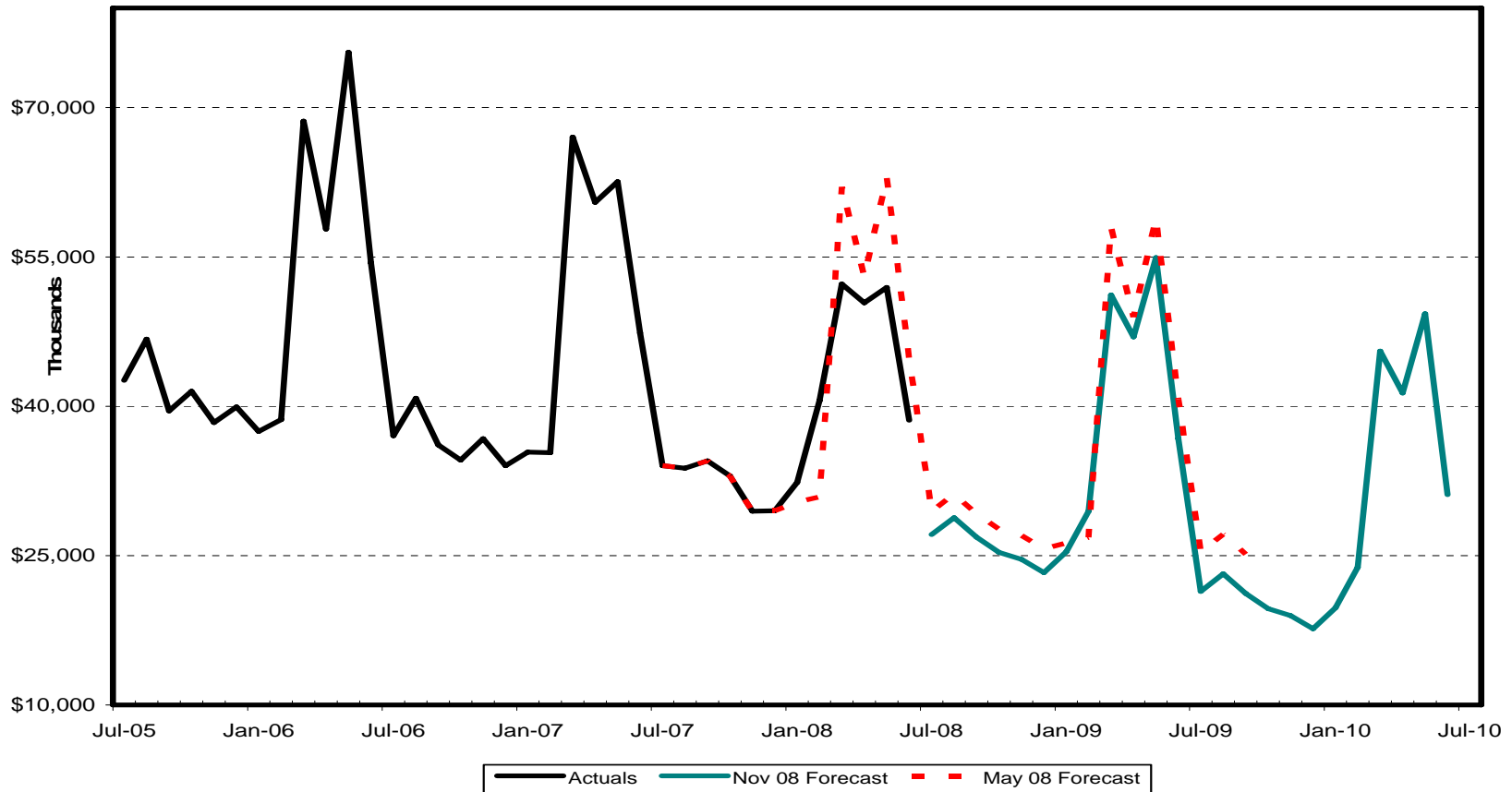
	SFY 2007-08	Forecast SFY 2008-09	Forecast SFY 2009-10
<b>Actual</b>	\$460,400		
<b>November 2008 Estimate</b>		\$400,702	\$332,919
<b>Difference from Actual</b>		-13.0%	-27.7%
<b>May 2008 Revision</b>	\$478,290	\$429,743	
<b>Difference from Actual/ Prior Forecast</b>	3.9%	-6.8%	

(in thousands)

<sup>1/</sup> Basic Assistance Collections includes Full Collections Program and Compromise of Arrears Program Collections.

## BASIC ASSISTANCE COLLECTIONS TREND LINE

The current estimate was based on 24 months of actual collections data, July 2006 through June 2008. The May 2008 Revision forecast used 24 months of actual data, January 2006 through December 2007.



Note: Basic Assistance Collections includes Full Collections Program and Compromise of Arrearage Program Collections.



## BASIC NONASSISTANCE TREND COLLECTIONS <sup>1/</sup> FORECAST COMPARISON

The current estimate is forecasting an increase of 2.4% for State Fiscal Year (SFY) 2008-09, and an increase of 4.8% for SFY 2009-10 over SFY 2007-08 actual. This is based on the most current 24 months of actual data.

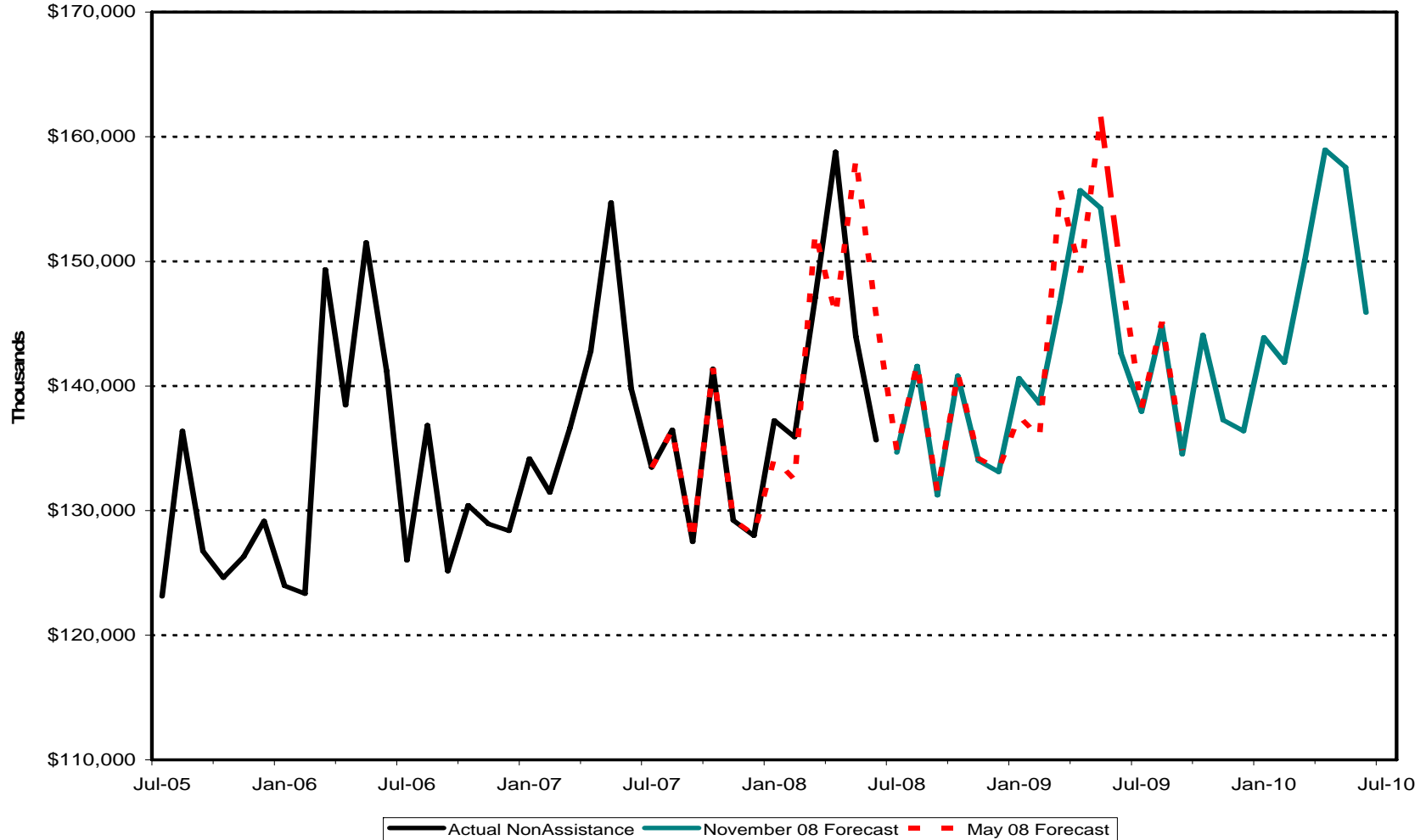
	SFY 2007-8	Forecast SFY 2008-09	Forecast SFY 2009-10
<b>Actual</b>	\$1,654,789		
<b>November 2008 Estimate</b>		\$1,694,007	\$1,733,311
<b>Difference from Actual</b>		2.4%	4.8%
<b>May 2008 Revision</b>	\$1,664,764	\$1,705,387	
<b>Difference from Actual/ Prior Forecast</b>	0.6%	3.1%	

(in thousands)

<sup>1/</sup> Basic NonAssistance Collections includes Full Collections Program.

### BASIC NONASSISTANCE COLLECTIONS TREND LINE

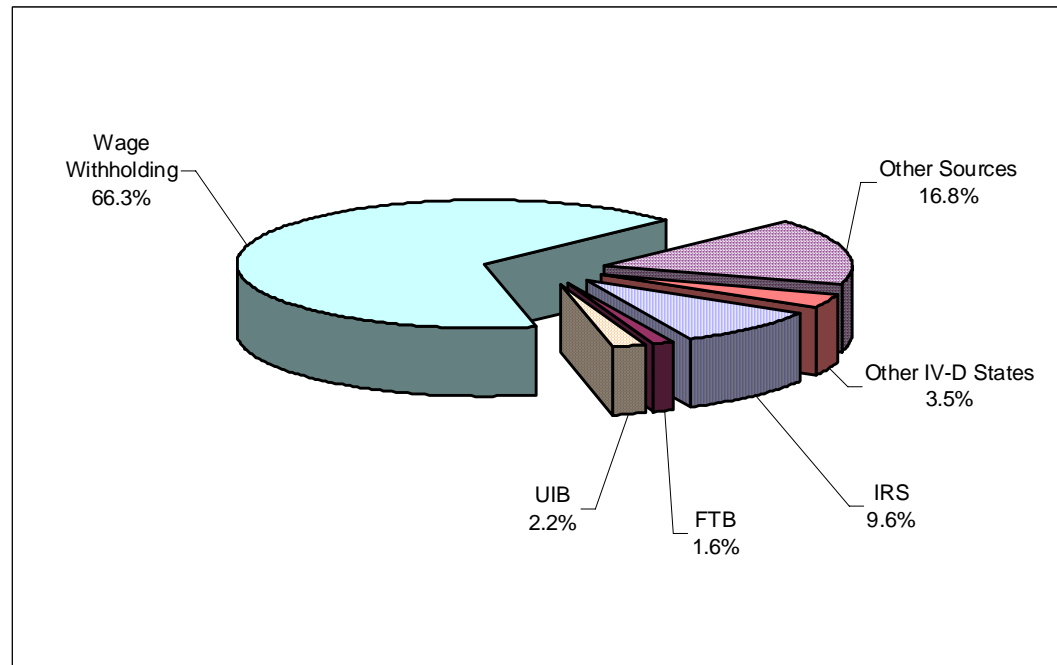
The current estimate was based on the most recent 24 months of actual data, June 2006 through July 2008. The May 2008 Revision used 24 months of actual data, January 2006 through December 2007.



Note: Basic NonAssistance Collections includes Full Collections Program

### TOTAL COLLECTIONS RECEIVED BY SOURCE FOR STATE FISCAL YEAR 2007-08

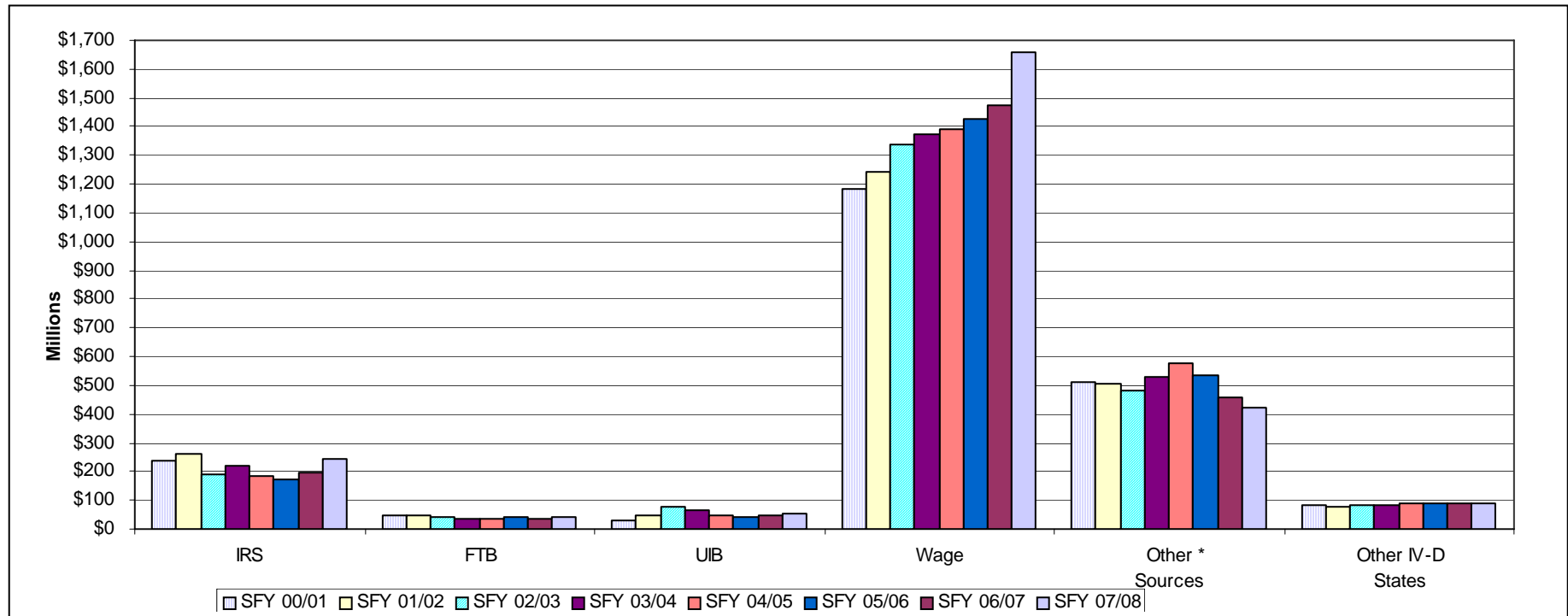
For State Fiscal Year (SFY) 2007-08, the total collections received were \$2.5 billion. Wage Withholding continues to be the most effective way of collecting child support at 66.3 percent (\$1.7 billion) of the total collections received. The Internal Revenue Service (IRS) Federal income tax refund offsets totaled 9.6 percent (\$241 million), and the Franchise Tax Board's (FTB) State income tax refund offsets totaled 1.6 percent (\$39 million). The Unemployment Insurance Benefits offsets (UIB) totaled 2.2 percent (\$55 million), and 3.5 percent (\$88 million) represents the collections received from other IV-D states. The remaining 16.8 percent (\$420 million) are from all Other Sources received, which includes, but is not limited to, Liens, Workers' Compensation, Disability Insurance Offsets (DIB), California Insurance Intercepts (CIIP), and Full Collections Program without wage levies.



Source: CS 34 and CS 35 reports

### HISTORICAL TOTAL COLLECTIONS RECEIVED BY SOURCE

The chart below reflects the Total Collections Received by Source from State Fiscal Year (SFY) 2000-01 through SFY 2007-08. The year-to-year change from SFY 2006-07 to SFY 2007-08 for IRS intercepts had increased (24.0%) and FTB intercepts had increased (7.2%). The UIB intercepts had increased (21.9 %) during the same time period. Wage Withholdings had increased (6.5%). Other Sources have declined (5.3%) and Other IV-D States had decreased (2.5%). Wage Withholdings also include Non-IV-D Collections.



Source: For SFY 2000-01 thru SFY 2001-02 CS 820 Section A; For SFY 2002-03 through SFY 2007-08 CS 34 and CS 35 reports.

\* Other Sources includes, but is not limited to, Liens, Workers' Compensation, Disability Insurance Benefits, California Insurance Intercept Program, and Full Collections Program without wage levies.

### HISTORICAL INCENTIVE PERFORMANCE MEASURES

Federal incentive payments are based on the state's performance in five measures and annual data reliability compliance. (See Federal Performance Basic Incentives premise description.) The chart below displays the minimum levels a state must meet in each performance measure to receive at least partial incentive payments. It also displays California's performance level from Federal Fiscal Year (FFY) 2001 to FFY 2007.

Performance Measure	Federal Minimum Performance Level	FFY 2001 California Performance Level	FFY 2002 California Performance Level	FFY 2003 California Performance Level	FFY 2004 California Performance Level	FFY 2005 California Performance Level	FFY 2006 California Performance Level	FFY 2007 California Performance Level
Paternity establishment percentage (IV-D caseload), or	50.0%	NA	NA	NA	NA	NA	NA	NA
Paternity establishment percentage (statewide PEP)	50.0%	139.6% <sup>1/</sup>	108.7%	105.9%	117.8%	106.5%	109.9%	106.7%
Percent of cases with orders	50.0%	71.9%	75.3%	76.4%	78.1%	80.3%	80.6%	82.1%
Percent of current support collected	40.0%	41.0%	42.4%	45.2%	48.0%	49.3%	50.4%	51.5%
Percent of cases with arrearage collections	40.0%	56.3%	54.9%	55.4%	54.9%	56.0%	56.5%	57.1%
Cost-effectiveness	\$2.00	\$2.60	\$2.23	\$2.31	\$2.12	\$2.15	\$2.03	\$2.01
Data Reliability Audit	≥ 95%	< 95% <sup>1/</sup>	≥ 95%	≥ 95%	≥ 95%	≥ 95%	≥ 95%	≥ 95%

Source: From OCSE 157 Child Support Enforcement Annual Statistical Report.

<sup>1/</sup> In FFY 2001, the federal Office of Child Support Enforcement determined the data for the paternity establishment percentage measure to be unreliable. Data deficiencies for this measure were corrected in FFY 2002 and the State was not subject to federal penalties. Since FFY 2002, California has achieved data reliability compliance in all performance measures.

### ALTERNATIVE FEDERAL PENALTY

The chart below reflects the alternative federal penalty amount paid from Federal Fiscal Year (FFY) 1998 through FFY 2006 to the federal government due to the absence of a single statewide automated child support system.

Federal Fiscal Year	State Fiscal Year	Penalty Rate	Federal Share of Admin Cost	Actual/ Estimate	Penalty Amount	Cumulative Penalty
1998 1/	1997-98	4%	299,101,576	actual	11,964,063	11,964,063
1999 1/	1998-99	8%	336,853,927	actual	26,948,314	38,912,377
2000	1999-00	16%	406,251,058	actual	65,000,169	103,912,546
2001	2000-01	25%	443,987,454	actual	110,996,864	214,909,410
2002	2001-02	30%	524,839,706	actual	157,451,912	372,361,322
2003	2002-03	30%	632,054,354	actual	189,616,306	561,977,628
2004	2003-04	30%	640,234,774	actual	192,070,432	754,048,060
2005 2/	2004-05	30%	710,873,859	actual	213,262,158	967,310,218
2006 3/	2005-06	30%	715,011,565	actual	214,503,470	1,181,813,688
2007	2006-07	30%	744,382,899	estimate Held in Abeyance	223,314,870	
2008	2007-08			actual	-193,053,123	988,760,565

1/ California paid FFY 1998 and FFY 1999 penalty in SFY 1999-00, once the federal government determined the final amounts.

2/ The federal government allowed the State to defer the FFY 2005 penalty payment until September 2005, which is in SFY 2005-06.

3/ The federal government allowed the State to defer the FFY 2006 penalty payment until September 2006, which is in SFY 2006-07.

## TABLE OF CONTENTS

LOCAL CHILD SUPPORT AGENCY BASIC COSTS .....	3
FEDERAL PERFORMANCE BASIC INCENTIVES.....	5
LOCAL CHILD SUPPORT AGENCY REVENUE STABILIZATION.....	9
IRS INTERCEPT FEES.....	11
DISPUTE RESOLUTION GRANT.....	13
DEFICIT REDUCTION ACT – MANDATORY FEES .....	15
CHILD SUPPORT ENFORCEMENT MAINTENANCE & OPERATIONS.....	17
CALIFORNIA CHILD SUPPORT AUTOMATION SYSTEM – SDU.....	19
CALIFORNIA CHILD SUPPORT AUTOMATION SYSTEM – CSE.....	21
CHILD SUPPORT COLLECTIONS RECOVERY FUND .....	25
CHILD SUPPORT PROGRAM - BASIC COLLECTIONS .....	27
DISREGARD PAYMENT TO FAMILIES.....	31
IRS ECONOMIC STIMULUS REBATE INTERCEPTS.....	33
FULL COLLECTIONS PROGRAM.....	35
COMPROMISE OF ARREARS PROGRAM .....	39
FDRA IRS INTERCEPTS FOR NON-MINORS.....	41
FOSTER PARENT TRAINING FUND TRANSFER .....	43
TITLE IV-E CHILD SUPPORT COLLECTIONS OFFSET .....	45
DISCONTINUED PREMISES .....	47
APPENDIX A - FEDERAL MEDICAL ASSISTANCE PERCENTAGE (FMAP).....	49
APPENDIX B - LIST OF ACRONYMS.....	51

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## Local Child Support Agency Basic Costs

### **DESCRIPTION:**

This premise reflects funding for the local child support agency (LCSA) basic costs. LCSA administrative costs include salaries and benefits of county staff as well as operating costs. LCSA administrative duties include case intake, court preparation to establish paternity and support obligations, and the enforcement of support obligations, including locating absent parents.

### **KEY DATA/ASSUMPTIONS:**

- Authorizing statute: Family Code (FC) Section 17704(b), FC Section 17710(a), and Welfare and Institutions Code Section 10085(a).
- The LCSA non-federal share of Administrative costs is adjusted by the level of federal basic incentives estimated in State Fiscal Year (SFY) 2008-09 and SFY 2009-10.

### **METHODOLOGY:**

#### **Basic Costs:**

Basic costs are calculated by adding administration, federal performance basic incentives, and county match for administration.

#### **Administration:**

LCSA administrative costs continue to be funded at the prior year's base of \$654,448,000 for SFY 2008-09 and 2009-10. Costs of \$945,000 for the administration of the Compromise of Arrears Program (COAP) were combined into the base for total Administration costs of \$655,393,000.

#### **Federal Performance Basic Incentives:**

Federal Performance Basic Incentive funds of \$45,206,000 are included in LCSA Basic Costs as it reflects the amount of federal funds available to cover LCSA administrative costs. For details, refer to the Federal Performance Basic Incentives premise description.

#### **County Match:**

Included in LCSA Basic Costs are county match funds for those that elect to supplement the program with local matching funds. For SFY 2008-09 and SFY 2009-10 the total budgeted is \$40 million (\$26.4 million FFP and \$13.6 million county funds).

**FUNDING:**

Funding for this premise consists of 34 percent State General Fund (SGF) and federal incentives, and 66 percent FFP matching funds.

The federal incentives are 100% FFP which reduces the LCSA Basic Administrative SGF need by these same amounts. Effective October 1, 2007, the federal incentives were no longer eligible for match with federal funds.

**CHANGE FROM APPROPRIATION:**

There is no change.

**REASON FOR YEAR-TO-YEAR CHANGE:**

There is no change.

**EXPENDITURES:**

(in 000's)

	2008-09	2009-10
	<u>LCSA Admin.</u>	<u>LCSA Admin.</u>
Total	\$695,393	\$695,393
Federal	458,959	458,959
State	222,834	222,834
County	13,600	13,600
Reimbursements	0	0

## Federal Performance Basic Incentives

### DESCRIPTION:

This premise reflects the Federal Performance Basic Incentives. Pursuant to the Child Support Performance and Incentive Act of 1998, the federal incentives passed onto Local Child Support Agencies (LCSAs) are to be based on the five performance measures and the Data Reliability Audit compliance. (See the Historical Incentive Performance Measures auxiliary chart A-9.)

### IMPLEMENTATION DATE:

The federal performance incentive methodology was implemented October 1, 1999 and phased in over three years.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Family Code Section 17704, Public Law (PL) 105-200.
- The federal government pays incentives based on PL 105-200 using the following criteria:

#### 1. The State's Collection Base

The federal incentive methodology gives a weight of "2" for all distributed collections made in current and former assistance cases and adds never assistance collections to make up the state's collection base. Federal Fiscal Year (FFY) distributed collections were used from the Child Support Enforcement (CSE) Program Quarterly Report of Collections (OCSE 34) reports. The formula is as follows:

$$2 \times (\text{Current Support Collections} + \text{Former Assistance Collections}) + \text{Never Assistance Collections} = \text{State's Collection Base}$$

The state's incentive amount earned is based on the calculation of each performance measure level multiplied against the state's collection base.

#### 2. Performance Factors

The federal incentive methodology considers program performance in five areas to determine each performance level:

- Paternity Established (Statewide PEP) =  
$$\text{Out-of-Wedlock Children w/Paternity} \div \text{Total Out-of-Wedlock Children, Last Fiscal Year (FY)}$$
- Support Orders Established =  
$$\text{Total Cases w/Support Orders} \div \text{Total Number of Cases}$$

**KEY DATA/ASSUMPTIONS (continued):**

- Current Support Collected =  
Total Current Support Collected ÷ Total Current Support Owed

(The previous three performance factors may each earn up to a performance level of 100 percent of the collection base.)

- Cases Paying on Arrears =  
Total Cases Paying Arrears ÷ Cases with Total Arrears Due

- Cost-Effectiveness =  
Total Collections ÷ Total Expenditures

(The above two performance factors may each earn up to a performance level of 75 percent of the collection base.)

3. Data Reliability Audit

The five performance measures data that the state reports annually is required to be determined complete and reliable through an audit. State data must meet a 95 percent standard of reliability. Failure to meet the data reliability standard in a given performance measure by a state would result in a reduction of federal incentives and the potential issuance of a performance penalty.

4. The Incentive Base Amount

Each performance level is multiplied by the collection base for each performance factor which results in an incentive base amount.

5. Comparison with Other States

The estimated maximum base for California is divided by the estimated maximum base for all states to determine California's share of the available federal incentive pool.

6. The Available Federal Incentive Pool

PL 105-200 established a set pool of available incentive funds for each FFY through FFY 2008. After FFY 2008, the available pool of federal incentive funds will be determined using the Consumer Price Index.

Following are the statutorily set pool amounts for each federal fiscal year:

- |            |               |            |                             |
|------------|---------------|------------|-----------------------------|
| • FFY 2000 | \$422,000,000 | • FFY 2005 | \$446,000,000               |
| • FFY 2001 | \$429,000,000 | • FFY 2006 | \$458,000,000               |
| • FFY 2002 | \$450,000,000 | • FFY 2007 | \$471,000,000               |
| • FFY 2003 | \$461,000,000 | • FFY 2008 | \$483,000,000               |
| • FFY 2004 | \$454,000,000 | • FFY 2009 | \$495,000,000 <sup>1/</sup> |

<sup>1/</sup> FFY 2009 is estimated.

7. Determining the State's Incentive Entitlement

California's percentage of the available pool, as determined in number 5, is multiplied by the available federal incentive pool to determine California's entitlement to federal incentives.

**METHODOLOGY:**

The federal incentives are estimated using the methodology under PL 105-200. Based on recent information available, it is estimated that California will be entitled to \$45,206,000 federal incentives in State Fiscal Year (SFY) 2008-09 and SFY 2009-10.

**FUNDING:**

The federal incentives earned by California reduces the LCSA Basic Administrative State General Fund need by these same amounts. Effective October 1, 2007, the federal incentives were no longer eligible for match with federal funds. For further details, please refer to the premise descriptions for LCSA Basic Costs.

**CHANGE FROM APPROPRIATION:**

There is no change.

**REASON FOR YEAR-TO-YEAR CHANGE:**

There is no change.

**EXPENDITURES:**

(in 000's)

	2008-09	2009-10
	<u>LCSA Admin.</u>	<u>LCSA Admin.</u>
Total Incentives	45,206	45,206

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## Local Child Support Agency Revenue Stabilization

### DESCRIPTION:

This premise reflects a permanent ongoing augmentation of \$18.7 million (\$6.4 million General Fund) to Local Child Support Agencies (LCSAs) to maintain LCSA caseworker staffing levels in order to stabilize child support collections. Since 2003-04, State and federal funding support for Local Child Support Agency (LCSA) basic administrative expenses has been held flat. Due to flat LCSA funding and local cost increases, LCSA staffing levels have declined which has contributed to associated declines in child support collections.

It is anticipated that providing this augmentation will partially offset the decline by \$84.7 million (\$6.9 million General Fund). The estimated General Fund offset to collections declines is greater than the cost of the augmentation providing a return to the General Fund of \$500,000.

### IMPLEMENTATION DATE:

This premise will be implemented July 1, 2009.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Family Code (FC) Section 17704(b), FC Section 17710(a), and Welfare and Institutions Code Section 10085(a).
- The effective date will be July 1, 2009.
- The funding will allow LCSAs to retain 260 staff, of which 70 percent will be caseworkers.

### METHODOLOGY:

- The base administrative allocation of \$696.4 million was used to calculate the inflationary increase needed to maintain a full administrative allocation. The CPI of 2.7% was applied to the base allocation resulting in an additional \$18.7 million needed to fully fund administrative activities.
- A linear regression of collections and caseworker staffing was used to determine the average collections per caseworker. The cost per caseworker was divided into the revenue stabilization increase to estimate the retention of 182 caseworkers statewide. This estimate was verified by reviewing actual annual caseworker loss since SFY 2002-03.
- 182 caseworkers were multiplied by the average collection per Assistance case to compute additional collections of \$14.5 million.
- 182 caseworkers were multiplied by the average collection per NonAssistance case to compute additional collections of \$70.2 million.

**FUNDING:**

- Funding for this premise consists of 34 percent State General Fund (SGF) and 66 percent Federal Financial Participation (FFP) matching funds.
- Collections for assistance families are retained and serve as recoupment of past welfare costs.
- Collections made on behalf of NonAssistance families are forwarded directly to custodial parties.
- The assistance collections are shared based on the Federal Medical Assistance Percentage (FMAP) and the non-federal sharing ratios. See appendix A for detail.

**CHANGE FROM APPROPRIATION:**

This is a new premise beginning SFY 2009-10.

**REASON FOR YEAR-TO-YEAR CHANGE:**

This premise will be implemented in SFY 2009-10.

**EXPENDITURES:**

(in 000's)

	2008-09	2009-10
	<u>LCSA Admin.</u>	<u>LCSA Admin.</u>
Total	\$0	\$18,735
Federal	0	12,365
State	0	6,370
County	0	0
Reimbursements	0	0

**COLLECTIONS:**

(in 000's)

	2008-09	2009-10
	<u>Collections</u>	<u>Collections</u>
Assistance Total	\$0	\$14,452
Federal	0	7,225
State	0	6,864
County	0	363
Other	0	0
NonAssistance	0	\$70,224
Total Collections	0	\$84,676



## IRS Intercept Fees

### DESCRIPTION:

This premise reflects the additional cost for Internal Revenue Service (IRS) intercept fees resulting from the 2008 Economic Stimulus Act and the tax intercepts for Non-minor children.

### IMPLEMENTATION DATE:

This premise was implemented October 1, 2007.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Title IV-D of the Social Security Act and 5 United States Code § 5514 (A)(a)(i).
- IRS intercepts for non-minors are expected to increase as a result of new and ongoing non-minor intercepts. For further detail, refer to the premise Federal Deficit Reduction Act Internal Revenue Service Intercepts for non-minors.
- IRS intercepts will increase as a result of the one-time Economic Stimulus Act of 2008, occurring between May and December 2008.

### METHODOLOGY:

- The most recent four Office of Child Support Enforcement (OCSE) economic stimulus intercepts and collections payment reports were used to forecast the intercepts expected from September 2008 through December 2008. The projected number of intercepts was then multiplied by the offset fee to calculate the increased cost associated with the Economic Stimulus collections.
- The non-minor intercepts were forecasted by using the average number of intercepts for March 2008 through October 2008. A full year of intercepts was forecasted for State Fiscal Year (SFY) 2008-09 and SFY 2009-10. The projected numbers of intercepts were then multiplied by the offset fee to calculate fees associated with the non-minor intercepts.
- Intercepts for the Economic Stimulus and non-minor children were combined to forecast the costs in SFY 2008-09. Only the non-minor intercepts were used to forecast costs in SFY 2009-10.

### FUNDING:

Funding for this premise consists of 34 percent State General Fund (SGF) and 66 percent Federal Financial Participation (FFP) matching funds.

**CHANGE FROM APPROPRIATION:**

This is a new premise.

**REASON FOR YEAR-TO-YEAR CHANGE:**

The number of intercepts is projected to be higher in SFY 2008-09 as a result of one-time Economic Stimulus rebate intercepts.

**EXPENDITURES:**

(in 000's)

	2008-09	2009-10
	<u>LCSA Admin.</u>	<u>LCSA Admin.</u>
Total	\$1,462	\$7
Federal	965	4
State	497	3
County	0	0
Reimbursements	0	0

## Dispute Resolution Grant

### DESCRIPTION:

This premise reflects the funds for the Dispute Resolution Federal Demonstration Grant project which is a three-year pilot program to evaluate whether an alternate dispute resolution process to resolve child support service disputes is more effective and timely. Under the program, pilot counties will test different models to provide less formal means to achieve agreement on court orders for child support. Models could include training in collaborative negotiation to achieve agreement; more intensive use of county court facilitators to provide mediation services to achieve agreement; and other approaches. The goal is to expedite the process of getting child support to families more quickly and efficiently while still maintaining safeguards for the rights of those involved. The pilots will be evaluated to determine the benefits and applicability of these approaches being used broadly throughout the state.

### IMPLEMENTATION DATE:

This premise was implemented October 1, 2006.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Section 1115(a) of the Social Security Act.
- This is a 36-month demonstration project from October 1, 2006 through August 31, 2010.
- The total project cost consists of Section 1115 grant funds, a required five percent state match, and federal financial participation (FFP). The five percent state match will be funded through redirection of existing resources.
- San Diego County is the pilot county for the Dispute Resolution grant working with the Local Child Support Agency, California Child Support Automation System Child Support Enforcement, Administrative Office of the Courts, and San Diego Court's Family Law Facilitators.
- The program was implemented for the full State Fiscal Year (SFY) 2007-08.
- It is assumed that the program will continue for 12 months in SFY 2008-09 and conclude in SFY 2009-10.

### METHODOLOGY:

- The Federal Administration for Children and Families approval letter, dated August 30, 2006, contains the funding for the grant.
- Due to a delay of implementation of the grant, funding was shifted between fiscal years. Funding for SFY 2007-08 and 2008-09 will be \$455,000 with the remaining grant authority of \$65,000 shifted into SFY 2009-10.

**FUNDING:**

The cost is funded 66 percent federal matching funds, 29 percent federal Section 1115 grant, and 5 percent State General Fund.

**CHANGE FROM APPROPRIATION:**

There is no change.

**REASON FOR YEAR-TO-YEAR CHANGE:**

There is no change.

**EXPENDITURES:**

(in 000's)

	2008-09	2009-10
	<u>LCSA Admin.</u>	<u>LCSA Admin.</u>
Total	\$455	\$43
Federal	455	43
State	0	0
County	0	0
Reimbursements	0	0

## Deficit Reduction Act – Mandatory Fees

### DESCRIPTION:

One of the provisions of the Federal Deficit Reduction Act (FDRA) of 2005 requires the state to pay the federal government a \$25 annual application fee for families that have never received Temporary Assistance for Needy Families if at least \$500 is collected annually on their behalf. Fees may be recovered from the custodial party, the noncustodial parent or the State (using state funds). When California opts to pass the fee to the families, it is anticipated that there would be an increase in revenue as a result. However, there will be additional ongoing administrative costs to the state to collect and track these fees. California has not imposed the fee because the California Child Support Automation System (CCSAS) is not capable of automated fee tracking.

### IMPLEMENTATION DATE:

This premise will be implemented January 1, 2008.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Public Law 109-171, FDRA of 2005.
- It is assumed that California will not collect fees until CCSAS is capable of automated fee tracking; anticipated to occur in SFY 2010-11. Therefore, California will pay the federal share of estimated fees for State Fiscal Years (SFYs) 2008-09 and 2009-10.

### METHODOLOGY:

- The number of never-assisted cases with a collection of \$500 or more payment is multiplied by \$25 to compute the total fees.
- The total fees to be collected are multiplied by 66 percent to determine the potential revenue to the federal government.
- Based on an implementation date of January 1, 2008, California will pay the federal government their share of the fees using state general funds for SFYs 2008-09 and 2009-10.

### FUNDING:

These costs represent the 66 percent Federal Financial Participation to be paid from the State General Fund.

### CHANGE FROM APPROPRIATION:

There is no change.

### REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

**EXPENDITURES:**

(in 000's)

	2008-09	2009-10
	<u>LCSA Admin.</u>	<u>LCSA Admin.</u>
Total	\$3,526	\$3,526
Federal	0	0
State	3,526	3,526
County	0	0
Reimbursements	0	0

## Child Support Enforcement Maintenance & Operations

**DESCRIPTION:**

This premise reflects funds for the local child support agency (LCSA) Electronic Data Processing (EDP) maintenance and operations (M&O) as well as M&O for the child support enforcement (CSE) system. These costs include direct personnel and contract services, and the maintenance of interim automated systems allowing the continued collections of child support. All CSE M&O costs are reflected in the most recent California Child Support Automation System (CCSAS) Advance Planning Document Update (APDU). This premise was formerly named EDP Maintenance and Operations. The Department of Child Support Services notes that with the implementation of the CSE, the M&O activities will shift from Pre-Interim Systems Management to CSE.

**KEY DATA/ASSUMPTIONS:**

- Authorizing statute: Family Code (FC) Section 17704(b), FC Section 17710(a), and Welfare and Institutions Code Section 10085(a).

**METHODOLOGY:**

All CSE M&O costs are reflected in the most recent CCSAS APDU.

**FUNDING:**

Funding for this premise consists of 34 percent State General Fund and 66 percent Federal Financial Participation.

**CHANGE FROM APPROPRIATION:**

There is no change.

**REASON FOR YEAR-TO-YEAR CHANGE:**

The decrease in the budget year reflects the reduction of costs as counties transition from PRISM to the CSE. Beginning in SFY 2009-10, CSE M&O will be captured under the umbrella of CSE.

**EXPENDITURES:**

(\$ in 000's)

	2008-09	2009-10
	<u>LCSA Admin.</u>	<u>LCSA Admin.</u>
Total	\$33,707	\$0
Federal	22,247	0
State	11,460	0
Reimbursements	0	0

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## California Child Support Automation System – SDU

### DESCRIPTION:

The State Disbursement Unit (SDU) is one of two components of the single statewide child support system. The Child Support Enforcement (CSE) component provides the case management system for the statewide automated system. The SDU complements the CSE component by providing services to collect and distribute child support obligation payments for both the IV-D and Non IV-D populations, and to prepare collection payment transactions for processing by the CSE system.

Chapter 479 of the Statutes of 1999 required the Franchise Tax Board (FTB) to procure the California Child Support Automation System – State Disbursement Unit (CCSAS-SDU). This premise provides the funds necessary to support the SDU Service Provider (SP) contract and the local child support agency (LCSA) staff assigned to the CCSAS-SDU project as subject matter experts (SME).

### IMPLEMENTATION DATE:

This premise was implemented September 1999.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute(s): Welfare & Institutions Code Section 10080 and Family Code (FC) Section 17309.
- There are two LCSA SMEs for collection and distribution activities and one technical staff for planning and implementation.
- This premise reflects costs for the SP contract to develop, implement, and perform statewide collection and distribution activities.
- For the current year, additional SP collection/distribution costs are anticipated as a result of the 2008 Internal Revenue Service (IRS) Stimulus Rebate and IRS Intercepts for Non-Minor Children.
- For the current and budget year, the SP plans to continue outreach activities for the purpose of increasing Non IV-D participation and encouraging the use of electronic funds transfers (EFT) over paper checks [Change Request (CR) 1402].

### METHODOLOGY:

- Resource estimates are based on workload required to support the planning activities for the procurement and the implementation of the CCSAS-SDU.
- SP costs are based on the most recent SDU Special Project Report (SPR#4) and related Economic Analysis Worksheets (EAWs), subsequent contract amendments, and updated trends using the most recent actual data.
- One-time costs associated with the SP's outreach effort to encourage the use of EFT over paper check is \$3.8 million in the current year.

**FUNDING:**

- The funds to support LCSA staff and the SP contract are funded at 66 percent federal funds, and 34 percent SGF.
- Cases not subject to Title IV-D (Non IV-D) and filed prior to 1994 do not receive federal financial participation. Therefore, the SP contract has been adjusted to reflect 100% General Fund for the processing of payments related to these cases.

**CHANGE FROM APPROPRIATION:**

The current year increase is the net result of lower overall transactions than previously projected and a decrease in projected savings for the SP's enhanced outreach activities (CR-1402).

**REASON FOR YEAR-TO-YEAR CHANGE:**

The budget year decrease is the result of no anticipated change requests for the budget year, and an increase in projected savings for the SP's enhanced outreach activities (CR-1402).

**EXPENDITURES:**

(in 000's)

	2008-09	2009-10
	<u>CS Automation</u>	<u>CS Automation</u>
Total	\$25,883	\$19,958
Federal	17,045	13,146
State	8,838	6,812
County	0	0
Reimbursements	0	0

## California Child Support Automation System – CSE

### DESCRIPTION:

This premise reflects the contract services for the California Child Support Automation System (CCSAS). In addition, this premise reflects the Federal Financial Participation (FFP) and the State General Fund (SGF) to backfill local child support agency (LCSA) staff assigned full-time to the CCSAS project as subject matter experts (SME) for child support program business practices and child support enforcement (CSE) system functionality.

Beginning in SFY 2009-10, this premise reflects funds for the LCSA Electronic Data Processing (EDP) maintenance and operations (M&O) as well as M&O for the CSE system. These costs include direct personnel and contract services, and the maintenance of interim automated systems allowing the continued collections of child support. All CSE M&O costs are reflected in the most recent CCSAS Advance Planning Document Update (APDU). This premise was formerly named EDP Maintenance and Operations.

### IMPLEMENTATION DATE:

This premise was implemented September 1999.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare & Institutions Code Section 10080.
- Contract Services costs include the International Business Machines Alliance Business Partner contract.
- DCSS has contracted with LCSAs to provide SMEs on site in Sacramento to support the CCSAS-CSE project, and have SMEs available for consultation throughout the life of the project.

### METHODOLOGY:

This premise reflects a reduction due to the transition of the CSE project from the development and implementation phase to maintenance and operations as described in the most recent approved APDU and the State Supplement (State Project Report #12) to that APDU. In addition, this premise includes costs that will be reflected in an upcoming As-Needed APDU/SPR #13 and Annual APDU. These costs include funding for ongoing costs for expected Change Request workload, continued LCSA SME's, and technical staffing. There will also be one-time costs for procurement support, CSE/ECSS transition, and critical software functionality.

Upcoming As-Needed APDU and Annual APDU	2009/10	
	One-time	On-going
<b>Transition Support</b>		
Consultants experienced in procurement (Request for Proposals/Feasibility Study Reports/ requirements) to support the SDU/CSE procurements and the migration of CSE/ECSS to the Department of Technology Services (DTS) data center. Includes Quality Assurance and Independent Verification and Validation consultants to oversee the transition activities.		\$ 1,500,000
<b>Transition Costs</b>		
Consultants to augment State staff during the three month period prior to the data center transition. Staff will be working in parallel with the existing CCSAS contractor to ensure that new staff are ready to support the system. In addition, the equipment will be installed in the State data center approximately nine months before the transition (for testing) and the State will incur DTS hosting costs for this period. The existing CSE/ECSS equipment at the IBM data center will be at the end of its five year useful life and must be refreshed. The cost includes hardware, software and the internal data center network equipment.	\$44,000,000	
<b>Ongoing Knowledge Transfer</b>		
LCSA SMEs – continued local expertise for system support.		\$ 5,126,000
<b>Ongoing Operations Support</b>		
State Program/Project Support Staff – provide business support and problem resolution to system problems/issues.		\$ 2,896,000
<b>Ongoing System/Software Maintenance Support</b>		
Consultants to assist in maintaining the CSE hardware and software; includes problem investigation, software/system updates and testing. In addition, consultants to assist in maintaining the ECSS hardware and software. Includes problem investigation, integration with CSE, system updates, and testing.		\$12,250,000

<b>Change Requests</b>		
In addition to routine maintenance, there will be on-going business-driven change requests that will require analysis, design, test and implementation. During CSE development, the priority was federal certification; critical functionality had to be deferred. These deferred change requests require analysis, design, test and implementation.	\$27,200,000	\$ 25,500,000
<b>Totals</b>	<b>\$71,200,000</b>	<b>\$ 47,272,000</b>
		<b>\$118,472,000</b>

**FUNDING:**

- The post conversion costs for the LCSAs are funded 66 percent federal funds and 34 percent SGF.
- The funding required to support the use of LCSA SMEs are funded 66 percent federal funds and 34 percent SGF.

**CHANGE FROM APPROPRIATION:**

For SFY 2008-09, the increase is due to the extension of LCSA consultant contracts and various change requests paid to the Business Partner.

**REASON FOR YEAR-TO-YEAR CHANGE:**

The decline reflects changes to the budget which align the budget to meet the needs of the CCSAS Project.

**EXPENDITURES:**

(in 000's)

	2008-09	2009-10
	<u>CS Automation</u>	<u>CS Automation</u>
Total	\$142,620	\$99,492
Federal	94,221	65,665
State	48,399	33,827
County	0	0
Reimbursements	0	0

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## Child Support Collections Recovery Fund

### **DESCRIPTION:**

This premise reflects the estimated federal share of Title IV-A child support collections, which are utilized to fund the federal share of local assistance administrative funds to local child support agencies.

The Child Support Collections Recovery Fund (CSCRF) includes Title IV-A and Title IV-E child support collections. The Title IV-E share of the CSCRF is reflected in the California Department of Social Services' local assistance budget.

### **IMPLEMENTATION DATE:**

This premise was implemented July 2001.

### **KEY DATA/ASSUMPTIONS:**

Authorizing statute: Family Code Section 17702.5.

### **METHODOLOGY:**

- For State Fiscal Year (SFY) 2008-09, the CSCRF is based on the estimated sum of the federal share of child support assistance collections less the estimated sum of the federal share of foster care collections.
- For SFY 2009-10, the CSCRF is based on the estimated sum of the federal share of child support assistance collections less the estimated sum of the federal share of foster care collections.

### **FUNDING:**

This premise is funded as the federal share of the Title IV-A child support collections in the Child Support Revenues, Transfers and Collections tables.

### **CHANGE FROM APPROPRIATION:**

This estimate was updated to reflect updated forecasts of Assistance Child Support collections.

### **REASON FOR YEAR-TO-YEAR CHANGE:**

The decrease in SFY 2008-09 is due to the projected decrease in Assistance collections.

**REVENUES:**

(in 000's)

	2008-09	2009-10
	<u>Revenues</u>	<u>Revenues</u>
Total	\$188,488	\$143,463
Federal	188,488	143,463
State	0	0
County	0	0
Reimbursements	0	0



## Child Support Program - Basic Collections

### DESCRIPTION:

This premise reflects the various sources of basic distributed child support collections that go directly to families. In addition, it reflects the amount of revenue collected on behalf of federal, state, or county government for the recoupment of past welfare costs.

Basic collections represent the ongoing efforts of the local child support agency to collect child support payments from non-custodial parents and distribute those payments either directly to families or to federal, state, and county governments to repay past welfare costs. Besides child support payment data, significant factors that affect basic collections include minimum awards, wage assignments, and intercepts. The Full Collections Program and the Disregard Payments to Families are reflected as separate premises.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare & Institutions Code Section 11477.
- The child support payment data for assistance and NonAssistance collections is based on the Child Support (CS) 34 Monthly Report of Collections and Distributions, and the CS 35 Supplement to Monthly Report of Collections and Distribution for the period of July 2006 through June 2008.
- The child support collections to other states and miscellaneous collections data are based on State Fiscal Year (SFY) 2007-08 actual data. The data is reported monthly on the CS 34 and CS 35 Reports.

### METHODOLOGY:

- Actual assistance distributed collections are reported monthly on the CS 34 and CS 35 Reports. These were used to construct a 24-month trend from July 2006 through July 2008. Seasonal adjustments were made to the data by using monthly dummy variables in the linear regression model.
- Actual NonAssistance distributed collections are reported monthly on the CS 34 and CS 35 Reports. Actuals from the July 2006 through June 2008 CS 34 and CS 35 Reports were used to construct a 24-month trend. Seasonal adjustments were made to the data by using monthly dummy variables in the linear regression model.
- Assistance Collections for Other States are reported on the CS 34 and CS 35 Reports. For SFY 2008-09 and 2009-10, the trend forecasts rate of change for assistance collections were applied to the SFY 2007-08 actual to arrive at the SFY 2008-09 and 2009-10 forecast.

## **METHODOLOGY (CONTINUED):**

- NonAssistance Collections for Other States are reported on the CS 34 and CS 35 Reports. For SFY 2008-09 and 2009-10, the trend forecasts growth of NonAssistance collections were applied to the SFY 2007-08 actual to arrive at the SFY 2008-09 and 2009-10 forecast.
- Assistance Miscellaneous Collections consists of Assistance Medical Support, Pass-On, and Excess Collections. Pass-On and Excess Collections are reported on the CS 35 Report. Medical Support is reported on the CS 34 Report. For SFY 2008-09 and 2009-10, the trend forecasts rate of change for assistance collections were applied to SFY 2007-08 actual to arrive at the Assistance Miscellaneous Collections for SFY 2008-09 and 2009-10.
- The NonAssistance Miscellaneous Collections consist of NonAssistance Medical Support which is reported on the CS 34 Report. For SFY 2008-09 and 2009-10, the trend forecasts growth of NonAssistance collections were applied to the SFY 2007-08 actual to arrive at the NonAssistance Miscellaneous Collections for SFY 2008-09 and 2009-10.

## **FUNDING:**

- Collections made on behalf of NonAssistance families are forwarded directly to custodial parties.
- Collections made on behalf of other states are forwarded directly to other states for distribution.
- Collections for assistance families are retained and serve as recoupment of past welfare costs.
- The assistance collections are shared based on the Federal Medical Assistance Percentage and the non-Federal sharing ratios. See Appendix A for detail.

## **CHANGE FROM APPROPRIATION:**

The May 2008 Estimate was based on 24 months of trend data: January 2006 through December 2007. For this estimate, the trend data was updated to the most recent 24 months of trend data, June 2006 through July 2008, as this data is more reflective of current collection activities in the local child support agencies. This change resulted in a decrease of projected collections for SFY 2008-09. The Department will continue to use the most current trend data to project collections.

## **REASON FOR YEAR-TO-YEAR CHANGE:**

The SFY 2009-10 decrease is due to the overall projected decline of growth in collections based on historical trend.

**COLLECTIONS:**

(in 000's)

	2008-09 <u>Collections</u>	2009-10 <u>Collections</u>
Assistance Total	\$388,925	\$320,103
Federal	180,869	148,863
State	186,416	153,429
County	21,640	17,811
Other	0	0
NonAssistance	1,671,577	1,712,500
Collections For Other States		
Assistance	1,480	1,230
NonAssistance	102,167	105,641
Miscellaneous Collections		
Assistance	4,545	3,776
NonAssistance	1,426	1,475
Grand Total <sup>1/</sup>	\$2,170,120	\$2,144,175

1/ Grand Total does not include Full Collections Program, \$50 disregard, or other collections described in separate premise items.

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## Disregard Payment to Families

### DESCRIPTION:

In addition to the California Work Opportunity and Responsibility to Kids grant, custodial parents also receive the first \$50 of the current month's child support payment collected from the absent parent. Under the provision of Public Law 104-193, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, the federal government discontinued federal financial participation (FFP) in the disregard payment to the family as of October 1, 1996. Forwarding the disregard portion of the collection to the family instead of retaining it as revenue to the State results in reduced collection revenues. The Federal Deficit Reduction Act (FDRA) of 2005 allows the federal government to share in the cost of additional support collections passed-through to families effective October 1, 2008.

### IMPLEMENTATION DATE:

- This premise was implemented in State Fiscal Year (SFY) 1984-85.
- The FDRA federal participation provision was implemented October 1, 2008.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Family Code Section 17504.
- The child support payment data are based on monthly Child Support (CS) 35 reports, Assistance Related Distribution/Disbursement Summary, beginning with July 2006 through June 2008.
- FFP is available for disregard payments of federally eligible collections.

### METHODOLOGY:

- The cost of the current \$50 disregard is reported monthly on the CS 35 reports. The disregard is paid when the current monthly child support collection is distributed.
- The forecast was generated utilizing 24 months of data from the CS 35 reports, from July 2006 through June 2008. The full year forecast was used for the SFY 2008-09 and 2009-10.
- The FFP in disregard was calculated by computing federally eligible disregard collections and multiplying these by 50 percent. For SFY 2008-09, three quarters were used to reflect the federal funding available as of October 1, 2008. SFY 2009-10 reflects a full year of federal funding.
- The cost is counted toward the State's Temporary Assistance for Needy Families (TANF) Maintenance of Effort (MOE) requirement.

**FUNDING:**

- The collection revenues associated with the disregard are 100 percent State General Fund until October 1, 2008.
- Beginning October 1, 2008 the federal participation of disregard becomes 50 percent.
- The costs are reflected in the California Department of Social Services budget as additional TANF/MOE expenditures.
- Funding source for these costs are reflected in the Department of Child Support Services collections table as "Other" to display the amount of collections paid to the families.

**CHANGE FROM APPROPRIATION:**

The projections were updated using the most recent data trends.

**REASON FOR YEAR-TO-YEAR CHANGE:**

The projections were updated using the most recent data trends. The budget year reflects a full year of FFP.

**COLLECTIONS:**

(in 000's)

	2008-09 <u>Collections</u>	2009-10 <u>Collections</u>
Total	\$24,448	\$22,593
Federal	0	0
State	0	0
County	0	0
Other	24,448	22,593

FFP In Disregard:

	2008-09 <u>Collections</u>	2009-10 <u>Collections</u>
Total	\$0	\$0
Federal	-8,710	-10,732
State	8,710	10,732
County	0	0
Other	0	0

\$

## **IRS Economic Stimulus Rebate Intercepts**

### **DESCRIPTION:**

The U.S. Department of Treasury began sending economic stimulus payments to more than 130 million recipients in late April 2008. These rebates may be intercepted for the purposes of child support arrearage collection.

### **IMPLEMENTATION DATE:**

This premise was implemented May 2008.

### **KEY DATA/ASSUMPTIONS:**

- Authorizing statute: House of Representatives (HR 5140), Economic Stimulus Act of 2008 and United States Code Title 42, Section 664.
- Internal Revenue Service (IRS) Stimulus rebates will be intercepted between April 2008 and December 2008.
- Taxpayers must file a 2007 tax return, have a valid Social Security Number and have at least \$3,000 in income to be eligible for a stimulus payment.
- The Economic Stimulus Intercept data are based on reports from the Office of Child Support Enforcement (OCSE) titled, "Federal Offset Collections from Economic Stimulus Payments" which used U.S. Department of Treasury, Financial Management Service as the data source.

### **METHODOLOGY:**

- Child support collections from the IRS Economic Stimulus intercept was reported beginning May 2008. Data from OCSE were reviewed. Reports included the number of intercepts and the amount collected. These reports also reported the number of intercepts and collections by Assistance and NonAssistance categories. Assistance collections accounted for 61 percent of the stimulus intercept collections.
- It was previously estimated that California would collect \$75 million in IRS stimulus rebates; however over \$97 million had been collected for California by August 2008. The forecast was revised using federal IRS offset data from May 2008 through August 2008. The revised forecast of \$106 million was developed using the average number of intercepts and the average amount collected realized in cycles 2008-14 through 2008-16.
- Payment data was tracked and it was determined that three payment transfers were distributed during State Fiscal Year (SFY) 2007-08. The amount collected in 2007-08 was subtracted from the revised total forecast of \$106 million to estimate the remainder which will be collected in SFY 2008-09.

- The forecast for SFY 2008-09 was split between Assistance collections and NonAssistance collections using actual OCSE data through August 2008.

**FUNDING:**

- Collections for assistance families are retained and serve as recoupment of past welfare costs.
- The assistance collections are shared based on the Federal Medical Assistance percentage and the non-Federal sharing ratios. See Appendix A for detail.

**CHANGE FROM APPROPRIATION:**

The projections were updated using the most recent data.

**REASON FOR YEAR-TO-YEAR CHANGE:**

There will be no collections from the IRS Economic Stimulus Rebate intercepts in the budget year.

**COLLECTIONS:**

(in 000's)

	2008-09 <u>Collections</u>	2009-10 <u>Collections</u>
Assistance Total	\$44,014	\$0
Federal	20,469	0
State	21,096	0
County	2,449	0
Other	0	0
NonAssistance	27,833	0
Combined Total	\$71,847	\$0



## Full Collections Program

### DESCRIPTION:

This premise reflects the non-tax collections obtained by the Full Collections Program resulting from cases that are delinquent in child support payments by 60 days pursuant to Senate Bill (SB) 542 (Chapter 480, Statutes of 1999), effective January 1, 2000. Assembly Bill (AB) 3589 (Chapter 1223, Statutes of 1992) implemented the project. The Full Collections Program processes bank and wage levies on accounts for child support collections based on county referrals.

In addition, AB 702 (Chapter 697, Statutes of 1997) required a data match between the Franchise Tax Board (FTB) and financial institutions doing business in the State. Its purpose was to discover and levy otherwise unknown assets of delinquent child support obligors. The data match was required by federal mandate, Public Law 104-193.

FTB program costs were funded through the Department's state operations at 66 percent Federal Financial Participation (FFP) and 34 percent State General Fund (SGF) and were passed on to FTB through an interagency agreement until July 1, 2005. The Full Collections Program was transferred from FTB to Department of Child Support Services (DCSS) July 1, 2005.

### IMPLEMENTATION DATE:

March 1, 1993 – Non-Financial Institution Data Match (Non-FIDM)

July 1, 1998 – Financial Institution Data Match (FIDM)

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Family Code Section 17501; Revenue and Taxation Code Sections 19271.5(a) and 19271.6.
- The assistance and NonAssistance distribution ratios are based on the State Fiscal Year (SFY) 2007-08 Child Support (CS) 34 Monthly Report of Collections and Distributions, and CS 35 Supplement to Monthly Report of Collections and Distribution data.
- An average of 18.8 percent of the levies issued by the Full Collections Program will result in a payment received.
- Levies issued from the Full Collections Program are a result of staff resources and accounts eligible.

## **METHODOLOGY:**

### **FIDM Collections**

- The number of levies issued was multiplied by the average percentage of payments received. The estimated payments received were then multiplied by the average payment received to forecast collections.
- For SFY 2008-09, nine months of projected collections were combined with three months of actual collections for an annual collections of \$34,689,000.
- SFY 2009-10 was forecasted using estimated levies issued multiplied by the average percentage of payments received with the average payment amount of \$692 for an annual collection of \$34,606,000.
- FIDM collections are multiplied by the assistance ratio of 22.3 percent resulting in an assistance collection amount of \$7,743,000 in SFY 2008-09 and \$7,724,000 in 2009-10. The FIDM collection amounts were multiplied by the NonAssistance ratio of 77.7 percent resulting in a NonAssistance collection amount of \$27,946,000 for SFY 2008-09 and \$26,882,000 for 2009-10.

### **Non-FIDM Collections**

- For SFY 2008-09, actual data through June 2008 were analyzed. The Demand for Payment Notice, which makes up Non-FIDM collections, is included in the Child Support Warning Notices as of February 2008. The collections which are received as a result of Child Support Warning Notices will be counted as FIDM collections.
- For SFY 2009-10, the total Non-FIDM estimated collections were multiplied by the assistance ratio of 22.3 percent resulting in an assistance collection amount of \$335,000. The same total Non-FIDM collection amount was multiplied by the NonAssistance ratio of 77.7 percent resulting in a NonAssistance collection amount of \$1,165,000.
- For SFY 2009-10, it is assumed that there will be no collections categorized as Non-FIDM.

### **Net Collections**

- For SFY 2008-09, the combined total of assistance Non-FIDM collections (\$335,000), and FIDM collections (\$7,743,000) totals \$8,077,000. The NonAssistance Non-FIDM collections (\$1,165,000) and FIDM (\$26,946,000) totals \$36,189,000.
- For SFY 2009-10, the combined total of assistance FIDM collections (\$7,724,000) and NonAssistance FIDM (\$26,882,000) totals \$34,606,000.

**FUNDING:**

- Collections made on behalf of NonAssistance families are forwarded directly to custodial parties.
- Collections for assistance families are retained and serve as recoupment of past welfare costs.
- The assistance collections are shared based on the Federal Medical Assistance Percentage and the non-Federal sharing ratios. See Appendix A for detail.

**CHANGE FROM APPROPRIATION:**

Updating forecasts resulted in an increase in Full Collections.

**REASON FOR YEAR-TO-YEAR CHANGE:**

The budget year decrease reflects the elimination of Non-FIDM collections in SFY 2009-10.

**COLLECTIONS:**

(in 000's)

	2008-09 <u>Collections</u>	2009-10 <u>Collections</u>
Assistance Total	\$8,077	\$7,724
Federal	3,756	3,592
State	3,871	3,702
County	450	430
Other	0	0
NonAssistance	28,112	26,882
Combined Total	\$36,189	\$34,606

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## Compromise of Arrears Program

### **DESCRIPTION:**

Pursuant to Assembly Bill (AB) 1752 (Chapter 225, Statutes of 2003) the Legislature adopted four proposals to enhance child support collections including the establishment of the Compromise of Arrears Program (COAP) by the Department of Child Support Services (DCSS). The purpose of COAP is to collect on previously uncollectible governmental arrears and interest, owed as reimbursement for public assistance, through collecting a portion of the debt in exchange for compromising a portion of the debt.

DCSS has piloted and implemented COAP statewide. As with other child support activities, COAP is operated by Local Child Support Agencies (LSCAs) with oversight from DCSS to ensure program uniformity statewide.

This premise reflects the child support collections resulting from the COAP.

### **IMPLEMENTATION DATE:**

August 2003 - COAP was mandated through statute.

March 2004 - The Interim Compromise of Arrears Program (I-COAP) was implemented statewide, while the full COAP was piloted in six LCSAs due to the program's complexity.

July 2005 - A redesigned COAP was implemented statewide in all LCSAs.

July 2008 - COAP became a permanent part of the California Child Support Program when the sunset clause in Family Code Section 17560 was repealed.

### **KEY DATA/ASSUMPTIONS:**

- Authorizing statute: Family Code Section 17560.
- Assumed caseload will be 5,871 for State Fiscal Year (SFY) 2007-08 and 6,449 for SFY 2008-09.

### **METHODOLOGY:**

The DCSS assumes arrearage collections of approximately \$5,332,000 [\$2,556,000 State General Fund (SGF)] in SFY 2008-09 in \$5,595,000 [\$2,682,000 SGF] in SFY 2009-10. This is based on a 24 month linear regression of applications multiplied by the average amount collected per application for July 2007 through June 2008.

**FUNDING:**

- Collections for assistance families are retained and serve as recoupment of past welfare costs.
- The assistance collections are shared based on the Federal Medical Assistance Percentage and the non-federal sharing ratios. See Appendix A for detail.

**CHANGE FROM APPROPRIATION:**

For SFY 2008-09, the estimates were updated using actual applications and collections through June 2008. Actual applications were lower than previously estimated.

**REASON FOR YEAR-TO-YEAR CHANGE:**

The budget year reflects an increase of forecasted applications for COAP.

**REVENUES:**

(in 000's)

	2008-09	2009-10
	<u>Revenues</u>	<u>Revenues</u>
Total	\$5,332	\$5,595
Federal	2,480	2,602
State	2,556	2,682
County	296	311
Reimbursements	0	0

## **FDRA IRS Intercepts for Non-Minors**

### **DESCRIPTION:**

Beginning October 2007, the Federal Deficit Reduction Act of 2005 allows for the use of Tax Refund Intercept Program to collect child support on behalf of children who are not minors.

### **IMPLEMENTATION DATE:**

This premise was implemented October 1, 2007.

### **KEY DATA/ASSUMPTIONS:**

- Authorizing statute: Public Law 109-171, Federal Deficit Reduction Act of 2005; and United States Code Title 42, Section 664.
- The effective date is October 1, 2007.

### **METHODOLOGY:**

- Actual IRS intercepts data for non-minor children was reviewed for the months of November 2007 through October 2008.
- The average number of intercepts per month and the average monthly collection was calculated using March 2008 through October 2008 data.
- The average monthly collection was multiplied by the average monthly number of intercepts and then annualized to calculate the full year of collections for both SFY 2008-09 and SFY 2009-10.

### **FUNDING:**

These collections are made on behalf of NonAssistance families who are non-minor children.

### **CHANGE FROM APPROPRIATION:**

The appropriation was based on estimated collections while the current estimate for SFY 2008-09 uses actual collection data.

### **REASON FOR YEAR-TO-YEAR CHANGE:**

There is no change.

**COLLECTIONS:**

(in 000's)

	2008-09	2009-10
	<u>Collections</u>	<u>Collections</u>
Total	\$339	\$339
Federal	0	0
State	0	0
County	0	0
Other	339	339



## Foster Parent Training Fund Transfer

### DESCRIPTION:

This premise reflects the Foster Parent Training Fund Transfer. Welfare and Institutions (W&I) Code Section 903.7(b) provides that the difference between the net state share of the estimated child support Foster Care (FC) collections and the base level of the FC estimated state share of total child support collections be transferred to the Foster Children and Parent Training Fund, but not to exceed \$3,000,000.

The program is administered by the community colleges, in consultation with the California State Foster Parents Association and California Department of Social Services.

### IMPLEMENTATION DATE:

This premise was implemented July 1, 1981.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&I Code Section 903.7(b).
- The FC estimated state share of collections, based on the sum of the estimated state share of basic assistance distributed collections and the state share of all of the child support assistance collections premises is \$8,847,000 for State Fiscal Year (SFY) 2008-09, and \$6,895,000 for SFY 2009-10.
- The FC estimated state share of incentives is \$731,526 for SFY 2008-09, and \$735,987 for SFY 2008-09.
- The FC state share of collections base level cannot exceed \$3,750,000 each year based on the W&I Code Section 903.7(b).
- Effective SFY 2002-03, the amount to be transferred to the Foster Children and Parent Training Fund in a state fiscal year cannot exceed \$3,000,000 pursuant to Assembly Bill 444 (Chapter 1022, Statutes of 2002).

### METHODOLOGY:

- The Foster Parent Training Fund Transfer estimate is the difference between the net state share of the estimated FC collections and the base level of the FC estimated state share of total collections. The total estimated state share of FC collections is \$8,847,000 for SFY 2008-09 and \$6,895,000 for SFY 2009-10.

**METHODOLOGY (continued):**

- For SFY 2008-09, the net state share of FC collections, which is \$8,115,000, is the result of deducting the estimated state share of FC incentives, \$732,000, from the estimated state share of total FC collections. The base level of \$3,750,000 is then subtracted from the net share of FC collections to identify the amounts eligible for transfer to the Foster Parent Training Fund, \$4,365,000. Since the amount transferred in a state fiscal year cannot exceed \$3,000,000, only \$3,000,000 will be transferred.
- For SFY 2009-10, the net state share of FC collections, \$6,159,000, is the result of deducting the estimated state share of FC incentives, \$736,000, from the estimated state share of total FC collections. The base level of \$3,750,000 is then subtracted from the net share of FC collections to identify the amounts eligible for transfer to the Foster Parent Training Fund, \$2,409,000.

**FUNDING:**

The amount transferred to the Foster Children and Parent Training Fund is derived from the state share of FC collections which is 100 percent State General Fund.

**CHANGE FROM APPROPRIATION:**

There is no change.

**REASON FOR YEAR-TO-YEAR CHANGE:**

The reduction in the budget year reflects a reduction of FC collections.

**REVENUES:**

(in 000's)

	2008-09 <u>Revenues</u>	2009-10 <u>Revenues</u>
Total	-\$3,000	-\$2,409
Federal	0	0
State	-3,000	-2,409
County	0	0
Reimbursements	0	0

## **Title IV-E Child Support Collections Offset**

### **DESCRIPTION:**

This premise reflects the estimated federal share (Title IV-E) of Foster Care (FC) child support collections as determined by the Department of Child Support Services (DCSS). The DCSS is responsible for remitting to Child Support Collection Recovery Fund (CSCRF) the federal share of FC collections as reported to the federal government. The FC child support collections offset the Title IV-E share of FC expenditures.

### **IMPLEMENTATION DATE:**

This premise was implemented July 1, 2000.

### **KEY DATA/ASSUMPTIONS:**

- Authorizing statute: Social Security Act Section 457 (6)(e)(1).
- Based on actual collection data reported on the Child Support 34 and 35 Reports, Summary Reports of Child and Spousal Support Payments for July 2007 through June 2008, it is assumed that 7.28 percent of the total assistance child support distributed collections are FC collections and 63.86 percent of the FC collections are federally eligible.
- Effective October 1, 2003, both the current and former Title IV-E Child Support Collections reduce the federal share of FC expenditures based on federal Office of Child Support Enforcement Action Transmittal letter 03-04, dated September 26, 2003.
- The Federal Medical Assistance Percentage (FMAP) rate is assumed to be 50 percent for the period of July 1, 2008 through June 30, 2010.

### **METHODOLOGY:**

- For State Fiscal Year (SFY) 2008-09, the FC share of collections percentage (7.28 percent) was applied to the estimated collections. The result was multiplied by the federal participation rate of 63.86 percent for each premise. The FMAP rate was then applied to determine the federal share of FC collections, which resulted in a forecast of \$10,376,000.
- For SFY 2009-10, the FC share of collections percentage (7.28 percent) was applied to the estimated collections. The result was multiplied by the federal participation rate of 63.86 percent for each premise. The FMAP rate was then applied to determine the federal share of FC collections, which resulted in a forecast of \$8,087,000.

### **FUNDING:**

This premise identifies the Title IV-E funds remitted to the CSCRF.

**CHANGE FROM APPROPRIATION:**

For SFY 2008-09, the offset decreased as a result of updating assistance collections and the percentage of federally eligible foster care collections.

**REASON FOR YEAR-TO-YEAR CHANGE:**

The decrease in SFY 2009-10 reflects the forecasted decrease in FC collections.

**REVENUES:**

(in 000's)

	2008-09	2009-10
	<u>Revenues</u>	<u>Revenues</u>
Total	-\$10,376	-\$8,087
Federal	-10,376	-8,087
State	0	0
County	0	0
Reimbursements	0	0

## Discontinued Premises

### CHILD SUPPORT PROGRAM COSTS:

- **Compromise of Arrears Program (Administration)**  
This premise was combined into Local Child Support Agency Basic Costs. It is being discontinued as a separate line item as it has become a component of basic costs.
- **Consortia Modification**  
This premise was discontinued because the consortia systems will be retired in State Fiscal year 2008-09 and no additional changes will be made to them prior to retirement.

### CHILD SUPPORT PROGRAM COLLECTIONS:

- **\$100 Disregard Payments to Families**  
This proposal was not incorporated into the Budget Act of 2008.

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## Appendix A - Federal Medical Assistance Percentage (FMAP)

The assistance collections are shared based on the FMAP and the nonfederal sharing ratios. These percentages are reflected below:

<u>ASSISTANCE:</u>	July 2008 – June 2010	<u>ASSISTANCE:</u> <u>Nonfederal</u>	July 2008 – June 2010
Federal	50.00%	State	95.00%
State	47.50%	County	5.00%
County	2.50%		

<u>FOSTER CARE:</u>	July 2008 – June 2010	<u>FOSTER CARE:</u> <u>Nonfederal</u>	July 2008 – June 2010
Federal	50.00%	State	40.00%
State	20.00%	County	60.00%
County	30.00%		

<u>KinGAP:</u>	July 2008 – June 2010	<u>KinGAP:</u> <u>Nonfederal</u>	July 2008 – June 2010
Federal	50.00%	State	50.00%
State	25.00%	County	50.00%
County	25.00%		

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## Appendix B - List of Acronyms

AB	Assembly Bill	FSR	Feasibility Study Report
ACF	Administration for Children and Families	FTB	Franchise Tax Board
APDU	Advance Planning Document Update	IBM	International Business Machines, Inc.
ARS	ACSES (Automated Child Support Enforcement System) Replacement System	I-COAP	Interim – Compromise of Arrears Program
ASC	Alternative System Configuration	IDB	Integrated Data Base
BP	Business Partner	KIDZ	Refers to the child support system used by Kern County.
CalWORKs	California Work Opportunity and Responsibility to Kids	LCSA	Local Child Support Agency
CASES	Computer Assisted Support Enforcement System	NCP	Non-Custodial Parent
CBO	Community Based Organization	OCSE	Office of Child Support Enforcement
CCSAS	California Child Support Automation System	OMB	Office of Management and Budget
CSE	Child Support Enforcement	PL	Public Law
CDSS	California Department of Social Services	PRISM	Pre-Statewide Interim Systems Management
CIIP	California Insurance Intercept Project	PRWORA	Personal Responsibility and Work Opportunity Reconciliation Act
COAP	Compromise of Arrears Program	SDU	State Disbursement Unit
CSCRF	Child Support Collections Recovery Fund	SB	Senate Bill
DCSS	Department of Child Support Services	SFY	State Fiscal Year
DRA	Data Reliability Audit	SGF	State General Fund
EAW	Economic Analysis Worksheet	SP	Service Provider
EDP M&O	Electronic Data Processing Maintenance and Operations	SME	Subject Matter Expert
FC	Family Code / Foster Care	SPR	Special Project Report (State Supplement to the federal APDU)
FFP	Federal Financial Participation	STAR/KIDS	Support Through Automated Resources/Keeping Integrated Data on System
FFY	Federal Fiscal Year	TANF/MOE	Temporary Assistance for Needy Families/Maintenance of Effort
FIDM	Financial Institution Data Match	UIB	Unemployment Insurance Benefits
FMAP	Federal Medical Assistance Percentage	W & I Code	Welfare and Institutions Code

## Non IV-D Child Support Collections

### DESCRIPTION:

Pursuant to Public Law 104-193, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 requires that Department of Child Support Services establish and operate a State Disbursement Unit (SDU) for the collection and disbursement of payments for: 1) orders in IV-D cases, and 2) orders in Non IV-D cases for which the support order was initially issued on or after January 1, 1994, and in which the income of the noncustodial parent is subject to withholding.

This premise reflects the estimated Non IV-D child support collections collected through the California Child Support Automation System (CCSAS)-SDU. Non IV-D child support collections are cases that are not being served by the Local Child Support Agencies. Also, these are cases with court ordered wage assignments, which are currently paid directly to the family, but will be processed through the SDU.

### IMPLEMENTATION DATE:

This premise was implemented as part of the CCSAS–SDU, effective July 2006.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&I Code Section 10080, Family Code Section 17309, and Code of Civil Procedure Section 706.030 (6).
- It is assumed that Non IV-D child support collections collected through court ordered wage withholding orders will be processed through the SDU and distributed to the families.
- This Non IV-D child support payment data is based on monthly CS 34 reports, Monthly Report of Collections and Distributions.

### METHODOLOGY:

- Actual Non IV-D collections are reported monthly on the CS 34 Report. The data reported monthly collections from April 2007 through October 2008. Monthly data was reviewed and correlated to implementation of the Non IV-D collection program; analysis of the data indicates that collections are stable since October 2007.
- Average Non IV-D collections for the most recent 12 months were used to calculate the annual Non IV-D collections of \$180,492,000 for State Fiscal Year (SFY) 2008-09 and SFY 2009-10.

**FUNDING:**

- Non IV-D collections are distributed 100 percent to the families.

**CHANGE FROM APPROPRIATION:**

The decrease reflects actual collection data. The appropriation was not based on actual dollars collected.

**REASON FOR YEAR-TO-YEAR CHANGE:**

There is no change.

**COLLECTIONS:**

(in 000's)

	2008-09	2009-10
	<u>Collections</u>	<u>Collections</u>
Total	\$180,492	\$180,492
Federal	0	0
State	0	0
County	0	0
Other	180,492	180,492

**TABLE COMPARISON**  
**Non IV-D CHILD SUPPORT COLLECTIONS 1/**  
(in thousands)

		2008-09 APPROPRIATION					ADJUSTMENTS/DIFFERENCES					2008-09 NOVEMBER ESTIMATE				
		Total	Federal	State	County	Other 2/	Total	Federal	State	County	Other 2/	Total	Federal	State	County	Other 2/
<b>2008-09 APPROPRIATION TO 2008-09 NOVEMBER ESTIMATE</b>																
1	Non IV-D CHILD SUPPORT COLLECTIONS	1,415,395	0	0	0	1,415,395	-1,234,903	0	0	0	-1,234,903	180,492	0	0	0	180,492
		2008-09 APPROPRIATION					ADJUSTMENTS/DIFFERENCES					2009-10 GOVERNOR'S BUDGET				
		Total	Federal	State	County	Other 2/	Total	Federal	State	County	Other 2/	Total	Federal	State	County	Other 2/
<b>2008-09 APPROPRIATION TO 2009-10 GOVERNOR'S BUDGET</b>																
2	Non IV-D CHILD SUPPORT COLLECTIONS	1,415,395	0	0	0	1,415,395	-1,234,903	0	0	0	-1,234,903	180,492	0	0	0	180,492
		2008-09 NOVEMBER ESTIMATE					ADJUSTMENTS/DIFFERENCES					2009-10 GOVERNOR'S BUDGET				
		Total	Federal	State	County	Other 2/	Total	Federal	State	County	Other 2/	Total	Federal	State	County	Other 2/
<b>2007-08 NOVEMBER ESTIMATE TO 2008-09 GOVERNOR'S BUDGET</b>																
3	Non IV-D CHILD SUPPORT COLLECTIONS	180,492	0	0	0	180,492	0	0	0	0	0	180,492	0	0	0	180,492

1/ Non IV-D Child Support Collections are from court ordered wage assignment cases paid to the families, which are not handled through the local child support agencies but rather through the State Disbursement Unit.

2/ Other reflects collections that are paid to families.