

**CALIFORNIA DEPARTMENT OF CHILD SUPPORT SERVICES**

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



**TO:** RECIPIENTS OF THE DEPARTMENT OF CHILD SUPPORT SERVICES 2008-09 GOVERNOR'S BUDGET

**FROM:** LINDA ADAMS, Budget Officer  
Financial Planning Branch

**DATE:** January 10, 2008

**SUBJECT:** LOCAL ASSISTANCE ESTIMATES

This memorandum transmits the 2008-09 Governor's Budget for the California Department of Child Support Services (DCSS). The Governor's Budget includes the State Fiscal Year (SFY) 2008-09 Budget Change Proposals and the November 2007 Subvention of local assistance administrative costs and collection estimates.

The November 2007 Subvention presents the SFY 2008-09 DCSS local assistance budget and provides an update to the SFY 2007-08 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 (\$225.9 million SGF) for SFY 2007-08, and \$2.2 billion (\$204.9 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 2008-09 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 Financial Planning Branch at (916) 464-5177.

cc: Cher Woehl, Deputy Director, Administrative Services Division

**CHILD SUPPORT PROGRAM  
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**TABLE NUMBER 1**  
**COST COMPARISON OF**  
**2007-08 APPROPRIATION TO THE 2007-08 NOVEMBER ESTIMATE**  
(in thousands)

Budget Item 5175-101	2007-08 APPROPRIATION					ADJUSTMENTS/DIFFERENCES					2007-08 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>965,115</b>	<b>684,937</b>	<b>270,178</b>	<b>10,000</b>	<b>0</b>	<b>-6,534</b>	<b>-4,556</b>	<b>-1,978</b>	<b>0</b>	<b>0</b>	<b>958,581</b>	<b>680,381</b>	<b>268,200</b>	<b>10,000</b>	<b>0</b>
a Local Assistance Child Support Services *	745,559	465,381	270,178	10,000	0	3,155	5,133	-1,978	0	0	748,714	470,514	268,200	10,000	0
b Child Support Collections Recovery Fund *	219,556	219,556	0	0	0	-9,689	-9,689	0	0	0	209,867	209,867	0	0	0
<b>2 CHILD SUPPORT ADMINISTRATION 10.01</b>	<b>852,143</b>	<b>586,462</b>	<b>255,681</b>	<b>10,000</b>	<b>0</b>	<b>-5,253</b>	<b>-3,478</b>	<b>-1,775</b>	<b>0</b>	<b>0</b>	<b>846,890</b>	<b>582,984</b>	<b>253,906</b>	<b>10,000</b>	<b>0</b>
3 Local Child Support Agency Basic Costs	742,212	514,905	217,307	10,000	0	0	0	0	0	0	742,212	514,905	217,307	10,000	0
a Administration	575,647	381,324	194,323	0	0	0	0	0	0	0	575,647	381,324	194,323	0	0
b Federal Performance Basic Incentives	136,565	113,581	22,984	0	0	0	0	0	0	0	136,565	113,581	22,984	0	0
i. Backfill for Incentive lost FFP	67,600	44,616	22,984	0	0	0	0	0	0	0	67,600	44,616	22,984	0	0
ii. FFP for Incentives Eligible for a Match	22,533	22,533	0	0	0	0	0	0	0	0	22,533	22,533	0	0	0
iii. Incentives	46,432	46,432	0	0	0	0	0	0	0	0	46,432	46,432	0	0	0
c County Match for Administration	30,000	20,000	0	10,000	0	0	0	0	0	0	30,000	20,000	0	10,000	0
4 Dispute Resolution Grant	487	487	0	0	0	-32	-32	0	0	0	455	455	0	0	0
5 Compromise of Arrearage Program (COAP)	945	624	321	0	0	0	0	0	0	0	945	624	321	0	0
6 Deficit Reduction Act- Mandatory Fee	1,763	0	1,763	0	0	0	0	0	0	0	1,763	0	1,763	0	0
7 CSE - M & O	115,877	76,479	39,398	0	0	-2,805	-1,930	-875	0	0	113,072	74,549	38,523	0	0
reappropriation CSE M & O 1/	-9,141	-6,033	-3,108	0	0	-3,230	-1,516	-1,714	0	0	-12,371	-7,549	-4,822	0	0
8 Consortia Modification	0	0	0	0	0	814	0	814	0	0	814	0	814	0	0
<b>9 CHILD SUPPORT AUTOMATION 10.03</b>	<b>112,972</b>	<b>98,475</b>	<b>14,497</b>	<b>0</b>	<b>0</b>	<b>-1,281</b>	<b>-1,078</b>	<b>-203</b>	<b>0</b>	<b>0</b>	<b>111,691</b>	<b>97,397</b>	<b>14,294</b>	<b>0</b>	<b>0</b>
10 California Child Support Automation System - SDU	28,201	18,870	9,331	0	0	0	0	0	0	0	28,201	18,870	9,331	0	0
a SDU - STATE	754	754	0	0	0	0	0	0	0	0	754	754	0	0	0
b SDU - LCSA	295	195	100	0	0	0	0	0	0	0	295	195	100	0	0
c SDU - Service Provider (SP)	27,152	17,921	9,231	0	0	2,218	1,463	755	0	0	29,370	19,384	9,986	0	0
reappropriation SDU SP 1/	0	0	0	0	0	-2,218	-1,463	-755	0	0	-2,218	-1,463	-755	0	0
11 California Child Support Automation System - CSE	84,771	79,605	5,166	0	0	-1,281	-1,078	-203	0	0	83,490	78,527	4,963	0	0
a CSE - STATE	110,136	99,161	10,975	0	0	14,713	10,150	4,563	0	0	124,849	109,311	15,538	0	0
reappropriation CSE STATE 1/	-40,561	-29,586	-10,975	0	0	-15,394	-10,831	-4,563	0	0	-55,955	-40,417	-15,538	0	0
b CSE - LCSA	15,196	10,030	5,166	0	0	-600	-397	-203	0	0	14,596	9,633	4,963	0	0

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

1/ Reappropriation reflects unexpended program and project funds from 2004-05 & 2005-06 for the benefit of the CCSAS project pursuant to Provisions 1 & 2 of the Budget Acts of 2006-07 & 2007-08.

**TABLE NUMBER 2**  
**COST COMPARISON OF**  
**2007-08 APPROPRIATION TO THE 2008-09 GOVERNOR'S BUDGET**  
(in thousands)

Budget Item 5175-101	2007-08 APPROPRIATION					ADJUSTMENTS/DIFFERENCES					2008-09 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>965,115</b>	<b>684,937</b>	<b>270,178</b>	<b>10,000</b>	<b>0</b>	<b>-44,812</b>	<b>-33,926</b>	<b>-10,886</b>	<b>0</b>	<b>0</b>	<b>920,303</b>	<b>651,011</b>	<b>259,292</b>	<b>10,000</b>	<b>0</b>
a Local Assistance Child Support Services *	745,559	465,381	270,178	10,000	0	-8,554	2,332	-10,886	0	0	737,005	467,713	259,292	10,000	0
b Child Support Collections Recovery Fund *	219,556	219,556	0	0	0	-36,258	-36,258	0	0	0	183,298	183,298	0	0	0
<b>2 CHILD SUPPORT ADMINISTRATION 10.01</b>	<b>852,143</b>	<b>586,462</b>	<b>255,681</b>	<b>10,000</b>	<b>0</b>	<b>-74,743</b>	<b>-59,981</b>	<b>-14,762</b>	<b>0</b>	<b>0</b>	<b>777,400</b>	<b>526,481</b>	<b>240,919</b>	<b>10,000</b>	<b>0</b>
3 Local Child Support Agency Basic Costs	742,212	514,905	217,307	10,000	0	0	-9,476	9,476	0	0	742,212	505,429	226,783	10,000	0
a Administration	575,647	381,324	194,323	0	0	3,603	981	2,622	0	0	579,250	382,305	196,945	0	0
b Federal Performance Basic Incentives	136,565	113,581	22,984	0	0	-3,603	-10,457	6,854	0	0	132,962	103,124	29,838	0	0
i. Backfill for Incentive lost FFP	67,600	44,616	22,984	0	0	20,156	13,302	6,854	0	0	87,756	57,918	29,838	0	0
ii. FFP for Incentives Eligible for a Match	22,533	22,533	0	0	0	-22,533	-22,533	0	0	0	0	0	0	0	0
iii. Incentives	46,432	46,432	0	0	0	-1,226	-1,226	0	0	0	45,206	45,206	0	0	0
c County Match for Administration	30,000	20,000	0	10,000	0	0	0	0	0	0	30,000	20,000	0	10,000	0
4 Dispute Resolution Grant	487	487	0	0	0	-32	-32	0	0	0	455	455	0	0	0
5 Compromise of Arrearage Program (COAP)	945	624	321	0	0	0	0	0	0	0	945	624	321	0	0
6 Deficit Reduction Act- Mandatory Fee	1,763	0	1,763	0	0	1,763	0	1,763	0	0	3,526	0	3,526	0	0
7 CSE - M & O	115,877	76,479	39,398	0	0	-85,615	-56,506	-29,109	0	0	30,262	19,973	10,289	0	0
reappropriation CSE M & O 1/	-9,141	-6,033	-3,108	0	0	9,141	6,033	3,108	0	0	0	0	0	0	0
8 Consortia Modification	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>9 CHILD SUPPORT AUTOMATION 10.03</b>	<b>112,972</b>	<b>98,475</b>	<b>14,497</b>	<b>0</b>	<b>0</b>	<b>29,931</b>	<b>26,055</b>	<b>3,876</b>	<b>0</b>	<b>0</b>	<b>142,903</b>	<b>124,530</b>	<b>18,373</b>	<b>0</b>	<b>0</b>
10 California Child Support Automation System - SDU	28,201	18,870	9,331	0	0	1,815	1,112	703	0	0	30,016	19,982	10,034	0	0
a SDU - STATE	754	754	0	0	0	-251	-251	0	0	0	503	503	0	0	0
b SDU - LCSA	295	195	100	0	0	0	0	0	0	0	295	195	100	0	0
c SDU - Service Provider (SP)	27,152	17,921	9,231	0	0	2,066	1,363	703	0	0	29,218	19,284	9,934	0	0
reappropriation SDU SP 1/	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11 California Child Support Automation System - CSE	84,771	79,605	5,166	0	0	28,116	24,943	3,173	0	0	112,887	104,548	8,339	0	0
a CSE - STATE	110,136	99,161	10,975	0	0	-21,776	-10,801	-10,975	0	0	88,360	88,360	0	0	0
reappropriation CSE STATE 1/	-40,561	-29,586	-10,975	0	0	40,561	29,586	10,975	0	0	0	0	0	0	0
b CSE - LCSA	15,196	10,030	5,166	0	0	9,331	6,158	3,173	0	0	24,527	16,188	8,339	0	0

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

1/ Reappropriation reflects unexpended program and project funds from 2004-05 & 2005-06 for the benefit of the CCSAS project pursuant to Provisions 1 & 2 of the Budget Acts of 2006-07 & 2007-08.

**TABLE NUMBER 3**  
**COST COMPARISON OF**  
**2007-08 NOVEMBER ESTIMATE TO THE 2008-09 GOVERNOR'S BUDGET**  
(in thousands)

Budget Item 5175-101	2007-08 NOVEMBER ESTIMATE					ADJUSTMENTS/DIFFERENCES					2008-09 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>958,581</b>	<b>680,381</b>	<b>268,200</b>	<b>10,000</b>	<b>0</b>	<b>-38,278</b>	<b>-29,370</b>	<b>-8,908</b>	<b>0</b>	<b>0</b>	<b>920,303</b>	<b>651,011</b>	<b>259,292</b>	<b>10,000</b>	<b>0</b>
a Local Assistance Child Support Services *	748,714	470,514	268,200	10,000	0	-11,709	-2,801	-8,908	0	0	737,005	467,713	259,292	10,000	0
b Child Support Collections Recovery Fund *	209,867	209,867	0	0	0	-26,569	-26,569	0	0	0	183,298	183,298	0	0	0
<b>2 CHILD SUPPORT ADMINISTRATION 10.01</b>	<b>846,890</b>	<b>582,984</b>	<b>253,906</b>	<b>10,000</b>	<b>0</b>	<b>-69,490</b>	<b>-56,503</b>	<b>-12,987</b>	<b>0</b>	<b>0</b>	<b>777,400</b>	<b>526,481</b>	<b>240,919</b>	<b>10,000</b>	<b>0</b>
3 Local Child Support Agency Basic Costs	742,212	514,905	217,307	10,000	0	0	-9,476	9,476	0	0	742,212	505,429	226,783	10,000	0
a Administration	575,647	381,324	194,323	0	0	3,603	981	2,622	0	0	579,250	382,305	196,945	0	0
b Federal Performance Basic Incentives	136,565	113,581	22,984	0	0	-3,603	-10,457	6,854	0	0	132,962	103,124	29,838	0	0
i. Backfill for Incentive lost FFP	67,600	44,616	22,984	0	0	20,156	13,302	6,854	0	0	87,756	57,918	29,838	0	0
ii. FFP for Incentives Eligible for a Match	22,533	22,533	0	0	0	-22,533	-22,533	0	0	0	0	0	0	0	0
iii. Incentives	46,432	46,432	0	0	0	-1,226	-1,226	0	0	0	45,206	45,206	0	0	0
c County Match for Administration	30,000	20,000	0	10,000	0	0	0	0	0	0	30,000	20,000	0	10,000	0
4 Dispute Resolution Grant	455	455	0	0	0	0	0	0	0	0	455	455	0	0	0
5 Compromise of Arrearage Program (COAP)	945	624	321	0	0	0	0	0	0	0	945	624	321	0	0
6 Deficit Reduction Act- Mandatory Fee	1,763	0	1,763	0	0	1,763	0	1,763	0	0	3,526	0	3,526	0	0
7 CSE - M & O	113,072	74,549	38,523	0	0	-82,810	-54,576	-28,234	0	0	30,262	19,973	10,289	0	0
reappropriation CSE M & O 1/	-12,371	-7,549	-4,822	0	0	12,371	7,549	4,822	0	0	0	0	0	0	0
8 Consortia Modification	814	0	814	0	0	-814	0	-814	0	0	0	0	0	0	0
<b>9 CHILD SUPPORT AUTOMATION 10.03</b>	<b>111,691</b>	<b>97,397</b>	<b>14,294</b>	<b>0</b>	<b>0</b>	<b>31,212</b>	<b>27,133</b>	<b>4,079</b>	<b>0</b>	<b>0</b>	<b>142,903</b>	<b>124,530</b>	<b>18,373</b>	<b>0</b>	<b>0</b>
10 California Child Support Automation System - SDU	28,201	18,870	9,331	0	0	1,815	1,112	703	0	0	30,016	19,982	10,034	0	0
a SDU - STATE	754	754	0	0	0	-251	-251	0	0	0	503	503	0	0	0
b SDU - LCSA	295	195	100	0	0	0	0	0	0	0	295	195	100	0	0
c SDU - Service Provider (SP)	29,370	19,384	9,986	0	0	-152	-100	-52	0	0	29,218	19,284	9,934	0	0
reappropriation SDU SP 1/	-2,218	-1,463	-755	0	0	2,218	1,463	755	0	0	0	0	0	0	0
11 California Child Support Automation System - CSE	83,490	78,527	4,963	0	0	29,397	26,021	3,376	0	0	112,887	104,548	8,339	0	0
a CSE - STATE	124,849	109,311	15,538	0	0	-36,489	-20,951	-15,538	0	0	88,360	88,360	0	0	0
reappropriation CSE STATE 1/	-55,955	-40,417	-15,538	0	0	55,955	40,417	15,538	0	0	0	0	0	0	0
b CSE - LCSA	14,596	9,633	4,963	0	0	9,931	6,555	3,376	0	0	24,527	16,188	8,339	0	0

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1/ Reappropriation reflects unexpended program and project funds from 2004-05 & 2005-06 for the benefit of the CCSAS project pursuant to Provisions 1 & 2 of the Budget Acts of 2006-07 & 2007-08.

**CHILD SUPPORT PROGRAM  
REVENUE AND COLLECTIONS COMPARISONS**

**TABLE OF CONTENTS**

**CURRENT YEAR COMPARISONS:**

Table 1. 2007-08 Appropriation to 2007-08 November Estimate.....Nov CY – App CY

**BUDGET YEAR COMPARISONS:**

Table 2. 2007-08 Appropriation to 2008-09 Governor's Budget .....Gov BY – App CY

Table 3. 2007-08 November Estimate to 2008-09 Governor's Budget.....Gov BY – Nov CY

**TABLE NUMBER 1**  
**REVENUE AND COLLECTIONS COMPARISON OF**  
**2007-08 APPROPRIATION TO THE 2007-08 NOVEMBER ESTIMATE**  
(in thousands)

	2007-08 APPROPRIATION					ADJUSTMENTS/DIFFERENCES					2007-08 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>2,229,836</b>	<b>199,886</b>	<b>221,532</b>	<b>26,314</b>	<b>1,782,104</b>	<b>19,744</b>	<b>9,981</b>	<b>4,404</b>	<b>892</b>	<b>4,467</b>	<b>2,249,580</b>	<b>209,867</b>	<b>225,936</b>	<b>27,206</b>	<b>1,786,571</b>
<b>2 CHILD SUPPORT PROGRAM COLLECTIONS</b>	<b>2,243,883</b>	<b>210,933</b>	<b>224,532</b>	<b>26,314</b>	<b>1,782,104</b>	<b>20,449</b>	<b>10,686</b>	<b>4,404</b>	<b>892</b>	<b>4,467</b>	<b>2,264,332</b>	<b>221,619</b>	<b>228,936</b>	<b>27,206</b>	<b>1,786,571</b>
<b>3 Child Support Assistance Collections</b>	<b>493,845</b>	<b>210,933</b>	<b>224,532</b>	<b>26,314</b>	<b>32,066</b>	<b>15,733</b>	<b>10,686</b>	<b>4,404</b>	<b>892</b>	<b>-249</b>	<b>509,578</b>	<b>221,619</b>	<b>228,936</b>	<b>27,206</b>	<b>31,817</b>
4 Basic Collections	447,757	204,528	217,714	25,515	0	18,270	11,685	5,562	1,023	0	466,027	216,213	223,276	26,538	0
5 \$ 50 State Disregard Payments to Families /2	26,250	0	0	0	26,250	475	0	0	0	475	26,725	0	0	0	26,725
6 \$100 Disregard Payment to Families /2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7 FFP in Disregard	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8 Collections for Other States - Assistance	2,123	0	0	0	2,123	112	0	0	0	112	2,235	0	0	0	2,235
9 Miscellaneous Collections - Assistance	3,693	0	0	0	3,693	-836	0	0	0	-836	2,857	0	0	0	2,857
10 Full Collections Program - Assistance	9,789	4,472	4,759	558	0	-3,440	-1,526	-1,717	-197	0	6,349	2,946	3,042	361	0
a FIDM	8,725	3,986	4,242	497	0	-3,184	-1,415	-1,587	-182	0	5,541	2,571	2,655	315	0
b Non-FIDM	1,064	486	517	61	0	-256	-111	-130	-15	0	808	375	387	46	0
11 Compromise of Arrearage Program (COAP)	4,233	1,933	2,059	241	0	1,152	527	559	66	0	5,385	2,460	2,618	307	0
<b>12 Child Support NonAssistance Collections</b>	<b>1,750,038</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,750,038</b>	<b>4,716</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,716</b>	<b>1,754,754</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,754,754</b>
13 Basic Collections	1,619,781	0	0	0	1,619,781	10,995	0	0	0	10,995	1,630,776	0	0	0	1,630,776
14 Collections for Other States - NonAssistance	108,361	0	0	0	108,361	-5,065	0	0	0	-5,065	103,296	0	0	0	103,296
15 Miscellaneous Collections - NonAssistance	1,124	0	0	0	1,124	109	0	0	0	109	1,233	0	0	0	1,233
16 Full Collections Program - NonAssistance	20,772	0	0	0	20,772	-1,323	0	0	0	-1,323	19,449	0	0	0	19,449
a FIDM	17,896	0	0	0	17,896	-923	0	0	0	-923	16,973	0	0	0	16,973
b Non-FIDM	2,876	0	0	0	2,876	-400	0	0	0	-400	2,476	0	0	0	2,476
<b>17 REVENUES TRANSFERS</b>	<b>-14,047</b>	<b>-11,047</b>	<b>-3,000</b>	<b>0</b>	<b>0</b>	<b>-705</b>	<b>-705</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-14,752</b>	<b>-11,752</b>	<b>-3,000</b>	<b>0</b>	<b>0</b>
18 Foster Parent Training Fund Transfer	-3,000	0	-3,000	0	0	0	0	0	0	0	-3,000	0	-3,000	0	0
19 Title IV-E Child Support Collections Recovery Fund	-11,047	-11,047	0	0	0	-705	-705	0	0	0	-11,752	-11,752	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 \$50 disregard from October 1, 2008 and federal participation in the \$100 Disregard from January 1, 2009 to June 30, 2009.

**TABLE NUMBER 2**  
**REVENUE AND COLLECTIONS COMPARISON OF**  
**2007-08 APPROPRIATION TO THE 2008-09 GOVERNOR'S BUDGET**  
(in thousands)

	2007-08 APPROPRIATION					ADJUSTMENTS/DIFFERENCES					2008-09 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>2,229,836</b>	<b>199,886</b>	<b>221,532</b>	<b>26,314</b>	<b>1,782,104</b>	<b>8,220</b>	<b>-16,588</b>	<b>-16,592</b>	<b>-2,056</b>	<b>43,456</b>	<b>2,238,056</b>	<b>183,298</b>	<b>204,940</b>	<b>24,258</b>	<b>1,825,560</b>
<b>2 CHILD SUPPORT PROGRAM COLLECTIONS</b>	<b>2,243,883</b>	<b>210,933</b>	<b>224,532</b>	<b>26,314</b>	<b>1,782,104</b>	<b>7,658</b>	<b>-17,150</b>	<b>-16,592</b>	<b>-2,056</b>	<b>43,456</b>	<b>2,251,541</b>	<b>193,783</b>	<b>207,940</b>	<b>24,258</b>	<b>1,825,560</b>
<b>3 Child Support Assistance Collections</b>	<b>493,845</b>	<b>210,933</b>	<b>224,532</b>	<b>26,314</b>	<b>32,066</b>	<b>-26,903</b>	<b>-17,150</b>	<b>-16,592</b>	<b>-2,056</b>	<b>8,895</b>	<b>466,942</b>	<b>193,783</b>	<b>207,940</b>	<b>24,258</b>	<b>40,961</b>
4 Basic Collections	447,757	204,528	217,714	25,515	0	-33,845	-12,494	-19,407	-1,944	0	413,912	192,034	198,307	23,571	0
5 \$ 50 State Disregard Payments to Families /2	26,250	0	0	0	26,250	-13,644	0	0	0	-13,644	12,606	0	0	0	12,606
6 \$100 Disregard Payment to Families /2	0	0	0	0	0	23,813	0	0	0	23,813	23,813	0	0	0	23,813
7 FFP in Disregard	0	0	0	0	0	0	-3,851	3,851	0	0	0	-3,851	3,851	0	0
8 Collections for Other States - Assistance	2,123	0	0	0	2,123	-129	0	0	0	-129	1,994	0	0	0	1,994
9 Miscellaneous Collections - Assistance	3,693	0	0	0	3,693	-1,145	0	0	0	-1,145	2,548	0	0	0	2,548
10 Full Collections Program - Assistance	9,789	4,472	4,759	558	0	-3,440	-1,526	-1,717	-197	0	6,349	2,946	3,042	361	0
a FIDM	8,725	3,986	4,242	497	0	-3,184	-1,415	-1,587	-182	0	5,541	2,571	2,655	315	0
b Non-FIDM	1,064	486	517	61	0	-256	-111	-130	-15	0	808	375	387	46	0
11 Compromise of Arrearage Program (COAP)	4,233	1,933	2,059	241	0	1,487	721	681	85	0	5,720	2,654	2,740	326	0
<b>12 Child Support NonAssistance Collections</b>	<b>1,750,038</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,750,038</b>	<b>34,561</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>34,561</b>	<b>1,784,599</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,784,599</b>
13 Basic Collections	1,619,781	0	0	0	1,619,781	39,063	0	0	0	39,063	1,658,844	0	0	0	1,658,844
14 Collections for Other States - NonAssistance	108,361	0	0	0	108,361	-3,310	0	0	0	-3,310	105,051	0	0	0	105,051
15 Miscellaneous Collections - NonAssistance	1,124	0	0	0	1,124	131	0	0	0	131	1,255	0	0	0	1,255
16 Full Collections Program - NonAssistance	20,772	0	0	0	20,772	-1,323	0	0	0	-1,323	19,449	0	0	0	19,449
a FIDM	17,896	0	0	0	17,896	-923	0	0	0	-923	16,973	0	0	0	16,973
b Non-FIDM	2,876	0	0	0	2,876	-400	0	0	0	-400	2,476	0	0	0	2,476
<b>17 REVENUES TRANSFERS</b>	<b>-14,047</b>	<b>-11,047</b>	<b>-3,000</b>	<b>0</b>	<b>0</b>	<b>562</b>	<b>562</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-13,485</b>	<b>-10,485</b>	<b>-3,000</b>	<b>0</b>	<b>0</b>
18 Foster Parent Training Fund Transfer	-3,000	0	-3,000	0	0	0	0	0	0	0	-3,000	0	-3,000	0	0
19 Title IV-E Child Support Collections Recovery Fund	-11,047	-11,047	0	0	0	562	562	0	0	0	-10,485	-10,485	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 \$50 disregard from October 1, 2008 and federal participation in the \$100 Disregard from January 1, 2009 to June 30, 2009.



**TABLE NUMBER 3**  
**REVENUE AND COLLECTIONS COMPARISON OF**  
**2007-08 NOVEMBER ESTIMATE TO THE 2008-09 GOVERNOR'S BUDGET**  
(in thousands)

	2007-08 NOVEMBER ESTIMATE					ADJUSTMENTS/DIFFERENCES					2008-09 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>2,249,580</b>	<b>209,867</b>	<b>225,936</b>	<b>27,206</b>	<b>1,786,571</b>	<b>-11,524</b>	<b>-26,569</b>	<b>-20,996</b>	<b>-2,948</b>	<b>38,989</b>	<b>2,238,056</b>	<b>183,298</b>	<b>204,940</b>	<b>24,258</b>	<b>1,825,560</b>
<b>2 CHILD SUPPORT PROGRAM COLLECTIONS</b>	<b>2,264,332</b>	<b>221,619</b>	<b>228,936</b>	<b>27,206</b>	<b>1,786,571</b>	<b>-12,791</b>	<b>-27,836</b>	<b>-20,996</b>	<b>-2,948</b>	<b>38,989</b>	<b>2,251,541</b>	<b>193,783</b>	<b>207,940</b>	<b>24,258</b>	<b>1,825,560</b>
<b>3 Child Support Assistance Collections</b>	<b>509,578</b>	<b>221,619</b>	<b>228,936</b>	<b>27,206</b>	<b>31,817</b>	<b>-42,636</b>	<b>-27,836</b>	<b>-20,996</b>	<b>-2,948</b>	<b>9,144</b>	<b>466,942</b>	<b>193,783</b>	<b>207,940</b>	<b>24,258</b>	<b>40,961</b>
4 Basic Collections	466,027	216,213	223,276	26,538	0	-52,115	-24,179	-24,969	-2,967	0	413,912	192,034	198,307	23,571	0
5 \$ 50 State Disregard Payments to Families /2	26,725	0	0	0	26,725	-14,119	0	0	0	-14,119	12,606	0	0	0	12,606
6 \$100 Disregard Payment to Families /2	0	0	0	0	0	23,813	0	0	0	23,813	23,813	0	0	0	23,813
7 FFP in Disregard	0	0	0	0	0	0	-3,851	3,851	0	0	0	-3,851	3,851	0	0
8 Collections for Other States - Assistance	2,235	0	0	0	2,235	-241	0	0	0	-241	1,994	0	0	0	1,994
9 Miscellaneous Collections - Assistance	2,857	0	0	0	2,857	-309	0	0	0	-309	2,548	0	0	0	2,548
10 Full Collections Program - Assistance	6,349	2,946	3,042	361	0	0	0	0	0	0	6,349	2,946	3,042	361	0
a FIDM	5,541	2,571	2,655	315	0	0	0	0	0	0	5,541	2,571	2,655	315	0
b Non-FIDM	808	375	387	46	0	0	0	0	0	0	808	375	387	46	0
11 Compromise of Arrearage Program (COAP)	5,385	2,460	2,618	307	0	335	194	122	19	0	5,720	2,654	2,740	326	0
<b>12 Child Support NonAssistance Collections</b>	<b>1,754,754</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,754,754</b>	<b>29,845</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>29,845</b>	<b>1,784,599</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,784,599</b>
13 Basic Collections	1,630,776	0	0	0	1,630,776	28,068	0	0	0	28,068	1,658,844	0	0	0	1,658,844
14 Collections for Other States - NonAssistance	103,296	0	0	0	103,296	1,755	0	0	0	1,755	105,051	0	0	0	105,051
15 Miscellaneous Collections - NonAssistance	1,233	0	0	0	1,233	22	0	0	0	22	1,255	0	0	0	1,255
16 Full Collections Program - NonAssistance	19,449	0	0	0	19,449	0	0	0	0	0	19,449	0	0	0	19,449
a FIDM	16,973	0	0	0	16,973	0	0	0	0	0	16,973	0	0	0	16,973
b Non-FIDM	2,476	0	0	0	2,476	0	0	0	0	0	2,476	0	0	0	2,476
<b>17 REVENUES TRANSFERS</b>	<b>-14,752</b>	<b>-11,752</b>	<b>-3,000</b>	<b>0</b>	<b>0</b>	<b>1,267</b>	<b>1,267</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-13,485</b>	<b>-10,485</b>	<b>-3,000</b>	<b>0</b>	<b>0</b>
18 Foster Parent Training Fund Transfer	-3,000	0	-3,000	0	0	0	0	0	0	0	-3,000	0	-3,000	0	0
19 Title IV-E Child Support Collections Recovery Fund	-11,752	-11,752	0	0	0	1,267	1,267	0	0	0	-10,485	-10,485	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 \$50 disregard from October 1, 2008 and federal participation in the \$100 Disregard from January 1, 2009 to June 30, 2009.

**CHILD SUPPORT PROGRAM  
AUXILIARY CHARTS**

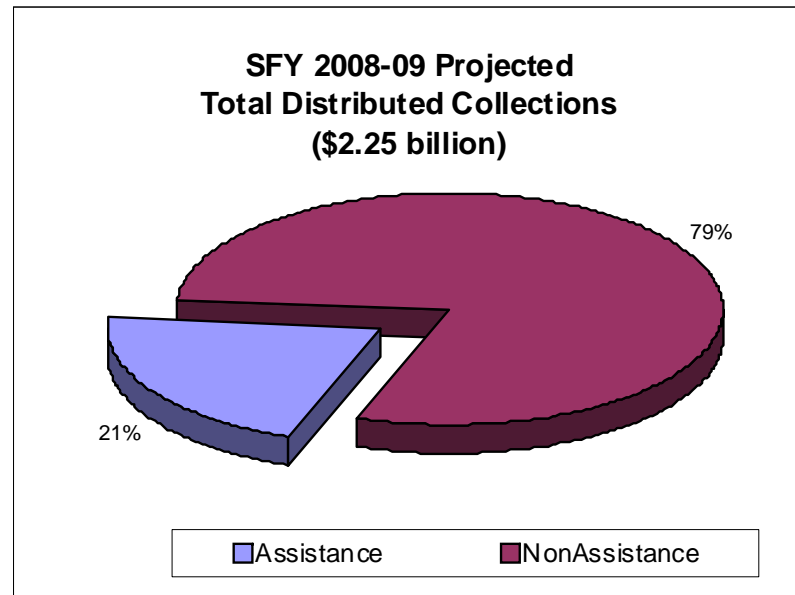
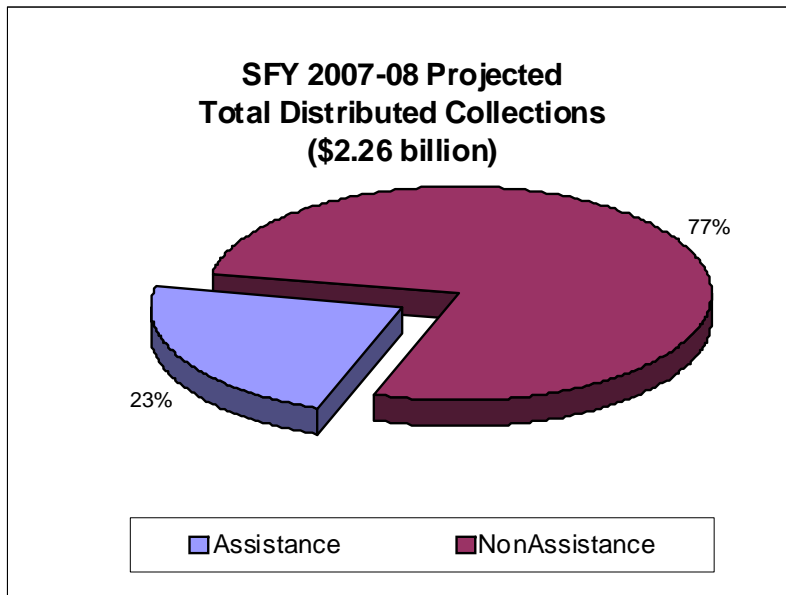
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### TOTAL PROJECTED DISTRIBUTED COLLECTIONS FOR STATE FISCAL YEARS 2007-08 and 2008-09

The charts below display California's projected SFY 2007-08 (\$2.26 billion) and SFY 2008-09 (\$2.25 billion) child support total collections that are distributed to the federal, state and county government as revenue (**Assistance**) and to families (**NonAssistance**).

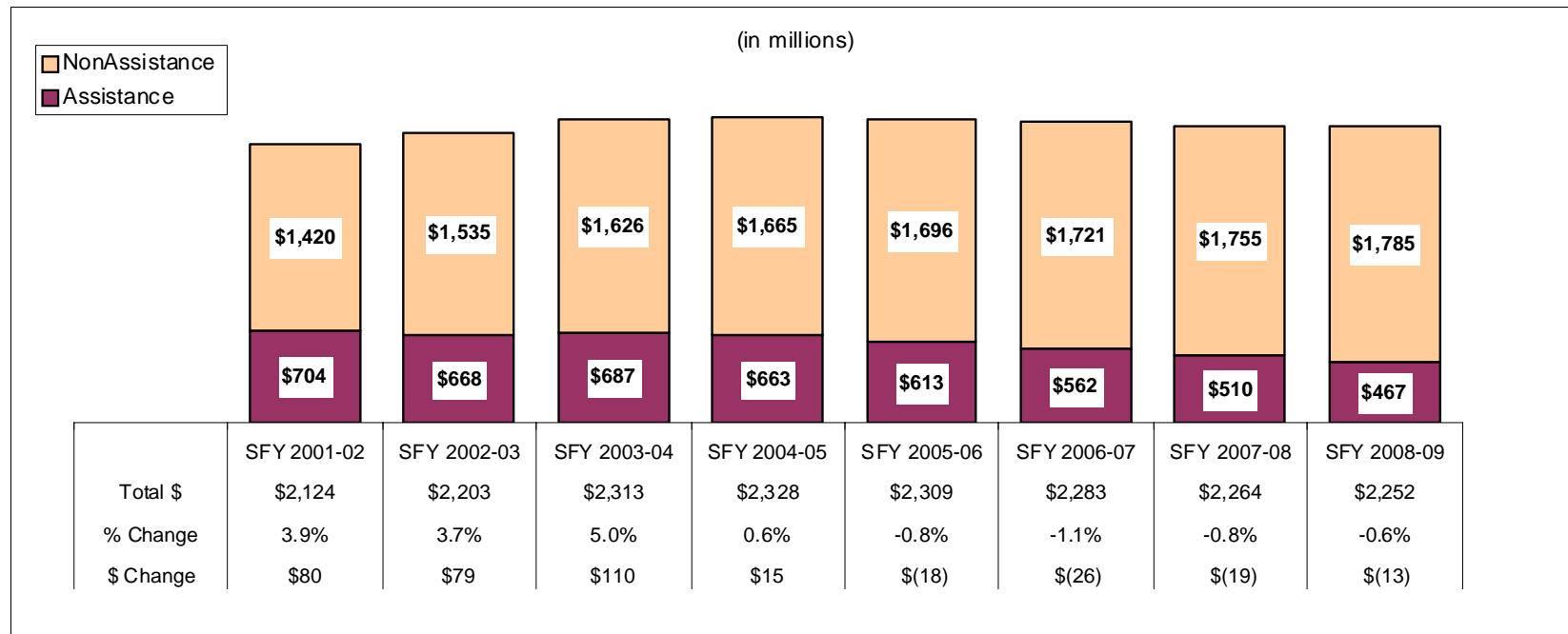
- **Assistance Collections (\$509.58 million SFY 2007-08, \$466.94 million SFY 2008-09)** are revenue to government entities which reflects basic collections and other premises. Basic Collections (\$466.03 million SFY 2007-08, \$413.91 million SFY 2008-09) are the ongoing efforts of the local child support agencies (LCSA) to collect child support payments from noncustodial parents. Other Collection premises (\$43.56 million SFY 2007-08 and \$53.03 million 2008-09) 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, \$100 Disregard, Collections for Other States, and miscellaneous collections.
- **NonAssistance Collections (\$1.75 billion SFY 2007-08, \$1.78 billion SFY 2008-09)** are collections that are made on behalf of families and sent directly to them. These collections are comprised of Basic Collections (\$1.63 billion SFY 2007-08, \$1.66 billion SFY 2008-09) and Other Collection premises (\$123.98 million SFY 2007-08, \$125.76 million SFY 2008-09).



### TOTAL DISTRIBUTED COLLECTIONS FOR STATE FISCAL YEARS 2001-02 through 2008-09

Total child support distributed collections have grown from \$2.12 billion in State Fiscal Year (SFY) 2001-02 to a projected level of \$2.25 billion in SFY 2008-09. This represents a 6.0 percent overall growth rate.

The chart below reflects the actual and projected total distributed collections and the year-to-year change by state fiscal years.

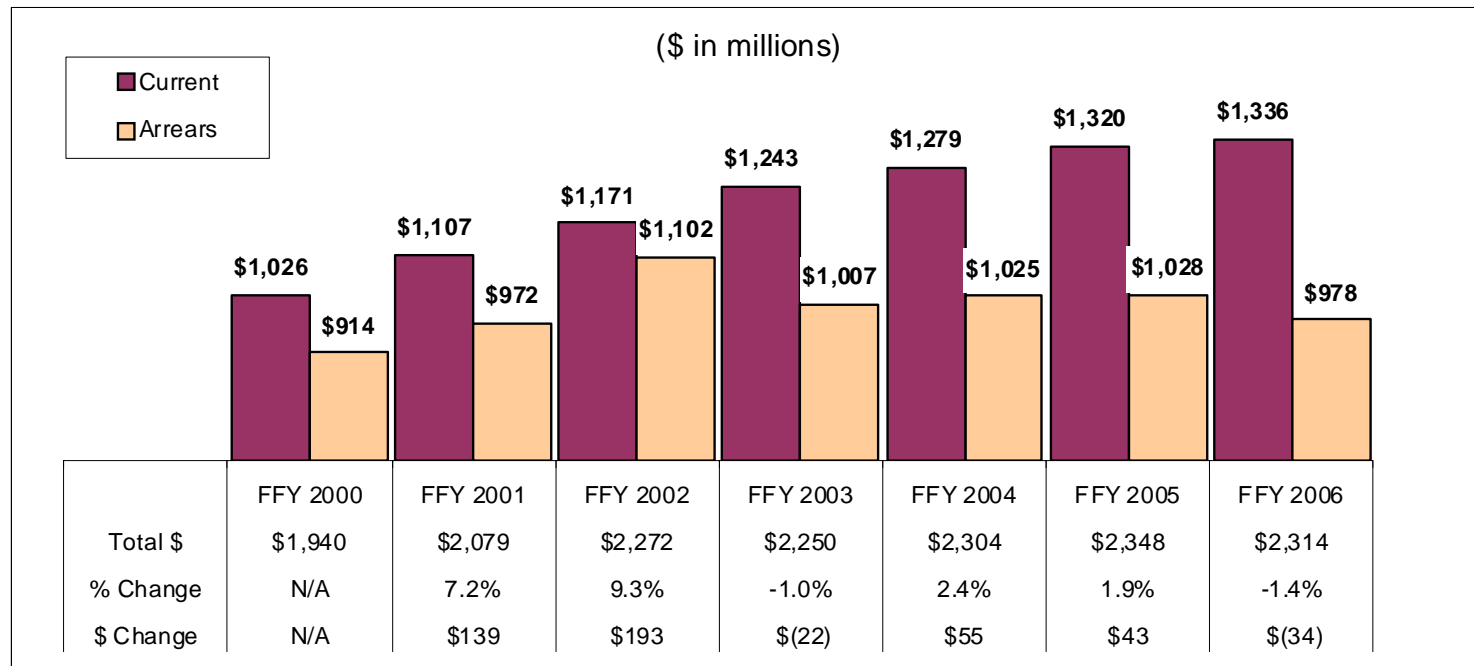


Source: The collections data for SFY 2000-01 through SFY 2001-02 are from the CS 800 and 820 reports.  
 The collections data for SFY 2002-03 through SFY 2006-07 are from the CS 34 and CS 35 reports.  
 CS 800 and 820 reports were revised into CS 34 and CS 35 reports.  
 The SFY 2007-08 and SFY 2008-09 projections are based on the current trend analysis.

### TOTAL DISTRIBUTED COLLECTIONS FOR FEDERAL FISCAL YEARS 2000 through 2006

Total Child Support distributed collections have grown from \$1.94 billion in Federal Fiscal Year (FFY) 2000 to \$2.31 billion in FFY 2006. 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 2006 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 9.7% for State Fiscal Year (SFY) 2007-08, and a decrease of 19.0% for SFY 2008-09 over SFY 2006-07 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 \$660,309,000 in SFY 2000-01.

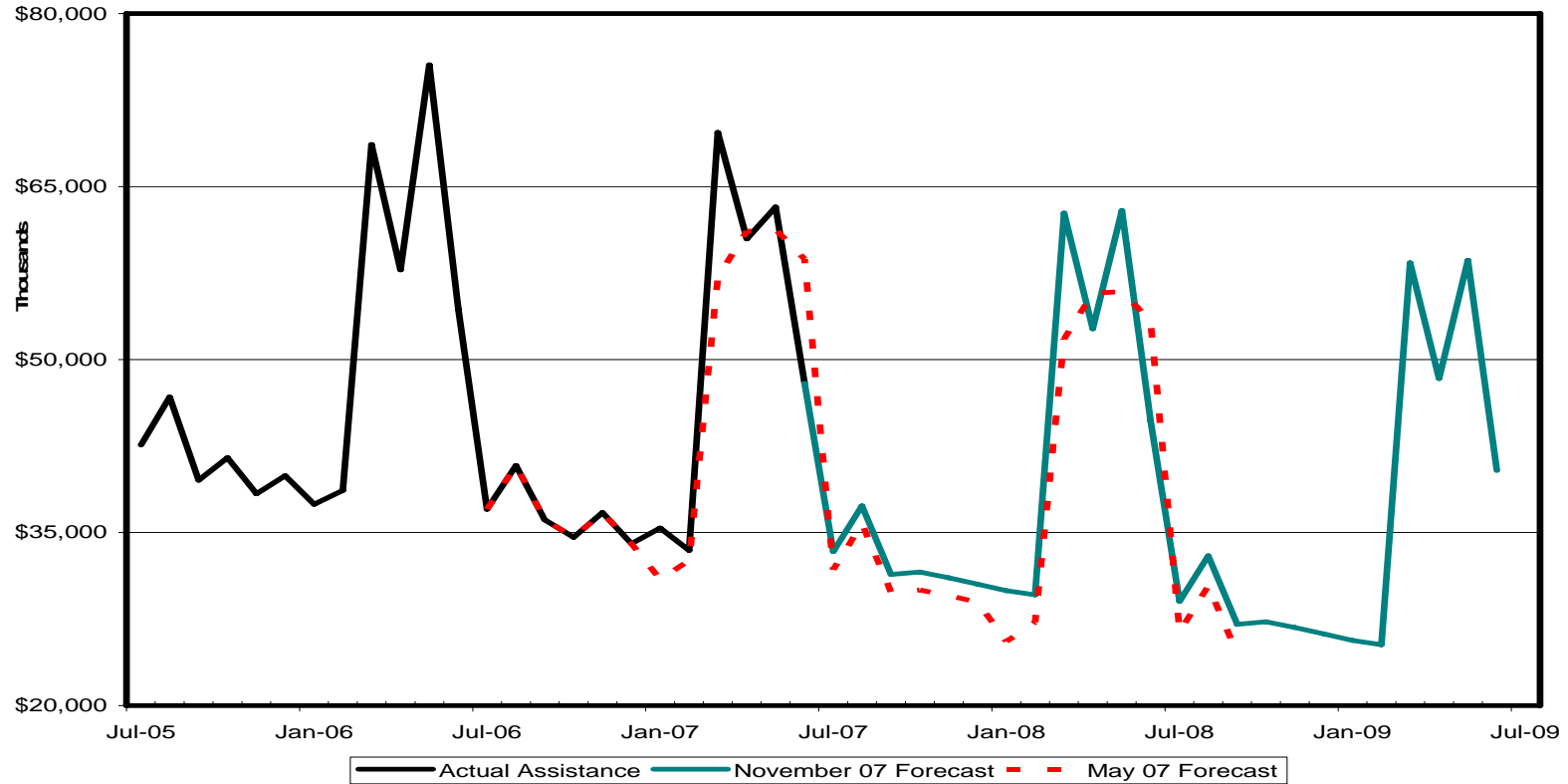
	SFY 2006-07	Forecast SFY 2007-08	Forecast SFY 2008-09
<b>Actual</b>	\$529,343		
<b>November 2007 Estimate</b>		\$477,761	\$425,981
<b>Difference from Actual</b>		-9.7%	-19.0%
<b>May 2007 Revision</b>	\$521,088	\$455,440	
<b>Difference from Actual/ Prior Forecast</b>	-1.6%	4.9%	

(in thousands)

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

### BASIC ASSISTANCE COLLECTIONS TREND LINE

The current estimate was based on 24 months of actual collections data, July 2005 through June 2007. The May 2007 Revision forecast used 24 months of actual data, January 2005 through December 2006.



Note: Basic Assistance Collections includes Full Collections Program.

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

The current estimate is forecasting an increase of 1.7% for State Fiscal Year (SFY) 2007-08, and an increase of 3.5% for SFY 2008-09 over SFY 2006-07 actual. This is based on the most current 24 months of actual data.

	SFY 2006-07	Forecast SFY 2007-08	Forecast SFY 2008-09
<b>Actual</b>	\$1,622,335		
<b>November 2007 Estimate</b>		\$1,650,225	\$1,678,293
<b>Difference from Actual</b>		1.7%	3.5%
<b>May 2007 Revision</b>	\$1,614,496	\$1,640,553	
<b>Difference from Actual/ Prior Forecast</b>	0.5%	1.1%	

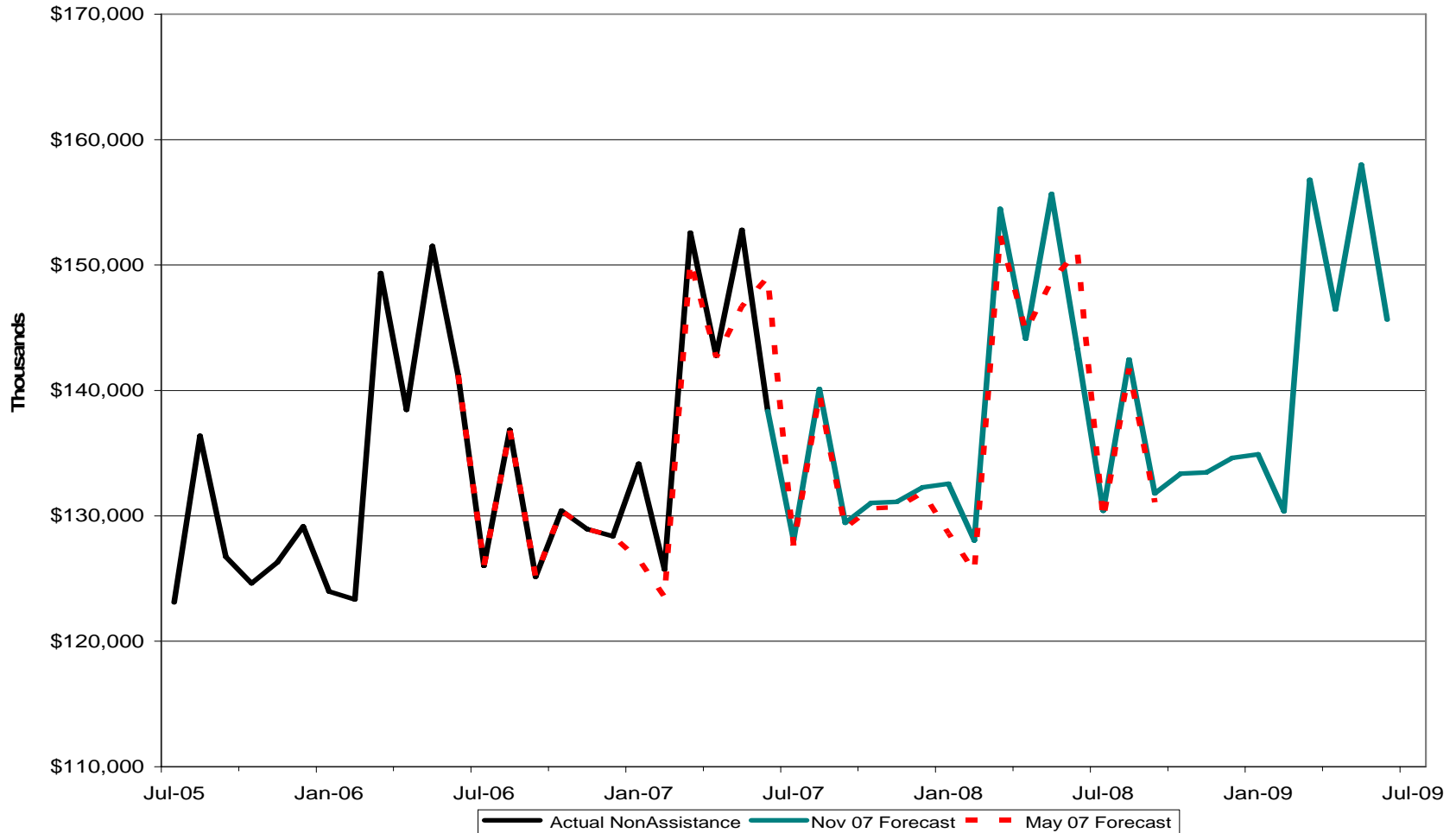
(in thousands)

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



## BASIC NONASSISTANCE COLLECTIONS TREND LINE

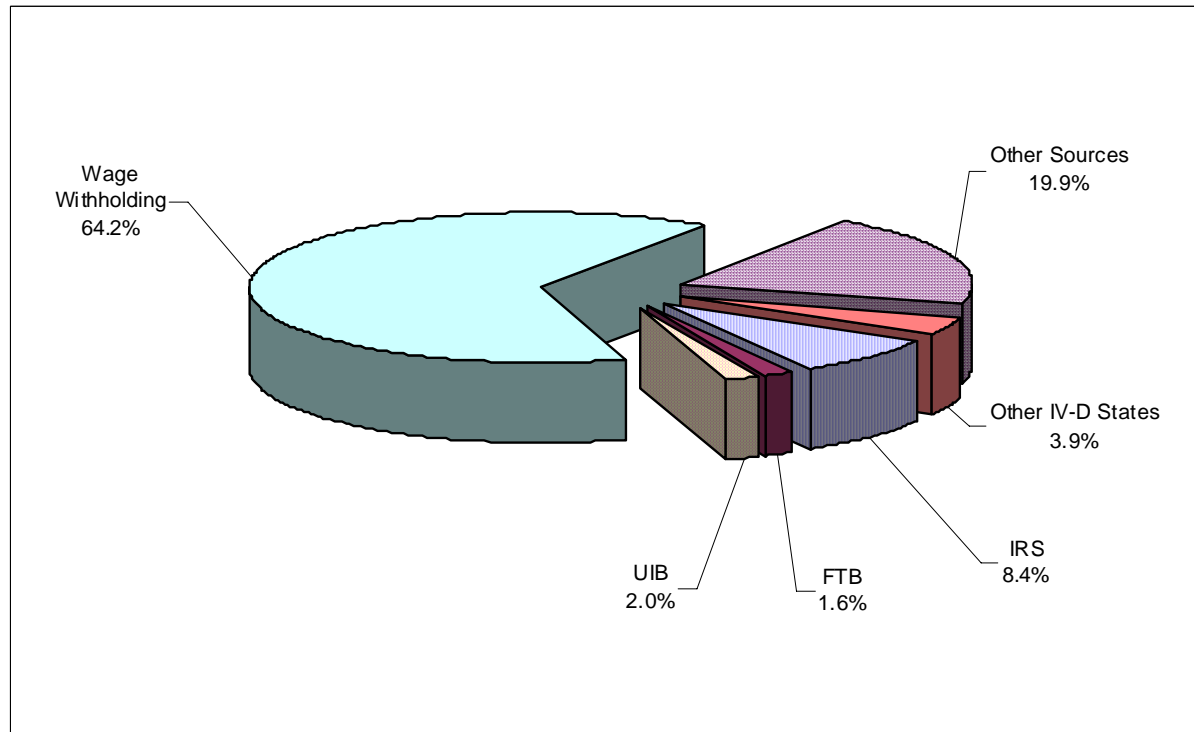
The current estimate was based on the most recent 24 months of actual data, July 2005 through June 2007. The May 2007 Revision used 24 months of actual data, January 2005 through December 2006.



Note: Basic NonAssistance Collections includes Full Collections Program

### TOTAL COLLECTIONS RECEIVED BY SOURCE FOR STATE FISCAL YEAR (SFY) 2006-07

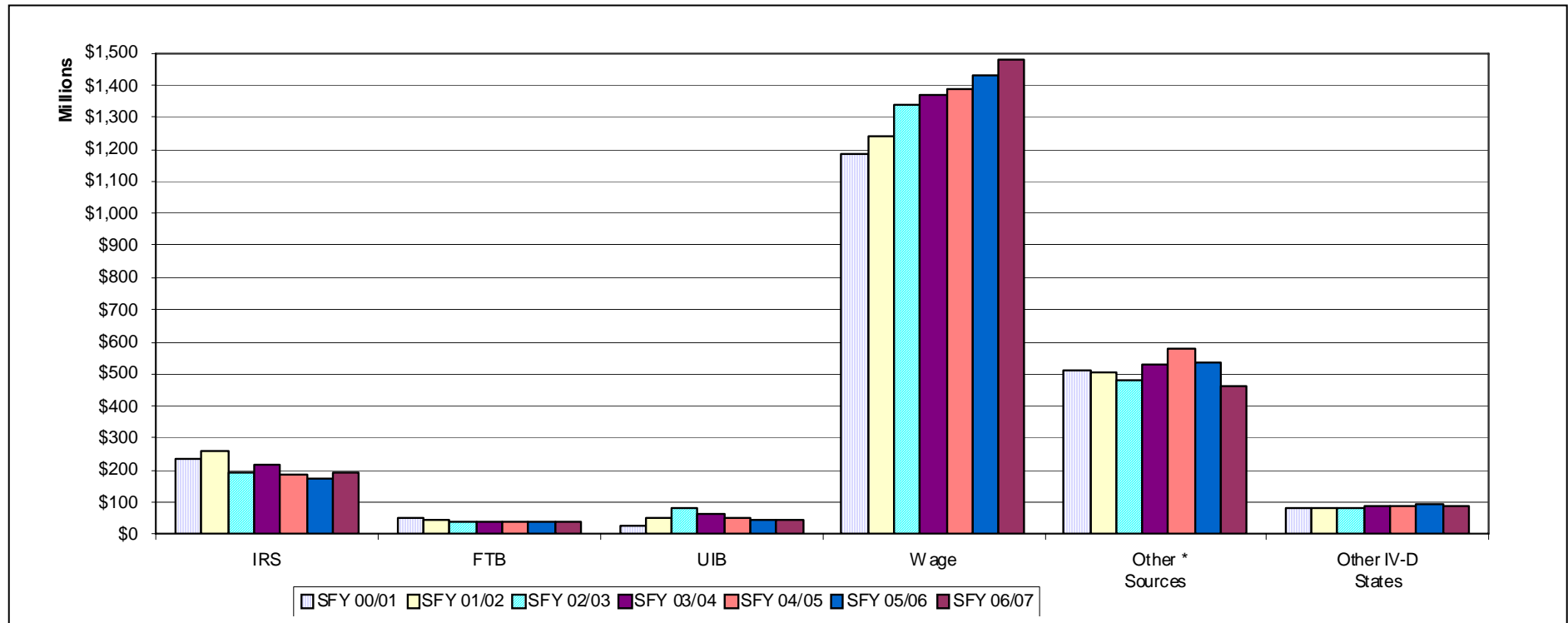
For SFY 2006-07, the total collections received were \$2.3 billion. Wage Withholding continues to be the most effective way of collecting child support at 64.2 percent (\$1.5 billion) of the total collections received. The Internal Revenue Service (IRS) Federal income tax refund offsets totaled 8.4 percent (\$194 million), and the Franchise Tax Board's (FTB) State income tax refund offsets totaled 1.6 percent (\$36 million). The Unemployment Insurance Benefits offsets (UIB) totaled 2.0 percent (\$44 million), and 3.9 percent (\$90 million) represents the collections received from other IV-D states. The remaining 19.9 percent (\$460 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 2006-07. The year-to-year change from SFY 2005-06 to SFY 2006-07 for IRS intercepts had increased (12.8%) and FTB intercepts had decreased (6.3%). The UIB intercepts had increased (10.1 %) during the same time period. Wage Withholdings had increased (3.7%). Other Sources have declined (7.5%) and Other IV-D States had decreased (1.8%).



Source: For SFY 2000-01 thru SFY 2001-02 CS 820 Section A; For SFY 2002-03 through SFY 2006-07 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 plus 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 FFY 2001 to FFY 2006.

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
Paternity establishment percentage (IV-D caseload), or	50.0%	NA	NA	NA	NA	NA	NA
Paternity establishment percentage (statewide PEP)	50.0%	139.6% <sup>1/</sup>	108.7%	105.9%	117.8%	109.6%	109.9%
Percent of cases with orders	50.0%	71.9%	77.5%	76.3%	78.1%	80.3%	80.6%
Percent of current support collected	40.0%	41.0%	42.4%	45.2%	48.0%	49.3%	50.4%
Percent of cases with arrearage collections	40.0%	56.3%	54.9%	55.4%	54.9%	56.0%	56.5%
Cost-effectiveness	\$2.00	\$2.61	\$1.91	\$2.31	\$2.12	\$2.15	\$2.03

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

<sup>1/</sup> In FFY 2001, the data was determined unreliable based on the federal Data Reliability Audit. Since FFY 2002, California has achieved data reliability compliance.

### ALTERNATIVE FEDERAL PENALTY

The chart below reflects the alternative federal penalty amount paid from 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	

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.

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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 and 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 (W&I) 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) 2007-08 and SFY 2008-09.

### **METHODOLOGY:**

#### **Administration:**

LCSA administrative costs continue to be funded at the prior year's base of \$739,222,000 for SFY 2007-08 and SFY 2008-09. The base was increased by the administrative costs for the Presumed Income Adjustment and the Federal Incentives Impact which were shifted from the Collection Enhancements Programs because these are basic administrative activities. The county match for administration, the federal incentive funds and the Backfill of Federal Financial Participation (FFP) were removed from the base to calculate administrative costs for SFY 2007-08 of \$577,153,000 and \$579,250,000 for SFY 2008-09.

#### **County Match:**

Included in LCSA Basic Costs are \$30,000,000 comprised of \$20,000,000 FFP and \$10,000,000 county match funds for counties that elect to supplement the program with local matching funds.

#### **Backfill of FFP:**

This item became effective in SFY 2007-08 as federal incentives are no longer matched with FFP. For details, refer to the Backfill of FFP premise description.

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

This item is 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.



**Basic Costs:**

The total administrative costs for SFY 2007-08 and SFY 2008-09 remain the same as in the prior fiscal year.

**FUNDING:**

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

**CHANGE FROM APPROPRIATION:**

There is no change.

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

There is no change in total LCSA Administrative costs. However, there is a shift in the Federal and State funding as a result of Federal Performance Incentives and the Federal Financial Participation matching funds.

**EXPENDITURES:**

(in 000's)

	2007-08	2008-09
	<u>LCSA Admin.</u>	<u>LCSA Admin.</u>
Total	\$742,212	\$742,212
Federal	514,905	505,429
State	217,307	226,783
County	10,000	10,000
Reimbursements	0	0

## **Backfill of Federal Financial Participation (FFP)**

### **DESCRIPTION:**

Beginning October 2007, the Federal Deficit Reduction Act of 2005 eliminated states' ability to utilize federal performance incentive funds as eligible match for Federal Financial Participation (FFP). In order to retain the current funding level for the LCSA administrative funding, \$68 million (\$23 million State General Fund) was budgeted for SFY 2007-08. This represents nine months of backfill funding. For SFY 2008-09, the budget includes \$88 million (\$30 million State General Fund) to replace the lost federal match of performance incentives.

### **IMPLEMENTATION DATE:**

This premise will be implemented October 1, 2007.

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

- Authorizing statute: Public Law (PL) 109-171 (Federal Deficit Reduction Act of 2005).
- The effective date is October 1, 2007.

### **METHODOLOGY:**

- The Federal Performance Incentives for SFY 2007-08 are estimated to be \$46,432,219. For SFY 2007-08, it was assumed that one quarter of these incentives would be matched with federal financial participation and the remaining three quarters would not.
- For SFY 2007-08, the amount of funding needed to maintain the current LCSA administration cost was determined by using the full value of incentives matched annually and subtracting the first quarter of incentives that are matched and the last three quarters of incentives that are not matched to determine the amount needed to backfill. This was calculated to be \$67,600,000 for SFY 2007-08.
- The amount needed to maintain current administrative funding was then apportioned with 66 percent FFP and 34 percent SGF. Therefore, the SGF will be matched with \$44,616,000 in federal funding to arrive at the total of \$67,600,000.
- The Federal Performance Incentives for SFY 2008-09 are estimated to be \$45,206,588.
- For SFY 2008-09, the amount of funding needed to maintain the current LCSA administration cost was determined by using the full value of incentives matched annually and subtracting the incentives to determine the amount needed to backfill. This was calculated to be \$87,756,000 for SFY 2008-09.

**FUNDING:**

These costs are 34 percent State General Fund (SGF) and 66 percent Federal Financial Participation (FFP).

**CHANGE FROM APPROPRIATION:**

There is no change from the appropriation.

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

SFY 2008-09 reflects a full year of backfill while SFY 2007-08 reflects three quarters of backfill.

**EXPENDITURES:**

(in 000's)

	2007-08	2008-09
	<u>LCSA Admin.</u>	<u>LCSA Admin.</u>
Total	\$67,600	\$87,756
Federal	44,616	57,918
State	22,984	29,838
County	0	0
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 LCSAs are to be based on the five performance measures and the Data Reliability Audit (DRA) 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: FC 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 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) =  
$$\frac{\text{Out-of-Wedlock Children w/Paternity}}{\text{Total Out-of-Wedlock Children, Last Fiscal Year (FY)}}$$
- Support Orders Established =  
$$\frac{\text{Total Cases w/Support Orders}}{\text{Total Number of Cases}}$$
- Current Support Collected =  
$$\frac{\text{Total Current Support Collected}}{\text{Total Current Support Owed}}$$

## KEY DATA/ASSUMPTIONS (continued):

(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. 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 |            |               |

### 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 the most recent information available, it is estimated that California will be entitled to \$46,432,000 federal incentives in SFY 2007-08 and \$45,206,000 in SFY 2008-09.

**FUNDING:**

The federal incentives earned for SFY 2007-08 reduces the LCSA Basic Administrative SGF need by these same amounts. Effective October 1, 2007, the federal incentives will no longer be eligible for match with federal funds. For further details, please refer to the premise descriptions for LCSA Basic Costs and for Backfill of FFP.

**CHANGE FROM APPROPRIATION:**

There is no change from appropriation.

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

The federal match for incentives was eliminated in SFY 2008-09.

**EXPENDITURES:**

(in 000's)

	2007-08	2008-09
	<u>LCSA Admin.</u>	<u>LCSA Admin.</u>
Total Incentives	46,432	45,206

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## **CSE Maintenance & Operations**

### **DESCRIPTION:**

This premise reflects funds for the local child support agency (LCSA) Child Support Enforcement (CSE) maintenance and operations (M&O). The LCSA CSE M&O costs include direct personnel and contract services, and the maintenance of interim automated systems. 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; however, with the implementation of the Alternative Systems Configuration, the M&O activities will shift from PRISM to CSE.

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

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

### **METHODOLOGY:**

The LCSA CSE M&O costs for SFY 2007-08 are \$113,072,000 and for SFY 2008-09 are \$30,262,000 as reflected in the September 19, 2007 SPR #10.

### **FUNDING:**

These costs are 34 percent State General Fund (SGF) and 66 percent Federal Financial Participation (FFP).

### **CHANGE FROM APPROPRIATION:**

Costs were updated to reflect the updated schedule as counties delay transition from PRISM to the Child Support Enforcement (CSE) system within CCSAS.

### **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.



**EXPENDITURES:**

(in 000's)

	2007-08	2008-09
	<u>LCSA Admin.</u>	<u>LCSA Admin.</u>
Total	\$113,072	\$30,262
Federal	74,549	19,973
State	38,523	10,289
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 more broadly in 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 the federal financial participation (FFP). The five percent state match will be funded through redirection of existing resources.
- It is assumed that the program will be implemented for the full SFY 2007-08.
- It is assumed that the program will continue for 12 months of SFY 2008-09 and conclude in SFY 2009-10.

### METHODOLOGY:

- The 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 SFY 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 Title IV-D funds, 29 percent federal Section 1115 grant, and 5 percent existing State General Fund (SGF).

**CHANGE FROM APPROPRIATION:**

Implementation of this grant has been delayed.

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

There is no change.

**EXPENDITURES:**

(in 000's)

	2007-08	2008-09
	<u>LCSA Admin.</u>	<u>LCSA Admin.</u>
Total	\$455	\$455
Federal	455	455
State	0	0
County	0	0
Reimbursements	0	0

## Consortia Modification

### **DESCRIPTION:**

The DCSS Pre-Statewide Interim Systems Management (PRISM) project is responsible for ensuring all LCSAs have an automation system that will allow them to continue their child support services while the single statewide child support automation system, known as California Child Support Automation System (CCSAS), is being developed and implemented.

DCSS was tasked with reducing the number of LCSA interim automation systems from over 30 to two consolidated consortia systems: ACSES Replacement System (ARS), and Computer Assisted Support Enforcement System (CASES).

DCSS must monitor maintenance and operations and direct enhancements to the two remaining consortia systems. This premise reflects costs to modify ARS and CASES consortia systems to meet Federal and State regulations, policies, and reporting requirements for CCSAS.

### **IMPLEMENTATION DATE:**

This premise was implemented April 1, 1998.

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

Authorizing statute: W&I Code Section 10085.

The SFY 2007-08 modifications were made to address certification findings. No costs are projected for SFY 2008-09. See CSE SPR #10 for more details.

### **METHODOLOGY:**

The costs are based on actual data.

Costs for this premise are fully funded with SGF, as the federal Administration for Children and Families (ACF) will not participate in the share of costs for enhancements or converted systems previously paid for with federal funds.

**CHANGE FROM APPROPRIATION:**

The estimated amount was updated with actual data.

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

The SFY 2007-08 modifications were made to address certification findings. No costs are projected for SFY 2008-09. See CSE SPR #10 for more details.

**EXPENDITURES:**

(in 000's)

	2007-08	2008-09
	<u>LCSA Admin.</u>	<u>LCSA Admin.</u>
Total	\$814	\$0
Federal	0	0
State	814	0
County	0	0
Reimbursements	0	0

## Compromise of Arrears Program (Administration)

### DESCRIPTION:

Chapter 225, Statutes of 2003 enhanced child support collections by: (1) establishing the Compromise of Arrears Program (COAP) to compromise arrears and interest owed as reimbursement for public assistance; (2) enhancing the Financial Institution Data Match (FIDM) program to include cases with active wage assignments and simplifying the process to liquidate securities held by financial institutions; (3) amending the Low Income Adjustment to the child support guideline; and (4) reducing the Presumed Income level used to establish a support order when no other income information is available, to minimum wage.

This premise provides funds to LCSAs for the activities associated with COAP and changes to the Presumed Income level.

Due to the extensive activity involved in developing and refining COAP, the statewide program implementation date was delayed until July 1, 2005. In the meantime, Interim (I)-COAP was implemented in March 2004. I-COAP allowed a compromise of arrears in arrears-only cases in exchange for a single lump sum payment. Also, a pilot program of COAP was implemented January 2004 in five LCSAs: Amador, San Diego, Santa Cruz/San Benito, Solano, and Sonoma.

### IMPLEMENTATION DATE:

This premise was implemented on August 11, 2003; under Chapter 75, Statutes of 2006, (AB 1808), the program was extended until June 30, 2008, and includes new language that states: "Local Child Support Agencies will honor repayment schedules for the compromise program beyond the sunset date of June 30, 2008, in order to allow for successful completion of these compromise agreements."

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: FC Section 17560.
- Assumes same level of funding as in the two prior fiscal years.

#### Presumed Income Adjustment

- Is included in LCSA Basic Administration. This item was previously a component of the Child Support Collection Enhancements.

#### Low Income Adjustment

- Is included in LCSA Basic Administration. This item was previously a component of the Child Support Collection Enhancements.

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

Federal Incentives Impact

- Is included in LCSA Basic Administration. This item was previously a component of the Child Support Collection Enhancements.

**METHODOLOGY:**

- Used the same level of funding as in the two prior fiscal years.

Presumed Income Adjustment

- Included in LCSA Basic Administration.

Federal Incentives Impact (specifically related to COAP collections)

- Included in LCSA Basic Administration.

**FUNDING:**

The administration costs are funded with 66 percent FFP and 34 percent SGF.

**CHANGE FROM APPROPRIATION:**

The Presumed Income Adjustment and the Federal Incentive Impact is included in LCSA Basic Administration.

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

There is no change.

**EXPENDITURES:**

(in 000's)

	2007-08	2008-09
	<u>LCSA Admin.</u>	<u>LCSA Admin.</u>
Total	\$945	\$945
Federal	624	624
State	321	321
County	0	0
Reimbursements	0	0

## **Federal Deficit Reduction Act (FDRA) - Fees**

### **DESCRIPTION:**

One of the provisions of the Federal Deficit Reduction Act of 2005 will require the state to pay the federal government a \$25 annual application fee for families that have never received TANF if at least \$500 is collected annually on their behalf. Fees may be recovered from the custodial parent, the noncustodial parent or the state (using state funds). If 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 would be additional ongoing administrative costs to the state to collect and track these fees. California does not plan to impose a fee in January 2008 because modifying current automated systems is prohibitively costly and may prolong federal certification of the CCSAS. Therefore, any fee charges and tracking will wait until CCSAS implementation is complete.

### **IMPLEMENTATION DATE:**

This premise will be implemented January 1, 2008.

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

- Authorizing statute: Public Law (PL) 109-171, Federal Deficit Reduction Act of 2005.
- State legislation is required, so it is assumed that the effective date will be January 1, 2008.
- It is assumed that California will not collect fees until statewide automation is fully implemented and capable of automating fee tracking; therefore, California will pay the federal share of estimated fees for SFY 2007-08 and 2008-09.

### **METHODOLOGY:**

- The number of never-assisted cases with a payment is multiplied by \$25 per case to compute the total fees that will be collected.
- 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 funds for SFY 2007-08 and 2008-09.

### **FUNDING:**

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



**CHANGE FROM APPROPRIATION:**

There is no change from the appropriation.

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

SFY 2007-08 reflects a half year cost and SFY 2008-09 reflects a full year cost.

**EXPENDITURES:**

(in 000's)

	2007-08	2008-09
	<u>LCSA Admin.</u>	<u>LCSA Admin.</u>
Total	\$1,763	\$3,526
Federal	0	0
State	1,763	3,526
County	0	0
Reimbursements	0	0

## 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.

Assembly Bill 150, Chapter 479, Statutes of 1999, required the Franchise Tax Board (FTB) to procure the CCSAS-SDU. This premise provides the funds necessary to support 1) the SDU Service Provider (SP) contract, 2) the LCSA staff assigned to the CCSAS-SDU project as subject matter experts (SME), 3) the technical staff for the planning and implementation, and 4) the procurement activities of FTB.

### **IMPLEMENTATION DATE:**

This premise was implemented September 1999.

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

- Authorizing statute(s): W&I Code Section 10080 and FC Section 17309.
- The federal fund pass-through to FTB includes costs for FTB staff.
- There are two LCSA SMEs for the collection and distribution activities and one technical staff for the planning and implementation.
- Reflects costs for the SP contract to develop, implement, and perform statewide collection and distribution activities.

### **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#3), related Economic Analysis Worksheets (EAWs) and updated trends using the most recent actual data.

### **FUNDING:**

- The Title IV-D federal funds passed through to FTB for CCSAS-SDU represent 66 percent funding for project planning costs.
- 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:**

Reflects a slight increase in SFY 2007-08 to reflect increased payments to the SP as a result of increased transaction volumes and higher compensation rates as well as one-time change requests identified in SDU SPR #3 and subsequent control section (CS) 11.00 letters.

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

Cost for SFY 2008-09 include increased payments to the SP for revised transaction volume estimates based on actual data from SFY 2007-08 and one-time change requests identified in the SDU SPR#3 and subsequent CS 11.00 letters.

**EXPENDITURES:**

(in 000's)

	2007-08	2008-09
	<u>CS Automation</u>	<u>CS Automation</u>
Total	\$28,201	\$30,016
Federal	18,870	19,892
State	9,331	10,034
County	0	0
Reimbursements	0	0

## California Child Support Automation System – CSE

### DESCRIPTION:

Pursuant to W&I Code Section 10080(b)(3), FTB has been designated, as the agent for the DCSS project owner, as the entity responsible for the procurement, development, implementation, and maintenance of the single statewide automated system in accordance with the State's child support (Title IV-D) plan.

DCSS is the single state agency for the Title IV-D funds; therefore, federal funds for CCSAS are budgeted by DCSS and passed through as a reimbursement to FTB. This premise reflects the federal funds pursuant to AB 150 (Chapter 479, Statutes of 1999), that pass-through the DCSS' budget to the FTB for the development and implementation of the CCSAS-CSE component. The SGF match is budgeted by FTB.

In addition, this premise reflects the federal funds and SGF to backfill LCSA staff who are assigned full-time to the CCSAS project as SMEs for child support program business practices and CSE system functionality.

### IMPLEMENTATION DATE:

This premise was implemented September 1999.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&I Code Section 10080.
- The pass-through to FTB includes costs for FTB staff as well as the IBM Alliance Business Partner (BP) 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 the most recent approved September 19, 2007, State APDU Supplement, CSE SPR #10, and related EAWs.

### FUNDING:

- The Title IV-D federal funds passed through to FTB for CCSAS-CSE represent 66 percent funding for project implementation costs.
- 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 2007-08, the increase is due to critical changes needed to meet federal certification requirements for the proposed Alternative System Configuration (ASC). See CSE SPR #10 for more details.

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

Reflects an increase in federal funding to the Franchise Tax Board's (FTB) budget to properly reflect (1) payments to the Business Partner (BP) for change requests identified CSE SPR #10, (2) payment shifts for the BP resulting from the schedule delay, and (3) various other adjustments. See the CSE SPR #10 for more details.

**EXPENDITURES:**

(in 000's)

	2007-08	2008-09
	<u>CS Automation</u>	<u>CS Automation</u>
Total	\$83,490	\$112,887
Federal	78,527	104,548
State	4,963	8,339
County	0	0
Reimbursements	0	0

## 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 LCSAs.

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: FC Section 17702.5.

### **METHODOLOGY:**

- For SFY 2007-08, 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 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.

### **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:**

For SFY 2007-08, the increase is due to the higher 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)

	2007-08	2008-09
	<u>Revenues</u>	<u>Revenues</u>
Total	\$209,867	\$183,298
Federal	209,867	183,298
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 LCSA 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 \$50 State Disregard Payments to Families are reflected as separate premises.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&I Code Section 11477.
- The child support payment data for assistance and nonassistance collections are based on the CS 34 Monthly Report of Collections and Distributions, and the CS 35 Supplement to Monthly Report of Collections and Distribution beginning July 2005 through June 2007.
- The child support collections to other states and miscellaneous collections data are based on SFY 2006-07 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 2005 through June 2007. 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 2005 through June 2007 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 2007-08 and SFY 2008-09, the trend forecasts rate of change for assistance collections were applied to the SFY 2006-07 actuals to arrive at the SFY 2007-08 and SFY 2008-09 estimates.



## **METHODOLOGY (CONTINUED):**

- Nonassistance Collections for Other States are reported on the CS 34 and CS 35 Reports. For SFY 2007-08 and SFY 2008-09, the trend forecasts growth of nonassistance collections were applied to the SFY 2006-07 actuals to arrive at the SFY 2007-08 and SFY 2008-09 estimates.
- 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 2007-08 and SFY 2008-09, the trend forecasts rate of change for assistance collections were applied to SFY 2006-07 actuals to arrive at the Assistance Miscellaneous Collections for SFY 2007-08 and SFY 2008-09.
- The Nonassistance Miscellaneous Collections consist of Nonassistance Medical Support which is reported on the CS 34 Report. For SFY 2007-08 and SFY 2008-09, the trend forecasts growth of nonassistance collections were applied to the SFY 2006-07 actuals to arrive at the Nonassistance Miscellaneous Collections for SFY 2007-08 and SFY 2008-09.

## **FUNDING:**

- Collections made on behalf of nonassistance families are forwarded directly to custodial parents.
- 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 (FMAP) and the non-Federal sharing ratios. See Appendix A for detail.

## **CHANGE FROM APPROPRIATION:**

The May 2007 Revision Estimate was based on 24 months of trend data: January 2005 through December 2006. For this estimate, the trend data was updated to the most recent 24 months of trend data, July 2005 through June 2007, as this data is more reflective of current collection activities in the local child support agencies. This change resulted in an increase of projected collections for SFY 2007-08 and 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 2008-09 decrease is due to the overall projected decline of growth in collections based on historical trend.

**COLLECTIONS:**

(in 000's)

	2007-08 <u>Collections</u>	2008-09 <u>Collections</u>
Assistance Total	\$466,027	\$413,912
Federal	216,213	192,034
State	223,276	198,307
County	26,538	23,571
Other	0	0
NonAssistance	1,630,776	1,658,844
Collections For Other States		
Assistance	2,235	1,994
NonAssistance	103,296	105,051
Miscellaneous Collections		
Assistance	2,857	2,548
NonAssistance	1,233	1,255
Grand Total <sup>1/</sup>	\$2,186,424	\$2,183,604

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

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## **\$50 State Disregard Payment to Families**

### **DESCRIPTION:**

In addition to the California Work Opportunity and Responsibility to Kids (CalWORKs) 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 PL 104-193, the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996, the federal government discontinued 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.

### **IMPLEMENTATION DATE:**

This premise was implemented in SFY 1984-85.

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

- Authorizing statute: FC Section 17504.
- The child support payment data are based on monthly CS 35 reports, Assistance Related Distribution/Disbursement Summary, beginning with January 2005 through December 2006.

### **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 2005 through June 2007. The full year forecast was used for the SFY 2007-08. For SFY 2008-09 half of the year was included because disregard will change to \$100 effective January 2009. For more detail, see the premise description for \$100 Disregard Payments to Families.
- The cost is counted toward the State's TANF Maintenance of Effort (MOE) requirement.

### **FUNDING:**

- The collection revenues associated with the \$50 disregard are 100 percent SGF.
- The costs are reflected in the CDSS budget as additional TANF/MOE expenditures.
- Funding source for these costs are reflected in the DCSS collections table as "Other" to display the amount of collections paid to the families.

**CHANGE FROM APPROPRIATION:**

The current year estimate has decreased due to lower actuals than previously projected.

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

The budget year estimate reflects the \$50 disregard payments through December 2008. Also see \$100 Disregard Payment to Families.

**COLLECTIONS:**

(in 000's)

	2007-08	2008-09
	<u>Collections</u>	<u>Collections</u>
Total	\$26,725	\$12,606
Federal	0	0
State	0	0
County	0	0
Other	26,725	12,606

## **\$100 Disregard Payment to Families**

### **DESCRIPTION:**

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. California proposed to increase the disregard to \$100 effective January 1, 2009.

### **IMPLEMENTATION DATE:**

This premise will be implemented October 1, 2008.

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

- Authorizing statute: FC Section 17504.
- The child support payment data are based on monthly CS 35 reports, Assistance Related Distribution/Disbursement Summary.

### **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 a special data query of current monthly support orders. It was determined that 88 percent of current support is \$100 or more. The \$50 disregard forecasted for January 2009 through June 2009 was increased by 88 percent to estimate the increase of disregard to \$100. The increase was added to the estimated \$50 disregard to forecast the total amount of \$100 disregard payments expected in the second half of SFY 2008-09.
- The state share of cost is counted toward the State's TANF Maintenance of Effort (MOE) requirement.
- The FFP in disregard was calculated by computing the net amount of increased General Fund revenue to California after implementing the pass-through provisions of the FDRA.

### **FUNDING:**

This premise is funded with 50 percent State General Fund and 50 percent Federal Financial Participation.

**CHANGE FROM APPROPRIATION:**

This is a new premise.

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

This is implemented for 6 months of SFY 2008-09.

**COLLECTIONS:**

(in 000's)

	<u>2007-08</u> <u>Collections</u>	<u>2008-09</u> <u>Collections</u>
Total	\$0	\$23,813
Federal	0	0
State	0	0
County	0	0
Other	0	23,813

FFP In Disregard:

	<u>2007-08</u> <u>Collections</u>	<u>2008-09</u> <u>Collections</u>
Total	\$0	\$0
Federal	0	-3,851
State	0	3,851
County	0	0
Other	0	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. AB 3589 (Chapter 1223, Statutes of 1992) implemented the project. The Full Collections Program sends demand for payment notices and processes bank, wage and miscellaneous 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 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, PL 104-193.

FTB program costs were funded through the Department's state operations at 66 percent federal financial participation and 34 percent SGF and were passed on to FTB through an interagency agreement until July 1, 2005. The Full Collections Program was transferred from FTB to DCSS July 1, 2005.

### IMPLEMENTATION DATE:

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

July 1, 1998 – FIDM

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: FC Section 17501; Revenue and Taxation Code Sections 19271.5(a) and 19271.6.
- The actual monthly collection data were provided by Full Collections Program.
- The assistance and nonassistance distribution ratios are based on the SFY 2006-07 CS 34 Monthly Report of Collections and Distributions, and CS 35 Supplement to Monthly Report of Collections and Distribution data.

### FIDM Collections

- Collections are based on data provided by the Full Collections Program as a result of banks and other financial institutions' participation.



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

### **Non-FIDM Collections**

- Collections are based on demands, bank levies, wage levies, out-of-state referral notices, and out-of-state contract collections provided by the Full Collections Program.

## **METHODOLOGY:**

### **FIDM Collections**

- For SFY 2007-08 and 2008-09, actuals were trended using the regression model for a 12-month period (July 2006-June 2007). An adjustment (derived from percent of total for SFY 2006-07) was made to the total FIDM estimate to reflect the cost of redirecting staff from FCP to central financial worker.
- For FIDM, collections (\$19,214,000) were multiplied by the assistance ratio of 24.6 percent resulting in an assistance collection amount of \$4,728,000. The same total FIDM collection amount was multiplied by the nonassistance ratio of 75.4 percent resulting in a nonassistance collection amount of \$14,485,000.

### **Enhanced FIDM**

- Enhanced FIDM collections were based on previous experience with the existing FIDM program. Actuals of 2006-07 were held constant for SFY 2007-08 and 2008-09. Estimated collections were then multiplied by 24.6 percent to estimate the collections that are for assistance cases. It is assumed that \$821,000 will be collected for SFY 2007-08 and \$2,106,000 will be collected for SFY 2008-09.

### **Non-FIDM Collections**

- For SFY 2007-08 and 2008-09, actuals were trended using the regression model for a 12-month period (July 2006-June 2007). An adjustment (derived from percent of total for SFY 2006-07) was made to the total Non-FIDM estimate to reflect the cost of redirecting staff from FCP to central financial worker.
- The total Non-FIDM estimated collections (\$3,284,000) were multiplied by the assistance ratio of 24.6 percent resulting in an assistance collection amount of \$808,000. The same total Non-FIDM collection amount was multiplied by the nonassistance ratio of 75.4 percent resulting in a nonassistance collection amount of \$2,476,000.

**Net Collections**

- For SFY 2007-08 and 2008-09, the combined total of assistance non-FIDM collections (\$808,000), and FIDM collections (\$5,541,000) totals \$6,349,000. The nonassistance non-FIDM collections (\$2,476,000) and FIDM (\$16,973,000) totals \$19,449,000.

**FUNDING:**

- Collections made on behalf of nonassistance families are forwarded directly to custodial parents.
- 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 (FMAP) and the non-Federal sharing ratios. See Appendix A for detail.

**CHANGE FROM APPROPRIATION:**

For SFY 2007-08 and SFY 2008-09 collections were decreased as a result of recent actuals indicating lower trends. Enhanced FIDM was shifted from Enhanced Collections and is now included in the Full Collection Program.

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

There is no change.

**COLLECTIONS:**

(in 000's)

	<u>2007-08</u> <u>Collections</u>	<u>2008-09</u> <u>Collections</u>
Assistance Total	\$6,349	\$6,349
Federal	2,946	2,946
State	3,042	3,042
County	361	361
Other	0	0
NonAssistance	19,449	19,449
Combined Total	\$25,798	\$25,798

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## Compromise of Arrears Program (Collections)

### DESCRIPTION:

Pursuant to AB 1752 (Chapter 225, Statutes of 2003) the Legislature adopted four proposals to enhance child support collections. The proposals included:

(1) establishment of Compromise of Arrears Program (COAP) by DCSS to compromise arrears and interest owed as reimbursement for public assistance; (2) enhancement of the FIDM program to include cases with active wage assignments and simplification of the process to liquidate securities held by financial institutions; (3) changes to the Low-Income Adjustment to the child support guideline; and (4) reduction of the Presumed Income level, used to establish a support order when no other income information is available, from the Minimum Basic Standard of Adequate Care to minimum wage.

This premise reflects the child support collections resulting from the COAP. The Low-Income Adjustment program, and the Presumed Income program have been included in basic collections. The Enhanced FIDM program is included in the Full Collections Program.

Due to the extensive activity involved in developing COAP, the statewide program implementation date was delayed until July 1, 2005. In the meantime, Interim Compromise of Arrears Program (I-COAP) was implemented in March 2004. I-COAP allowed a compromise of arrears in arrears-only cases in exchange for a single lump sum payment. A pilot program of COAP was implemented in January 2004 in five LCSAs: Amador, San Diego, Santa Cruz/San Benito, Solano, and Sonoma.

### IMPLEMENTATION DATE:

This premise was implemented on August 11, 2003; under Chapter 75, Statutes of 2006, (AB 1808), the program was extended until June 30, 2008, and includes new language that states: "Local Child Support Agencies will honor repayment schedules for the compromise program beyond the sunset date of June 30, 2008, in order to allow for successful completion of these compromise agreements."

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: FC Section 17560.
- Assumed caseload will be 5,368 for SFY 2007-08 and 5,702 for SFY 2008-09.

### METHODOLOGY:

DCSS assumes arrearage collections of approximately \$5,385,000 (\$2,618,000 SGF) in SFY 2007-08 and \$5,720,000 (\$2,740,000 SGF) in SFY 2008-09. This is based on a 12 month linear regression of applications multiplied by the average amount collected per application for June 2006 through July 2007.

Enhanced FIDM collections are now included in the Full Collections Program. Please refer to the Full Collections methodology for details.

**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 (FMAP) and the non-Federal sharing ratios. See Appendix A for detail.

**CHANGE FROM APPROPRIATION:**

For SFY 2007-08 and SFY 2008-09, the estimates were updated using actual applications and collections through June 2007. Collections per application were used to forecast an increase in collections for COAP in SFY 2007-08 and 2008-09. Presumed Income Adjustment and Low Income Adjustment collections are included in the Basic Collections trends and no longer reflected in the Child Support Collection Enhancements. Enhanced FIDM is reflected in the Full Collection Program forecasts.

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

The increase in collections is due an increase of applications forecasted for SFY 2008-09.

**REVENUES:**

(in 000's)

	2007-08	2008-09
	<u>Revenues</u>	<u>Revenues</u>
Total	\$5,385	\$5,720
Federal	2,460	2,654
State	2,618	2,740
County	307	326
Reimbursements	0	0

## 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 \$9,973,000 for SFY 2007-08, and \$8,892,000 for SFY 2008-09.
- The FC estimated state share of incentives is \$1,643,000 for SFY 2007-08, and \$900,000 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 AB 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 \$9,973,000 for SFY 2007-08 and \$8,892,000 for FY 2008-09.

**METHODOLOGY (continued):**

- For SFY 2007-08, the net state share of FC collections, which is \$8,330,000, is the result of deducting the estimated state share of FC incentives, \$1,643,000, 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, \$4,580,000. Since the amount transferred in a state fiscal year cannot exceed \$3,000,000, only \$3,000,000 will be transferred.
- For SFY 2008-09, the net state share of FC collections, \$8,892,000, is the result of deducting the estimated state share of FC incentives, \$900,000, 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, \$4,242,000. Since the amount transferred in a state fiscal year cannot exceed \$3,000,000, only \$3,000,000 will be transferred.

**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 SGF.

**CHANGE FROM APPROPRIATION:**

There is no change.

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

There is no change.

**REVENUES:**

(in 000's)

	2007-08 <u>Revenues</u>	2008-09 <u>Revenues</u>
Total	-\$3,000	-\$3,000
Federal	0	0
State	-3,000	-3,000
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 FC child support collections as determined by DCSS. 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 updated collection data reported on the CS 34 and 35 Reports, Summary Reports of Child and Spousal Support Payments for July 2006 through June 2007, it is assumed that 7.68 percent of the total assistance child support distributed collections are FC collections and 64.10 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 at DCSS based on federal Office of Child Support Enforcement Action Transmittal letter 03-04, dated September 26, 2003.
- The FMAP rate is assumed to be 50 percent for the period of July 1, 2007 through June 30, 2009.

### **METHODOLOGY:**

- For SFY 2007-08, the FC share of collections percentage (7.68 percent) was applied to the estimated collections. The result was multiplied by the federal participation rate of 64.10 percent for each premise. The FMAP rate was then applied to determine the federal share of FC collections, which resulted in a forecast of \$11,752,000.
- For SFY 2008-09, the FC share of collections percentage (7.68 percent) was applied to the estimated collections. The result was multiplied by the federal participation rate of 64.10 percent for each premise. The FMAP rate was then applied to determine the federal share of FC collections, which resulted in a forecast of \$10,485,000.

### **FUNDING:**

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



**CHANGE FROM APPROPRIATION:**

For SFY 2007-08, 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 2008-09 reflects the forecasted decrease in FC collections.

**REVENUES:**

(in 000's)

	2007-08	2008-09
	<u>Revenues</u>	<u>Revenues</u>
Total	-\$11,752	\$-10,485
Federal	-11,752	-10,485
State	0	0
County	0	0
Reimbursements	0	0

## Discontinued Premises

### CHILD SUPPORT PROGRAM COSTS:

- **Improved Program Performance Augmentation**  
This premise was discontinued because the augmentation was effective for one year, SFY 2006-07.
- **Alternative Federal Penalty**  
The Federal Penalty is being held in abeyance pending certification of the statewide automation system.
- **Transitional Arrearage Costs**  
This premise was discontinued because the costs were effective for one year, SFY 2006-07.

### CHILD SUPPORT PROGRAM REVENUE AND COLLECTIONS:

- **Transitional \$50 Disregard Payment to Families**  
This premise was discontinued because it was a one-time cost effective in SFY 2006-07.
- **Transitional Arrearage Collections**  
These funds are included in Basic Collections.
- **Repayment of Transitional Arrears**  
These funds are included in Basic Collections.

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

The assistance collections are shared based on the Federal Medical Assistance Percentage (FMAP) and the nonfederal sharing ratios. These percentages are reflected below:

<u>ASSISTANCE:</u>	July 2007 – June 2009	<u>ASSISTANCE:</u> <u>Nonfederal</u>	July 2007 – June 2009
Federal	50.00%	State	95.00%
State	47.50%	County	5.00%
County	2.50%		

<u>FOSTER CARE:</u>	July 2007 – June 2009	<u>FOSTER CARE:</u> <u>Nonfederal</u>	July 2007 – June 2009
Federal	50.00%	State	40.00%
State	20.00%	County	60.00%
County	30.00%		

<u>KinGAP:</u>	July 2007 – June 2009	<u>KinGAP:</u> <u>Nonfederal</u>	July 2007 – June 2009
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	FMAP	Federal Medical Assistance Percentage
ACF	Administration for Children and Families	FSR	Feasibility Study Report
APDU	Advance Planning Document Update	FTB	Franchise Tax Board
ARS	ACES (Automated Child Support Enforcement System) Replacement System	IBM	International Business Machines, Inc.
BP	Business Partner	I-COAP	Interim – Compromise of Arrears Program
CaWORKs	California Work Opportunity and Responsibility to Kids	IDB	Integrated Data Base
CASES	Computer Assisted Support Enforcement System	KIDZ	Not an acronym. It refers to the child support system used by Kern County.
CBO	Community Based Organization	LCSA	Local Child Support Agency
CCSAS	California Child Support Automation System	NCP	Non-Custodial Parent
CCSAS - CSE	Child Support Enforcement	OCSE	Office of Child Support Enforcement
CCSAS - SDU	State Disbursement Unit	OMB	Office of Management and Budget
CDSS	California Department of Social Services	PL	Public Law
CIIP	California Insurance Intercept Project	PRISM	Pre-Statewide Interim Systems Management
COAP	Compromise of Arrears Program	PRWORA	Personal Responsibility and Work Opportunity Reconciliation Act
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	SME	Subject Matter Expert
EDP M&O	Electronic Data Processing Maintenance and Operations	SP	Service Provider
FC	Family Code	SPR	Special Project Report
FC	Foster Care	STAR/KIDS	Support Through Automated Resources/Keeping Integrated Data on System
FFP	Federal Financial Participation	TANF/MOE	Temporary Assistance for Needy Families/Maintenance of Effort
FFY	Federal Fiscal Year	UIB	Unemployment Insurance Benefits
FIDM	Financial Institution Data Match	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 DCSS establish and operate a 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 CCSAS-SDU. Non IV-D child support collections are cases that are not being served by the LCSAs. 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 estimate used the average collection per payment based on actual data of November 2006 through February 2007.
- The number of payments (disbursement volumes) is based on actual data, October 2006 through August 2007.

### METHODOLOGY:

- For SFY 2007-08, the number of payments is estimated to be 738,600. This was multiplied by \$365 which is the estimated average collection per payment. The calculated Non IV-D collections are \$269,589,000 which represents a year of collections.
- For SFY 2008-09, it was assumed that the payments would increase to 1,118,445. This was multiplied by \$365 which is the estimated average collection per payment to calculate the annual Non IV-D collections of \$408,232,000 for SFY 2008-09.

**FUNDING:**

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

**CHANGE FROM APPROPRIATION:**

The increase reflects actual data.

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

Transaction volumes are estimated to increase in SFY 2008-09.

**COLLECTIONS:**

(in 000's)

	2007-08	2008-09
	<u>Collections</u>	<u>Collections</u>
Total	\$269,589	\$408,232
Federal	0	0
State	0	0
County	0	0
Other	269,589	408,232



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

		2007-08 APPROPRIATION					ADJUSTMENTS/DIFFERENCES					2007-08 NOVEMBER ESTIMATE				
		Total	Federal	State	County	Other 2/	Total	Federal	State	County	Other 2/	Total	Federal	State	County	Other 2/
<b>2007-08 APPROPRIATION TO 2007-08 NOVEMBER ESTIMATE</b>																
1	Non IV-D CHILD SUPPORT COLLECTIONS	125,788	0	0	0	125,788	143,801	0	0	0	143,801	269,589	0	0	0	269,589
<b>2007-08 APPROPRIATION TO 2008-09 GOVERNOR'S BUDGET</b>																
		2007-08 APPROPRIATION					ADJUSTMENTS/DIFFERENCES					2008-09 GOVERNOR'S BUDGET				
		Total	Federal	State	County	Other 2/	Total	Federal	State	County	Other 2/	Total	Federal	State	County	Other 2/
2	Non IV-D CHILD SUPPORT COLLECTIONS	125,788	0	0	0	125,788	282,444	0	0	0	282,444	408,232	0	0	0	408,232
<b>2007-08 NOVEMBER ESTIMATE TO 2008-09 GOVERNOR'S BUDGET</b>																
		2007-08 NOVEMBER ESTIMATE					ADJUSTMENTS/DIFFERENCES					2008-09 GOVERNOR'S BUDGET				
		Total	Federal	State	County	Other 2/	Total	Federal	State	County	Other 2/	Total	Federal	State	County	Other 2/
3	Non IV-D CHILD SUPPORT COLLECTIONS	269,589	0	0	0	269,589	138,643	0	0	0	138,643	408,232	0	0	0	408,232

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.