

TRUTH AND JUSTICE IN CHILD SUPPORT COALITION

April 10, 2020

Director Kilgore
California Department of Child Support Services
P.O. Box 419064
Rancho Cordova, CA 95741-9064

CC: Daphne Hunt, Health and Human Services Agency

Re: Child Support System Response to COVID-19 Pandemic & Impending Recession

Dear Director Kilgore,

Truth and Justice in Child Support is a statewide coalition of more than 50 organizations that seeks to bring equitable reform to our State's child support system to better support low-income children and their families, and reduce child poverty in California.

On behalf of our organizations, the Truth and Justice in Child Support Coalition is writing to request that you consider immediate reforms that will provide economic relief to low-income parents and families in the wake of COVID-19. We know the families served by the Department of Child Support Services (DCSS) - disproportionately low-income families of color - will be hardest hit through layoffs, health impact, and economic fallout from this pandemic. Even recent reports show that low-income families of color are suffering a great many more deaths than other Americans. At the same time, the federal and state COVID relief measures are leaving behind these same communities.

Knowing what we do about how this crisis will impact low-income communities of color, it is imperative that California's leaders be thoughtful and thorough in pursuing policy reforms known to keep low-income families safe, stable, and have access to much-needed resources during this difficult time.

We are grateful to the Department for its swift actions to stop bank account levies and driver's license suspensions in the midst of this crisis, and to encourage parents to modify their orders based on their ability to pay. Our coalition will work with community-based organizations to ensure parents are aware of these resources,

as many parents will likely turn to local organizations to seek help with the economic fallout.

We request the Department use all authority to pass through any money intercepted from federal relief dollars directly to families or issue a report to the legislature citing the statutory changes needed to do so. Last week the federal government passed the CARES Act, which, for one, will provide \$1,200 in emergency relief funds to single individuals earning less than \$75,000 a year. While the legislation prohibits the funds from being intercepted to repay most forms of government debt, including student loan debt, *the relief funds will still be intercepted from those who owe child support, even for child support owed to repay the government for the cost of public assistance.* The emergency relief payments should not be used to pay back government-owed debt, and the State of California should not profit from the funds intended to support low-income and struggling California families. We ask that any portion of the relief money not passed through to custodial parents be immediately directed to non-custodial parents, and not be used to pay government-owed debt. Families will need every dollar they have to get through this crisis, including the emergency relief funds.

California should do everything we can to ensure that the intercepted funds are put to work in the economy by sending it to custodial parents or non-custodial parents with government arrears only and closed cases, rather than the state and federal government coffers. If we lack authority to prevent a federal intercept, we hope that California can support Congressional action to change that. If the timing makes it impossible to redirect funds to non-custodial parents, we request that the intercepted money qualify as the non-custodial parent's Compromise of Arrears Program (COAP) down payment, and that the remainder of their government-owed debt be waived.

We request that the State immediately use all existing authority to cease or quell collections on all government-owed child support debt, stop charging interest on permanently-assigned government arrears, and identify and report to the legislature where you need additional authority. Families will need every dollar they have to weather this crisis. Many low-income families will also need to turn to our State's safety net, including the California Work Opportunity and Responsibility to Kids (CalWORKs) program, to support their families through this crisis. The number of families who will turn to this program, and who will be required to comply with the Child Support requirement for a child whose non-custodial parent is also without work, income, or the means to pay a child support order or even respond to an order in order to prevent accruing arrears, will increase.

Currently, the State can garnish wages, including unemployment benefits, to pay back the cost of this safety net. We ask that the Department immediately use all existing authority to prevent referring families to welfare recoupment and to cease collections on any existing government-owed child support arrears when an existing order no longer exists. This will allow families to direct their resources where they are needed most, instead of paying back the cost of needed safety net services.

We request the Department and the Governor continue to prioritize needed reforms to the State's Child Support System in the state budget. Current law requires that low-income families who receive public benefits only receive the first \$50 of their monthly child support payment; the rest is intercepted by the government to pay back the cost of public benefits, like Medi-Cal and CalWORKS. Money intended to pay for a child's household needs and expenses - groceries, school supplies, clothing and bills - is instead redirected to the government. In FY2017, California redirected \$368 million in child support payments away from children to repay the cost of public assistance. These policies create a multitude of harms. In a state with the highest child poverty rate in the country, these policies take valuable resources from low-income children and disproportionately harm children of color, as more than two-thirds of the children impacted by these policies are children of color. They create conflict in families as the custodial parent doesn't know how much the noncustodial parent is actually paying.

In his January budget, Governor Newsom included a proposal to increase the amount of child support passed through to the family from \$50 to \$100 for the first child and \$200 for two or more children. The budget estimated that this change will result in an additional \$34 million going to approximately 160,000 CalWORKs families- the poorest families in our state. The additional \$34 million in funds directed to families will only cost \$17 million, as half of the funds that are currently intercepted from parent's child support payments are sent to the federal government.

We applaud this proposal. However, more than ever, families will need every dollar in their child support payment to support their family. We request the Governor stop the interception of child support payments, and pass through 100% of parents' payments to their families during the pandemic and beyond. Maximizing the passthrough will put more of families' child support payments directly in the hands of the low-income families who will be hardest hit by this crisis. What's more, unless the state can figure out how to redirect intercepted federal relief aid back to low-income children and their families, the

state will have a windfall of intercepted federal funding and it will only be appropriate to reinvest these dollars into families impacted by low-passthrough policies.

In his January budget proposal, the Governor also included a recommendation to eliminate uncollectible government-owed child support debt. The median income of a parent paying back this debt is less than \$15,000 a year, barely above the federal poverty line. Currently, California's non-custodial parents owe more than \$7 *billion* in debt to repay the cost of public benefits. Research from the Urban Institute shows that ninety-five percent of California's debt is owed by someone who is very poor, with old debt, or who lives out of state, making the debt incredibly difficult and costly to collect. In the economic wake of this crisis, this debt will become even less likely to be collected, and will continue to hang over struggling families. We ask the DCSS to continue to support this policy change and provide guidance about how to expedite the process to eliminate uncollectible government-owed child support debt as proposed by the Governor's January Budget proposal and identify additional changes that would make the Compromise of Arrears Program (COAP) available to more people. The fiscal impact of this proposal is negligible, as the debt has been determined to be uncollectible.

Support Efforts to Pause Child Support Compliance of CalWORKs applicants. As more families turn to the CalWORKs program, we need to be thoughtful about policies that require CalWORKs applicants to participate with non-custodial parent reporting. First, custodial parents fleeing abuse will miss the opportunity for a face-to-face interview with their CalWORKs case worker, where they may be more likely to disclose abuse that could make them exempt for mandatory child support compliance. Second, if the federal government waives this requirement during this COVID-19 pandemic, we are hoping that DCSS could support quick and wide compliance across California.

We request the Department immediately lift driver's license suspensions for low-income parents. We appreciate the action you took to prevent the suspension of new licenses, but we are asking you to go further. We have heard from many parents that have reached out to county offices to try and get their license back in the midst of this pandemic, and were told their license could not be reinstated without a payment. With the ongoing health and economic crisis, low-income parents need their driver's licenses immediately to access safe transportation, and to adapt to the rapidly changing economy.

We appreciate the Department's consideration and look forward to working with you on these reforms.

Sincerely,

The Truth and Justice in Child Support Coalition:

Manuel Galindo, A New Way of Life

Maya Ingram, ACLU of California

Ken Oliver, All of Us or None

Marc Philpart, Alliance for Boys and Men of Color

Miguel A. Garcia, Anti Recidivism Coalition

Andrea Luquetta, California Asset Building Coalition

Alicia Lewis and Julia Root, Center for Employment Opportunities

Shimica Gaskins, Children's Defense Fund California

Terry Kim, Children's Institute

Heather McCulloch, Closing the Women's Wealth Gap

Kevin Aslanian, Coalition of California Welfare Rights Organization

Sara Shortt, Community Housing Partnership

Asher Waite-Jones, East Bay Community Law Center

Derick Morgan, Ella Baker Center

Jackie Wong, End Child Poverty California

Ashley Rojas, Fresno Barrios Unidos

Peter Edelman, Georgetown Law Center, Author of "Not a Crime to be Poor."

Alan-Michael Graves, Good+ Foundation – Fatherhood Initiative

Jackie Wong, Grace Institute

Debra Gore-Mann, Greenlining Institute

Ronnell Hampton, Growing Greatness

Donna Harati, Homeboy Industries

Jhumpa Bhattacharya, Insight Center for Community and Economic Development

Desiree Nguyen Orth, Justice & Diversity Center, Bar Association of San Francisco

Danica Rodarmel, Lawyers' Committee for Civil Rights

Sacha Steinberger and Kate Richardson, Legal Link

Ken Oliver and Ivana Gonzales, Legal Services for Prisoners with Children

Solana Rice, Liberation in a Generation

Mindy Garland, Los Angeles Black Worker Center

Autumn McDonald, New America California

Lewis Brown, PolicyLink

Juliet Sims, Prevention Institute

Melissa Jones, Rise Together Bay Area
Katherine Katcher, Root & Rebound
Jane Fischberg, Rubicon Programs
Chala Bonner, Safe Return Project
Ryan Berryman, San Bernardino Fatherhood
Anne Stuhldreher and Christa Brown, San Francisco Financial Justice Project City and County of San Francisco
Jacob Dumez, San Francisco Office of Financial Empowerment
Sheryl Davis, San Francisco Human Rights Commission
Jamie Austin and Jacob Leos-Urbel, Tipping Point Community
Elena Chávez Quezada, The San Francisco Foundation
Chris Iglesias, The Unity Council
Sereeta Reid, Time for Change Foundation
Anne Marks, Youth ALIVE!
Anthony Robles, Youth Justice Coalition LA
Amika Moto, Young Women's Freedom Center
Jessica Bartholow, Western Center on Law and Poverty

CC: Honorable Toni Atkins, President Pro-Tempore of the California State Senate
Honorable Anthony Rendon, Speaker of the California State Assembly
Honorable Holly J. Mitchell, Chair, Senate Budget Cmte
Honorable Phil Ting, Chair, Assembly Budget Cmte
Honorable Richard Pan, Chair, Senate Budget Cmte Sub 3
Honorable Dr. Joaquin Arambula, Chair, Assembly Budget Cmte Sub 1
Members of the 2019-20 Budget Committee
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Michael Wilkening, Secretary, California Health and Human Services Agency
Anthony Williams, Office of the Governor
Tam Ma, Office of the Governor
Ryan Anderson, Legislative Analyst Office
Jackie Barocio, Legislative Analyst Office
Gary Slossberg, California Judicial Council
Cathy Senderling-McDonald, County Welfare Directors Association of California
Justin Garrett, California State Association of Counties
Greg Wilson, Executive Director, Child Support Directors Association
Adam Dorsey, Department of Finance
Renita Polk, Senate Budget Subcommittee on Health & Human Services
Rebecca Hamilton, Senate Budget Subcommittee on Health & Human Services

Cyndi Hillery, Human Services Consultant, Assembly Republican Caucus
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Mareva Brown, Policy Consultant, Senate President pro Tempore Toni Atkins
Rebecca Hamilton, Senate Republican Budget Consultant Health & Human Svcs
Luan Huynh, Senate Budget Consultant, Chair Budget Committee
Nicole Vazquez, Assembly Budget Consultant, Health and Human Services,
Gail Gronert, Human Services Consultant, Assembly Speaker Anthony Rendon