

# Stop balancing budgets on the backs of & creating cycles of unescapable debt for California's low-income families. Reform the child support system!

#### Send payments where they belong: to children.

The economic impact on low-income families of color cannot be overstated during this health pandemic and economic crisis. Child support reform was long-overdue even before COVID-19 and this relief is even more critical during these unprecedented times. The pandemic has exposed the racial inequities of our economic, social, and health care systems. The child support system is no different. Due to generations of disinvestment and systemic barriers, children of color are more than three times as likely as white children to receive CalWORKs, and therefore are more likely to have their child support payments intercepted.

#### Pass-through <u>all</u> child support payments made to the child.

Last year, more than 260,000 children living in poverty in CA had part of the child support payment made for their care intercepted by the government. CA keeps all but \$50 of child support payments made to a family when a child receives aid through CalWORKs, Medi-Cal, and in some cases Foster Care.

## End double counting of child support payment made in CalWORKs

Reinstate the policy to exclude the child support paid by a CalWORKs applicant to another family as income in the CalWORKs program for the household that made the payment, which was previously in place for 30 years.

## Stop charging 10 percent interest on child support debt owed.

When a parent misses a payment, they begin to accrue debt to pay back the government. The state has the authority to set the interest rate charge on the debt and California currently has one of the highest rates. Research shows that the noncustodial parents required to pay back government-owed child support are usually low-income and disproportionately from communities of color.

# Stop the Referral of CPS Cases Not Federally Required to be Referred and Eliminate uncollectible government owed child support debt.

Prevent uncollectable debt relief by ending the referral of Child Protective Services (CPS) cases to the local child support agency when not federally required to be referred or in the best interest of the child **and** provide automatic relief of state-owed debt for categories of people who are federally eligible for this relief and whose sole source of income is uncollectable.