

January 20, 2023

Senate President Pro Tempore Toni Atkins
Assembly Speaker Anthony Rendon
Honorable Nancy Skinner, Chair, Senate Budget & Fiscal Review Committee Honorable
Phil Ting, Chair, Assembly Budget Committee
State Capitol
Sacramento, CA 95814

Dear Budget Leaders,

On behalf of the <u>Truth and Justice in Child Support Coalition</u>, we are requesting your leadership in 2023 to continue the work of reforming California's child support program to position it as a truly family-centered, poverty-alleviation program.

We are tremendously grateful that the 2022-2023 budget makes clear the intent of full family pass-through of child support by 2025 for families currently receiving CalWORKs benefits. This policy change will put approximately \$150 million each year in the pockets of low-income parents and children, the majority of whom are people of color.

We request the legislature finalize this action in the 2023-2024 budget by directing complete implementation by January 2025 with the allotted funding. This will provide the Department of Child Support Services (DCSS) with a year-long runway to get ready for full family pass-through.

California also needs to address the insurmountable \$6.5 billion owed by low-income parents to the State for past due child support while their families were receiving public benefits. This debt can be entirely forgiven by DCSS, with no payment required to the federal government, and would immediately benefit over 200,000 low-income parents. Child support debt disproportionately impacts families of color, deprives low-income children of valuable resources, and is at levels unrealistic for low-income parents to repay.

Government-owed child support debt has skyrocketed in the past few decades because of California's egregious 10% interest rate. Research shows that the vast majority, ninety-five percent, of this debt is uncollectible because it is owed by low-income parents or the debt is very old. Due to the pernicious nature of these policies, many of these parents are themselves elderly, subsisting only on their Social Security yet continuing to pay this debt.

Lifting the burden of child support debt from parents has shown to reduce employment barriers, improve housing status and credit scores, and most importantly, improve parent-child and co-parenting relationships.² Debt forgiveness is a tremendous boost for low-income families at a truly minimal cost.

Thank you again for your leadership on this important racial and economic justice issue. We look forward to partnering with you this year.

In sincerest gratitude,

Stephanie Jeffcoat, A New Way of Life Joanna Billingy, All of Us or None Eric Morrison-Smith, Alliance for Boys and Men of Color Andrea Luquetta, California Asset Building Coalition Michelle Chan, California Families Rise Terry Kim, Children's Institute

¹ Examining Child Support Arrears in California: The Collectibility Study. The Urban Institute. 2003. https://www.urban.org/research/publication/examining-child-support-arrears-california-collectibility-study
² Relief from Government-Owed Child Support Debt and Its Effects on Parents and Children. The Urban Institute. 2019. https://www.urban.org/sites/default/files/publication/100812/relief_from_government-owed child support debt and its effects on parents and children 4.pdf

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Honorable Susan Talamantes Eggman, Chair, Senate Budget Cmte Sub 3 Honorable Dr. Joaquin Arambula, Chair, Assembly Budget Cmte Sub 1 Members of the 2023-24 Budget Committees

