

2024 Budget & Legislative Priorities

The **Truth and Justice in Child Support Coalition** is a statewide coalition of over 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. Below are the Coalition's priorities for this year.

1. **Provide a timeline and plan to fund and implement 100% pass-through of child support to families who are currently receiving CalWORKs.** We are grateful that the 2022-2023 budget made clear California's intent of full family pass-through of child support 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. In the 2024-2025 budget, we urge the legislature to include a plan to fully implement and fund full pass-through for families currently receiving CalWORKs to ensure that all child support payments go directly to children and families.
2. **Provide debt relief for old and uncollectible child support debt owed by low-income parents to the State for past due child support while their families were receiving public benefits.** California must address the insurmountable \$6.4 billion owed by low-income parents to the government. 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. 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. When a parent falls into debt, DCSS intercepts tax refunds, takes from savings and retirement accounts, and imposes other harsh consequences that restrict a parent's opportunity to create financial security.
3. **Lower the egregious 10% interest rate on government-owed child support debt.** California charges 10% interest on child support debt, one of the highest rates nationwide. Sixteen states, including Idaho, Louisiana, Mississippi, North Carolina, South Carolina, South Dakota, and Utah, charge no interest at all. This high interest rate makes it even more difficult for parents to pay; \$4 billion of the \$6.4 billion of state-owed child support debt is interest alone. 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 been shown to reduce employment barriers, improve housing status and credit scores, and most importantly, improve parent-child and co-parenting relationships. We invite your office to consider supporting the work of reforming California's child support program to position it as a truly family-centered, poverty-alleviation program.