



January 30, 2024

Senate President Pro Tempore Toni Atkins

Senate President Pro Tempore Designee Mike McGuire

Assembly Speaker Robert Rivas

Honorable Nancy Skinner, Chair, Senate Budget & Fiscal Review Committee

Honorable Jesse Gabriel, Chair, Assembly Budget Committee

Honorable Caroline Menjivar, Chair, Senate Budget Committee Sub 3

Honorable Maria Elena Durazo, Chair, Senate Budget Committee Sub 5

Honorable Corey Jackson, Chair, Assembly Budget Committee Sub 2

Honorable James Ramos, Chair, Assembly Budget Committee Sub 6

State Capitol

Sacramento, CA 95814

Dear Budget Leaders,

On behalf of the [Truth and Justice in Child Support Coalition](#), we are requesting your leadership in 2024 to continue the work of reforming California's child support program to position it as a truly family-centered, poverty-alleviation program.

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.

California has made important strides in the past few years to start to address the harmful elements of the child support program. We appreciate this Administration's leadership to end the interception of child support payments for families that formerly received CalWORKs, which will be fully implemented this spring. And we are encouraged by the efforts to expand opportunities for debt-forgiveness, for example by discharging child support owed for foster care placements.

However, there is much more to do to remove this devastating financial burden from low-income families. The state continues to intercept approximately \$150 million each year from low-income families that receive CalWORKS rather than sending the money directly to

parents and children that need it.¹ Struggling parents are also burdened with \$6.4 billion in child support debt that is due to the state, to which California charges an egregious 10% interest rate on top.² The inequities the Coalition seeks to address are laid out more fully in the 2019 report titled [The Payback Problem](#): How Taking Parents' Child Support Payments to Pay Back the Cost of Public Assistance Harms California Low-Income Children & Families.³

Below, we outline the Coalition's three main priorities for the 2024 legislative session.

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 set a goal for California to enact full family pass-through of child support for families currently receiving CalWORKs benefits. This policy change would 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 not to abandon this important policy change and to include a new plan for the coming years 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. In particular, this year's budget should provide the Department of Child Support Services (DCSS) with the necessary resources to prepare the system changes required for full family pass-through in the coming years.
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.⁴ 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.⁵ 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

¹ Legislative Analyst's Office. The 2022-23 Budget: Analysis of Child Support Program Proposals. Feb. 18, 2022. <https://lao.ca.gov/Publications/Report/4550>

² U.S. Office of Child Support Services. FY22 Preliminary Data Report, Table P-89.

<https://www.acf.hhs.gov/css/policy-guidance/fy-2022-preliminary-data-report-and-tables>

³ https://sfgov.org/financialjustice/files/2020-04/The_Payback_Problem_Final.pdf

⁴ 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>

⁵ U.S. Office of Child Support Services. FY22 Preliminary Data Report, Table P-89.

<https://www.acf.hhs.gov/css/policy-guidance/fy-2022-preliminary-data-report-and-tables>

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.⁶ 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.⁷ 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.⁸ 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,

Truth and Justice in Child Support Coalition

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⁶ National Conference of State Legislatures. Summary of state laws re: Interest of Child Support Arrears, available at <https://www.ncsl.org/human-services/interest-on-child-support-arrears>.

⁷ SB 618 (Rubio, 2023-24 session) Senate Appropriations Committee Analysis. May 2023.

⁸ 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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