

**CALIFORNIA DEPARTMENT OF CHILD SUPPORT SERVICES**

P.O. Box 419064, Rancho Cordova, CA 95741-9064



August 10, 2020

CSSP LETTER: 20-05

ALL IV-D DIRECTORS  
 ALL COUNTY ADMINISTRATIVE OFFICERS  
 ALL BOARDS OF SUPERVISORS

SUBJECT: ELECTION OF FEDERAL DEFICIT REDUCTION ACT OF 2005  
 DISTRIBUTION

REFERENCE:

- Personal Responsibility and Work Opportunity Act
- Federal Deficit Reduction Act of 2005
- Code of Civil Procedure section 695.221(e)
- Executive Order N-52-20
- Manual of Policies and Procedures section 12-420

This letter supersedes Child Support Services Letter 09-14 and attachments, and Family Support Division Letter Numbers 98-07, 98-12, 98-18, 98-20, and 98-26.

PURPOSE: To communicate changes in policy resulting from election of the [Federal Deficit Reduction Act of 2005](#) (DRA) distribution hierarchy.

On April 16, 2020, Governor Gavin Newsom signed Executive Order N-52-20 which suspended the Code of Civil Procedure section 695.221(e). This permitted the Department of Child Support Services to change from the [Personal Responsibility and Work Opportunity Reconciliation Act](#) (PRWORA) distribution hierarchy and implement the DRA distribution hierarchy consistent with federal law.

POLICY: Effective May 1, 2020, California began distributing all collections, including federal tax refund offsets, within a case to current child support and family-owed arrears before government-owed arrears when aid is not currently being paid to the family as certified under the terms of its amended IV-D state plan.

BACKGROUND: On October 1, 1998, California implemented PRWORA. Generally, PRWORA distribution rules required that child support collections received for arrears balances be applied to government-owed arrears before paying arrears owed to the family.

Reason for this Transmittal

- State Law, Regulation and/or Change  
 Federal Law, Regulation Change  
 Court Order or Settlement Change  
 Clarification requested by One or More Counties  
 Initiated by DCSS

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The DRA of 2005 provided states the option to continue PRWORA distribution or elect DRA distribution, which generally prioritizes collections for the family within the case ahead of obligations owed to the State when aid is not currently being paid to the family.

At the time, California was transitioning to the automated statewide Child Support Enforcement system. Due to the complexity of system changes required to adopt DRA distribution, California elected to adopt only the mandatory provisions of the DRA and continued to comply with PRWORA's distribution hierarchy.

Under PRWORA, collections from Federal Tax Refund Offsets were distributed to government-owned arrears first and then to family-owned arrears. Under DRA, these collections are to be paid to the family first before government-owned arrears anytime when aid is not being expended.

CONTACT: If you have any questions or concerns regarding this matter, please contact the Policy, Program and Statewide Training Branch at (916) 464-5883 or [policy.branch@dcss.ca.gov](mailto:policy.branch@dcss.ca.gov).

Sincerely,

o/s

EMILY JERNIGAN  
Acting Deputy Director  
Child Support Services Division