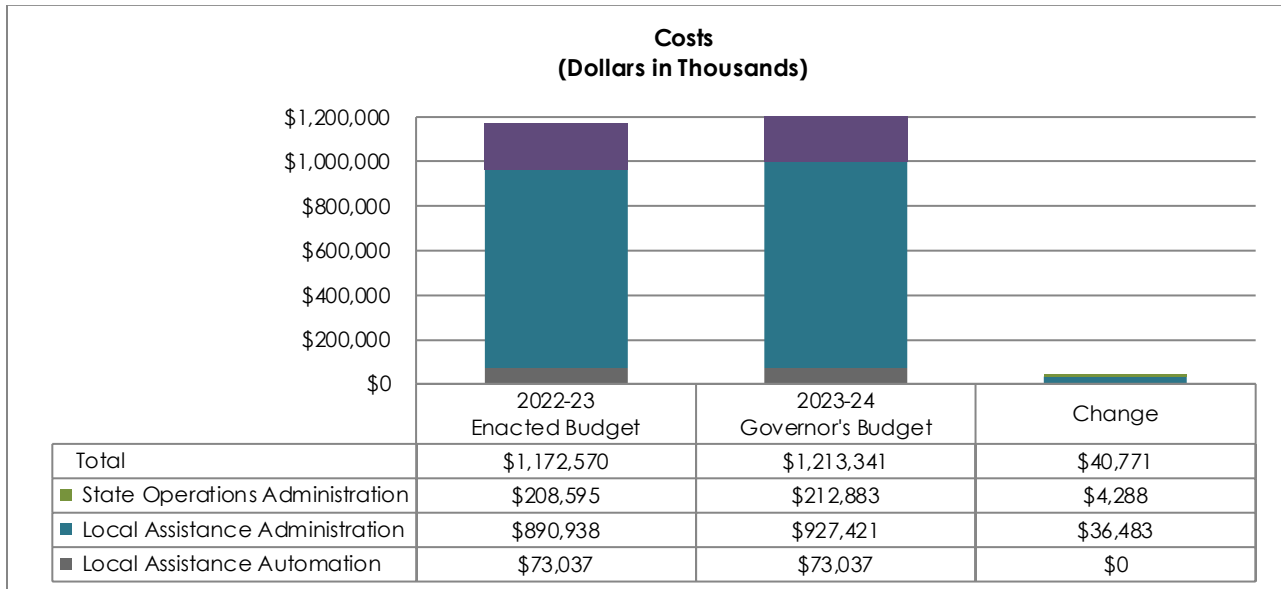


2023-24 Governor's Budget Highlights

The mission of the California Child Support Program is to promote parental responsibility to enhance the well-being of children by providing child support services to establish parentage and collect child support. The proposed State Fiscal Year (SFY) 2023-24 budget is \$1.213 billion (\$378.6 million State General Fund (SGF), \$834.8 million other funds).

Budget Year 2023-24 Governor's Budget:

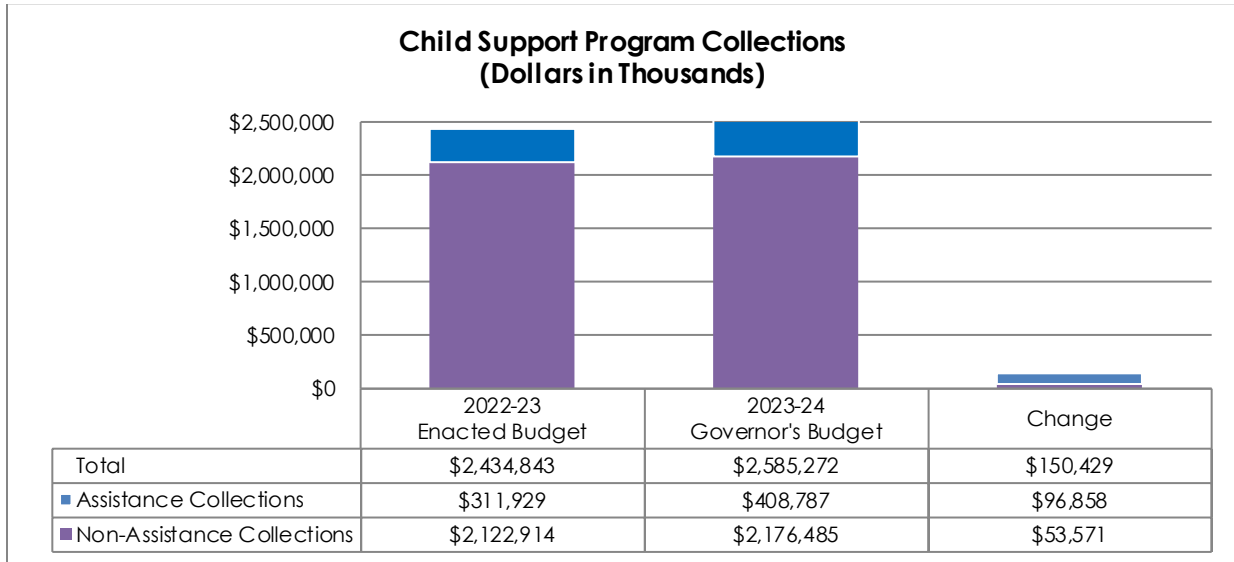


Summary of State Operations Adjustments:

- \$2.711 million (\$923,000 SGF) increase for Employee Compensation adjustments.
- \$1.745 million (\$593,000 SGF) increase for employee retirement benefits.
- \$1.059 million (\$360,000 SGF) increase for the Cyber Security safeguard positions.
- \$852,000 (\$100% Federal Funds (FF)) decrease for Statewide Cost Allocation Plan.
- \$375,000 (\$128,000 SGF) decrease for removal of one-time funding for Child Support Payment Methodology K-Factor contract services.

Summary of Local Assistance Administration Adjustments:

- \$35.8 million (\$12.2 million SGF) increase for underfunded local child support agencies.
- \$562,000 (\$191,000 SGF) increase for Internal Revenue Service Intercept Fees.
- \$339,000 (100% FF) increase in federal performance basic incentives.
- \$281,000 (100% SGF) decrease for Deficit Reduction Act Mandatory Fees.
- \$63,000 (100% FF) increase for the Section 1115 Grant - Charting a Course for Economic Mobility and Responsible Parenting.



The SFY 2023-24 Child Support Assistance and Non-Assistance Collections estimate for the budget year is based on the latest data and trends. Based on the analysis, DCSS anticipates an increase of \$96.9 million (31.1%) in assistance collections and an increase of \$53.6 million (2.5%) in non-assistance collections.

Beginning in July 2023, annual child support recoupment revenues are estimated to decrease by \$187 million (\$83.3 million federal and \$103.6 million SGF) due to the implementation of passthrough of arrears collections for formerly assisted cases. Included in the state share is \$4.7 million to offset county revenue losses.

Implementation of Full pass-through on currently assisted cases is subject to a determination in the spring of 2024 that the General Fund can support the revenue impact over a multi-year forecast.

