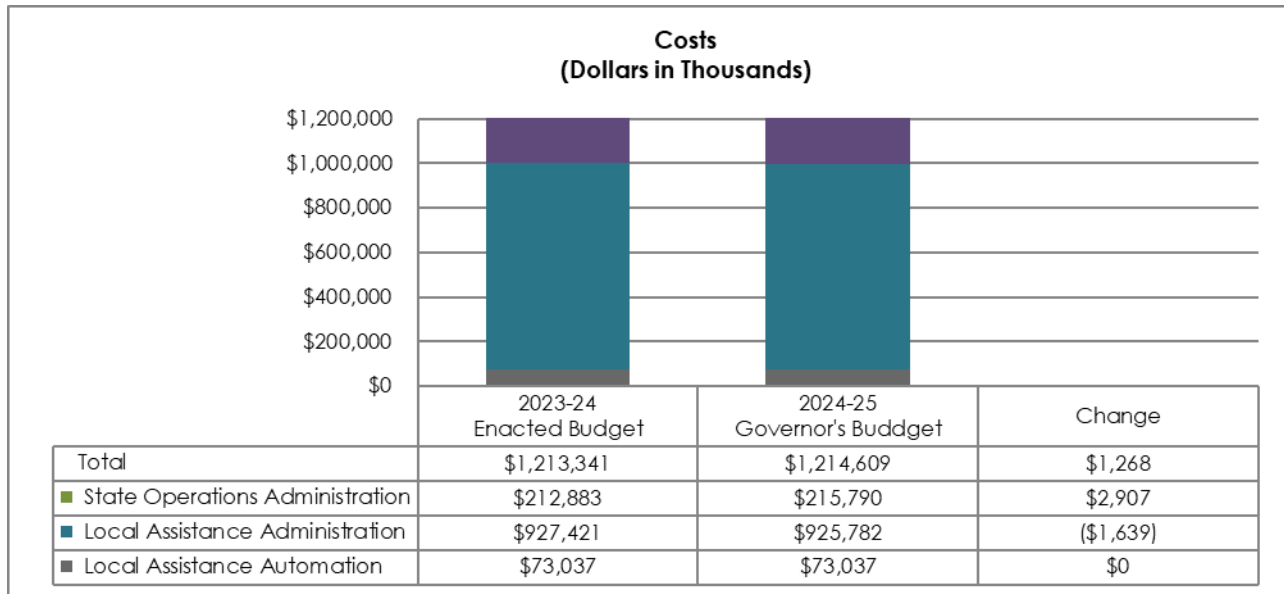


## 2024-25 Governor’s Budget Highlights

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) 2024-25 budget is \$1.214 billion (\$379.9 million State General Fund (SGF), \$834.7 million other funds).

### Budget Year 2023-24 Governor’s Budget:

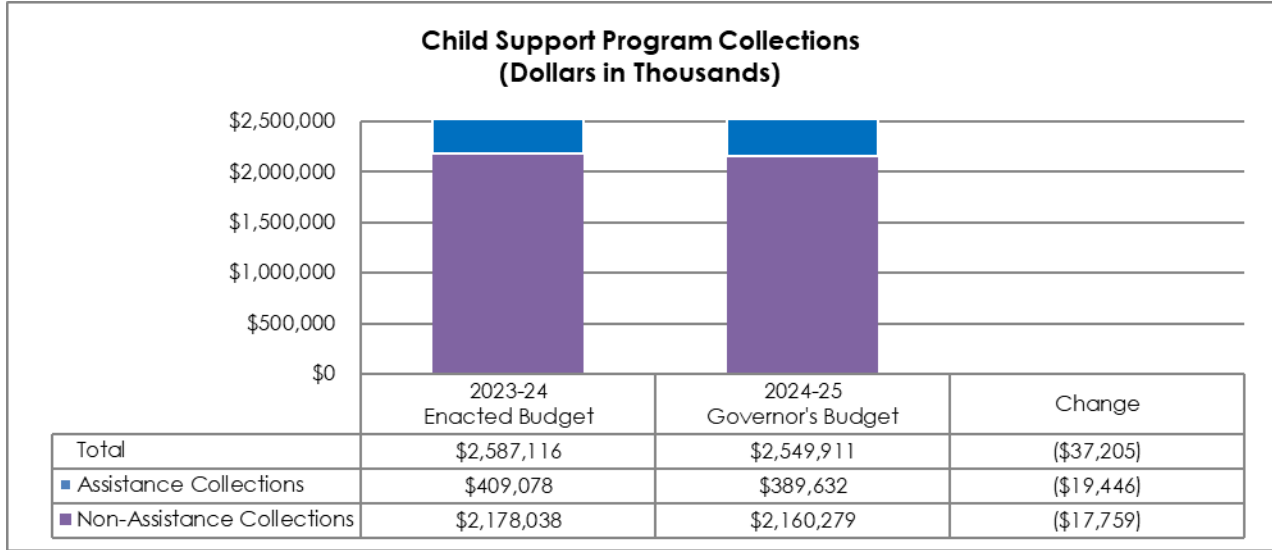


### Summary of State Operations Adjustments:

- \$4.9 million (\$1.7 million SGF) increase for Employee Compensation adjustments.
- \$2 million (\$100% Federal Funds (FF)) decrease for Statewide Cost Allocation Plan.

### Summary of Local Assistance Administration Adjustments:

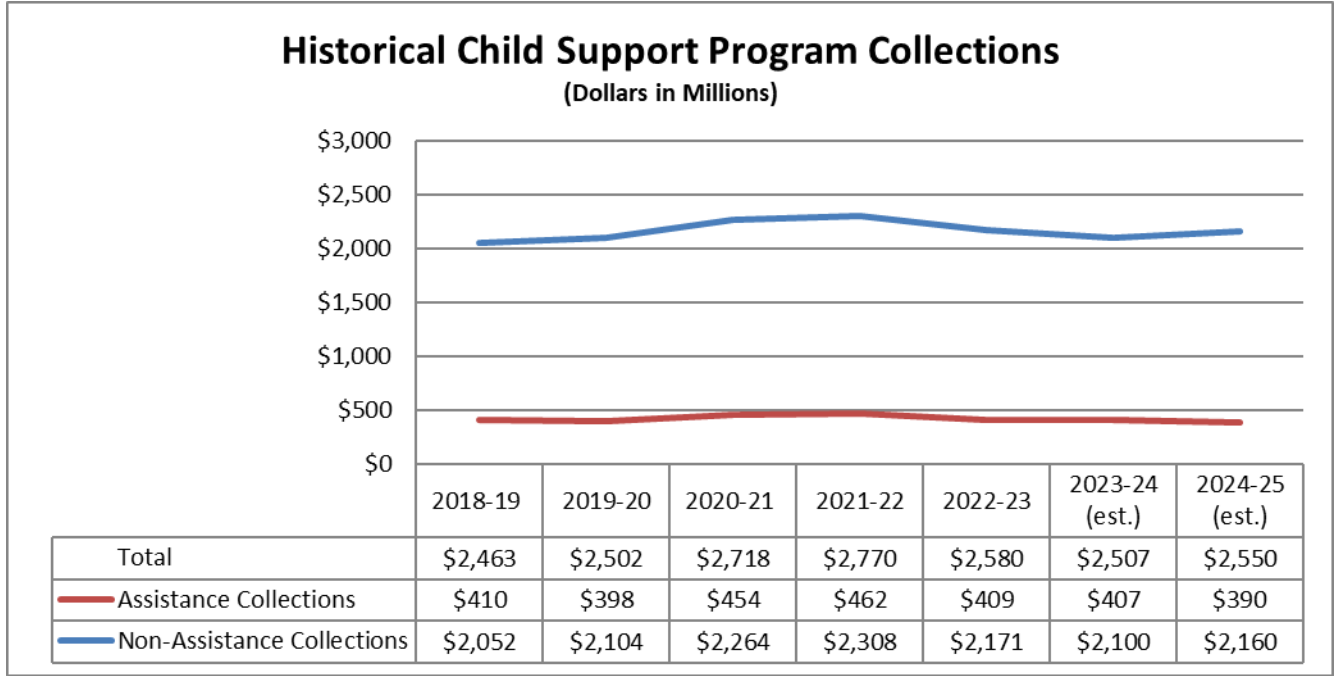
- \$696,000 (\$237,000 SGF) decrease for Internal Revenue Service Intercept Fees.
- \$146,000 (100% FF) decrease in federal performance basic incentives.
- \$86,000 (100% SGF) decrease for Deficit Reduction Act Mandatory Fees.
- \$711,000 (100% FF) decrease for the Section 1115 Parenting Grant.



The SFY 2024-25 Child Support Assistance and Non-Assistance Collections estimate for the budget year is based on the latest data and trends. DCSS anticipates a decrease of \$37.2 million in total collections, \$19.4 million (-4.8%) in assistance collections and a decrease of \$17.8 million (-0.8%) in non-assistance collections.

Policy changes impacting collections:

- The Department is implementing child support overpayment recovery procedures allowing the department to offset overpayments with future collections and offset unrecoverable overpayments, up to \$500,000, in total unspent GF each fiscal year to the Child Support Payment Trust Fund.
- Chapter 755, Statutes of 2022 amended Family Code 17552 requiring the Department of Social Services (DSS) to revise county welfare department regulations related to foster care cases. As a result, DSS issued a new policy requiring that the counties no longer refer parents whose children have been removed from the home and who are receiving Child Welfare Services to the child support program effective January 1, 2023. DCSS estimates that this policy change will reduce foster care recoupment collections by twenty five percent (-\$5.4 million) in SFY 2023-24. Additionally, DCSS is developing policy regulations to address foster care cases referred prior to January 1, 2023. DCSS estimates this policy change will result in an additional fifty percent reduction in foster care recoupment collections for a total of seventy five percent (-\$16.1 million) in SFY 2024-25.
- Beginning in May 2024, DCSS will pass through arrears collections to formerly assisted families, resulting in an estimated \$27.2 million (\$15.4 million SGF, and \$11.8 million FF) reduction in recoupment revenue. The state share includes \$1.3 million to offset county revenue losses. The program will be fully implemented in SFY 2024-25, the annual impact is estimated to be \$160.7 million (\$89.1 million SGF, and \$71.6 million FF). Included in the state share is \$4 million to offset county revenue losses.



Note: The chart above includes the mandatory fees collected from the Person Receiving Support.