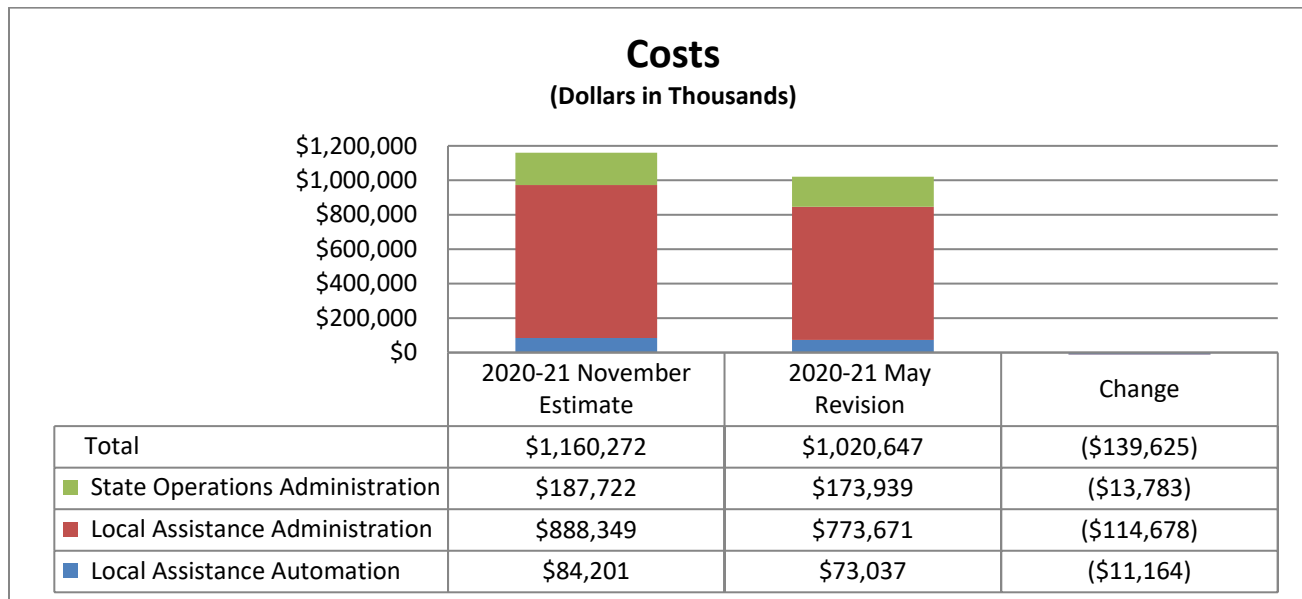


**Department of Child Support Services
2020-21 May Revision Highlights**

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 State Fiscal Year (SFY) 2020-21 budget includes \$1.021 billion (\$315 million in General Fund, \$706 million other funds).

Budget Year 2020-21 May Revision:



State Operations Administration

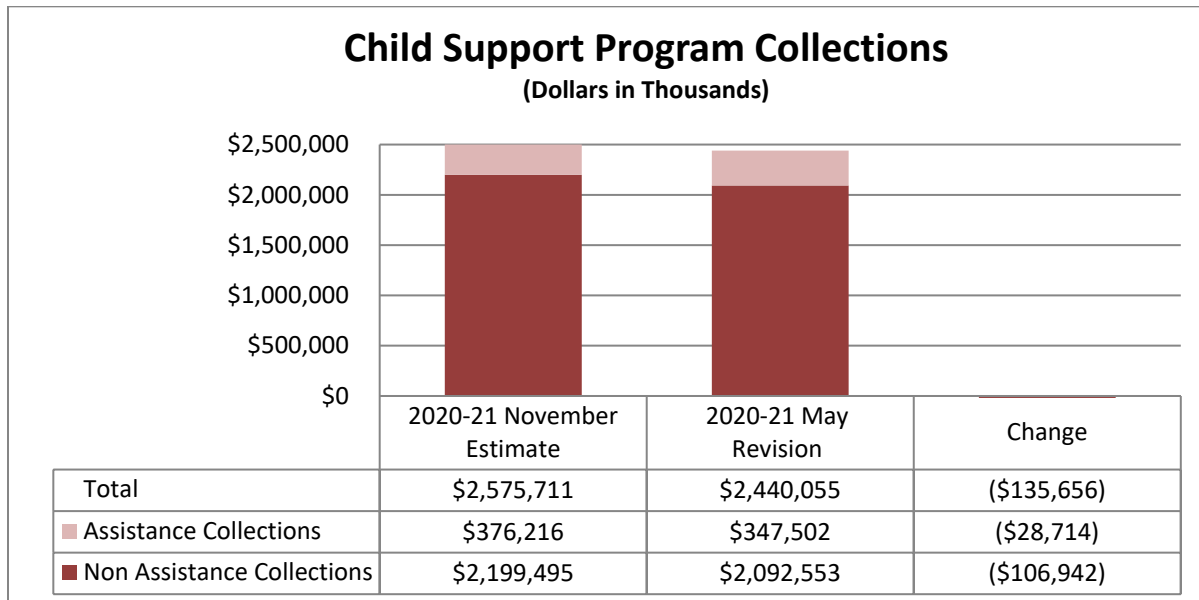
- \$13,857,000 temporary decrease for mandatory Coronavirus 2019 (COVID-19) cost reduction.
- \$74,000 increase (federal funds only) employee salary compensation for the new Section 1115 Grant – Intergovernmental Case Processing Innovation Demonstration.

Local Assistance Administration:

- \$112,078,000 temporary decrease for Local Child Support Agency (LCSA) administration due to the mandatory COVID-19 cost reduction.
- \$1,740,000 decrease for federal performance basic incentives.
- \$1,000,000 decrease, a technical adjustment for the SFY 2019-20 Governor’s Budget.
- \$330,000 increase for the new Section 1115 Grant – Intergovernmental Case Processing Innovation Demonstration.
- \$190,000 temporary decrease for mandatory COVID-19 cost reduction.

Local Assistance Automation:

- \$11,164,000 temporary decrease for mandatory COVID-19 cost reduction.



Based on a recent surge in California unemployment claims, DCSS projects a decrease in child support collections. By analyzing the unemployment rate and its correlation with child support collections during the great recession of 2009, a five percent reduction in collections is anticipated. Actual basic distributed collection data from January 2018 through December 2019 was used to construct a linear regression model to forecast basic collections for SFY 2019-20 and 2020-21. Starting in mid-March 2020 through June 2021, the basic collections forecast was reduced by an additional five percent to account for the anticipated impact of COVID-19.

For SFY 2020-21, DCSS estimates assistance collections to decrease \$28.7 million (7.6 percent), and non-assistance collections to decrease \$106.9 million (4.9 percent), for a net collection decrease of \$135.7 million, compared to the November Estimate.

From a year-to-year perspective, the May Revision estimates SFY 2020-21 total collections to decrease \$64.7 million (2.6 percent) compared to the SFY 2019-20 projection and decrease \$62 million (2.5 percent) compared to SFY 2018-19 actuals.

DCSS' collection estimates do not reflect collections or impacts from federal stimulus measures such as the CARES Act or any potential future federal stimulus legislation. DCSS is unable to determine the timing and magnitude of the collections from the federal stimulus legislation to include them within the May Revision projections.

Historical Child Support Collections:

