



May 27, 2021

Honorable Nancy Skinner, Chair  
Joint Legislative Budget Committee  
Senate Budget and Fiscal Review Committee

Honorable Phil Ting, Chair  
Assembly Budget Committee

Honorable Anthony Portantino, Chair  
Senate Appropriations Committee

Honorable Lorena Gonzalez, Chair  
Assembly Appropriations Committee

### **Section 28.00—Department of Child Support Services**

Pursuant to provisions of Section 28.00, 2020 Budget Act (Chapter 6, Statutes of 2020), the following report is respectfully submitted.

The Department of Finance has received the attached Section 28.00 application from the Department of Child Support Services (DCSS) for the purpose of increasing Federal Trust Fund authority in Item 5175-101-0890 in the amount of \$7,500,000 for Program 4260010 Child Support Administration. The California Child Support program is funded 34 percent General Fund and 66 percent Federal Financial Participation (FFP). DCSS notified Finance within 45 days as part of the May Revision Estimate process. This request is necessary to allow DCSS to draw down more FFP dollars that will be used to match an estimated increase in county funds in the current year. These funds will be expended on standard child support administrative operational costs, such as salaries and benefits and facility renovations.

This request meets the following criteria, as required in subdivision (b) of Section 28.00:

- The funds will be expended toward providing current year salaries, benefits, and various cost increases for the county staff, consistent with state law.
- The funds are made available to the state under conditions permitting their use only for the specified purpose, and the additional expenditures proposed would apply to this specified funding purpose.
- Acceptance of the additional funding does not impose on the state any requirement to commit or expend new state funds for any program or purpose.
- The need exists to expend the additional funding during the current fiscal year in order to comply with the terms of the federal grant.

Due to priorities and workload associated with the COVID-19 Pandemic resulting in insufficient time to execute this appropriation by June 30, 2021, Finance respectfully request that the 30-day waiting period requirement for this request be waived.

If you have any questions or need additional information regarding this matter, please call Steven Pavlov, Principal Program Budget Analyst, at (916) 445-6423.

KEELY MARTIN BOSLER

Director

By:



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Chief Deputy Director

Attachment

CC: Honorable Dr. Joaquin Arambula, Chair, Assembly Budget Subcommittee No. 1  
Honorable Susan Talamantes Eggman, Chair, Senate Budget and Fiscal Review  
Subcommittee No. 3  
Honorable Jim Nielsen, Vice Chair, Senate Budget and Fiscal Review Committee  
Honorable Vince Fong, Vice Chair, Assembly Budget Committee  
Gabriel Petek, Legislative Analyst (3)  
Joe Stephenshaw, Staff Director, Senate Budget and Fiscal Review Committee  
Kirk Feely, Fiscal Director, Senate Republican Fiscal Office  
Christopher W. Woods, Senate President pro Tempore's Office (2)  
Christian Griffith, Chief Consultant, Assembly Budget Committee  
Joseph Shinstock, Fiscal Director, Assembly Republican Caucus, Office of Policy and  
Budget  
Paul Dress, Caucus Co-Chief of Staff, Assembly Republican Leader's Office  
Luigi Luciano, Legislative Director, Assembly Republican Leader's Office  
Jason Sisney, Assembly Speaker's Office (2)  
Mark McKenzie, Staff Director, Senate Appropriations Committee  
Jay Dickenson, Chief Consultant, Assembly Appropriations Committee  
Vishaal Pegany, Assistant Secretary, California Health and Human Services Agency  
David Kilgore, Director, Department of Child Support Services  
Kristen Erickson-Donadee, Chief Deputy Director, Department of Child Support  
Services  
Irene Briggs, Deputy Director, Administrative Services, Department of Child Support  
Services  
Nan Chen, Chief Financial Officer, Department of Child Support Services

Please report dollars in thousands.

<b>DEPARTMENT</b> Child Support Services	<b>ITEM NO./ FISCAL YEAR</b> 5175/2020-21	<b>NOTIFICATION LETTER TO LEGISLATURE:</b> <input type="checkbox"/> 30-DAY NOTICE <input checked="" type="checkbox"/> REQUEST WAIVER OF 30-DAY NOTICE
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**PROGRAM TITLE PER GOVERNOR'S BUDGET:**

Child Support Services Program

<b>FUNDING (SPECIFY FUND)</b>	<b>CURRENTLY BUDGETED</b>	<b>REQUESTED CHANGE (+) OR (-)</b>	<b>TOTAL</b>
5175-101-0890	367,709	+7,500	375,209

(Check appropriate boxes)

- The funds will be expended for a purpose that is consistent with state law (explain use of funds in Part A below).
- The funds are made available to the state under conditions permitting their use only for a specified purpose, and the additional expenditure proposed under this section would apply to that specified funding purpose (as supported by explanation for the purpose of the funds).
- Acceptance of additional funding does not impose on the state any requirement to commit or expend new state funds for any program or purpose.
- The need exists to expend the additional funding during the current fiscal year (explain in Part B below).
- This application is provided to Finance within 45-days of official notice of receipt of funds.
- Explanation of delayed notification to Finance is attached (required if 45-day notification period is exceeded).
- A copy of the official notice of fund availability is attached to this application.
- One-time expenditure.
- Ongoing commitment from this source (if checked, explain under Program Proposal).
- Matching funds required (if checked, explain under Program Proposal).
- Expenditure either supplements or supplants an existing state-funded program (if checked, explain under Program Proposal).

**PART A: For what purpose will the funds be expended?**

The California Child Support program is funded 34% General Fund and 66% Federal Financial Participation (FFP). In addition, the department offers additional FFP for Local Child Support Agencies (LCSA) that elect to supplement the program with local county matching funds. Historically, the local county match fund budget has been \$40 million (\$26.4 million federal funds and \$13.6 million county funds). This request is necessary to allow the department to draw more FFP dollars that will be used to match an estimated increase in county funds for the current year. Due to the Coronavirus (COVID-19) budget reductions in State Fiscal Year (SFY) 2020-21, many counties are choosing to supplement their LCSA with county dollars. These funds will be expended on standard child support administrative operational costs, such as salaries and benefits and facility renovations.

**PART B: Explain the need to expend the funds in the current fiscal year, including the consequence of waiting until budget year to expend the funds:**

The additional federal authority is needed in current year because it will be used to match current year county expenditures. Due to the SFY 2020-21 budget reductions, LCSAs were forced to reduce over 200 employees. The additional county and federal matching funds will be used to cover current year salaries, benefits, and union negotiated cost increases for the remaining staff. Without increased authority in current year, DCSS will not have sufficient matching funds available to cover these costs.

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**PROGRAM PROPOSAL** (Attach additional information as necessary)

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**TITLE:**

**CHILD SUPPORT SERVICES PROGRAM**

**STATUTORY AUTHORITY:** (state, federal, as appropriate)

Family Code, Division 17

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**DESCRIPTION:**

The department of child support services requests additional federal fund authority to draw down Federal financial participation dollars to match county funds. The additional funds will be used to supplement child support program funds and lessen the impact of Covid-19 related budget reductions.

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**JUSTIFICATION:**

The California Child Support Program requests increased Federal Trust Fund expenditure authority of \$7,500,000 pursuant to Section 28.00 of the Budget Act of 2020. The \$7.5 million Federal Trust Fund expenditure authority is a one-time request to match the \$3.9 million in county general funds identified by the LCSA in order to minimize the impact of the COVID-19 budget reductions and avoid additional staffing reductions during the 2020-21 fiscal year.

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**SUBMITTED BY:**

**BUDGET OFFICER:**

Nan Chen

**DATE:**

5/12/21

**APPROVED BY DEPARTMENT OF FINANCE:**

**DATE SUBMITTED TO LEGISLATURE:**

5/27/2021

**DIRECTOR:**

David Kilgore

**DATE:**

5/12/21

**PPBA:**

*Steven Pavlov*

**DATE:**

*5/24/21*

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