



# County of Santa Cruz<sup>0073</sup>

DEPARTMENT OF CHILD SUPPORT SERVICES  
LYNN C. MILLER, DIRECTOR

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**Agenda Date: January 8, 2002**

December 19, 2001

The Honorable Tony Campos, Chairperson  
and the Members of the Board of Supervisors  
County of Santa Cruz  
701 Ocean Street  
Santa Cruz, CA 95060

## **Re: CHILD SUPPORT AUTOMATION PENALTIES**

Dear Chairperson Campos and Members of the Board:

As you may recall, federal law mandated each state develop and implement a single statewide automated child support system by October 1, 1997. Unfortunately, California's automation effort proved unsuccessful and, as a result, the state has been subject to federal penalties in the form of a reduced federal share of cost since 1997. The existing penalty structure is imposed in a manner which increases penalties on those states that have increased funding to correct program deficiencies. As a result, increased program spending to improve the California's collections and customer service delivery per the program reform legislation has escalated the penalties with an expected cost of \$152 million this year, \$173 million next year and an overall total which exceeds \$1.2 billion by fiscal year 2006.

The federal penalties have served the intended purpose of holding states accountable and creating a sharp focus on improvement. However, they have no current purpose and instead, serve to undercut progress made towards achieving program goals. Further, the penalties continue in spite of California's development and compliance with a corrective action plan approved by the federal Department of Health and Human Services and measurable improvement since the reform legislation of 1999.

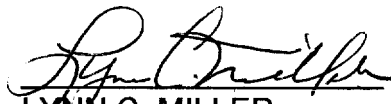
Though these costs have been backfilled with State General Funds in the past, there is real concern that these penalties may be passed on to the child support program or to the counties given the current state of fiscal affairs. A recent CSAC (California State

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Association of Counties) budget briefing by the CSAC State Budget Task Force included a discussion on various recommendations regarding the current budget deficit, from a county government standpoint. Though relief is included in the list of recommendations, passing the penalties onto the counties was also suggested to help ease the State's budget crunch.

If California continues to bear these costs without relief, the ability of local child support agencies to maintain new initiatives such as noncustodial parent employment and training projects] improvements to customer service and individualized programs which support positive parental involvement would be severely compromised. Many of the families we serve are low-income households but a child support payment away from public assistance or homelessness. Budget cuts necessary to pay these penalties will result in a reduction of services and only serve to increase the likelihood of poverty among children. The ripple effect in our community, particularly in these uncertain economic times, will be significant. If the penalties were passed on to the counties] the impact to Santa Cruz County would be significant.

Therefore, I am writing to urge your Board to express strong support to adopt the enclosed Resolution Requesting Local Child Support Agency Penalty Relief.

Respectfully,

  
LYNN C. MILLER  
DIRECTOR

RECOMMENDED

  
Susan Mauriello  
County Administrative Officer

BEFORE THE BOARD OF SUPERVISORS  
OF THE COUNTY OF SANTA CRUZ, STATE OF CALIFORNIA

RESOLUTION NO. \_\_\_\_\_

On the motion of Supervisor \_\_\_\_\_  
Duly seconded by Supervisor \_\_\_\_\_  
The following Resolution is adopted:

RESOLUTION REQUESTING LOCAL  
CHILD SUPPORT AGENCY PENALTY RELIEF

WHEREAS, the State of California is and has been subject to federal penalties imposed in the form of a reduced federal share of child support program costs; and

WHEREAS, the State of California may contemplate passing these penalties to the local child support agencies; and

WHEREAS, imposition of penalties on local child support agencies would severely compromise the ability of these agencies to maintain State-mandated initiatives;

NOW, THEREFORE, BE IT RESOLVED AND ORDERED that the Board of Supervisors of the County of Santa Cruz expresses its strong support to the State Department of Child Support Services for legislative proposals which provide for penalty relief.

PASSED AND ADOPTED by the Board of Supervisors of the County of Santa Cruz, State of California, this \_\_\_\_\_ day of January, 2002, by the following vote:

AYES: SUPERVISORS

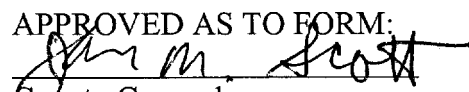
NOES: SUPERVISORS

ABSENT: SUPERVISORS

ABSTAIN: SUPERVISORS

\_\_\_\_\_  
Chairperson of the Board of Supervisors

ATTEST: \_\_\_\_\_  
Clerk of the Board

APPROVED AS TO FORM:  
  
County Counsel