



# County of Santa Cruz

**DEPARTMENT OF CHILD SUPPORT SERVICES**  
**LYNN C. MILLER, DIRECTOR**

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**Agenda Date: June 25, 2002**

June 14, 2002

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

**Re: House Resolution 4857**

Dear Chairperson Beautz and Members of the Board:

California has been subject to federal penalties since 1998 for failure to implement an automated statewide child support system. Under current law, payment of this penalty is a county responsibility though in the past, the cost has been covered by State General Funds. However, current budget shortfalls have resulted in a proposal requiring counties to pay one-half (\$44.9 million) of the total penalty anticipated this year with the balance paid from the State General Fund. Each county's share would be based on the average local child support allocation for a three fiscal year period; 1999-00, 2000-01 and 2001-02.

On December 19, 2001, the Department of Child Support Services submitted a letter urging your Board to adopt a resolution supporting penalty relief. This resolution was adopted on January 8, 2002. As you are aware, Representative Robert Matsui has introduced House Resolution 4857, The Child Support Reinvestment Act. This bill would change the penalty structure and remove the disincentive to invest in program improvement under the current structure. It would also permit California and other states under penalty to reinvest its penalties into the child support program.


IT IS THEREFORE RECOMMENDED that your Board support House Resolution 4857 by adopting the attached Resolution and authorizing the Chair to sign and send it with the Letter of Support to the list of representatives provided.

Respectfully,

  
LYNN C. MILLER  
DIRECTOR

Attachments: Resolution  
Letter of Support  
List of Representatives

RECOMMENDED:



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SUSAN MAURIELLO  
COUNTY ADMINISTRATIVE OFFICER

**BOARD OF SUPERVISORS  
COUNTY OF SANTA CRUZ, STATE OF CALIFORNIA**

Resolution No.

On the motion of Supervisor \_\_\_\_\_  
duly seconded by Supervisor \_\_\_\_\_  
the following resolution is adopted:

**RESOLUTION IN SUPPORT OF HOUSE RESOLUTION 4857**

WHEREAS, California has been subject to federal penalties since 1998 for failure to implement an automated statewide child support system,

WHEREAS, these penalties have been based on program costs which have served as a disincentive to increase spending to improve the program as mandated under the child support program reform legislation of 1999,

WHEREAS, under current law, the federal penalty is a county responsibility,

WHEREAS, Representative Robert Matsui has introduced House Resolution 4857, The Child Support Reinvestment Act which would alter the penalty structure and allow the penalties to be reinvested into the child support program,

NOW, THEREFORE BE IT RESOLVED AND ORDERED that the Board of Supervisors of Santa Cruz County expresses its strong support for House Resolution 4857 introduced by Representative Robert Matsui.

PASSED AND ADOPTED by the Board of Supervisors of Santa Cruz County, State of California, this        day of June, 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:

Jan M. Scott  
County Counsel

Date

The Honorable \_\_\_\_\_  
\_\_\_\_\_ House Office Building  
Washington, DC 20515

Dear Representative \_\_\_\_\_

I am writing to request your assistance with an important issue related to the future of the child support enforcement program in the state of California. As you know, California has been penalized since 1998 as a result of not having a statewide automated child support enforcement system certified by the federal government.

On behalf of the Santa Cruz County Department of Child Support Services, I urge you to support House Resolution 4857, The Child Support Reinvestment Act, introduced by Representative Robert Matsui. This bill would change the base year that the penalty is calculated on, thereby removing the disincentive for California to increase investments in its child support program. Second, this bill would permit California, and other states under penalty, to reinvest its penalty back into the child support system.

The sanctions, originally imposed to encourage states to come into compliance with federal automation requirements, no longer serve their intended purpose. In California, this is demonstrated by the fact that the state has made significant progress toward developing and implementing its statewide automated system. In fact, a contract with a system vendor is expected to be signed shortly, and a target completion date is estimated for December 2005.

Furthermore, county child support agencies are actively partnering with the new state Department of Child Support Services (DCSS) to implement many positive programmatic reforms. Even during this transition period, California's child support collections are improving and have reached the \$2 billion mark for the first time in history, and are estimated to reach \$2.4 billion this year. Included in the above collections, \$122.9 million was collected on behalf of and distributed to other states, with collections for other states expected to reach \$135.2 million this year. However, the significant progress of California's child support program could be seriously undermined if escalating federal penalties continue to be assessed against the state.

To date, California has paid a total of \$293 million in penalties, with an additional \$157 million sanction being assessed for fiscal year 2002. The penalties will rise to at least \$181 million beginning in fiscal year 2003 increasing to approximately \$277 million by 2006.

Additionally, as you know, current law is structured in such a way that the state is actually penalized for increased investment in the child support program. For every federal dollar California spends on the program, the state must budget an additional 30 cents to cover the penalties. Thus, in 2003 the State's estimated \$80 million in increased federal expenditures in the program will increase penalties by \$24 million for a total of \$181 million.

Again, I strongly urge you ~~to~~ seek ways to mitigate the current child support penalties. Specifically, I ask that you support H.R. 4857 that would provide common sense changes designed to ensure that the state of California and its counties are able to continue to provide quality child support services to children and families.

Thank you for your attention to this critically important matter. I look forward to continuing to work with you on this issue.

Sincerely,

# LIST OF REPRESENTATIVES

The Honorable Xavier Becerra  
US House of Representatives  
1119 Longworth House Office Building  
Washington, DC 20515

Dear Representative Becerra:

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The Honorable Wally Herger  
US House of Representatives  
2268 Rayburn House Office Building  
Washington, DC 20515

Dear Representative Herger:

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The Honorable William **M.** Thomas  
US House of Representatives  
2208 Rayburn House Office Building  
Washington, DC 20515

Dear Representative Thomas:

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The Honorable Barbara Boxer  
United States Senate  
112 Hart Senate Office Building  
Washington, DC 20510

Dear Senator Boxer:

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The Honorable Diane Feinstein  
United States Senate  
331 Hart Senate Office Building  
Washington, DC 20510

Dear Senator Feinstein

The Honorable Max Baucus  
United States Senate  
219 Dirksen, Senate Office Building  
Washington, DC 20510

Dear Senator Baucus:

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