

CALIFORNIA DEPARTMENT OF CHILD SUPPORT SERVICES

P.O. Box 419064, Rancho Cordova, CA 95741-9064



May 1, 2024

CSSI LETTER: 24-04

ALL IV-D DIRECTORS
ALL LCSA POLICY COORDINATORS

SUBJECT: FORMER ASSISTANCE ARREARS PASS THROUGH

REFERENCE:

- Title 42, United States Code, section 657(a)(6)(A)
- Federal Deficit Reduction Act (DRA) of 2005
- Action Transmittal 07-05
- Action Transmittal 09-03
- Chapter 573, Statutes of 2022 (Assembly Bill (AB) 207)
- Family Code (FC), section 17504.2

PURPOSE: To communicate program changes to local child support agencies (LCSAs) regarding implementation of Former Assistance (FA) Arrears Pass Through.

INFORMATION: Effective May 1, 2024, the Department of Child Support Services (DCSS) began passing through collections distributed to government-assigned arrears obligations to families who formerly received cash public assistance through the California Work Opportunity and Responsibility to Kids (CalWORKs) program, rather than recouping the collected amounts to reimburse federal, state, and county funds for assistance paid on behalf of the person ordered to receive support (PRS). This change to the program is not retroactive and only applies to collections received on or after May 1, 2024. FA families are eligible for the pass through regardless of the age or emancipation status of the child(ren), and whether or not the child(ren) continues to reside in the same household as the PRS.

Under the federal DRA of 2005, states had more policy options, including but not limited to, implementing FA Arrears Pass Through and deciding the assignment nature of the arrears passed through to FA families. California has chosen to retain the assignment nature of this debt. Therefore, any collections applied to government-assigned arrears on or after May 1, 2024, even if passed through to the family, will continue to reduce the unreimbursed assistance pool (UAP)¹. Amounts collected that exceed the UAP will be issued to the PRS as excess² support payments. Since the assignment has been

¹ *Unreimbursed Assistance Pool* – The cumulative amount of assistance money paid to the family for all months, which has not been repaid by assigned child support payments collected.

² *Excess* - The amount of government assigned support paid that exceeds the unreimbursed assistance pool.

<u>Reason for this Transmittal</u>
<input checked="" type="checkbox"/> State Law, Regulation and/or Change
<input type="checkbox"/> Federal Law, Regulation Change
<input type="checkbox"/> Court Order or Settlement Change
<input type="checkbox"/> Clarification requested by One or More Counties
<input type="checkbox"/> Initiated by DCSS

retained, implementation of FA Arrears Pass Through has little to no impact on the Debt Reduction or Uncollectable Debt Programs. Furthermore, the FA PRS will not be included in the negotiation or collectability review processes. Amounts collected toward assigned arrears from negotiations for the Debt Reduction Program are to be passed through to the FA PRS.

Chapter 573, Statutes of 2022 (AB 207) added FC section 17504.2, providing that “any amount of support collected in a month in payment of an assigned support obligation shall be passed through to a former recipient of aid...” AB 207 clarifies that recipients of foster care payments are expressly excluded from the pass through. Additionally, AB 207 requires any pass through payments that cannot be delivered to a former recipient of aid for a period of six months shall not be returned to the parent ordered to pay support and shall be sent to recoup aid paid on behalf of the recipient. If the former recipient of aid is deceased, payments are automatically sent to recoupment. Furthermore, for a period of up to 12 months from the date the pass through payment is sent to recoupment, the former recipient of aid may make a claim for any payment(s) sent to recoupment.

Claims for recouped payments will be managed centrally by state DCSS. More detailed information regarding the claims process, funds diversion to recoupment processes, and new claim forms will be issued in a future communication once the processes and forms have been fully developed.

ACTION: The Child Support Enforcement system has been fully automated and began issuing the pass through payments to FA families from collections received on or after May 1, 2024. LCSA workers shall continue to utilize the [FA Pass Through PRS Electronic Disbursements Dashboard](#) in conjunction with the DSB-001 Suspended Disbursement Report in CSE to encourage enrollment in either direct deposit or electronic payment card and to attempt to locate PRSs with whom contact has been lost. This will help mitigate the increase in total undistributed collections realized resulting from implementation of FA Arrears Pass Through.

The above change serves to further support DCSS’ objective of distributing more support to families as allowed under the DRA. This change increases the income of families and helps stabilize their financial position.

RELEVANT MATERIAL/ATTACHMENT: Statewide Training entitled “Former Assistance Arrears Pass Through Implementation” and related materials are available on Blackboard LMS. Statewide Training entitled “FA Pass Through PRS Electronic Disbursements Dashboard” and related reference materials, including call center scripts and text/email message templates, are also available on Blackboard LMS.

CSSI Letter: 24-04
May 1, 2024
Page 3

CONTACT: If you have any questions or concerns regarding this matter, please contact the Policy, Program, and Statewide Training Branch at (916) 464-5883.

Sincerely,

o/s

JUSTIN FREITAS
Deputy Director
Child Support Services Division