

CALIFORNIA DEPARTMENT OF CHILD SUPPORT SERVICES

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



August 2, 2023

CSSI LETTER: 23-09

ALL IV-D DIRECTORS
ALL LCSA POLICY COORDINATORS

SUBJECT: COLLECTABILITY REVIEW IMPLEMENTATION – PHASE 1 – SOLE
SOURCE OF INCOME

REFERENCE: Family Code (FC) § 17400(a)(2)(C)

PURPOSE: This letter informs local child support agencies (LCSAs) of new procedures and processes regarding uncollectable debt and the Collectability Review as it relates to arrearages and otherwise past due amounts owed to the state. This process is created in accordance with Assembly Bill (AB) 135 (2021-2022) which added FC Section 17400(a)(2). Phase one of this implementation addresses the additions found in FC Section 17400(a)(2)(C). The second phase will cover the addition of FC Section 17400(a)(2)(B), which will be implemented through a Child Support Services Policy letter and regulations to be promulgated by July 1, 2024, as required by statute.

INFORMATION/BACKGROUND: AB 135, signed into law July 2021, added FC Section 17400(a)(2)(C) and mandates that the LCSA cease enforcement on child support arrearages or otherwise past due amounts owed to the state that are determined to be uncollectable beginning January 1, 2023. Arrearages assigned to the state shall be deemed uncollectable when the sole source of income for the Parent Ordered to Pay Support (PPS) is one of four sources defined by statute, as listed below:

- (i) Supplemental Security Income/State Supplementary Program for the Aged, Blind, and Disabled (SSI/SSP) benefits.
- (ii) A combination of SSI/SSP benefits and Social Security Disability Insurance benefits.
- (iii) Cash Assistance Program for Aged, Blind, and Disabled Legal Immigrants (CAPI) benefits.
- (iv) Veterans Administration Disability Compensation Benefits in an amount equal to or less than the amount the noncustodial parent would receive in SSI/SSP benefits.

Reason for this Transmittal

- State Law, Regulation and/or Change
- Federal Law, Regulation Change
- Court Order or Settlement Change
- Clarification requested by One or More Counties
- Initiated by DCSS

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ACTION: The Department of Child Support Services will provide cases for LCSA review on the [Uncollectable Debt Sole Source of Income Tableau Dashboard](#). The first round of data that will be imported concerns CAPI recipients in the Child Support Enforcement system. The remaining sources of income phases of the dashboard will be released incrementally by adding each additional source of income every thirty days until the dashboard is fully implemented.

LCSAs should refer to the Collectability Review procedures to review for uncollectable debt for affected PPS'. Upon addressing arrearages, cases will be closed to the maximum extent permitted under Section 303.11 of Title 45 of the Code of Federal Regulations, as adopted under Section 118203 of Title 22 of the California Code of Regulations.

RELEVANT MATERIAL/ATTACHMENT: LCSAs should refer to "Performing a Collectability Review" and "Performing a Collectability Review – Adjusting Case Accounts" in section 5000 of the Statewide Procedures Manual, and the Collectability Review Best Practices documents for more detail regarding this process, in addition to the Blackboard course Collectability Review Process Training.

TRAINING: Phase one training was offered to all LCSAs on three dates: December 28, 2022, January 5, 2023, and January 10, 2023. A recording of this training is available on Blackboard.

CONTACT: If you have any questions or concerns regarding this matter, please contact the Policy and Program Branch at policy.branch@dcss.ca.gov

Sincerely,

o/s

Brian Hocking
Deputy Director
Child Support Services Division

Attachment

Collectability Review – Best Practices – Phase 1 Implementation

Introduction

Assembly Bill 135 made changes to Family Code Section 17400(a)(2), which requires that local child support agencies (LCSAs) cease the enforcement of child support arrearages and other past-due amounts owed to the state that the Department of Child Support Services (DCSS) or LCSA have determined are uncollectable. Phase 1 of the Collectability Review focuses on the mandatory category factors, which are for Parents Ordered to Pay Support (PPS) who have a sole source of income of either: Supplemental Security Income/State Supplementary Program for the Aged, Blind, and Disabled (SSI/SSP) benefits, a combination of SSI/SSP benefits and Social Security Disability Insurance (SSDI) benefits, Cash Assistance Program for Aged, Blind, and Disabled Legal Immigrants (CAPI) benefits, or Veterans Administration Disability Compensation (VA) Benefits in an amount equal to or less than the amount they would receive in SSI/SSP benefits. DCSS is aware that each LCSA is unique and has distinct challenges and strengths, so to supplement the Collectability Review Procedures, we have prepared the following best practices that each LCSA may choose to adopt.

Case Identification

- While caseworkers should review cases identified on the Uncollectable Debt – Sole Source of Income Tableau Dashboard as directed by their LCSA, if they become aware that a PPS may qualify for a Collectability Review, the caseworker should review in a timely manner.

General Review

- When evaluating a PPS for uncollectable debt based on a sole source of income, the county may request the PPS to complete an Income and Expense Declaration (FL-150) when appropriate.
- When you are unable to contact the PPS or to obtain a completed I&E, counties should perform due diligence to verify possible income sources using all tools available to them, including Accurint, MEDS, etc.
- If further information or clarity is needed, the county should attempt to obtain this information from both the PPS and Person Ordered to Receive Support (PRS) if possible.
- If the case has pending legal action or mitigating circumstances, follow local procedures to consult with LCSA Legal Representatives.

Security Roles

- While the assignment of roles is up to each county, counties must ensure that separate individuals handle initial review and approval.

Documentation of Review

- Counties should document the extent of their due diligence review within the available textboxes on the Collectability Review Detail page, including the date(s) of review and sources.

Social Security Administration (SSA) Benefits

- Counties may provide the SSI Resource Test to the PPS when evaluating for a Collectability Review which if returned, could lead caseworkers to evaluate the need for a modification to current support or assist caseworkers in updating the Social Security IWO to the 5% threshold to pay family owed arrears remaining on the case.
- Counties should attempt to verify SSA benefits through all available resources.
- SSA Benefits rates can be found [here](#). Please note that these rates change annually.

CAPI Benefits

- Potential CAPI recipient matches are provided on the Uncollectable Debt – Sole Source of Income Tableau Dashboard. When in doubt of a match, counties should reach out to their welfare/IV-A counterparts to verify the recipient's identity.

VA Benefits

- Receipt of VA benefits is not necessarily a clear indication of inability to work - Counties should still investigate whether the PPS is receiving another form of income, such as through the Office of Child Support Service's Child Support Portal, CLEAR, Accurant, other available resources or by contacting the PRS.
- The Uncollectable Debt Sole Source of Income Tableau Dashboard will provide the SSI/SSP rate to determine the qualifying amount of VA Benefit income.