



**Welcome to the 27th Annual
AB 1058 Child Support
Training Conference**

Collection Mechanisms and Opportunities for Family Empowerment

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California Department of Child Support Services

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Types of Collection Mechanisms

Immediate

Non-
Discretionary

Special

Extraordinary

Collection
Mechanisms
Outside of CSE



Immediate Collection Mechanisms

Income Withholding Orders
(IWO)

National Medical Support
Notice (NMSN)

Real Property Liens

Credit Reporting



Income Withholding Order (IWO)

- Mechanism is implemented immediately after the entry of the child support order:
 - Charging Instructions
 - Automated by CSE
 - Generated manually by the LCSA Caseworker



National Medical Support Notice (NMSN)

- Mechanism is implemented immediately after the entry of the child support order if:
 - Charging Instructions include medical insurance coverage
 - CSE does not have a record of medical insurance
 - Generated manually by the LCSA Case Manager



Real Property Liens

➤ Traditional Recorded Lien

- CSE automation to the County Recorder's Office in the PPS's county of residence
- CSE automation to the County Recorder's Office in the PPS's Parents' county of residence

➤ E-Record Real Property Lien

➤ Initiated by the LCSA Worker



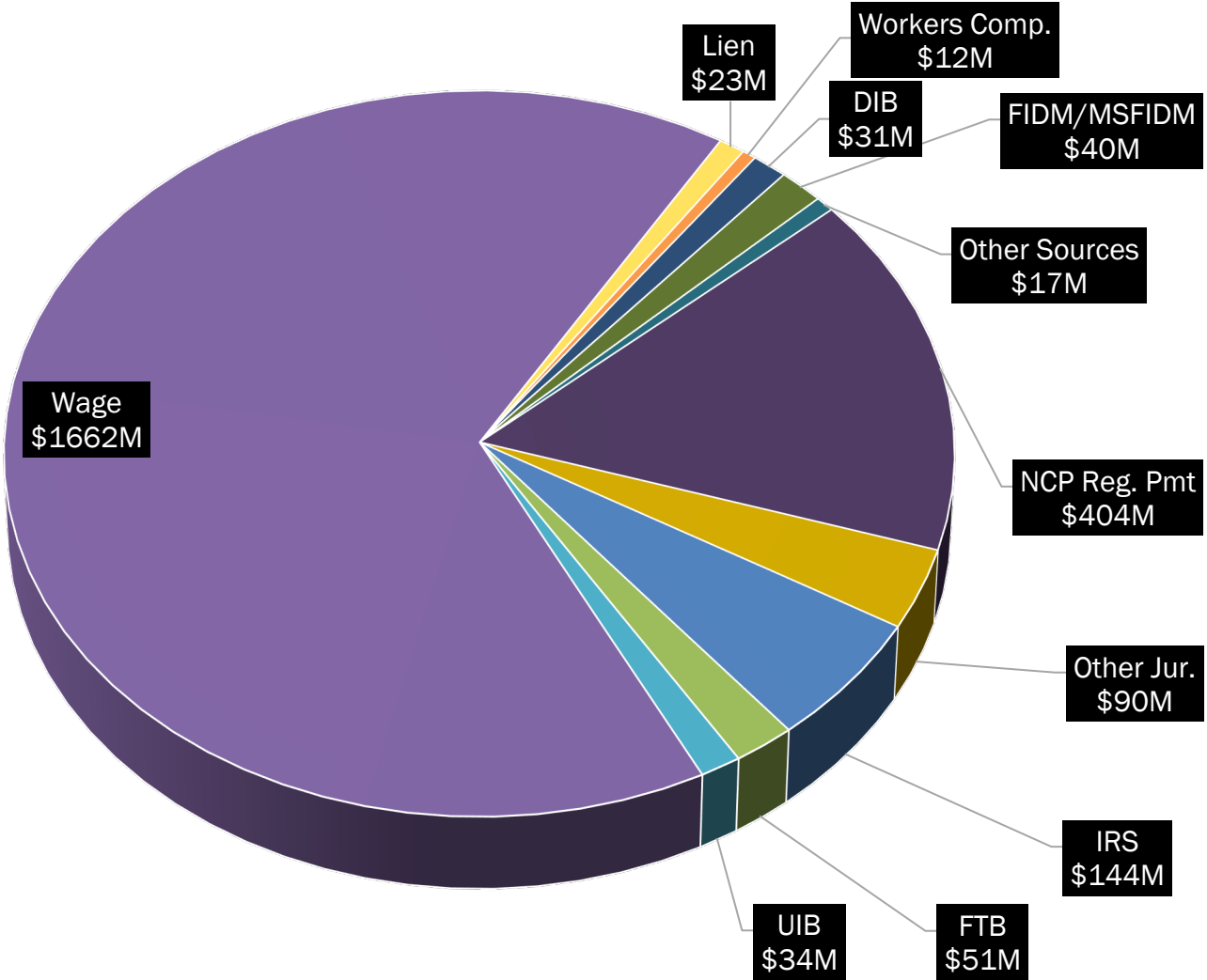
Credit Reporting

➤ Credit Bureaus

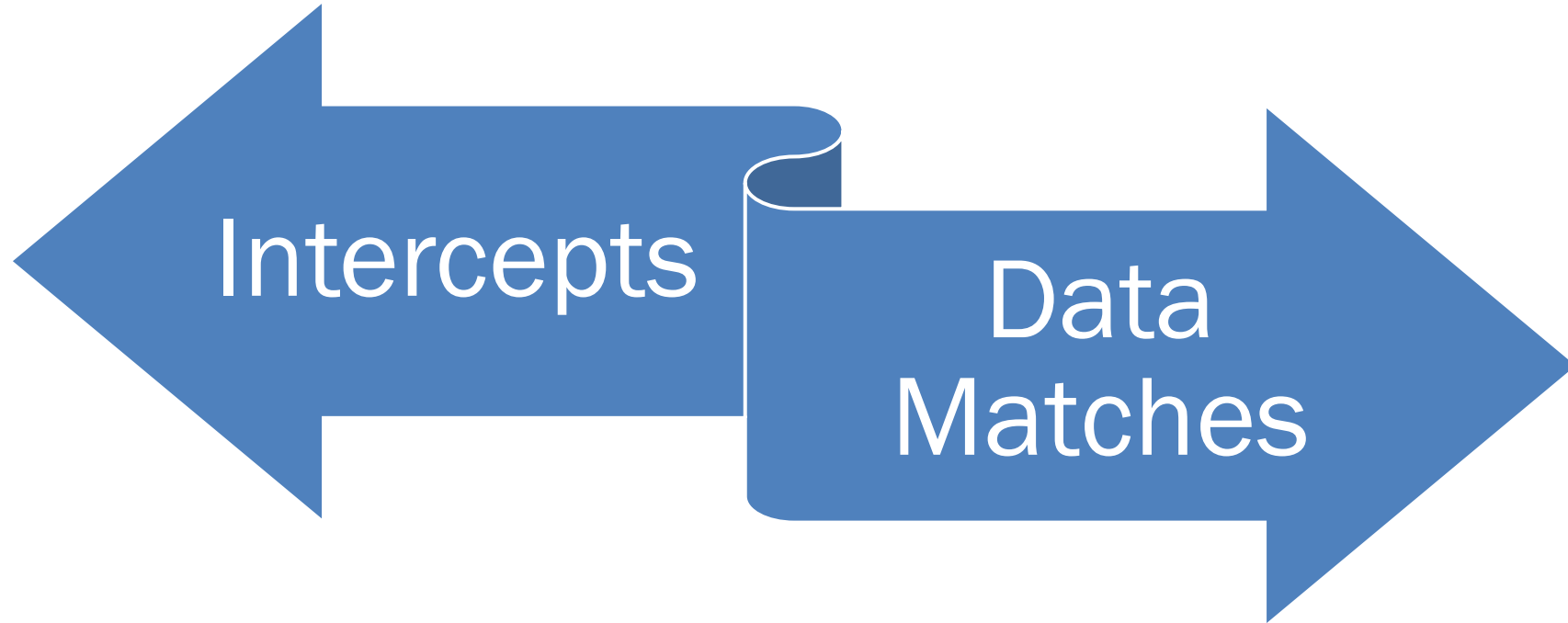
- TransUnion
- Equifax
- Experian
- Innovis



FY 22/23 Total Collections Received by Source-Statewide



Non-Discretionary



Child Support Warning Notice (CSWN)

➤ Annual Notice

- Sent to all PPSs that owe past due support
- Sent to PPSs prior to DCSS initiating Nondiscretionary Collection Mechanisms



Before any non-discretionary mechanisms, a CSWN must be sent out



Types of Intercepts

EDD

Employment Development Department

FOP

Federal Offset Program

FTB

Franchise Tax Board
Refunds/Lottery/Unclaimed Property



Offset Collections

Federal Tax Refund Offset

Administrative Offset

1982

- 7 million total child support cases
- 600k past-due cases
- 270k offsets
- \$168 million collected (TANF only)

2001

- 10,432 offsets
- \$2.6 million collected
- 32 states participating

2016

- 15.9 million total child support cases
- 7.8 million past-due cases
- 1.4 million offsets
- \$1.9 billion collected

2016

- 15,346 offsets
- \$7.4 million collected
- 45 states participating

2022

- 15.1 million total child support cases
- 6.3 million past-due cases
- 1.3 million offsets
- \$2.3 billion collected

2022

- 12,578 offsets
- \$8.5 million collected
- 46 states participating

Since
1982

- 54.3 million offsets
- \$58.4 billion collected

Since
2001

- 815,219 offsets
- \$265.2 million collected



Data Matches

Passport
Services

License
Suspension/
Revocation

CA Dept. of
Industrial
Relations (DIR)

Insurance
Match (CSLN &
OCSS)

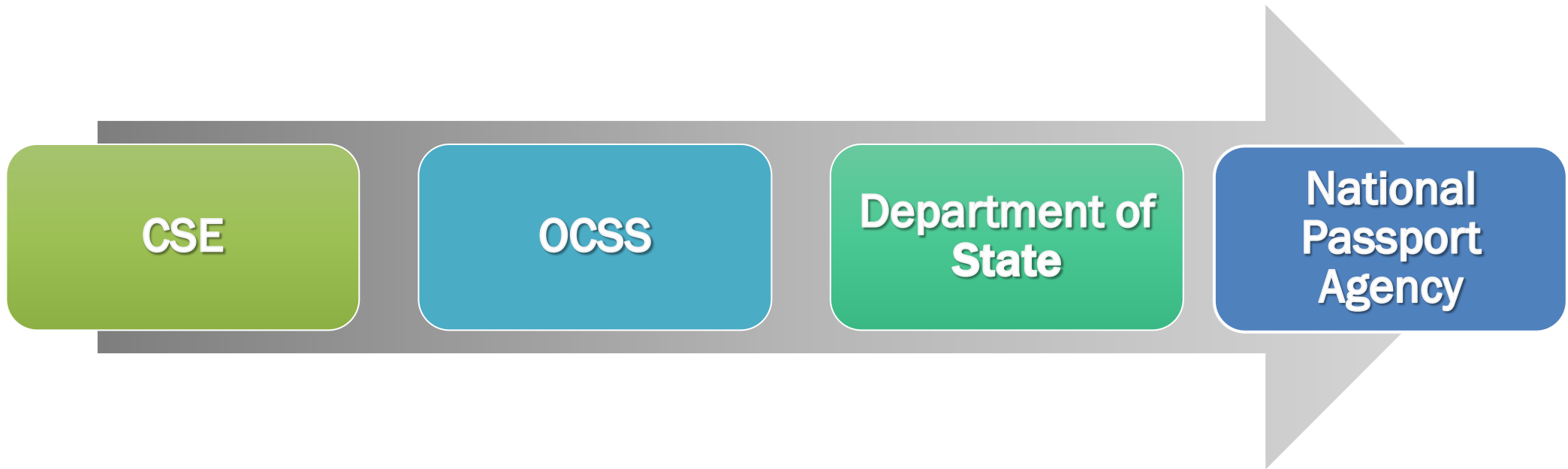
Financial
Institution Data
Match (FIDM)

Multi-State
FIDM (MSFIDM)



Passport Services

- Federal Offset Program
- PPS's arrears (family or government) exceed threshold



Passport Services

- Passport Release requires arrears to reach a \$0 balance
- Exceptions - mistaken identity, erroneous submission, death/terminal illness of family member
 - Appeal process for employment opportunities



Passport Services Statistics

1999

- 2.1 million NCPs certified
- \$2 million in reported collections

2016

- 4.4 million NCPs certified
- \$32 million in reported collections

2022

- 3.9 million NCPs certified
- \$34 million in reported collections

Since
1996

- \$565.7 million in reported collections



Passport Services Collections

- Passport release collections represent the amount paid (lump sum or over time) to get the balance to \$0 so the passport can be released.



Passport Services Collections

- Passport Appeal collections represent collections received as a result of approved appeals.
 - **Background:** We have an appeal process for PPSs who have a verified need to travel for work. The purpose is to keep people working and collections coming in, because otherwise the PPS will lose their job and be unable to pay at all.
 - These appeals must be reviewed by the LCSA Director(s) and approved by David Kilgore.



License Suspension/Revocation

- CSE submits file of delinquent PPSs (30 days delinquent)
- File to fourteen California Licensing Agencies including DMV
 - 150 Day Pre-Suspension Notice
 - 30 Day Pre-Revocation Notice
- PPS must contact LCSA for License Release



DMV License Releases

- There are 3 sub-categories for DMV license releases:
 - Expedite
 - Emergency Release
 - Non-Emergency Release



DMV License Releases - Expedite Release

- DMV's timeframe to process this release is same-day
- LCSA must contact the DCSS License Release Unit (LRU) to request this.
- Warranted situations include:
 - Court-ordered
 - PPS/Class A licensee is stuck at truck weigh station
 - PPS needs license for work



DMV License Releases – Emergency Release

- DMV's timeframe to process this release is within 3-5 business days
- This may include court-ordered releases



DMV License Releases – Non-Emergency Release

- DMV's timeframe to process this release is within 5-7 business days
- All other license releases



Workers' Compensation/DIR

- CSE matches against Workers' Compensation data provided by Department of Industrial Relations (DIR)
 - Generates task to caseworker
- Actions taken:
 - Lien issued on Permanent Disability Claims-Lump Sum Payment
 - IWO issued for Temporary Disability Claims (25%)



Insurance Match/Intercept

- Insurance Code 13550 requires insurance companies to participate in matching process with DCSS. Claims over \$1,000 to be reported. Can use third party processor to do matching (CSLN/OCSS)
 - Child Support Lien Network (CSLN)-matches delinquent participants against nationwide insurance records and issues IWOs on California matches
 - Office of Child Support Services (OCSS) Insurance Match-provides matches to states and IWOs are issued



Insurance Match/Intercept Statistics

2007-
2008

- 115 insurers participating
- 35k new matches distributed to states
- \$42k reported collections by 7 states

2016

- 989 insurers participating
- 776k cumulative new matches distributed to states
- \$138.9 million reported collections by 21 states

2022

- 1,749 insurers participating
- 1.9 million cumulative new matches distributed to states
- \$149.8 million reported collections by 28 states

Since
2007

- 2.2 million cumulative new matches distributed to states
- \$1.6 billion in reported total collections



Insurance Match/Intercept State-Reported Statistics

IM Collections			
Month	2021	2022	Change
JAN	\$808,875	\$1,516,289	87.5%
FEB	\$826,980	\$2,796,740	238.2%
MAR	\$1,305,257	\$1,511,266	15.8%
APR	\$908,311	\$1,404,459	54.6%
MAY	\$829,319	\$1,135,051	36.9%
JUN	\$1,141,842	\$1,202,734	5.3%
JUL	\$804,339	\$1,263,941	57.1%
AUG	\$1,159,068	\$1,857,090	60.2%
SEP	\$968,833	\$1,418,381	46.4%
OCT	\$1,136,158	\$1,693,497	49.1%
NOV	\$1,194,026	\$1,277,064	7.0%
DEC	\$954,684	\$1,294,861	35.6%
YTD	\$12,037,693	\$18,371,374	52.6%

IM Combined Collections			
Month	2021	2022	Change
JAN	\$9,473,818	\$12,110,776	27.8%
FEB	\$8,983,144	\$10,975,817	22.2%
MAR	\$13,264,597	\$14,391,245	8.5%
APR	\$10,424,253	\$12,658,491	21.4%
MAY	\$10,284,532	\$12,571,962	22.2%
JUN	\$11,719,577	\$11,932,423	1.8%
JUL	\$10,248,280	\$12,134,913	18.4%
AUG	\$10,353,173	\$13,487,223	30.3%
SEP	\$9,633,853	\$8,178,547	-15.1%
OCT	\$10,884,885	\$7,958,675	-26.9%
NOV	\$11,075,998	\$7,765,656	-29.9%
DEC	\$11,285,284	\$7,299,989	-35.3%
YTD	\$127,631,394	\$131,465,716	3.0%



FIDM/MSFIDM Matching

- Financial Institution Data Match (FIDM)
 - Matched asset information is provided via third party vendor
- Multistate Financial Institution Data Match (MSFIDM)
 - Matched asset information is provided via OCSS
- CSE generates Order to Withhold (bank levy)
- Bank levy may also be generated manually



MSFIDM Statistics

2000

- 4.3 million matches associated with 600k unique PPSs
- \$20.9 million reported collections

2016

- 20.6 million matches associated with 2.1 million unique PPSs
- \$162.1 million reported collections

2022

- 34.7 million matches associated with 2.5 million unique PPSs
- \$179.5 million reported collections

Since
1999

- \$3.3 billion in reported total collections



MSFIDM State-Reported Collections

MSFIDM Collections			
Month	2021	2022	Change
JAN	\$714,595	\$643,517	-9.9%
FEB	\$382,763	\$1,194,213	212.0%
MAR	\$1,274,648	\$1,638,637	28.6%
APR	\$749,172	\$1,912,185	155.2%
MAY	\$350,326	\$1,612,599	360.3%
JUN	\$1,230,627	\$859,425	-30.2%
JUL	\$840,087	\$941,663	12.1%
AUG	\$656,218	\$1,157,175	76.3%
SEP	\$908,198	\$843,665	-7.1%
OCT	\$609,346	\$1,199,991	96.9%
NOV	\$1,089,747	\$1,406,146	29.0%
DEC	\$1,134,082	\$1,309,575	15.5%
YTD	\$9,939,809	\$14,718,791	48.1%

(In-State) FIDM Collections			
Month	2021	2022	Change
JAN	\$331,001	\$400,774	21.1%
FEB	\$283,944	\$596,247	110.0%
MAR	\$953,439	\$595,134	-37.6%
APR	\$326,963	\$446,389	36.5%
MAY	\$121,263	\$644,724	431.7%
JUN	\$615,098	\$624,958	1.6%
JUL	\$527,016	\$392,154	-25.6%
AUG	\$456,955	\$720,715	57.7%
SEP	\$633,353	\$785,174	24.0%
OCT	\$382,047	\$407,183	6.6%
NOV	\$590,501	\$1,393,682	136.0%
DEC	\$517,084	\$712,905	37.9%
YTD	\$5,738,666	\$7,720,039	34.5%

Combined MSFIDM/FIDM Collections			
Month	2021	2022	Change
JAN	\$6,063,455	\$17,905,441	195.3%
FEB	\$6,690,500	\$18,027,536	169.4%
MAR	\$16,860,698	\$13,080,840	-22.4%
APR	\$8,086,942	\$14,568,134	80.1%
MAY	\$9,929,141	\$12,091,804	21.8%
JUN	\$13,231,676	\$15,668,261	18.4%
JUL	\$11,946,621	\$14,082,049	17.9%
AUG	\$11,018,663	\$16,794,599	52.4%
SEP	\$12,290,703	\$7,818,130	-36.4%
OCT	\$14,839,782	\$7,411,085	-50.1%
NOV	\$12,716,540	\$10,467,447	-17.7%
DEC	\$13,293,222	\$9,150,355	-31.2%
YTD	\$136,967,944	\$157,065,681	14.7%



Special Collection Mechanisms

Job Search Orders

Order for Judgment
Debtor Examination

Bankruptcy



Job Search Orders

- When can the LCSAs request the court to require the PPS to seek employment?
 - A court hearing where there is an issue of child support
 - PPS's failure to pay support is due to unemployment
 - LCSA uses job seeking as an effective collection method



Order of Judgment Debtor Examination

- LCSAs may take this action when:
 - Locate attempts to apply assets found have been unsuccessful



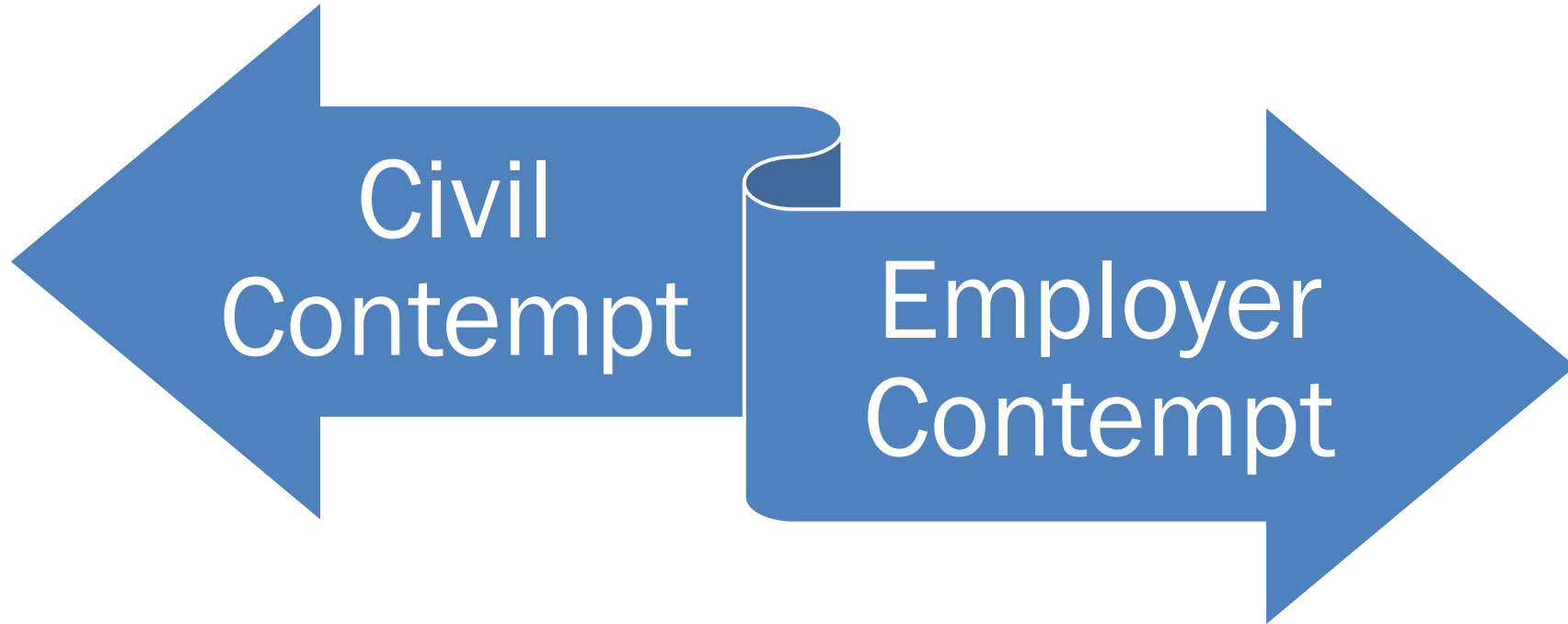
Bankruptcy

➤ CSE will automatically suppress the following actions:

• Billing Statement	• License Suspension
• IWO	• Bank Levy
• National Medical Support Notice	• Federal Offset Program
• Lien	• FTB Intercepts
• Child Support Warning Notice	• EDD Intercepts



Extraordinary Collection Mechanisms



Civil Contempt

- California Code of Civil Procedure, Section 1209.5
 - *“When a court of competent jurisdiction makes an order compelling a parent to furnish support or necessary food, clothing, shelter, medical attendance, or other remedial care for his or her child, proof that the order was made, filed, and served on the parent or proof that the parent was present in court at the time the order was pronounced and proof that the parent did not comply with the order is prima facie evidence of a contempt of court.”*



Employer Contempt

- Family Code Section 5241(a) through (d), (f)
 - *“(a) An employer who willfully fails to withhold and forward support pursuant to a currently valid assignment order entered and served upon the employer pursuant to this chapter is liable to the obligee for the amount of support not withheld, forwarded, or otherwise paid to the obligee, including any interest thereon.”*



Collection Mechanisms Outside of CSE

Alaska Permanent Fund
Dividend

CalPERS IWO

Lump Sum/Bonus Payments

Thrift Savings Plan



Alaska Permanent Fund Dividend (PFD)

- Eligible to Residents of Alaska
- Annual Dividend payment disbursed between October and November
- Amount varies each year, but averages \$1,600/year
- Eligibility is determined by Alaska



California Public Employee Retirement System (CalPERS)

- CalPERS benefits are subject to IWOs for the collection of child support
- DCSS and CalPERS have a matching process that produces a monthly match report
- LCSAs will review the match report and update the employer information to generate the IWO for retirement benefits from CalPERS



Lump Sum/Bonus Payments

- Social Security Administration (SSA)
 - Contacts DCSS when lump sum payment being made to PPS.
- Employers
 - Reports Lump Sum/Bonus payments through the OCSS Child Support Portal or via email. Lump Sum IWO issued to employer.
- CalPERS
 - Contacts DCSS when PPS requests a lump sum/cash out of their benefits. Lump Sum IWO issued to CalPERS.

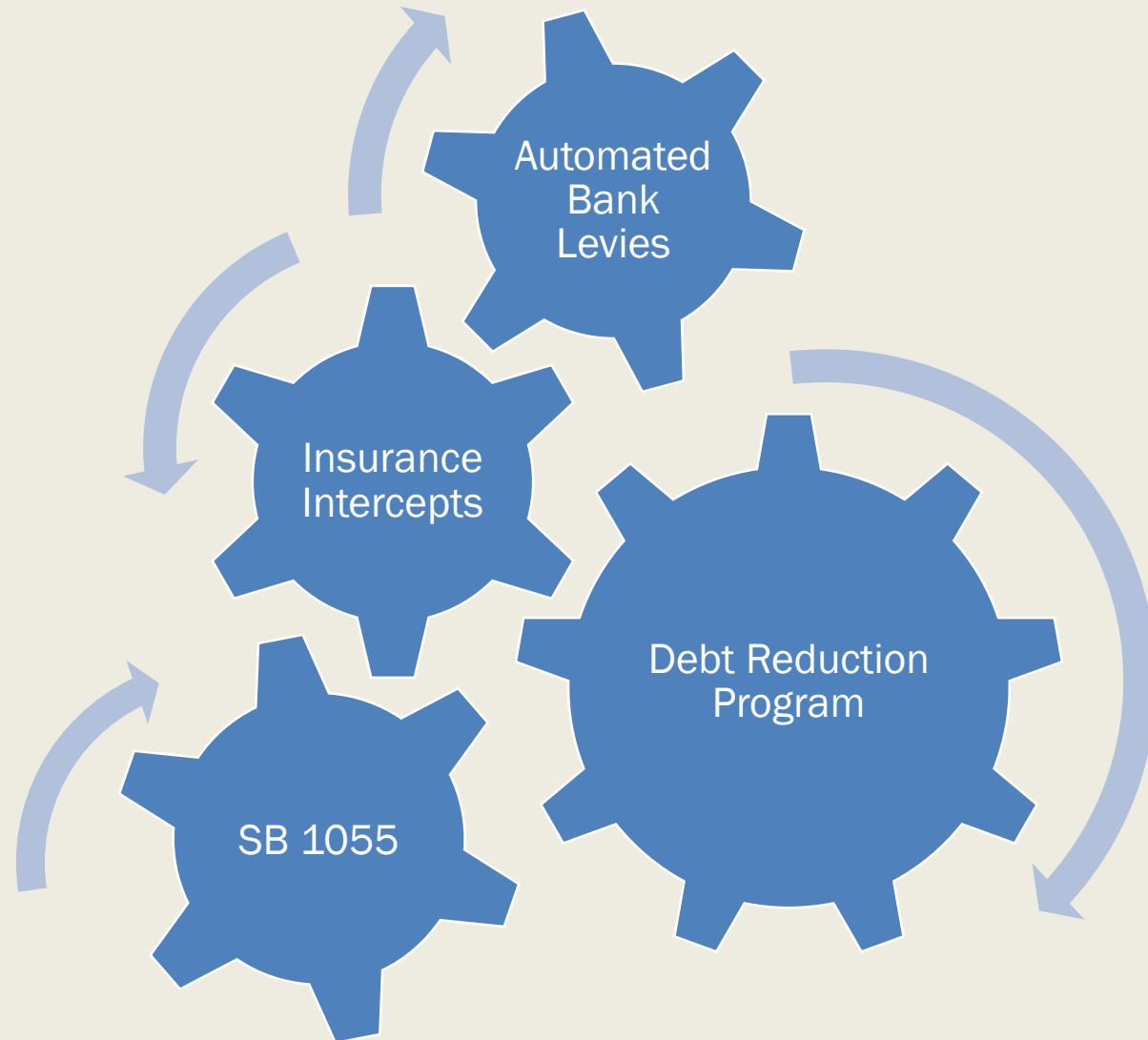


Thrift Savings Plan (TSP)

- Retirement savings plan for federal employees and members of the military
- File match provided quarterly
- DCSS staff manually issues Order to Withhold (bank levy) to attach funds



Opportunities for Family Empowerment



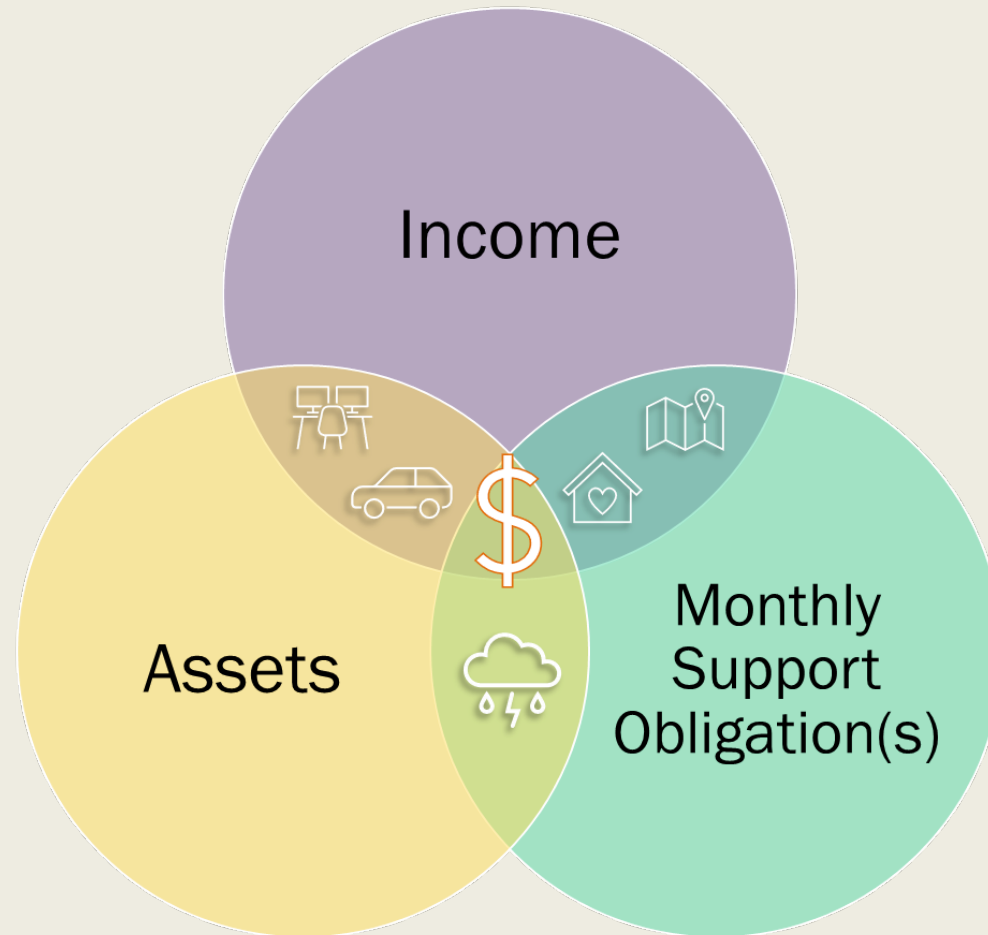
Debt Reduction Program

- Change from COAP to Debt Reduction Program
- Expand eligibility
- Improve program outcomes
- Support statewide poverty prevention
- Reduce Child Support Debt in California



Debt Reduction Program

Ability to Pay & Repayment Determination



Debt Reduction Program Performance

- Comparing DRP figures in SFY 22-23 to SFY 21-22:
 - Applications Received: +6.87%
 - Applications Approved: +27.32%
 - Compromise Approved: +8.21%
 - Repayment Approved: +63.14%
 - Total Collections Received: +21.48%
 - Average Compromised per Approved Application: -15%
 - Average Repayment Approved per Application: +28.14%



Debt Reduction Program Performance

- Comparing DRP figures in SFY 22-23 to COAP in SFY 18-19:
 - Applications Received: +130.99%
 - Applications Approved: +198.79%
 - Compromise Approved: +209.66%
 - Repayment Approved: +232.04%
 - Total Collections Received: +119.69%
 - Average Compromised per Approved Application: +3.64%
 - Average Repayment Approved per Application: +11.13%



Automated Bank Levy Changes

- Effective December 12, 2021, updated bank levy criteria:
 - Non-compliant cases meeting threshold, Financial Institution (FI) account meeting threshold
 - Never on compliant cases
 - Suppressed on PPS receiving UIB and/or DIB
 - Timeframes changed for automated levy issuance



Measure of Effectiveness

FIDM 2019

- 620,713 Levies generated
- \$48.97 million collected
- Effectiveness: **\$79** collected per levy

FIDM 2022

- 11,383 levies generated
- \$48.20 million collected
- Effectiveness: **\$4,235** collected per levy



California Fast Levy Collections

Month	FAST Levy Collections 2019	FAST Levy Collections 2022	Percent Change 2019 vs 2022
January	\$370,912	\$382,694	3.2%
February	\$198,199	\$354,574	78.9%
March	\$210,242	\$104,665	-50.2%
April	\$121,275	\$14,325	-88.2%
May	\$358,127	\$93,248	-74.0%
June	\$77,699	\$97,343	25.3%
July	\$83,195	\$250,033	200.5%
August	\$251,041	\$292,618	16.6%
September	\$96,439	\$307,122	218.5%
October	\$260,045	\$66,913	-74.3%
November	\$221,257	\$192,473	-13.0%
December	\$58,385	\$122,534	109.9%
Total	\$2,306,817	\$2,278,542	-1.2%



Senate Bill (SB) 1055

- Effective January 2025, adds FC 17520.5
- Prohibits submission of PPS for State Licensing Match (SLM) to DMV if PPS household income is $\leq 70\%$ of median income for the county where PPS resides

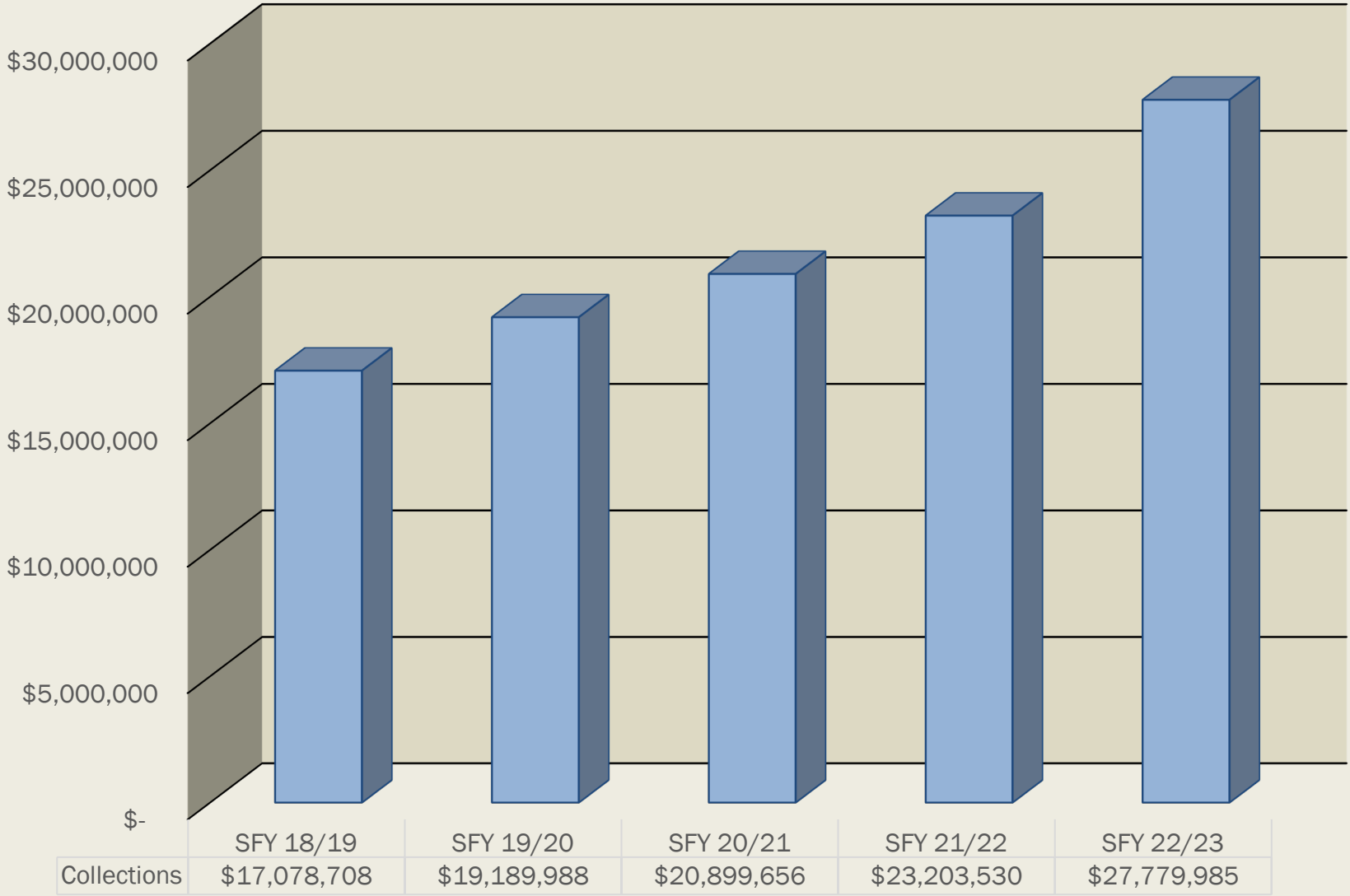


Insurance Intercept Improvements

- Following AB 2802 changing the Insurance Intercept Program from voluntary to mandated participation for insurers, several CSE improvements were made:
 - Dec 2019: New Insurance IWO forms and CSE pages
 - Feb 2020: New CSLN interface
 - Aug 2023: New OCSS interface
 - Feb 2024 (*planned*): Improved DIR interface



Insurance Intercept Improvements



Questions?



Thank you!

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