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KATHLEEN KRAUSE
Clerk of the Board of Supervisors
Kern County Administrative Center
1115 Truxtun Avenue, 5th Floor
Bakersfield, CA 93301
Telephone (661) 868-3585
TTY Relay (800) 735-2929

June 5, 2024

The Honorable Jesse Gabriel, Chair
Assembly Committee on Budget
1021 O Street, Suite 8230
Sacramento, CA 95814

The Honorable Scott Wiener, Chair
Senate Budget and Fiscal Committee
1021 O Street, Suite 8620
Sacramento, CA 95814

The Honorable Corey Jackson, Chair
Assembly Budget Subcommittee No. 2
1021 O Street, Suite 6120
Sacramento, CA 95814

The Honorable Caroline Menjivar, Chair
Senate Budget Subcommittee No. 3
1021 O Street, Suite 6720
Sacramento, CA 95814

Dear Legislative Budget and Subcommittee Chairs,

I am writing on behalf of the Kern County Board of Supervisors to express our serious concern with the May 29 joint legislative proposal that includes a \$29.4 million reduction in funding for California's local child support agencies (LCSA). This cut represents \$10 million from the State General Fund and \$19.4 million to be lost from Federal Financial Participation (FFP). The loss of state and federal funding will significantly impact our local program, staff, and the families we serve in Kern County.

The California Child Support program funding was held flat for over 15 years. In 2018, the Child Support Directors Association (CSDA) and the Department of Child Support Services (DCSS) conducted a Level of Effort Study in 2018 which analyzed federal and state mandated casework activities and identified the minimum level of funding needed to provide enough resources to LCSAs to conduct those activities. The Level of Effort Study resulted in a funding methodology which was codified in Family Code 17306.1. California has been working to fully implement this methodology to ensure LCSAs have adequate resources to perform mandated work and to bring funding equity to California counties. This has not been accomplished; the California program was already underfunded by

\$100.9 million (\$34.3 million General Fund). This proposed cut will increase this program's funding deficit to \$130.3 million (\$44.3 million General Fund).

Instead, since that time, money has been given to, and taken away from the local program repeatedly in such a way that has created program instability and an inability to hire and retain trained staff, complicated by the unstable and tight labor market following the COVID-19 pandemic. Our county, prior to this proposal, was already underfunded by close to \$9 million, now exacerbated by an additional cut of \$1 million.

Child poverty in California stands at nearly 14%, according to the Public Policy Institute of California¹, and the child support program is crucial in addressing this issue. By ensuring that both parents contribute to their children's support, our program helps reduce poverty and avoid additional social costs. The recent implementation of the Formerly Assisted Pass-Through program aims to distribute more child support to low-income parents. However, these budget cuts will hinder our ability to collect and distribute child support and reduce child poverty.

The childhood poverty rate in Kern County is 29%², with 18.2%³ of Kern's children living in food insecure homes. We see firsthand the impact of child poverty and how essential our services are in alleviating it. Kern County Child Support Services serves 52,590 children and in FY 22/23, collected and distributed \$71.3 million directly to families with a cost effectiveness of \$3.23 for every dollar invested in the program.

California is poised to implement the federal Flexibility, Efficiency, and Modernization in Child Support Enforcement Programs (FEM) Final Rule, which acknowledges the unique economic needs and limitations of each case. The new federal guidelines require gathering and analyzing information from a broader range of sources than currently available. Adequate staffing is essential for LCSAs to meet these requirements, particularly in addressing disparities for historically underserved communities. Ensuring equal opportunities for all Californians is vital for the prosperity of our communities.

The Legislature's Budget Committees are proposing to make this cut permanent. While understanding the need to address California's budget challenges, making this cut permanent will have long-lasting adverse effects and will reduce federal funding on an ongoing basis. LCSAs are already underfunded and not at parity. I strongly urge you to reconsider and avoid any permanent California Child Support program reductions.

¹ https://www.ppic.org/publication/poverty-in-california/?utm_source=ppic&utm_medium=email&utm_campaign=epub

² <https://kern.org/kcnc/wp-content/blogs.dir/4/files/sites/21/2021/08/2021-Important-Child-Facts.pdf>

³ https://www.capk.org/wp-content/uploads/2023/09/CAPK-Food-Insecurity-Needs-Assessment-2023_Final.pdf

In conclusion, while recognizing the fiscal challenges facing the Legislature, there are more viable solutions than permanently cutting the Child Support Program. This cut will exacerbate family and child poverty, increase reliance on other programs, reduce federal funds for California as the program is funded at 33% by the State and 66% by the Federal Government. This means for every dollar allocated to the program, counties are able to draw down additional funding to better serve children in our communities. I urge you to reconsider this proposal. If you have any questions, please contact our Director of Child Support Services, Elizabeth Chavez, at Chavez.Elizabeth@kernco.cse.ca.gov.

Thank you for your time and consideration of our request.

Sincerely,

A handwritten signature in black ink, appearing to read 'DC', is positioned above the typed name of the signatory.

David Couch, Chairman
Kern County Board of Supervisors

cc: The Honorable Gavin Newsom, California Governor
The Honorable Mike McGuire, Senate President pro Tempore
The Honorable Robert Rivas, Speaker of the Assembly
Honorable Members, Senate Budget and Fiscal Committee
Honorable Members, Assembly Committee on Budget
Honorable Members, Senate Budget Subcommittee No. 3
Honorable Members, Assembly Budget Subcommittee No. 2
Honorable Members, Kern Legislative Delegation
David Kilgore, Director CA Department of Child Support Services
Child Support Directors Association of California
California State Association of Counties
Kern County Department of Child Support Services
Shaw Yoder Antwih Schmelzer & Lange