



California
Department of
Child Support
Services

Press Release

FOR IMMEDIATE RELEASE
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CALIFORNIA BEGINS CENTRALIZED CHILD SUPPORT PAYMENT PROCESSING IN 11 COUNTIES

California Expands Ability to Put Child Support Dollars into the Hands of California Families

SACRAMENTO – Child support payment collection and processing today will transition from local child support agencies in 11 counties to a single statewide payment processing center, the California State Disbursement Unit (SDU). This transition marks the first phase of the Department of Child Support Services' (DCSS) implementation of federal automation and centralized payment processing requirements. The centralized payment system will improve the tracking of child support obligations across the state, ultimately speeding up the delivery of services to families.

"California's automated payment processing system will meet federal requirements and offer a wider array of payment options to families," said DCSS Director Greta Wallace.

The SDU will be responsible for the collection and disbursement of all child support payments currently processed by local child support agencies. Child support cases handled through local child support agencies are part of California's Title IV-D child support program caseload. Californians with private child support orders who do not pay through wage withholding will not be impacted by the centralized payment processing system.

Eleven county child support agencies volunteered to be part of the first wave of counties transitioning to the centralized system. The 11 county child support agencies are: Amador, Alpine, Calaveras, Kings, Modoc, Nevada, San Joaquin, Santa Clara, Sierra, Siskiyou and Tulare. These counties comprise approximately 9 percent of the statewide caseload or 170,000 cases.

The new system will provide the following enhanced services to families receiving support and parents making support payments:

- Web and toll-free call center access to information.
- Direct deposit services for families receiving support payments, a new service in many counties.
- Ability to make payments online using credit cards over a secure Internet connection and set up electronic payment transfers from a checking or savings account.

Instant access to support dollars through electronic payment cards, similar to ATM or debit cards, which can be used at ATM machines as well as retail outlets, will be available in summer 2006.

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“At the heart of creating our statewide system is the well-being of the children and families we serve. Working with local child support officials, we have taken deliberate steps to minimize the impacts of these changes and ensure payments are accurately processed,” said Wallace.

During transition, county child support agencies will forward child support payments daily to the SDU for processing. This forwarding process will initially delay child support payments for a few days, but is essential to ensuring accurate payment processing as counties convert to the statewide system.

Those initial delays will be eliminated in summer 2006 when the SDU is fully operational. At that time, child support payments formerly handled by local child support agencies and all wage withholding payments will be sent directly to the SDU.

Families affected in the first wave have been informed by DCSS and their local child support agencies about the program changes. During transition, child support customers can expect:

- Their child support check and envelope to have a new look.
- Payments to be sent from the SDU’s central location.
- Child support payments to continue to be made to local child support agencies.
- Local child support agencies to remain the primary point of contact for families and parents with questions about payments.

BACKGROUND

Federal law requires states to implement a single statewide automated child support system, including a single location for processing all child support collections and payments. The purpose of the requirements is to provide statewide case management capabilities and to streamline and reduce the costs associated with the receipt and disbursement of child support collections.

The delay in meeting this requirement has resulted in California paying significant federal penalties. Penalties will end when the system qualifies for federal certification in September 2006.

In 1999, state legislation was enacted requiring the Franchise Tax Board (FTB) to procure a performance-based contract for a single statewide automated system, now referred to as the California Child Support Automation System (CCSAS). The CCSAS project is overseen by DCSS and managed by FTB.

The CCSAS exemplifies the ability of state entities - DCSS and FTB - to work together to develop an automated system that will give state and local officials the necessary tools to better serve the public.

DCSS has also sought the active participation of local child support agencies in the CCSAS and SDU projects. Through the Child Support Directors Association (CSDA) and its various committees, local child support officials participate in every major aspect of the statewide system’s development and implementation. This ongoing partnership is a critical component in the state’s efforts to develop a system that will better serve California families and increase the state’s ability to put child support dollars into the hands of children and families.

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In early 2006, the second wave of county child support agencies will transition to the SDU. Those county agencies are El Dorado, Fresno, Inyo, Kern, Lassen, Merced, Mono, Orange, San Benito, Santa Cruz, Stanislaus and Tehama. The SDU will be operational statewide in summer 2006.

DCSS is responsible for ensuring that all functions necessary to establish, collect and distribute child support are effectively and efficiently implemented. In 2004, the state program collected \$2.3 billion and served more than two million children.

Child support program services are delivered through 52 local child support agencies. The following services are available at no cost to the public:

- Locating a parent.
- Establishing paternity.
- Establishing, modifying and enforcing a court order for child support.
- Establishing, modifying and enforcing an order for health insurance coverage.

For more information, log on to <http://www.childsup.ca.gov/>.

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State Disbursement Unit

Fact Sheet

Federal law requires states to implement a single statewide automated child support system, including a single location for processing all child support collections and payments. The delay in meeting this requirement has resulted in California paying more than \$750 million in penalties. Those federal penalties will stop when the new statewide system is in place.

To meet federal requirements, the California Department of Child Support Services (DCSS) is implementing a central site for payment processing called the State Disbursement Unit (SDU). Implementation of the SDU will begin in Fall 2005 and will be operational statewide in Summer 2006.

The SDU will be responsible for collection and disbursement of all child support payments currently processed by the state's local child support agencies, plus all wage assignment payments for private child support orders not currently processed by local child support agencies.

The system will provide enhanced services to families receiving support and to parents making support payments, as well as employers.

Children and families will enjoy several benefits, such as:

- Web and toll-free call center access to information.
- Immediate access to direct deposit services for families receiving support payments if not already available.
- Beginning in Summer 2006, families can get instant access to support dollars through electronic payment cards, similar to ATM or debit cards, which can be used at ATM machines as well as retail outlets.
- Parents can make payments using credit cards over a secure internet connection and set up electronic payment transfers from a checking or savings account.

Employers will be able to electronically transfer payments for wage withholding directly to the state and will have access to an Electronic Help Desk.

Implementation

To minimize impacts to service and ensure smooth local transitions, the system will be phased in statewide in a series of waves. Statewide implementation will be complete in Summer 2006. As counties transition, outreach is being provided jointly by DCSS and local child support agencies.

When local child support agencies transition to the SDU, child support payments will be forwarded daily via express mail services to the SDU for processing. This extra step during system transition will add a few days to when families usually receive their child support payments.

- Eleven counties have volunteered to be part of Wave 1 transition to the new system in Fall 2005. Wave 1 counties are: Amador, Alpine, Calaveras, Sierra, Nevada, Siskiyou, Modoc, Kings, Tulare, San Joaquin and Santa Clara.
- Wave 2 counties will transition in early 2006. Wave 2 counties are: Inyo/Mono, Lassen, Tehama, El Dorado, Santa Cruz/San Benito, Merced, Stanislaus, Kern, Fresno and Orange.

In Summer 2006 when SDU implementation is complete, child support payments handled by local child support agencies and all wage withholding payments will be redirected to the SDU.

For more information, log on to ***www.childsup.ca.gov***.



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California State Disbursement Unit

What You Need to Know

California's child support program is making some important changes that will make it easier for families to get their support payments, and will give parents who pay support more payment options.

If you are a family receiving support payments or a parent making support payments, there are steps you can take to prepare for your transition to the State Disbursement Unit.

What is the State Disbursement Unit (SDU)?

Federal law requires states to have a single entity responsible for collecting and processing child support payments. California is meeting this federal requirement by implementing the State Disbursement Unit (SDU). The SDU will be phased in by county over the next six months.

The SDU will help families receiving support and parents who pay support. Benefits include:

- Web and phone access to information;
- Immediate access to direct deposit services for families receiving support payments—a new service in many counties;
- In Summer 2006, families can get instant access to support dollars through electronic payment cards, similar to ATM cards, which can be used at ATM machines as well as retail outlets; and
- Parents who make support payments will also be able to access accounts on-line, make payments using credit cards over a secure internet connection, and set up electronic payment transfers from a checking or savings account.

Information for Families Receiving Support Payments

When will this happen, and how will it affect me?

You will be receiving a letter from the Department of Child Support Services about 45 days before your county child support agency transitions to the SDU. The letter will explain the changes in the payment process. Your support payments will now come from the SDU. *If you receive payment by check, your check and the envelope will have a new look—so check your mail carefully.*

Will I get my check in the mail at the same time I usually do?

You may experience a delay in getting your check while your child support agency is transitioning to the SDU. During the transition, child support payments will be forwarded daily via express mail delivery to the SDU for processing.

This extra step will add some additional time to when you normally receive your child support payment, but is necessary to ensure your payment is accurate as we implement the system. In Summer 2006, when the SDU is operating statewide, support payments will be sent directly to the SDU, eliminating this extra step.

Keep in mind that because the SDU will be sending your payment from its central office, your payment may reach you later than when it was mailed by your local office.

Every effort is being made by the Department of Child Support Services and your local child support agency to get your payments to you as quickly as possible.

Need help?

***Visit the SDU
website at
www.casdu.com***



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What can I do to make sure I get my check as fast as possible?

Ask for direct deposit as a payment option!

When you are notified that your county child support agency is transitioning to the SDU, *sign-up for direct deposit*. If you don't already have direct deposit, you can access the application on-line via the website at www.casdu.com, download a Direct Deposit Form (DCSS 0485) from the site, or call your local agency to enroll or request an enrollment form. Direct deposit forms will also be available at your local child support office.

If I already have direct deposit, do I have to enroll again?

No. If your support payment is already going into your bank account, nothing will change. Your payment will continue to be deposited into your account.

Can I still call my child support office if my check is late or if I have questions?

Yes. Your local child support office will be able to help you and answer your questions.

I'm on CalWORKS—will my disregard payment change?

Yes. When your county transitions to the SDU, your disregard payment will now come from the SDU—not the county. *Your disregard check and envelope will have a new look—check your mail carefully.* If you have questions about your statement, call your local child support agency and they will be able to help you.

You will continue to receive your monthly disregard as long as the noncustodial parent continues to pay child support every month. What will change is how your disregard is displayed on your “Monthly Statement of Child Support Collections.”

When your county transitions to the SDU, your monthly statement will show the disregard as paid in the month that the collection was received, rather than for the month the child support was withheld from the noncustodial parent's wages (sometimes the prior month).

Example:

Under the *old* system:

- Payment was withheld in October, but received in November. On your November statement, the disregard is displayed as a disregard for the month of October.

Under the *new* system:

- Payment was withheld in October but received in November. On your November statement, the disregard will show as a disregard for the month of November.

If I receive child support from another state or country, do I need to let them know about the change?

No. If you have a California child support case and you are paid through another state or country, the SDU will be in contact with that jurisdiction when your county transitions to the SDU. The SDU will give them the information necessary to ensure your payment is received timely.



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Information for Parents Making Support Payments

Will I be notified about the change?

Yes. You will be receiving a letter from the Department of Child Support Services about 45 days before your county child support agency transitions to the SDU. This letter will explain the changes in the payment process.

How will I make my payments?

If you are sending your payments to your local child support agency, continue to do so. During transition to the SDU, child support payments will be forwarded daily via express mail services to the SDU for processing. You will continue to work with your local agency for payment-related information.

All payments will now be credited on the date they are received at the SDU. To ensure the SDU receives your payment before the end of the month, payments should reach your local child support agency by the 20th of each month. In Spring 2006, you will begin sending your payments directly to the SDU.

Can I continue to make credit card payments?

Yes. If your local office currently processes credit card payments, they will continue to receive and/or process your credit card payment locally. In Summer 2006, you will be able to make your payments using credit cards over the SDU's secure internet website, and you will also have the option to pay by electronic funds transfer (EFT) from a checking or savings account.

Can I go to my child support office and make a payment?

Yes. Local child support agencies will still accept payments. But during transition, your local office must forward the payment to the SDU for processing. Your account will be credited on the date the SDU receives your payment.

To ensure the SDU receives your payment by the end of the month, make your payment by the 20th of the month so your local office can forward it to the SDU in time.

If you usually pay your child support in cash, you should consider paying by check, money order, or other means to avoid the delay caused by forwarding your payment. In Summer 2006 when the system is running statewide, you will send your payments directly to the SDU.

My payment is taken out of my paycheck. How will I be affected?

When your county transitions to the SDU, your wage withholding payment will be forwarded to the SDU by the local child support office. Your account will now be credited on the date the payment is received at the SDU.

This is a change from how your payments were credited under the old system. Now all payments will be credited when they are received at the SDU. Payments will no longer be credited on the date they are withheld from your paycheck. All payments must be received at the SDU by the end of the month to be credited in that month.

If your wage withholding is received at the SDU after the end of the month, you will have a balance due. During the system transition, the Department of Child Support Services and your local child support agency will be working to minimize any inconveniences caused by the system change.

To avoid adding to your existing account balance or to keep from starting a balance, you have the option to make payments over time to clear any past-due amounts.

Need help?

***Visit the SDU
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www.casdu.com***



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Can I still call my child support office if I have questions about my account?

Yes. Your local child support office will be able to help you and answer your questions.

Do I need to tell my employer to do anything differently?

No. Employers will receive instructions for redirecting existing child support payments to the SDU for all affected employees. Until then, employers will continue sending payments to the local child support agencies as they currently do.

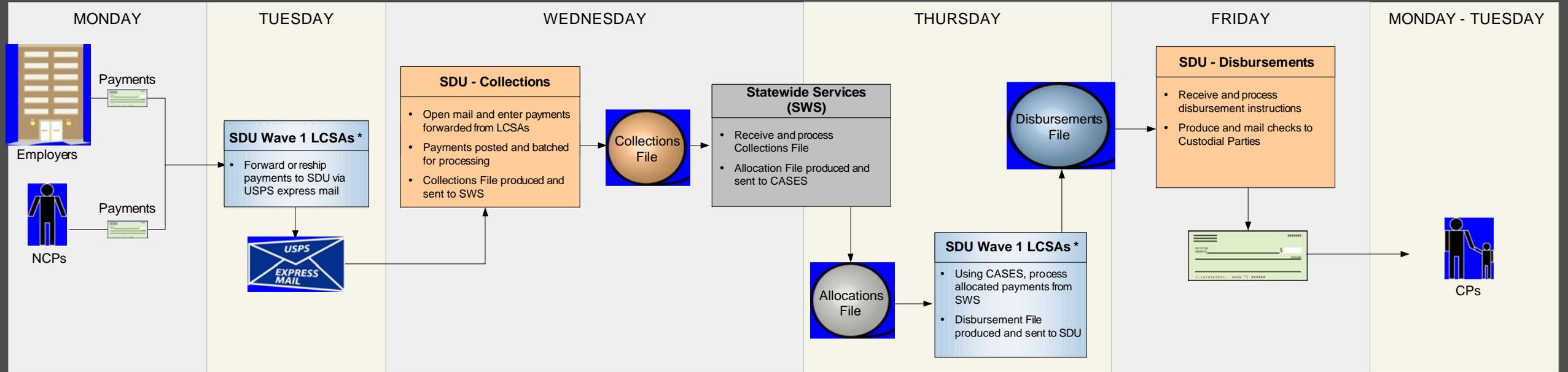
When will I start sending payments directly to the SDU?

In Summer 2006. You will be notified when and how to redirect the child support payments to the SDU. Until you receive the notice, continue paying child support as usual.

Need help?

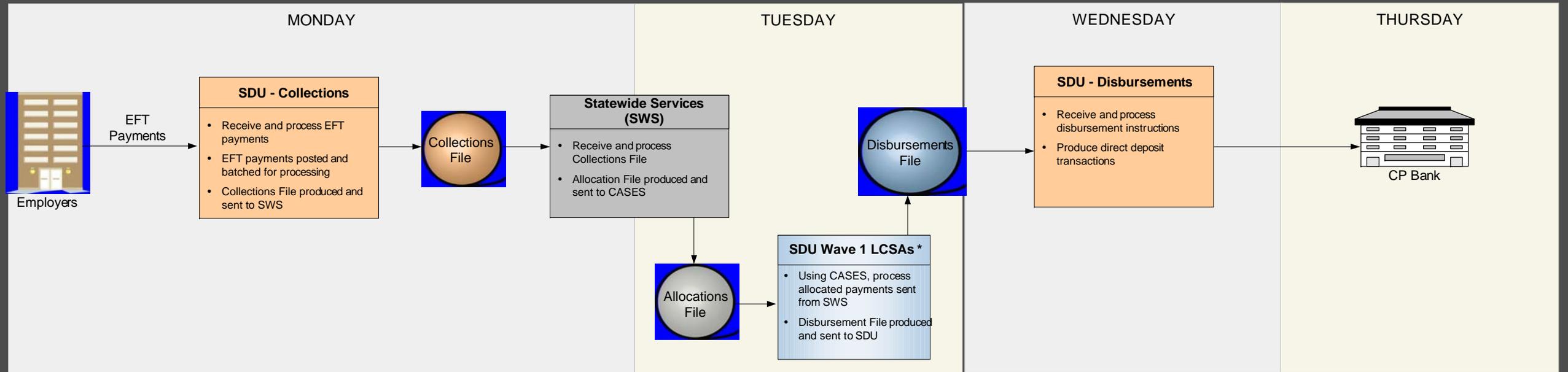
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General Payment Processing Flow During SDU Transition



* Kings | Amador/Alpine/Calaveras | Sierra/Nevada | Siskiyou/Modoc | Tulare | Joaquin | Santa Clara

General Payment Processing Timeline (EFT and Direct Deposit)



* EFTs and Direct Deposits begins in Dec 05 - these tools will become more widespread throughout the SDU rollout and beyond