

Date of Hearing: May 13, 2026

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Buffy Wicks, Chair

AB 1643 (Nguyen) – As Amended April 27, 2026

Policy Committee:	Judiciary	Vote:	9 - 1
	Human Services		7 - 0

Urgency: No State Mandated Local Program: Yes Reimbursable: Yes

SUMMARY:

This bill changes how child support cases are handled in California by making enrollment in the state’s child support enforcement program the default for every court-ordered child support case, unless the parent receiving support (the obligee) chooses to opt out within a 10-business-day window.

Specifically, this bill:

- 1) Provides that every court order for child support is automatically deemed an application for child support enforcement services under federal Title IV-D, unless the obligee timely elects to decline those services. Title IV-D services include processing payments through the State Disbursement Unit, issuing earnings assignment orders to the obligor’s employer, and other enforcement actions handled by local child support agencies.
- 2) Requires the court, at the time a child support order is entered, to advise the obligee — on the record at the hearing or in writing — about the automatic enrollment, the services available, the right to decline, and the option to lift the stay if the obligor stops paying.
- 3) Allows the obligee to decline Title IV-D services either by making an election on the record at the hearing, or by submitting a written election within 10 business days after being served with the support order.
- 4) Provides that opting out does not affect the validity or enforceability of the underlying support order, and the obligee may request services at any time in the future.
- 5) Provides that an obligee receiving CalWORKs, Medi-Cal, or foster care assistance — or whose case involves an assignment to the state — cannot opt out, because federal and state law require those cases to receive Title IV-D services.
- 6) Requires the court to transmit the child support order and the parties’ contact information to the local child support agency within five business days after the opt-out window closes (if no opt-out occurs), and requires the local child support agency to terminate any prematurely issued earnings assignment order within five business days if the obligee opts out.
- 7) Requires the Judicial Council to adopt or modify forms as needed by January 1, 2028, to implement the bill.

FISCAL EFFECT:

- 1) Significant ongoing costs (General Fund, federal funds, local funds) of an unknown amount to the California Department of Child Support Services and local child support agencies (LCSAs) to absorb the workload of converting private child support cases to Title IV-D cases by default. DCSS estimates a Local Child Support Agency budget increase of approximately \$52.2 million annually (\$17.8 million General Fund) to support 291 additional positions — 276 program staff to manage case opening, establishment, and enforcement, and 15 call center positions to manage estimated case-related call volume — based on an estimated 50,000 new cases. DCSS additionally estimates one-time General Fund costs of \$550,000 to \$1.3 million to develop the process by which courts transmit child support orders and contact information to LCSAs, with the lower bound assuming a manual paper-based process and the upper bound assuming an electronic interface, and reports an 18-month to two-year implementation timeline. The bill effectively shifts the state's child support enforcement system from opt-in to opt-out for all court-ordered child support, which is expected to substantially increase LCSA caseload — including case opening, earnings assignment order issuance, payment processing through the State Disbursement Unit, ongoing enforcement activities, and case management. Title IV-D services are funded through a federal-state match (approximately 66% federal / 34% state General Fund), with county general funds covering local administrative costs not captured by the federal-state match. The costs may be reimbursable subject to a Commission on State Mandates determination.
- 2) This bill might put a significant amount of federal funding at risk. DCSS reports that the bill, as drafted, may not satisfy federal Title IV-D state plan requirements. Federal regulations (45 CFR Section 303.2(a)(3)) require an application for IV-D services to include an affirmative statement requesting services and the applicant's signature, and federal statute (42 USC Section 654(a)(6)(B)(ii)) requires that applicants be informed of the State's fees, cost recovery, and distribution policies, including the \$35 annual administrative fee. The bill instead deems every court support order to be an affirmative IV-D application by operation of law, with a 10-business-day opt-out window. DCSS reports that cases opened under the bill's structure would not be eligible for federal IV-D financial participation, would be excluded from the IV-D case count, and could not be operated using the federally-funded IV-D system of record. DCSS further anticipates this bill to result in (a) loss of federal IV-D financial participation, (b) loss of federal child support incentive payments, and (c) failure of compliance with IV-D state plan requirements necessary to receive the federal Temporary Assistance for Needy Families (TANF) block grant. To the extent federal financial participation is unavailable for cases opened under this bill, the state would bear the full LCSA cost rather than the 34% state share reflected in DCSS's estimate.
- 3) Increased General Fund administrative fee revenue of approximately \$595,000 annually (state share of \$1.75 million in \$35 federal annual administrative fees collected on cases generating at least \$550 in annual support), based on DCSS's estimate of 50,000 new cases. This revenue is contingent on continued federal IV-D financial participation; if cases opened under this bill do not qualify for IV-D, fee revenue would not flow through the IV-D structure.
- 4) DCSS estimates the bill would generate approximately \$236.5 million in additional annual child support collections, based on average collections of \$4,730 per non-assisted IV-D case multiplied by 50,000 estimated new cases. These collections are paid to custodial parents and children and do not flow to the General Fund.

- 5) Costs (Trial Court Trust Fund, General Fund) of an unknown amount to the trial courts and the Judicial Council to (a) advise obligees on the record or in writing about the automatic Title IV-D enrollment and the right to opt out at the time the child support order is entered; (b) transmit child support orders and contact information to the local child support agency within five business days after the opt-out window expires; and (c) develop or modify forms by January 1, 2028, to implement the bill. Although courts are not funded on the basis of workload, increased pressure on the Trial Court Trust Fund may create a need for increased funding for courts from the General Fund.

The state budget provides annual General Fund backfills to the Trial Court Trust Fund to offset revenue reductions, totaling approximately \$117.3 million in 2025-26. The Legislative Analyst's Office recently warned of General Fund structural deficits of around \$35 billion per year beginning in the 2027-28 fiscal year.

COMMENTS:

- 1) **Purpose.** According to the author:

AB 1643 makes changes to the child support application process by making it the default that custodial parents be automatically enrolled into child support services once a court decides payment is owed to the custodial parent. This bill helps alleviate the hardship experienced by custodial parents, who are more likely to be women, and their children by helping them remain out of poverty, which leads to improved health, development, and educational outcomes for these children. Replacing the need to opt-in to child support services with an opt-out option instead, increases the likelihood that custodial parents will collect payment and promotes equity by balancing responsibility for children on both parents.

- 2) **Background.** When a court orders a parent (the “obligor”) to pay child support to the parent with custody (the “obligee”), the obligee currently has two options for how to collect those payments. The first is direct payment — the obligor sends the monthly payment directly to the obligee, who is responsible for tracking what’s been paid, what’s owed, and what to do if a payment is missed. The second is enrollment in California’s state-run child support enforcement program, run through county-level local child support agencies (LCSAs) and overseen by the California Department of Child Support Services (DCSS). Once enrolled — these are called “Title IV-D cases” because the federal Social Security Act’s Title IV-D establishes the framework — the LCSA handles payment processing, recordkeeping, and a wide range of enforcement actions on behalf of the obligee. These include automatic earnings assignment orders to the obligor’s employer (so the support is taken directly from the paycheck), interception of state and federal tax refunds, license suspension for nonpayment, property liens, and credit bureau reporting. The LCSA can take these actions without requiring a new court order each time.

Cases involving CalWORKs, Medi-Cal, or foster care assistance are automatically enrolled because federal law requires it as a condition of public assistance. But for the broader population of “private” child support cases — typically arising from divorce, separation, or paternity actions — enrollment is voluntary. The obligee must affirmatively apply for services by submitting a request to the LCSA. According to data from DCSS, Title IV-D

caseloads in California declined 12% between 2017 and 2021. Many obligees rely on direct payment, only converting to a Title IV-D case after the obligor stops paying — at which point arrears have already accumulated and enforcement is harder.

This bill flips the default. Rather than requiring the obligee to apply for child support enforcement services, the bill makes every court-ordered child support case automatically enrolled in the Title IV-D program, unless the obligee affirmatively opts out. The obligee can opt out either at the hearing (on the record) or by submitting a written election within 10 business days after being served with the support order. If the obligee opts out, the case is not transmitted to the LCSA, and the earnings assignment order is stayed; if the obligor stops paying, the obligee may lift the stay at any time and either self-execute the earnings assignment order on the obligor's employer or apply to the LCSA for full enforcement services. Those required to be enrolled under federal law may not opt-out.

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