

Date of Hearing: May 13, 2026

ASSEMBLY COMMITTEE ON APPROPRIATIONS
 Buffy Wicks, Chair
 AB 2395 (Sharp-Collins) – As Introduced February 20, 2026

Policy Committee:	Judiciary	Vote:	10 - 2
	Human Services		5 - 0

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

SUMMARY:

This bill establishes uniform statewide procedures, timelines, and standards for the Compromise of Arrears Program (COAP) administered by the Department of Child Support Services (DCSS) through local child support agencies (LCSAs), and expands the amount of debt that may be reduced.

Specifically, this bill:

- 1) Requires DCSS, within 180 days, to promulgate regulations and develop uniform application forms, notices, eligibility and repayment standards, a uniform repayment agreement, and reporting requirements.
- 2) Requires LCSAs to provide written incompleteness notice within 30 days of receipt, repayment-option notice within 60 days of complete application, and final action within 90 days.
- 3) Requires LCSAs to post COAP information online, designate a contact, and provide annual written notice to obligors who may be eligible for debt reduction.
- 4) Increases the LCSA administrator’s compromise authority from \$5,000 to \$10,000.
- 5) Makes the requirement that an obligor be in compliance with the current support order discretionary rather than mandatory.
- 6) Eliminates the waiting period to reapply after withdrawal, denial, or rescission.

FISCAL EFFECT:

- 1) General Fund costs of an unknown but likely absorbable amount to DCSS to promulgate regulations within 180 days, develop uniform application forms, notice requirements and procedures, eligibility and repayment standards, a uniform repayment agreement, and reporting requirements for LCSAs. To the extent participation in COAP increases, government owed arrears debt reduction-related workload would also increase. At the time this analysis was prepared, DCSS was unable to provide an estimated amount associated with that potential increased workload.
- 2) Workload costs of an unknown but potentially significant amount to LCSAs (federal Title IV-D funds and state and county General Fund) to implement the bill’s procedural

requirements, including 30-day incompleteness notices, 60-day repayment-option notices, 90-day final action on complete applications, annual written notices to potentially eligible obligors, website posting, designated contact information, and reporting to DCSS. DCSS could not quantify the potential workload at the time this analysis was prepared, but reports that a significant increase in applications could result in the need for additional staffing at the LCSAs. If the Commission on State Mandates determines the provisions of this bill create a new program or impose a higher level of service for which the state must reimburse local costs, counties could claim reimbursement from the state.

- 3) The effect on collections cannot be quantified because participation levels, timing of participation, and the amount of debt eligible for forgiveness are unknown. If most cases that are eligible for COAP are already applying each year, then the marginal increase from promulgated regulations may not have a significant impact on collections. DCSS notes that the COAP program focuses on case participants that have an ability to pay either a lump sum or adhere to a compromised payment plan. Therefore, collections may increase in the near-term from these lump sum payments. However, in the long term, collections would decrease as these cases are closed or there is no assigned arrears balance to collect against in the future. DCSS further notes that government-owed arrears balances for formerly assisted cases are passed through to the parent receiving support. If these balances are changed, there would be reduced collections going to families.

COMMENTS:

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

Low-income families are under attack by the heavy burden government-owed child support debt creates...AB 2395 supports economic mobility for families by increasing access and improving transparency of the existing Debt Reduction Program.

- 2) **Background.** California's Title IV-D child support program, administered by DCSS through 47 LCSAs, serves one of the largest caseloads in the nation. The accumulation of child support arrears, which are past-due support obligations that have gone unpaid, accrues at 10% annual interest and often grows beyond what low-income obligors can realistically repay. Child support arrears take two principal forms: family-owed arrears, which represent payments due directly to the custodial parent or caregiver, and government-owed arrears, which are debts that accrue when a custodial parent receives CalWORKs assistance and, as a condition of aid, assigns their right to child support to the state — meaning support that would otherwise flow to the family flows to the state to offset cash assistance paid.

The Compromise of Arrears Program (COAP) was established by AB 1752 (Committee on Budget), Chapter 225, Statutes of 2003, as a debt-relief mechanism for government-owed child support arrears. Government-owed arrears CalFresh recipients do not assign child support rights to the state. Government-owed arrears are distinct from family-owed arrears, which are debts owed directly to the custodial parent and are not subject to compromise under COAP without the custodial parent's written consent and participation. Following AB 207 (Committee on Budget), Chapter 573, Statutes of 2022, DCSS now passes through to former CalWORKs families certain government-owed arrears collections rather than retaining them as state reimbursement.

Under existing law, DCSS may accept offers in compromise of arrears and accrued interest, with the LCSA administrator authorized to compromise up to \$5,000 and additional amounts subject to director delegation. The Human Services Committee analysis reports that during COAP's nearly two decades of operation, the program has forgiven over \$781 million in government-owed debt and eliminated an additional \$307 million in interest charges on approximately 29,000 approved applications, with a denial rate exceeding 60% — most commonly due to inability to make an upfront 10% payment.

- 3) **Support and Opposition.** The sponsor, Western Center on Law & Poverty, and a coalition of legal services and community organizations, state that 95% of government-owed child support debt is uncollectible, that the bulk of state-owed arrears are owed by parents with extremely low incomes, and that the bill would improve access by requiring publicly available statewide standards, removing the requirement that applicants make an “offer,” and requiring LCSAs to act within set time periods. Child Support Directors Association of California, a trade association representing the leadership of California's local child support agencies, writes that the bill is premature pending completion of AB 135 implementation and the related arrears analysis; the bill imposes extensive new operational requirements on LCSAs; eliminating the waiting period to reapply may drive repeat filings; changing the compliance-with-current-support requirement from mandatory to discretionary may weaken incentives for consistent payment; and that expanding complaint resolution pathways may prolong outcomes without improving results.
- 4) **Prior Legislation.** AB 135 (Committee on Budget), Chapter 85, Statutes of 2021, among other things, mandated DCSS to identify and to eliminate state-assigned arrears deemed “uncollectible.”

AB 1092 (Jones-Sawyer), of the 2019-20 Legislative Session, would have prohibited DCSS or the LCSA from collecting interest that accrues on or after January 1, 2022, on the principal amount assigned to the county. The Governor vetoed the bill, citing cost concerns, but directed DCSS to review COAP and consider any needed changes to address uncollectable debts and increase collections.

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