
SENATE COMMITTEE ON APPROPRIATIONS

Senator Sabrina Cervantes, Chair
2025 - 2026 Regular Session

AB 2395 (Sharp-Collins) - Child support: compromise of arrears program

Version: June 11, 2026

Urgency: No

Hearing Date: August 3, 2026

Policy Vote: JUD. 11 - 1, HUMAN S. 4 - 1

Mandate: Yes

Consultant: Bob Franzoia

Bill Summary: AB 2395 would modify the Department of Child Support Services (DCSS) Debt Collection Program (DCP) through which a parent may make an offer in compromise for child support and interest owed to the state. DCSS would be required to promulgate regulations to ensure the DCP is uniformly applied.

Fiscal Impact: Likely minor, absorbable costs 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 local child support agencies (LCSAs). To the extent participation in COAP increases, government owed arrears debt reduction-related workload would also increase. (General Fund)

Likely significant costs LCSAs 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. 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. (federal Title IV-D funds, county funds, General Fund)

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 the compromise of arrears program (COAP) are already applying each year, then the marginal increase from promulgated regulations may not have a significant impact on collections. COAP focuses on case participants that have the 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 may decrease as these cases are closed or there is no assigned arrears balance to collect against in the future. 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.

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 a 10 percent interest rate 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 thus, support that would otherwise flow to the family flows to the state to offset cash assistance paid.

Related 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.