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## General Fund Maintenance of Effort Adjustment

### DESCRIPTION:

This premise reflects the State expenditures necessary to meet the State's maintenance of effort (MOE) level. Under the Temporary Assistance for Needy Families (TANF) Program, the states are required to meet MOE funding levels. California's MOE level is approximately \$2.9 billion, which is equal to 80 percent of California's Federal Fiscal Year (FFY) 1994 expenditures. For State Fiscal Years (FYs) 2006-07 and 2007-08, an adjustment has been made that reflects that California met the federal work participation rate for the California Work Opportunity and Responsibility to Kids (CalWORKs) Program in FFY 2004 and 2005. When the State meets this rate, the MOE level falls from 80 percent to 75 percent. In addition, adjustments are made to the MOE as a result of Tribal TANF. Therefore, with the Work Participation Rate and Tribal TANF MOE Adjustments, the final MOE level is \$2.7 billion.

### IMPLEMENTATION DATE:

This premise implemented on October 1, 1996.

### METHODOLOGY:

To determine the State General Fund (GF) MOE adjustment, projected state and county expenditures countable toward the MOE are compared to the State's MOE level. This determines the amount of expenditures necessary to meet the State's MOE level.

The specific methodology used to determine the GF MOE adjustment involves identifying those projected California Department of Social Services' (CDSS) local assistance expenditures that are TANF- eligible and calculating their costs by total, federal, state, county, and reimbursement funds. Projected federal TANF expenditures for CDSS State support are then added to the total funds amount. Other state department or county expenditures for TANF eligibles, which meet the MOE requirements, are also added to the CDSS state and county TANF costs. This total is then compared to the State's MOE level. The amount of projected expenditures above or below the MOE level is shifted to or from federal TANF funds. The GF MOE adjustment does not change the total funding available.

Both the current year and budget year projections include projected GF expenditures within other state departments that are assumed countable toward fulfilling the TANF MOE requirement. Separate premise descriptions for each of these items are provided in the "Estimate Methodologies" section of this binder.

### FUNDING:

The GF MOE adjustment transfers costs to meet the State's MOE level. The transfer is offset by a corresponding reverse adjustment to federal TANF funds. There is no change in the total funds available.

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## General Fund Maintenance of Effort Adjustment

### CHANGE FROM THE APPROPRIATION:

In the Appropriation, expenditures for the Temporary Assistance Program and Enhanced Kin-Gap Program were removed from CalWORKs funding and were funded with non-MOE countable GF. These expenditures were backfilled with other department MOE to ensure the CDSS met its MOE requirement. As a result of not implementing these programs the State GF MOE within CDSS has increased and the other department MOE has decreased.

### REASON FOR YEAR-TO-YEAR CHANGE:

As result of the state's structural deficit between General Fund (GF) revenue end expenditures, the CDSS is counting additional MOE from other departments which reduces the GF expenditures in CDSS' budget.

### EXPENDITURES:

(in 000's)

	2006-07	2007-08
	Grant	Grant
Total	\$0	\$0
Federal	-1,175,930	-659,483
State	1,175,930	659,483
County	0	0
Reimbursements	0	0

## Two-Parent Families

### DESCRIPTION:

A Two-Parent (TP) family is defined as an AU that includes two aided nondisabled, natural or adoptive parents of the same aided or Supplemental Security Income/State Supplementary Payment minor child (living in the home), unless both parents are aided minors and neither is the head-of-household. Since October 1, 1999, two-parent families were funded with State maintenance of effort (MOE) funds. However, as a result of the Federal Deficit Reduction Act of 2005, all MOE funded programs providing assistance are subject to inclusion in the federal Work Participation Requirement (WPR) calculation. Therefore, effective October 1, 2006, CalWORKs cash assistance, Welfare to Work (WtW) services, and administrative services for TP families will be funded with Temporary Assistance for Needy Families (TANF) funds. Child care services will continue to be funded with State General Fund (GF) as these families must participate a minimum of 55 hours per week in WtW activities to be eligible for federally funded child care.

### IMPLEMENTATION DATE:

This premise implemented on October 1, 1999.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code Section 10553.
- Effective October 1, 2006, CalWORKs grants, services, and administration will be funded with TANF funds. Child care services will continue to be funded with GF. A separate auxiliary table reflects the costs and savings associated with two-parent families on the individual premise items.
- The grant and administrative costs for two-parent families are based on the percentage of two-parent families in the current year (CY) and budget year (BY) caseload projections.
- The employment services and Stage One child care costs for two-parent families are based on expenditure data from FY 2005-06.
- The ratio for two-parents participating in the CalWORKs Mental Health program is 13.3 percent and 14.7 percent in the Substance Abuse program and is based on WtW 25 and WtW 25A caseload data for FY 2005-06.

### METHODOLOGY:

For each premise item, the total cost or savings associated with two-parent families was determined by multiplying the appropriate percentage of two-parent families to the total cost or savings. Refer to the auxiliary table for the "Two-Parent Families" for more detailed information.

### FUNDING:

- In the CY, CalWORKs grants for two-parent families are funded with 73.1 percent TANF, 24.4 percent GF, and 2.5 percent county and 97.5 percent TANF and 2.5 percent county in the BY.
  - In the CY, services for two-parent families are funded with 65.6 percent TANF and 34.4 percent GF and 88 percent TANF and 12 percent GF in the BY.
-

## Two-Parent Families

### FUNDING (continued):

- Administration for two-parent families is funded with 75 percent TANF and 25 percent GF in the CY and 100 percent TANF in BY.
- Child care costs for two-parent families are 100 percent GF in the CY and the BY.

### CHANGE FROM THE APPROPRIATION:

- Effective October 2006, CalWORKs grants, administration and services for two-parent families are no longer funded with GF. Two-parent families are now funded with 100 percent TANF. However, child care will continue to be funded with GF for CY and BY.
- The CY change for CalWORKs grants is due to caseload decline.
- The CY change for services is due to the decrease in the time limit savings for two-parent families and a projected increase in caseload.
- The CY change for administration is due to an increase in staff development expenditures and a decrease in the time limit savings for two-parent families,
- The CY change in child care costs is due to decrease in the number of two-parent families receiving child care services.

### REASON FOR YEAR-TO-YEAR CHANGE:

- For the first quarter of the CY, grants, administration and services for two-parent families are funded with GF. The remaining quarters are funded with 100 percent TANF. For BY, two-parent families are funded with 100 percent TANF. However, child care services, mental health services and substance abuse services for two-parent families will continue to be funded with GF for CY and BY.
- The BY decrease for grants is due to increased savings.
- The BY change for child care is due to projected increased caseload.

### CASELOAD:

	2006-07	2007-08
Average Monthly Caseload	31,892	31,949

## Two-Parent Families

### EXPENDITURES:

(in 000's)

ITEM 101 -	2006-07	2007-08
<b>Total</b>	<b>Total</b>	<b>Total</b>
Total	\$349,567	\$341,131
Federal	235,173	303,728
State	108,143	31,405
County	6,251	5,998
Reimbursements	0	0
<b>ITEM 101 -</b>	<b>2006-07</b>	<b>2007-08</b>
<b>CalWORKs</b>	<b>Grant</b>	<b>Grant</b>
<b>Grants</b>		
Total	\$250,023	\$239,893
Federal	182,829	233,895
State	60,943	0
County	6,251	5,998
Reimbursements	0	0
<b>ITEM 101 -</b>	<b>2006-07</b>	<b>2007-08</b>
<b>CalWORKs</b>	<b>Services</b>	<b>Services</b>
<b>Services</b>		
Total	\$65,809	\$65,594
Federal	37,572	50,210
State	28,237	15,384
County	0	0
Reimbursements	0	0

## Two-Parent Families

### EXPENDITURES (continued):

(in 000's)

	2006-07	2007-08
<b>ITEM 101 -</b>		
<b>CalWORKs</b>	Admin.	Admin.
<b>Administration</b>		
Total	\$19,696	\$19,623
Federal	14,772	19,623
State	4,924	0
County	0	0
Reimbursements	0	0
<b>ITEM 101 -</b>	2006-07	2007-08
<b>CalWORKs Stage</b>	Child Care	Child Care
<b>One Child Care</b>		
Total	\$14,039	\$16,021
Federal	0	0
State	14,039	16,021
County	0	0
Reimbursements	0	0

## CalWORKs – Basic Grants

### DESCRIPTION:

This premise reflects the basic costs of providing cash aid to eligible families. Basic costs have been adjusted to reflect the annual cost-of-living adjustment (COLA) for Social Security (OASDI) benefits. The OASDI COLA increases the benefit level, reducing grant costs. The basic costs have also been adjusted for the impact of specific premises that are in the trend caseload but are also shown as separate premises. These premises include: “Cal Learn Bonuses,” “Cal Learn Sanctioned Grants,” “Recent Noncitizen Entrants,” “Rosales vs. Thompson,” and “Tribal TANF,” that are already in the trend. These adjustments are necessary in order to avoid budgeting the impact twice. This premise also includes an adjustment for Proposition L, which raised the minimum wage level for people working in San Francisco County.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 11450.
- For Fiscal Year (FY) 2006-07, a total of 10,779,218 All Other Families (AF) personmonths and 1,506,752 Two-Parent (TP) personmonths are anticipated. For FY 2007-08, 10,622,509 AF personmonths and 1,509,525 TP personmonths are projected.
- Adjustments are made for the estimated costs of current premises which are already included in the base period. These premises include: “Cal Learn Bonuses,” “Cal Learn Sanctioned Grants,” “Rosales vs. Thompson,” and “Recent Noncitizen Entrants.” Also, an adjustment is made for the costs associated with new tribes establishing Tribal TANF programs.
- Costs are included for the Diversion Program. Based on the most recent CalWORKs Cash Grant Caseload Movement Reports (CA 237) and CalWORKs Expenditure Reports (CA 800D), the average monthly diversion caseload is estimated at 101 with an average cost per case of \$1,784 for the current year (CY), and budget year (BY).
- The AF cost per person is \$225.51 for both the CY and BY. The TP cost per person is \$164.85 for both the CY and BY.
- AF and TP basic costs are adjusted for the OASDI COLA. The Consumer Price Index (CPI)-W COLAs are 3.3 percent effective January 1, 2007, and 1.2 percent effective January 1, 2008.
- The OASDI COLA adjustment reflects the impact of the projected CPI COLAs on the average Social Security Benefits received by CalWORKs cases, resulting in a FY 2006-07 reduction of \$3,260,389 and a FY 2007-08 reduction of \$4,735,716.
- Effective January 2007, Proposition L provides a minimum wage increase every January for San Francisco County based on the current CPI-U. This will result in approximately \$17,699 in grant savings in FY 2006-07, and \$66,360 in grant savings in FY 2007-08. Approximately 500 recipients will receive additional earnings. The CPI-U is 1.9 for January 2007 and 1.8 effective for 2008.
- The CY and BY reflect a shift of funds from the Recent Noncitizen Entrants (RNE) program associated with persons in mixed cases that are TANF-eligible.

## CalWORKs – Basic Grants

### KEY DATA/ASSUMPTIONS (continued):

#### METHODOLOGY:

- The personmonths are multiplied by the cost per person to determine AF and TP basic costs.
- AF and TP basic costs are reduced for the OASDI COLA adjustment
- Diversion costs are calculated by multiplying the average monthly caseload by the cost per case, and the annual Diversion costs are added to the basic grant costs.
- The total AF and TP basic costs are reduced by the amounts of the costs for “Cal Learn Bonuses,” “Cal Learn Sanctioned Grants,” “Recent Noncitizen Entrants,” “Rosales vs. Thompson,” new tribes establishing Tribal TANF programs, and Proposition L to reflect the basic grant costs.

#### DATA COMPARISON CHART:

##### FY 2006-07

	<u>AF</u>	<u>TP</u>
Projected Personmonths	10,779,218	1,506,752
Projected Casemonths	4,575,262	382,698
Persons Per Case	2.36	3.94

##### FY 2007-08

	<u>AF</u>	<u>TP</u>
Projected Personmonths	10,622,509	1,509,525
Projected Casemonths	4,508,746	383,393
Persons Per Case	2.36	3.94

#### FUNDING:

The CY and BY reflect a shift of funds from the RNE program associated with persons in mixed cases that are TANF-eligible. These cases are funded with state only funds in this premise.

The funding is 94.3 percent federal/TANF, 3.2 percent State General Fund (GF) and 2.50 percent county for CY. The BY funding is 96.6 percent federal/TANF, 0.9 percent State GF, and 2.50 percent county.

## CalWORKs – Basic Grants

### CHANGE FROM THE APPROPRIATION:

The caseload and persons per case have been updated using the most current available data.

The CalWORKs caseload was previously projected to decrease 1.7 percent. Caseload is now projected to decrease 2.9 percent. The projected personsmonths was previously projected to decrease 0.9 percent. Personmonths is projected to decrease 3.3 percent.

CY and BY reflects an increased adjustment for the amount shifted for Recent Non Citizens due to utilization of current and caseload and expenditure data.

Effective October 2006, two-parent families are no longer funded with GF. Two-parent families are now funded with 100 percent TANF.

### REASON FOR YEAR-TO-YEAR CHANGE:

The overall caseload and the average monthly persons are projected to decrease by 1.33 percent and 1.22 percent, respectively from CY to BY.

For the first quarter of the CY, two-parent families are funded with GF. The remaining quarters are funded with 100 percent TANF. For BY, two-parent are funded with 100 percent TANF.

### CASELOAD:

	2006-07	2007-08
Average Monthly Caseload	413,163	407,678
Average Monthly Persons	1,023,831	1,011,003

### EXPENDITURES:

(in 000's)

	2006-07 Grant	2007-08 Grant
Total	\$2,644,257	\$2,601,964
Federal	2,492,412	2,514,183
State	85,739	22,776
County	66,106	65,005
Reimbursements	0	0

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## Welfare Reform / Work Participation

### DESCRIPTION:

This premise reflects the projected impact to the California Work Opportunity and Responsibility to Kids (CalWORKs) Program associated with the implementation of Senate Bill (SB) 1104 (Chapter 229 of Statutes 2004). SB 1104 amended Section 11325.21 of the Welfare and Institutions Code (W&IC) to require Universal Engagement for all nonexempt adults. Within 90-days of receipt of aid, all nonexempt adults must sign a Welfare-to-Work (WtW) plan requiring that they work or participate in work-directed services/activities for 20 hours per week, and participate 12-15 hours per week in other activities necessary to obtain employment. Amendments were made to W&IC section 113228.8 that specify the types of activities that recipients may participate in to satisfy both the work-directed and other activity requirements of the program. SB 68 (Chapter 78, Statutes of 2005) changed the work requirements to allow non-core participation hours, in excess of those that can be accomplished within the 12 or 15 hour requirement, to count toward the core hour requirement.

Work directed (core) activities include subsidized and unsubsidized employment, work experience, on-the-job training, grant based on-the-job training, supported work or transitional employment, work-study, self employment, community service, vocational education and training (for up to twelve months), and job search and job readiness assistance. Other activities (non-core) include adult basic education, general education development, English-as-a-Second-Language, job skills training directly related to employment, education directly related to employment, satisfactory progress in secondary school or in a course of study leading to a certificate or GED, mental health, substance abuse, and domestic violence services, and other activities necessary to assist an individual to obtain unsubsidized employment.

Nonexempt adult recipients in an assistance unit (AU) with one aided adult are required to participate for a minimum of 32 hours per week (20 core/12 non-core). Nonexempt adult recipients in an AU with two aided adults are required to participate for a minimum of 35 hours per week (20 core/15 non-core).

SB 1104 amended W&IC section 11454 to eliminate the 18/24 month time limit. Prior to this change, recipients were required to participate in WtW activities within an 18/24 month period. An individual's 18/24 month time clock began with the signing of the WtW plan, which occurred after job search when a recipient did not find work. Recipients were required to participate in a variety of activities intended to lead to employment; however, participation in these activities did not first require having a minimum participation requirement in more work-focused activities.

With the elimination of the 18/24 month time limit and the requirement that all nonexempt adults participate in work directed activities within 90 days, the work focus of the CalWORKs Program has been strengthened by placing a greater emphasis on work participation and personal responsibility, while maintaining critical services for needy families.

### IMPLEMENTATION DATE:

This premise implemented on December 1, 2004.

## Welfare Reform / Work Participation

### KEY DATA/ASSUMPTIONS:

- Authorizing Statute: W&IC section 11325.21.

#### Eliminating the 18/24 Month Time Clock

- Due to the elimination of the 18/24 month time limit, administrative savings are achieved by eliminating the staff time required to track those cases that exceed their time limit.
- Based on WtW 25 data reports, there is an average of 0.63 percent of the total cases in assessment per month.
- Based on the November 2006 projected total CalWORKs caseload used for this estimate [467,667 for Current Year (CY) and 467,959 for the Budget Year (BY)], and accounting for an accumulating 15 month phase-in beginning July 2006, an average of 1,581 cases per month are projected to be in assessment in the CY and 2,915 cases in BY.
- The average hourly cost for staff to conduct assessment is \$57.57.
- This component assumes one hour of case management time and one-quarter hour of orientation/appraisal time would be saved for each case.

#### Requiring Nonexempt Able-Bodied Adults to Participate in 20+ hours of WtW Activity per Week

- The Universal Engagement requirement and associated WtW changes authorized under SB 1104 became effective December 1, 2004. SB 1104 established a 90-day period for the development of a WtW plan to engage recipients in the program as quickly as possible.
- This estimate assumes that most non-exempt cases will be phased-in over a 15-month period, beginning in July 2006.
- The average monthly caseload impacted by this premise has been prorated to account for the 15-month phase in. Seventy five percent of the impacted caseload should be phased in by the end of the CY. The remaining 25 percent should be phased in within the first three months of the BY. The impact on CalWORKs Child Care and services costs has also been prorated (Child Care assumes a one month delay).
- It is assumed that counties will review WtW plans for any needed modifications at the same time they are performing monthly reviews to ensure that recipients are participating in their assigned activities and complying with other program requirements.
- To determine the projected impacted caseload, cases without an adult (Safety Net, Child Only, and Sanctioned) were excluded. The projected impacted caseload is comprised of 208,616 cases in CY and 204,426 in BY (cases with an aided adult).

## Welfare Reform / Work Participation

### KEY DATA/ASSUMPTIONS (continued):

#### Requiring Nonexempt Able-Bodied Adults to Participate in 20+ hours of WtW Activity per Week (continued)

- Based on the Federal Fiscal Year (FFY) 2005 CalWORKs Characteristics Survey (Q5), this premise assumes that 43 percent of impacted cases (88,662 cases in CY and 86,881 cases in BY) are currently working or participating in work-directed activities. Fifty-seven percent of impacted cases (119,954 cases in CY and 117,545 cases in BY) do not currently work or participate in work-directed activities.
  - Of the 43 percent of impacted cases participating with program requirements:
    - Based on FFY 2005 Q5 data, 78 percent of the cases are currently working or participating in work-directed activities (69,156 cases in CY and 67,767 cases in BY) are assumed to be working or participating in allowable activities for 20 or more hours per week. 22 percent of the cases currently working or participating in work-directed activities (19,506 cases in CY and 19,114 cases in BY) are assumed to be working or participating less than 20 hours per week.
    - It is assumed that cases working or participating less than 20 hours per week, will increase weekly work or participation hours by an average of 10 hours per week in order to meet the new requirement. Based on FFY 2005 Q5 data, 71 percent of these cases (13,849 in CY and 13,571 in BY) will do so through work. The average grant savings per case is \$145 per month, assuming individuals are paid at minimum wage. The remaining 29 percent (5,657 cases in CY and 5,543 cases in BY) will increase their hours of participation through activities other than work.
    - The grant savings achieved through cases working or participating less than 20 hours per week that will increase weekly work hours by an average of 10 hours per week, are reduced by the grant savings from cases affected by the Pay for Performance (P4P) program (see Pay for Performance premise for further information). P4P affected cases (3,887 cases) are currently assumed to participate in allowable CalWORKs activities, but only through non-work activities, and would begin to work an average of 10 hours per week due to the P4P program, scheduled to implement in Fiscal Year (FY) 2007-08.
    - Because this group was not working, the \$225, and 50 percent income disregard formula is applied, generating an average grant savings of \$35 per month.
  - Of the 57 percent of impacted cases not participating with program requirements:
    - On average, four percent (19,829 cases) of cases on aid in any month in the CY and BY will have been on CalWORKs less than 60 days, and will not yet be impacted by these changes.
    - Based on WtW 25 data from FY 2005-06, there are 53,879 cases in the CY and 53,907 cases in BY with an adult that is not participating in WtW activities due to "good cause" or exemption. These recipients will not be impacted by these changes.
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## Welfare Reform / Work Participation

### KEY DATA/ASSUMPTIONS (continued):

- Of the cases not currently working or participating in work-directed activities, it is assumed that five percent each month (5,998 cases in CY and 5,877 cases in BY) is “unengaged”. These are cases that are not working or participating, and have not yet been engaged by the county. These cases will not be impacted by these changes.
- Of the cases not currently working, it is assumed that approximately 17 percent (19,876 cases in CY and 19,888 in BY) are in “noncompliance” or “conciliation” status. These cases are not working or participating, but are not yet in sanction status, and therefore, no costs or savings are assumed. These cases will not be impacted by these changes.
- In the CY and BY, 4,449 cases will meet the requirement using blendable non-core activities in accordance with the changes included in SB 68, and will not be impacted by these changes.
- To determine the net number of non-participating cases impacted, the number of cases in “unengaged”, “good cause”, “exempt”, “recipient under 60 days”, “non-compliance and conciliation”, and “blendable non-core (SB 68)” categories were subtracted from the “not participating” cases because they will not be impacted by changes in requirements.
- Of the remaining impacted cases not currently working or participating in work-directed activities (15,924 cases in CY and 13,595 cases in BY), it is assumed that 43 percent (6,768 cases in CY and 5,778 cases in BY) will participate in work or work-directed activities. Of these cases, 71 percent (4,805 cases in CY and 4,102 cases in BY) will work 20 or more hours per week.
- The average grant savings per case is \$180 per month, assuming individuals are paid at minimum wage.
- The remaining 29 percent (1,963 cases in CY and 1,676 cases in BY) will increase their hours of participation through approved activities other than work.
- Of the remaining impacted cases not currently working or participating in work-directed activities, it is assumed that 57 percent (9,156 cases in CY and 7,817 cases in BY) will not meet the 20 hours per week work requirement and will be subject to sanction.
- Based on information from the “Good Cause Establishment, Compliance, and Curing of Sanctions: CalWORKs Welfare-to-Work Program” report, an average of 45 percent of the sanctioned caseload “cures” their sanction.
- It is assumed that an additional 45 percent (4,120 cases in CY and 3,518 cases in BY) of the cases currently not working and facing sanction status will cure and comply with program participation requirements.
- Of the cases that cure their sanction status, 71 percent (2,925 cases in CY and 2,497 in BY) will work an average of 20 hours per week, and 29 percent (1,195 cases in CY and 1,020 cases in BY) will comply with program requirements through participation in approved activities other than work.
- Of the cases that will cure their sanction, 22 percent will remain in sanction status for one month before curing, and 78 percent will remain in sanction status for two months before curing, resulting in an average monthly grant savings of \$145 in the BY.

## Welfare Reform / Work Participation

### KEY DATA/ASSUMPTIONS (continued):

- This premise assumes that the remaining 55 percent of the cases subject to sanction (5,036 cases in CY and 4,299 cases in BY) for non-compliance with participation requirements and will become sanctioned.
- Based on current experience in the CalWORKs program, it is assumed that 3,158 cases will utilize child care services in the CY and 3,997 cases will utilize child care services in the BY.
- Stage One Child Care costs were derived by calculating costs for both the non-working cases who will meet the 20 hours per week work requirement either through employment or by other non-work related activities, and the cases that will cure their sanction.
- Based on current experience in the CalWORKs program, it is assumed that 7.25 percent of the non-participating cases that will comply with program participation requirements will utilize ancillary services. The average cost is \$67.41 per month.
- Based on current experience in the CalWORKs program, it is assumed that 46.88 percent of the non-participating cases that will comply with program participation requirements will utilize transportation services. The average cost is \$64.53 per month.

### METHODOLOGY:

The following methodology was used for the various components to calculate the costs/savings for this premise:

#### **Eliminating the 18/24 Month Time Clock**

- The projected cases in assessment is multiplied by the average cost for staff time, the amount of time saved by eliminating the 18/24 month time clock, and then by the number of impacted months ( $1,581 \times 57.57 \times 1.25 \text{ hours} \times 12 = \$1,365,165$  in the CY and  $2,915 \times 57.57 \times 1.25 \text{ hours} \times 12 = \$2,517,029$  in the BY).

#### **Requiring Nonexempt Able-Bodied Adults to Participate in 20+ hours of WtW Activity per Week**

- To determine the grant impact of those cases participating under 20 hours per week that would increase the number of hours worked: the number of impacted cases was multiplied by the percentage of participating cases, then by the percentage of those cases participating under 20 hours per week, then by those cases who will meet participation requirements through work to determine the number of participating cases that would be impacted ( $208,616 \times .43 \times .22 \times .71 = 13,849$  cases in the CY and  $204,426 \times .43 \times .22 \times .71 = 13,571$  cases in the BY).
- Based on assumptions that these cases would need to increase an average of 10 hours of work per week, \$6.75 as the minimum wage, 4.33 weeks per month, with a 15-month phase-in, the grant savings for the CY was \$10.4 million and \$23.2 million for the BY.

## Welfare Reform / Work Participation

### METHODOLOGY (continued):

- The \$10.4 million in CY grant savings and \$23.2 million in BY is reduced by \$1.6 million in grant savings achieved through the P4P program for a net total CY grant savings of \$8.9 million and \$21.6 million in BY.
  - To determine the services associated with those cases that would begin participating through work or allowable activities on an average of 20 hours per week: the number of impacted cases was multiplied by the percentage of participating cases (15,924 x .43 = 6,768 cases in the CY and 13,595 x .43 = 5,778 cases in the BY). Child Care, transportation, and ancillary costs are assumed for a portion of these cases.
  - To determine the grant impact of those cases not participating that would participate through work on an average of 20 hours per week: the number of net non-participating impacted cases was multiplied by the percentage of participating cases, then by those cases who will meet participation requirements through work to determine the number of participating cases that would be impacted (15,924 x .43 x .71 = 4,805 cases in the CY and 13,595 x .43 x .71 = 4,102 cases in the BY).
  - Based on assumptions that these cases would need to increase an average of 20 hours of work per week, \$6.75 as the minimum wage, 4.33 weeks per month, with a 15-month phase-in, the average grant savings per case was calculated based on the current CalWORKs disregard rules for earned income (\$4.5 million in grant savings for the CY and \$8.7 million in grant savings for the BY).
  - To determine the services cost of the cases subject to sanction that will cure by participating, the number of net impacted non-participating cases was multiplied by the percentage of cases that will not participate, then multiplied by the percentage of cases subject to sanction that will cure (9,156 x .45 = 4,120 cases in CY and 7,817 x .45 = 3,518 cases in BY). Child Care, transportation, and ancillary costs are assumed for a portion of these cases.
  - To determine the grant impact of the cases subject to sanction that will cure by participating through work, the number of net impacted non-participating cases was multiplied by the percentage of cases that will not participate, then multiplied by the percentage of cases subject to sanction that will cure, and then multiplied by the percentage of cases that participate through work (15,924 x .57 x .45 x .71 = 2,925 cases in CY and 13,595 x .57 x .45 x .71 = 2,497 cases in BY).
  - Based on assumptions that these cases would work an average of 20 hours of work per week, \$6.75 as the minimum wage, 4.33 weeks per month, with a 15-month phase-in, the average grant savings per case was calculated based on the current CalWORKs disregard rules for earned income (\$3.2 million in grant savings for the CY and \$6.5 million in grant savings for the BY). The grant savings for cases that will cure includes grant savings due to sanction (for one or two months) and grant savings resulting from earned income once the sanction is cured.
  - The total savings for cases that will not cure is determined by multiplying the projected sanction cases by the average grant savings, and the number of months impacted (\$3.8 million savings in the CY and \$7.4 million savings in the BY).
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## Welfare Reform / Work Participation

### **METHODOLOGY (continued):**

- Total services were determined by adding projected costs for ancillary and transportation services. Ancillary and transportation services costs were determined by multiplying the number of non-participating cases who will now participate, by the ratio of cases who utilize ancillary/transportation services, then by the average monthly costs, then by the appropriate number of months impacted. These costs are offset by assessment savings for a net cost of \$624,000 in the CY and \$1.3 million net costs in the BY.
- The new participating cases that will utilize CalWORKs child care was multiplied by the average number of children per case, the average Stage One Child Care payment per child, and then by the appropriate number of months which includes a reduction of 5 percent that is shifted to the Stage One/Two Holdback (\$13.1 million in the CY and \$47.3 million in the BY).

### **FUNDING:**

- The grant funding for the CalWORKs Program in CY is 93.99 percent TANF, 3.51 percent State General Fund (GF) and 2.5 percent county, BY is 96.09 percent TANF, 1.41 percent GF and 2.5 percent county.
- The funding for transportation and ancillary costs in CY is 96.47 percent TANF and 3.53 percent GF and 98.56 percent TANF and 1.44 percent GF in BY.
- The funding for child care in CY and BY is 96.75 percent TANF and 3.25 percent GF.
- The GF reflects the cost for the State-Only Two-Parent Program that implemented October 1, 1999. The State-Only Two-Parent Program is countable toward the State's maintenance of effort.

### **CHANGE FROM THE APPROPRIATION:**

- The decrease in grant savings is due to decreased caseload. The increased cost for employment services and child care is due to an increased percentage of cases participating.
- Effective October 2006, two-parent families for grants and services are no longer funded with GF. Grants and services for two-parent families are now funded with 100 percent TANF.
- Child care funding for two-parent families will continue to be funded with GF.

### **REASON FOR YEAR-TO-YEAR CHANGE:**

- The increase in BY is due to nine months of full program implementation.
- For the first quarter of FY 2006-07, grants and services for two-parent families are funded with GF. The remaining quarters are funded with 100 percent TANF. For BY, grants and services for two-parent families are funded with 100 percent TANF.
- Child care funding for two-parent families will continue to be funded with GF.

## Welfare Reform / Work Participation

### EXPENDITURES:

(in 000's)

<b>101 – CalWORKs Basic Grants</b>	2006-07	2007-08
	Grant	Grant
Total	-\$20,327	-\$44,170
Federal	-19,105	-42,445
State	-714	-621
County	-508	-1,104
Reimbursement	0	0

(in 000's)

<b>101 – CalWORKs Services</b>	2006-07	2007-08
	Services	Services
Total	\$624	\$1,337
Federal	602	1,318
State	22	19
County	0	0
Reimbursement	0	0

(in 000's)

<b>101 – CalWORKs Stage One Child Care <sup>1</sup></b>	2006-07 <sup>1</sup>	2007-08 <sup>1</sup>
	Child Care	Child Care
Total	\$12,469	\$44,957
Federal	12,064	43,498
State	405	1,459
County	0	0
Reimbursement	0	0

## Welfare Reform / Work Participation

### Expenditures (continued):

(in 000's)

NET TOTAL	2006-07	2007-08
Total	-\$7,234	\$2,124
Federal	-6,439	2,371
State	-287	857
County	-508	-1,104
Reimbursement	0	0

<sup>1</sup> For FY 2006-07 and 2007-08, these figures reflect the additional Stage One Child Care costs associated with SB 1104, prior to the 5 percent holdback (see Child Care Stage One/Two Five percent Holdback Premise).

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## Temporary Assistance Program (TAP)

### DESCRIPTION:

This premise reflects the costs associated with the implementation of the TAP for California Work Opportunity and Responsibility for Kids (CalWORKs) recipients who meet exemption criteria for work participation activities who are not single parents with a child under the age of one year, as mandated by Assembly Bill (AB) 1808 (Chapter 75, Statutes of 2006). If the Department finds that implementation of TAP is not feasible, language in AB 1808 allows the Department to suspend implementation until October 1, 2007.

### IMPLEMENTATION DATE:

The implementation of this premise has been delayed indefinitely due to unresolved child support distribution issues.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 11320.32.
- The implementation of TAP has been delayed indefinitely due to unresolved child support distribution issues.

### METHODOLOGY:

The implementation of TAP has been delayed indefinitely due to unresolved child support distribution issues.

### FUNDING:

The implementation of TAP has been delayed indefinitely due to unresolved child support distribution issues.

### CHANGE FROM THE APPROPRIATION:

The implementation of TAP has been delayed indefinitely due to unresolved child support distribution issues.

### REASON FOR YEAR-TO-YEAR CHANGE:

There is no change. Due to the unknown timeframe for the resolution of the child support issues, the estimate currently assumes implementation will not occur in the budget year.

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## Temporary Assistance Program (TAP)

### EXPENDITURES:

(in 000's)

<b>101- CalWORKs</b>	2006-07	2007-08
<b>Assistance Payments</b>		
Total	\$0	\$0
Federal	0	0
State	0	0
County	0	0
Reimbursements	0	0

(in 000's)

<b>101- CalWORKs</b>	2006-07	2007-08
<b>Administration</b>		
Total	\$0	\$0
Federal	0	0
State	0	0
County	0	0
Reimbursements	0	0

## TANF Reauthorization-Assembly Bill (AB) 1808

### DESCRIPTION:

This premise reflects the projected impact to the California Work Opportunity and Responsibility to Kids (CalWORKs) program associated with provisions contained in AB 1808, (Chapter 75, Statutes of 2006). The changes contained in AB 1808 are in response to the federal Deficit Reduction Act of 2005 which reauthorized the Temporary Assistance to Needy Families (TANF) program. TANF Reauthorization provisions result in the need for California to significantly increase the number of recipients participating in activities that count toward the TANF Work Participation Rate (WPR) requirements of 50 and 90 percent for all families and two-parent families.

The following provisions are contained in AB 1808:

CalWORKs Plan Addendum requires counties to perform a comprehensive review of their existing CalWORKs county plan and submit to the Department a plan addendum detailing how the county will meet the goals of the CalWORKs program, while taking into consideration the TANF Reauthorization work participation requirements;

County Penalty Pass-On amends existing statute to clarify how the State will pass on to counties 50 percent of any federal penalty imposed on the State for failure to meet federal TANF requirements;

Data Publishing and Data Master Plan requires that by April 1, 2007, the California Department of Social Services (CDSS) will publish data reported by counties on at least a quarterly basis to include caseload characteristics, Welfare-to-Work (WTW) performance outcomes, and engagement rates. In addition, by April 1, 2007, CDSS is required to submit to the Legislature a master plan for CalWORKs data under development by CDSS and a stakeholders workgroup; and

County Peer Review requires the Department to create and implement a statewide county peer review process first in pilot counties, and then statewide by July 1, 2007.

Based on these provisions it is anticipated that there will be a renewed focus on participation which will result in an increase to the WPR.

### IMPLEMENTATION DATE:

Implementation began July 1, 2006.

### KEY DATA/ASSUMPTIONS:

- Authorizing Statutes: Welfare and Institutions Code sections, 10533, 10534, 10535, 10540.6, 10544, and AB 1808 section 40.
- This estimate assumes an increase in the WPR of 4 percent in Federal Fiscal Year (FFY) 2007 and an additional 6 percent increase by the end of FFY 2008 for a total of 10 percent. Based on historical experience between FFY 1997 and 1999 the WPR increased 12 percent. Because of the renewed focus on participation resulting from the provisions of AB 1808 it is assumed that the State will experience a similar increase in work participation.

## TANF Reauthorization-Assembly Bill (AB) 1808

### KEY DATA/ASSUMPTIONS: (continued)

- An average of 12,000 additional cases must be fully participating in federally allowable activities by the end of FFY 2007 to achieve a 4 percent increase in the WPR. The cases will be phased in beginning July 2006 and it will take 12 months to achieve an average of 12,000 per month. A total of 15,000 additional cases must be fully participating by September 2007 to achieve an average of 12,000 fully participating cases per month in FFY 2007.
- Continuing the phased in approach, approximately 30,000 additional cases (including the 15,000 from current year (CY) must be fully participating in federally allowable activities by the end of FFY 2008 to achieve a 6 percent increase in the WPR. A total of 36,300 cases must be fully participating by the end of September 2008 to achieve an average of 30,000 fully participating cases per month in FFY 2008.
- It is assumed that counties will be developing strategies to engage or increase participation of recipients during fiscal year (FY) 2006-07; however, the primary focus will be on increasing the participation of those who are currently participating but not fully meeting the federal requirement. Partially participating recipients are currently receiving the necessary child care and employment services.
- Based on the FFY 2005 CalWORKs Characteristics Survey (Q5) data, 70 percent of those who are currently participating do so through work activities and the remaining 30 percent participate in non-work activities, therefore, the same percentages will be applied to participants that are not fully meeting the federal requirement and will increase their level of participation.
- In order to achieve the additional 36,300 cases necessary to reach a 10 percent increase in the WPR, beginning in budget year (BY), 7,000 previously unengaged cases will need to meet the federal work requirements. It is assumed that 25 percent (1,750) will fully participate through work and the remaining 75 percent (5,250) will fully participate through non-work activities.
- Based on current experience in the CalWORKs program, it is assumed that 41.6 percent of the newly participating cases that meet the federal WPR requirements will utilize CalWORKs child care. The average number of children per case is 1.7. The average cost per child is \$630.96.
- Based on current experience in the CalWORKs program, it is assumed that 7.25 percent of the newly participating cases that meet the federal WPR requirements will utilize ancillary services. The average cost is \$67.41 per month.
- Based on current experience in the CalWORKs program, it is assumed that 46.88 percent of the newly participating cases that meet the federal WPR requirements will utilize transportation services. The average cost is \$64.53 per month.

## TANF Reauthorization-Assembly Bill (AB) 1808

### METHODOLOGY:

- By the end of FY 2006-07, 15,000 additional cases will be fully participating in federally allowable activities each month. Assuming a twelve month phased approach this results in an additional 97,500 casemonths in CY.
- Based on assumptions that 70 percent (68,250) of these cases would need to increase an average of 12 hours of work per week assuming an hourly rate of \$6.75, 4.33 weeks per month, the average grant savings per case was calculated based on the current CalWORKs disregard rules for earned income.  $[68,250 \text{ cases} \times \$174 (12 \text{ hours of work} \times \$6.75 \times 4.33 \text{ weeks} \times 0.5)] = \$11.9 \text{ million}$  in grant savings for the CY.
- The BY savings associated with the cases that increased work hours in the CY is \$21.9 million.  $(15,000 \times .70 \times 12 \times \$174)$ .
- By the end of FY 2007-08, an additional 14,327 cases will increase their participation to meet federal requirements. Assuming a 12 month phased approach results in 93,126 additional casemonths in BY. Assuming 70 percent (65,188) would need to increase an average of 12 hours of work per week.  $[65,188 \text{ cases} \times \$174 (12 \text{ hours of work} \times \$6.75 \times 4.33 \text{ weeks} \times 0.5)] = \$11.3 \text{ million}$  in grant savings for the BY.
- Beginning in FY 2007-08, as a result of the ongoing strategies, 7,000 cases that are currently unengaged (sanctioned, good cause, and non-compliant) will begin to fully participate. Assuming a 12 month phased approach results in 45,500 additional casemonths in FY 2007-08. It is assumed that 25 percent (11,375) of these cases will begin to participate an average of 32 hours per week.  $[11,375 \text{ cases} \times \$355 (32 \text{ hours of work} \times \$6.75 \times 4.33 \text{ weeks} \times 0.5)] = \$4.04 \text{ million}$  in grant savings for the BY.
- Ancillary and transportation services costs were determined by multiplying the number of newly participating (45,500) casemonths by the ratio of cases who utilize ancillary/transportation services, then by the average monthly costs (ancillary services – 45,500 cases  $\times$  7.25 percent  $\times$  \$67.41 per month; transportation services – 45,500 cases  $\times$  46.88 percent  $\times$  \$64.53 per month).
- Assuming a one month delay in the payment of child care the total casemonths between July 2007 through May 2008 (38,500) were used to determine child care costs. These cases were multiplied by the utilization rate, the average number of children per case, and average Stage One Child Care payment per child.  $(38,500 \text{ cases} \times 0.416 \text{ utilization rate} \times 1.7 \text{ children per case} \times \$630.96 \text{ payment per child}) = \$17.2 \text{ million}$  in Stage One.
- Approximately \$859,000 of the child care costs are held in the Stage One/Stage Two Holdback. This amount is based on 5 percent of the estimated need.
- It is assumed that it will cost \$2.6 million in BY to reprogram existing systems to implement the provisions of AB 1808 based on information from the Office of Systems Integration. The funding for the automation costs is 100 percent federal/TANF.
- Pursuant to AB 1808, the Budget includes an additional \$90 million in federal TANF block grant funds for the CalWORKs program to assist the counties in improving their WPR. This estimate assumes full expenditure of the \$90 million in the CY and assumes an additional \$90 million in the BY.

## TANF Reauthorization-Assembly Bill (AB) 1808

### FUNDING:

The funding for the CalWORKs Program is shared 94 percent federal/TANF, 3.5 percent General Fund (GF) and 2.5 percent county. The funding for child care, transportation, and ancillary costs are shared 98.56 percent federal/TANF funds and 1.44 percent GF.

### CHANGE FROM THE APPROPRIATION:

This is a new premise.

### REASON FOR YEAR-TO-YEAR CHANGE:

FY 2007-08 assumes full implementation. In addition, programming changes associated with TANF Reauthorization will not be implemented until the budget year.

### EXPENDITURES:

(in 000's)

	2006-07	2007-08
<b>101-TANF Reauthorization (AB 1808) Grants</b>		
Total	\$-11,876	\$-37,305
Federal	-11,162	-35,848
State	-417	-524
County	-297	-933
Reimbursements	0	0

	2006-07	2007-08
<b>101-TANF Reauthorization (AB1808) Services &amp; Admin</b>		
Total	\$90,000	\$91,599
Federal	86,760	90,278
State	3,240	1,321
County	0	0
Reimbursements	0	0

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## TANF Reauthorization-Assembly Bill (AB) 1808

### 101-TANF Reauthorizatio

#### (AB 1808)

Stage One Child Care 1/	2006-07	2007-08
Total	\$0	\$16,321
Federal	0	15,791
State	0	530
County	0	0
Reimbursements	0	0

### 141-TANF Reauthorization

#### (AB 1808) – Automation

	2006-07	2007-08
Total	\$0	\$2,600
Federal	0	2,600
State	0	0
County	0	0
Reimbursements	0	0

### TANF Reauthorization

#### (AB 1808)

#### NET TOTAL

	2006-07	2007-08
Total	\$78,124	\$73,215
Federal	75,598	72,821
State	2,823	1,327
County	-297	-933
Reimbursements	0	0

1/ Reflects \$391,000 included in the Stage 1/Stage 2 holdback.

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## **Guillen v. Schwarzenegger** **(October 2003 COLA)**

### **DESCRIPTION:**

This premise reflects the impact of the Guillen v. Schwarzenegger court case that involves the suspension of the October 2003 cost-of-living adjustment (COLA) to the maximum aid payment (MAP). The court ruled against the State, and the Administration has subsequently appealed this decision. This appeal is still pending.

### **IMPLEMENTATION DATE:**

This premise was to implement on October 1, 2003.

### **KEY DATA/ASSUMPTIONS:**

- Authorizing statute: Welfare and Institutions Code section 11453.
- The 3.46 percent COLA to be given on October 1, 2003, has been suspended.
- The case was heard on December 8, 2008, and a court decision is expected by February 5, 2007..

### **METHODOLOGY:**

No costs were budgeted for this premise due to the decision to suspend the COLA.

### **FUNDING:**

There is no funding for this premise due to the decision to suspend the COLA.

### **CHANGE FROM PRIOR THE APPROPRIATION:**

There is no change.

### **REASON FOR YEAR-TO-YEAR CHANGE:**

There is no change pending the appellate court's decision.

### **EXPENDITURES:**

(in 000's)

	2006-07	2007-08
	Grant	Grant
Total	\$0	\$0
Federal	0	0
State	0	0
County	0	0
Reimbursements	0	0

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## Maximum Aid Payment – July 2006 COLA

### DESCRIPTION:

This premise reflects the cost of adding a cost-of-living adjustment (COLA) to the maximum aid payment (MAP). The COLA is based on the changes determined by the Department of Finance (DOF) in the California Necessities Index (CNI), which are the weighted average changes for food, clothing, fuel, utilities, rent and transportation for low-income consumers. In accordance with Welfare and Institutions Code (W&IC) section 11453 the effective date of the COLA is July 1 of each year.

As part of the 2005 Budget Act, Senate Bill (SB) 68 (Chapter 78, Statutes of 2005) eliminated the Fiscal Year (FY) 2006-07 COLA.

### IMPLEMENTATION DATE:

This premise was not implemented.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&IC section 11453.
- Senate Bill (SB) 68 (Chapter 78, Statutes of 2005) eliminated the FY 2006-07 COLA.
- The cost avoidance associated with suspending the COLA based on the estimated CNI rate of 3.75 percent is \$122.9 million.

### METHODOLOGY:

No costs were budgeted for this premise due to the decision to eliminate the COLA.

### FUNDING:

There is no funding for this premise due to the decision to eliminate the COLA.

### CHANGE FROM THE APPROPRIATION:

There is no change.

### REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

## Maximum Aid Payment – July 2006 COLA

### EXPENDITURES:

(in 000's)

	2006-07	2007-08
	Grant	Grant
Total	\$0	\$0
Federal	0	0
State	0	0
County	0	0
Reimbursements	0	0

## Maximum Aid Payment – July 2007 COLA

### **DESCRIPTION:**

This premise reflects the cost of adding a cost-of-living adjustment (COLA) to the maximum aid payment (MAP). The COLA is based on the changes determined by the Department of Finance in the California Necessities Index (CNI), which are the weighted average changes for food, clothing, fuel, utilities, rent and transportation for low-income consumers. In accordance with Welfare and Institutions Code (W&IC) section 11453, the effective date of the COLA is July 1 of each year.

### **IMPLEMENTATION DATE:**

This premise was to implement on July 1, 2007.

### **KEY DATA/ASSUMPTIONS:**

For Fiscal Year (FY) 2007-08, the Administration proposes to suspend the July 2007 COLA. In order to implement this proposal, statutory changes are required.

Based on current law the cost avoidance associated with suspending the COLA based on the estimated CNI rate of 4.21 percent is \$140.3 million.

### **METHODOLOGY:**

No costs were budgeted for this premise due to the decision to suspend the COLA.

### **FUNDING:**

There is no funding for this premise due to the decision to suspend the COLA.

### **CHANGE FROM THE APPROPRIATION:**

No change.

### **REASON FOR YEAR-TO-YEAR CHANGE:**

No change.

## Maximum Aid Payment – July 2007 COLA

### EXPENDITURES:

(in 000's)

	2006-07	2007-08
	Grant	Grant
Total	\$0	\$0
Federal	0	0
State	0	0
County	0	0
Reimbursements	0	0

## Full Family Sanction

### DESCRIPTION:

This premise reflects the fiscal impact associated with implementing a full family sanction policy for noncompliant cases that have been sanctioned for over 90 days.

Temporary Assistance to Needy Families (TANF) Reauthorization provisions result in the need for California to significantly increase the number of recipients participating in activities that count toward the TANF Work Participation Rate (WPR) requirements of 50 and 90 percent for all families and two-parent families. As a result of the TANF provisions included in the federal Deficit Reduction Act of 2005, any case that has been in sanction status for more than 90 days are now included in the WPR.

Currently, a California Work Opportunity and Responsibility to Kids (CalWORKs) Welfare-to-Work (WTW) sanction occurs when a nonexempt recipient fails or refuses, without good cause, to comply with WTW participation requirements and is removed from the assistance unit for grant purposes. The case remains active and the nonexempt recipient remains off aid until the sanction is cured.

### IMPLEMENTATION DATE:

Implementation begins July 1, 2007.

### KEY DATA/ASSUMPTIONS:

- In order to implement this proposal, statutory changes are required.
- Beginning in November 2007, cases that have reached 90 days in sanction will be subject to discontinuance unless they cure their sanction and fully participate.
- Based on the Federal Fiscal Year 2005 CalWORKs Characteristics Survey (Q5) data, 36,355 cases are in sanctioned status for over 90 days.
- Assuming a 12-month phased-in approach results in 109,096 sanctioned casemonths in budget year (BY) that will exceed 90 days in the previous 12 months.
- It is assumed that 70 percent of the sanctions that exceed 90 days will cure their sanction when faced with losing aid for the entire assistance unit. Of this amount, 50 percent will do so through work activities and the remaining 50 percent participate in non-work activities.
- The average monthly grant savings for cases that cure through increased work participation is \$41 per month. [(20 hours of work x \$6.75 x 4.33 weeks - \$225 x 0.5) - \$139 incremental grant amount].
- The average monthly grant cost for cases that cure through increased non-work participation is \$139 per month.
- Based on current experience in the CalWORKs program, it is assumed the newly participating cases that meet the federal WPR requirements will utilize child care services at the same rate as the CalWORKs caseload. The average number of children per case is 1.7. The average cost per child is \$630.96.

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## Full Family Sanctions

### KEY DATA/ASSUMPTIONS: (continued)

- Based on current experience in the CalWORKs program, it is assumed that 7.25 percent of the newly participating cases that meet the federal WPR requirements will utilize ancillary services. The average cost is \$67.41 per month.
- Based on current experience in the CalWORKs program, it is assumed that 46.88 percent of the newly participating cases that meet the federal WPR requirements will utilize transportation services. The average cost is \$64.53 per month.
- The monthly administrative cost per case is \$33.69.

### METHODOLOGY

- It is assumed that 70 percent ( $109,096 \times .70 = 76,346$ ) of the cases will fully participate by either working or through non-work activities. It is assumed that 50 percent (38,173 casemonths) will participate by working an average of 20 hours per week resulting in "net" grant savings per case of \$41 per month.
- The remaining 50 percent or 38,173 casemonths will participate through non-work activities resulting in grant costs of \$139 per month per case.
- The remaining 30 percent ( $109,096 \times .30 = 32,720$  cases) will not comply and will be subject to a full family sanction. The average monthly grant these cases were receiving while in sanction status is \$584. Administrative savings for noncompliant cases = \$1.1 million in BY.
- Ancillary and transportation services costs were determined by multiplying the number of newly participating casemonths (76,346) by the ratio of cases who utilize ancillary/transportation services, then by the average monthly costs (ancillary services – 76,346 cases  $\times$  7.25 percent  $\times$  \$67.41 per month; transportation services – 76,346 cases  $\times$  46.88 percent  $\times$  \$64.53 per month) = \$2.7 million in BY.
- Child care services costs were determined by multiplying the number of newly participating (November 2007 through May 2008 due to a one-month delay in expenditures) 59,380 casemonths by the utilization rate, the average number of children per case, and the average Stage One Child Care payment per child. ( $24,702 \times 1.7$  children per case  $\times$  \$630.96 payment per child = \$26.5 million in Stage One).
- The Stage One Child Care cost is reduced by approximately \$1.3 million and held in the Stage One/Stage Two Holdback. This amount is based on 5 percent of the estimated need.

### FUNDING:

The funding for the Full Family Sanction Program is shared 96.09 percent federal/TANF, 1.41 percent State General Fund (GF) and 2.5 percent county. The funding for child care, transportation, and ancillary costs are shared 98.56 percent federal/TANF funds and 1.44 percent GF.

## Full Family Sanctions

### CHANGE FROM THE APPROPRIATION:

This is a new premise.

### REASON FOR YEAR-TO-YEAR CHANGE:

Any program changes associated with Full Family Sanctions will not be implemented until the budget year.

### EXPENDITURES:

(in 000's)	2006-07	2007-08
<b>101-TANF Full Family Sanctions-Grants-</b>		
Total	\$0	\$-15,367
Federal	0	-14,766
State	0	-217
County	0	-384
Reimbursements	0	0
<b>101-TANF Full Family Sanction-Services</b>		
Total	\$0	\$2,683
Federal	0	2,644
State	0	39
County	0	0
Reimbursements	0	0
<b>101-TANF Full Family Sanction Admin</b>		
Total	\$0	\$-1,102
Federal	0	-1,086
State	0	16
County	0	0
Reimbursements	0	0

## Full Family Sanctions

### EXPENDITURES:(continued)

101-TANF Full Family Sanction	2006-07	2007-08
<b>Child Care</b>		
Total	\$0	\$25,171
Federal	0	24,353
State	0	818
County	0	0
Reimbursements	0	0

## Child-Only Time Limit

### DESCRIPTION:

This premise reflects the savings associated with the establishment of a 60-month time limit for child-only cases where the adult is not aided for the following reasons: Undocumented Non-Citizens, Drug Felons, or Fleeing Felons. This proposal would provide consistent treatment with other California Work Opportunity and Responsibility to Kids (CalWORKs) families.

### IMPLEMENTATION DATE:

Implementation begins July 1, 2007.

### KEY DATA/ASSUMPTIONS:

- In order to implement this proposal, statutory changes are required.
- Effective July 1, 2007, child-only cases where the adult is not aided due to being an Undocumented Non-Citizen, Drug Felon, or Fleeing Felon that have been on aid for 60 or more months will be given 90 days notice prior to discontinuance with cases being affected beginning in November 2007.
- Based on CalWORKs Characteristics (Q5) information and Medi-Cal Eligibility Data Systems (MEDS) data approximately 40.56 percent of child-only cases with an Undocumented Non-Citizen, Drug Felon, or Fleeing Felon adult have been on aid for 60 or more months, resulting in approximately 38,000 cases affected by this policy change.
- The average monthly grant that these cases receive is \$491.21.
- The monthly administrative cost per case is \$24.95 and the mid-quarter administrative cost equates to \$8.63 per month, which totals \$33.58.

### METHODOLOGY:

- The discontinuance of 38,000 cases will result in grant savings of \$150 million in budget year (BY).  $(38,000 \times \$491.21 \times 8)$ .
- The discontinuance of 38,000 cases will result in administrative savings of \$10 million in BY.  $(38,000 \times \$33.58 \times 8)$

### FUNDING:

The funding for the CalWORKs grant costs is shared 97.5 percent federal/Temporary Assistance to Needy Families (TANF), and 2.5 percent county. Funding for CalWORKs administration is 100 percent TANF.

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## Child-Only Time Limit

### CHANGE FROM THE APPROPRIATION:

This is a new premise.

### REASON FOR YEAR-TO-YEAR CHANGE:

Any program changes associated with Child-Only Time Limit will not be implemented until BY.

### EXPENDITURES:

(in 000's)

<b>101-Grants</b>	<b>2006-07</b>	<b>2007-08</b>
Total	\$0	\$-150,000
Federal	0	-146,000
State	0	-0
County	0	-4,000
Reimbursements	0	0

<b>101-Admin</b>	<b>2006-07</b>	<b>2007-08</b>
Total	\$0	\$-10,000
Federal	0	-10,000
State	0	0
County	0	0
Reimbursements	0	0

## Pay for Performance

### DESCRIPTION:

Pay for Performance is an investment strategy to encourage counties to achieve critical California Work Opportunity and Responsibility to Kids (CalWORKs) program outcomes. The original proposal established a three-year pilot project to ensure that counties invest resources in activities that are most effective and efficient in achieving the desired outcomes.

Subject to an appropriation, payments for the Pay for Performance program were scheduled to begin in Fiscal Year (FY) 2006-07. However, funds were not set aside for the Appropriation in FY 2006-07 and the program was delayed.

In accordance with Assembly Bill 1808, the California Department of Social Services is required to periodically publish the county-specific outcomes measured by the Pay for Performance program. A total of \$40 million was shifted from the Temporary Assistance for Needy Families (TANF) reserve from FY 2006-07 to fund incentives in FY 2007-08 for counties that meet or exceed program outcome goals. County performance will be evaluated based on the following outcome measures:

- Employment rate of county CalWORKs cases.
- Modified federal participation rate that accounts for State allowable activities of county CalWORKs cases.
- Percentage of county CalWORKs cases that have earned income three months after ceasing to receive assistance.

### IMPLEMENTATION DATE:

This premise will become effective July 1, 2007.

### KEY DATA/ASSUMPTIONS:

- A total of \$40 million was shifted from the FY 2006-07 TANF Reserve to fund incentives in FY 2007-08 for counties that meet or exceed performance outcome goals.

#### CalWORKs Grant Savings

- CalWORKs grant savings will be achieved in the FY 2006-07 and FY 2007-08 as participants successfully increase employment and increase earnings.

#### Increased TANF Participation

- Assuming this program will result in a 2 percent increase in working adults, it is assumed 3,887 cases that are meeting CalWORKs participation requirements through activities other than employment, will begin working an average of ten hours per week in FY 2006-07 and FY 2007-08.
- For these cases, ten hours of work per week will result in average monthly grant savings of \$34 per month, based on the minimum wage of \$6.75 per hour and the current disregard rules for earned income.

## Pay for Performance

### KEY DATA ASSUMPTIONS (continued):

- No additional child care or services costs are assumed for cases that are already participating in Welfare-to-Work activities.

### FUNDING:

- The FY 2006-07 funding for the CalWORKs grant savings is 93.99 percent TANF, 3.5 percent State General Fund (GF) and 2.5 percent county.
- The FY 2007-08 funding for the CalWORKs grant savings is 96.09 percent TANF, 1.41 percent GF and 2.5 percent county.

### CHANGE FROM THE APPROPRIATION:

- Decreased grant savings in FY 2006-07 is due to a decrease in the number of working adults.
- Effective October 2006, two-parent families are no longer funded with GF. Two-parent families are now funded with 100 percent TANF.

### REASON FOR YEAR-TO-YEAR CHANGE:

- For the first quarter of the FY 2006-07, two-parent families are funded with GF. The remaining quarters are funded with TANF. For FY 2007-08, two-parent families are funded with TANF.
- The services change reflects \$40 million shifted from the TANF reserve from 2006-07 to fund incentives in FY 2007-08.

### EXPENDITURES:

(in 000's)

101 – CalWORKs Basic Grants	2006-07	2007-08
	Grant	Grant
Total	-\$1,574	- \$1,574
Federal	-1,479	- 1,513
State	-56	- 22
County	-39	- 39
Reimbursement	0	0

## Pay for Performance

### Expenditures (continued):

(in 000's)

<b>101 – CalWORKs Services</b>	2006-07	2007-08
	Services	Services
Total	\$0	\$40,000
Federal	0	40,000
State	0	0
County	0	0
Reimbursement	0	0

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## Homeless Assistance (AB 1808)

### DESCRIPTION:

This premise reflects the costs and savings associated with changes to the existing Homeless Assistance (HA) program, as mandated by Assembly Bill (AB) 1808 (Chapter 75, Statutes of 2006), which increased temporary homeless shelter rates and allowed for once-in-a-lifetime homeless assistance under threat of eviction. These changes are expected to result in fewer families becoming homeless and utilizing Temporary Housing (TH). Permanent Housing (PH) will stabilize the recipient's shelter needs which will enable recipients to comply with Welfare to Work (WtW) requirements.

The maximum daily rate for TH is increased from \$40 per day to \$65 per day. The rent threshold for PH is changed to 80 percent of the total monthly household income (TMHI) rather than 80 percent of the maximum aid payment (MAP). PH is available to pay up to two months of rent arrearages to prevent eviction. HA remains a once-in-a-lifetime program.

### IMPLEMENTATION DATE:

This premise implemented on July 1, 2006.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 11450.

#### Grants

- The total grant cost is the net value of the increased costs for PH and TH, offset by the grant savings associated with the new cases projected to work.
- Los Angeles County's Emergency Assistance Prevent Eviction (EAPE) is a county program that provides PH assistance similar to the requirements of AB 1808.
- Based on Los Angeles County's EAPE program, the estimated average amount of rent arrearage payment per case is \$755.
- In Fiscal Year (FY) 2004-05, the EAPE program approved approximately 261 PH cases a month to avoid eviction.
- Los Angeles County represents approximately 44 percent of the statewide cases that are approved for PH monthly.
- An estimated 594 new monthly cases will be eligible for PH to prevent homelessness. This caseload is determined by using the EAPE results to develop a statewide projection ( $261 \div 44\% = 594$ ).
- Based on the CA 237 HA statistical report, approximately 59 cases are denied PH monthly.

## Homeless Assistance (AB 1808)

### KEY DATA/ASSUMPTIONS: (continued)

- It is assumed 33 percent of the denials are because the recipient's rent threshold exceeded 80 percent of MAP. An estimated 20 new monthly cases will be eligible because the maximum payment for PH is based on 80 percent of TMHI rather than 80 percent of MAP ( $59 \times 33 \text{ percent} = 20$ ).
- For both current year (CY) and budget year (BY), 614 new cases per month will receive PH as a result of the maximum PH payment changing to 80 percent of TMHI ( $594 + 20 = 614$ ).
- The 614 new cases are assumed to have previously received TH and therefore will no longer receive TH.
- The TH estimated increased cost is the net effect of the decrease in the number of TH cases and an increase in the daily TH rate from \$40 to \$65 per day.
- Based on the CA 237 HA report from FY 2005-06, approximately 2,295 monthly cases are approved for TH with an annual cost of \$11.1 million.
- The TH annual cost will decrease by 27 percent due to additional cases becoming eligible for PH ( $614 \div 2,295 = 27\%$ ).
- The TH annual cost will increase by 63 percent due to the daily TH rate increasing from \$40 to \$65 per day ( $\$25 \div \$40 = 63\%$ ).
- Based on historical participation rates of all CalWORKs families, it is assumed that 107 new cases each month will participate in WtW activities as a result of stabilizing their housing situation. The cases in Los Angeles County's EAPE program that have earned income are excluded from this number.
- Based on FFY 2005 CalWORKs Characteristics Survey (Q5) data, 76.69 percent of cases that participate in WtW have earned income.
- An estimated 82 new cases per month will have grant savings as the families begin to work due to stable housing ( $107 \times 76.69\% = 82$ ). The caseload accumulates monthly resulting in an average caseload of 534 in CY and 1,519 in BY.
- The estimated average monthly income is \$585 per case. This is determined by multiplying the minimum hourly wage by 20 hours per week ( $\$6.75 \times 20 \times 4.33 = \$585$ ).
- The grant savings is \$180 per case after applying the earned income disregards.

## Homeless Assistance (AB 1808)

### KEY DATA/ASSUMPTIONS: (continued)

#### Employment Services

- The employment services costs associated with new cases that will participate in WtW activities include transportation and ancillary costs.
- An estimated 50 new cases per month will utilize transportation services at a cost of \$64.53 per case. The additional monthly caseload is determined by applying the historical transportation utilization rate to the new cases that will participate in WtW ( $107 \times 46.88\% = 50$ ). The caseload continues to accumulate monthly resulting in 326 average monthly cases in CY and 928 in BY.
- An estimated 8 new cases per month will utilize ancillary services at a cost of \$67.41 per case. The caseload is determined by applying the historical ancillary utilization rate to the new cases that will participate in WtW ( $107 \times 7.25\% = 8$ ). The caseload continues to accumulate monthly resulting in 50 average monthly cases in CY and 144 in BY.

#### Child Care Services

- CY assumes a one month delay before increased costs are realized. BY reflects a full year impact.
- In the CY, an estimated 31 new cases will utilize child care services and in the BY, an estimated 45 new cases will utilize child care services.
- In the CY, an estimated 52 new children will utilize child care per month ( $1.7 \times 31 = 52$ ) and 76 new children in the BY ( $1.7 \times 45 = 76$ ). The number of children continues to accumulate monthly resulting in 311 average monthly in CY and 1,062 in BY.
- Total child care costs are reduced by 5 percent and shifted to the Stage One/Two Holdback.

#### Administrative Costs

- The administrative cost is based on 614 new cases that will become eligible to receive PH.
- Based on an historical HA time study report, the average amount of time it takes to process each case is 2.26 hours.
- The estimated administrative cost per hour is \$55.77.
- The administrative cost to process new cases is \$126.04 per case ( $2.26 \times \$55.77 = \$126.04$ ).

### METHODOLOGY:

#### Grant Cost:

- The PH estimated annual grant cost for CY and BY is based on Los Angeles' EAPE average monthly cost per case multiplied by the estimated new cases ( $614 \times \$755 \times 12 = \$5.6$  million).
- The TH estimated annual cost is the net effect associated with the decrease in the number of TH cases and an increase in the daily TH rate from \$40 to \$65 per day.

## Homeless Assistance (AB 1808)

### **METHODOLOGY (continued):**

- The TH decrease is determined by multiplying the FY 2005-06 annual TH cost by the percentage of cases that will become eligible for PH (\$11.1 million x 27% = \$3 million).
- The TH increase is determined by multiplying the annual TH amount after the reduction for fewer cases by the percentage increase in the daily rate ([(\$11.1 million - \$3 million) x 63% = \$5.1 million).
- The total increased TH annual cost is the difference between the estimated TH increase and the TH decrease (\$5.1 million - \$3 million = \$2.1 million).
- The annual grant savings is determined by multiplying the average monthly caseload by the savings per case (CY: 534 x \$180 x 12 = \$1.2 million, BY: 1,519 x \$180 x 12 = \$3.3 million).
- The total grant costs for CY and BY include the additional costs for TH and PH offset by the grant savings associated with the number of new cases that will begin to work (CY: \$5.6 million + \$2.1 million - \$1.2 million = \$6.5 million, BY: \$5.6 million + \$2.1 million - \$3.3 million = \$4.4 million).

### **Employment Services:**

- The annual employment services cost includes transportation and ancillary cost.
  - The transportation cost is determined by multiplying the average monthly number of cases by the cost per case (for CY: 326 x \$64.53 x 12, for BY: 928 x \$64.53 x 12).
  - The ancillary cost is determined by multiplying the average monthly number of cases by the cost per case (for CY: 50 x \$67.41 x 12, for BY: 144 x \$67.41 x 12).

### **Child Care:**

- Child care costs are determined by multiplying the average number of children by the cost per child then reduced by the 5 percent that is shifted into the Stage One/Two holdback (for CY: (311 x \$630.96 x 11) – 5%, for BY: (908 x \$630.96 x 12) – 5%).

### **Administrative Costs:**

- For BY and CY, the administrative cost is determined by multiplying the average monthly number of new cases eligible for PH by the cost per case (614 x \$126.04 x 12).

### **FUNDING:**

In the CY, the grant costs are funded with 84.53 percent TANF, 12.97 percent State General Fund (GF) and 2.5 percent county funds. In the BY, the costs are funded with 85.48 percent TANF, 12.02 percent State (GF) and 2.5 percent county funds

## Homeless Assistance (AB 1808)

### FUNDING: (continued)

In the CY, the employment and administrative services costs are funded with 86.7 percent TANF and 13.3 percent State GF. In the BY, the costs are funded with 87.68 percent TANF and 12.32 percent State GF.

In the CY and BY, child care costs are funded with 96.75 percent TANF and 3.25 percent State GF. The State share represents two-parent families, and is countable toward the State's TANF maintenance of effort requirement.

### CHANGE FROM THE APPROPRIATION:

The grant cost is updated to reflect a more accurate estimate associated with the changes of AB 1808.

Administration, employment services, and child care costs were not included in the Appropriation.

### REASON FOR YEAR-TO-YEAR CHANGE:

The decrease in grant costs in the BY are due to the accumulated number of new monthly cases that will begin to work, resulting in grant savings.

Employment services and child care costs reflect an increase in the BY due to the accumulating caseload projected to participate in WtW.

For grants and services, the Two Parent program is GF funded for the first quarter and TANF funded for the remaining quarters of the CY. For BY, two-parent families are funded with 100 percent TANF.

### EXPENDITURES:

(in 000's)

ITEM 101 -	2006-07	2007-08
<b>CalWORKs Assistance Payments</b>	Grant	Grant
Total	\$6,521	\$4,393
Federal	5,512	3,755
State	846	528
County	163	110
Reimbursements	0	0

## Homeless Assistance (AB 1808)

### EXPENDITURES (continued):

(in 000's)

ITEM 101 -	2006-07	2007-08
<b>CalWORKs Services</b>	Services	Services
Total	\$293	\$835
Federal	254	732
State	39	103
County	0	0
Reimbursements	0	0
ITEM 101 -	2006-07	2007-08
<b>CalWORKs Administration</b>	Administration	Administration
Total	\$928	\$928
Federal	814	805
State	114	123
County	0	0
Reimbursements	0	0
ITEM 101 -	2006-07	2007-08
<b>CalWORKs Child Care</b>	Services	Services
Total	\$2,052	\$7,642
Federal	1,985	7,394
State	67	248
County	0	0
Reimbursements	0	0

## Ending Durational Sanctions (AB 1808)

### DESCRIPTION:

Assembly Bill (AB) 1808 (Chapter 75, Statutes of 2006) discontinued the policy on durational sanctions to allow any sanctioned client to immediately cure their sanction once the adult meets the Welfare to Work (WtW) requirements. Prior to the passage of AB 1808, recipients were subject to durational sanctions. Recipients who were in their second or third instance of sanction were required to remain in the sanction status for a minimum of three months and six months, respectively, regardless of whether they were fully meeting the WtW requirements. Effective July 2006, all sanctioned adults who meet the WtW requirements are eligible to cure their sanction. The county welfare department (CWD) will add the adult back into the Assistance Unit (AU) when the adult fully meets the WtW requirements.

### IMPLEMENTATION DATE:

This premise implemented in July 1, 2006.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code Section 11327.5.
- The estimated average monthly CalWORKs caseload for current year (CY) is 467,667 and budget year (BY) is 467,959.
- The grant costs are based on the number of cases that will cure their sanction resulting in the adult being added back into the Assistance Unit (AU).
- The estimated cost reflects a 6 month phase in beginning in October 2006. This assumes there will be a three month delay before increased costs are realized.
- Based on the data from the WtW 25 & 25a statistical reports, the estimated percentage of sanctioned cases to the total CalWORKs caseload is 10.3 percent. The estimated total sanctioned caseload is 48,170 for CY and 48,200 for BY.
- Based on Welfare Data Tracking Implementation Project (WDTIP) data, 13.6 percent of the total sanction caseload is in the 2<sup>nd</sup> or 3<sup>rd</sup> instance of sanction status.
- The estimated number of cases in the 2<sup>nd</sup> or 3<sup>rd</sup> instance of sanction status (potentially able to immediately cure their sanction) is 6,551 for CY and 6,555 for BY.
- Based on information from a two-year sanction study by Riverside County in 2005, 54.3 percent will cure their sanction.
- Based on a six month phase-in, the average monthly caseload for CY is 2,571.
- The average monthly caseload in BY is 3,562.
- The cost per case associated with adding the adult back into the AU is the net difference between the Maximum Aid Payment (MAP) for a family size of two and MAP for a family size of three in Region One. (\$139 per case).

## Ending Durational Sanctions (AB 1808)

### METHODOLOGY:

- For CY and BY, the estimated monthly sanction caseload is calculated by multiplying the projected monthly CalWORKs caseload by 10.3 percent (for CY: 48,170, for BY: 48,200).
- For CY and BY, the estimated number of cases subject to immediately cure their sanction status is determined by multiplying the total sanctioned caseload by the percentage of cases that are that are in their 2<sup>nd</sup> or 3<sup>rd</sup> instance from the WDTP data source (for CY: 6,551, for BY: 6,555)
- For CY and BY, the estimated average caseload that will cure their sanction is determined by multiplying the number of cases subject to immediately cure their sanction by the percentage that will cure their sanction from the two-year sanction study by Riverside County (for CY: 2,571, for BY: 3,562).
- For CY and BY, the estimated annual grant cost is calculated by multiplying the average monthly caseload by the increased cost per case. CY reflects a nine month impact and BY reflects a full year impact (for CY:  $2,571 \times \$139 \times 9 = \$3.2$  million, and for BY  $3,562 \times \$139 \times 12 = \$5.9$  million).

### FUNDING:

For CY, the grant costs are 94 percent TANF, 3.5 percent State General Fund (GF) and 2.5 percent county funds.

For BY, the grant costs are 96.09 percent TANF, 1.41 percent State GF and 2.5 percent county funds.

### CHANGE FROM THE APPROPRIATION:

This is a new premise. The Legislation did not include funding for this change in the 2006 Budget Act.

### REASON FOR YEAR-TO-YEAR CHANGE:

The grant cost in CY reflects a 6 month phase – in with a 9 month fiscal impact. The BY reflects a full year impact.

The change in funding ratios reflects the shift of the funding for two-parent families from GF to TANF effective October 2006.

## Ending Durational Sanctions (AB 1808)

### EXPENDITURES:

(in 000's)

ITEM 101 -	2006-07	2007-08
<b>CalWORKs Assistance Payments</b>	Grant	Grant
Total	\$3,216	\$5,938
Federal	3,023	5,706
State	113	84
County	80	148
Reimbursements	0	0

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## Minimum Wage Increases (AB 1835)

### DESCRIPTION:

This premise reflects costs associated with increasing the minimum wage pursuant to State law. Assembly Bill 1835 (Chapter 230, Statutes of 2006) raises the State minimum wage from \$6.75 per hour to \$7.50 per hour effective January 1, 2007. The minimum wage is further increased to \$8.00 per hour, effective January 1, 2008.

The California Work Opportunity to Kids (CalWORKs) and California Food Assistance Program (CFAP) cases with an adult who works with hourly earnings between \$6.75 to \$8.00 an hour will be impacted. As monthly earned income increases, the monthly cash grant and CFAP benefits correspondingly decrease, resulting in grant and CFAP savings.

In-Home Supportive Services (IHSS) are provided through one of three modes: welfare staff, individual provider and county contract. The wages and benefits paid to the IHSS service provider vary by mode. Wages and benefits are set by statute or by the public authority or nonprofit consortium established in each county to deliver IHSS services. Increasing the minimum wage will increase costs for those counties with wages at or below \$8.00 per hour.

### IMPLEMENTATION DATE:

This premise implemented January 1, 2007.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Labor Code section 1182.12.

#### CalWORKs

- The projected total CalWORKs caseload for Current Year (CY) is 467,667 and Budget Year (BY) is 467,959.
- It is assumed that grant savings will be realized one month after implementation.
- Due to the effects of Quarterly Reporting/Prospective Budgeting (QRPB), wage increases for both CY and BY will be phased in through the initial three months, effective in February of each fiscal year.
- The average recipient works 126 hours a month.
- It is assumed all cases with earned income currently have the CalWORKs earned income disregard (\$225 plus 50 percent of the remainder) applied towards their monthly grant. Grant savings are estimated using only the 50 percent disregard of the additional earned income attributed to the minimum wage increase.
- In the CY, cases with an adult who earns \$6.75 an hour will receive a 75 cent increase and cases with an adult who earns between \$6.75 and \$7.50 will, on average, receive a 38 cent increase.
- In the BY, cases from the CY will receive an additional 50 cent increase and cases with an adult who earns between \$7.50 and \$8.00 will, on average, receive a 25 cent increase.

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## Minimum Wage Increases (AB 1835)

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## KEY DATA/ASSUMPTIONS (continued):

- Based on 2004 Q5 data, an estimated 57.4 percent of the total CalWORKs caseload has an aided adult (CY:  $467,667 \times 57.45\% = 268,674$ , and BY:  $467,959 \times 57.45\% = 268,842$ ).
- Of the cases with an aided adult, 5.07 percent earns \$6.75 an hour, 7.05 percent earns between \$6.75 and \$7.50 per hour, and 2.23 percent earns between \$7.50 and \$8.00 per hour.
- The estimate includes additional cases with an adult who are expected to be working due to implementation of Senate Bill (SB) 1104 (CY is 10,216 and BY 8,623).
- For CY, on average, 42,928 monthly cases will reflect an average grant savings of \$29 per case per month for 5 months.
- For BY, on average, 47,227 monthly cases will reflect an average grant savings of \$42 per case per month.
- Based on 2004 Q5 data, an estimated 0.077 percent of the monthly CalWORKs caseload will be discontinued from aid due to excess income in the CY due to the minimum wage increase and 0.086 percent will be discontinued in the BY.
- Due to the phased-in approach associated with QRPB, the average monthly caseload discontinued will be 288 for five months in the CY and 377 for twelve months in the BY.
- Administrative costs for mid-quarter activities are \$8.63 per case per month and for quarterly activities is \$24.95 per case per month.
- The administrative savings is a result of cases that will discontinue due to excess income.

## CFAP

- The projected total CFAP households for CY are 8,333 and BY are 8,557. In the CY, 6,300 households represent Non-Assistance Food Stamp (NAFS) and 2,033 households represent Public Assistance Food Stamp (PAFS). In the BY, 6,469 households represent NAFS and 2,088 households represent PAFS.
- It is assumed that CFAP savings will be realized one month after implementation.
- Due to the effects of QRPB, wage increases for both CY and BY will be phased-in through the initial three months, effective in February of each fiscal year.
- The average recipient works 126 hours a month.
- In the CY, cases with an adult who earns \$6.75 an hour will receive a 75 cent increase and cases with an adult who earns between \$6.75 and \$7.50 will, on average, receive a 38 cent increase.
- In the BY, cases from the CY will receive an additional 50 cent increase and cases with an adult who earns between \$7.50 and \$8.00 will, on average, receive a 25 cent increase.
- Based on 2004 Q5 data, an estimated 5.07 percent of cases earn \$6.75 per hour, 7.05 percent earns between \$6.75 and \$7.50 per hour, and 2.23 percent earns between \$7.50 and \$8.00 per hour.

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## Minimum Wage Increases (AB 1835)

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## **KEY DATA/ASSUMPTIONS (continued):**

- For CY, on average, 780 Non-Assistance Food Stamp (NAFS) monthly cases will reflect a CFAP savings of \$19 per case. On average, 252 monthly Public Assistance Food Stamp (PAFS) cases will reflect a CFAP savings of \$7 per case.
- For BY, on average, 844 monthly NAFS cases will reflect a CFAP savings of \$30 per case. On average, 272 PAFS monthly cases will reflect a CFAP savings of \$11 per case.

### **IHSS**

- There are 20 counties with wages below \$7.50 per hour.
- There are four counties with wages between \$7.50 and \$8.00 per hour.
- The 24 counties will only increase wages to \$7.50 per hour effective January 1, 2007 and \$8.00 per hour effective January 1, 2008.

## **METHODOLOGY:**

### **CalWORKs**

#### Grant Savings:

- For CY and BY, the average monthly cases that will receive additional earnings is determined by multiplying the number of cases with an adult by the percentage of cases with earnings and adding the number of cases that are impacted due to SB 1104.
- The annual grant savings is calculated by multiplying the average monthly savings per case by the number of cases that will receive additional earnings. The CY reflects a 5 month savings and the BY reflects a full year of savings (CY: 42,928 x \$29 x 5, BY: 47,227 x \$42 x 12).

#### Administrative Savings:

- The annual administrative savings is calculated by multiplying the average monthly cases that will discontinue due to excess income by the estimated savings per case. The CY reflects a 5 month savings and the BY reflects a full year of savings (CY: 288 x \$33.58 x 5, BY: 377 x \$33.58 x 12).

## Minimum Wage Increases (AB 1835)

### METHODOLOGY (CONTINUED):

#### CFAP

- For CY and BY, the average monthly cases that will receive additional earnings is determined by multiplying the number of cases with an adult by the percentage of cases with earnings.
- The annual NAFS savings is calculated by multiplying the average monthly savings per case by the number of cases that will receive additional earnings. The CY reflects a 5 month of savings and the BY reflects a full year of savings (CY: 780 x \$19 x 5, BY: 844 x \$30 x 12).
- The annual PAFS savings is calculated by multiplying the average monthly savings per case by the number of cases that will receive additional earnings. The CY reflects a 5 month of savings and the BY reflects a full year of savings (CY: 252 x \$7 x 5, BY: 272 x \$11 x 12).
- The total CFAP savings is calculated by adding the annual savings for NAFS and PAFS.

#### IHSS

For Fiscal Year (FY) 2006-07 the estimated cost is computed by multiplying the casemonths for the 20 counties by the average hours per case by the difference between the current hourly wage and \$ 7.50 per hour. For FY 2007-08 the estimated cost is computed by multiplying the casemonths for the 24 counties by the average hours per case by the difference between \$7.50 per hour or the current hourly wage, if higher than \$7.50 per hour, and \$8.00 per hour.

### FUNDING:

#### CalWORKs

The grant savings for CY are 84.53 percent TANF, 12.97 percent State General Fund (GF) and 2.5 percent county funds and for BY are 85.48 percent TANF, 12.02 percent State GF, and 2.5 percent county funds.

Administrative savings are 87.68 percent TANF and 12.32 percent GF.

#### CFAP

CFAP savings are 100 percent GF.

## Minimum Wage Increases (AB 1835)

### FUNDING (continued):

#### IHSS

- In the Personal Care Services Program (PCSP), the Title XIX Federal Medical Assistance Percentage rate is 50 percent.
- The nonfederal share is split 65 percent state and 35 percent county.
- In the Residual Program, the State share is 65 percent of the total, and the county share is 35 percent.

### CHANGE FROM THE APPROPRIATION:

This is a new premise.

### REASON FOR YEAR-TO-YEAR CHANGE:

#### CalWORKs and CFAP

The increased savings reflects a full year implementation and the additional minimum wage increase in January 2008.

#### IHSS

The BY reflects costs for four counties to increase wages to \$8.00 per hour for six months, and 20 counties to increase wages from \$7.50 per hour to \$8.00 per hour for six months.

### EXPENDITURES:

(in 000's)

ITEM 101 -	2006-07	2007-08
<b>CalWORKs</b>		
<b>Assistance Payments</b>	Grant	Grant
Total	-\$6,316	-\$23,581
Federal	-5,339	-20,158
State	-819	-2,833
County	-158	-590
Reimbursements	0	0

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## Minimum Wage Increases (AB 1835)

### EXPENDITURES (continued):

ITEM 101 - CalWORKs Administration	2006-07 Administration	2007-08 Administration
Total	-\$48	-\$152
Federal	-41	-132
State	-7	-20
County	0	0
Reimbursements	0	0

ITEM 101 - CFAP	2006-07 Coupon	2007-08 Coupon
Total	-\$84	-\$340
Federal	0	0
State	-84	-340
County	0	0
Reimbursements	0	0

ITEM 111 - IHSS	2006-07 Grant	2007-08 Grant
Total	\$7,813	\$16,487
Federal	0	0
State	2,539	5,358
County	0	0
Reimbursements	5,274	11,129

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## Minimum Wage Increases (AB 1835)

### EXPENDITURES (continued):

PCSP	2006-07	2007-08
Total	\$6,764	\$14,262
Federal	0	0
State	2,198	4,635
County	0	0
Reimbursements	4,566	9,627

Residual Program	2006-07	2007-08
Total	\$1,049	\$2,225
Federal	0	0
State	341	723
County	0	0
Reimbursements	708	1,502

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## Undocumented Citizens (SB 1569)

### DESCRIPTION:

This premise reflects the cost associated with extending social services and benefits to noncitizen victims of human trafficking, domestic violence and other serious crimes. Pursuant to provisions contained in Senate Bill (SB) 1569, these individuals would be eligible for these services to the same extent as persons who are eligible under the federal Refugee Act of 1980, including, but not limited to, refugee cash assistance, refugee medical assistance, employment social services, and Healthy Families Program benefits. SB 1569 requires victims of human trafficking to file for a T visa with the appropriate federal agency, to prepare to file an application for federal status, or to show evidence that they are taking steps to meet the conditions for federal benefits eligibility in order to qualify for State public social services. Victims of domestic violence and other serious crimes will have to file a formal application for a U visa with the appropriate federal agency to qualify. In order to remain eligible for benefits and services, victims of trafficking must show evidence that they have applied for the T visa within one year from the date of application for State public social services. This bill requires the State to fund these services to the extent federal funding is unavailable.

### IMPLEMENTATION DATE:

This premise implemented on January 1, 2007.

### KEY DATA/ASSUMPTIONS:

- Based on an annual report from the federal Attorney General's Office entitled "US Government Activities to Combat Trafficking in Persons, June 2006" to the United States Congress, an estimated 17,500 undocumented trafficking victims are in the United States.
- Based on a published news article by the San Diego Tribune, the Federal Government has received 3,011 U Visa applications over a four year period (2001 to 2005).
- Based on a publication by the Census Bureau published in 2000, an estimated 32 percent of undocumented citizens are in California. Assuming 50 percent of these undocumented citizens apply for a visa, approximately 3,200 people will be eligible for services and benefits.
- Based on historical data trends on social services and benefits to the refugee population it is estimated that 70 persons will be eligible for Cash Assistance Program for Immigrants (CAPI), 191 persons for Refugee Cash Assistance (RCA), 435 persons for CalWORKs, and 2,540 persons for other services.

### CalWORKs

- It is assumed recipients who apply for U Visas are likely to be families and will receive CalWORKs benefits and services. Recipients who apply for T Visas are more likely to be single and would not be eligible for CalWORKs.

## Undocumented Citizens (SB 1569)

### KEY DATA/ASSUMPTIONS (continued):

- Recipients are eligible to receive benefits and services for up to one year before they are required to show proof of applying for a U Visa. Unless the U visa application is denied, these recipients can continue to receive CalWORKs. However to date, the federal government has not adopted regulations to either process, deny, or approve U Visa applications. Therefore, this estimate will reflect an accumulated caseload from current year (CY) to budget year (BY) with no attrition.
- Based on historical CalWORKs data, there are approximately 2.59 persons per case.
- The average cost per case is \$544.48.
- In the CY, an estimated 435 new persons, or 168 new cases, will become eligible effective January 2007.
- New cases are assumed to phase-in over a six month period resulting in an average of 28 new cases per month.
- In the BY, an estimated nine new persons, or four new cases, per month will receive benefits beginning in July 2007.
- The average monthly cases for CY is 98 and BY is 197.
- The administrative costs include a one-time intake cost of \$197.75 for new cases and ongoing costs for mid-quarter and quarterly activities of \$33.58 per case per month (\$8.63 mid-quarter activities and \$24.95 for quarterly activities).
- The administrative Intake costs are included for 28 new cases per month in the CY and 4 new cases per month in the BY.
- Monthly mid-quarter and quarterly administrative costs are included for an average of 98 cases per month in CY and 197 cases per month in BY.
- Based on the unduplicated count as reported on the Welfare to Work (WtW) 25 & 25a monthly statistical report, an estimated 67.4 percent of this population will engage in WtW activities.
- The employment services costs include case management, transportation, and ancillary costs. An estimated 113 new cases eligible for services will phase-in over a six month period effective January 2007. The average monthly new cases for CY is 66 and BY is 133 with a \$265 cost per case.
- Child care costs are included for 55 new children that will phase in over six month period effective January 2007. An average of 32 children per month in the CY and 92 children per month in the BY will receive child care services. The cost per child is \$630.96.

## Undocumented Citizens (SB 1569)

### KEY DATA/ASSUMPTIONS (continued):

#### CFAP

- Based on Q5 data, an estimated 85 percent of CalWORKs recipients receive Food Stamp benefits.
- An estimated 370 CalWORKs recipients expected to receive Food Stamp benefits are phased in over a six month period effective January 2007. Beginning July 2007, an estimated eight additional new cases per month will receive CFAP benefits.
- An estimated 70 CAPI recipients expected to receive Food Stamp benefits are phased in over a six month period effective January 2007. Beginning July 2007, an estimated five additional new cases per month will receive CFAP benefits.
- An estimated 191 RCA recipients expected to receive Food Stamp benefits are phased in over a six month period effective January 2007. Beginning July 2007, an estimated 14 additional new cases per month will receive CFAP benefits. RCA recipients receive benefits for no more than eight months. This estimate assumes an attrition beginning September 2007.
- In the CY, approximately 631 CFAP recipients are phased in over a six month period effective January 2007. This includes unduplicated persons estimated to receive benefits for CalWORKs, CAPI, and RCA.
- In the BY, approximately 27 new persons will receive CFAP benefits per month.
- The average monthly number of CFAP recipients is 370 in CY and 675 in BY; with a \$94.66 average coupon value per person. This includes unduplicated persons estimated to receive benefits for RCA, CAPI, and CalWORKs.
- An estimated 7.2 percent of the new cumulative caseload will be subject to mid-quarter reporting.
- The administrative costs include a one-time intake cost of \$51.00 for new cases, ongoing costs of \$13.11 per case per month, and mid-quarter costs of \$28.23 per case per month.

#### RCA

- Recipients will receive benefits for no more than eight months.
- Cases will be phased in over the first six months of the effective date of the program.
- The projected average monthly number of RCA recipients is 112 in CY and 151 in BY.
- Based on actual data reported by the counties, the average combined RCA grant and administrative cost per case is \$425.85.

## Undocumented Citizens (SB 1569)

### KEY DATA/ASSUMPTIONS (continued):

#### CAPI

- Cases will be phased in over the first six months of the effective date of the program.
- The projected average monthly number of CAPI recipients is 42 in CY and 103 in BY.
- Based on actual data reported by the counties, the average combined CAPI grant and administrative cost per case is \$926.86.

#### RESS

- Cases will be phased in over the first six months of the effective date of the program.
- The projected average monthly number of RESS recipients is 1,427 in CY and 3,514 in BY.
- Based on the level of RESS funding currently provided for refugees under the federal program, the average monthly RESS cost per case is \$79.26.

### METHODOLOGY:

#### CalWORKs

- The grant cost is calculated by multiplying the average monthly number of cases by the cost per case. CY reflects a six month impact and BY reflects a full year impact (for CY:  $98 \times \$544.58 \times 6$ , for BY:  $197 \times \$544.48 \times 12$ ).
- The employment services cost is calculated by multiplying the average monthly number of cases by the cost per case. CY reflects a six month impact and BY reflects a full year impact (for CY:  $66 \times \$265 \times 6$ , for BY  $133 \times \$265 \times 12$ ).
- A one-time intake administrative cost is calculated by multiplying the average monthly number of cases by the cost per case. CY reflects a six month impact and BY reflects a full year impact (for CY:  $28 \times \$197.75 \times 6$ , for BY  $4 \times \$197.75 \times 12$ ).
- Ongoing mid-quarter and quarterly administrative costs are calculated by multiplying the average monthly number of cases by the cost per case. CY reflects a six month impact and BY reflects a full year impact (for CY:  $98 \times \$33.58 \times 6$ , for BY:  $197 \times \$33.58 \times 12$ ).
- The child care cost is calculated by multiplying the average monthly number of children by the cost per child. CY reflects a six month impact and BY reflects a full year impact (for CY:  $32 \times \$630.93 \times 6$ , for BY:  $92 \times \$630.96 \times 12$ ).

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## Undocumented Citizens (SB 1569)

### **METHODOLOGY (continued):**

#### **CFAP**

- Coupon costs are calculated by multiplying the average coupon value per person by the projected monthly number of recipients (for CY:  $\$94.66 \times 370 \times 6$ , for BY:  $\$94.66 \times 675 \times 12$ ).
- A one-time intake administrative cost is calculated by multiplying the average monthly number of new cases by the cost per case. CY reflects a six month impact and BY reflects a full year impact (for CY:  $105 \times \$51.00 \times 6$ , for BY:  $15 \times \$51.00 \times 12$ )
- Ongoing quarterly administrative costs are calculated by multiplying the average monthly number of cases by the cost per case. CY reflects a six month impact and BY reflects a full year impact (for CY:  $370 \times \$13.11 \times 6$ , for BY:  $675 \times \$13.11 \times 12$ ).
- Ongoing mid-quarter administrative costs are calculated by multiplying the average monthly number of cases with the percentage of cases subject to mid-quarter reporting, and then multiplied by the cost per case. CY reflects a six month impact and BY reflects a full year impact (for CY:  $370 \times 7.2 \text{ percent} \times \$28.23 \times 6$ , for BY:  $675 \times 7.2 \text{ percent} \times \$28.23 \times 12$ ).

#### **RCA**

- The RCA costs are calculated by multiplying the average grant and administrative cost per case by the projected monthly number of recipients.

#### **CAPI**

- The CAPI costs are calculated by multiplying the average grant and administrative cost per case by the projected monthly number of recipients.

#### **RESS**

- The RESS costs are calculated by multiplying the average monthly cost per case by the projected monthly number of recipients.

### **FUNDING:**

CalWORKs grants are funded with 97.5 percent State General Fund (GF) and 2.5 percent county. CalWORKs employment services, administrative services, child care, CFAP, RCA, CAPI, and RESS are funded with 100 percent GF. Under Title 45 of the Code of Federal Regulations Section 263.2(b), these cases will not be Maintenance of Effort (MOE) eligible.

### **CHANGE FROM THE APPROPRIATION:**

This is a new premise.

### **REASON FOR YEAR-TO-YEAR CHANGE:**

CalWORKs grant, employment services, administrative services, child care, CFAP, RCA, RESS and CAPI costs reflect a change from CY to BY due to an accumulating caseload that is projected to phase in over a six month period beginning January 2007. BY reflects a full year impact with a continued accumulating caseload.

## Undocumented Citizens (SB 1569)

### EXPENDITURES:

(in 000's)

ITEM 101 -	2006-07	2007-08
<b>CalWORKs Assistance Payments</b>	Grant	Grant
Total	\$320	\$1,286
Federal	0	0
State	312	1,253
County	8	33
Reimbursements	0	0

ITEM 101 -	2006-07	2007-08
<b>CalWORKs Services</b>	Services	Services
Total	\$105	\$422
Federal	0	0
State	105	422
County	0	0
Reimbursements	0	0

ITEM 101 -	2006-07	2007-08
<b>CalWORKs Administration</b>	Administration	Administration
Total	\$53	\$90
Federal	0	0
State	53	90
County	0	0
Reimbursements	0	0

## Undocumented Citizens (SB 1569)

### EXPENDITURES (continued):

(in 000's)

ITEM 101 - CalWORKs Child Care	2006-07	2007-08
	Services/ Administration	Services/ Administration
Total	\$121	\$697
Federal	0	0
State	121	697
County	0	0
Reimbursements	0	0

ITEM 101 - CFAP Coupon	2006-07	2007-08
	Food Assistance Programs	Food Assistance Programs
Total	\$210	\$766
Federal	0	0
State	210	766
County	0	0
Reimbursements	0	0

ITEM 141 CFAP Administration	2006-07	2007-08
	County Administration	County Administration
Total	\$66	\$132
Federal	0	0
State	66	132
County	0	0
Reimbursement	0	0

## Undocumented Citizens (SB 1569)

### EXPENDITURES (continued):

(in 000's)

	2006-07	2007-08
<b>ITEM 101 -</b>		
<b>RCA</b>	Services/ Administration	Services/ Administration
Total	\$286	\$772
Federal	0	0
State	286	772
County	0	0
Reimbursements	0	0
<b>ITEM 111 -</b>	2006-07	2007-08
<b>CAPI</b>	Services/ Administration	Services/ Administration
Total	\$234	\$1,140
Federal	0	0
State	234	1,140
County	0	0
Reimbursements	0	0
<b>ITEM 151 -</b>	2006-07	2007-08
<b>RESS</b>	Services	Services
Total	\$679	\$3,346
Federal	0	0
State	679	3,346
County	0	0
Reimbursements	0	0

## CalWORKs Resources (AB 2466)

### DESCRIPTION:

This premise reflects the costs associated with the provisions of Assembly Bill (AB) 2466 (Chapter 781, Statutes of 2006) which excludes the principal and interest of certain assets, such as 401(k) plan, 403(b) plan, Individual Retirement Account (IRA), 457 plan, 529 college savings plan or Coverdell Education Savings Account (ESA), from being considered as property when redetermining eligibility for California Work Opportunity and Responsibility to Kids (CalWORKs) recipients. Prior to the passage of AB 2466, some of these accounts were excluded from consideration when determining applicant eligibility. This bill no longer allows for this exclusion and these resources will be considered when determining eligibility for new applicants.

### IMPLEMENTATION DATE:

This premise will implement January 1, 2007.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 11155.6.
- It is assumed that one percent of the cases that are discontinued due to excess resources will no longer be discontinued.
- Since 401(k) plan, 403(b) plan, IRA, 457 plan, 529 college savings plan or Coverdell ESA are now excluded from consideration for recipients, it is assumed the number of discontinuances will decrease by two cases per month.
- The average monthly recipient caseload is seven for the current year (CY) and 25 for the budget year (BY).
- It is assumed that there will be a 0.5 percent increase in cases that are denied due to excess resources.
- It is assumed one new case per month will be denied for excess resources because these accounts are considered property for applicants.
- The average monthly applicant caseload is three in the CY and 13 in the BY.
- The average monthly grant per case is \$545.
- The mid-quarter activities monthly cost per case is \$8.63 and \$24.95 for quarterly activities.
- The average monthly child care cost per child is \$626.28. The utilization rate is 24.5 percent and the average number of children per case is 1.7.
- The in-take cost per case is \$197.75.
- The cost of employment services is anticipated to increase by 0.001 percent associated with cases that would have been discontinued from CalWORKs due to excess resources.

## CalWORKs Resources (AB 2466)

### **METHODOLOGY:**

#### **CalWORKs Grants**

- The grant costs associated with cases that are no longer discontinued is offset by the grant savings associated with new denials due to excess resources. The net grant cost is \$11,436 in CY and \$81,687 in BY.

#### **CalWORKs Services**

- The costs for administration, child care, and employment services programs are combined and are included in the services premise line.
- The net impact to administration costs associated with cases that are no longer discontinued and cases that are denied due to excess resources is \$705 in CY and \$5,037 in BY.
- The net impact to employment services costs associated with cases that are no longer discontinued and cases that are denied due to excess resources is \$3,668 in CY and \$26,200 in BY.
- The net impact to child care costs associated with cases that are no longer discontinued and cases that are denied due to excess resources is \$2,849 in CY and \$26,213 in BY.

### **FUNDING:**

The funding is shared 98.56 percent federal, 1.44 percent State General Fund and 2.5 percent county.

### **CHANGE FROM THE APPROPRIATION:**

This is a new premise.

### **REASON FOR YEAR-TO-YEAR CHANGE:**

The CY reflects a cumulative caseload based on six months of implementation. The BY reflects a cumulative caseload based on a full fiscal year of implementation.

## CalWORKs Resources (AB 2466)

### EXPENDITURES:

(in 000's)

#### 101-CalWORKs

##### Basic Grants

	2006-07	2007-08
	Grant	Grant
Total	\$11	\$82
Federal	11	79
State	0	1
County	0	2
Reimbursements	0	0

(in 000's)

#### 101-CalWORKs

##### Services & Admin.

	2006-07	2007-08
	Services	Services
Total	\$7	\$57
Federal	6	55
State	1	2
County	0	0
Reimbursements	0	0

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## Tribal TANF

### DESCRIPTION:

This premise reflects the State General Fund (GF) cost to operate tribal Temporary Assistance for Needy Families (TANF) Programs in California. Assembly Bill 1542 (Chapter 270, Statutes of 1997) allowed GF to be provided for tribes to administer a Tribal TANF Program. The Department has established a memorandum of understanding with the California Tribal TANF Partnership (CTTP) that represents the tribal members in Amador, Butte, Colusa, Del Norte, Glenn, Humboldt, Lake, Lassen, Modoc, Napa, Plumas, Solano, San Joaquin, Sutter, Trinity, and Yuba counties; Hoopa that represents tribal members in Humboldt; Morongo that represents tribal members in Riverside county; North Fork Rancheria (NFR) that represents the tribal members in Madera, Mariposa, and Merced; Owens Valley Career Development Center (OVCDC) that represents the tribal members in Fresno, Inyo, Kern, Kings, and Tulare counties, and Tule Reservation; the Southern California Tribal Chairman Association (SCTCA) that represents tribal members in Santa Barbara and San Diego counties; Soboba that represents tribal members in Riverside county; the Torres-Martinez Tribal TANF (TMTT) that represents tribal members in Los Angeles and Riverside counties; and the Washoe Tribe of Nevada and California (WTNC) that represents tribal members in Alpine, Alameda, El Dorado, Nevada, Placer, Sacramento, San Francisco, San Joaquin, San Mateo, Santa Clara, and Santa Cruz counties.

Federal welfare reform legislation allows for each Indian tribe that has an approved Tribal Family Assistance Plan to receive a Tribal Family Assistance Grant (TFAG) based on Federal Fiscal Year (FFY) 1994 actual expenditures. The administrative authority to operate a TANF Program is transferred to the tribes, together with federal and state funding based on FFY 1994 levels. Transferred funds include monies to meet grant costs and administrative costs related to cash aid and Welfare to Work (WTW) services. The GF costs are based on the estimated participation rates of reimbursement for the counties, during FFY 1994, in which the tribal organizations are located.

Previously under Senate Bill 1104, state funding for existing tribal TANF programs was based on actual program caseloads, including assistance and service only cases effective July 1, 2005 through June 30, 2006. The state funding did not exceed the original state share designated for the tribal TANF program in the original negotiation of 1994 caseload counts. Those programs that had received funding for less than three years did not have their state funding adjusted.

Pursuant to Assembly Bill 1808, beginning July 1, 2006 state funding for tribal TANF programs shall be based on the caseload used to develop the TFAG negotiated with the federal Administration for Children and Families and the state. The state funding will not exceed the original state share designated for the tribal TANF program in the original negotiation of 1994 caseload counts.

### IMPLEMENTATION DATE:

- The original CTTP tribes implemented in July 2003. CTTP Phase II consisting of tribes in Amador, Butte, Colusa, Del Norte, Humboldt, Lake, Modoc, and Trinity counties implemented in July 2004. CTTP Phase III-A in San Joaquin county implemented in June 2006. CTTP Phase III-B in Calaveras, Mendocino, Shasta, Siskiyou, Sonoma, Tehama, and Yolo counties pending federal approval is expected to implement in March 2007.
- The original Hoopa tribe in Humboldt implemented in October 2004.

## Tribal TANF

### IMPLEMENTATION DATE (continued):

- The Morongo Band of Mission Indians in Riverside County implemented in March 2006. Morongo-Phase II in Riverside county-additional expansion pending federal approval is expected to implement in January 2007.
- The original tribes in NFR implemented in August 2003.
- The original OVCDC tribes in Inyo and Kern implemented in May 2001 and October 2001 respectively. The OVCDC tribe expansion in Tule River Reservation and Tulare County implemented in July 2002. Additional OVCDC tribes in Fresno and Kings Counties implemented in January 2004 and Mono and Ventura counties pending federal approval are expected to implement in March 2007.
- The original SCTCA tribes implemented in March 1998. Seventeen additional tribes in San Diego County implemented in May 1999. Another tribal expansion in San Diego County implemented in June 2006.
- The Soboba Band of Luiseno Indians in Riverside County implemented in October 2005.
- The original TMTT tribes in Los Angeles and Riverside County implemented in May 2001. The TMTT tribal service area expansion in nine additional cities in Riverside implemented in April 2002. Additional TMTT tribes in Imperial, Orange and San Bernardino counties pending federal approval are expected to implement in July 2007.
- The original Washoe tribes implemented in January 2003. Washoe Phase II implemented in July 2005. Washoe Phase III was not implemented in California because it included two counties in the State of Nevada and was therefore, negotiated with Nevada. Phase IV was not implemented because it included counties that were already covered by other Tribes and were not available to Washoe. Washoe Phase V consisting of Marin, Monterey, San Benito, San Luis Obispo, and Sierra counties pending federal approval is expected to implement in March 2007.
- The Yurok tribes in Del Norte and Humboldt counties implemented on August 1, 2006.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 10553.25.
- TANF transferred directly to the tribes and the state participation rates for FFY 1994 are estimated based on the following:
  - ◆ The average monthly cash aid cost of \$211.34 per person is based on the average cash aid expenditure amount per person for FFY 1994;
  - ◆ The average monthly number of cash aid cases is 16,919 in the current year (CY) and 23,108 in budget year (BY);
  - ◆ The average persons per case is 2.9;
  - ◆ The average monthly number of persons receiving Welfare-to-Work (WTW) services is 1,653 in the CY and 2,173 in the BY.

## Tribal TANF

### KEY DATA/ASSUMPTIONS (continued):

- ◆ The average monthly WTW services cost per person is \$206.36;
- ◆ The average monthly administrative cost per case is \$50.73.

### METHODOLOGY:

TANF transferred directly to the tribes and the state participation rates for FFY 1994 are calculated as follows:

- The grant costs were derived by multiplying the average number of persons per case by the number of cases to determine the total number of persons. The total number of persons was then multiplied by the cash aid cost per person.
- The WTW services costs were derived by multiplying average monthly number of persons receiving WTW services by the average monthly WTW services cost per person.
- The administrative costs were derived by multiplying the average number of cash aid cases by the average monthly administrative cost per case.

### FUNDING:

The GF amount will be counted toward the State's maintenance of effort (MOE) requirement. The GF share of grant costs is 47.5 percent. The GF share of administrative and WTW services costs is based on the applicable state percentage that was reimbursed during FFY 1994 in those counties in which the tribal organizations are located. The counties are not funding their normal 2.5 percent share of grant costs or their MOE share of the costs. The direct distribution of TANF funds to the tribal organizations reduces both the TANF block grant available to the State and the State's MOE requirement. The State's MOE has been reduced in the same proportion as the reduction in the block grant.

### CHANGE FROM THE APPROPRIATION:

The CY costs were updated to reflect revised implementation dates, cases, tribal expansions, and a new caseload methodology consistent with current law.

### REASON FOR YEAR-TO-YEAR CHANGE:

The BY costs reflect full-year costs for tribes that implemented in part of the CY and additional expansions in BY.

## Tribal TANF

### EXPENDITURES:

(in 000's)

	2006-07			2007-08		
	Grant	County Admin.	WTW Services	Grant	County Admin.	WTW Services
Total	\$63,556	\$4,188	\$1,925	\$83,940	\$5,536	\$2,579
Federal <sup>1</sup>	0	0	0	0	0	0
State	63,556	4,188	1,925	83,940	5,536	2,579
County	0	0	0	0	0	0
Reimbursements	0	0	0	0	0	0

<sup>1</sup> The federal share of the above costs was deducted from the TANF block grant to show the transfer of funds to the tribal organizations, a total of \$74.9 million in FY 2006-07 and \$99 million in FY 2007-08.

## Prospective Budgeting

### DESCRIPTION:

This premise reflects the administrative savings and grant/coupon costs associated with implementing a quarterly reporting system using prospective budgeting in determining benefits based on projected income over a three-month period for the California Work Opportunity and Responsibility to Kids (CalWORKs), Food Stamps (FS), California Food Assistance Program (CFAP) and Refugee Cash Assistance (RCA) programs.

Assembly Bill (AB) 444 (Chapter 1022, Statutes of 2002) required the replacement of the current monthly reporting/retrospective budgeting system with a Quarterly Reporting/Prospective Budgeting (QR/PB) system for the CalWORKs Program. This bill also required the State to adopt the QR/PB system in the FS Program to the extent permitted by federal law, regulations, waivers and directives. The Code of Federal Regulations (7 CFR) Section 273.21 requires states to determine FS eligibility using either a prospective or retrospective budgeting methodology consistent with the State's Temporary Assistance for Needy Families (TANF) Program unless a waiver is granted by the United States Department of Agriculture (USDA) Food and Nutrition Services (FNS).

Under the QR/PB system, recipients' eligibility and benefits for a three-month period are based on information provided on the Quarterly Eligibility Report Form (QR 7) and are determined using prospective budgeting and income averaging rules. Recipients have mandatory mid-quarter reporting requirements during the quarter. All CalWORKs recipients with earnings are required to report: income that exceeds the Income Reporting Threshold (IRT) which is the greater of the CalWORKs eligibility limit, or 130 percent of the Federal Poverty Level (FPL) for the family size; drug felony convictions; fleeing felon status; parole/probation violations; and address changes. FS recipients are only required to report address changes in mid-quarter. Certain nonassistance FS (NAFS) recipients are also required to report changes in work hours that could affect eligibility. Recipients have the option to report changes that would result in increased grant/coupon benefits when they occur. To determine whether the change results in increased benefits mid-quarter, currently reported income and reasonably expected income for the rest of the quarter will be averaged for the current and the remaining months and subsequent benefits are adjusted accordingly.

Households that are currently not required to submit monthly reports may have their benefits determined on either a prospective or retrospective basis at the State agency's option, unless specifically excluded from retrospective budgeting.

### IMPLEMENTATION DATE:

The implementation of this premise varied by counties between November 1, 2003, through June 30, 2004.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: 7 CFR Section 273.21(b), and Welfare and Institutions Code sections 11265.1-11265.3 and 11450.1-11450.3.
- The California Department of Social Services (CDSS) has received USDA-FNS waiver approval to implement QR/PB for the FS Program.

## Prospective Budgeting

### KEY DATA/ASSUMPTIONS (continued):

- The November 2006 Subvention caseloads for CalWORKs, NAFS, CFAP and the RCA programs are used to project the number of cases that will be impacted by QR/PB reporting each month.
- The estimated grant/coupon costs and administrative savings are based on comparing statistical information from the previous Monthly Retrospective Reporting Budgeting (MRRB) system to the current QR/PB reporting system.
- The current year (CY) costs and savings are based on 5,612,002 CalWORKs casemonths; 5,500,042 NAFS casemonths; 15,120 RCA casemonths 107,997 CFAP casemonths.
- The budget year (BY) costs and savings are based on 5,615,512 CalWORKs casemonths; 5,902,360 NAFS casemonths; 15,204 RCA casemonths; and 112,719 CFAP casemonths.
- It is assumed that 10.4 percent of the total NAFS/CFAP cases are currently subject to nonmonthly/change reporting based on the FS Characteristics Survey. The remaining cases, 4,928,037 NAFS cases and 96,765 CFAP cases in CY; and 5,288,514 NAFS cases and 100,996 CFAP cases in the BY, are subject to quarterly reporting.
- Based on actual caseload and expenditure data, the cost for on-going activities for CalWORKs cases under monthly reporting was \$42.75 per month per case and \$25.01 per month per case for NAFS
- The CalWORKs eligibility worker cost per hour is \$57.57.
- Based on county time study data collected during October and November 2005, the amount of time needed for CalWORKs continuing case activities under QR/PB is 26 minutes per month at a cost of \$24.95 per case.
- Based on county time study data collected during October and November 2005, the amount of time needed to process CalWORKs mid-quarter activities averages 9 minutes per month per case at a cost of \$8.63 per case
- The NAFS/CFAP on-going case activities under QR/PB are estimated to cost \$39.33 per case per quarter.
- It is assumed that it will cost \$28.23 per case to process a mid-quarter change for NAFS/CFAP cases.
- Mid-quarter administrative activities for CalWORKs and NAFS/CFAP cases include voluntary and mandatory mid-quarter reporting and county initiated contact. In addition, CalWORKs mid-quarter activities also include IRT reporting.
- The current cost for mailing a monthly report form to a recipient is \$0.78. It is assumed that the cost for mailing the quarterly report is \$0.78 per household/case.
- It is assumed that only one-third (33 percent) of the total CalWORKs, NAFS, CFAP, and RCA cases will report each month under QR/PB. The remaining two-thirds (67 percent) of the cases will only report outside their normal quarterly report month in certain circumstances.

## Prospective Budgeting

### KEY DATA/ASSUMPTIONS (continued):

- Based on the CalWORKs Report on Reasons for Discontinuances of Cash Grant, (CA 253 CW), 8.73 percent of the CalWORKs cases are discontinued each month, and 12.39 percent of the cases are discontinued due to income exceeding CalWORKs eligibility limits. Under QR/PB some of these cases will experience a delay in being discontinued until their quarterly report month.
- CalWORKs recipients with unearned income only are exempt from mid-quarter reporting when their income exceeds the IRT. This group of recipients accounts for 0.56 percent of the CalWORKs caseload. It is assumed that 50 percent of these cases will receive one month of additional benefits and 50 percent will receive two months of additional benefits before being discontinued when their quarterly report is filed.
- Due to the difference in income level between the CalWORKs eligibility limit and the IRT, it is assumed that 40.04 percent of the CalWORKs cases currently discontinued due to excess earned income, excluding two-person cases, will not be required to report during mid-quarter months due to their income being under 130 percent of the FPL based on the CalWORKs Characteristics Survey, and Employment Development Department (EDD) wage data. It is assumed that 50 percent of these cases will receive one month of additional benefits and 50 percent will receive two months of additional benefits before being discontinued when a quarterly report is filed.
- Based on data from the Fraud Investigation Activity Report (DPA 266) for January through June 2006, fraud cases account for 2.32 percent of total CalWORKs cases. Fifty percent of the cases will result in an overpayment for one month and 50 percent of the cases will result in a two-month overpayment. Based on fraud overpayment collection experience, it is assumed that 50 percent of the overpayments will be recovered after a six-month period.
- Based on EDD wage data, the average CalWORKs case receives a grant of \$206.50 and the average CFAP household receives a benefit of \$85.00 just prior to becoming ineligible due to excess income.
- Based on a county survey regarding Reduced Income Supplemental Payments (RISPs) application, it is estimated that 2.72 percent of the total caseload will have decreased earnings and will report the decrease during the non-quarterly report months.
- Under QR/PB, CalWORKs recipients will receive a grant adjustment equal to 100 percent of the grant increase associated with reported decrease in income. Under monthly reporting rules recipients may receive supplemental payments equal to 80 percent of the grant increase. The average CalWORKs grant impact for cases that would report decreased income in non-quarterly report months is estimated at \$116.67.
- CFAP cases will receive a supplemental payment equal to the increase; under monthly reporting these cases do not receive a supplemental payment. The average CFAP benefit for cases that would report decreased income in non-quarterly report months is \$53.03.

## Prospective Budgeting

### KEY DATA/ASSUMPTIONS (continued):

- Based on the CA 253 FY 05-06 reports, 1.04 percent of CalWORKs and .79 percent of CFAP monthly cases would become ineligible for the following reasons: no eligible child, excess resources, and no deprivation. It is assumed that 50 percent of these cases will continue to receive one additional full month of the grant and 50 percent will continue to receive two additional months of the full grant before being discontinued.
- Based on data from the CA 253 FY 05-06 reports, 4.73 percent of CalWORKs and CFAP cases were discontinued each month for not submitting a Monthly Eligibility Report (CW 7) under the monthly reporting system. It is assumed that 25 percent of these cases now delay discontinuance for one or two months under the quarterly reporting system. It is assumed that 50 percent of the remaining cases will continue to receive one additional full month of grant and 50 percent will continue to receive two additional full months of grant before being discontinued.
- The average CalWORKs monthly grant is \$533.95 based on the CA 800 CalWORKs expenditure reports for the period of January through June 2005. The average CFAP benefit per case is \$217.03 based on FY 2005-06 DFA 256 Reports.
- Based on Refugee Services Program Services Participation and Outcomes Report (RS 50) data, 1.26 percent of the current RCA cases are terminated due to employment, and 0.45 percent of the cases have their grant reduced due to employment.
- Based on the most recent actual RCA expenditures, the average grant per case for RCA is \$309.56 in the CY and BY. The average grant for RCA cases just prior to exiting the program is estimated at \$119.72.
- It is estimated that 11 CFAP cases per month that otherwise would have discontinued due to income exceeding eligibility limits, will not be discontinued until their quarterly report month. It is assumed that 50 percent of these cases will continue to receive one additional full month of grant and 50 percent will continue to receive two additional full months of grant before being discontinued.
- It is estimated that 41 CFAP cases per month that would have otherwise had their benefits decreased due to increased income, will continue to receive additional benefits. It is assumed that 50 percent of these cases will continue to receive one month of increased benefits and 50 percent will continue to receive two additional months of increased benefits.
- The costs and savings under QR/PB are compared to MRRB. Assuming one-third of the income increases occur in each month, the result is one month of costs, one month of savings and one month of no cost or savings to CalWORKs or CFAP programs. The net impact is zero in those cases with increased income of all ranges not reporting.
- Based on a county survey, 4.47 percent of the NAFS/CFAP caseload will report a change of address, change in household composition, or shelter cost that will result in mid-quarter administrative activity. An additional .69 percent of the NAFS/CFAP caseload will be subject to a county initiated action during mid-quarter months.

## Prospective Budgeting

### KEY DATA/ASSUMPTIONS (continued):

- Able-Bodied Adults Without Dependents (ABAWDs) are required to report during the quarter when they are not meeting the work requirement. Based on the Stat 47, Food Stamp Program Work Registrant, ABAWD, and Food Stamp Employment and Training (FSET) Program Caseload Report, for FY 2005-06, 0.19 percent of the monthly NAFS/CFAP caseload for non-waiver counties (2,954,831 in FY 2006-07 and 3,170,971 in FY 2007-08) experience a reduction in work hours causing them to become ineligible for the FS Program.

### METHODOLOGY:

#### Administration

- The CalWORKs, NAFS, CFAP and RCA prospective budgeting administrative costs are calculated by adding the administrative costs to process the following: quarterly reports and mid-quarter changes.
- The CalWORKs and RCA administrative savings associated with continuing case activities under monthly reporting are calculated by multiplying the monthly continuing case cost by the total casemonths [e.g., for CalWORKs FY 2007-08:  $(\$42.75 \times 5,615,512)$ ].
- The CalWORKs and RCA administrative costs associated with continuing case activities under QR/PB are calculated by multiplying the monthly continuing case cost by the casemonths of those required to report on a quarterly basis [e.g., for CalWORKs FY 2007-08:  $(\$24.95 \times 5,615,512)$ ].
- The CalWORKs and RCA administrative costs to process mid-quarter changes are calculated by multiplying the casemonths by the cost per month [e.g., for CalWORKs FY 2007-08:  $(5,615,512 \times \$8.63)$ ].
- The NAFS and CFAP administrative savings associated with no longer processing monthly reports are calculated by multiplying the monthly cost to process a continuing case by the total casemonths [e.g., for NAFS FY 2007-08:  $(\$25.01 \times 5,288,514)$ ].
- The NAFS and CFAP administrative costs to process quarterly reports are calculated by multiplying the quarterly cost to process a continuing case by the casemonths of those required to report on a quarterly basis [e.g., for NAFS FY 2007-08:  $(\$39.33 \times 5,288,514 \times 33 \text{ percent})$ ].
- The NAFS and CFAP administrative costs to process a change resulting in reduced earnings are calculated by multiplying the number of cases that would report their reduced earnings outside the quarterly reporting months by the cost per case [e.g., for NAFS FY 2007-08:  $(5,288,514 \times 2.72 \text{ percent} \times \$28.23)$ ].
- The NAFS and CFAP administrative costs to process a change of address, change in household composition, or shelter costs during non-quarterly report months are calculated by multiplying the number of cases that would report the changes outside the quarterly reporting months by the cost per case [e.g., for NAFS FY 2007-08:  $(5,288,514 \times 4.47 \text{ percent} \times \$28.23)$ ].

## Prospective Budgeting

### METHODOLOGY (continued):

- The NAFS, and CFAP administrative costs to process a county initiated actions is calculated by multiplying the number of cases that would report the changes outside the quarterly reporting months by the cost per case [e.g., for NAFS FY 2007-08:  $(5,288,514 \times .69 \text{ percent} \times \$28.23)$ ].
- The administrative cost to process discontinuances for ABAWDs who do not meet the work requirements is calculated by multiplying the number of cases that would report outside the quarterly report month and are not exempted from the ABAWD waivers by the cost per case [e.g., for NAFS FY 2007-08:  $(3,170,971 \times 0.19 \text{ percent} \times \$28.23)$ ].
- The CalWORKs, NAFS, CFAP and RCA administrative cost to mail quarterly reports is calculated by multiplying the annual casemonths by one-third to determine the number of cases in a quarter; then multiplying by the mailing cost [e.g., for NAFS FY 2007-08:  $(5,288,514 \times 33 \text{ percent} \times \$0.78 \text{ cents})$ , for CalWORKs FY 2007-08:  $(5,615,512 \times 33 \text{ percent} \times \$0.78 \text{ cents})$ ]. Mailing costs for mid quarter reports are determined based on the monthly number of mid-quarter reports  $\times \$0.78$ .
- The CalWORKs, NAFS, CFAP and RCA administrative savings due to not mailing monthly reports is calculated by multiplying the number of cases reporting monthly by the mailing cost [e.g., for NAFS FY 2007-08:  $(5,288,514 \times \$0.78)$ , for CalWORKs FY 2007-08:  $(5,615,512 \times \$0.78)$ ].

### Grants/Benefits

- CalWORKs grant and CFAP coupon costs for no longer processing noncompliance cases who do not submit their monthly reports are calculated by multiplying the average monthly grant/coupon per case by the impacted casemonths, accounting for the assumption that 50 percent receive one month of additional grant and 50 percent receive two months of additional grant [e.g., for CalWORKs FY 2007-08:  $(\$533.95 \times 67,332 \times 50 \text{ percent}) + (\$533.95 \times 67,332 \times 50 \text{ percent} \times 2)$ ].
- CalWORKs grant and CFAP coupon costs associated with not discontinuing ineligible cases until the quarterly report month are calculated by multiplying the monthly average grant/coupon per case by the impacted casemonths, assuming 50 percent receive one month of additional grant and 50 percent receive two months of additional grant [e.g., for CalWORKs FY 2007-08:  $(\$533.95 \times 15 \times 50 \text{ percent}) + (\$533.95 \times 15 \times 50 \text{ percent} \times 2)$ ].
- RCA grant costs for not adjusting cases with increased earnings until the monthly report month are calculated by multiplying the impacted casemonths by the monthly average reduction in grants of \$119.72 [e.g., for RCA FY 2007-08:  $(46 \times \$119.72)$ ].
- CalWORKs grant costs for not discontinuing cases with income over the CalWORKs eligibility limit but under the IRT are calculated by multiplying the impacted casemonths by the average grant per case accounting for the assumption that 50 percent receive one month of additional grant and 50 percent receive two months of additional grant [e.g., for CalWORKs FY 2007-08:  $(\$206.50 \times 1,036 \times 50 \text{ percent}) + (\$206.50 \times 1,036 \times 50 \text{ percent} \times 2)$ ].

## Prospective Budgeting

### METHODOLOGY (continued):

- CalWORKs grant costs for those cases exempt from reporting when their income exceeds the IRT because they have unearned income only, are calculated by multiplying the impacted casemonths by the associated average grant per case, accounting for the assumption that 50 percent receive one month of additional grant and 50 percent receive two months of additional grant [e.g., for CalWORKs FY 2007-08:  $(\$206.50 \times 15,287 \times 50 \text{ percent}) + (\$206.50 \times 15,287 \times 50 \text{ percent} \times 2)$ ].
- CalWORKs grant costs for increasing the benefits of those cases reporting a decrease in income during mid-quarter months are calculated by multiplying the impacted casemonths by the average grant increase of \$116.67 [e.g., for CalWORKs FY 2007-08:  $(\$116.67 \times 152,570 \times 50 \text{ percent}) + (\$116.67 \times 152,570 \times 50 \text{ percent} \times 2)$ ].
- Overpayments for those cases that will not report income exceeding the IRT are calculated by multiplying the average grant per case by the impacted casemonths of those that will not report, assuming that 50 percent receive one additional monthly grant and 50 percent receive two additional monthly grants, and 50 percent of the overpayments will be recovered after a six-month period. For CalWORKs, in FY 2007-08:  $[(\$206.50 \times 84 \times 50 \text{ percent}) \times 50 \text{ percent}] + [(\$206.50 \times 84 \times 50 \text{ percent} \times 2) \times 50 \text{ percent}]$ .
- CFAP coupon costs for not discontinuing cases with income over the eligibility limit are calculated by multiplying the impacted casemonths by the average grant per case accounting for the assumption that 50 percent receive one month of additional grant and 50 percent receive two months of additional grant [e.g., for CFAP FY 2007-08:  $(\$85.00 \times 252 \times 50 \text{ percent}) + (\$85.00 \times 252 \times 50 \text{ percent} \times 2)$ ].
- CFAP coupon costs for those cases reporting a decrease in income during mid-quarter months are calculated by multiplying the impacted casemonths by the average coupon increase [e.g., for CFAP FY 2007-08:  $(\$53.03 \times 2,747) + (\$53.03 \times 2,747 \times 50 \text{ percent})$ ].
- CFAP coupon costs for not decreasing benefits for cases that have an increase in income are calculated by multiplying the impacted casemonths by the average increased coupon amount times two months [e.g., for CFAP FY 2007-08:  $(\$53.03 \times 2,632 \times 2)$ ].

### FUNDING:

#### CalWORKs

The funding for CalWORKs grants for CY is 84.53 percent TANF, 12.97 percent State General Fund (GF) and 2.5 percent county. For BY, funding is 85.54 percent TANF, 12.02 percent GF, and 2.5 percent county.

Funding for CalWORKs administration for CY is 86.7 percent TANF and 13.3 percent GF and for BY is 87.68 percent TANF and 12.32 percent GF.

#### NAFS and CFAP

For CY and CY, the FS sharing ratio is 50 percent federal, 35 percent state, and 15 percent county funds. CFAP costs are 100 percent GF.

## Prospective Budgeting

### **METHODOLOGY (continued):**

#### **RCA**

RCA costs for CY and BY are funded with 100 percent Federal funds.

### **CHANGE FROM THE APPROPRIATION:**

#### **CalWORKs**

The CY decrease to CalWORKs grant costs reflects a decrease in projected caseload.

Effective October 2006, two-parent families are no longer funded with GF. Two-parent families are now funded with 100 percent TANF.

#### **NAFS and CFAP**

The decrease in savings for NAFS administration is due to a decline in caseload. The CFAP benefit and administration increase reflects an increase in caseload.

#### **RCA**

The CY and BY decrease to CalWORKs grant costs reflects a reduction in the number of cases.

### **REASON FOR YEAR-TO-YEAR CHANGE:**

The BY CalWORKs grant costs reflect an increase in the projected caseload.

For CalWORKs grants during the first quarter in CY, two-parent families are funded with GF. The remaining quarters are funded with 100 percent TANF. For BY, two-parent families are funded with 100 percent TANF.

The BY CFAP benefits reflect a slight increase in projected caseload.

The RCA grant costs reflect no significant change in projected caseload.

## Prospective Budgeting

### EXPENDITURES:

(in 000's)

	2006-07	2007-08
<b>ITEM 101 – CalWORKs Grants</b>		
	Grant	Grant
Total	\$86,433	\$86,486
Federal	73,064	73,933
State	11,208	10,391
County	2,161	2,162
Reimbursements	0	0
<b>ITEM 101 – CalWORKs Administration</b>		
	Admin.	Admin.
Total	-\$54,744	-\$54,779
Federal	-47,464	-48,029
State	-7,280	-6,750
County	0	0
Reimbursements	0	0
<b>ITEM 141 – Food Stamp Administration</b>		
	Admin.	Admin.
Total	-\$50,460	-\$54,151
Federal	-25,230	-27,075
State	-17,661	-18,953
County	-7,569	-8,123
Reimbursements	0	0

## Prospective Budgeting

### EXPENDITURES (CONTINUED):

(in 000's)

	2006-07	2007-08
<b>ITEM 101 –</b>		
<b>CFAP</b>		
<b>Grants</b>		
	Grant	Grant
Total	\$974	\$1,017
Federal	0	0
State	974	1,017
County	0	0
Reimbursements	0	0
<b>ITEM 101 –</b>	2006-07	2007-08
<b>RCA</b>		
<b>Grants</b>		
	Grant	Grant
Total	\$8	\$8
Federal	8	8
State	0	0
County	0	0
Reimbursements	0	0
<b>ITEM 141-</b>	2006-07	2007-08
<b>CFAP</b>		
<b>Administration</b>		
	Admin.	Admin.
Total	-\$991	-\$1,034
Federal	0	0
State	-991	-1,034
County	0	0
Reimbursements	0	0

## Prospective Budgeting

### EXPENDITURES (CONTINUED):

(in 000's)

ITEM 141 – RCA Administration	2006-07	2007-08
	Admin.	Admin.
Total	-\$146	-\$139
Federal	-146	-139
State	0	0
County	0	0
Reimbursements	0	0

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## Recent Noncitizen Entrants

### DESCRIPTION:

This premise reflects the cost of continuing to aid Recent Noncitizen Entrants (RNEs). The federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA), Public Law 104-193, excluded most legal immigrants entering the United States (U.S.) after the date of enactment (August 22, 1996). These RNEs to the United States are barred from receiving benefits from the Temporary Assistance for Needy Families (TANF) Program for the first five years they are in the country. PRWORA does provide exceptions for certain noncitizens:

1. Refugees, asylees, or those granted withholding of deportation for their first five years in the U.S.;
2. Veterans, current military personnel, spouses and dependents; and,
3. Cuban-Haitian noncitizens: Cuban-Haitian entrants are eligible for Refugee Assistance and Refugee Education Assistance.

The California Work Opportunity and Responsibility to Kids (CalWORKs) Program continued aid to certain groups of noncitizens that became ineligible with the implementation of PRWORA. These include: (1) Parolees; (2) Conditional Entrants; (3) Legal Permanent Residents; (4) Permanently Residing in the United States Under Color of Law; and, (5) Battered Noncitizens.

### IMPLEMENTATION DATE:

This premise implemented in September 1996.

### KEY DATA/ASSUMPTIONS:

- Based on the most recent information from the Summary Report of Assistance Expenditures for CalWORKs – Legal Immigrants (CA 800 M and CA 800), the projected average monthly persons is 14,179 for the current year (CY) and 13,993 for the budget year (BY).
- Based on recent expenditure and caseload data reports from Fiscal Year (FY) 2005-06 on the Summary Report of Assistance Expenditures for CalWORKs – Legal Immigrants (CA 800M and CA 800) the average grant per person was \$147.17.
- Cal Learn Bonuses and Sanction grant costs for RNE recipients in the CY is projected to be \$75,000 and \$74,000 in the BY.
- In FY 2005-06, the administrative cost for RNEs was approximately \$8.9 million, based on claims from counties from the June 2006 quarter.
- The percentage of persons that are TANF eligible is 43.34 percent.
- The services costs in FYs 2006-07 and 2007-08 reflect 1.6 percent of the CalWORKs Services Basic cost. Of the 1.6 percent, \$5.2 million are TANF eligible and are shifted to the CalWORKs Basic premise. Refer to that premise for more detailed information regarding services. The percentage is based upon actual expenditures from FY 2005-06.
- The CalWORKs trend basic caseload is projected to decrease by 3.55 percent in CY and 1.3 percent in BY.

## Recent Noncitizen Entrants

### KEY DATA/ASSUMPTIONS: (continued)

- For CalWORKs Child Care, the total costs for FY 2006-07 and FY 2007-08 is 0.76 percent of the CalWORKs Stage One Child Care cost. Refer to that premise for more detailed information regarding child care. The percentage is based upon actual expenditures from FY 2005-06.
- For Cal Learn, the RNE costs in FY 2006-07 and FY 2007-08 reflects 1.5 percent of the Cal Learn cost; which is reflected in that premise. Refer to that premise for more detailed information regarding Cal Learn. The percentage is based upon actual expenditures from FY 2005-06.
- The funds associated with persons that are TANF eligible are reflected in the Basic Program.

### METHODOLOGY:

- The grant costs were calculated by multiplying the projected monthly recipients by the average grant per person and then adding in the costs for Cal Learn Bonuses and Sanction grants for RNE recipients.
- The administrative costs were calculated based on actual expenditures adjusted for projected caseload decline. Of the total administrative cost, 43.34 percent represent costs for federal households and remains in the CalWORKs basic Administration, funded with the State General Fund (GF).
- The child care costs for the RNEs is 0.76 percent based on Stage One expenditures from FY 2005-06. Of the 0.76 percent, 43.34 percent represent federal households and remains in the Stage One Basic Program, funded with GF. The remaining portion of RNEs is reflected in this premise. Five percent of the costs are reflected in the Stage One/Stage Two Child Care Holdback premise.
- The services costs for the RNEs are 1.6 percent based on the CalWORKs Services expenditures from FY 2005-06. Of this 1.6 percent, 43.34 percent represent federal households and remains in CalWORKs Basic, funded with GF. The remaining portion of RNEs is reflected in this premise.

### FUNDING:

The grant costs are funded with 95 percent GF and 5 percent county funds. The administrative costs, employment services and child care costs are 100 percent GF. The total funding is countable toward the State's TANF maintenance of effort requirement.

### CHANGE FROM THE APPROPRIATION:

The decrease is due to updated data for the current caseload and expenditures.

## Recent Noncitizen Entrants

### REASON FOR YEAR-TO-YEAR CHANGE:

Grants, administrative, and child care costs reflect a decrease in caseload from CY to BY. Services were held to the CY.

### EXPENDITURES:

(in 000's)

	2006-07	2007-08
<b>ITEM 101 -</b>		
<b>CalWORKs</b>		
<b>Grants</b>	Grant	Grant
Total	\$25,117	\$24,786
Federal	0	0
State	23,861	23,547
County	1,256	1,239
Reimbursements	0	0
<b>ITEM 101 -</b>	2006-07	2007-08
<b>CalWORKs</b>	Admin.	Admin.
<b>Administration</b>		
Total	\$4,898	\$4,834
Federal	0	0
State	4,898	4,834
County	0	0
Reimbursements	0	0

## Recent Noncitizen Entrants

### EXPENDITURES (continued):

(in 000's)

	2006-07	2007-08
<b>ITEM 101 -</b>		
<b>CalWORKs</b>		
<b>Services</b>	County Services	County Services
Total	\$6,794	\$6,794
Federal	0	0
State	6,794	6,794
County	0	0
Reimbursements	0	0
<b>ITEM 101 -</b>	2006-07	2007-08
<b>CalWORKs Stage</b>	Services/ Administration	Services/ Administration
<b>One Child Care</b>		
Total	\$1,733	\$1,677
Federal	0	0
State	1,733	1,677
County	0	0
Reimbursements	0	0

---

## Employment Training Fund

### DESCRIPTION:

This premise reflects the Employment Training Fund (ETF) amount used to offset the cost of providing employment services to recipients of the California Work Opportunity and Responsibility to Kids (CalWORKs) Program.

ETF funds are derived from employer contributions and administered by the Employment Development Department. The ETF funds meet the federal criteria to be counted toward Temporary Assistance for Needy Families Program maintenance of effort (MOE) requirements.

### IMPLEMENTATION DATE:

This premise was originally implemented on July 11, 1994. No funding was appropriated for Fiscal Year (FY) 1997-98 through FY 1998-99. The premise was re-implemented on July 1, 1999.

### KEY DATA/ASSUMPTIONS:

It is assumed \$20 million will be available in FY 2006-07 and \$35 million in FY 2007-08 from the ETF.

### METHODOLOGY:

Once the total cost of providing CalWORKs employment services is calculated, the cost is reduced by the amount of the ETF appropriated to the California Department of Social Services by the Legislature.

### FUNDING:

This premise is funded with ETF funds, which are MOE countable.

### CHANGE FROM THE APPROPRIATION:

There is no change.

### REASON FOR YEAR-TO-YEAR CHANGE:

The increase in savings is due to an additional \$15 million available for ETF funds.

### EXPENDITURES:

(in 000's)	2006-07	2007-08
	County Admin.	County Admin.
Total	-\$20,000	-\$35,000
Federal	0	0
State	-20,000	-35,000
County	0	0
Reimbursements	0	0

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## California Work Opportunity and Responsibility to Kids (CalWORKs) Program Basic

### DESCRIPTION:

This premise reflects the cost of providing employment and training services to Temporary Assistance for Needy Families (TANF)/California Work Opportunity and Responsibility to Kids (CalWORKs) Program households. The employment services provided to CalWORKs recipients include a wide variety of activities designed to assist the recipient in obtaining and retaining employment.

### IMPLEMENTATION DATE:

This premise implemented on January 1, 1998.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code Section 15204.3(a) amended by AB 1111 and Senate Bill 1104.
- The Fiscal Year (FY) 2006-07 base funding for CalWORKs Services Basic is \$749.1 million and \$737.9 million in FY 2007-08.
- The FY 2006-07 reflects a caseload decline of -1.5 percent.
- The FY 2007-08 reflects no change to the caseload from FY 2006-07.
- Staff development costs in FY 2006-07 and FY 2007-08 are \$4.1 million, based on FY 2005-06 actual expenditures.
- The Wagner-Peyser reimbursement amount is \$2.7 million for FY 2006-07 and FY 2007-08.
- Time limit savings are \$161.1 million in FY 2006-07 and FY 2007-08.
- In FY 2006-07 and FY 2007-08, \$11.9 million of the CalWORKs Services Basic expenditures are for Recent Noncitizens Entrants (RNEs). Of the \$11.9 million, \$5.2 million reflects the costs for federally eligible recipients in mixed households and are funded with State General Fund (GF) in this premise.
- In FY 2006-07 RNE Cal Learn are funded with GF in the amount of \$172,000 and \$179,000 in FY 2007-08.
- Contract costs are projected to be \$3.9 million for FY 2006-07 and FY 2007-08, based on FY 2005-06 actual expenditures.

### METHODOLOGY:

- The basic funding from FY 2006-07 is adjusted to reflect caseload decline, time limit savings, staff development expenditures, contract costs and the Wagner-Peyser reimbursement. Funds for TANF ineligible RNEs were subtracted and shifted to the RNE premise.
- The basic funding from FY 2007-08 is adjusted to reflect staff development expenditures, time limit savings, contract costs, and the Wagner-Peyser reimbursement. Funds for TANF ineligible RNEs were subtracted and shifted to the RNE premise.

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## California Work Opportunity and Responsibility to Kids (CalWORKs) Program Basic

### FUNDING:

- For the first quarter of the FY 2006-07, the costs for two-parent families are 100 percent GF. The remaining quarters are funded with 100 percent TANF. All other costs are 100 percent TANF funded.
- The costs for RNE families are 100 percent GF.
- The GF is countable toward the State's maintenance of effort requirement.

### CHANGE FROM THE APPROPRIATION:

- Effective October 2006, two-parent families are no longer funded with GF. Two-parent families are now funded with 100 percent TANF.
- The FY 2006-07 estimate is adjusted due to a decrease in the projected caseload and a decrease in time limits savings.

### REASON FOR YEAR-TO-YEAR CHANGE:

- For the first quarter of the FY 2006-07, two-parent families are funded with GF. The remaining quarters are funded with 100 percent TANF. For FY 2007-08, two-parent families are funded with 100 percent TANF.

### EXPENDITURES:

(in 000's)	2006-07	2007-08
	County Admin.	County Admin.
Total	\$575,631	\$575,444
Federal	564,807	570,065
State	10,824	5,379
County	0	0
Reimbursements	0	0

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## Single Allocation Adjustment

### DESCRIPTION:

This premise reflects an adjustment to the California Work Opportunity and Responsibility to Kids (CalWORKs) Single Allocation for Fiscal Years (FY) 2006-07 and 2007-08 in accordance with Section 15204.3 of the Welfare and Institutions (W&I) Code.

### IMPLEMENTATION DATE:

This premise implemented on July 1, 2002.

### KEY DATA/ASSUMPTIONS:

Authorizing statute: W&I Code section 15204.3.

### METHODOLOGY:

For FYs 2006-07 and 2007-08 the funding was held to the FY 2004-05 level.

### FUNDING:

- The State General Fund (GF) reflects the cost for the State-Only Two-Parent Program that implemented October 1, 1999. The State-Only Two-Parent Program is countable toward the State's maintenance of effort requirement.
- Effective Fiscal Year (FY) 2007-08, two-parent families are no longer funded with GF.

### CHANGE FROM THE APPROPRIATION:

Effective October 2006, two-parent families are no longer funded with GF. Two-parent families are funded with 100 percent TANF.

### REASON FOR YEAR-TO-YEAR CHANGE:

For the first quarter of the FY 2006-07, two-parent families are funded with GF. The remaining quarters are funded with 100 percent Temporary Assistance for Needy Families (TANF). For FY 2007-08, two-parent families are funded with 100 percent TANF.

### EXPENDITURES:

(in 000's)

	2006-07	2007-08
Total	\$191,892	\$191,892
Federal	188,918	191,892
State	2,974	0
County	0	0
Reimbursements	0	0

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## CalWORKs Safety Net Program

### DESCRIPTION:

This premise reflects the costs of continued assistance and services for the Safety Net Program. The California Work Opportunity and Responsibility to Kids (CalWORKs) Program provides that individuals may receive CalWORKs assistance funds for a lifetime maximum of 60 months. In accordance with Welfare and Institutions Code (W&IC) section 11320.15, adult participants that have received aid for a total of 60 months are removed from the assistance unit for the purpose of calculating aid. However, Assembly Bill 1542 (Chapter 270, Statutes of 1997) allows counties to provide aid to the children until they are 18 years of age and job retention services up to 12 months after leaving aid. In addition, former recipients that are working or participating in an approved Welfare-To-Work activity after leaving aid are eligible for up to two years of transitional child care.

### IMPLEMENTATION DATE:

This premise implemented on January 1, 2003.

### KEY DATA/ASSUMPTIONS:

- Authorizing Statute: W&IC sections 11320.15, 11450.13 and 11454.5.
- Individuals began reaching their CalWORKs 60-month time limit in January 2003.
- For Fiscal Year (FY) 2006-07 and FY 2007-08 the data sources used to determine the impacted caseload were the CA 237 for grants, WTW 25/25A for services and the CW 115/115A for child care.
- The cases that reach the time limit and are working are eligible to receive 24 months of transitional child care and at county option, 12 months of job retention services.
- For FY 2007-08, the Administration proposes to discontinue cases from the Safety Net Program who are not meeting the federal Work Participation Requirements (WPR). In order to implement this proposal, statutory changes are required.
- It is assumed all Safety Net cases will receive a 90-day notice before July 31, 2007 regarding this new policy. Cases that do not meet the WPR standards will be discontinued beginning November 1, 2007.

### Grants

#### Current Year (CY):

- The average monthly grant (\$448) for Safety Net cases is calculated using the most recent actual data reported on the CA 800 and the CA 237.
- The average monthly Safety Net caseload is 45,143.

#### Budget Year (BY):

- Between July and October 2007, the average monthly Safety Net caseload is 48,898.

## CalWORKs Safety Net Program

### KEY DATA/ASSUMPTIONS (continued):

- Between November 2007 and June 2008, it is assumed that on average, only 26 percent of the Safety Net caseload will meet the federal WPR and will remain eligible for assistance. This results in an average of 13,295 monthly cases. The average monthly grant for these cases is \$247.

#### Services

##### Current Year (CY):

- The average monthly number of cases that will receive Safety Net employment services is 1,577.
- The monthly cost of providing Safety Net employment services in FY 2006-07 is \$382 per case based on the cases reported on the WTW 25/25A Reports and the County Expense Claim for Safety Net employment services for FY 2005-06.

##### Budget Year (BY):

- Between July 2007 and October 2007, the average monthly caseload is 1,577 and the average cost is \$382 per case per month.
- Assuming that only 65 percent of these cases will meet the federal WPR and remain eligible for services, the average monthly caseload between November 2007 and June 2008 is 1,025.

#### Administration

##### Current Year (CY):

- Based on actual expenditures from the county expense claims, the administrative cost represents 9.65 percent of the total CalWORKs eligibility expenditures.

##### Budget Year (BY):

- The Safety Net administration cost would have been \$29.1 million which represents 10.88 percent of the total CalWORKs eligibility expenditures.
- Between July and October 2007, the administrative cost is \$9.57 million which represents 33 percent of the annual cost prior to the proposal by the Administration.
- Between November 2007 and June 2008, the administrative cost is approximately \$5 million. This amount assumes that only 26 percent of the Safety Net population will remain eligible for aid during this period.

#### Child Care

- In FYs 2006-07 and 2007-08, the projected monthly Stage One Safety Net caseload (children) is 2,659 and 2,999, respectively, based on actual Safety Net cases reported on the CW 115/115A for FY 2005-06.
- The monthly cost of Stage One Safety Net is \$266 per child. This is based on actual Safety Net expenditures and caseload from FY 2004-05 as reported on the county expense claims and the CW 115 and CW 115A reports.

## CalWORKs Safety Net Program

### METHODOLOGY:

#### Grants

- In the CY, Safety Net grant costs are calculated by multiplying the average monthly Safety Net cases by the cost per case (45,143 x \$448 x 12).
- In the BY, the Safety Net grant costs are calculated by adding the two cost estimates for the July through October 2007 period and the November 2007 through June 2008 period (Jul-Oct 2007: 45,143 x \$448 x 4; Nov 2007 - Jun 2008: 13,295 x \$247 x 8).

#### Services

- In the CY, the employment services costs are calculated by multiplying the number of Safety Net cases receiving services by the monthly services cost multiplied by 12 months (1,577 x \$382 x 12).
- In the BY, the employment services costs are calculated by adding the two cost estimates for the July through October 2007 period and the November 2007 through June 2008 period (Jul - Oct 2007: 1,577 x \$382 x 4; Nov 2007 - Jun 2008: 1,025 x \$382 x 8).

#### Administration

- In the CY, the shift in administrative costs from CalWORKs to the Safety Net was calculated by applying 9.65 percent of the total CalWORKs eligibility expenditures for FY 2005-06. (\$25.8 million)
- In the BY, the July through October 2007 period represents 33 percent of the estimated annual cost prior to the proposed changes (\$29 million x .33 = 9.57 million).
- In the BY, the November 2007 through June 2008 period represents 66 percent of the estimated cost prior to the proposed changes multiplied by 26 percent to represent the remaining Safety Net population (\$29 million x .66 x .26 = \$4.98 million).

#### Child Care

- The Stage One Child Care Safety Net costs are calculated by multiplying the caseload (children) by the cost per child multiplied by 12 months. The total cost for FY 2006-07 is \$8.5 million (2,659 x \$266 x 12 = \$8.5 million). The total cost for FY 2007-08 is \$9.5 million (2,999 x \$266 x 12).

### FUNDING:

The Safety Net costs associated with CalWORKs grants are 97.5 percent State General Fund (GF)/Maintenance of Effort and 2.5 percent county funds. The Safety Net costs associated with employment services, administration, and child care are 100 percent GF.

### CHANGE FROM THE APPROPRIATION:

Based on recent caseload and expenditure data, the Safety Net grant costs have been revised to reflect a decrease in the cost per case.

The Safety Net services costs reflect a decrease in CY due to a decrease in services caseload.

---

## CalWORKs Safety Net Program

### REASON FOR YEAR-TO-YEAR CHANGE:

The reduced Safety Net grants, services, and administration costs in the BY reflect the discontinuance of cases that will not meet the federal WPR rules.

The increase in the BY for Stage One Safety Net child care reflects a projected caseload growth. All former CalWORKs recipients remain eligible for transitional child care.

### EXPENDITURES:

(in 000's)

ITEM 101 -	2006-07	2007-08
CalWORKs Grants	Grants	Grants
Total	\$242,812	\$114,454
Federal	0	0
State	236,742	111,593
County	6,070	2,861
Reimbursements	0	0

ITEM 101 -	2006-07	2007-08
CalWORKs Services	Admin.	Admin.
Total	\$7,219	\$5,490
Federal	0	0
State	7,219	5,490
County	0	0
Reimbursements	0	0

ITEM 101 -	2006-07	2007-08
CalWORK Administration	Admin.	Admin.
Total	\$25,802	\$14,472
Federal	0	0
State	25,802	14,472
County	0	0
Reimbursements	0	0

## CalWORKs Safety Net Program

### EXPENDITURES (continued):

(in 000's)

ITEM 101 -	2006-07	2007-08
<b>CalWORKs Stage One</b>	Child Care	Child Care
<b>Child Care <sup>1</sup></b>		
Total	\$8,472	\$9,556
Federal	0	0
State	8,472	9,556
County	0	0
Reimbursements	0	0

<sup>1</sup> - Refer to the "CalWORKs Child Care Fund Transfer to CDE for Stage Two as CCDF" premise description for more information regarding the cost of the Safety Net in Stage Two.

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## Substance Abuse Services

### DESCRIPTION:

This premise reflects the cost to provide for the treatment of substance abuse for California Work Opportunity and Responsibility to Kids (CalWORKs) Program Welfare to Work participants. Assembly Bill (AB) 1542 (Chapter 270, Statutes of 1997) mandated the implementation of the CalWORKs Program. In addition, it mandated, to the extent that funding is available, that counties provide for the treatment of substance abuse that may limit or impair a participant's ability to make the transition from welfare to work or retain employment over a long period of time. The county welfare departments and the county alcohol and drug departments are required to collaborate to ensure an effective system is available to provide evaluations and substance abuse treatment.

### IMPLEMENTATION DATE:

This premise implemented on January 1, 1998.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 11322.6.
- The funding in Fiscal Year (FY) 2006-07 is being held at the Budget Act of 2006 Appropriation level.
- The projected average monthly caseload is 2,183 in FY 2007-08. The FY 2007-08 caseload is based on a 12-month linear regression and projection from July 2005 through June 2006.
- The cost per case is \$1,843 in FY 2007-08. This cost is based on FY 2005-06 expenditures divided by FY 2005-06 average monthly caseload.

### METHODOLOGY:

The projected average monthly caseload is multiplied by the projected cost per case.

### FUNDING:

The funding for this premise is 100 percent State General Fund and is countable toward the Temporary Assistance for Needy Families maintenance of effort requirement.

### CHANGE FROM THE APPROPRIATION:

There is no change.

### REASON FOR YEAR-TO-YEAR CHANGE:

The increase in budget year is the net result of an increase in caseload and slight decrease in cost per case.

## Substance Abuse Services

### EXPENDITURES:

(in 000's)

	2006-07	2007-08
	County Services	County Services
Total	\$48,125	\$48,268
Federal	0	0
State	48,125	48,268
County	0	0
Reimbursements	0	0

## Mental Health Services

### DESCRIPTION:

This premise provides for the treatment of mental or emotional difficulties for California Work Opportunity and Responsibility to Kids (CalWORKs) Program Welfare to Work participants. Assembly Bill (AB) 1542 (Chapter 270, Statutes of 1997) mandated the implementation of the CalWORKs Program. In addition, it mandated, to the extent that funding is available, that counties provide for the treatment of mental or emotional difficulties that may limit or impair a participant's ability to make the transition from welfare to work or retain employment over a long period of time.

Available mental health services must include assessment, case management, and treatment and rehabilitation services.

### IMPLEMENTATION DATE:

This premise implemented on January 1, 1998.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 11322.6.
- The funding in Fiscal Year (FY) 2006-07 is being held at the Budget Act of 2006 Appropriation level.
- The projected average monthly caseload is 7,578 in FY 2007-08. The FY 2007-08 caseload is based on a six month linear regression and projection from January 2006 through June 2006.
- The cost per case is \$661 in FY 2007-08. This cost is based on FY 2005-06 expenditures divided by FY 2005-06 average monthly caseload.

### METHODOLOGY:

The projected caseload is multiplied by the projected cost per case.

### FUNDING:

The funding for this premise is 100 percent State General Fund and is countable toward the Temporary Assistance for Needy Families maintenance of effort requirement.

### CHANGE FROM THE APPROPRIATION:

There is no change.

### REASON FOR YEAR-TO-YEAR CHANGE:

The decrease in budget year reflects an increase in caseload, offset by a decline in cost per case.

## Mental Health Services

### EXPENDITURES:

(in 000's)

	2006-07	2007-08
	County Services	County Services
Total	\$62,777	\$60,146
Federal	0	0
State	62,777	60,146
County	0	0
Reimbursements	0	0

## **Mental Health/Substance Abuse Services for Indian Health Clinics**

### **DESCRIPTION:**

This premise reflects the cost to provide mental health and/or substance abuse services to Native Americans by providing a clinician in each of the 36 Indian health clinics. Services provided are necessary to obtain or retain employment, or to participate in county or Tribal Temporary Assistance to Needy Families (TANF) welfare-to-work (WTW) activities.

The services may include: (a) outreach and identification of individuals who are receiving, or may be eligible for, California's Work Opportunity and Responsibility to Kids (CalWORKs) Program assistance; (b) screening of individuals for substance abuse or mental health issues; (c) ensuring that individuals have transportation to the county welfare department (CWD) to apply for CalWORKs and/or to participate in WTW activities; (d) accompanying individuals to the evaluation for mental health and/or substance abuse services; (e) providing individual or group services, or making referrals to more intensive treatment services offered by the CWD; and, (f) facilitating the integration of individuals into the CalWORKs WTW Program.

### **IMPLEMENTATION DATE:**

Twenty-seven clinics implemented this program in Fiscal Year (FY) 2001-02. Nine additional clinics implemented in FY 2002-03.

### **KEY DATA/ASSUMPTIONS:**

- Authorizing statute: Welfare and Institutions Code section 11322.6.
- The Legislature has appropriated \$2.1 million to services for Indian health clinics.
- The budget year funding is held to the current year level.

### **FUNDING:**

This premise is funded with 100 percent State General Fund, which is countable toward the TANF maintenance of effort requirement. The funds will be distributed quarterly through an interagency agreement with the Department of Alcohol and Drug Program for allocation to the Indian health clinics.

### **CHANGE FROM THE APPROPRIATION:**

There is no change.

### **REASON FOR YEAR-TO-YEAR CHANGE:**

There is no change.

## Mental Health/Substance Abuse Services for Indian Health Clinics

### EXPENDITURES:

(in 000's)

	2006-07	2007-08
Total	\$2,100	\$2,100
Federal	0	0
State	2,100	2,100
County	0	0
Reimbursements	0	0

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## County Performance Incentives

### DESCRIPTION:

This premise reflects the costs to provide fiscal incentive payments to counties for case exits due to employment, grant reductions due to earnings, and the diversion of applicants, as specified by the California Work Opportunity and Responsibility to Kids (CalWORKs) legislation, Assembly Bill (AB) 1542 (Chapter 270, Statutes of 1997), and AB 2876 (Chapter 108, Statutes of 2000). The counties would receive an annual performance incentive allocation starting from Fiscal Year (FY) 1997-98, subject to the amounts appropriated in the annual Budget Act. The California Department of Social Services (CDSS) began advancing incentive payments to the counties, as they were earned, but prior to their expenditure. The incentive allocations to counties were to be used for specific purposes for either the federal Temporary Assistance for Needy Families (TANF) Program or the CalWORKs Program.

In 2001, the United States Department of Health and Human Services advised CDSS that the advancement of performance incentives was inconsistent with the federal Cash Management Improvement Act regulations, and that the unexpended funds must be recouped for redistribution. By June 30, 2002, CDSS had recouped the unspent performance incentive funds from the counties in accordance with the federal Cash Management Improvement Act. In view of the pressures to California's TANF block grant in FY 2002-03 and beyond, the Department used part of the recoupment to fund the CalWORKs Program in FY 2002-03. The remainder of the recouped funding was allocated to the counties in FY 2003-04. Unexpended funds as of June 30, 2006, are re-appropriated in the current year.

### IMPLEMENTATION DATE:

This premise implemented on January 1, 1998.

### KEY DATA/ASSUMPTIONS:

- Authorizing Statute: Welfare and Institutions Code sections 10544.1 and 10544.2.
- Section 10544.2 provides that incentive funds shall be available for encumbrance and expenditure by counties without regard to fiscal year until all funds are expended. After the supplemental claims, the unexpended performance incentive balance was \$54.4 million as reflected in the FY 2006-07 TANF Performance Incentives allocation.
- Pursuant to an agreement with the County Welfare Director's Association (CWDA) unspent performance incentives were considered in the methodology for distribution in the FY 2006-07 CalWORKs single allocation.
- It is assumed all incentive funds will be spent in FY 2006-07.

### METHODOLOGY:

The available fiscal incentives for FY 2006-07 are based on the unexpended balance as of FY 2005-06.

### FUNDING:

This premise is funded with 100 percent TANF block grant funds.

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## County Performance Incentives

### CHANGE FROM THE APPROPRIATION:

The balance of unexpended funds from FY 2005-06 is re-appropriated to the current year.

### REASON FOR YEAR-TO-YEAR CHANGE:

No county performance incentives will be provided in the budget year.

### EXPENDITURES:

(in 000's)

	2006-07 <sup>1</sup>	2007-08 <sup>1</sup>
	Grant	Grant
Total	\$54,435	\$0
Federal	54,435	0
State	0	0
County	0	0
Reimbursements	0	0

<sup>1</sup> — The current year amounts represent unspent funding which was appropriated in FY 2003-04, and is a non-add item in the Detail Tables.

## Effect of EDD Wagner-Peyser Reimbursement

### DESCRIPTION:

This premise reflects the amount of the Wagner-Peyser funds provided by the State Employment Development Department (EDD) to offset the California Work Opportunity and Responsibility to Kids (CalWORKs) Program. As required in Assembly Bill 2580 (Chapter 1025, Statutes of 1985), 50 percent of the available federal Wagner-Peyser funds are directed to provide for job services required for CalWORKs Program activities.

### IMPLEMENTATION DATE:

This is an ongoing premise based on an annual appropriation.

### METHODOLOGY:

Funding amounts are identified and provided by EDD.

### FUNDING:

The EDD receives the federal funds for this program and transfers a portion to the California Department of Social Services (CDSS) as a funding source for the CalWORKs Program. The availability of these federal funds reduces CDSS' cost of the CalWORKs Program.

### CHANGE FROM THE APPROPRIATION:

There is no change.

### REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

### EXPENDITURES:

(in 000's)

	2006-07	2007-08
	County Admin.	County Admin.
Total	\$2,735	\$2,735
Federal	0	0
State	0	0
County	0	0
Reimbursements	2,735	2,735

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## TANF Pass-Through for State Agencies

### DESCRIPTION:

This premise reflects the cost to provide Temporary Assistance for Needy Families (TANF) Program block grant funds to other state agencies that provide employment and educational services to California Work Opportunity and Responsibility to Kids (CalWORKs) Welfare To Work (WTW) Program participants.

These state agencies are the California Community Colleges (CCC), the California Department of Education (CDE), and the California Department of Health Services (DHS).

The purpose of the CCC pass-through is to reimburse CCC for the federal share of costs of educational services provided to participants of the WTW Program. The purpose of the CDE pass-through is to reimburse CDE for the federal share of costs of average daily attendance hours, including CalWORKs WTW hours that exceed each school district's cap. The DHS pass-through is for the Community Challenge Grant projects aimed at reducing adolescent and unwed pregnancies and encouraging father-child involvement by linking community-based organizations, schools, health educators, social service providers, parents, and youths.

### IMPLEMENTATION DATE:

This premise implemented on July 1, 1992. Beginning in Fiscal Year (FY) 1997-98, these contracts were funded under TANF rather than with Title IV-F funds.

### KEY DATA/ASSUMPTIONS:

The contracted amounts of TANF funds provided to these agencies are:

	<u>FY 2006-07</u>		<u>FY 2007-08</u>
CCC -	\$ 8.39 million	CCC -	\$ 8.39 million
CDE -	\$ 9.98 million	CDE -	\$ 9.98 million
DHS -	\$20.00 million	DHS -	\$20.00 million

### METHODOLOGY:

The California Department of Social Services (CDSS) entered into interagency agreements that specify the amounts of TANF funds to be transferred from CDSS to the contracting departments.

### FUNDING:

- For FY 2006-07, the CCC and CDE pass-through are funded with 89 percent TANF and 11 percent State General Fund (GF). The DHS contract is funded with 100 percent TANF.
- Effective October 2006, two-parent families are funded with 100 percent TANF.

### CHANGE FROM THE APPROPRIATION:

There is no change.

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## TANF Pass-Through for State Agencies

### REASON FOR YEAR-TO-YEAR CHANGE:

Two-parent families are funded with 100 percent TANF effective October 2006.

### EXPENDITURES:

(in 000's)

	2006-07	2007-08
	County Admin.	County Admin.
Total	\$38,374	\$38,374
Federal	36,353	38,374
State	2,021	0
County	0	0
Reimbursements	0	0

## Cal Learn

### DESCRIPTION:

This premise reflects the cost of providing intensive case management, supportive services, and fiscal incentives and disincentives to eligible teen recipients who are pregnant or parenting and participating in the Cal Learn Program. The Cal Learn Program was authorized by Senate Bill (SB) 35 (Chapter 69, Statutes of 1993) and SB 1078 (Chapter 1252, Statutes of 1993). Assembly Bill 2772 (Chapter 902, Statutes of 1998) changed the status of the Cal Learn Program from a five-year federal demonstration project to a permanent program.

The program provides services to encourage teen parents to stay in high school or an equivalent program and earn a diploma. Case management activities must meet the standards and scope of the Adolescent Family Life Program. Those standards include case management activities such as arrangement and management of supportive services, development and review of the report card schedule, exemption and deferral recommendations, and recommendations for bonuses and sanctions.

This premise includes the identification of cases, initial informing notices, and referrals to orientation. Also included is the administrative time to process the supportive services payment and the county mandated activities performed by the county welfare department. Those required activities include the final determination of deferrals, exemptions, bonuses and sanctions, good cause determinations and activities associated with fair hearings.

Effective March 31, 1999, the federal waivers for the Cal Learn Program expired. Without the waiver authority, the sanctioned Cal Learn teen parents are not Temporary Assistance for Needy Families (TANF) Program-eligible. This sanctioned caseload is funded with State General Fund (GF).

### IMPLEMENTATION DATE:

This premise implemented on April 1, 1994.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 11331.7.
- The projected average monthly caseload for Cal Learn is 8,140 and 8,471 in Fiscal Years (FYs) 2006-07 and 2007-08, respectively.
- The incentives are a \$100 bonus per report card period for satisfactory progress and a \$500 bonus upon graduation. The disincentive is a \$100 sanction per report card period for failure to submit a report card or to make adequate progress.
- The sanctioned caseload (383 in FY 2006-07 and 398 in FY 2007-08) represents 4.7 percent of the projected Cal Learn caseload. This is based on the actual sanctioned caseload compared to the total Cal Learn caseload as reported on the monthly Stat 45 Reports from FY 2005-06.
- The sanctioned grant cost is \$484 per month. These rates are based on the Maximum Aid Payment (MAP) for an assistance unit (AU) of two people minus the \$100 sanction.

## Cal Learn

### KEY DATA/ASSUMPTIONS (continued):

- Based on actual FY 2005-06 caseload as reported on the Stat 45 Reports, it is assumed that 4.9 percent of the Cal Learn participants receive the \$100 bonus and one percent receive the \$500 bonus.
- The funding for FY 2006-07 for Services and Administration has been held at the Budget Act of 2006 level.
- The funding for FY 2007-08 for Services and Administration costs are based on the following key data/assumptions:
  - ◆ The average hourly eligibility worker (EW) cost is \$57.57.
  - ◆ It is assumed the EW requires one hour of administrative time per month for each case.
  - ◆ The estimate assumes that 8,471 of the CalWORKs Program caseload are pregnant or parenting teens in the Cal Learn Program. This caseload is based on applying a moving average to the actual Cal Learn caseload as reported for Fiscal Year 2005-06 on the monthly Stat 45 Reports and projected through June 2008.
  - ◆ The case management cost is \$2,491 per case per year for all activities performed by the case manager. The rate is based on FY 2005-06 case management expenditures divided by the total Cal Learn caseload.
  - ◆ It is assumed that 16.4 percent of the total Cal Learn caseload will utilize transportation services at a cost of \$27.12 per month per participant. The utilization rate is based on the FY 2005-06 caseload as reported on the monthly Stat 45 Reports. The cost is based on the FY 2005-06 county transportation expenditure claims.
  - ◆ It is assumed that 2.3 percent of the total Cal Learn caseload will utilize ancillary services at a cost of \$123.04 per month per participant. The utilization rate is based on the FY 2005-06 caseload as reported on the monthly Stat 45 Reports. The cost is based on the FY 2005-06 county ancillary expenditure claims.
  - ◆ Subsidized child care is available for Cal Learn participants attending high school. Please refer to the "CalWORKs Child Care - Stage One Services and Administration" premise for the assumptions and methodology used to develop the estimate.
  - ◆ Automation costs for Cal Learn tracking is approximately \$167,000.
  - ◆ The RNE caseload of 127 represents 1.5 percent of the projected Cal Learn caseload and is funded with GF.
  - ◆ The sanctioned caseload of 398 represents 4.7 percent of the projected Cal Learn caseload and is funded with GF.

### METHODOLOGY:

- For FY 2007-08, the case management cost was multiplied by the projected Cal Learn caseload to determine the annual cost.
- The EW cost per hour was multiplied by the Cal Learn caseload, and then multiplied by 12 months to determine the annual county administration cost.

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## Cal Learn

### METHODOLOGY (continued):

- The transportation cost was determined by multiplying the Cal Learn caseload by the transportation utilization rate, multiplied by the transportation cost per case, and then multiplied by 12 months to determine the annual cost.
- The ancillary service cost was determined by multiplying the Cal Learn caseload by the ancillary utilization rate, multiplied by ancillary cost per case, and then multiplied by 12 months to determine the annual cost.
- The utilization rates for the \$100 and \$500 bonuses were each multiplied by the total caseload, then multiplied by 12 to determine the annual costs. The 1.5 percent of bonuses related to RNE cases are then backed out and displayed in a separate premise.
- The State-only (sanctioned) rate was multiplied by the total caseload to determine the sanctioned caseload, multiplied by the MAP for an AU of two people minus \$100 to determine the sanctioned grant costs.

### FUNDING:

Cal Learn costs are 100 percent TANF, except for the grants and services for the sanctioned caseload and the costs associated with the RNE caseload, which are 100 percent GF and are countable toward the TANF maintenance of effort requirement.

### CHANGE FROM THE APPROPRIATION:

The change in bonuses and sanctioned grants is due to a decline in caseload. There is no change to services and administration.

### REASON FOR YEAR-TO-YEAR CHANGE:

The change is due to a projected increase in caseload in the budget year.

### CASELOAD:

	2006-07	2007-08
Average Monthly Caseload	8,140	8,471

## Cal Learn

### EXPENDITURES <sup>1</sup>:

(in 000's)

#### 101 – CalWORKs Bonuses and Sanctioned Grants

	2006-07	2007-08
	Grant	Grant
Total	\$3,177	\$3,303
Federal	953	991
State	2,224	2,312
County	0	0
Reimbursement	0	0

(in 000's)

#### 101 – CalWORKs Services & Administration

	2006-07	2007-08
	Services	Services
Total	\$26,573	\$27,680
Federal	25,302	26,379
State	1,271	1,301
County	0	0
Reimbursement	0	0

<sup>1</sup> - The recent noncitizen entrants costs are a subset of these expenditures and are displayed in the "Recent Noncitizen Entrants" premise.

## TANF/CalWORKs Administrative Costs – Basic

### DESCRIPTION:

This premise reflects the administrative costs for the Temporary Assistance for Needy Families (TANF)/California Work Opportunity and Responsibility for Kids (CalWORKs) Program. The basic costs include the costs for general administration, coordination and overhead for the programs such as the salaries and benefits of staff performing activities related to eligibility determination, preparation of budgets, monitoring programs, fraud units; services related to accounting, litigation, payroll and personnel; costs for the goods and services required for the administration of the program such as supplies, equipment, utilities, rental of office space and maintenance of office space.

Historically, the budget for county administration was based on counties' administrative budget requests made through a Proposed County Administrative Budget (PCAB) process, modified by a cost containment system consistent with Welfare and Institutions Code (W&IC) section 14154. Beginning with Fiscal Year (FY) 2001-02 the PCAB process was suspended and the last PCAB process, FY 2000-01, established the base from which future year costs are established. Adjustments for caseload changes and other factors are made during each subvention process.

### IMPLEMENTATION DATE:

This premise implemented on January 1, 1998.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&IC section 14154.
  - The FY 2006-07 base funding for CalWORKs County Administrative Basic is \$651.7 million and \$641.9 million in FY 2007-08.
  - The estimate reflects a caseload decline of 1.5 percent in FY 2006-07 and a projected increase of 0.1 percent in FY 2007-08.
  - Staff development costs in FY 2006-07 and FY 2007-08 are \$14.4 million based on actual expenditures from 2005-06.
  - State-wide Automated Welfare System (SAWS) development and testing interface costs are \$94,000.
  - Administrative costs of \$272,000 related to the Merced Automated Global Information Control (MAGIC) automation system in Merced County that were formerly identified in a separate premise line are now included in this premise.
  - Electronic Benefit Transfer (EBT) savings are \$10.9 million in FY 2006-07 and \$11.1 million in FY 2007-08.
  - Based on the November 2006 CalWORKs Trend Caseload, the Two-Parent State-Only cases represent 8.19 percent of the total cases in FY 2006-07.
  - Time limit savings are \$33.1 million in FY 2006-07 and FY 2007-08.
  - Contract costs are \$4.1 million for FY 2006-07 and FY 2007-08, based on FY 2005-06 actual expenditures.
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## TANF/CalWORKs Administrative Costs – Basic

### KEY DATA/ASSUMPTIONS (continued):

- In FY 2006-07 and FY 2007-08, \$9.9 million of the CalWORKs Administrative Basic expenditures are for Recent Noncitizens Entrants (RNEs). Of the \$9.9 million, \$4.9 million reflects the federally eligible recipients in mixed households.

### METHODOLOGY:

- The basic funding from FY 2006-07 is adjusted to reflect caseload decline, staff development expenditures, savings for EBT and time limits, the MAGIC system, and contract costs. Funds for TANF ineligible RNEs were subtracted and shifted to the RNE premise (For more information see separate RNE premise).
- The basic funding from FY 2007-08 is adjusted to reflect the projected increase in caseload, staff development expenditures, savings for EBT and time limits, the MAGIC system, and contract costs. Funds for TANF ineligible RNEs were subtracted and shifted to the RNE premise (For more information see separate RNE premise).

### FUNDING:

- For the first quarter of the FY 2006-07, the costs for two-parent families are 100 percent GF. The remaining quarters are funded with 100 percent TANF. All other costs are 100 percent TANF funded.
- The costs for RNE families are 100 percent GF.
- The GF is countable toward the State's maintenance of effort requirement.

**Note:** W&I Code Section 15204.4 requires an MOE from the counties based on expenditures during FY 1996-97. Please reference the "County MOE Adjustment" premise.

### CHANGE FROM THE APPROPRIATION:

- Effective October 2006, two-parent families are no longer funded with GF. Two-parent families are now funded with 100 percent TANF.
- The FY 2006-07 estimate reflects a decrease in the projected CalWORKs caseload, an increase in staff development expenditures, a decrease in savings due to EBT, and a decrease in time limit savings.

### REASON FOR YEAR-TO-YEAR CHANGE:

- For the first quarter of the FY 2006-07, two-parent families are funded with GF. The remaining quarters are funded with 100 percent TANF. For FY 2007-08, two-parent families are funded with 100 percent TANF.
- The FY 2007-08 estimate reflects a slight caseload increase.

## TANF/CalWORKs Administrative Costs – Basic

### EXPENDITURES:

(in 000's)

	2006-07	2007-08
	County Admin.	County Admin.
Total	\$611,802	\$612,472
Federal	602,287	607,568
State	9,515	4,904
County	0	0
Reimbursements	0	0

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## Restore California Work Opportunity and Responsibility to Kids (CalWORKs) Administration Costs

### DESCRIPTION:

This premise reflects the restoration of \$140 million for county CalWORKs administration pursuant to Assembly Bill (AB) 1801, (Chapter 47, Statutes of 2006) which restores funding to the actual Fiscal Year (FY) 2005-06 spending level. The counties will utilize these funds consistent with single allocation spending.

### IMPLEMENTATION DATE:

This premise implemented on July 1, 2006.

### KEY DATA/ASSUMPTIONS:

The county CalWORKs single allocation will be increased by \$140 million TANF funds.

### METHODOLOGY:

The funding for CalWORKs Administration will be increased by \$140 million to restore funding to the actual FY 2005-06 spending level.

### FUNDING:

The funds are 100 percent TANF.

### CHANGE FROM THE APPROPRIATION:

There is no change.

### REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

### EXPENDITURES:

(in 000's)

101- CalWORKs Administration	2006-07	2007-08
Total	\$140,000	\$140,000
Federal	140,000	140,000
State	0	0
County	0	0
Reimbursements	0	0

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## Single Allocation Reduction

### DESCRIPTION:

Section 15204.2 of the Welfare and Institutions Code provides that state and federal funds shall be appropriated in a single allocation to county welfare departments (CWDs) for the support of administrative activities undertaken by the CWDs to provide benefit payments to California Work Opportunity and Responsibility to Kids (CalWORKs) recipients and to provide work activities and supportive services in order to efficiently and effectively carry out the purposes of the CalWORKs program. Due to pressures on Temporary Assistance for Needy Families (TANF) block grant funding and the overall State General Fund (GF) budget, the single allocation has been reduced by \$40 million in Fiscal Year (FY) 2006-07 and \$16 million in FY 2007-08.

### IMPLEMENTATION DATE:

This premise implemented on July 1, 2006.

### KEY DATA/ASSUMPTIONS:

- The County CalWORKs Single Allocation will be reduced by \$40 million TANF funds in FY 2006-07 and by \$16 million in FY 2007-08.
- The \$40 million TANF funds in FY 2006-07 will be utilized to offset GF costs in Child Welfare Services and Foster Care.
- In FY 2006-07, CWDs can backfill the reduction in the single allocation with county performance incentive funds previously earned and allocated but not spent.
- In FY 2007-08, CWDs can backfill the reduction in the single allocation with county fraud recovery incentive funds previously earned and allocated but not spent.

### METHODOLOGY:

The funding for CalWORKs Administration will be reduced by \$40 million in FY 2006-07 and by \$16 million in FY 2007-08.

### FUNDING:

This reduction will be 100 percent TANF funds.

### CHANGE FROM THE APPROPRIATION:

There is no change.

### REASON FOR YEAR-TO-YEAR CHANGE:

The FY 2006-07 reduction is based on unspent county performance incentives and is a one-time reduction. The FY 2007-08 reduction is based on unspent fraud recovery incentives and also is a one-time reduction.

## Single Allocation Reduction

### EXPENDITURES:

(in 000's)

<b>101 – CalWORKs</b>	2006-07	2007-08
<b>Administration</b>		
Total	-\$40,000	-\$16,000
Federal	-40,000	-16,000
State	0	0
County	0	0
Reimbursement	0	0

## Legacy System Savings

### DESCRIPTION:

This premise reflects the savings that certain counties will realize following their conversion from outdated Legacy Systems to their new automated systems; Consortium IV (C-IV) and Welfare Case Data System (WCDS) CalWORKs Information Network (CalWIN) systems.

The counties' current costs for Legacy Systems and support are funded through their basic county administrative budgets as an electronic data processing (EDP) cost. With the counties' conversions from their legacy systems to C-IV and WCDS, much of the costs for the Legacy Systems will no longer be needed and will not be supported by the State. Upon conversion to the C-IV and CalWIN automation systems, county automation costs are included in the budgets for their respective Statewide Automated Welfare System (SAWS) consortia.

The C-IV counties are Merced, which implemented in March 2004; Stanislaus, which implemented in April 2004; Riverside, which implemented in August 2004; and San Bernardino, which implemented in September 2004.

The eighteen WCDS counties began conversion to CalWIN with the pilots in Placer and Sacramento Counties in January and March 2005, and ended with Fresno converting in July 2006.

### IMPLEMENTATION DATE:

This premise reflects the legacy system savings beginning in Fiscal Year (FY) 2005-06.

### KEY DATA/ASSUMPTIONS:

- The Legacy System savings will not be applied until after the last county in a consortium has implemented its SAWS system. Therefore, C-IV county savings will begin in FY 2005-06 and WCDS county savings will begin in FY 2006-07.
- Based on information from San Bernardino and Riverside counties the Legacy System costs for FY 2003-04 were \$13.7 million.
- Identified Residual Costs for San Bernardino and Riverside counties for FY 2005-06 are \$7.2 million.
- Merced County is reflected in a separate premise.
- There are no savings for Stanislaus County, as Stanislaus was essentially a non-automated county prior to implementing C-IV.
- Based on the most recent annualized costs from the 18 WCDS counties, the Legacy System costs for FY 2004-05 were \$49.4 million.
- \$23.6 million was identified as supporting costs for the residual Legacy Systems for the 18 WCDS counties and the additional costs that support CalWIN.

## Legacy System Savings

### METHODOLOGY:

The costs of Legacy Systems were collected through extensive surveys and communications with the counties. Total savings were determined by subtracting the residual costs from the total Legacy Systems costs. Beginning in FY 2005-06, there will be a net savings of \$6.5 million associated with the C-IV counties.

Beginning in FY 2006-07, there will be additional savings of \$25.8 million associated with counties converting to CalWIN, resulting in \$32.3 million in total savings. The savings are distributed to the benefiting programs based on each county's most recent annualized Legacy System costs in FY 2003-04 and FY 2004-05. Those programs are CalWORKs, Foster Care, Food Stamps, and Medi-Cal. The Medi-Cal portion of savings of \$14.9 million in CY and \$14.9 million in BY are reflected in the Department of Health Services budget rather than the California Department of Social Services budget.

### FUNDING:

For Item 101, CalWORKs Administration the funding is Temporary Assistance to Needy Families (TANF). For Item 141, Food Stamps and Foster Care Administration the funding is 50 percent Federal, 35 percent State, and 15 percent County.

### CHANGE FROM THE APPROPRIATION:

There is no change.

### REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

### EXPENDITURES:

(in 000's)

ITEM 101 -	2006-07	2007-08
<b>CalWORKs</b>		
	County Admin.	County Admin.
Total	-\$12,071	-\$12,071
Federal	-12,071	-12,071
State	0	0
County	0	0
Reimbursements	0	0

## Legacy System Savings

### EXPENDITURES (continued):

(in 000's)

<b>ITEM 141 -</b>	<b>2006-07</b>	<b>2007-08</b>
<b>Foster Care Admin</b>	<b>County Admin</b>	<b>County Admin</b>
Total	-\$1,516	-\$1,516
Federal	-758	-758
State	-531	-531
County	-227	-227
Reimbursements	0	0

<b>ITEM 141 -</b>	<b>2006-07</b>	<b>2007-08</b>
<b>Food Stamp Admin</b>	<b>County Admin</b>	<b>County Admin</b>
Total	-\$3,909	-\$3,909
Federal	-1,955	-1,955
State	-1,368	-1,368
County	-586	-586
Reimbursements	0	0

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## Fraud Recovery Incentives

### DESCRIPTION:

This premise reflects the incentive payments made annually to counties for the detection of fraud. Assembly Bill (AB) 1542 (Chapter 270, Statutes of 1997) provided that each county shall receive 25 percent of the actual share of savings, including federal funds under the Temporary Assistance for Needy Families (TANF) Program block grant, resulting from the detection of fraud. This statute, amended by AB 444 (Chapter 1022, Statutes of 2002), now provides that each county shall receive 12.5 percent of the actual amount of aid repaid or recovered by a county resulting from the detection of fraud. These savings/recoveries have been defined as the amounts collected on client-caused (non-administrative error) overpayments. County incentives paid with TANF monies must be used for purposes prescribed under the federal Personal Responsibility and Work Opportunity Act of 1996 (Public Law 104-193).

### IMPLEMENTATION DATE:

This premise implemented on January 1, 1998.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 11486(j).
- Based on the FNS 209 Status of Claims Against Households, client-caused overpayments represent 71 percent of all collections.
- The total overpayment collections were \$47.5 million for Fiscal Year (FY) 2005-06.
- The total estimated overpayment collections are \$50.6 million for FY 2006-07.
- Based on the amount of overpayment collections, incentive payments are made annually to the counties in arrears.
- Effective with the passage of AB 444, the counties receive 12.5 percent of the savings due to client-caused overpayments.
- Overpayments are assumed to be funded 97.5 percent TANF/MOE and 2.5 percent county.

### METHODOLOGY:

The county incentive payment is the product of the total collections multiplied by the TANF share of collections (97.5 percent), multiplied by the percentage of client-caused errors (71 percent), and multiplied by the county incentive (12.5 percent).

### FUNDING:

The costs are 100 percent TANF.

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## Fraud Recovery Incentives

### CHANGE FROM APPROPRIATION:

The FY 2005-06 overpayment collections were estimated to be \$72.1 million in the May 2006 Revise. However, the actual overpayments for FY 2005-06 were \$47.5 million. Current year was updated to reflect the most recent data.

### REASON FOR YEAR-TO-YEAR CHANGE:

The budget year reflects an increase in projected overpayment collections.

### EXPENDITURES:

(in 000's)

	2006-07	2007-08
<b>ITEM 101 – TANF</b>	County Admin.	County Admin.
Total	\$4,113	\$4,377
Federal	4,113	4,377
State	0	0
County	0	0
Reimbursements	0	0

## Fraud Recovery Incentives-Reappropriation

### DESCRIPTION:

This premise reflects the incentive payments made annually to counties for the detection of fraud. Assembly Bill (AB) 1542 (Chapter 270, Statutes of 1997) provided that each county shall receive 25 percent of the actual share of savings, including federal funds under the Temporary Assistance for Needy Families (TANF) Program block grant, resulting from the detection of fraud. This statute, amended by AB 444 (Chapter 1022, Statutes of 2002), now provides that each county shall receive 12.5 percent of the actual amount of aid repaid or recovered by a county resulting from the detection of fraud. These savings/recoveries have been defined as the amounts collected on client-caused (non-administrative error) overpayments. County incentives paid with TANF monies must be used for purposes prescribed under the federal Personal Responsibility and Work Opportunity Act of 1996 (Public Law 104-193).

### IMPLEMENTATION DATE:

This premise implemented on July 1, 2006.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 11486(j).
- The Budget Act of 2006, AB 1801 (Chapter 47, Statutes of 2006).

### METHODOLOGY:

The Budget Act of 2006, AB 1801, authorized the reappropriation of funds for fraud recovery incentive payments earned by counties but unexpended as of June 30, 2006. Unexpended Federal Fraud Incentives from Fiscal Year (FY) 1998-99 through FY 2001-02 will be reappropriated to FY 2006-07 and unexpended incentives from FY 2002-03 through FY 2005-06 will be reappropriated to FY 2007-08.

### FUNDING:

This premise is funded with 100 percent TANF block grant funds.

### CHANGE FROM THE APPROPRIATION:

The unexpended Federal Fraud Incentives were appropriated in FY 2006-07, but were not shown on the Appropriation table.

### REASON FOR YEAR-TO-YEAR CHANGE:

The current year reflects unexpended Federal Fraud Incentives from FY 1998-99 through FY 2001-02. The budget year reflects unexpended incentives from FY 2002-03 through FY 2005-06.

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## Fraud Recovery Incentives-Reappropriation

### EXPENDITURES:

(in 000's)

	2006-07 <sup>1</sup>	2007-08 <sup>1</sup>
<b>ITEM 101 – TANF</b>	County Admin.	County Admin.
Total	\$5,091	\$24,422
Federal	5,091	24,422
State	0	0
County	0	0
Reimbursements	0	0

<sup>1</sup> The current and budget year amounts represent unspent funding appropriated in prior years and is a non-add item in the Detail Tables.

## TANF and NAFS Programs – PA to NA Fund Shift

### DESCRIPTION:

This premise reflects an allocation of costs to the Food Stamp (FS) administration for FS recipients receiving California Work Opportunity and Responsibility to Kids (CalWORKs) benefits. Eligibility and ongoing costs for FS recipients that receive CalWORKs are charged as CalWORKs administrative costs. The federal share of administrative costs for FS activities for Temporary Assistance for Needy Families (TANF) Program cases is funded by the United States Department of Agriculture, Food and Nutrition Service (USDA-FNS).

The Department of Health and Human Services Division of Cost Allocation directed the California Department of Social Services to distribute costs for the eligibility determination activity among the benefiting programs. The methodology develops ratios based upon CalWORKs and Public Assistance Food Stamp (PAFS) caseload and administrative expenditure data to determine the portion of the Eligibility, Case Management, and Program Integrity activity costs in CalWORKs that benefit the FS Program. The PAFS allocation for common intake costs is also included in the cost shift.

### IMPLEMENTATION DATE:

This premise implemented in March of 1984.

### KEY DATA/ASSUMPTIONS:

- The eligibility worker intake administrative costs are divided equally among CalWORKs, PAFS and Medi-Cal. The PAFS share of the common intake costs is \$50 million in Fiscal Year (FY) 2006-07 and \$50.8 million in FY 2007-08.
- County worker costs for Eligibility, Case Management and Program Integrity activities are claimed to Programs Codes (PC) 614, 663, and 618, respectively, on the county expense claim.
- The ratio of administrative costs for PCs 614, 663 and 618 to the total administrative costs is 0.6914 based on the FY 2005-06 expenditures.
- The ratio of PAFS to the CalWORKs caseload is 0.5939 based on the average ratio for the July 2005 through June 2006 period.
- Based on FY 2005-06 data reported on the county administrative expense claims, the total CalWORKs administrative cost was \$695,500,802.

### METHODOLOGY:

The CalWORKs continuing case costs based on actual expenditures adjusted for premise items was multiplied by 0.6914 to determine the value of the PAFS/CalWORKs shared administrative costs. The shared administrative costs were multiplied by 0.5939. The result was then divided in half (50 percent CalWORKs and 50 percent PAFS) to determine the PAFS share. The PAFS share of the common intake costs was then added to determine the total fund shift.

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## TANF and NAFS Programs – PA to NA Fund Shift

### FUNDING:

Non-Assistance FS (NAFS) costs are shared 50 percent federal funds (USDA-FNS), 35 percent State General Fund, and 15 percent county funds. The CalWORKs costs shifted are 100 percent federal funds.

### CHANGE FROM THE APPROPRIATION:

The current year costs were revised to reflect updated actual data.

### REASON FOR YEAR-TO-YEAR CHANGE:

The decrease in funds shifting from CalWORKs Administration to FS Administration is due to a decrease in the CalWORKs caseload in the BY.

### EXPENDITURES:

(in 000's)

	2006-07	2007-08
<b>ITEM 101 – TANF</b>	County Admin.	County Admin.
Total	-\$181,319	-\$179,785
Federal	-181,319	-179,785
State	0	0
County	0	0
Reimbursements	0	0

	2006-07	2007-08
<b>ITEM 141 – Food Stamps</b>	County Admin.	County Admin.
Total	\$181,319	\$179,785
Federal	90,659	89,892
State	63,462	62,925
County	27,198	26,968
Reimbursements	0	0

## Medi-Cal Services Eligibility / Common Costs

### DESCRIPTION:

This premise reflects the savings associated with shifting eligibility costs from the California Work Opportunity and Responsibility to Kids (CalWORKs) Program to the Medi-Cal Program. The Medi-Cal Services Eligibility program was authorized by Welfare and Institutions Code Section 14154 which mandates the California Department of Social Services to instruct counties to modify the eligibility determination process so that eligibility for Medi-Cal is determined prior to eligibility for the Temporary Assistance for Needy Families (TANF) Program.

### IMPLEMENTATION DATE:

This premise implemented on July 1, 1998.

### KEY DATA/ASSUMPTIONS:

- The anticipated initial eligibility determination expenditures are \$152.1 million, which represents 18.01 percent of the total CalWORKs eligibility expenditures for Fiscal Year (FY) 2006-07 and 2007-08.
- The anticipated CalWORKs county administrative cost for FY 2006-07 is \$831.6 million and \$832.5 million for FY 2007-08, which includes common costs for the Food Stamp and Medi-Cal programs.
- The Medi-Cal, CalWORKs, and Food Stamp programs each share one third of the initial eligibility determination common costs.

### METHODOLOGY:

The estimate was determined by applying the initial eligibility determination expenditures percentage (18.01 percent) to FY 2006-07 and FY 2007-08 anticipated CalWORKs county administrative costs and then dividing by the three programs to determine the Medi-Cal share.

### FUNDING:

The State General Fund (GF) (7.72 percent for FY 2006-07) reflects the cost for the State-Only Two-Parent Program which was implemented on October 1, 1999. The State-Only Two-Parent Program is countable toward the State's maintenance of effort requirement.

### CHANGE FROM THE APPROPRIATION:

- The cost is updated to reflect the most current actual expenditures and is distributed among the benefiting programs (CalWORKs, Food Stamps, and Medi-Cal).
- Effective October 2006, two-parent families are no longer funded with GF. Two-parent families are now funded with 100 percent TANF.

## Medi-Cal Services Eligibility / Common Costs

### REASON FOR YEAR-TO-YEAR CHANGE:

- The cost is updated to reflect the most current actual expenditures and is distributed among the benefiting programs (CalWORKs, Food Stamps, and Medi-Cal).
- For the first quarter of the FY 2006-07, two-parent families are funded with GF. The remaining quarters are funded with 100 percent TANF. For BY, two-parent families are funded with 100 percent TANF.

### EXPENDITURES:

(in 000's)

	2006-07	2007-08
	County Admin.	County Admin.
Total	-\$49,953	-\$49,975
Federal	-48,989	-49,975
State	-964	0
County	0	0
Reimbursements	0	0

## CalWORKs Administrative Cap Adjustment

### DESCRIPTION:

This premise reflects an adjustment to ensure California does not exceed the 15 percent administrative cap required under the Temporary Assistance for Needy Families (TANF) Program. Under TANF, States may not spend more than 15 percent of either their Federal TANF funds or State's maintenance of effort (MOE) dollars on administrative costs. Administrative costs are defined as costs necessary for the proper administration of the TANF or separate state programs. Expenditures in excess of the 15 percent federal cap are considered a misuse of funds which may result in a reduction in federal TANF funds.

### IMPLEMENTATION DATE:

This premise implemented on October 1, 1999.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: 45 Code of Federal Regulations sections 263.0 and 263.13.
- The administrative cap is applied on a statewide basis rather than county specific.
- Activities considered administrative include, but are not limited to, eligibility determinations, administrative costs incurred by contractors, automation costs not related to tracking and monitoring of TANF requirements, preparation of program plans, procurement, property management, and costs of fraud and abuse units.

### METHODOLOGY:

- Actual State and federal administrative expenditures from October 1, 2004 through September 30, 2005 were compared to the net annual TANF grant and the required State MOE for Federal Fiscal Year 2006.
- Administrative expenditures were adjusted between federal TANF (7.94 percent) and State MOE (7.94 percent) until the administrative cost percentages were at the lowest common rate.

### FUNDING:

The administrative cap adjustment consists of a shift from federal funds to the GF or GF to federal funds, whichever is necessary to keep the percentages at the lowest common rate.

### CHANGE FROM THE APPROPRIATION:

There is no change.

### REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

## CalWORKs Administrative Cap Adjustment

### EXPENDITURES:

(in 000's)

	2006-07	2007-08
	County Admin.	County Admin.
Total	\$0	\$0
Federal	-116,000	-116,000
State	116,000	116,000
County	0	0
Reimbursements	0	0

## Court Cases

### DESCRIPTION:

This premise reflects settlement costs and attorney fees relating to the Temporary Assistance for Needy Families (TANF), Foster Care (FC), Food Stamp, and Adoption Assistance Programs (AAP). The costs result from the settlement of lawsuits related to local assistance in accordance with Budget Letter 98-22, and instructions from the Department of Finance.

### KEY DATA/ASSUMPTIONS:

#### Item 101 – TANF Administration

- A total of \$675,000 is budgeted in Fiscal Year (FY) 2006-07 for attorney fees and settlement costs associated with small court cases expected to be resolved in the current year (CY).
- A total of \$300,000 is budgeted in FY 2007-08 for attorney fees and settlement costs associated with small court cases expected to be resolved in the budget year (BY).

#### Item 141 – FC, AAP, and Food Stamp Administration

- A total of \$1,642,000 is budgeted in FY 2006-07 for attorney fees and settlement costs associated with small court cases expected to be resolved in the CY.
- A total of \$1,244,000 is budgeted in FY 2007-08 for attorney fees and settlement costs associated with small court cases expected to be resolved in the BY.

### METHODOLOGY:

#### Item 101 – TANF Administration

The estimate is based on actual and projected attorney fees, settlement costs, and miscellaneous writs to be paid in FYs 2006-07 and 2007-08.

#### Item 141 – FC, AAP, and Food Stamp Administration

The estimate is based on actual and projected attorney fees, settlement costs, and miscellaneous writs to be paid in FYs 2006-07 and 2007-08.

### FUNDING:

#### Item 101 –TANF Administration

The funding is 100 percent TANF.

#### Item 141 – FC, AAP, and Food Stamp Administration

Attorney fees associated with federally-eligible cases are shared 50 percent federal and 50 percent State General Fund (GF). Attorney fees associated with nonfederally-eligible cases are funded 100 percent GF. Court settlement costs are shared at the same ratios as the respective programs (i.e. AAP and AFDC-FC).

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## Court Cases

### CHANGE FROM THE APPROPRIATION:

This premise was updated based on actual and projected expenditures.

### REASON FOR YEAR-TO-YEAR CHANGE:

Court case costs may fluctuate from year to year.

### EXPENDITURES:

(in 000's)

ITEM 101 –	2006-07	2007-08
<b>TANF Administration</b>	County Admin.	County Admin.
Total	\$675	\$300
Federal	675	300
State	0	0
County	0	0
Reimbursements	0	0
ITEM 141 –	2006-07	2007-08
<b>FC, AAP, and Food Stamp Administration</b>	County Admin.	County Admin.
Total	\$1,642	\$1,244
Federal	821	622
State	821	622
County	0	0
Reimbursements	0	0

## State/County Peer Reviews

### DESCRIPTION:

This premise reflects the costs associated with the provisions in Assembly Bill (AB) 1808 that require the California Department of Social Services (CDSS) to conduct a pilot of State/County Peer Reviews in Fiscal Year (FY) 2006-07 with full implementation by July 1, 2007. CDSS staff and staff from two county welfare departments (CWDs) will visit other CWDs to review their California Work Opportunity and Responsibility to Kids (CalWORKs) program policies, procedures and data to improve performance outcomes. The primary purpose of these collaborative visits is to identify and share best practices between the CWDs and provide an opportunity for the identification of potential obstacles that prevent CWDs from achieving the outcomes required by federal law. Since the Peer Reviews are mandatory under AB 1808, it is necessary to provide CWDs with appropriate funding to participate in these visits. This premise reflects the costs associated with backfilling, travel, and per diem costs for the participating county staff.

### IMPLEMENTATION DATE:

This premise will implement July 1, 2007.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 10533.
- Assumes FY 2006-07 costs associated with the pilot will be funded within existing resources.
- There will be 20 peer reviews in FY 2007-08.
- Each peer review will take approximately five days (eight hours per day) to complete. One additional eight-hour day is required for preparation and training.
- One manager and one staff person from two visiting counties will travel to a host county for the Peer Review. One manager and two staff persons from the host county will participate in the Peer Review.
- The travel and per diem costs for each person from the visiting counties is \$1,336 per visit.
- This estimate includes the costs for county staff backfill for four county staff; one staff person from each of the two visiting counties and two staff persons from the host county. No backfill is assumed for managers.
- The hourly salary and benefits for a worker is \$35.80.

### METHODOLOGY:

- The cost for travel and per diem for one manager and one staff person from each visiting county for 20 peer reviews is \$106,880.
- The average backfill cost for each county staff for 48 hours is \$1,718.
- The total backfill cost for four county staff for 20 visits is \$137,472.
- The total cost for travel, per diem and county staff backfill is \$244,352.

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## State/County Peer Field Reviews

### FUNDING:

This premise is funded with 100 percent TANF funds.

### CHANGE FROM THE APPROPRIATION:

This is a new premise.

### REASON FOR YEAR-TO-YEAR CHANGE:

This premise will implement in the budget year.

### EXPENDITURES:

(in 000's)

	2006-07	2007-08
	County Admin.	County Admin.
Total	\$0	\$244
Federal	0	244
State	0	0
County	0	0
Reimbursements	0	0

## Budget Methodology Review (AB 1808)

### **DESCRIPTION:**

This premise reflects the provision contained in Assembly Bill 1808 (Chapter 75, Statutes of 2006) which requires the California Department of Social Services (CDSS) to estimate the costs for county administration using county-specific cost factors in the programs' budgeting methodology and requires county certification of "reasonable" costs for the CalWORKs Admin, Food Stamps, Foster Care, In Home Supportive Services (IHSS), Child Welfare Services, and Adoptions.

The statute requires CDSS to develop in consultation with the County Welfare Directors Association (CWDA) a survey process to collect reasonable county specific cost data. Commencing with the May Revision of the fiscal year 2007-08 budget, the Department shall identify in its budget documents the estimates developed and the difference between these estimates and proposed funding levels.

### **IMPLEMENTATION DATE:**

This premise will implement on July 1, 2007.

### **KEY DATA/ASSUMPTIONS:**

Authorizing statute: Welfare and Institutions Code section 10507.

### **METHODOLOGY:**

The methodology is pending results and analysis of the survey information.

### **FUNDING:**

Funding will vary depending on program area.

### **CHANGE FROM THE APPROPRIATION:**

This is a new premise.

### **REASON FOR YEAR-TO-YEAR CHANGE:**

This is a new premise

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## Budget Methodology Review (AB 1808)

### EXPENDITURES:

(in 000's)

#### 101-CalWORKs

##### Admin

	2006-07	2007-08
	County Admin.	County Admin.
Total	\$0	\$0
Federal	0	0
State	0	0
County	0	0
Reimbursements	0	0

#### 111-IHSS

	2006-07	2007-08
	County Admin.	County Admin.
Total	\$0	\$0
Federal	0	0
State	0	0
County	0	0
Reimbursements	0	0

#### 141-County Admin

	2006-07	2007-08
	County Admin.	County Admin.
Total	\$0	\$0
Federal	0	0
State	0	0
County	0	0
Reimbursements	0	0

## Budget Methodology Review (AB 1808)

### 151- Child Welfare Services

	2006-07	2007-08
	County Admin.	County Admin.
Total	\$0	\$0
Federal	0	0
State	0	0
County	0	0
Reimbursements	0	0

### 151- Adoptions

	2006-07	2007-08
	County Admin.	County Admin.
Total	\$0	\$0
Federal	0	0
State	0	0
County	0	0
Reimbursements	0	0

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## Research and Evaluation

### DESCRIPTION:

This premise reflects the costs to develop a research design to ensure a thorough evaluation of the direct and indirect effects of the California Work Opportunity and Responsibility to Kids (CalWORKs) Program. The research and evaluation was authorized by Welfare and Institutions Code (W&IC) sections 11520 through 11521.7. An independent evaluator or evaluators shall conduct the statewide evaluation. The outcomes derived from these evaluations will be provided through discrete reports issued at regular intervals and will include information regarding process, impacts, and analyses of the costs and benefits of the CalWORKs Program.

The California Department of Social Services will ensure that county demonstration projects and other innovative county approaches to CalWORKs Program implementation are rigorously evaluated and that the findings are reported to the Legislature in a timely fashion. The evaluation of a county-specific program shall be developed in conjunction with the county and other appropriate agencies responsible for the local program.

### IMPLEMENTATION DATE:

This premise implemented on July 1, 1997.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&IC sections 11520 through 11521.7.
- Assembly Bill 1542 (Chapter 270, Statutes of 1997) mandated the evaluation of the statewide CalWORKs Program and county demonstration projects such as school attendance, monthly change reporting, etc.

### METHODOLOGY:

The funding in Fiscal Year FY 2006-07 and FY 2007-08 have been held at the Budget Act of 2006 Appropriation level.

### FUNDING:

- The costs associated with the research and evaluation projects reflect 11 percent State General Fund (GF) and 89 percent TANF. The State-Only Two-Parent Program implemented on October 1, 1999. The State-Only Two-Parent Program is countable toward the State's maintenance of effort requirement.
- Effective October 1, 2006, State-Only Two-parent families are no longer funded with GF. Two-parent families are now funded with 100 percent TANF.

### CHANGE FROM THE APPROPRIATION:

There is no change.

## Research and Evaluation

### REASON FOR YEAR-TO-YEAR CHANGE:

Two-parent families are now funded with 100 percent TANF.

### EXPENDITURES:

(in 000's)

	2006-07	2007-08
	County Admin.	County Admin.
Total	\$4,000	\$4,000
Federal	3,560	4,000
State	440	0
County	0	0
Reimbursements	0	0

## County Maintenance of Effort Adjustment

### DESCRIPTION:

This premise reflects the costs counties are required to expend from their general funds or from the social services account of the County Health and Welfare Trust Fund to support administration of programs providing services to needy families, and the administration of food stamps. Welfare and Institutions Code (W&IC) section 15204.4 authorized the county maintenance of effort (MOE).

### IMPLEMENTATION DATE:

This premise implemented on July 1, 1997.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&IC section 15204.4.
- The individual county requirement for spending is equal to that amount which was expended by the county for comparative activities during Fiscal Year (FY) 1996-97. Failure to meet this required level will result in a proportionate reduction in funds provided as part of the California Work Opportunity and Responsibility to Kids Program single allocation.
- The FY 1996-97 actual county expenditures are \$140,540,757. This amount represents the county MOE requirement. The programs inclusive for this expenditure data are as follows: Temporary Assistance for Needy Families; Non-Assistance Food Stamps; Greater Avenues for Independence (GAIN); Cal Learn, Health & Safety (for child care); Transitional Child Care Administration; and Non-GAIN Education & Training Program.

### METHODOLOGY:

The funds reflected in this premise are the total statewide expenditures for FY 1996-97 minus the estimated county expenditures for the administration of the Food Stamp (FS) Program for FY's 2006-07 and 2007-08, which are \$112,991,890 and \$116,346,999 respectively.

### FUNDING:

This is a shift from federal to county funds.

### CHANGE FROM APPROPRIATION:

The current year decrease is due to an increase in the county share of cost in the FS Program.

### REASON FOR YEAR-TO-YEAR CHANGE:

The decreased amount shifted in the budget year is due to an increase in the county share of cost in the FS Program.

## County Maintenance of Effort Adjustment

### EXPENDITURES:

(in 000's)

	2006-07	2007-08
	County Admin.	County Admin.
Total	\$0	\$0
Federal	-27,550	-23,690
State	0	0
County	27,550	23,690
Reimbursements	0	0

## CalWORKs Child Care - Stage One Services and Administration

### DESCRIPTION:

This premise reflects the cost for Stage One Child Care to the California Work Opportunity and Responsibility to Kids (CalWORKs) Program single-parent families who are newly working or beginning participation in a work activity while on aid, two-parent families who are participating in approved CalWORKs activities, former CalWORKs recipients who are unable to transfer to Stage Two or Three due to lack of available slots, and to eligible teen parents participating in the Cal Learn Program. Child care services are available to CalWORKs families with children under 13 years of age.

Assembly Bill 1542 (Chapter 270, Statutes of 1997) authorized CalWORKs Stage One Child Care. Child care services for Cal Learn participants were authorized by Senate Bill (SB) 35 (Chapter 69, Statutes of 1993) and SB 1078 (Chapter 1252, Statutes of 1993).

The CalWORKs Child Care Program is administered in three stages. Stage One is administered by the California Department of Social Services (CDSS). Stage Two is administered by the California Department of Education (CDE) and is reflected in the "Transfer to CDE for Stage Two as CCDF" premise. Stage Two serves individuals determined to be in a more stable situation, either working or participating in a work activity while on aid, and participants transitioning off aid due to increased employment. Stage Three is also administered by CDE and serves participants who have been off aid for two years.

As a result of Temporary Assistance for Needy Families (TANF) Reauthorization, two-parent families will no longer be funded with Maintenance of Effort (MOE) for CalWORKs Grants, Services, and Administration. However, CalWORKs child care for two-parent families will continue to be funded with General Fund (GF) as these families must participate a minimum of 55 hours per week in Welfare to Work activities to be eligible for federally funded child care.

Total Stage One/Two costs are reduced by 5 percent and reflected in the Stage One/Two Holdback. This allows flexibility in funding for both programs due to the uncertainty of when recipients may transition between the two stages.

### IMPLEMENTATION DATE:

This premise implemented on January 1, 1998.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Education Code Sections 8350, 8351, 8352 and Welfare and Institutions Code Section 11331.7.
- In Fiscal Years (FYs) 2006-07 and FY 2007-08, the cost of providing CalWORKs child care used the following key data/assumptions:
  - ◆ The projected monthly caseload (children) for current year (CY) is 55,941 and budget year (BY) is 54,175 based on a regression analysis projection using actual caseload from FY 2005-06 as reported on the CW 115 and CW 115A reports.

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## CalWORKs Child Care - Stage One Services and Administration

### KEY DATA/ASSUMPTIONS (continued):

- ◆ The monthly cost of CalWORKs child care is \$563 per child. This is based on child care expenditures and caseload from FY 2005-06 as reported on the county expense claims and the CW 115 and CW 115A reports.
- ◆ The CalWORKs child care administrative ratio of 12.07 percent is based on the actual administrative expenditures compared to service expenditures for FY 2005-06.
- ◆ The child care costs for two-parent families is 3.25 percent based on Stage One expenditures from FY 2005-06.
- ◆ The child care costs for the Recent Noncitizen Entrants (RNEs) is 0.76 percent based on Stage One expenditures from FY 2005-06.
- ◆ The child care costs for sanctioned teens for State-Only Cal Learn Child Care is 0.02 percent based on Stage One expenditures from FY 2005-06.
- ◆ It is assumed \$195.1 million in the CY and \$188.9 million in the BY in Temporary Assistance for Needy Families (TANF) are transferred to Title XX for Stage One.
- ◆ The Stage One/Two holdback is \$22.7 million in the CY and \$26.5 million in the BY. These amounts are based on five percent of the expenditures including the effect of all premises affecting child care basic.

### METHODOLOGY:

- The Stage One Child Care services costs are calculated by multiplying the caseload by the cost per child multiplied by 12 months (e.g. for CY  $55,941 \times \$563 \times 12 = \$377.9$  million). The Stage One Child Care administrative costs are calculated by multiplying the services costs by the administrative ratio ( $\$377.9$  million  $\times$  12.07 percent = \$45.6 million).
- The total Stage One Child Care costs are calculated by adding the services and administrative costs (e.g. for CY  $\$377.9$  million + \$45.6 million = \$423.5 million).
- The total Stage One Child Care costs are reduced by five percent and placed in the Stage One/Two Holdback ( $\$423.5$  million  $\times$  5 percent = \$21.1 million).
- The Stage One two-parent child care costs are calculated by multiplying the total Stage One child care costs by 3.25 percent ( $\$402.4$  million  $\times$  3.25 percent = \$13.0 million). Those funds are then shifted to GF.
- RNEs represent 0.76 percent of Stage One Child Care costs ( $\$402.4$  million  $\times$  0.76 percent = \$3.1 million).
- Federally eligible members of mixed RNE households represent 43.35 percent and remain in the Stage One Basic Program, funded with GF. The remaining portion of RNEs is reflected on the RNE premise line. Refer to that premise description for more information.
- Sanctioned teens for State-Only Cal Learn Child Care represent 0.02 percent of Stage One Child Care Costs ( $\$423.5$  million  $\times$  0.02 percent = \$78,000). These funds are reflected in the State-Only Cal Learn Child Care line, funded with GF.

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## CalWORKs Child Care - Stage One Services and Administration

### FUNDING:

Stage One Child Care for single parents is funded with 100 percent TANF. Child Care for two-parent families is funded with 100 percent GF, which is countable toward the State's TANF maintenance-of-effort requirement. Child Care for RNEs is funded with 100 percent GF.

### CHANGE FROM THE APPROPRIATION:

The CY reflects an increase in the projected caseload.

### REASON FOR YEAR-TO-YEAR CHANGE:

The decrease in BY reflects a decrease in the projected caseload.

### CASELOAD:

	2006-07	2007-08
Average Monthly Children	55,941	54,175

### EXPENDITURES:

#### 101 – CalWORKs Child Care

(in 000's)	2006-07	2007-08
	Services	Services
Total	\$356,918	\$345,494
Federal	343,961	332,952
State	12,957	12,542
County	0	0
Reimbursements	0	0

	2006-07	2007-08
	Administration	Administration
Total	\$42,924	\$41,551
Federal	41,520	40,192
State	1,404	1,359
County	0	0
Reimbursements	0	0

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## Stage One Child Care RMR Impact

### DESCRIPTION:

This premise reflects the cost impact to California's subsidized child care system from the updated Regional Market Rate (RMR) Ceilings. California Work Opportunity and Responsibility to Kids (CalWORKs) participants that are receiving CalWORKs Stage One and Stage Two child care will be affected by these RMR updates.

### IMPLEMENTATION DATE:

This premise implemented on October 1, 2006.

### KEY DATA/ASSUMPTIONS:

- The estimated cost impact is based on the most recent Regional Market Survey.
- For Fiscal Year (FY) 2006-07 and FY 2007-08, the cost impact to Stage One is \$6.1 million and \$8.1 million, respectively, as a result of the RMR updates.
- For FY 2006-07 and FY 2007-08, the cost impact to Stage Two is \$9.6 million and \$12.7 million, respectively, as a result of the RMR updates. The impact is reflected in the "Transfer to CDE for Stage Two" premise.

### METHODOLOGY:

The estimated costs are based on statistical modeling techniques that incorporated the Administration's proposals.

### FUNDING:

Stage One Child Care for single parents is funded with 100 percent Temporary Assistance for Needy Families (TANF). Child Care for two-parent families is funded with 100 percent State General Fund, which is countable toward the State's TANF maintenance-of-effort requirement.

### CHANGE FROM THE APPROPRIATION:

The decrease reflects a delay in the implementation date from July 1, 2006 to October 1, 2006, pursuant to provisions in Assembly Bill 1808 (Chapter 75, Statutes of 2006).

### REASON FOR YEAR-TO-YEAR CHANGE:

The budget year increase reflects a full year implementation.

## Stage One Child Care RMR Impact

### EXPENDITURES:

(in 000's)

	2006-07	2007-08
Total	\$6,076	\$8,101
Federal	5,879	7,838
State	197	263
County	0	0
Reimbursements	0	0

## State-Only Cal Learn Child Care

### DESCRIPTION:

This premise reflects the costs of providing child care services to sanctioned teen parents participating in the Cal Learn Program. The Cal Learn Program, including child care services, was authorized by Senate Bill (SB) 35 (Chapter 69, Statutes of 1993) and SB 1078 (Chapter 1252, Statutes of 1993). Assembly Bill 2772 (Chapter 902, Statutes of 1998) changed the status of the Cal Learn Program from a five-year federal demonstration project to a permanent program.

Federal law (Public Law 104-193) prohibits the use of Temporary Assistance to Needy Families (TANF) funds to teen parents who do not participate in school or another approved activity. Cal Learn teen parents who do not attend school, do not turn in a report card or receive poor grades are subject to a \$100 sanction. Because the Cal Learn Program operated under a five-year federal waiver as a California Work Pays Demonstration Project, the program was not affected by the federal rules. However, effective March 31, 1999, the federal waivers for the Cal Learn Program expired. In order to provide support services to sanctioned teens, the cost for the State-Only Cal Learn Child Care Program is funded with State General Fund (GF).

### IMPLEMENTATION DATE:

This premise implemented on April 1, 1999.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 11331.7.
- For Fiscal Year (FY) 2006-07 and FY 2007-08, two hundredths of a percent of CalWORKs Stage One Child Care represent sanctioned teens receiving services under the State-Only Cal Learn Child Care.
- Refer to the "Stage One Services and Administration" premise for more information regarding the Cal Learn Child Care estimate.

### METHODOLOGY:

The sanction rate for each year was applied to the total Stage One Child Care cost to determine the State-Only Cal Learn Child Care need.

### FUNDING:

This premise is funded with 100 percent GF and is countable toward the State's maintenance of effort under the TANF federal requirements.

## State-Only Cal Learn Child Care

### CHANGE FROM THE APPROPRIATION:

The current year reflects a decrease in the percentage of sanctioned teens receiving services from the State-Only Cal Learn Child Care program. Although there is a Stage One caseload growth in the current year, it is applied to a smaller percentage of sanctioned teens, resulting in decreased costs.

### REASON FOR YEAR-TO-YEAR CHANGE:

The decrease in the budget year reflects a decrease in the projected caseload.

### EXPENDITURES:

(in 000's)

	2006-07	2007-08
	County Admin.	County Admin.
Total	\$78	\$76
Federal	0	0
State	78	76
County	0	0
Reimbursements	0	0

## Child Care – Trustline

### DESCRIPTION:

This premise reflects the costs for providing a state-mandated registration program that includes fingerprinting of certain child care providers and applicants as well as searching the California Criminal History System and the California Child Abuse Central Index. The Trustline Program was authorized by Assembly Bill (AB) 2053 (Chapter 898, Statutes of 1994), AB 2560 (Chapter 1268, Statutes of 1994), and AB 1542 (Chapter 270, Statutes of 1997). Senate Bill (SB) 933 (Chapter 311, Statutes of 1998) mandated that a second set of fingerprints is required to search the records of the Federal Bureau of Investigation (FBI). In addition, SB 933 required fingerprint and search requirements to be funded for certain fee-exempt providers. AB 1659 (Chapter 881, Statutes of 1999) added certain categories of licensed fee-exempt providers for FBI background checks.

Trustline registration is required for child care providers in Stage One Child Care compensated by the California Work Opportunity and Responsibility to Kids (CalWORKs) Program. This premise also includes the reimbursement cost for processing applications referred by the California Department of Education (CDE).

The Community Care Licensing Division (CCLD) is responsible for processing the applications pursuant to AB 753 (Chapter 843, Statutes of 1997). CCLD contracts with the Department of Justice (DOJ) and the California Child Care Resource and Referral (R&R) Network to process the fingerprint and index search file activities. Additionally, CCLD contracts with Identix Identification Services, LLC, a private vendor, for the Live Scan fingerprinting. The Live Scan fingerprint process is an electronic technology that transfers images of fingerprints and personal information to the DOJ.

### IMPLEMENTATION DATE:

The initial program implementation was September 1, 1995. The implementation for the FBI clearance was January 1, 1999.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Health and Safety Code section 1596.60 through 1596.68, Health and Safety Code section 1596.67, and Welfare and Institutions Code section 11324.
- Providers for CalWORKs participants who are currently licensed, or who are an aunt, uncle or grandparent of the child, are exempt from Trustline requirements.
- Voluntary applicants pay fees to cover all costs associated with their Trustline registration.
- For voluntary applicants using Live Scan, this premise includes only the R&R Network costs. These applicants pay a fee directly to Identix to cover Live Scan and DOJ charges.

## Child Care – Trustline

### KEY DATA ASSUMPTIONS (continued):

- The cost of providing for the Trustline for the California Department of Social Services (CDSS), CDE, and voluntary applicants is based on the following key data and assumptions:
  - The projected number of Trustline applications for CDE, CDSS, and voluntary are 26,106 in the current year (CY) and 34,851 in the budget year (BY). This is based on a regression analysis projection using the number of actual applications for Trustline fingerprinting from Fiscal Year (FY) 2005-06. The estimate assumes the effects of the Welfare Reform / Work Participation premise. As more adults begin to work or participate in work activities, there would be a greater need for child care; therefore, Trustline applications would increase.
  - This estimate assumes that 8 percent of CDSS and CDE caseloads use Cardscan and 92 percent use Live Scan.
  - This estimate assumes that 100 percent of voluntary cases use Live Scan.
  - The county administration cost per case is \$86 based on actual county expenditures divided by the number of DOJ applications for FY 2005-06.
- The Trustline Automated Registration Process (TARP) pilot implemented in October 2006. The pilot counties are Kern and San Bernardino. Statewide implementation is expected to occur within six months. The projected caseload is 7,749 in the CY and 34,851 in the BY. TARP costs are reflected in the Identix contract.
- Included in the Identix contract is a \$35,000 maintenance fee for the Live Scan machines.
- The fees for the contracted services are as follows:

	<b>FY 2006-07</b>	<b>FY 2007-08</b>
DOJ Fingerprinting/Criminal History File	\$32	\$32
DOJ California Child Abuse Central Index	\$15	\$15
DOJ FBI Fingerprints	\$24	\$24
R&R Network	\$25	\$25
Identix Cardscan Fee <sup>1</sup>	\$10	\$10
Identix Live Scan <sup>1</sup>	\$16	\$16
TARP	\$5	\$5

<sup>1</sup> The Cardscan Fee is not charged for the cases utilizing Live Scan.

## Child Care – Trustline

### METHODOLOGY:

- The cost of each contract was calculated by multiplying the projected number of Trustline applications by the cost per activity.
- The county administration cost was calculated by multiplying the projected number of CDSS Trustline applications by the county administration cost per case.
- The breakout of funding is as follows:

	FY 2006-07	FY 2007-08
DOJ	\$1,679,150	\$2,283,218
R&R Network	\$652,650	\$871,275
Identix <sup>2</sup>	\$440,793	\$708,345
County Administrative Costs	\$1,437,260	\$2,240,110

<sup>2</sup> TARP costs are included in the Identix contract.

### FUNDING:

The State share reflects the percent of two-parent families utilizing child care and is countable toward the State's maintenance-of-effort requirement. The federal Temporary Assistance for Needy Families Program share reflects the cost for all other families. All costs associated with services to applicants referred by CDE are funded by reimbursements from CDE. Costs for voluntary applicants are paid from the General Fund.

### CHANGE FROM THE APPROPRIATION:

The CY reflects an increase in projected welfare reform cases and a lower reimbursement rate for voluntary cases as 100 percent of this caseload use LiveScan.

### REASON FOR YEAR-TO-YEAR CHANGE:

The BY reflects the cumulative effect of welfare reform cases, a decrease in the reimbursements due to a decline in projected CDE cases, and a decrease in the two-parent ratio.

### CASELOAD:

	2006-07	2007-08
Average Monthly CDSS Trustline Caseload	1,388	2,163
Average Monthly CDE Trustline Caseload	583	517
Average Monthly Voluntary Trustline Caseload	205	224

## Child Care – Trustline

### Expenditures:

(in 000's)

	2006-07	2007-08
	County Admin.	County Admin.
Total	\$4,211	\$6,103
Federal	3,183	5,170
State	247	241
County	0	0
Reimbursements	781	692

## Self-Certification

### DESCRIPTION:

This premise reflects the administrative costs associated with assuring that license-exempt child care providers self-certify that they meet the minimum health and safety standards required by Assembly Bill (AB) 2053 (Chapter 898, Statutes of 1994), AB 2560 (Chapter 1268, Statutes of 1994), and AB 1542 (Chapter 270, Statutes of 1997). Effective October 1, 1998, license-exempt providers must also meet the following minimum standards: the prevention and control of infectious diseases, building and physical premises standards, and minimum health and safety training appropriate to the provider setting. License-exempt child care providers who are aunts, uncles, and grandparents are excluded from these requirements.

### IMPLEMENTATION DATE:

This premise implemented on October 1, 1996.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Health and Safety Code section 1596.60 through 1596.68, Health and Safety Code section 1596.67, and Welfare and Institutions Code section 11324.
- The projected cost of self-certification is based on the following key data and assumptions:
  - ◆ The projected number of Trustline applications for the California Department of Social Services is 16,651 in the current year (CY) and 25,952 in the budget year (BY), based on a regression analysis projection using the number of applications for Trustline fingerprinting from Fiscal Year (FY) 2005-06. The estimate assumes the effects of the Welfare Reform / Work Participation premise. As more adults begin to work or participate in work activities, there would be a greater need for child care; therefore, Trustline applications would increase.
  - ◆ The statewide cost of self-certification (\$96) is based on actual county expenditures divided by total Trustline applications processed in FY 2005-06.

### METHODOLOGY:

The administrative costs for notification of new recipients were developed utilizing the average statewide cost of self-certification multiplied by the total number of Trustline fingerprinting applications.

For CY:  $\$96 \times 16,651 = \$1.6$  million

For BY:  $\$96 \times 25,952 = \$2.5$  million

### FUNDING:

The State share reflects the percentage of two-parent families utilizing child care and is countable toward the State's maintenance of effort requirement. The federal Temporary Assistance for Needy Families Program share reflects the cost for all other families.

### CHANGE FROM THE APPROPRIATION:

The CY reflects an increase in projected welfare reform cases.

## Self-Certification

### REASON FOR YEAR-TO-YEAR CHANGE:

The BY reflects the cumulative effect of welfare reform cases.

### CASELOAD:

	2006-07	2007-08
Average Annual Caseload	16,651	25,952

### EXPENDITURES:

(in 000's)

	2006-07	2007-08
	County Admin.	County Admin.
Total	\$1,602	\$2,497
Federal	1,514	2,416
State	88	81
County	0	0
Reimbursements	0	0

## CalWORKs Child Care Fund Transfer to CDE for Stage Two as CCDF

### DESCRIPTION:

This premise reflects the amount of Temporary Assistance for Needy Families (TANF) Program funds transferred to the federal Child Care Development Fund (CCDF) for Stage Two child care. The transfer of TANF funds is authorized by the annual Budget Act. The California Work Opportunity and Responsibility to Kids (CalWORKs) Child Care Program is authorized by Assembly Bill (AB) 1542 (Chapter 270, Statutes of 1997).

The CalWORKs Child Care Program is administered in three stages. Stage One is administered by the California Department of Social Services (CDSS). Stage Two is administered by the California Department of Education (CDE) and serves individuals determined to be in a more stable situation, either working or participating in a work activity while on aid, and participants transitioning off aid due to increased employment. Stage Three is also administered by CDE and serves participants who have been off aid for two years.

### IMPLEMENTATION DATE:

This premise implemented on July 1, 1998.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Education Code section 8353.
  - The following assumptions were used to determine the amount of TANF transferred to CCDF for Stage Two in the current year:
    - The transfer of TANF funds to the CCDF funds will be completed by CDSS and will represent an increase to the total amount of CCDF funds available for CalWORKs Child Care.
    - The projected monthly caseload for Fiscal Year (FY) 2006-07 is 76,730 based on a regression caseload trend analysis utilizing actual caseload reported from CDE for FY 2005-06.
    - The monthly cost per child for Stage Two Child Care is \$436 based on FY 2005-06 actual expenditures and caseload.
    - The administrative ratio is 21.1 percent, based on the comparison between administrative expenditures and service costs from FY 2005-06.
    - The annual family fee offset of 1.4 percent is based on actual family fees and expenditures reported from CDE for FY 2005-06.
    - Based on the 2006 Regional Market Rate (RMR) Survey, the RMR impact is \$9.6 million in the CY.
    - CDE funds available for Stage Two Child Care are \$155.2 million in FY 2006-07.
    - In the CY and budget year (BY), \$10 million of TANF funds may be transferred to Title XX for Stage Two child care.
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## CalWORKs Child Care Fund Transfer to CDE for Stage Two as CCDF

### REASON FOR YEAR-TO-YEAR CHANGE:

Effective in the BY, the total estimated Stage Two Child Care need, minus the five percent holdback, will be fully funded with Proposition 98, CCDF, and Title XX funds.

### EXPENDITURES:

(in 000's)	2006-07	2007-08
	Grant	Grant
Total	\$299,202	0
Federal	299,202	0
State	0	0
County	0	0
Reimbursements	0	0

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## Child Care Stage One/Two Holdback

### DESCRIPTION:

This premise reflects the amount of Temporary Assistance for Needy Families (TANF) Program funds established in reserve to be used for Stage One and/or Stage Two California Work Opportunity and Responsibility to Kids (CalWORKs) Program child care. The reserve of TANF funds is authorized by the annual Budget Act. The CalWORKs Child Care Program was authorized by Assembly Bill (AB) 1542 (Chapter 270, Statutes of 1997).

The CalWORKs Child Care Program is administered in three stages. Stage One is administered by the California Department of Social Services. Stage Two is administered by the California Department of Education (CDE) and serves individuals that the county welfare departments determine to be in a more stable situation, either working or participating in a work activity while on aid, and participants transitioning off aid due to increased employment. Stage Three is also administered by CDE and serves participants that have been off aid for two years and the working poor.

### IMPLEMENTATION DATE:

This premise implemented on July 1, 1998.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Education Code sections 8350, 8351, 8352, and 8353.
- In Fiscal Year (FY) 2006-07, the net need after adjustments for Welfare Reform, Homeless Assistance (AB 1808), Safety Net, and Regional Market Rate (RMR) Impact for Stage One Child Care is \$453.4 million. In FY 2007-08, the net need after adjustments for Welfare Reform, TANF Reauthorization (AB 1808), Full Family Sanction, Homeless Assistance (AB 1808), Safety Net, and Regional Market Rate (RMR) Impact for Stage One Child Care is \$530.8 million.
- In FY 2006-07 and FY 2007-08, the net need after adjustments for Safety Net and RMR Impact for Stage Two Child Care is \$488.9 million and \$471.2 million, respectively.
- A total of 5 percent from Stage One and Stage Two will be held in the reserve.

### METHODOLOGY:

- In FY 2006-07, five percent of Stage One (\$22.7 million) and Stage Two (\$24.4 million) are summed for a total holdback. No funding is reserved above the need in this premise.
- In FY 2007-08, five percent of Stage One (\$26.5 million) and Stage Two (\$23.6 million) are summed for a total holdback. No funding is reserved above the need in this premise.

### FUNDING:

Funds are 100 percent TANF. TANF funds will be transferred from the reserve as needed for Stage One Child Care. TANF funds will be transferred from the reserve to the Child Care and Development Block Grant as needed for Stage Two Child Care.

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## Child Care Stage One/Two Holdback

### CHANGE FROM THE APPROPRIATION:

The current year reflects increased child care costs.

### REASON FOR YEAR-TO-YEAR CHANGE:

The budget year reflects increased child care costs.

### EXPENDITURES:

(in 000's)	2006-07	2007-08
	Grant	Grant
Total	\$47,112	\$50,103
Federal	47,112	50,103
State	0	0
County	0	0
Reimbursements	0	0

## Kinship Guardianship Assistance Payment Program

### DESCRIPTION:

This premise reflects the costs and savings associated with the Kinship Guardianship Assistance Payment (Kin-GAP) Program. The Kin-GAP Program is authorized by Senate Bill (SB) 1901 (Chapter 1055, Statutes of 1998) and modified by Assembly Bill (AB) 1111 (Chapter 147, Statutes of 1999).

The Kin-GAP Program is intended to enhance family preservation and stability by recognizing that many foster children are in long-term, stable placements with relatives and that these placements are the permanent plan for the child. Accordingly, a dependent child who has been living with a relative for at least twelve months may receive a subsidy if the relative assumes guardianship and the dependency is dismissed. Once dependency is dismissed, there is no need for continued governmental intervention in the family life through ongoing, scheduled court and social services supervision of the placement.

Kin-GAP rates are equal to 100 percent of the basic foster care rate for children placed in a licensed or approved home as specified at subdivisions (a) to (d), of Welfare and Institutions Code (W&IC) section 11461. In addition, when a child is living with a minor parent for whom a Kin-GAP payment is made, the payment shall include an amount for the care and supervision of the child. AB 1111 changed the effective date of the Kin-GAP Program to January 1, 2000.

### IMPLEMENTATION DATE:

This premise implemented on January 1, 2000.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&IC sections 11360 through 11375.
- The Kin-GAP rate equals 100 percent of the basic foster care rate for children placed in a licensed or approved foster family home, as specified in statute.
- Caseload based on actual cases reported on the CA 800 KG (federal) and CA 800 KG (nonfederal), Summary Report of Expenditures for the Kin-GAP Program, through June 2006.
- A State-Only Kin-GAP Program is available for those cases that are not eligible for the California Work Opportunity and Responsibility to Kids (CalWORKs) program but would be eligible for the Kin-GAP Program. Based on the caseload reported on the CA 800 KG, nonfederal cases represent an insignificant percentage of the total caseload.
- The average Kin-GAP grant payments are based on the most recent two quarters of actual expenditures and cases reported on the CA 800 KG ending June 2006. The average federal Kin-GAP grant payment is \$522.38 and the average nonfederal Kin-GAP grant payment is \$540.30.
- The average (Temporary Assistance for Needy Families) TANF portion of the Kin-GAP rate is \$347 but will no longer be federally funded and will be replaced with General Fund. The TANF portion of the rate will increase to \$365 to coincide with the July 2007 MAP COLA provided to CalWORKs recipients.

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## Kinship Guardianship Assistance Payment Program

### KEY DATA/ASSUMPTIONS (continued):

- Savings to Foster Care grants, CalWORKs grants and administration, and Child Welfare Services administration are now included in the respective program's basic costs and are no longer displayed as separate premises.
- Based on actual expenditures through June 2006, the cost of ongoing county Kin-GAP administrative functions is \$23.19 per case per month.
- State and county expenditures associated with all cases are considered to be eligible for the State's TANF maintenance of effort requirement.
- This estimate assumes no Title IV-E funding.

### METHODOLOGY:

To estimate the cost of the Kin-GAP Program, the total number of projected casemonths is multiplied by the average Kin-GAP rate. Kin-GAP administrative costs are calculated by multiplying the projected casemonths by the monthly administrative cost per case.

### FUNDING:

Prior to the implementation of Kin-GAP Plus, the Kin-GAP rate was paid utilizing the applicable regional per-child CalWORKs grant from federal funds received as part of the TANF block grant. This portion will now be funded with General Fund. The balance of Kin-GAP is paid with 50 percent state and 50 percent county funds. For State-Only Kin-GAP cases, grant and administrative costs are shared 50 percent state and 50 percent county.

### CHANGE FROM THE APPROPRIATION:

The increase reflects a delay in the implementation of the Enhanced Kin-GAP program to October 1, 2006. The Appropriation assumed full transfer of cases from Kin-GAP to the Enhanced Kin-GAP program effective July 1, 2006.

### REASON FOR YEAR-TO-YEAR CHANGE:

Budget year costs decrease as more cases transfer to the Enhanced Kin-GAP program.

### CASELOAD:

	2006-07	2007-08
Average Monthly Caseload	7,142	791

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## Kinship Guardianship Assistance Payment Program

### EXPENDITURES:

(in 000's)

<b>Kin-GAP Basic Costs</b>	2006-07 Grant	2007-08 Grant
Total	\$44,771	\$4,956
Federal	0	0
State	37,225	4,207
County	7,546	749
Reimbursements	0	0

<b>Kin-GAP Administration</b>	2006-07 County Admin.	2007-08 County Admin.
Total	\$1,988	\$220
Federal	0	0
State	1,986	220
County	2	0
Reimbursements	0	0

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## Enhanced Kinship Guardianship Assistance Payment Program

### DESCRIPTION:

This premise reflects the costs and savings associated with the Enhanced Kinship Guardianship Assistance Payment (Kin-GAP) Program. The Enhanced Kin-GAP Program is authorized by Assembly Bill (AB) 1808 (Chapter 75, Statutes of 2006) and is a voluntary alternative to the existing Kin-GAP Program. Although initially proposed as the Kin-GAP Plus Program, due to concerns regarding Medi-Cal eligibility and child support payment issues, the premise is now renamed Enhanced Kin-GAP and all expenditures will be countable towards the State's Maintenance of Effort level.

The Enhanced Kin-GAP Program is intended to enhance family preservation and stability by recognizing that many children are in long-term, stable placements with relatives, and that these placements are the permanent plan for the child. Accordingly, a dependent child who has been living with a relative for at least twelve months may receive a subsidy if the relative assumes guardianship and the dependency is dismissed. Once dependency is dismissed, there is no need for continued governmental intervention in the family life through ongoing, scheduled court and social services supervision of the placement.

Enhanced Kin-GAP rates are equal to 100 percent of the basic foster care rate for children placed in a licensed or approved home as specified at subdivisions (a) to (d), of Welfare and Institutions Code (W&IC) section 11461. In addition, the rate shall be increased by an amount equal to the clothing allowances, as set forth in subdivision (f) of section 11461, to which the child would have been entitled while in foster care, including any applicable rate adjustments. Further, if a child, while in foster care, received a specialized care increment (SCI), as defined in paragraph (1) of subdivision (e) of section 11461, the Kin-GAP Plus rate shall be adjusted accordingly.

### IMPLEMENTATION DATE:

This premise was scheduled to implement on October 1, 2006.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&IC sections 11363 through 11380.
- It is assumed 95 percent of the existing Kin-GAP caseload, or 13,842 cases, will shift to the new Enhanced Kin-GAP program within the first six months of implementation.
- It is estimated that 5,851 foster care permanent placements who have been living with a relative for at least 12 months will transfer to the new Enhanced Kin-GAP program within the first nine months of implementation.
- The Enhanced Kin-GAP rate equals 100 percent of the basic foster care rate for children placed in a licensed or approved foster family home, including all clothing allowances and SCIs as applicable, as specified in statute.
- Based on data from all counties, the average initial clothing allowance provided to new cases is \$220, and \$99 annually thereafter.
- All cases will also receive an annual supplemental clothing allowance of \$100.

## Enhanced Kinship Guardianship Assistance Payment Program

### KEY DATA/ASSUMPTIONS (continued):

- The average Enhanced Kin-GAP grant payments are based on the average Kin-GAP grant payments, plus clothing allowances and any SCI. For cases receiving SCIs, the average grant is \$1,086.56, and the cases without SCIs will receive an average grant of \$522.38.
- The average (Temporary Assistance for Needy Families) TANF portion of the Enhanced Kin-GAP rate is \$347. However, effective with the implementation of the Enhanced Kin-GAP program, the TANF portion of the rate will be replaced with General Fund that will be counted as MOE.
- FC grant savings for Fiscal Year (FY) 2006-07 and FY 2007-08 will be realized as a result of cases existing foster care and are based on the average grant payment of \$683. CalWORKs grant savings are based on the standardized monthly rate of \$347.00 in CY, and increases to \$365 in BY.
- Child Welfare Services (CWS) administrative savings of \$359.00 per permanent placement case each month will be realized as a result of cases exiting the FC and CalWORKs programs. In addition, eligibility worker savings of \$57.12 per case per month will be realized as a result of cases exiting the FC Program.
- CalWORKs administrative savings of \$33.58 per case per month will be realized as a result of cases exiting the CalWORKs Program.
- Based on actual expenditures through June 2006 for the Kin-GAP Program, the cost of ongoing county administrative functions is \$23.19 per case per month. Based on administrative costs for the Kin-GAP Program at its inception, the administrative cost per case is \$28.24.

### METHODOLOGY:

To estimate the cost of the Enhanced Kin-GAP Program, the total number of projected casemonths is multiplied by the average Enhanced Kin-GAP rate. Enhanced Kin-GAP administrative costs are calculated by multiplying the projected casemonths by the monthly administrative cost per case.

### FUNDING:

The Enhanced Kin-GAP rate will be paid utilizing the applicable regional per-child CalWORKs grant amount that will now be funded with General Fund. The balance of Enhanced Kin-GAP is paid with 50 percent state and 50 percent county.

### CHANGE FROM THE APPROPRIATION:

The Appropriation assumed full transfer of all KinGAP cases to the new program effective July 1, 2006. The previous estimate also assumed a lower average SCI and only included the supplemental clothing allowance of \$100. Savings to the CalWORKs, FC, and CWS programs were not previously estimated.

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## Enhanced Kinship Guardianship Assistance Payment Program

### REASON FOR YEAR-TO-YEAR CHANGE:

Budget year costs increase as more cases transfer to the Enhanced KinGAP program.

### CASELOAD:

	2006-07	2007-08
Average Monthly Caseload	9,916	19,958

### EXPENDITURES:

(in 000's)

Enhanced Kin-GAP Basic Costs	2006-07 Grant	2007-08 Grant
Total	\$90,172	\$181,055
Federal	0	0
State	65,731	134,246
County	24,441	46,809
Reimbursements	0	0

Enhanced Kin-GAP Administration	2006-07 County Admin.	2007-08 County Admin.
Total	\$2,795	\$5,569
Federal	0	0
State	2,792	5,563
County	3	6
Reimbursements	0	0

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## Enhanced Kinship Guardianship Assistance Payment Program

### EXPENDITURES (continued):

(in 000's)

<b>ITEM 101 –</b>	2006-07	2007-08
<b>Enhanced Kin-GAP</b>	Grant	Grant
<b>Savings (CalWORKs)</b>		
Total	\$0	-\$54
Federal	0	-27
State	0	-19
County	0	-8
Reimbursements	0	0
<b>ITEM 101 –</b>	2006-07	2007-08
<b>Enhanced Kin-GAP</b>	Grant	Grant
<b>Savings (Foster Care)</b>		
Total	-\$19,980	-\$50,458
Federal	-9,990	-25,229
State	-3,996	-10,092
County	-5,994	-15,137
Reimbursements	0	0
<b>ITEM 101 –</b>	2006-07	2007-08
<b>Enhanced Kin-GAP</b>	County Admin.	County Admin.
<b>Savings (CalWORKs)</b>		
Total	\$0	-\$5
Federal	0	-3
State	0	-1
County	0	-1
Reimbursements	0	0

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## Enhanced Kinship Guardianship Assistance Payment Program

### EXPENDITURES (continued):

(in 000's)

<b>ITEM 141 –</b>	2006-07	2007-08
<b>Enhanced Kin-GAP Savings</b>	County Admin.	County Admin.
Total	\$0	-\$4,220
Federal	0	-2,110
State	0	-1,477
County	0	-633
Reimbursements	0	0
<b>ITEM 151 –</b>	2006-07	2007-08
<b>Enhanced Kin-GAP Savings</b>	County Admin.	County Admin.
Total	\$0	-\$26,522
Federal	0	-13,261
State	0	-9,283
County	0	-3,978
Reimbursements	0	0

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## **Title IV-E Child Support Collections/Recovery Fund**

### **DESCRIPTION:**

This premise reflects the estimated federal share of Foster Care (FC) child support collections as determined by the California Department of Child Support Services (DCSS). The DCSS is responsible for transferring to the Recovery Fund the federal share of FC collections as reported to the federal government. The FC child support collections offset the Title IV-E share of FC expenditures.

### **IMPLEMENTATION DATE:**

This premise implemented on July 1, 2000.

### **KEY DATA/ASSUMPTIONS:**

- Authorizing Statute: Social Security Act, section 457(6)(e)(1).
- The estimated federal share of FC collections is provided by DCSS based on the most recent budget process.
- The level of federal financial participation (FFP) is assumed to be 50 percent based on the Federal Medical Assistance Percentage (FMAP) rate.

### **METHODOLOGY:**

The estimates will be provided by DCSS.

### **FUNDING:**

The FC child support collections will offset the Title IV-E share of FC expenditures.

### **CHANGE FROM THE APPROPRIATION:**

The decrease reflects updated FC collections.

### **REASON FOR YEAR-TO-YEAR CHANGE:**

The budget year decrease reflects updated FC collections.

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## Title IV-E Child Support Collections/Recovery Fund

### Offset Collections:

(in 000's)

	2006-07	2007-08
	Grant	Grant
Total	-\$12,849	-\$11,760
Federal	-12,849	-11,760
State	0	0
County	0	0
Reimbursements	0	0

### Recovery Fund:

(in 000's)

	2006-07	2007-08
	Grant	Grant
Total	\$12,849	\$11,760
Federal	12,849	11,760
State	0	0
County	0	0
Reimbursements	0	0

## Foster Family Home – Basic Costs

### DESCRIPTION:

This premise reflects expenditures associated with children eligible for foster care payments who are placed in foster family homes (FFHs).

The federal Aid to Families with Dependent Children-Foster Care (AFDC-FC) Program provides funds for out-of-home care on behalf of otherwise eligible children removed from the custody of a parent or guardian as a result of a judicial order with requisite findings or a voluntary placement agreement. The State AFDC-FC Program also provides out-of-home care on behalf of otherwise eligible children, including those who are residing with a nonrelated legal guardian, relinquished for the purposes of adoption, or placed pursuant to the Indian Child Welfare Act.

FFHs provide 24-hour care and supervision in a family environment for children who cannot live in their own home. FFHs have a capacity of six or less and are either homes licensed by state or county community care licensing agencies or are approved homes of relatives or nonrelated legal guardians. FFH reimbursement rates are based on the age of the child in placement and range from \$425.00 to \$597.00 per month. A specialized care increment may be paid to a family home in addition to the basic rate on behalf of an AFDC-FC child requiring specialized care because of health and/or behavioral problems. A clothing allowance may also be paid in addition to the basic rate on behalf of an AFDC-FC eligible child.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 11461.
- The caseload presumed to be eligible for federal and nonfederal FC Program benefits is based on a twelve month period, ending June 2006, as reported by the counties on the FC Caseload Movement and Expenditures Report (CA 237 FC). Federal cases are projected to account for 74.1 percent of total FFH placements, a slight decrease from the 74.5 percent used for the prior projection.
- Federal and nonfederal average grant computations utilized caseload and expenditure data reported by the counties on the CA 237 FC during a nineteen month period ending June 2006. The projected federal grant is \$662.11, and the nonfederal grant is \$787.96.
- The percentage of federally-eligible expenditures is based on actual county expenditure data.
- The amount of federal financial participation (FFP) is based on the Federal Medical Assistance Percentage (FMAP) rate of 50 percent.

### METHODOLOGY:

FFH basic costs are the product of projected federal and nonfederal case months and average grant, as identified above.

### FUNDING:

Federal funding is provided by Title IV-E of the Social Security Act, with the amount of FFP based on the FMAP for those cases meeting eligibility criteria. Funding for the nonfederal program and the nonfederal share of federal program costs is 40 percent State General Fund and 60 percent county.

## Foster Family Home – Basic Costs

### CHANGE FROM THE APPROPRIATION:

The current year decline reflects lower caseload growth and lower average grant than were projected for the appropriation.

### REASON FOR YEAR-TO-YEAR CHANGE:

The budget year decline reflects a projected decline in caseload.

### CASELOAD:

	2006-07	2007-08
Average Monthly Caseload	41,890	41,536
Federal Caseload	31,028	30,766
Nonfederal Caseload	10,862	10,770

### EXPENDITURES:

(in 000's)	2006-07	2007-08
<b>FFH-Basic Costs</b>	<b>Grant</b>	<b>Grant</b>
Total	\$349,025	\$346,280
Federal	108,974	109,328
State	96,022	94,781
County	144,029	142,171
Reimbursements	0	0
	2006-07	2007-08
<b>FFH-Federal</b>	<b>Grant</b>	<b>Grant</b>
Total	\$246,316	\$244,440
Federal	108,974	109,328
State	54,938	54,045
County	82,404	81,067
Reimbursements	0	0

## Foster Family Home – Basic Costs

### EXPENDITURES (continued):

(in 000's)	2006-07	2007-08
<b>FFH-Nonfederal</b>	Grant	Grant
Total	\$102,709	\$101,840
Federal	0	0
State	41,084	40,736
County	61,625	61,104
Reimbursements	0	0

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## Group Home – Basic Costs

### DESCRIPTION:

This premise reflects the costs associated with children eligible for foster care payments who are placed in group homes (GHs).

The federal Aid to Families with Dependent Children-Foster Care (AFDC-FC) Program provides funds for out-of-home care on behalf of otherwise eligible children removed from the custody of a parent or guardian as a result of a judicial order with requisite findings or a voluntary placement agreement. The State AFDC-FC Program also provides out-of-home care on behalf of otherwise eligible children, including those who are residing with a nonrelated legal guardian, relinquished for the purposes of adoption, or placed pursuant to the Indian Child Welfare Act.

GHs are private, nonprofit, nondetention facilities that provide services in a group setting to children in need of care and supervision. GHs are the most restrictive out-of-home placement alternative for children in foster care, providing an option for children with significant emotional or behavioral problems who would otherwise require more restrictive environments. GH programs are reimbursed based on classification levels within a standardized schedule of rates. The reimbursement for rate classification levels (RCL) 1 through 14 ranges from \$1,454 to \$6,371 per month.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 11462.
- The caseload presumed to be eligible for federal and nonfederal FC Program benefits is based on a twelve month period, ending June 2006, as reported by the counties on the FC Caseload Movement and Expenditures Report (CA 237 FC). Federal cases are projected to account for 62.9 percent of total GH placements, which is a slight decrease from the prior projection of 63.4 percent.
- Federal and nonfederal average grant computations utilized caseload and expenditure data reported by the counties on the CA 237 FC during the most recent nineteen month period ending June 2006. The projected federal grant is \$4,753.06 and the nonfederal grant is \$4,976.62.
- The percentage of federally-eligible expenditures is based on actual county expenditure data.
- The amount of federal financial participation (FFP) is based on the Federal Medical Assistance Percentage (FMAP) rate of 50 percent.

### METHODOLOGY:

Basic costs are the product of federal and nonfederal casemonths and average grant, as identified above. Federal, State and county sharing ratios are based on county expenditure data.

### FUNDING:

Federal funding is provided by Title IV-E of the Social Security Act, with the amount of FFP based on the FMAP for those cases meeting eligibility criteria. Funding for the nonfederal program and the nonfederal share of federal program costs is 40 percent State General Fund and 60 percent county.

## Group Home – Basic Costs

### CHANGE FROM THE APPROPRIATION:

The current year decline reflects lower caseload growth and lower average grant than were projected for the Appropriation.

### REASON FOR YEAR-TO-YEAR CHANGE:

The budget year increase reflects anticipated caseload growth.

### CASELOAD:

	2006-07	2007-08
Average Monthly Caseload	11,462	11,514
Federal Caseload		
Nonfederal Caseload	7,210	7,243
	4,252	4,271

### EXPENDITURES:

(in 000's)	2006-07	2007-08
GH – Basic Costs	Grant	Grant
Total	\$665,162	\$668,193
Federal	183,935	184,774
State	192,491	193,368
County	288,736	290,051
Reimbursements	0	0
<b>GH – Federal</b>		
Total	\$411,250	\$413,126
Federal	183,935	184,774
State	90,926	91,341
County	136,389	137,011
Reimbursements	0	0
<b>GH – Nonfederal</b>		
Total	\$253,912	\$255,067
Federal	0	0
State	101,565	102,027
County	152,347	153,040
Reimbursements	0	0

## Foster Family Agency – Basic Costs

### DESCRIPTION:

This premise reflects the costs associated with children eligible for foster care payments who are placed with foster family agencies (FFAs).

The federal Aid to Families with Dependent Children-Foster Care (AFDC-FC) Program provides funds for out-of-home care on behalf of otherwise eligible children removed from the custody of a parent or guardian as a result of a judicial order with requisite findings or a voluntary placement agreement. The State AFDC-FC Program also provides out-of-home care on behalf of otherwise eligible children, including those who are residing with a nonrelated legal guardian, relinquished for the purposes of adoption, or placed pursuant to the Indian Child Welfare Act.

FFAs are nonprofit agencies licensed to recruit, certify, train and support foster parents for children needing placement. FFAs primarily serve children who would otherwise require group home care. FFA treatment rates are established by using a basic rate similar to the foster family home rate plus a set increment for the special needs of the child, an increment for social work activities, and a percentage for administration, recruitment and training. Treatment rates are based on the age of the child in placement and range from \$1,589 to \$1,865 per month. Reimbursement rates for FFAs participating in the Intensive Treatment Foster Care Program are based on the level of services provided to the child and range from \$2,985 to \$4,476. A clothing allowance may also be paid in addition to the FFA rate for an AFDC-FC eligible child.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 11463 and 18358.3.
- The caseload presumed to be eligible for federal and nonfederal FC Program benefits are based on a twelve month period ending June 2006, as reported by the counties on the FC Caseload Movement and Expenditures Report (CA 237 FC). Federal cases are projected to account for 83 percent of total FFA placements, a slight decrease from the 83.2 percent used for the prior projection.
- Federal and nonfederal average grants are based on caseload and expenditure data reported by the counties on the CA 237 FC during the most recent nineteen month period ending June 2006. The projected federal grant is \$1,607.04, and the nonfederal grant is \$1,932.93.
- The percentage of federally-eligible expenditures is based on actual county expenditure data.
- The amount of federal financial participation (FFP) is based on the Federal Medical Assistance Percentage (FMAP) rate of 50 percent.

### METHODOLOGY:

Basic costs are the product of federal and nonfederal casemonths and average grant, as identified above. Federal, State and county sharing ratios are based on county expenditure data.

### FUNDING:

Federal funding is provided by Title IV-E of the Social Security Act, with the amount of FFP based on the FMAP for those cases meeting eligibility criteria. Funding for the nonfederal program and the nonfederal share of federal program costs is 40 percent State General Fund and 60 percent county.

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## Foster Family Agency – Basic Costs

### CHANGE FROM THE APPROPRIATION:

The current year decrease reflects lower caseload and average grant than projected in the Appropriation.

### REASON FOR YEAR-TO-YEAR CHANGE:

The budget year increase reflects anticipated caseload growth.

### CASELOAD:

	2006-07	2007-08
Average Monthly Caseload	19,798	20,245
Federal Caseload	16,430	16,801
Nonfederal Caseload	3,368	3,444

### EXPENDITURES:

(in 000's)	2006-07	2007-08
<b>FFA – Basic Costs</b>		
Total	\$394,955	\$403,876
Federal	141,709	144,909
State	101,298	103,587
County	151,948	155,380
Reimbursements	0	0
<b>FFA – Federal</b>		
Total	\$316,840	\$323,994
Federal	141,709	144,909
State	70,052	71,634
County	105,079	107,451
Reimbursements	0	0
<b>FFA – Nonfederal</b>		
Total	\$78,115	\$79,882
Federal	0	0
State	31,246	31,953
County	46,869	47,929
Reimbursements	0	0

## Seriously Emotionally Disturbed Children Basic Costs

### DESCRIPTION:

This premise reflects the out-of-home board and care costs associated with children placed in accordance with the Seriously Emotionally Disturbed (SED) Program. Assembly Bill (AB) 3632 (Chapter 1747, Statutes of 1984) and AB 882 (Chapter 1274, Statutes of 1985) authorized the SED Program as a separate out-of-home care component. Eligible participants are children designated as SED by the California Department of Education (CDE).

Senate Bill 485 (Chapter 722, Statutes of 1992) modified the program by eliminating any California Department of Social Services participation in funding "for profit" facilities, shifting responsibility for the cost of children in those facilities to the CDE and local education agencies.

Payments may be made on behalf of SED children placed in privately operated residential facilities licensed in accordance with the Community Care Facilities Act, and shall be based on foster care rates established in accordance with Welfare and Institutions Code (W&IC) sections 11460 to 11467, inclusive. Most SED children are placed in group home psychiatric peer group Rate Classification Levels 12 through 14; however, some children are placed in foster family homes or foster family agencies. As there is no court adjudication, these children are eligible only for nonfederal foster care program benefits.

### IMPLEMENTATION DATE:

This premise implemented on July 1, 1987.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&IC sections 18350-18356.
- Casemonths are based on trend caseload projections.
- Average grants are based on actual expenditure and caseload data for the most recent twelve months ending in June 2006. The projected average grant for Los Angeles County is \$5,542.80. The projected average grant for the remaining counties is \$5,573.75.

### METHODOLOGY:

SED costs are the product of projected casemonths and the computed average grant. Program costs are the aggregate of separate projections for Los Angeles County and the remaining 57 counties.

### FUNDING:

SED costs are shared 40 percent State General Fund and 60 percent county funds.

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## Seriously Emotionally Disturbed Children Basic Costs

### CHANGE FROM THE APPROPRIATION:

The current year estimate reflects a greater increase in caseload and average grant than were projected for the Appropriation.

### REASON FOR YEAR-TO-YEAR CHANGE:

The budget year estimate reflects adjustments for caseload growth.

### CASELOAD:

	2006-07	2007-08
Average Monthly Caseload	1,603	1,671

### EXPENDITURES:

(in 000's)

	2006-07	2007-08
	Grant	Grant
Total	\$107,007	\$111,513
Federal	0	0
State	42,803	44,605
County	64,204	66,908
Reimbursements	0	0

## Supplemental Clothing Allowance

### DESCRIPTION:

This premise reflects expenditures associated with an augmentation of \$100 per child to the existing clothing allowance program for children placed in foster family homes (FFHs) or certified family homes of foster family agencies (FFAs).

Currently, counties have the authority to provide a clothing allowance, in addition to the basic foster care rate paid on behalf of eligible foster children. This premise reflects an augmentation to the current program funding level, allowing for an annual supplemental clothing allowance of \$100 per child with no county share of cost.

Counties that currently have clothing allowance expenditures are expected to maintain their current level of funding in the program. The additional state and federally funded clothing allowance is intended to supplement not supplant current spending levels.

### IMPLEMENTATION DATE:

This premise implemented on July 1, 2000.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 11461(f) (4) and 11463(g).
- The statewide annual supplemental clothing allowance will be \$100 per child.
- All FFH and FFA placements are eligible for the clothing allowance. The average monthly projected caseload is 61,687 for Fiscal Year (FY) 2006-07, and 61,780 for FY 2007-08.
- All cases shifting to the Kin-GAP Program are presumed to receive the clothing allowance prior to exiting foster care.
- The amount of federal financial participation (FFP) is based on the Federal Medical Assistance Percentage (FMAP) rate of 50 percent.

### METHODOLOGY:

Expenditures for the statewide supplemental clothing allowance are a product of the projected cases and the \$100 allowance.

### FUNDING:

Federal funding is provided by Title IV-E of the Social Security Act for those cases meeting eligibility criteria, with the amount of FFP based on the FMAP rate. Funding for the nonfederal share of federal program costs and for those cases not meeting federal eligibility criteria is 100 percent State General Fund.

## Supplemental Clothing Allowance

### CHANGE FROM THE APPROPRIATION:

The current year estimate reflects lower caseloads than projected for the Appropriation.

### REASON FOR YEAR-TO-YEAR CHANGE:

The budget year estimate reflects a projected increase in caseload.

### EXPENDITURES:

(in 000's)	2006-07	2007-08
	Grant	Grant
Total	\$6,169	\$6,178
Federal	2,373	2,378
State	3,796	3,800
County	0	0
Reimbursements	0	0

## Title XX Funding

### DESCRIPTION:

This premise reflects the Title XX Social Services Block Grant awarded to the State as well as the Temporary Assistance for Needy Families (TANF) funds that are transferred to Title XX. This funding is provided under Title XX of the federal Social Security Act as amended by the federal Omnibus Budget Reconciliation Act of 1981. Federal funding for social services has been given to states under Title XX since October 1981. In order to qualify for these funds, a state must prepare an expenditure plan prior to the start of the state fiscal year that is consistent with the five Title XX goals:

1. Achieving or maintaining economic self-support to prevent, reduce, or eliminate dependency;
2. Achieving or maintaining self-sufficiency, including reduction or prevention of dependency;
3. Preventing or remedying neglect, abuse or exploitation of children or adults unable to protect their own interests; or preserving, rehabilitating or reuniting families;
4. Preventing or reducing inappropriate institutional care by providing for community-based care, home-based care, or other forms of less intensive care; and,
5. Securing referral or admission for institutional care when other forms of care are not appropriate or providing services to individuals in institutions.

Through Fiscal Year (FY) 1992-93, Title XX funds were used exclusively to fund the In-Home Supportive Services (IHSS) Program. With the implementation of the Title XIX Personal Care Services Program in 1993, a portion of the Title XX funds was shifted to other eligible programs. Those funds now support the following programs:

- Foster Care services (goal 3);
- Child Welfare Services (CWS) (goals 3 and 4);
- Deaf Access Program (goals 1 and 2); and,
- Community Care Licensing (CCL) (goals 3 and 4).

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 13000 through 13008.
- State legislation permits Title XX funds to be used in CWS and Foster Care to supplant the State share without affecting county funds.
- The Title XX funding awarded to California was \$206.3 million for Federal Fiscal Year (FFY) 2006. The FFY 2007 grant is assumed to be \$206.3 million. An additional \$ 181.8 million in TANF grant dollars will be transferred to Title XX in FFY 2006-07 and FY 2007-08, as compared to the Appropriation. FFY 2006 also includes a \$3.1 million grant to assist with meeting the life-sustaining needs for families relocated to California as a result of Hurricanes Katrina, Rita and Wilma.
- The FFY awards are adjusted to conform to FY funding needs.

## Title XX Funding

### METHODOLOGY:

- In Current Year (CY) \$52.0 million in TANF grant dollars will be transferred into the Title XX Block Grant to fund services for children residing in group homes. The funds increase to \$53.0 million in Budget Year (BY).
- For FY 2006-07 and FY 2007-08, \$147.9 million in Title XX funds are being shifted to the Department of Developmental Services (DDS). For FY 2006-07, an additional \$3.1 million in Title XX funds can be used for meeting the human services needs of people affected by recent hurricanes. In addition, TANF funds are transferred to Title XX for the following purposes: \$60.6 million in FY 2006-07 and \$65.9 million in FY 2007-08 to supplant a portion of the State share of CWS eligible expenditures in the California Department of Social Services (CDSS), and \$56.0 million in both FYs is added to the Title XX funds shifted to DDS.
- For both CY and BY in the Deaf Access Program, \$3.2 million Title XX funds will reduce State General Fund (GF) in an otherwise 100 percent GF program.
- For CY in CCL \$0.119 million in Title XX funds will be used for non-Title IV-E claimable costs. The funding does not continue in BY.
- For CY and BY in State Support, \$55 million in Title XX funds will be used in CCL.
- In the CY and BY, \$20.0 million of TANF funds may be transferred to Title XX for child care: \$10 million for CDSS' Stage One Child Care program and \$10 million for the California Department of Education's (CDE) child care programs, in order to broaden access to Child and Adult Care Food Program (CACFP) benefits for low-income children in proprietary child care centers. In the CY and BY an additional \$185.1 and \$178.9 million, respectively, TANF funds are transferred to Title XX for Stage One Child Care.

### FUNDING:

Title XX is a federal block grant that does not require a state or county match.

### CHANGE FROM THE APPROPRIATION:

The Title XX transfer from TANF for Foster Care has decreased to reflect actual expenditures. For FY 2006-07, the Title XX transfer from TANF to CWS and Stage One Child Care has increased due to an increase in Title XX-eligible costs.

### REASON FOR YEAR-TO-YEAR CHANGE:

The net change in the Title XX transfer was due to a decrease in TANF to CWS and increase in TANF to Stage One Child Care for Title XX-eligible costs. The CCL decrease from CY to BY is for non-Title IV-E claimable costs due to budgetary limitations.

## Title XX Funding

### EXPENDITURES:

(in 000's)

	2006-07	2007-08
	Grant	Grant
<b>Total Title XX</b>	<b>\$582,708</b>	<b>\$579,657</b>
Title XX Grant	209,326	206,275
TANF Transfer In	373,382	373,382
<b>Foster Care (Item 101)</b>	<b>\$0</b>	<b>\$0</b>
<u>Foster Care (Transfer from TANF)</u>		
Federal	51,684	52,568
State	-51,684	-52,568
<b>CWS</b>	<b>\$206,954</b>	<b>\$203,903</b>
<b>(Item 151)</b>		
<u>CWS (Transfer to DDS)</u>	\$206,954	\$203,903
<u>CWS (Title XX Transfer to DDS)</u>	\$203,903	\$203,903
Federal	147,903	147,903
State	0	0
<u>CWS (Transfer from TANF)</u>		
<u>For Transfer to DDS</u>		
Federal	56,000	56,000
State	0	0
<b>Title XX Hurricane Katrina</b>	<b>3,051</b>	<b>0</b>
Federal	3,051	0
<b>CWS</b>	<b>60,589</b>	<b>65,930</b>
(Transfer from TANF)		
<b>CWS (Item 151)</b>		
Federal	50,515	41,781
State	-50,515	-41,781

## Title XX Funding

### EXPENDITURES (continued):

(in 000's)

	2006-07	2007-08
	Grant	Grant
<b>For CWS (Item 153)</b>		
Federal	10,074	24,150
State	-10,074	-24,150
<b>Deaf Access (Item 151)</b>	\$0	\$0
Federal	3,200	3,200
State	-3,200	-3,200
<b>CCL (Item 151)</b>	\$0	\$0
Federal	119	0
State	-119	0
<b>CCL (State Support)</b>	\$0	\$0
Federal	55,053	55,053
State	-55,053	-55,053
<b>CalWORKs Child Care (Transfer from TANF)</b>		
	\$205,109	\$198,883
Federal	205,109	198,883
State	0	0

## Rosales v. Thompson

### **DESCRIPTION:**

This premise reflects the costs and savings associated with implementing the Ninth Circuit (federal) Court of Appeals decision of March 3, 2003 in *Rosales v. Thompson*, 321 F 3d 835 (9<sup>th</sup> CIR. [CAL]). In *Rosales v. Thompson*, the Court of Appeals upheld an earlier State Court decision that re-interpreted federal statute so as to broaden eligibility and extend federal Title IV-E Foster Care (FC) benefits to relatives caring for foster children who were previously eligible only for California Work Opportunity and Responsibility to Kids (CalWORKs) benefits at significantly lower rates. The *Rosales v. Thompson* decision also impacts Nonfederal FC children originally placed with a relative during the retroactive period allowed by the court that have since moved to a nonrelative placement. The net effect will be increased federal FC costs and decrease State and local FC costs. Temporary Assistance for Needy Families (TANF) savings will also result as children shift from CalWORKs to the FC payment program.

### **IMPLEMENTATION DATE:**

The first *Rosales v. Thompson* costs were realized in Fiscal Year (FY) 2004-05.

### **KEY DATA/ASSUMPTIONS:**

- Due to the actual claims submitted by counties, the estimated cases expected to transfer from CalWORKs to Title IV-E FC was lower than anticipated, while cases transferring from the nonfederal FC Program were higher than anticipated. The November 2006 Subvention assumes that the majority of cases transferring to Title IV-E federally eligible FC were from State Only FC.
- Based on actual claims submitted by counties, the estimate assumes no measurable impact on the Adoption Assistance Program (AAP).
- Each CalWORKs case shifting to the federal Aid to Families with Dependent Children – Foster Care (AFDC-FC) benefit program is assumed to be eligible for a Supplemental Clothing Allowance.
- TANF administrative savings are based on quarterly savings of \$57.57 per hour.
- The CalWORKs grant savings associated with the FY 2006-07 Cost of Living Adjustment (COLA) is included in the July 2005 Maximum Aid Payment (MAP) COLA premise.

## **Rosales v. Thompson**

### **METHODOLOGY:**

#### **Item 101 - Assistance Payments**

- The AFDC-FC grant costs are the product of total casemonths and the average AFDC-FC Grant, plus the cost of supplemental clothing allowances.
- CalWORKs grant savings are calculated by multiplying the number of impacted children by the average zero-parent per child grant. The total CalWORKs grant savings is minimal for Current Year (CY) and Budget Year (BY).

#### **Item 101 - CalWORKs Administration**

- The CalWORKs administrative savings for the BY is calculated by dividing the quarterly administrative cost by three months to obtain a monthly cost of \$19.19 per case per month. This cost is then multiplied by the number of child-only cases impacted.

#### **Item 141 - County Administration**

- The prospective administrative cost associated with this shift is based on the average AFDC-FC administrative cost per casemonth of \$32.78 based on FY 2004-05 data.

### **FUNDING:**

#### **Item 101 – CalWORKs**

CalWORKs grant payments for child-only cases are shared 97.5 percent TANF, and 2.5 percent county funds. CalWORKs administrative costs for these cases are funded with 100 percent TANF funds.

#### **Item 101 – Foster Care**

Federal funding for AFDC-FC assistance payments is provided by Title IV-E of the Social Security Act for cases meeting eligibility criteria. The amount of federal financial participation (FFP) is based on the Federal Medical Assistance Percentage (FMAP). Funding for the non-federal AFDC-FC program and the non-federal share of federal program costs is 40 percent General Fund (GF) and 60 percent county funds.

#### **Item 141 - County Administration**

Foster Care Administrative costs are shared 50 percent federal, 35 percent State and 15 percent county.

## Rosales v. Thompson

### **CHANGE FROM THE APPROPRIATION:**

The reversal of the decision will begin shifting cases out of FC. Foster Care and CalWORKs administration are held to the Appropriation.

### **REASON FOR YEAR-TO-YEAR CHANGE:**

In the BY, all cases will be out of Federal foster care.

### **EXPENDITURES:**

(in 000's)

	2006-07	2007-08
	Grant	Grant
<b>Item 101 – CalWORKs</b>		
Total	-\$ 43	\$ 0
Federal	-42	0
State	0	0
County	-1	0
Reimbursements	0	0
<b>Item 101 – CalWORKs</b>	Admin	Admin
Total	-\$3	\$3
Federal	-3	3
State	0	0
County	0	0
Reimbursements	0	0

## Rosales v. Thompson

### EXPENDITURES (continued):

	2006-07	2007-08
<b>Item 101 - Foster Care</b>	Grant	Grant
Total	\$ 208	\$ 0
Federal	1,286	0
State	-433	0
County	-645	0
Reimbursements	0	0
<b>Item 141 - Foster Care</b>	Admin	Admin
Total	\$171	\$178
Federal	85	89
State	60	62
County	26	27
Reimbursements	0	0

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## **Rosales v. Thompson (Reversal)**

### **DESCRIPTION:**

The Federal Deficit Reduction Act of 2005 clarified federal statute which in effect reversed the expanded eligibility criteria for relatives established by the *Rosales v. Thompson* Court Ruling. (See the *Rosales vs. Thompson* premise). The net effect will be decreased federal costs, and increased State and local foster care (FC) costs.

### **IMPLEMENTATION DATE:**

Implementation date of June 9, 2006.

### **KEY DATA/ASSUMPTIONS:**

- It is assumed that federal funding will continue for cases that entered foster care prior to June 9, 2006. After June 9, 2006, cases during their annual redetermination will shift out of federal foster care.
- For cases entering foster care on or after June 9, 2006, it is assumed that those cases will no longer be eligible for Title IV-E funding but will be eligible for nonfederal foster care or the California Work Opportunity and Responsibility to Kids (CalWORKs) program.
- Due to the actual claims submitted by counties, the majority of foster care entries expected to be impacted will be placed in nonfederal FC, while a smaller number of new foster care entries will receive a CalWORKs child only grant.
- Based on actual claims submitted by counties, the estimate assumes no measurable impact on the Adoption Assistance Program (AAP) or the CalWORKs child only caseload.

### **METHODOLOGY:**

#### **Item 101 - Assistance Payments**

The Aid to Families with Dependent Children – Foster Care (AFDC-FC) grant costs are the product of total casemonths and the average federal and non-federal AFDC-FC Grant, plus the cost of supplemental clothing allowances.

### **FUNDING:**

#### **Item 101 – Foster Care**

Federal funding for AFDC-FC assistance payments is provided by Title IV-E of the Social Security Act for cases meeting eligibility criteria. The amount of federal financial participation (FFP) is based on the Federal Medical Assistance Percentage (FMAP). Funding for the non-federal AFDC-FC program is 40 percent State General Fund (GF) and 60 percent county funds.

#### **Item 141 - County Administration**

The impact to Administrative costs are located in the *Rosales vs. Thompson* premise.

## **Rosales v. Thompson (Reversal)**

### **CHANGE FROM THE APPROPRIATION:**

Change in the implementation date.

### **REASON FOR YEAR-TO-YEAR CHANGE:**

Budget Year reflects annualized estimates.

### **EXPENDITURES:**

(in 000's)

	2006-07	2007-08
<b>Item 101 - Foster Care</b>	Grant	Grant
Total	-\$ 169	-\$ 310
Federal	-1,244	-2,297
State	430	795
County	645	1,192
Reimbursements	0	0

## Promoting Safe and Stable Families Savings

### DESCRIPTION:

This premise reflects the savings in the Foster Care (FC) Program as a result of the incremental increase in the Promoting Safe and Stable Families (PSSF) grant — formerly the Federal Family Preservation and Support Program.

The Omnibus Budget Reconciliation Act of 1993 established the capped PSSF grant program under Title IV-B to provide funding for community-based family support and preservation services. By providing preservation services, it is expected that some children in out-of-home care will spend less time in placement resulting in savings to the FC Program.

### IMPLEMENTATION DATE:

This premise implemented on July 1, 1994.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 16600 through 16604.5
- Effective in Fiscal Year 2001-02, based on federal requirements, a minimum of 20 percent of PSSF funds must be spent on each of the four components of the program (Family Preservation Services, Family Support Services, Adoption Promotion and Support, and Time-Limited Family Reunification).

### METHODOLOGY:

Since the Federal Fiscal Year (FFY) 2006 grant was less than FFY 2005 and the FFY 2007 grant is projected to be at the 2006 level, there are no additional, incremental savings to foster care grants in current year (CY) or budget year (BY). All savings from the PSSF Grants are already reflected in the Foster Care trends. See the Promoting Safe and Stable Families premise.

### FUNDING:

There are no additional incremental PSSF Foster Care Savings in CY or BY.

### CHANGE FROM THE APPROPRIATION:

There is no change.

### REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

## Promoting Safe and Stable Families Savings

### EXPENDITURES:

(in 000's)

	2006-07	2007-08
	County Admin.	County Admin.
Total	\$0	\$0
Federal	0	0
State	0	0
County	0	0
Reimbursements	0	0

## Supportive Transitional Emancipation Program

### DESCRIPTION:

This premise reflects the cost to provide financial support to emancipating foster youth up to age 21 if participating in an educational or training program or any activity consistent with their "transitional independent living plan." These payments are authorized by Assembly Bill 427 (Chapter 125, Statutes of 2001) which added Section 11403.1 to the Welfare and Institutions Code (W&IC). This premise also reflects the administrative costs for updating the Transitional Independent Living Plan (TILP) and determining the eligibility of applicants for the Supportive Transitional Emancipation Program (STEP).

### IMPLEMENTATION DATE:

This premise was effective on January 1, 2002; however no counties have implemented the program.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&IC section 11403.1
- There are no counties planning to participate in the program at this time.
- Trailer bill language limits participation in this program subject to the availability of funds in the current Budget Act.

### METHODOLOGY:

There are no counties planning to participate in the program at this time.

### FUNDING:

There are no counties planning to participate in the program at this time.

### CHANGE FROM THE APPROPRIATION:

There is no change.

### REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

## Supportive Transitional Emancipation Program

### EXPENDITURES:

(in 000's)

<b>101 – Assistance Payments – STEP</b>	2006-07 Grant	2007-08 Grant
Total	\$0	\$0
Federal	0	0
State	0	0
County	0	0
Reimbursements	0	0

<b>Item 141 – STEP Eligibility</b>	2006-07 County Admin.	2007-08 County Admin.
Total	\$0	\$0
Federal	0	0
State	0	0
County	0	0
Reimbursements	0	0

<b>Item 151 – STEP Plan Activity</b>	2006-07 County Admin.	2007-08 County Admin.
Total	\$0	\$0
Federal	0	0
State	0	0
County	0	0
Reimbursements	0	0

## Emergency Assistance Program

### DESCRIPTION:

This premise reflects the costs associated with the Emergency Assistance (EA) Foster Care (FC) and General Assistance (GA) Programs, which provide funding for benefits and services granted to children and families in emergency situations. Eligibility is restricted to one episode in any 12-month period. The EA-FC Welfare Program provides support payments for dependents and voluntary FC placements not otherwise eligible for federal Title IV-E benefits. The "Child Welfare Services-Emergency Assistance" premise discusses additional program components.

Public Law (P.L.) 104-193 eliminated Title IV-A funding for the EA Program but permitted use of Temporary Assistance for Needy Families (TANF) dollars for EA funding. Although P.L. 104-193 allowed TANF funding for this portion of the EA Program, the Budget Act of 1997 replaced the TANF funding with State General Fund (GF). Based on interpretation of the final TANF regulations, that EA GF expenditures are not countable towards the TANF maintenance of effort requirement, effective October 1, 1999, the GF was replaced with TANF funding.

The EA-GA Program provides funding for qualified aliens and other cases that do not qualify for federal or state FC. Only those "qualified aliens" who entered the country before August 22, 1996, are eligible for TANF-funded services.

### IMPLEMENTATION DATE:

The EA-FC Welfare Program became effective September 1, 1993.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 10101.
- Based on actual expenditure and caseload data through June 2006, the projected average grant for EA-FC cases is \$1,373.74, and the projected average grant for EA-GA cases is \$1,969.34.
- EA casemonths are projected using a 24-month linear trend forecast based on actual caseload data. EA-FC and EA-GA caseloads are projected separately.
- EA administrative costs were adjusted for projected caseload growth.
- Foster children receiving EA benefits are eligible to receive the \$100 supplemental clothing allowance.

### METHODOLOGY:

- **Item 101** – EA-FC and EA-GA costs are the product of projected casemonths and the computed average grant, plus the cost of the supplemental clothing allowance for each case.
- **Item 141** - Costs for administrative activities performed by county welfare department staff are based upon actual expenditures and adjusted for caseload growth in both Fiscal Years (FYs) 2006-07 and 2007-08. Administrative costs also include \$35,000 for reimbursements to the California Department of Health Services for data processing activities associated with the Assistance to Children in Emergency System, which enables tracking of EA cases currently receiving assistance.

## Emergency Assistance Program

### FUNDING:

EA funding was used in the TANF block grant calculation and, therefore, is part of the TANF funding schedule.

Effective October 1, 1999, the EA-FC component is funded 70 percent TANF, 30 percent county; the EA-GA component is funded 50 percent TANF, 50 percent county; and, the EA administrative costs are funded 85 percent TANF and 15 percent county.

The supplemental clothing allowance component is funded 100 percent with TANF.

### CHANGE FROM THE APPROPRIATION:

The current year increase reflects a higher caseload and higher average grant than projected for the Appropriation. The EA administrative costs for FY 2006-07 were held to appropriation.

### REASON FOR YEAR-TO-YEAR CHANGE:

The budget year increase in EA grant costs reflects an increase in caseload. The EA administrative costs for FY 2007-08 were updated based on actual data.

### CASELOAD:

	2006-07	2007-08
Average Monthly Caseload	3,605	3,684

### EXPENDITURES:

(in 000's)

ITEMS 101 & 141 – EA	2006-07		2007-08	
	Grant	County Admin.	Grant	County Admin.
Total	\$59,982	\$4,997	\$61,306	\$5,048
Federal	41,963	4,253	42,892	4,296
State	0	0	0	0
County	18,019	744	18,414	752
Reimbursements	0	0	0	0

## **Title IV-E Disallowance**

### **DESCRIPTION:**

The Title IV-E Disallowance represents Title IV-E foster care funds that were withheld by the federal Department of Health and Human Services (DHHS) for relative cases until the State could prove what percentage of relative homes met the required approval standards. To resolve the disallowance, California was required to complete a review of 150 relative cases to determine the number that were in or out of compliance and extrapolate the results statewide. In return, the DHHS agreed to pay all federal claims for calendar year 2003. The review was completed and the final report was sent to DHHS Region IX on August 8, 2005. Region IX issued a final disallowance letter dated September 27, 2005, totaling \$33.8 million.

### **IMPLEMENTATION DATE:**

This premise implemented with the September 2005 quarterly claim payment paid in December 2005.

### **KEY DATA/ASSUMPTIONS:**

The disallowance will be repaid by offsetting the quarterly federal Title IV-E claim starting with the December 2005 claim.

### **METHODOLOGY:**

The estimate is based on the amount in the final disallowance letter from DHHS Region IX.

### **FUNDING:**

The reduction in federal funds will be paid with State General Fund.

### **CHANGE FROM THE APPROPRIATION:**

There is no change.

### **REASON FOR YEAR-TO-YEAR CHANGE:**

Last payment made in the current year

## Title IV-E Disallowance

### EXPENDITURES:

(in 000's)

ITEM 101	2006-07	2007-08
Total	\$0	\$0
Federal	-8,445	0
State	8,445	0
County	0	0
Reimbursements	0	0

## Title IV-E Foster Parent Child Care Program

### DESCRIPTION:

This premise provides the state the budgetary authority to pass through federal Title IV-E funds to counties for the implementation of a child care program for foster parents. Senate Bill 1612 (Chapter 845, Statutes of 2004) permits the pass through of federal Title IV-E funds, subject to federal approval, for the purpose of implementing a child care program in participating counties. There will be no State General Fund (GF) participation, and the 50 percent match will be provided by participating counties. Under Title IV-E foster care maintenance costs, states have the option to offer subsidized child care to foster parents when the need is related to non-ordinary parental duties such as foster parents work and school activities outside the home. On March 17, 2005, the Federal Department of Health and Human Services provided a policy clarification that allows states to implement a child care program, in some or all jurisdictions of the state and a State Plan Amendment is not necessary to implement this maintenance payment option.

### IMPLEMENTATION DATE:

This premise will be implemented on July 1, 2005.

### KEY DATA/ASSUMPTIONS:

- Title IV-E is a federal funding source for children placed in out-of-home care who are eligible to receive Aid to Families with Dependent Children-Foster Care (AFDC-FC). Title IV-E funds provide the state and counties with matching funds for out-of-home placement costs, e.g. foster care which now includes child care. Federal financial participation is available at the Federal Medical Assistance Payment (FMAP) rate of 50 percent. Counties will be responsible for providing the 50 percent match.
- Although full county participation has not been established, this premise assumes San Francisco, Santa Clara, and San Mateo counties, who currently provide child care reimbursement to foster parents, will participate.
- These counties will be allowed to claim retroactively for eligible child care costs.
- The participating counties will request retroactive payments for Fiscal Year (FY) 2003-04 and FY 2004-05 to be claimed in FY 2005-06 based on the same methodology as the budget year. The retroactive amount for 6 months in FY 2003-04 is estimated to be \$2,935,085 total, \$1,467,542 federal and \$1,467,543 county share. The retroactive amount for FY 2004-05 is estimated to be \$6,366,390 total, \$3,183,195 federal and \$3,183,195 county share.

### METHODOLOGY:

To estimate the cost, the statewide monthly caseload was multiplied by the percent of childcare cases in the participating counties and multiplied by the counties share of statewide cases. The product was then multiplied by the average monthly CalWORK's Child Care Stage One reimbursement, and then multiplied by 12 months.

- The participating counties currently fund child care in 39.4 percent of their federal Foster Family Home (FFH) cases. The federal FFH eligible caseload in these counties is 6.8 percent of the total statewide monthly caseload.

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## Title IV-E Foster Parent Child Care Program

### METHODOLOGY (continued):

- The monthly CalWORK's Child Care Stage One reimbursement and administration cost is \$630.96 for FY 2006-07 and \$630.96 for FY 2007-08.

### FUNDING:

This premise is funded with 50 percent federal funds, 50 percent county funds. There is no State General Fund share.

### CHANGE FROM THE APPROPRIATION:

The change is due to a slight increase in the caseload and the Child Care Stage One reimbursement for current year (CY).

### REASON FOR YEAR-TO-YEAR CHANGE:

The budget year reflects a slight decrease in caseload projections.

### EXPENDITURES:

(in 000's)	2006-07	2007-08
Total	\$6,252	\$6,244
Federal	3,126	3,122
State	0	0
County	3,126	3,122
Reimbursements	0	0

## Foster Care Infant Rate (SB 500)

### DESCRIPTION:

This premise reflects the cost associated with the implementation of Senate Bill (SB) 500 (Chapter 630, Statutes of 2005). SB 500 makes changes in the way foster care providers are paid for teen parents in placement with their child. It allows for a separate full foster care payment to be paid for the care of a child living in the same foster care facility as that child's minor parent, provided federal financial participation is available and both the child and parent are dependents of the court and receiving reunification services. It creates a new placement option called "whole family foster home", in which care and supervision are provided to dependent teen parents and their non-court dependent children, to ensure the teen parents develop skills necessary to provide a safe, stable, and permanent home for their children. It requires the development of a written "shared responsibility plan" to be created by the foster caregiver and the teen parent in a whole family foster home, and would provide a \$200 monthly payment above the current infant supplement for the added care and supervision provided by the foster caregiver to the teen parent and child, pursuant to the shared responsibility plan.

### IMPLEMENTATION DATE:

This premise implemented January 1, 2006.

### KEY DATA/ASSUMPTIONS:

- The estimated number of teen moms who are in placement with their children is 408.
- The estimated number of non-dependent infant cases is 265.
- The average grant for Group Homes is \$4,993.55 with a current infant supplement rate of \$848. The Foster Family Agency average grant is \$1,710.14 with a current infant supplement rate of \$391. The Foster Family Homes grant is \$597 for teens and \$425 for age 0-4, with a current infant supplement rate of \$391.
- It is assumed that an additional two hours of social time would be required to develop the written "shared responsibility plan."
- The social worker cost per hour is \$72.60.

### METHODOLOGY:

- The increased costs are associated with the full foster care payment for dependent infants, and the additional \$200 above the infant supplemental rate for non-dependent infants.
- The increased costs associated with increased placements of infants with teen parents are the increased grants for the dependent infant moving them to match the teen parent's placement.
- Costs for the additional social worker time are calculated by multiplying two hours by the number of non-dependent infant cases by the social worker cost per hour.

## Foster Care Infant Rate (SB 500)

### FUNDING:

#### Item 101

Federal funding is provided by Title IV-E of the Social Security Act, with the amount of Federal Financial Participation based on the Federal Medical Assistance Percentage for those cases meeting eligibility criteria. Funding for the nonfederal program and the nonfederal share of federal program costs is 40 percent State General Fund (GF) and 60 percent county.

#### Item 151

After applying the foster care federal discount rate of 75 percent, costs are shared 50 percent federal Title IV-E and 50 percent nonfederal. Nonfederal costs are shared 70 percent GF and 30 percent county.

### CHANGE FROM THE APPROPRIATION:

There is no change.

### REASON FOR YEAR-TO-YEAR CHANGE:

Estimate reflects ongoing costs, there is no change.

### EXPENDITURES:

(in 000's)

ITEM 101 – FC Payments	2006-07	2007-08
	Grant	Grant
Total	\$1,184	\$1,184
Federal	444	444
State	296	296
County	444	444
Reimbursements	0	0

  

ITEM 151 – Child Welfare Services	2005-06	2006-07
	County Admin.	County Admin.
Total	\$38	\$38
Federal	14	14
State	17	17
County	7	7
Reimbursements	0	0

## Adoption Assistance Program – Basic Costs

### DESCRIPTION:

This premise reflects the basic cost of providing financial support to families adopting a child with special needs under the Adoption Assistance Program (AAP).

Children eligible for AAP benefits have one of the following characteristics that are barriers to adoption: mental, physical, medical or emotional handicap; ethnic background, race, color, or language; over three years of age; member of a sibling group to be adopted by one family; or adverse parental background (e.g., drug addiction, mental illness). To be eligible to receive federal benefits, the child shall have been otherwise eligible to receive aid under the federal Aid to Families with Dependent Children-Foster Care Program. The amount of the AAP payment is based on the child's needs and the prospective family's circumstances, with eligibility reassessed every two years. Pursuant to Assembly Bill 390 (Chapter 547, Statutes of 2000), the statewide median income guideline shall not be used for negotiations between the prospective adoptive family and the adoption agency to determine the amount of the payment to be received.

The AAP benefit shall not exceed the age-related, foster family home care rate for which the child would otherwise be eligible. The AAP payment may include the value of a specialized care increment that would have been paid on behalf of a child due to health and/or behavioral problems. Payments may continue until the child attains the age of 18 unless a mental or physical handicap warrants the continuation of assistance until the child reaches the age of 21.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 16115 through 16123.
- Cases presumed to be eligible for the federal AAP make up 86.7 percent of the total AAP payment caseload, based on data through June 2006 as reported on the CA 800 claim forms.
- Caseload and expenditure data extracted from the CA 800 provide the basis for caseload and average grant projections.
- The federal and nonfederal average grants are \$761.16 and \$806.23, respectively, for Fiscal Year (FY) 2006-07 and \$780.15 and \$813.00 for FY 2007-08, based on an 18-month linear trend analysis.
- The amount of federal financial participation (FFP) is based on the Federal Medical Assistance Percentage (FMAP) rate of 50 percent.

### METHODOLOGY:

AAP basic costs are the product of projected federal and nonfederal casemonths and the respective average grant, as identified above.

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## Adoption Assistance Program – Basic Costs

### FUNDING:

Federal funding is provided by Title IV-E of the Social Security Act for those cases meeting eligibility criteria, with the amount of FFP based on the FMAP rate. Federal case costs ineligible for FFP and the costs of the nonfederal program are shared 75 percent State General Fund and 25 percent county.

### CHANGE FROM THE APPROPRIATION:

The current year estimate reflects a lower average monthly caseload than previously estimated.

### REASON FOR YEAR-TO-YEAR CHANGE:

The budget year increase reflects continuing caseload growth and an increase in the average grant.

### CASELOAD:

	2006-07	2007-08
Average Monthly Caseload	72,803	77,602

### EXPENDITURES:

(in 000's)

	2006-07	2007-08
	Grant	Grant
Total	\$670,198	\$730,554
Federal	281,674	307,734
State	291,393	317,115
County	97,131	105,705
Reimbursements	0	0

## Refugee Cash Assistance – Basic Costs

### DESCRIPTION:

This premise reflects the costs for the Refugee Cash Assistance (RCA) Program. The RCA Program provides cash grants to refugees during their first eight months in the United States (U.S.) if they are not otherwise eligible for other categorical welfare programs.

### KEY DATA/ASSUMPTIONS:

- Section 1522 of Title 8 of the United States Code (U.S.C.) authorizes the federal government to provide grants to the states to assist refugees who resettle in the U.S.
- Sections 13275 through 13282 of the Welfare and Institutions Code authorize the Department to administer the funds provided under Title 8 of the U.S.C. It also provides the Department authority to allocate the federal funds to the counties.
- The average grant cost for RCA recipients is \$309.56, which reflects actual expenditures through June 2006.
- The average monthly caseload for FYs 2006-07 and 2007-08 is estimated at 1,260 and 1,267 cases, respectively.

### METHODOLOGY:

The RCA average grant is multiplied by the estimated caseload to arrive at total RCA costs for each fiscal year.

### FUNDING:

The program is 100 percent federally funded with the Cash, Medical and Administration Grant through the Office of Refugee Resettlement.

### CHANGE FROM THE APPROPRIATION:

Current year costs have decreased due to a lower average monthly caseload than previously estimated.

### REASON FOR YEAR-TO-YEAR CHANGE:

Total costs increase in FY 2007-08 due to slight caseload growth.

## Refugee Cash Assistance – Basic Costs

### EXPENDITURES:

(in 000's)

	2006-07	2007-08
	Grant	Grant
Total	\$4,673	\$4,699
Federal	4,673	4,699
State	0	0
County	0	0
Reimbursements	0	0

## Emergency Food Assistance Program Fund

### DESCRIPTION:

This premise reflects expenditures from contributions designated on state income tax returns for the Emergency Food Assistance Program (EFAP). Assembly Bill 2366 (Chapter 818, Statutes of 1998) established an EFAP fund which, upon appropriation by the Legislature, is allocated to the State Franchise Tax Board (FTB) and State Controller's Office (SCO) for reimbursement for their costs associated with administering the fund. The balance of the fund is directed to the California Department of Social Services for allocation to the EFAP.

### IMPLEMENTATION DATE:

This premise implemented on July 1, 2000.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Revenue and Taxation Code sections 18851 through 18855.
- The current year estimate reflects the actual amount of contributions made to the EFAP fund from June 2005 through May 2006 of \$418,339, unexpended funds of \$9,151 from prior years, and interest of \$17,530.
- The budget year reflects the estimated amount of contributions to be made to the EFAP fund from June 2006 through May 2007 of \$452,000 and estimated interest of \$18,000.
- The estimated annual administrative costs for the FTB and SCO are \$6,134 in both the current year and budget year.
- These funds are provided to supplement, and not supplant, existing program funds.

### METHODOLOGY:

The current year reflects the actual amount available for expenditure in FY 2006-07. The budget year reflects the estimated amount of contributions to the EFAP fund in the state income tax year, plus accrued interest, less the annual administrative costs for the FTB and the SCO.

### FUNDING:

The costs are 100 percent from the EFAP fund.

### CHANGE FROM THE APPROPRIATION:

This premise has been updated with actual data.

## Emergency Food Assistance Program Fund

### REASON FOR YEAR-TO-YEAR CHANGE:

The budget year reflects an increase in the estimated tax contributions.

### EXPENDITURES:

(in 000's)

	2006-07	2007-08
	Grant	Grant
Total	\$438	\$464
Federal	0	0
State	438	464
County	0	0
Reimbursements	0	0

## California Food Assistance Program

### DESCRIPTION:

This premise reflects the coupon and administrative costs associated with the California Food Assistance Program (CFAP) for eligible noncitizens. The Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Public Law 104-193, provided that legal noncitizens who entered the United States (U.S.) on or after August 22, 1996, were ineligible for federal food stamp benefits unless they were exempt under certain refugee categories. Federal food stamp benefits for the ineligible legal noncitizens were terminated in August 1997. The CFAP serves legal noncitizens over 18 and under 65 years of age, who were legally in the U.S. prior to August 22, 1996, and met all federal food stamp eligibility criteria except for their immigration status and legal noncitizens that entered the country on or after August 22, 1996, and are otherwise eligible.

The Food Stamp Reauthorization Act of 2002 (H.R. 2646 Farm Bill) restored federal food stamp eligibility to legal noncitizens who are disabled, effective October 2002; noncitizens who have been in the U.S. for five years or more, effective April 2003; and all noncitizen children, effective October 2003.

Annual coupon costs are reduced by costs for Prospective Budgeting as these costs are reflected on a separate premise. Administrative costs are reduced to reflect the impact of Simplification Options.

### IMPLEMENTATION DATE:

This premise originally implemented on September 1, 1997.

The H.R. 2646 Farm Bill implemented on October 1, 2002.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 18930.
  - It is assumed that the trend in the total number of CFAP recipients resembles the monthly fluctuations in the California Work Opportunity and Responsibility to Kids (CalWORKs) and Non-Assistance Food Stamp (NAFS) trend forecasts.
  - The total number of CFAP recipients is projected by applying the CalWORKs and NAFS trend forecast to June 2006 actual recipients.
  - The projected average monthly number of CFAP recipients is 22,642 in Fiscal Year (FY) 2006-07, and 23,632 in FY 2007-08.
  - The projected average monthly number of CFAP households is 9,000 in FY 2006-07 and 9,393 in FY 2007-08.
  - Based on actual data reported from the counties for October 2005 through June 2006, the average coupon value per person is \$85.87. Effective October 1, 2006, a cost-of-living adjustment (COLA) is applied increasing the average coupon value per person to \$87.80. Effective October 1, 2007, another COLA is applied increasing the average coupon value per person to \$89.78.
  - The average monthly administrative cost per case is \$25.01.
  - The processing fee charged by the Food and Nutrition Service for Electronic Benefit Transfer is \$314 per \$1 million.
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## California Food Assistance Program

### KEY DATA/ASSUMPTIONS (continued):

- The ratio between public assistance (PA) and nonassistance (NA) is 29.59 percent PA and 70.41 percent NA.
- The PA costs are considered eligible expenditures for the State's maintenance of effort (MOE) requirement. The NA costs are not considered MOE eligible.

### METHODOLOGY:

- The coupon costs are calculated by multiplying the average coupon value per person by the projected monthly number of recipients multiplied by 12 months.

For July 2006 through September 2006:

$$\$85.87 \times 22,642 \times 3 = \$5.8 \text{ million}$$

For October 2006 through June 2007:

$$\$87.80 \times 22,642 \times 9 = \$17.9 \text{ million}$$

FY 2006-07 Total:

$$\$5.8 \text{ million} + \$17.9 \text{ million} = \$23.7 \text{ million}$$

The processing fees are included in the annual coupon costs:

$$(\$23.7 \text{ million} \div 1.0 \text{ million}) \times \$314 = \$7,450$$

Increased coupon costs due to a Standard Utility Allowance adjustment are also included in the annual coupon costs:

$$\$23.7 \text{ million} + \$7,450 + \$845,000 = \$24.6 \text{ million}$$

Annual coupon costs are reduced by \$974,000 for Prospective Budgeting as these costs are reflected on a separate premise:

$$\$24.6 \text{ million} - \$974,000 = \$23.6 \text{ million}$$

- Administrative costs are calculated by multiplying the average administrative cost per case by the projected monthly number of cases multiplied by 12 months.

$$\$25.01 \times 9,000 \times 12 = \$2.7 \text{ million}$$

Administrative costs are reduced by \$13,000 to reflect the savings associated with Simplification Options:

$$\$2.7 \text{ million} - \$13,000 = \$2.69 \text{ million}$$

### FUNDING:

The expenditures are State General Fund only. The PA portion of the costs is eligible to be counted towards the MOE requirement.

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## California Food Assistance Program

### CHANGE FROM THE APPROPRIATION:

The current year increase reflects the net result of a caseload increase offset by a decrease in average coupon per person.

### REASON FOR YEAR-TO-YEAR CHANGE:

The increase in the budget year reflects caseload growth.

### CASELOAD:

	2006-07	2007-08
Average Monthly Number of Recipients	22,642	23,632

### EXPENDITURES:

(in 000's)

	2006-07		2007-08	
	Coupon	County Admin.	Coupon	County Admin.
Total	\$23,605	\$2,688	\$25,484	\$2,809
Federal	0	0	0	0
State	23,605	2,688	25,484	2,809
County	0	0	0	0
Reimbursement	0	0	0	0

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## Standard Utility Allowance Adjustment

### DESCRIPTION:

This premise reflects an increase in coupon costs in the California Food Assistance Program (CFAP) as a result of an increase in the Standard Utility Allowance (SUA) effective August 2006. The SUA is part of the shelter deduction calculation in the food stamp budget worksheet that determines the monthly coupon allotment. The SUA is routinely updated each October to reflect any changes in the cost of living based on the California Consumer Price Index (CPI). However, due to recent increases in energy costs, the California Department of Social Services proposed to update the SUA two months earlier, in the month of August. This estimate assumes additional costs for only a two-month period. The SUA adjustment is ordinarily reflected in the CFAP Basic each year. However, due to an earlier implementation, the costs are reflected in a separate premise.

### IMPLEMENTATION DATE:

This premise implemented on August 1, 2006.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 18901.
- The SUA increased from the October 1, 2005 level of \$223 to \$271 effective August 1, 2006.
- This estimate assumes additional CFAP coupon costs as a result of the increase in the SUA for August 2006 and September 2006. The costs for October 2006 through June 2007 are reflected in the CFAP Basic in the current year. The costs for Fiscal Year 2007-08 are reflected in the CFAP Basic in the budget year. There was not an additional SUA adjustment on October 1, 2006.
- In accordance with Food Stamp regulations, Manual of Policies and Procedures 63.502.363(d), the SUA adjustment was based on the Fuel and Other Utilities Index of the CPI-Utility released by the United States Department of Labor, Bureau of Labor Statistics, for the Greater Los Angeles and San Francisco statistical metropolitan areas. The statewide weighted index change for Fuel and Other Utilities from March 2005 to March 2006 is 21.7 percent, which was applied to the October 1, 2005 SUA level of \$223 ( $21.7\% \times \$223 = \$271$ ).
- The \$48 increase in the SUA results in a corresponding decrease in the net monthly income when calculating the household's food stamp allotment. The food stamp coupon allotment to household income is approximately \$1 in coupon for every \$3 in income. As a result, eligible households will see an increase of approximately \$16 in food stamp coupons ( $\$48 \div 3 = \$16$ ).
- The SUA is not claimed by some households for various reasons. These include: (1) many rental agreements incorporate the cost of utilities into the monthly rent and are not separated by rent and utilities; (2) households may claim actual utility expenses by providing documentation; and, (3) the SUA may not be claimed if a homeless shelter deduction is claimed. Based on Federal Fiscal Year 2004 Q5 survey data, 64.14 percent of CFAP households claimed the SUA.

## Standard Utility Allowance Adjustment

### KEY DATA/ASSUMPTIONS (continued):

- The average monthly number of CFAP households for August 2006 and September 2006 is 8,917.
- The ratio between non-assistance (NA) and public assistance (PA) is 70.41 percent NA and 29.59 percent PA.
- The PA costs are considered eligible expenditures for the State's maintenance of effort (MOE) requirement. The NA costs are not considered MOE eligible.

### METHODOLOGY:

- The number of CFAP households affected by the increase in the SUA is calculated by multiplying the average monthly number of CFAP households for August 2006 and September 2006, by the percent of cases claiming the SUA. The average monthly number of CFAP households affected by the increase in the SUA is 5,719 ( $8,917 \times 64.14\% = 5,719$ ).
- The monthly number of CFAP households affected by the increase in the SUA is multiplied by the average increase in coupons multiplied by two months ( $5,719 \times \$16.19 \times 2 = \$185,000$ ).

### FUNDING:

These expenditures are 100 percent State General Fund. The PA portion of the costs is eligible to be counted towards the MOE requirement.

### CHANGE FROM THE APPROPRIATION:

The increase reflects caseload growth.

### REASON FOR YEAR-TO-YEAR CHANGE:

This premise is a current year line item only.

### EXPENDITURES:

(in 000's)

	2006-07	2007-08
	Grant	Grant
Total	\$185	\$0
Federal	0	0
State	185	0
County	0	0
Reimbursements	0	0

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## SSI/SSP – Basic Costs

### DESCRIPTION:

This premise reflects the basic costs for the Supplemental Security Income/State Supplementary Payment (SSI/SSP) Program. The SSI Program, authorized by Title XVI of the Social Security Act, replaced the prior federal/state matching grant program of adult assistance to the aged, blind, and disabled in January 1974. The SSI/SSP Program is a cash assistance program for low-income aged, blind, and disabled persons. California opted to supplement the SSI payments, creating the SSP Program. The Social Security Administration (SSA) administers the SSI/SSP Program at California's option.

The maximum amount of aid is dependent on the following factors:

- Whether one is aged, blind, or disabled;
- The living arrangement;
- Marital status; and,
- Minor status.

As a result of the various factors determining the maximum amount of aid, there are 19 different payment standards in the SSI/SSP Program.

### KEY DATA/ASSUMPTIONS:

- The SSA will continue to administer the program under Title XVI of the Social Security Act.
- Section 1611 of Title XVI defines the amount of SSI benefits an individual may be eligible to receive.
- Section 12200 of the Welfare and Institutions Code defines the maximum payment standard available under each living arrangement.
- The basic costs per case for SSI and SSP estimates are developed from actual state and federal expenditures reported on the State Data Exchange (SDX) and SSA 8700 reports. The SSI and SSP average basic grants, based on actual data through June 2006, are as follows:

	<u>SSI</u>	<u>SSP</u>
Aged	\$282.22	\$226.46
Blind	348.33	279.99
Disabled	380.54	224.59

### METHODOLOGY:

The SSI/SSP basic costs are computed for each aged, blind, and disabled component, then summed to produce total basic costs. Both the SSI and SSP basic average grants were adjusted to exclude the effects of payments to recipients residing in medical facilities. The adjusted average grants were multiplied by the estimated caseloads to arrive at an adjusted basic cost. Estimated expenditures for recipients in medical facilities were then added to total basic costs.

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## SSI/SSP – Basic Costs

### FUNDING:

The SSI portion of the program is funded with 100 percent federal Title XVI funds, and the SSP portion is funded with 100 percent State General Fund. Costs for each component are computed separately.

### CHANGE FROM THE APPROPRIATION:

Total costs decreased due to a lower average grant and monthly caseload than previously estimated.

### REASON FOR YEAR-TO-YEAR CHANGE:

Expenditures increase in the budget year due to caseload growth of 2.1 percent.

### CASELOAD:

	2006-07	2007-08
Average Monthly Persons	1,238,561	1,264,808

### EXPENDITURES:

(in 000's)

	2006-07	2007-08
	Grant	Grant
Total	\$8,466,240	\$8,664,963
Federal	5,147,024	5,270,991
State	3,319,216	3,393,972
County	0	0
Reimbursements	0	0

## SSI/SSP – January 2007 COLA

### DESCRIPTION:

This premise reflects the impact of cost-of-living adjustments (COLAs) given to Supplemental Security Income/State Supplementary Payment (SSI/SSP) Program recipients effective January 1, 2007. The SSI Consumer Price Index (CPI) COLA of 3.3 percent will be passed through to recipients resulting in an increase in the SSI portion of the grant payment on January 1, 2007. The California Necessities Index (CNI) of 3.75 percent will be suspended.

### IMPLEMENTATION DATE:

This premise implements on January 1, 2007.

### KEY DATA/ASSUMPTIONS:

- Section 1617 of Title XVI of the Social Security Act authorizes the COLA for SSI recipients.
- Section 12201 of the Welfare and Institutions Code authorizes the COLA for SSP recipients.
- The State COLA based on the CNI is 3.75 percent for 2007 and will be suspended.
- The CPI is 3.3 percent for 2007, and will be passed through to recipients on January 1, 2007.

### METHODOLOGY:

- The SSI and SSP average grants change as a result of the COLA. The CPI is applied to the 2006 SSI payment standards and the result is the new SSI payment standards for 2007.
- The new payment standards are used in a statistical model to determine a change to the basic SSI/SSP average grant due to the COLAs. The change in average grant is multiplied by the caseload and the result is the change to the SSI/SSP Program for the January 2007 COLA.

### FUNDING:

The SSI portion of the program is funded with 100 percent federal Title XVI funds, and the SSP portion is funded with 100 percent General Fund. Each component is costed separately.

### CHANGE FROM THE APPROPRIATION:

Federal costs have increased due to the revised CPI forecast from 2.1 to 3.3 percent.

### REASON FOR YEAR-TO-YEAR CHANGE:

The budget year reflects the full-year impact of the COLA.

## SSI/SSP – January 2007 COLA

### EXPENDITURES:

(in 000's):

	2006-07	2007-08
	Grant	Grant
Total	\$99,612	\$202,489
Federal	99,612	202,489
State	0	0
County	0	0
Reimbursements	0	0

## SSI/SSP – January 2008 COLA

### DESCRIPTION:

This premise reflects the impact of cost-of-living adjustments (COLAs) given to Supplemental Security Income/State Supplementary Payment (SSI/SSP) Program recipients effective January 1, 2008. The estimated SSI Consumer Price Index (CPI) COLA of 1.2 percent will be passed through to recipients, resulting in an increase in the SSI portion of the grant payment. The total payment an individual receives will increase by the estimated California Necessities Index (CNI) of 4.21 percent for 2008.

### IMPLEMENTATION DATE:

This premise will implement on January 1, 2008.

### KEY DATA/ASSUMPTIONS:

- Section 1617 of Title XVI of the Social Security Act authorizes the COLA for SSI recipients.
- Section 12201 of the Welfare and Institutions Code authorizes the COLA for SSP recipients.
- The State COLA based on the CNI is forecasted at 4.21 percent for 2008.
- The estimated CPI is 1.2 percent for 2008.

### METHODOLOGY:

- The SSI average grants change as a result of the COLAs. The CPI is applied to the 2007 SSI payment standards and the result is the new SSI payment standards for 2008.
- The SSP average grants increase as a result of the COLA. The CNI is applied to the total 2007 payment standard and then rounded to the nearest dollar for the new total payment standard. The 2008 SSI payment standard is subtracted from the new total payment standard; the result is the new SSP payment standard.
- The new payment standards are used in a statistical model to determine a change to the basic SSI/SSP average grant due to the COLA. The change in average grant is multiplied by the caseload and the result is the change to the SSI/SSP Program for the 2008 COLAs.
- The General Fund (GF) impact to the Cash Assistance Program for Immigrants (\$1.5 million), California Veterans Cash Benefit Program (\$0.3 million), and Federal Reconciliation bill (-\$0.2 million) are included in the total effect of the COLAs.

### FUNDING:

The SSI portion of the program is funded with 100 percent federal Title XVI funds, and the SSP portion is funded with 100 percent GF. Each component is costed separately.

### CHANGE FROM THE APPROPRIATION:

This is a new premise.

## SSI/SSP – January 2008 COLA

### REASON FOR YEAR-TO-YEAR CHANGE:

The COLA is effective in budget year only.

### EXPENDITURES:

(in 000's):

	2006-07	2007-08
	Grant	Grant
Total	\$0	\$251,167
Federal	0	34,429
State	0	216,738
County	0	0
Reimbursements	0	0

## SSI/SSP – SSP Administration

### DESCRIPTION:

The Social Security Administration (SSA) formerly administered the Supplemental Security Income/ State Supplementary Payment (SSI/SSP) Program benefit payments without charge to the states. The Omnibus Budget Reconciliation Act of 1993 shifted costs for administration of SSP to the State, effective October 1, 1993. It also provided for additional service fees to be charged if SSA provides services beyond the expected level, such as payment standard reductions or increases made on other than the normal January 1 schedule.

### IMPLEMENTATION DATE:

This premise implemented on October 1, 1993.

### KEY DATA/ASSUMPTIONS:

- The SSA will continue to administer this program under Title XVI of the Social Security Act.
- The federal Balanced Budget Act of 1997 (Public Law 105-33) amended existing federal statutes pertaining to the administration fees for SSP payments. For each federal fiscal year (FFY) from 1998 through 2002, administration fees increased from an initial \$5.00 per payment to \$8.50 per payment in FFY 2002. Increases after FFY 2002 are based on the Consumer Price Index (CPI).
- Effective October 1, 2006, the fee increased from \$9.29 to \$9.69, based on a 4.3 percent increase in the CPI from June of the current year compared to June of the previous year. Effective October 1, 2007, the fee is projected to increase to \$9.93 per payment.

### METHODOLOGY:

The projected number of payments is based on the projected caseload plus the six-month moving average of the difference between the actual caseload and the number of payments. The projected number of payments is then multiplied by the respective cost per payment.

### FUNDING:

The administration costs consist of 100 percent State General Fund.

### CHANGE FROM THE APPROPRIATION:

The current year estimate has decreased slightly due to a lower average monthly caseload.

### REASON FOR YEAR-TO-YEAR CHANGE:

Expenditures increase due to a higher average monthly caseload and an increase in the fee per payment from \$9.69 to \$9.93 on October 1, 2007.

## SSI/SSP – SSP Administration

### CASELOAD:

	2006-07	2007-08
Average Monthly Payments	1,243,761	1,270,019

### EXPENDITURES:

(in 000's)

	2006-07	2007-08
	Admin	Admin
Total	\$143,144	\$150,429
Federal	0	0
State	143,144	150,429
County	0	0
Reimbursements	0	0

## California Veterans Cash Benefit Program

### DESCRIPTION:

This premise reflects the cost of providing benefits at the same level as State Supplementary Payment (SSP) benefits to certain veterans of World War II who, 1) return to the Republic of the Philippines and no longer have a place of residence in the state; and 2) were receiving SSP benefits on December 14, 1999. The California Veterans Cash Benefit (CVCB) payments are authorized under Assembly Bill 1978 (Chapter 143, Statutes of 2000).

### IMPLEMENTATION DATE:

This premise implemented on July 19, 2000.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 12400.
- The grant costs associated with the implementation of this bill are the equivalent of SSP benefits the veterans would receive under the SSI/SSP Program.
- An average benefit payment of \$242.79 will be paid to eligible recipients, and will increase in the budget year to reflect the increase to the SSI/SSP payment standards due to the COLA on January 1, 2008.
- The Social Security Administration (SSA) administers the CVCB Program in conjunction with benefits under Title VIII of the federal Social Security Act.
- SSA charges a monthly administrative fee equivalent to the SSP administrative fee per payment of \$9.29. The administrative fee increased to \$9.69 on October 1, 2006. The ongoing administrative fee will increase to \$9.93 on October 1, 2007.
- The average monthly number of participating veterans is 1,810 in Fiscal Year (FY) 2006-07, and 1,812 in FY 2007-08.

### METHODOLOGY:

The cost of the program is estimated by multiplying the number of participating veterans by the benefit and administrative costs per case.

### FUNDING:

This program is funded 100 percent with State General Fund.

### CHANGE FROM THE APPROPRIATION:

The estimate has decreased due to a lower average monthly caseload than previously estimated.

### REASON FOR YEAR-TO-YEAR CHANGE:

Total program costs increase slightly in FY 2007-08 due to a slight increase in caseload and the administrative cost per case.

## California Veterans Cash Benefit Program

### EXPENDITURES:

(in 000's)

CVCB Costs	2006-07	2007-08
	Grant/ Administration	Grant/ Administration
Total	\$5,482	\$5,494
Federal	0	0
State	5,482	5,494
County	0	0
Reimbursements	0	0

## SSI/SSP – Deficit Reduction Act of 2005 (S. 1392)

### DESCRIPTION:

This premise reflects the impact of the Deficit Reduction Act of 2005 on the Supplemental Security Income (SSI)/State Supplementary Payment (SSP) Program. The provisions of the bill affecting SSI/SSP recipients include, 1) Additional eligibility reviews by the Social Security Administration (SSA) of SSI disability allowances, and 2) Lump sum retroactive payment limits of no more than three months worth of benefits. Both provisions will result in savings to the SSI/SSP Program.

### IMPLEMENTATION DATE:

This premise implemented on March 1, 2006.

### KEY DATA/ASSUMPTIONS:

#### Pre-Effectuation Reviews

- Beginning June 1, 2006, 20 percent of SSI disability allowances will be reviewed by SSA. Starting October 1, 2006, 40 percent of disability allowances will be reviewed. Effective October 1, 2007, 50 percent of disability allowances will be reviewed.
- Based on the State Data Exchange (SDX) data through February 2006, the average number of allowances is 15,616 cases each month.
- Statistical data from the Disability Evaluation Division reflect approximately 1 percent of all allowances are returned due to decisional errors.
- In Fiscal Year (FY) 2006-07, 656 cases will be returned as ineligible. In FY 2007-08, 890 cases will be returned as ineligible.
- The average monthly SSI/SSP grant savings per returned case is \$626.13. The average administrative cost per case per month saved is \$9.69 and increases to \$9.93 on October 1, 2007.

#### Lump Sum Retroactive Payments

- Lump sum retroactive payments will be limited to no more than three months' worth of benefits per installment effective June 1, 2006. Prior to the change, up to 12 months' worth of benefits were payable per installment.
- Retroactive payments are paid in a maximum of three installments.
- Based on SDX data through January 2006, there are 3,459 cases per month entitled to receive retroactive benefits in amounts greater than three times the SSI/SSP maximum grant.
- Due to the new payment schedule, there will be an increase in the number of checks sent to recipients, resulting in an administrative charge of \$9.69 per additional payment.

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## SSI/SSP – Deficit Reduction Act of 2005 (S. 1392)

### METHODOLOGY:

- For savings attributable to the pre-effectuation reviews, the number of cases forecasted to be returned as ineligible was multiplied by the average SSI/SSP grant and administrative cost per case.
- For savings due to the change in retroactive payments, the level of payments prior to the change was compared to the new payment schedule, with the difference reflecting the savings. Over time, the same amount of benefits will be paid, just over a longer period of time.

### FUNDING:

The SSI portion of the program is funded with 100 percent federal Title XVI funds, and the SSP portion is funded with 100 percent State General Fund. Each component is costed separately.

### CHANGE FROM THE APPROPRIATION:

Savings have increased slightly due to a delay in the pre-effectuation review process. Cases that were to be reviewed in FY 2005-06 will instead be reviewed in FY 2006-07, resulting in more disallowed cases in the current year than previously estimated.

### REASON FOR YEAR-TO-YEAR CHANGE:

Savings decrease significantly due to the one-time nature of the savings associated with the changes to the retroactive payment schedule.

### EXPENDITURES:

(in 000's):

	2006-07	2007-08
	Grant	Grant
Total	-\$80,948	-\$8,891
Federal	-59,951	-5,653
State	-20,997	-3,238
County	0	0
Reimbursements	0	0

## Cash Assistance Program for Immigrants (CAPI)

### DESCRIPTION:

This premise reflects the costs to implement the CAPI Program. The CAPI Program provides benefits to aged, blind, and disabled legal immigrants who successfully complete an application process. The benefits received are equivalent to those benefits that these immigrants would have received if they were eligible for the Supplemental Security Income and/or State Supplemental Payment (SSI/SSP) Program, less \$10 per individual and \$20 per couple. This premise includes costs for both the grant and administrative costs necessary for implementation.

CAPI recipients in the base program include the following immigrants: 1) those who entered the United States (U.S.) prior to August 22, 1996, and are not eligible for SSI/SSP benefits solely due to their immigration status; and 2) those who entered the U.S. on or after August 22, 1996, but meet special sponsor restrictions (have a sponsor who is disabled, deceased, or abusive). The extended CAPI caseload includes immigrants who entered the U.S. on or after August 22, 1996, who do not have a sponsor or have a sponsor who does not meet the sponsor restrictions of the base program.

### IMPLEMENTATION DATE:

This premise implemented on October 1, 1998.

### KEY DATA/ASSUMPTIONS:

- Chapter 10.3 of the Welfare and Institutions Code (W&IC) gives the California Department of Social Services the authority to administer the CAPI Program.
- Section 18940 of the W&IC states that the CAPI Program will be governed by the same federal and state regulations which govern the SSI/SSP Program.
- Section 18941 of the W&IC authorizes benefits paid under CAPI to be equivalent to benefits provided under the SSI/SSP Program, except that the schedule for individuals and couples shall be reduced \$10 per individual and \$20 per couple per month.
- Although CAPI was originally due to sunset on July 1, 2000, Assembly Bill (AB) 1111 (Chapter 147, Statutes of 1999) extended the base program indefinitely.
- AB 1111 also created time-limited CAPI eligibility from October 1, 1999, through September 30, 2000, for immigrants who entered the country on or after August 22, 1996. This bill established a five-year deeming period for these cases. AB 2876 extended time-limited CAPI for one more year through September 30, 2001. AB 429 (Chapter 111, Statutes of 2001) eliminated the sunset date for the time-limited ("extended") program altogether, and lengthened the deeming period to ten years.
- The average monthly number of total CAPI cases will be 8,840 in Fiscal Year (FY) 2006-07, and 11,815 in FY 2007-08.

## Cash Assistance Program for Immigrants (CAPI)

### KEY DATA/ASSUMPTIONS (continued):

- The average monthly grant is \$635.50 for the Base CAPI cases, based on actual expenditures through June 2006. The average grant will increase due to a 3.3 percent federal cost-of-living adjustment (COLA) effective January 1, 2007. The average Base CAPI grant will also increase on January 1, 2008, to reflect a 1.2 federal COLA. The impact of the COLA is reflected in the "January 2008 COLA" premise description.
- The average monthly grant is \$768.28 for the Extended CAPI cases, based on actual expenditures through June 2006. The average grant will change as discussed above for the Base CAPI cases.
- The average monthly administrative cost per case for FY 2006-07 of \$162.66 is based on actual expenditures through June 2006. For FY 2007-08, the average administrative cost per case will remain unchanged.

### METHODOLOGY:

Base CAPI program costs are estimated by multiplying the projected monthly caseload by the Base CAPI average grant and administrative cost per case. Extended CAPI costs are estimated by multiplying the Extended CAPI caseload by the Extended CAPI average grant and administrative cost per case. Base CAPI and extended CAPI costs are then added to determine total CAPI Program costs.

### FUNDING:

The program is funded with 100 percent State General Fund.

### CHANGE FROM THE APPROPRIATION:

The estimate has increased due to a higher average monthly caseload and average grant in the Extended program.

### REASON FOR YEAR-TO-YEAR CHANGE:

CAPI costs increase due to the influx of cases in the Extended CAPI program resulting from the expiration of the ten-year sponsor deeming period.

### EXPENDITURES:

(in 000's)	2006-07	2007-08
Total CAPI		
Total	\$95,695	\$128,373
Federal	0	0
State	95,695	128,373
County	0	0
Reimbursements	0	0

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## Cash Assistance Program for Immigrants (CAPI)

### EXPENDITURES (continued):

(in 000's)	2006-07	2007-08
Base CAPI		
Total	\$25,796	\$15,677
Federal	0	0
State	25,796	15,677
County	0	0
Reimbursements	0	0

(in 000's)	2006-07	2007-08
Extended CAPI		
Total	\$69,899	\$112,696
Federal	0	0
State	69,899	112,696
County	0	0
Reimbursements	0	0

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## **Additional TANF/MOE Expenditures in CDSS SSP MOE Eligible**

### **DESCRIPTION:**

This premise reflects the State Supplementary Payment (SSP) expenditures countable towards the State Temporary Assistance for Needy Families (TANF) Program maintenance of effort (MOE). More specifically, the increase in SSP expenditures for disabled SSP children in California Work Opportunity and Responsibility to Kids (CalWORKs) families since the inception of the TANF Program is considered countable as MOE.

Public Law (P.L.) 104-193, the federal welfare reform legislation, established the TANF Program and a TANF block grant to replace the Aid to Families with Dependent Children (AFDC) Program. States must meet an 80 percent MOE to receive their full block grant allocation. The MOE is reduced to 75 percent for states that meet the work participation rate requirement. For California, the amount of the MOE is based on state and county expenditures in Federal Fiscal Year (FFY) 1994. The State has consistently met its work participation agreement, therefore the MOE level is lowered from \$2.9 billion (80 percent) to \$2.7 billion, which constitutes 75 percent of the 1994 level.

The State may count both local and state expenditures made by CDSS or other departments on behalf of TANF/CalWORKs-eligible families toward the MOE. If these expenditures would have been authorized and allowable under the former AFDC, JOBS, Child Care for AFDC recipients, At-Risk Child Care or Transitional Child Care programs in FFY 1995, the entire expenditures may count toward the MOE. However, if such expenditures were not previously authorized and allowable, countable expenditures are limited to the amount by which allowable current year expenditures exceed the total State program expenditures in FFY 1995. State expenditures that are used as a match to draw down other federal funding are generally not countable toward the TANF MOE.

### **IMPLEMENTATION DATE:**

This premise implemented on January 1, 2003.

### **KEY DATA/ASSUMPTIONS:**

- Authorizing statute: 45 Code of Federal Regulations section 263.2.
- The average number of SSP children living in a CalWORKs household for April through June 2006 was 9,068, or 11.7 percent of total SSP children living with relatives.
- SSP expenditures for SSP children living with relatives were \$52.8 million in 1995. SSP expenditures for the same population are estimated at \$136.7 million in Fiscal Year (FY) 2006-07.
- The SSP payment standard for disabled children is projected to increase on January 1, 2008, due to the 4.21 percent State COLA.

## **Additional TANF/MOE Expenditures in CDSS SSP MOE Eligible**

### **KEY DATA/ASSUMPTIONS (continued)**

- The projected expenditures for SSP children living in a CalWORKs household for FYs 2006-07 and 2007-08 will be \$16.4 and \$18.4 million, respectively.

### **METHODOLOGY:**

- Expenditures for SSP children living in a CalWORKs household in 1995 is estimated at \$8.5 million.
- Expenditures for FYs 2006-07 and 2007-08 are forecasted based on the increase or decrease in the SSP payment standard from year to year. For FY 2006-07, the SSP payment standard will increase by 5.3 percent. For FY 2007-08, the SSP payment standard is projected to increase by 10.1 percent.
- The percentage of SSP children living in a CalWORKs household (11.7 percent) is multiplied by the estimated SSP expenditures for each fiscal year to arrive at expenditures attributable to SSP children living in a CalWORKs household. For FYs 2006-07 and 2007-08, SSP expenditures for this population are estimated at \$16.4 and \$18.4 million, respectively.
- For FY 2006-07, the amount by which allowable current year expenditures exceed the total State program expenditures in 1995 is \$7.9 million (\$16.4 - \$8.5 million).
- For FY 2007-08, the amount by which allowable SSP expenditures will exceed the total State program expenditures in 1995 is \$9.9 million (\$18.4 - \$8.5 million).

### **FUNDING:**

The SSP expenditures are funded with 100 percent State General Fund.

### **CHANGE FROM THE APPROPRIATION:**

Due to a lower percentage of SSP children living with relatives in a CalWORKs household than previously estimated, the estimated level of countable SSP expenditures has decreased.

### **REASON FOR YEAR-TO-YEAR CHANGE:**

The level of MOE-eligible expenditures increases due to projected caseload growth.

## Additional TANF/MOE Expenditures in CDSS SSP MOE Eligible

### EXPENDITURES:

(in 000's)

	2006-07	2007-08
	Grant	Grant
Total	\$7,894	\$9,928
Federal	0	0
State	7,894	9,928
County	0	0
Reimbursements	0	0

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## Personal Care Services Program/Residual IHSS Basic Costs

### DESCRIPTION:

This premise reflects the basic costs for the In-Home Supportive Services (IHSS) Program. Assembly Bill (AB) 1773 (Chapter 939, Statutes of 1992) required the California Department of Health Services to submit a Medicaid state plan amendment to the federal Health Care Financing Administration to include a portion of the IHSS Program as a Title XIX eligible service. This portion of the IHSS Program is known as the Personal Care Services Program (PCSP). The Residual Program provides for services on behalf of individuals who are not eligible for PCSP.

The IHSS Program enables eligible individuals to remain safely in their own homes as an alternative to out-of-home care. Eligible recipients are aged, blind or disabled individuals who receive public assistance or have low incomes.

AB 925 (Chapter 1088, statutes of 2002) allows recipients to utilize authorized personal care services in locations outside of the home, including their place of employment, as authorized by the Director. Services and service hours remain limited to those authorized for the recipient in their own home.

The PCSP and IHSS Plus Waiver (IPW) programs provide services including the following:

- Domestic services such as meal preparation, laundry, shopping, and errands;
- Non-medical personal care services;
- Assistance while traveling to medical appointments or to other sources of supportive services;
- Teaching and demonstration directed at reducing the need for supportive services;
- Certain paramedical services ordered by a physician;
- Protective supervision tasks;
- Restaurant meal allowance (RMA); and
- Advance payment.

The Residual Program provides services to recipients who are not eligible for the PCSP or IPW program.

In-Home Supportive Services are provided in any of three service delivery modes. Those service modes are the individual provider (IP) mode, the county contract (CC) mode, and the welfare staff (WS) mode. The WS mode is also referred to as the county homemaker mode. The IP mode consists of an individual, hired by the recipient, who provides services to the recipient. The CC mode provides for IHSS services to be performed by a service provider under contract with the individual counties. The contractor employs the individuals who provide the services to the recipient. The WS mode utilizes county employees to provide services for recipients.

## Personal Care Services Program/Residual IHSS Basic Costs

### DESCRIPTION (continued):

The State Compensation Insurance Fund (SCIF), under contract, administers the workers' compensation insurance for the IPs providing services for IHSS recipients.

The Department of General Services (DGS), under contract, acts as agent for the California Department of Social Services (CDSS) in the management and supervision of SCIF. DGS also monitors high cost cases (\$50,000 and over in paid costs) on a quarterly basis.

The IHSS Case Management Information and Payrolling System (CMIPS) authorizes payments and provides CDSS and the counties with information regarding wages, taxes, hours per case, cost per hour, PCSP and Residual Program caseload and funding ratios, share of cost, RMA, and the number of providers in the IP mode. Please see the CMIPS premise for more information.

### IMPLEMENTATION DATE:

The PCSP implemented on April 1, 1993.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 12300-12314 and 14132.95.
- The projected caseload percentages for the PCSP and Residual Program are 92.68 percent and 7.32 percent, respectively, based on the average caseloads for Fiscal Year (FY) 2005-06.
- PCSP caseloads were 3,218 (CC) and 116 (WS), and Residual caseloads were 658 (CC) and 16 (WS). The balance of the caseload is IP.
- The PCSP CC mode average monthly hours per case is assumed to be 56.24 hours at a cost per hour of \$17.42. The WS average monthly hours per case is assumed to be 9.76 hours at a cost per hour of \$19.25.
- The Residual CC mode average monthly hours per case is assumed to be 23.48 hours at a cost per hour of \$17.27. The Residual WS average monthly hours per case is assumed to be 7.46 hours at a cost per hour of \$13.45.
- The IP wage rate and average monthly hours per case are based on the individual counties data.
- The payroll tax rate associated with the IP wages is assumed at ten percent.
- Based on actuals for FY 2005-06, the average recipient PCSP Program share of cost (SOC) is assumed to be \$358 per case in the current (CY) year and budget year (BY) in the IP mode of service. The average recipient Residual program share of cost is assumed to be \$307 and \$312 per case in the IP mode and CC/WS modes of service, respectively.

## Personal Care Services Program/Residual IHSS Basic Costs

### KEY DATA/ASSUMPTIONS (continued):

- In the PCSP program, the average monthly SOC caseload is assumed to be 6,775 in the CY and 7,142 in the BY.
- In the Residual Program, the average monthly SOC caseload is assumed to be 950 in the CY and 1,001 in the BY in the IP Mode, and 101 in the CC/WS for both CY and BY.
- The RMA cost per case is \$62.
- The RMA cost is estimated to be \$588,621 for CY and \$620,450 in the BY.
- The SCIF contract cost is assumed to be \$57 million for both CY and BY.
- The DGS contract cost is set at \$120,000 for both CY and BY.
- CY and BY include costs to reimburse recipients for excess share of cost payments.

### METHODOLOGY:

- The estimated PCSP basic cost is computed by multiplying the casemonths times the average hours per case times the cost per hour, plus the associated payroll taxes, minus the share of cost. In addition, the PCSP caseload percentage of the SCIF and DGS contract costs are added.
- The estimated Residual basic cost is computed by multiplying the casemonths times the average hours per case times the cost per hour, plus associated payroll taxes, minus the share of cost. In addition, the Residual Program caseload percentage of the SCIF, DGS contract costs and RMA are added.
- The excess share of cost is based on actual costs and cases in FY 2005-06.

### FUNDING:

- In the PCSP, the Title XIX Federal Medical Assistance Percentage rate is 50 percent.
- The nonfederal share is split 65 percent state and 35 percent county. The county share of cost is reflected as a reimbursement, consistent with actual cash flow.
- The administration received a waiver for the federal government to pick up a share of cost for the Residual program. (See Waiver Program/Medical State Plan Amendment for Residual)
- In the Residual Program Basic Costs, the state share is 65 percent of the total, and the county share is 35 percent. The county share of cost is reflected as a reimbursement, consistent with actual cash flow.

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## Personal Care Services Program/Residual IHSS Basic Costs

### CHANGE FROM THE APPROPRIATION:

The estimate has been updated using current caseload and expenditure data.

### REASON FOR YEAR-TO-YEAR CHANGE:

The budget year increase reflects wage and benefits increases and caseload growth.

### CASELOAD:

	2006-07	2007-08
Average Monthly PCSP Caseload	347,767	366,408
Average Monthly Residual Program Caseload	27,232	28,692

### EXPENDITURES:

(in 000's)

TOTAL	2006-07	2007-08
	Grant	Grant
Total	\$4,000,512	\$4,219,033
Federal	0	0
State	1,381,430	1,456,632
County	0	0
Reimbursements	2,619,082	2,762,401

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## Personal Care Services Program/Residual IHSS Basic Costs

### EXPENDITURES (continued):

(in 000's)

PCSP	2006-07	2007-08
	Grant	Grant
Total	\$3,690,054	\$3,891,321
Federal	0	0
State	1,181,633	1,245,880
County	0	0
Reimbursements	2,508,421	2,645,441

  

Residual Program	2006-07	2007-08
	Grant	Grant
Total	\$310,458	\$327,712
Federal	0	0
State	199,797	210,752
County	0	0
Reimbursements	110,661	116,960

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## Case Management Information and Payrolling System (CMIPS) and Associated Costs

### **DESCRIPTION:**

This premise reflects the costs associated with the operation and maintenance of the In-Home Supportive Services (IHSS) Case Management Information and Payrolling System (CMIPS). The CMIPS consists of the following three components:

#### **Case Management**

The CMIPS stores the case record of each individual recipient. The case record of each recipient contains information on eligibility, needs assessment, share of cost, if appropriate, and all changes affecting the recipient's case. The CMIPS also generates notices of action, cost-of-living adjustments, and rate changes. The CMIPS further allows for data exchanges with other welfare systems and is used to establish Medi-Cal eligibility. Unique Client Index Numbers (CINs) facilitate the identification of common clients and the exchange of data with other systems. CIN transactions are processed through the Office of Systems Integration server.

#### **Management Information**

The CMIPS provides periodic management reports that include fiscal and statistical data on a case-by-case, worker-by-worker, office-by-office, county-by-county, and statewide basis.

#### **Payrolling System**

The CMIPS provides for the authorization and issuance of warrants for payments for services provided by the individual-provider mode and prepares all employer tax forms and reports. These reports are utilized for bookkeeping, accounting and tax preparation purposes on behalf of recipients, County Welfare Departments and the California Department of Social Services (CDSS).

The State Controller's Office (SCO), under contract with CDSS, issues payroll checks to the individual providers on behalf of IHSS recipients. The SCO also issues replacement checks and handles checks returned as undeliverable.

The State Treasurer's Office (STO), under contract with CDSS, performs bank reconciliation of IHSS warrants, and redeems all valid warrants issued for IHSS providers.

### **KEY DATA/ASSUMPTIONS:**

- Authorizing statute: Welfare and Institutions Code Section section 12302.2.
- The CMIPS contract is currently held by Electronic Data Systems (EDS).
- The estimated costs for the SCO and STO contracts were updated.

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## Case Management Information and Payrolling System (CMIPS) and Associated Costs

### KEY DATA/ASSUMPTIONS (continued):

- The estimated CIN transaction costs are based on a projection of the number of transactions and a cost of 0.7 cents per transaction.

	<u>2006-07</u>	<u>2007-08</u>
<b>EDS</b>	\$9,670,452	\$10,117,190
<b>STO</b>	\$856,063	\$856,063
<b>SCO</b>	\$5,237,000	\$4,875,000
<b>CIN Transaction</b>	\$8,307	\$8,307
<b>Total Costs</b>	\$15,771,822	\$15,856,560

### METHODOLOGY:

The estimate is computed by summing the EDS, STO, SCO and CIN data and transaction fee costs. The total cost is split between the Personal Care Services Program (PCSP) and the Residual Program based on percent to total caseload.

### FUNDING:

- In the PCSP Program, the federal Title XIX reimbursement represents 50 percent of the total funding in the current and budget year. The nonfederal share is split 70 percent state and 30 percent county.
- In the Residual Program, the state share is 70 percent of the total, and the county share is 30 percent.

### CHANGE FROM THE APPROPRIATION:

The current year estimate includes increased EDS costs and one time SCO costs related to implementing the direct deposit function.

### REASON FOR YEAR-TO-YEAR CHANGE:

The budget year increase is due to increased EDS costs.

## Case Management Information and Payrolling System (CMIPS) and Associated Costs

### EXPENDITURES:

(in 000's)

<b>TOTAL</b>	2006-07	2007-08
	Grant	Grant
Total	\$15,772	\$15,857
Federal	0	0
State	5,924	5,957
County	2,539	2,552
Reimbursements	7,309	7,348
<b>PCSP</b>	2006-07	2007-08
	Grant	Grant
Total	\$14,618	\$14,696
Federal	0	0
State	5,116	5,144
County	2,193	2,204
Reimbursements	7,309	7,348
<b>Residual Program</b>	2006-07	2007-08
	Grant	Grant
Total	\$1,154	\$1,161
Federal	0	0
State	808	813
County	346	348
Reimbursements	0	0

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## **Case Management Information and Payrolling System (CMIPS) Enhancements to Support a Federal Waiver and Quality Assurance**

### **DESCRIPTION:**

This premise reflects the funding required for several CMIPS enhancements needed to meet the documentation and data collection and reporting requirements of the In-Home Supportive Services (IHSS) Quality Assurance (QA) Initiative and the IHSS Plus waiver (IPW) program. The enhancements include a new interface with the California Medicaid Management Information System to identify fraudulent activities, as well as provision of statewide registry and enrollment data for eligible IHSS Plus waiver recipients, and Medi-Cal Provider Point of Sale capabilities. This premise also includes costs for enhancements to implement Provider Direct Deposit (PDD).

### **KEY DATA/ASSUMPTIONS:**

- Authorizing statute: Welfare and Institutions Code section 12317 [Chapter 229, Statutes of 2004 (Senate Bill 1104)] and Section 12304.4 [Chapter 75, Statutes of 2006 (Assembly Bill 1808)].
- CMIPS enhancements for the QA Initiative require 10,400 hours of programming.
- CMIPS enhancements for the IPW program require 4,050 hours of programming.
- CMIPS enhancements for the PDD capability require 1,680 hours of programming.
- The PDD cost assumes 30 percent provider participation.

### **METHODOLOGY:**

The estimate is computed by summing the programming costs for the QA, IPW and PDD enhancements.

### **FUNDING:**

- In the Personal Care Service Program (PCSP), the federal Title XIX reimbursement represents 50 percent of the total funding in the current and budget year. The nonfederal share is split 35 percent state and 15 percent county.
- In the Residual Program, the state share is 70 percent of the total, and the county share is 30 percent. The shift of 50 percent of the funding to federal Title XIX is shown in the Waiver for Residual Program premise.

### **CHANGE FROM THE APPROPRIATION:**

The current year reflects shifting \$362,000 to the CMIPS and Associated Costs premise for Office of the State Controller PDD costs. Also, shifting costs to budget year to complete the required QA and IPW enhancements.

## Case Management Information and Payrolling System (CMIPS) Enhancements to Support a Federal Waiver and Quality Assurance

### REASON FOR YEAR-TO-YEAR CHANGE:

The budget year includes costs associated with implementing the PDD function. Also, costs for completion of the QA and IPW enhancements.

### EXPENDITURES:

(in 000's)

<b>TOTAL</b>	2006-07	2007-08
Total	\$1,039	\$1,781
Federal	0	0
State	390	669
County	167	287
Reimbursements	482	825
<b>PCSP</b>	2006-07	2007-08
Total	\$963	\$1,651
Federal	0	0
State	337	578
County	144	248
Reimbursements	482	825
<b>Residual Program</b>	2006-07	2007-08
Total	\$76	\$130
Federal	0	0
State	53	91
County	23	39
Reimbursements	0	0

## **Case Management, Information and Payrolling System (CMIPS) II Contract Procurement**

### **DESCRIPTION:**

This premise reflects the costs for contracting with the California Health and Human Services Agency, Office of Systems Integration (OSI) - for development, support, and implementation of a new and enhanced In-Home Supportive Services (IHSS) Case Management, Information and Payrolling System (CMIPS). This project proposes to replace the existing CMIPS with new technologies that provide system access for all IHSS county workers and a communication network between state and county IHSS offices.

### **IMPLEMENTATION DATE:**

This premise implemented on April 1, 2000.

### **KEY DATA/ASSUMPTIONS:**

Authorizing statute: Welfare and Institutions Code section 12302.2.

### **METHODOLOGY:**

The estimated costs are detailed in the December 2005 Planning Advance Planning Document Update.

### **FUNDING:**

- In the Personal Care Services Program (PCSP), the Title XIX Federal Medical Assistance Percentage rate is 50 percent.
- The nonfederal share is funded 100 percent State General Fund (GF).
- In the Residual Program, the funding is 100 percent GF.

### **CHANGE FROM THE APPROPRIATION:**

The increase in Fiscal Year (FY) 2006-07 is due to an adjustment in retirement contributions and employee compensation.

### **REASON FOR YEAR-TO-YEAR CHANGE:**

The decrease in FY 2007-08 is due to the applied Pro Rata adjustments.

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## Case Management Information and Payrolling System (CMIPS) II Contract Procurement

### EXPENDITURES:

(in 000's)

<b>Total</b>	2006-07	2007-08
	County Admin.	County Admin.
Total	\$25,162	\$25,409
Federal	0	0
State	13,502	13,441
County	0	0
Reimbursements	11,660	11,608
	2006-07	2007-08
	County Admin.	County Admin.
<b>PCSP</b>		
Total	\$23,320	\$23,216
Federal	0	0
State	11,660	11,608
County	0	0
Reimbursements	11,660	11,608
	2006-07	2007-08
	County Admin.	County Admin.
<b>Residual Program</b>		
Total	\$1,842	\$1,833
Federal	0	0
State	1,842	1,833
County	0	0
Reimbursements	0	0

## Case Management Information and Payrolling System (CMIPS) II Contract Procurement

### CDSS/OSI PARTNERSHIP:

(in 000's)	2006-07	2007-08
Total	\$25,162	\$25,049
CDSS	230	230
OSI	24,932	24,819

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## Public Authority Administration

### DESCRIPTION:

This premise reflects the Public Authority (PA) administrative costs. Senate Bill 1780 (Chapter 206, Statutes of 1996) defined the make-up and functions of PAs. A county board of supervisors may elect to establish a PA to provide for the delivery of In-Home Supportive Services (IHSS). PAs are separate entities from the county in which they operate. Employees of the PA shall not be employees of the county for any reason. PAs are the employer of IHSS providers for the purposes of collective bargaining over wages, hours, and other terms of employment. However, IHSS recipients retain the right to hire, fire, and supervise the work of any IHSS worker providing services to them.

A PA shall provide, but is not limited to, the following functions:

- The provision of assistance to recipients in finding IHSS providers through the establishment of a registry;
- The investigation of the qualifications and background of potential providers;
- The establishment of a referral system under which IHSS providers shall be referred to recipients;
- The provision of training for providers and recipients; and,
- Other functions related to the delivery of IHSS.

The PA rate includes the hourly costs for wages, employer taxes, benefits, and administrative costs. The PA rate cannot exceed 200 percent of the current minimum wage in order to qualify for federal financial participation. The PA must submit a rate approval request to the California Department of Social Services (CDSS). Once CDSS approves the request, it is submitted to the California Department of Health Services (CDHS) for final approval. After CDHS approves the rate, the PA can claim its costs.

### KEY DATA/ASSUMPTIONS:

Authorizing statute: Welfare and Institutions Code section 12301.

### METHODOLOGY:

The estimated cost is computed by multiplying the casemonths by the average hours per case by the administrative hourly rates for each PA.

## Public Authority Administration

### FUNDING:

- In the Personal Care Services Program (PCSP), the Title XIX Federal Medical Assistance Percentage rate is 50 percent. The nonfederal share is split 65 percent state and 35 percent county.
- In the Residual Program, the State share is 65 percent of the total, and the county share is 35 percent.

### CHANGE FROM THE APPROPRIATION:

The current estimate has been updated to incorporate the most current PA administrative rate and caseload information.

### REASON FOR YEAR-TO-YEAR CHANGE:

The budget year increase reflects administrative rate changes and caseload growth.

### EXPENDITURES:

(in 000's)

<b>TOTAL</b>	2006-07	2007-08
	Admin	Admin
Total	\$51,869	\$54,734
Federal	0	0
State	18,450	19,468
County	0	0
Reimbursements	33,419	35,266
<b>PCSP</b>	2006-07	2007-08
	Admin	Admin
Total	\$46,969	\$49,566
Federal	0	0
State	15,265	16,109
County	0	0
Reimbursements	31,704	33,457

## Public Authority Administration

### EXPENDITURES (continued):

(in 000's)

<b>Residual Program</b>	<b>2006-07</b>	<b>2007-08</b>
	Admin	Admin
Total	\$4,900	\$5,168
Federal	0	0
State	3,185	3,359
County	0	0
Reimbursements	1,715	1,809

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## PCSP Three-Month Retroactive Benefits

### DESCRIPTION:

This premise reflects the costs in the Personal Care Services Program (PCSP), associated with implementing a Medi-Cal rule that provides reimbursement for eligible In-Home Supportive Services (IHSS) Personal Care services rendered up to three months prior to application.

### IMPLEMENTATION DATE:

This premise implemented on January 1, 2005.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Budget Act of 2004.
- Based on the number of approvals in July 2004 through June 2005, 1.67 percent of cases each month will be new applicants.
- Based on recent Medi-Cal data, it was assumed that 0.02 percent of all applicants would be eligible for at least one month of retroactive benefits for the period prior to the month of application. It was also assumed that on average the applicants would receive 1.16 months of retroactive benefits.
- In addition, it was assumed that 2.58 percent of applicants would be eligible to receive a retroactive benefit for a portion of the month in which they applied. The average period of retroactive benefit was assumed to be two weeks.
- The administrative cost of processing the retroactive payments is assumed to require 1 additional hour to review incoming claims to determine eligibility and 1.5 additional hours to process eligible claims. It is assumed that 10 percent of all applicants will submit a claim. The social worker cost per hour is assumed to be \$60.55.

### METHODOLOGY:

The number of cases to receive retroactive benefits was derived using the percentage of new cases and the percentage of cases that are eligible to receive retroactive benefits.

Estimated costs for benefits were based on the number of eligible retroactive cases, the average monthly cost per case and the assumption that each case would receive either two weeks or 1.16 months of retroactive benefits.

The administrative costs were based on the number of claims received and eligible retroactive claims, the time to review or process each case and IHSS social worker cost per hour.

## PCSP Three-Month Retroactive Benefits

### FUNDING:

- The Title XIX Federal Medical Assistance Percentage rate for PCSP is 50 percent.
- The nonfederal share is split 65 percent state and 35 percent county.
- The estimated Title XIX reimbursement percentage for Administration costs is 49.09 percent, based on actual expenditure information as reported on the County Expense Claim for the past four quarters.
- The State and county sharing ratios for Administration costs are 70 percent and 30 percent, respectively, of the nonfederal share.

### CHANGE FROM THE APPROPRIATION:

The estimate has been updated to reflect the percent of new case approvals and current caseload information.

### REASON FOR YEAR-TO-YEAR CHANGE:

The estimate has been updated to reflect the percent of new case approvals and current caseload information.

### EXPENDITURES:

(in 000's)

Total PCSP/Residual	2006-07	2007-08
	Grant	Grant
Total	\$876	\$924
Federal	0	0
State	307	324
County	0	0
Reimbursements	569	600

PCSP	2006-07	2007-08
	Grant	Grant
Total	\$807	\$852
Federal	0	0
State	262	277
County	0	0
Reimbursements	545	575

## PCSP Three-Month Retroactive Benefits

### EXPENDITURES (continued):

(in 000's)

<b>Residual Program</b>	2006-07	2007-08
	Grant	Grant
Total	\$69	\$72
Federal	0	0
State	45	47
County	0	0
Reimbursements	24	25

  

<b>Administration</b>	2006-07	2007-08
	Admin.	Admin.
Total	\$667	\$665
Federal	0	0
State	238	237
County	102	102
Reimbursements	327	326

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## IHSS Quality Assurance

### DESCRIPTION:

This premise reflects the savings from the implementation of a Quality Assurance (QA) program that will reduce the costs of the In-Home Supportive Services (IHSS) Program by improving the quality of service need assessments and authorizations. The California Department of Social Services proposes to (1) require and support QA functions in each county, (2) increase state resources for monitoring and supporting county QA functions, (3) provide standardized assessment training for county IHSS workers, and (4) provide periodic written notices to providers that remind them of their legal obligations to submit accurate timesheets.

### IMPLEMENTATION DATE:

This premise implemented on December 1, 2004.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 12305.7 and 12305.71.
- County QA staff and additional IHSS workers were hired in Fiscal Year (FY) 2004-05 and FY 2005-06.
- The average hours for new cases or cases reassessed after the county workers have completed the hourly task guideline training will be reduced by five percent due to improved and uniform assessment processes and the use of the hourly task guideline regulations.
- The savings from new case assessments and reassessments of existing cases will accrue after October 1, 2006.
- Hiring additional county workers will result in a two percent reduction in costs. IHSS workers will reduce workers caseloads resulting in savings from improved assessments, better documentation and explanation of case decisions. There will also be a reduction in costs as a result of actions taken by county QA workers.
- Fraud activities will result in half of one percent reduction in costs.
- Twelve percent of cases will have conditions which will be expected to improve and will be flagged for reassessments prior to the annual review. There will be an average of three percent reduction in hours for those cases that are reassessed.

### METHODOLOGY:

#### COSTS

##### County Staff

- It is assumed there are 220 County QA staff or additional IHSS workers.
- The annual Social Worker (SW) cost is assumed to be \$129,083.
- The estimated current year (CY) and budget year (BY) county quality assurance staff costs are \$28.4 million [\$10.2 million State General Fund (GF)].

## IHSS Quality Assurance

### **METHODOLOGY (continued):**

#### State level training for SWs

- Training costs include: curriculum development; classroom training; post-training evaluation.
- Training will be provided in CY and BY on-going as needed.

### **SAVINGS**

#### Reduced hours due to uniform needs assessments

- It is assumed that the average hours for new cases and cases reassessed after the county workers have completed hourly task guideline training will be reduced by five percent due to statewide uniformity in needs assessments and service authorizations and the use of uniform assessment guidelines.
- Savings for FY 2006-07 are estimated to be \$29.6 million (\$9.6 million GF), and \$161.8 million (\$52.6 million GF) for FY 2007-08.

#### Other savings

- Savings which will result from the hiring of additional staff, earlier reassessments and fraud activities began in July 2006.
- The percentage of anticipated savings was applied to the sum of the estimated Basic Costs to determine the amount of savings.
- Savings for the additional QA and IHSS workers will be \$80 million (\$26 million GF) in FY 2006-07 and \$84.4 million (\$27.4 million GF) in FY 2007-08.
- Savings from fraud activities will be \$20 million (\$6.5 million GF) in FY 2006-07 and \$21 million (\$6.9 million GF) in FY 2007-08.
- Savings for the earlier reassessments of recipients whose conditions are expected to improve will be \$14.4 million (\$4.7 million GF) in FY 2006-07 and \$15.2 million (\$4.9 million in GF) in FY 2007-08.

### **FUNDING:**

- The Title XIX reimbursement rate is 50 percent.
- The nonfederal share is split 65 percent State and 35 percent county. The county share of costs is reflected as a reimbursement, consistent with actual cash flow.
- In administration, the State and county sharing ratios are 70 percent and 30 percent, respectively, of the nonfederal share.

## IHSS Quality Assurance

### CHANGE FROM THE APPROPRIATION:

The estimate reflects the following changes in methodology: Savings from improved assessments and reassessments due to training are reduced to five percent; these savings will accrue beginning October 1, 2006; and, savings from fraud activities reduced from one percent to half of one percent.

### REASON FOR YEAR-TO-YEAR CHANGE:

The increased savings from CY to BY are due to caseload growth and increased cost per case. The Administration costs reflect a change in the sharing ratio.

### EXPENDITURES:

(in 000's)

<b>TOTAL PCSP/RESIDUAL</b>	<b>2006-07</b>	<b>2007-08</b>
Total	-\$144,034	-\$282,425
Federal	0	0
State	-46,811	-91,788
County	0	0
Reimbursements	-97,223	-190,637
 <b>PCSP</b>	 <b>2005-06</b>	 <b>2006-07</b>
Total	-\$132,446	-\$257,489
Federal	0	0
State	-43,045	-83,684
County	0	0
Reimbursements	-89,401	-173,805

## IHSS Quality Assurance

### EXPENDITURES (CONTINUED):

(in 000's)

<b>Residual</b>	2006-07	2007-08
Total	-\$11,588	-\$24,936
Federal	0	0
State	-3,766	-8,104
County	0	0
Reimbursements	-7,822	-16,832
<b>Administration</b>	2006-07	2007-08
Total	\$32,602	\$32,602
Federal	0	0
State	11,625	11,618
County	4,982	4,979
Reimbursements	15,995	16,005

## Limit State Participation to January 10, 2007 Wage Level

### DESCRIPTION:

This premise reflects the savings from limiting the State's participation in the costs of In-Home Supportive Services (IHSS) wages and benefits to the wage and benefit levels in effect as of January 10, 2007.

Under current law, IHSS providers may organize and collectively bargain for wages and individual health benefits on a county-by-county basis. In the current year, State law provides that the State will share in the cost of wages and benefits up to \$11.10 per hour for IHSS providers in the counties that have an IHSS Public Authority (PA) or Non-Profit Consortium (NPC). In subsequent years, if statutorily-specified State revenue triggers are met, this amount could grow to a \$12.10 per hour maximum. For the counties that have neither a PA nor a NPC, the law provides for the State to share in the cost of wages only up to the State minimum wage plus 5.31 percent (\$7.90/hr) with no State share in health benefits.

These provisions of current law will be repealed and the State will only share in the costs of wages and benefits at the January 10, 2007 level. In addition, to avoid costs resulting from any post-January 10, 2007 collective bargaining agreements, the State will not be required to participate in IHSS wages and benefits at the higher \$12.10 per hour level.

### IMPLEMENTATION DATE:

This premise will be implemented on July 1, 2007.

### KEY DATA/ASSUMPTIONS:

- Statutory changes will be made prior to the reduction in state share of costs.
- State revenue triggers will be met. Therefore, it is estimated the state participation in wages and benefits will increase to \$12.10 in Fiscal Year (FY) 2007-08.
- Based on wage and benefit levels as of the November 2006 Subvention, increasing state participation to \$12.10 would cost an additional \$14 million in State General Funds.

### METHODOLOGY:

- Projected expenditures for FYs 2006-07 and 2007-08 are based on wage and benefit increases approved as of the November 2006 Subvention. Cost avoidance attributable to subsequent collective bargaining agreements in FYs 2006-07 and 2007-08 cannot be determined at this time.

### FUNDING:

- The Title XIX federal sharing ratio is based on the Federal Medical Assistance Percentage rate of 50 percent.
- The nonfederal share is split 65 percent state and 35 percent county. The county share of costs is reflected as a reimbursement, consistent with actual cash flow.

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## Limit State Participation to January 10, 2007 Wage Level

### CHANGE FROM THE APPROPRIATION

This is a new premise.

### REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

### EXPENDITURES:

(in 000's)

<b>PCSP</b>	<b>2006-07</b>	<b>2007-08</b>
	<b>Grant</b>	<b>Grant</b>
Total	\$0	\$0
Federal	0	0
State	0	0
County	0	0
Reimbursements	0	0

  

<b>Residual</b>	<b>2006-07</b>	<b>2007-08</b>
	<b>Grant</b>	<b>Grant</b>
Total	\$0	0
Federal	0	0
State	0	0
County	0	0
Reimbursements	0	0

## **Income Eligible Shift (Share of Cost Buy-out)**

### **DESCRIPTION:**

Assembly Bill 2779 (Chapter 329, Statutes of 1998), allowed the California Department of Social Services (CDSS) to buy down In-Home Supportive Services (IHSS) recipients' share of cost (SOC) from the Supplemental Security Income/State Supplementary Payment (SSI/SSP) SOC level to the Medi-Cal SOC level. Senate Bill 68 (Chapter 78, Statutes of 2005) extended the SOC buyout to IHSS Plus Waiver (IPW) program participants. The buy-out, which is the difference between a recipient's SSI/SSP SOC and Medi-Cal SOC, applies to recipients who receive services under the Personal Care Services Program (PCSP) or the IPW program for whom a Medi-Cal eligibility determination has been completed. To ensure IHSS recipients are eligible for Medi-Cal at the beginning of the month, this premise reflects the costs to the State General Fund for the difference between the higher monthly Medi-Cal SOC and the IHSS SOC.

### **IMPLEMENTATION DATE:**

The buy-out implemented on April 1, 1999.

### **KEY DATA/ASSUMPTIONS:**

- Authorizing statute: Welfare and Institutions Code sections 12305.1 and 14132.95.
- The buy-out applies when a recipient's Medi-Cal SOC is greater than the recipient's SSI/SSP SOC. When a recipient's Medical Family Budget Unit (MFBU) is composed of more than just the recipient, the comparison applies to the entire MFBU SOC under Medi-Cal.
- The Fiscal Year (FY) 2005-06 expenditures do not reflect the buy-out costs for as many as 1,400 recipients.

### **METHODOLOGY:**

The estimate is based on the FY 2005-06 actual average cases and cost per case for the buyout.

### **CHANGE FROM THE APPROPRIATION:**

The estimate has been updated to reflect the percentage of new case approvals and current caseload information.

### **REASON FOR YEAR-TO-YEAR CHANGE:**

In budget year this premise is replaced by the Eligibility Income Adjustment premise.

## Income Eligible Shift (Share of Cost Buy-out)

**EXPENDITURES:**

(in 000's)

<b>PCSP</b>	2006-07	2007-08
Total	\$36,953	\$0
Federal	0	0
State	36,953	0
County	0	0
Reimbursements	0	0

## Waiver Personal Care Services

### DESCRIPTION:

This premise, formerly called Extended Personal Care Services (Assembly Bill (AB) 668), reflects the costs for Personal Care Services that are provided above a recipient's assessed limit in the In-Home Supportive Services/Personal Care Services Program (IHSS/PCSP).

AB 668 (Chapter 896, Statutes of 1998) provided for additional hours on behalf of eligible PCSP recipients if they needed more than the 283 monthly hours allowed under IHSS and qualified for the Medi-Cal Skilled Nursing Facility Level of Care (SNFLOC) home and community based services waiver program. The SNFLOC waiver program was approved by the Health Care Financing Administration effective July 1, 1999.

The Centers for Medicare and Medicaid Services (CMS) has since renewed the nursing facility waiver, which now includes A and B levels of care (NF A/B). Approval has also been received for a new waiver for adult and pediatric subacute (NF Subacute) levels of care. "Waiver Personal Care Services" has been redefined in these two waivers to include services that differ from those in the State Plan and which allow beneficiaries to remain at home. Although there will no longer be a requirement that waiver consumers receive the maximum of 283 hours of State Plan Personal Care Services (SPPCS) prior to receiving waiver personal care services, waiver consumers must be receiving some SPPCS. Waiver personal care services will be one option on a menu of services that waiver participants may choose from, to the extent that waiver cost neutrality is assured. These services will be provided through the counties' IHSS programs and will be paid via an interagency agreement with the California Department of Social Services, or will be provided by home health agencies.

### IMPLEMENTATION DATE:

This premise implemented on July 1, 2000.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 14132.97.
- The NF A/B average monthly caseload is assumed to be 424 in the Current Year (CY) and 484 in the Budget Year (BY). The NF Subacute average monthly caseload is assumed to be 220 in the CY and 268 in the BY.
- The NF A/B average monthly hours of service per case are 168 in the CY and BY. The NF Subacute average monthly hours of service per case are 301 in the CY and BY.
- The cost per hour is assumed at \$9.50.

### METHODOLOGY:

The estimated cost is computed by multiplying the caseload by the average hours per case by the cost per hour by twelve months.

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## Waiver Personal Care Services

### FUNDING:

The Title XIX Federal Medical Assistance Percentage rate is 50 percent. The nonfederal share of the service costs is reimbursed 100 percent by the Department of Health Services.

### CHANGE FROM THE APPROPRIATION:

The estimate has been updated to reflect current caseload information.

### REASON FOR YEAR-TO-YEAR CHANGE:

The BY increase reflects caseload growth.

### EXPENDITURES:

(in 000's)

PCSP	2006-07	2007-08
	Grant	Grant
Total	\$15,625	\$18,410
Federal	0	0
State	0	0
County	0	0
Reimbursements	15,625	18,410

## **Tyler v. Anderson Settlement and Implementation**

### **DESCRIPTION:**

This premise reflects court settlement and implementation costs associated with the *Tyler v. Anderson* lawsuit. The *Tyler v. Anderson* lawsuit was the result of misinterpreting the range-of-motion services coverage under the In-Home Supportive Services (IHSS) Program. As a result, some counties authorized range-of-motion services, while other counties did not. Range of motion became a covered service with the implementation of the Personal Care Services Program (PCSP) in 1993. The plaintiffs who were denied those services sued for retroactive payment. The lawsuit was settled on January 22, 1999.

### **IMPLEMENTATION DATE:**

This premise implemented on July 1, 1999.

### **KEY DATA/ASSUMPTIONS:**

- The retroactive payments are for Fiscal Years (FYs) 1990-91, 1991-92, and 1992-93.
- The range-of-motion services were classified as either rubbing-of-skin services or paramedical services.
- The minimum wage in effect during the period covered by *Tyler v. Anderson* was \$4.25 per hour.
- This estimate uses a tax-to-wages ratio of 9.79 percent.
- The administrative costs associated with this premise are included in the "IHSS Court Cases" premise.

### **METHODOLOGY:**

Anticipated payments resulting from claims total \$291,000.

### **FUNDING:**

The costs associated with this premise are paid with State General Fund.

### **CHANGE FROM THE APPROPRIATION:**

There is no change.

### **REASON FOR YEAR-TO-YEAR CHANGE:**

It is expected that all claims will be paid in current year.

## Tyler v. Anderson Settlement and Implementation

### EXPENDITURES:

(in 000's)

	2006-07	2007-08
Total	\$291	\$0
Federal	0	0
State	291	0
County	0	0
Reimbursements	0	0

## Waiver Program/Medi-Cal State Plan Amendment for Residual

### DESCRIPTION:

This premise reflects the savings associated with implementation of a federal Medicaid (Medi-Cal) Waiver and Personal Care Services Program (PCSP) state plan amendment that allows In-Home Supportive Services (IHSS) Residual Program consumer services to qualify for federal Title XIX funds. The IHSS Program enables eligible individuals to remain safely in their own homes as an alternative to out-of-home care. Eligible IHSS recipients are aged, blind or disabled individuals who receive public assistance or have low incomes and can be cared for by a relative or nonrelative. In July 2004, the State received a five-year Independence Plus, Section 1115 Demonstration Waiver from the federal Centers for Medicare and Medicaid Services (CMS). This waiver will permit the State to provide in-home consumer directed services with federal funds to individuals historically served in the non-federal IHSS Residual Program. The individuals to be covered under the waiver include 1) recipients whose services are provided by a spouse or parent (if the recipient is a minor child), 2) recipients receiving advance cash payments, and 3) recipients with restaurant meal allowances. Residual cases not covered under the waiver, such as cases with protective supervision services where the providers are not parents or spouses, and domestic and related services only cases, will be covered under a Medi-Cal funded PCSP. After the State Plan is amended and approved, the State can claim federal Title XIX funds for these eligible cases. As a condition of the waiver, CMS is requiring case files to include client information regarding emergency contacts and emergency back-up plans if the IHSS provider is not available. This information will be obtained at the time of assessment and reassessment on a form to be developed by the California Department of Social Services (CDSS).

### IMPLEMENTATION DATE:

The IHSS Plus Waiver (IPW) became effective on August 1, 2004.

### KEY DATA/ASSUMPTIONS:

Most Residual Program cases will become eligible for federal Title XIX funds under the IPW program or the Medi-Cal State Plan amendments.

### METHODOLOGY:

The savings are determined by computing a federal Medi-Cal share of cost for projected Residual Program expenditures with amended corresponding State and county shares.

Prior to calculating the savings, the estimate for the Basic costs was reduced by \$44.5 million [\$23.9 million State General Fund (GF)] for current year and \$44.6 million (\$24 million GF) for the budget year to adjust for an estimate of the number of cases that will be ineligible for services under the waiver.

The administrative costs were based on the number of recipients in budget year, the additional time per case for the new form and the social worker cost per hour.

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## Waiver Program/Medi-Cal State Plan Amendment for Residual

### FUNDING:

- The Title XIX federal sharing ratio is based on the July 1, 2004 Federal Medical Assistance Percentage rate of 50 percent.
- The nonfederal share is split 65 percent state and 35 percent county. The county share of cost is reflected as a reimbursement, consistent with actual cash flow.
- The Title XIX funds are shown as a reimbursement from the California Department of Health Services.

### CHANGE FROM THE APPROPRIATION:

The current year estimate is updated to allow for cases that have not yet been determined eligible for PCSP or the IPW program. The Administration costs are included in the IHSS Administration Basic Costs estimate.

### REASON FOR YEAR-TO-YEAR CHANGE:

The waiver costs reflect the total changes to the residual program.

### EXPENDITURES:

(in 000's)

Residual Program	2006-07	2007-08
Total	\$0	\$0
Federal	0	0
State	-81,376	-86,953
County	-185	-194
Reimbursements	81,561	87,147

## **Title XIX Reimbursement – In-Home Supportive Services/CSBG/Child Welfare Services**

### **DESCRIPTION:**

This premise reflects the level of reimbursement associated with Title XIX eligible services. Federal financial participation (FFP) is authorized under Title XIX of the federal Social Security Act (42 U.S.C., Section 1396, et. seq.). Certain In-Home Supportive Services (IHSS), assessment and eligibility activities, county services block grant (CSBG) activities, and adult protective services (APS), are eligible for Title XIX federal funding. Additionally, certain health-related (HR) activities in the Child Welfare Services (CWS) Program are also eligible for these funds.

The California Department of Social Services has coordinated with the Department of Health Services to establish the necessary claiming processes to identify the applicable FFP.

### **KEY DATA/ASSUMPTIONS:**

#### **IHSS**

- Authorizing statute: Welfare and Institutions (W&I) Code sections 12300 through 12317.2.
- The IHSS Personal Care Services Program (PCSP) is eligible for Title XIX funding at the Federal Medical Assistance Percentage (FMAP).
- The IHSS Program costs are eligible for the Title XIX funding at the enhanced administrative rate of 75 percent for the Skilled Professional Medical Personnel (SPMP) and the non-enhanced administrative rate of 50 percent for health-related costs.
- The Independence Plus Waiver for the Residual Program became effective August 1, 2004, and state plan amendments to the PCSP will permit claiming of the Residual Program expenditures retroactively to the date the waiver was submitted.

#### **CWS**

- Authorizing statute: W&I Code section 16500.
- The CWS Program costs are eligible for the Title XIX funding at the enhanced administrative rate of 75 percent for the SPMP and the non-enhanced administrative rate of 50 percent for health-related costs.

#### **CSBG/APS**

Authorizing statute: W&I Code sections 13004 through 13007 (CSBG) and Sections 15703 through 15705.40 (APS).

### **METHODOLOGY:**

#### **IHSS PCSP/Residual Waiver**

The Title XIX federal sharing ratio is based on the FMAP rate of 50 percent.

## Title XIX Reimbursement – In-Home Supportive Services/CSBG/Child Welfare Services

### METHODOLOGY (continued):

#### IHSS Administration

- HR activities performed in support of Medi-Cal eligible recipients are eligible for Title XIX reimbursement at 50 percent. These same activities, if performed by SPMP (those staff who have a health care license or certificate) are eligible for Title XIX Reimbursement at an enhanced rate of 75 percent.
- The federal share of actual expenditures for the past two quarters was used in the current year and budget year estimates.

#### CWS

For FY 2006-07 and FY 2007-08, the Title XIX reimbursement was calculated using prior year actual expenditures.

#### CSBG/APS

- HR activities in support of Medi-Cal eligible recipients are eligible for Title XIX reimbursement at 50 percent. Activities performed by SPMP are eligible for Title XIX reimbursement at an enhanced rate of 75 percent.
- Costs are based on actual expenditures.

### CHANGE FROM THE APPROPRIATION:

The estimate has been updated to reflect current data.

### REASON FOR YEAR-TO-YEAR CHANGE:

The change reflects actual program costs.

### EXPENDITURES:

(in 000's)	2006-07	2007-08
	Grant	Grant
<b><u>Title XIX Total</u></b>	<b>\$2,210,605</b>	<b>\$2,270,997</b>
<b>IHSS Services</b>	<b>\$1,953,261</b>	<b>\$2,000,614</b>
PCSP	1,833,337	1,878,195
Waiver/State Plan Amendment	119,924	122,419
<b>Total Health Related</b>	<b>\$257,344</b>	<b>\$270,383</b>
IHSS Administration	152,534	158,047
CWS	53,461	60,987
CSBG	13,199	13,199
APS	38,150	38,150

## **In-Home Supportive Services Administration – Basic Costs**

### **DESCRIPTION:**

This premise reflects the costs of administering the In-Home Supportive Services (IHSS) Program. Assembly Bill 1773 (Chapter 939, Statutes of 1992) required the California Department of Health Services to submit a Medicaid state plan amendment to the federal Health Care Financing Administration to include a portion of the IHSS Program as a covered service. The IHSS Program provides in-home services to the aged, blind and disabled to help individuals maintain an independent living arrangement and avoid institutionalization. This premise also includes administrative costs for completion of the emergency contact and back-up form, previously in the Waiver Program/Medi-Cal State Plan Amendment for Residual premise.

### **IMPLEMENTATION DATE:**

The Title XIX eligible Personal Care Services Program was implemented in April of 1993.

### **KEY DATA/ASSUMPTIONS:**

- Authorizing statute: Welfare and Institutions Code sections 12300 through 12314 and 14132.95.
- The social worker (SW) unit cost is held at \$60.55 per hour in the current and budget years.
- The standard hours per case are 11.58 hours, including five minutes for completing the required emergency contact and emergency back-up plan form.
- The Supported Individual Provider (SIP) expenditures are assumed to increase with caseload growth. The estimated caseload growth is 5.4 percent in the budget year.
- The estimated Title XIX reimbursement percentage is 49.09 percent, based on actual expenditure information as reported on the County Expense Claim for the past four quarters.

### **METHODOLOGY:**

The estimated cost is computed by multiplying the caseload times the standard hours per case times the SW unit cost, plus the estimated SIP costs.

---

## In-Home Supportive Services Administration – Basic Costs

### FUNDING:

- The State and county sharing ratios are 70 percent and 30 percent, respectively, of the nonfederal share.
- The Title XIX reimbursements are as follows:
  - (a) Costs incurred from activities to help Medi-Cal eligible adults are eligible for Title XIX reimbursements at either 75 percent or 50 percent, depending on the type of service provider; and,
  - (b) Costs incurred from non-health related activities are not eligible for Title XIX reimbursements.

### CHANGE FROM THE APPROPRIATION:

Current year includes administrative costs for completion of the emergency contact and back-up form, previously in the Waiver Program/Medi-Cal State Plan Amendment for Residual premise.

### REASON FOR YEAR-TO-YEAR CHANGE:

The budget year reflects adjustments to the projected caseload.

### CASELOAD:

	2006-07	2007-08
Average Monthly Caseload	374,999	395,100

### EXPENDITURES:

(in 000's)

	2006-07 County Admin.	2007-08 County Admin.
Total	\$273,351	\$285,404
Federal	0	0
State	97,469	101,709
County	41,772	43,590
Reimbursements	134,110	140,105

## County Employer of Record (AB 2235)

### DESCRIPTION:

This premise reflects the cost of administrative activities necessary for counties to act as the employer of record for In-Home Supportive Service (IHSS) providers. Counties may choose to act as the employer of record for IHSS individual providers to achieve compliance with Assembly Bill (AB) 1682.

AB 2235 (Chapter 1135, Statutes of 2002) further requires any county, not in compliance with the mandates of AB 1682 within a specified timeframe, to act as the employer of record for collective bargaining purposes. To comply, counties had to provide documentation, no later than January 15, 2003, in support of compliance, or detailed information in support of delayed compliance by March 31, 2003. Counties that did not provide required documentation, or meet the delayed compliance deadline, automatically defaulted to act as the employer of record.

### IMPLEMENTATION DATE:

This premise implemented on January 1, 2003.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 12300 through 12314 and 14132.95.
- This estimate assumes that Alpine and Tuolumne counties will act as employer of record for both the Current Year (CY) and the Budget Year (BY).
- The estimated Title XIX reimbursement percentage is 49.09 percent based on actual expenditure information as reported on the county administrative expense claim for the past four quarters.

### METHODOLOGY:

The CY and BY estimated cost is the sum of the projected annual costs for each county.

### FUNDING:

The State and county sharing ratios are 70 percent and 30 percent, respectively, of the nonfederal share.

### CHANGE FROM THE APPROPRIATION:

There is no change.

## County Employer of Record (AB 2235)

### REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

### EXPENDITURES:

(in 000's)

	2006-07	2007-08
	Grant	Grant
Total	\$340	\$340
Federal	0	0
State	121	121
County	52	52
Reimbursements	167	167

## In-Home Supportive Services (IHSS) Program Court Cases

### DESCRIPTION:

This premise reflects the cost of court settlements and attorney fees relating to the IHSS Program. The costs result from settlement of lawsuits pertaining to local assistance in accordance with Budget Letter 98-22 and instructions from the Department of Finance.

### KEY DATA/ASSUMPTIONS:

The estimate for settlement costs and attorney fees relating to court cases is based in part on actual payments for cases in the current year (CY), and the Legal Division's projection of costs that will be paid in both CY and budget year (BY).

### METHODOLOGY:

The CY and BY estimates of costs reflect known and anticipated settlements and attorney fees relating to the IHSS Program and \$30,000 for other court cases. These are state-only costs.

### FUNDING:

IHSS costs for case settlement and attorney fees are funded with 100 percent State General Fund.

### CHANGE FROM THE APPROPRIATION:

This premise is updated from the Appropriation for expenditure information.

### REASON FOR YEAR-TO-YEAR CHANGE:

Court case expenditures may fluctuate from year to year.

### EXPENDITURES:

(in 000's)

	2006-07	2007-08
	County Admin.	County Admin.
Total	\$700	\$276
Federal	0	0
State	700	276
County	0	0
Reimbursements	0	0

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## **In-Home Supportive Services - Advisory Committees**

### **DESCRIPTION:**

This premise reflects the costs of establishing and operating In-Home Supportive Services (IHSS) advisory committees as required by Assembly Bill (AB) 1682 (Chapter 90, Statutes of 1999). AB 1682 mandated that counties act as or establish an employer-of-record for IHSS providers on or before January 1, 2003, and establish advisory committees for IHSS purposes. The advisory committees are to submit recommendations to the Board of Supervisors on the preferred mode of IHSS service to be utilized in the county.

### **IMPLEMENTATION DATE:**

This premise implemented July 1, 2000.

### **KEY DATA/ASSUMPTIONS:**

- Authorizing statute: Welfare and Institutions Code sections 12300 through 12314.
- The estimate assumes the average annual cost for advisory committees is \$52,974 per county.
- The estimate assumes that all counties have established and will operate advisory committees in the current and budget years.
- The estimated Title XIX reimbursement percentage is 47 percent in the current and budget year, based on actual expenditure information as reported on the county administrative expense claims for Fiscal Year 2004-05.

### **METHODOLOGY:**

The estimated cost is computed by multiplying the average annual cost per county times 58 counties.

### **FUNDING:**

The federal Title XIX reimbursement represents 47 percent of the total funding in the current and budget years. The remaining nonfederal share is funded with 100-percent State General Fund.

### **CHANGE FROM THE APPROPRIATION:**

There is no change.

### **REASON FOR YEAR-TO-YEAR CHANGE:**

There is no change.

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## In-Home Supportive Services - Advisory Committees

### EXPENDITURES:

(in 000's)

	2006-07	2007-08
	Grant	Grant
Total	\$3,072	\$3,072
Federal	0	0
State	1,628	1,628
County	0	0
Reimbursements	1,444	1,444

## Heat Response

### **DESCRIPTION:**

This premise reflects costs associated with Governor Schwarzenegger's July 26, 2006 directive for the California Department of Social Services to work with county In-Home Supportive Services (IHSS) programs to contact IHSS clients to ensure the clients' safety during the 2006 heat wave.

### **IMPLEMENTATION DATE:**

This premise implemented July 26, 2006.

### **KEY DATA/ASSUMPTIONS:**

- Over 210,000 IHSS and adult protective services clients were contacted, of which over 4,400 required assistance.
- The social worker unit cost is \$60.55 per hour.
- The estimated Title XIX reimbursement percentage is 49.09 percent based on actual expenditure information as reported on the county administrative expense claim for the past four quarter.

### **METHODOLOGY:**

The estimated cost assumes approximately five minutes per contact.

### **FUNDING:**

The State and county sharing ratios are 70 percent and 30 percent, respectively, of the nonfederal share.

### **CHANGE FROM THE APPROPRIATION:**

This is a new premise.

### **REASON FOR YEAR-TO-YEAR CHANGE:**

This premise is for current year only.

## Heat Response

### EXPENDITURES:

(in 000's)

TOTAL	2006-07	2007-08
	Grant	Grant
Total	\$1,000	\$0
Federal	0	0
State	356	0
County	153	0
Reimbursements	491	0

## Eligibility Income Adjustment

### DESCRIPTION:

Assembly Bill 2779 (Chapter 329, Statutes of 1998), allowed the California Department of Social Services (CDSS) to buy down In-Home Supportive Services (IHSS) recipients' share of cost (SOC) from the Supplemental Security Income/State Supplementary Payment (SSI/SSP) SOC level to the Medi-Cal SOC level. Senate Bill 68 (Chapter 78, Statutes of 2005) extended the SOC buy-out to IHSS Plus Waiver (IPW) program participants. The eligibility income adjustment is the difference between a recipient's SSI/SSP SOC and Medi-Cal SOC and applies to recipients who receive services under the Personal Care Services Program (PCSP) or the IPW program for whom a Medi-Cal eligibility determination has been completed. To ensure IHSS recipients are eligible for Medi-Cal at the beginning of the month, this premise reflects the costs to the State General Fund for the difference between the higher monthly Medi-Cal SOC and the IHSS SOC.

### IMPLEMENTATION DATE:

This premise implements July 1, 2007.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 12305.1 and 14132.95.
- The buy-out applies when a recipient's Medi-Cal SOC is greater than the recipient's SSI/SSP SOC. When a recipient's Medical Family Budget Unit (MFBU) is composed of more than just the recipient, the comparison applies to the entire MFBU SOC under Medi-Cal.
- This premise replaces the Income Eligible Shift (SOC Buy-out) premise.

### METHODOLOGY:

The estimate is based on the Fiscal Year 2005-06 actual average cases and cost-per-case for the buy-out.

### CHANGE FROM THE APPROPRIATION:

This is a new premise.

### REASON FOR YEAR-TO-YEAR CHANGE:

This is a new premise.

## Eligibility Income Adjustment

### EXPENDITURES:

(in 000's)

PCSP	2006-07	2007-08
Total	\$0	\$32,707
Federal	0	0
State	0	32,707
County	0	0
Reimbursements	0	0

## Foster Care & NAFS Administrative Costs – Basic

### DESCRIPTION:

This premise reflects the administrative costs and staff development costs for the Foster Care (FC) and Non-Assistance Food Stamps (NAFS) programs. Historically, the budget for county administration was based on counties administrative budget requests made through a Proposed County Administrative Budget (PCAB) process, modified by a cost containment system consistent with Welfare and Institutions Code (W&IC) section 14154. Beginning with Fiscal Year (FY) 2001-02 the PCAB process was suspended and the last PCAB process, FY 2000-01, established the base from which future year costs are established. Adjustments for caseload changes and other factors are made during each subvention process.

The FC administrative costs include the county administration for the Adoption Assistance Program (AAP). County eligibility workers are required to perform administrative functions related to AAP. Specifically, verification of linkage to the Temporary Assistance for Needy Families (TANF) Program (formerly Aid to Families with Dependent Children Program) is required for all new AAP cases to establish federal or nonfederal eligibility. Linkage is based on the child's situation at the time of removal from the natural home. The child must meet the general eligibility requirements for TANF and qualify as either a federal or state-only foster care case. Recertification is also required on a biennial basis.

### IMPLEMENTATION DATE:

This premise is an annual appropriation.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&IC sections 14154.
- The FC Estimate in FY 2006-07 is being held at the Budget Act of 2006 Appropriation level. Base funding for FC Administrative Costs Basic for FY 2007-08 is \$87 million.
- The FC caseload growth projection for FY 2006-07 and FY 2007-08 are 0.2 percent and 0.3 percent, respectively.
- Staff development for FC, \$835,000 for FY 2007-08, was based on the last four quarters of actual expenditures.
- The AAP cost of \$10.2 million for FY 2007-08 was based on the last four quarters of actual expenditures.
- Contract costs for FC are \$143,000 in FY 2007-08, based on FY 2005-06 actual expenditures.
- The NAFS Estimate in FY 2006-07 is being held at the Budget Act of 2006 Appropriation level.
- The NAFS Administrative Costs base funding in FY 2006-07 is \$524.4 million.
- The NAFS caseload growth projection is 5.6 percent in FY 2007-08.

## Foster Care & NAFS Administrative Costs – Basic

### KEY DATA/ASSUMPTIONS (continued):

- The impact of Transitional Benefits, Vehicle Exclusion/Face-to-Face Interviews (AB 231), and Electronic Benefit Transfer (EBT) are reflected in the NAFS Administrative Basic Costs resulting in net savings of \$23 million in FY 2007-08.
- Statewide Automated Welfare System Development and Testing Interface costs for NAFS are \$168,287 for FY 2007-08, based on updated expenditures.
- Contract costs for NAFS are \$3.3 million for FY 2007-08, based on updated expenditures.
- Staff development costs for NAFS are \$7.3 million for FY 2007-08 based on FY 2005-06 actual expenditures.
- The NAFS and FC estimates were adjusted due to a shift of administrative costs (\$97,206 and \$7,776, respectively) related to the MAGIC system that were formerly in a separate premise line and are now included in basic.
- In FY 2005-06 counties overmatched their Food Stamp administration budget by \$22 million. This overmatch has been included in FY 2006-07 and FY 2007-08 and is countable toward the County Maintenance of Effort (MOE).

### METHODOLOGY:

The NAFS and FC basic funding were adjusted to reflect caseload growth and updated premises. Staff development expenditures, the MAGIC system, and contract costs were added to both the NAFS and FC estimates. AAP administrative expenditures were also added to the FC estimate.

### FUNDING:

FC & NAFS costs are shared 50 percent federal, 35 percent state, and 15 percent county.

**Note:** W&IC section 15204.4 requires MOE from the counties based on expenditures during FY 1996-97, which include the administration of food stamps. Please reference the "County MOE Adjustment" premise.

### CHANGE FROM THE APPROPRIATION:

The current year change in foster care is due to updated AAP expenditures. For NAFS, the change is due to the inclusion of County Food Stamp overmatch dollars.

### REASON FOR YEAR-TO-YEAR CHANGE:

The changes for Foster Care and NAFS are due to projected caseload growth.

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## Foster Care & NAFS Administrative Costs – Basic

### EXPENDITURES:

(in 000's)

Foster Care	2006-07	2007-08
	County Admin.	County Admin.
Total	\$98,226	\$98,488
Federal	49,326	49,457
State	35,905	35,997
County	12,995	13,034
Reimbursements	0	0

### NAFS

	2006-07	2007-08
	County Admin.	County Admin.
Total	\$556,487	\$585,657
Federal	279,146	293,784
State	193,421	204,378
County	83,920	87,495
Reimbursements	0	0

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## Foster Care Reforms

### DESCRIPTION:

The California Department of Social Services implemented the annual redetermination of eligibility for foster care grants, resulting in current year (CY) savings of \$10.6 million and budget year (BY) savings of \$10.6 million.

### IMPLEMENTATION DATE:

This premise implemented July 1, 2004.

### KEY DATA/ASSUMPTIONS:

The amount of federal financial participation (FFP) is based on the Federal Medical Assistance Percentage (FMAP) rate of 50 percent.

### METHODOLOGY:

The estimate assumes a 20 percent reduction in continuing caseload eligibility costs as a result of reducing the redetermination requirement from every 6 months to every 12 months.

### FUNDING:

Federal funding is provided by Title IV-E of the Social Security Act for cases meeting eligibility criteria, with the level of FFP based on the FMAP rate. Funding for the nonfederal share of federal program costs and for cases not meeting federal eligibility criteria is 40 percent State General Fund and 60 percent county funds.

### CHANGE FROM THE APPROPRIATION:

The CY estimate is held to the Appropriation.

### REASON FOR YEAR-TO-YEAR CHANGE:

The BY increase is based on projected caseload eligibility costs.

### ADMINISTRATIVE:

(in 000's)	2006-07	2007-08
Total	-\$10,570	-\$10,608
Federal	-5,285	-5,304
State	-3,717	-3,730
County	-1,568	-1,574
Reimbursements	0	0

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## Food Stamp Administrative Reduction

### DESCRIPTION:

This premise reflects the reduction in federal reimbursement of California's food stamp administrative costs based on amounts charged to the former Aid to Families with Dependent Children (AFDC) Program that could have been allocated to the Food Stamp and Medi-Cal programs for common administrative costs. Section 502 of the Agriculture Research, Extension, and Education Reform Act of 1998 [Public Law (P.L.) 105-185] required states to determine such common administrative costs during the State's Temporary Assistance for Needy Families (TANF) Program base year, Federal Fiscal Year (FFY) 1995.

The TANF block grant, which replaced the AFDC Program, is based on the historical spending levels of the former program. The federal Office of Management and Budgets (OMB) cost principles applicable to the states (OMB Circular A-87) required that common costs be allocated to all benefiting programs. Consequently, California had to determine the amount of common costs attributable to eligibility determinations charged to AFDC that could have been allocated to the Food Stamp Program. In order to assist in this process, the federal Department of Health and Human Services (DHHS) issued a guide entitled, "Implementation of Cost Allocation Determinations under the Agriculture Research, Extension and Education Reform Act." This guide provided direction to the states in determining their AFDC total base year administrative expenditures. California reviewed the base year's cost allocation methodology and the administrative costs charged to the AFDC Program. The California Department of Social Services used a primary program cost allocation methodology rather than a benefiting program cost allocation methodology for the county administrative costs during the TANF block grant base year, FFY 1995. As a result, California received federal approval of its proposed reduction amount on January 15, 1999.

The amount attributable to the Food Stamp Program is to be deducted from the food stamp administrative claims. The provisions of P.L. 105-185 stipulate that states may not use TANF funds to pay for this reduction, nor does it provide for a decrease in the maintenance of effort expenditures under TANF.

### IMPLEMENTATION DATE:

This premise implemented on October 1, 1998.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: P.L. 105-185, section 502.
- Based on a review of quarterly federal financial reports submitted to DHHS during FFY 1995, the total federal share of common administrative expenditures was \$280,097,927.
- Non-AFDC Program administrative costs and discrete AFDC costs, as defined in the guide, were identified in quarterly federal financial reports. These costs, as well as other allowable adjustments stipulated in the guide, totaled \$59,412,705 and were deducted from the total federal share of common administrative expenditures.
- California's AFDC total base year administrative expenditure is \$220,685,222.

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## Food Stamp Administrative Reduction

### METHODOLOGY:

- California elected to use the optional formula described in the guide to determine the amount of the food stamp administrative reimbursement reduction. The optional formula is to multiply the AFDC total base year administrative expenditure by 80 percent and divide by three (for the three benefiting programs of AFDC, Food Stamp, and Medi-Cal).
- California's Food Stamp administrative reimbursement reduction is \$58,849,39 (\$220,685,222 x 0.80 ÷ 3).
- The TANF block grant has been reauthorized at the same level, therefore, California will continue to reflect the reduction to the Food Stamp administrative claims.

### FUNDING:

The cost is funded with 100 percent State General Fund.

### CHANGE FROM THE APPROPRIATION:

There is no change.

### REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

### EXPENDITURES:

(in 000's)

	2006-07	2007-08
	County Admin.	County Admin.
Total	\$0	\$0
Federal	-58,849	-58,849
State	58,849	58,849
County	0	0
Reimbursements	0	0

## Food Stamp Employment and Training Program

### DESCRIPTION:

This premise reflects the costs for the Food Stamp Employment and Training (FSET) Program, which provides job search assistance, work experience and supportive services to eligible Non-Assistance Food Stamp Program recipients. This program was established under the Food Security Act of 1985 (Public Law [P.L.] 99-198). Employment and training opportunities enable recipients to become self-sufficient and reduce their need for food stamps. Some participants are geographically excluded due to reasons such as sparse population, great distances and lack of transportation. Individual county plans are developed that specify the job services, training and supportive services available to participants.

The United States Department of Agriculture Food and Nutrition Service (FNS) provides unmatched federal employment and training funding each year. The Food Stamp Reauthorization Act of 2002 (P.L. 107-171), signed into law on May 13, 2002, and effective October 1, 2002, made significant changes to the FSET Program. The changes include freezing the base unmatched federal funds at the Federal Fiscal Year (FFY) 2002 level through FFY 2007, adding certain criteria for a second component of unmatched federal funds each year from FFY 2002 through FFY 2007, eliminating a maintenance of effort requirement retroactive to October 1, 2001, rescinding carry-over of unmatched federal funds from years prior to FFY 2002 (unless states have already obligated the funds prior to the date of enactment), and changing the federal formula for allocating FSET funds to states. In addition, the legislation eliminated a \$175 and \$30 limit for offered and filled slots, a \$25 limit on participant reimbursement for transportation and ancillary costs and an 80/20 spending requirement for Able Bodied Adult Without Dependents in qualifying FSET activities.

### IMPLEMENTATION DATE:

This premise implemented on April 1, 1987.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 18901.
- There are 24 counties participating in the FSET Program, which decreased from 26 in the Appropriation.
- The State Fiscal Year (SFY) 2006-07 cost for this program is based on local assistance costs identified in the approved FSET Program State Plans for FFY 2006 and FFY 2007.
- The SFY 2007-08 costs for this program are based on the local assistance costs identified in the FSET Program State Plans approved for FFY 2007.
- It is assumed that costs in excess of the 100 Percent Federal Grant would be shared 50 percent federal and 50 percent county.

## Food Stamp Employment and Training Program

### METHODOLOGY:

- SFY 2006-07 represents 25 percent of the total amount of the approved FFY 2006 FSET Program State Plan and 75 percent of the total amount of the approved FFY 2007 FSET Program State Plan.
- SFY 2007-08 represents 100 percent of the amount in the approved FFY 2007 FSET Program State Plan.

### FUNDING:

The costs in excess of the 100 percent federal funds are shared 50 percent federal and 50 percent county.<sup>1</sup>

<b><u>2006-07:</u></b> (in 000's)	<b><u>Total</u></b>	<b><u>Federal</u></b>	<b><u>State</u></b>	<b><u>County</u></b>
100 Percent Federal Funds	\$8,052	\$8,052	\$0	\$0
Administration Overmatch <sup>1</sup>	\$45,674	\$22,837	\$0	\$22,837
Participant Reimbursement	<u>\$13,218</u>	<u>\$6,609</u>	<u>\$0</u>	<u>\$6,609</u>
<b>Total</b>	<b>\$66,944</b>	<b>\$37,498</b>	<b>\$0</b>	<b>\$29,446</b>

<b><u>2007-08:</u></b> (in 000's)	<b><u>Total</u></b>	<b><u>Federal</u></b>	<b><u>State</u></b>	<b><u>County</u></b>
100 Percent Federal Funds	\$7,555	\$7,555	\$0	\$0
Administration Overmatch <sup>1</sup>	\$45,768	\$22,884	\$0	\$22,884
Participant Reimbursement	<u>\$13,310</u>	<u>\$6,655</u>	<u>\$0</u>	<u>\$6,655</u>
<b>Total</b>	<b>\$66,633</b>	<b>\$37,094</b>	<b>\$0</b>	<b>\$29,539</b>

<sup>1</sup> Administration Overmatch funds are used once costs exceed the 100 percent federal funds and participant reimbursement funds.

### CHANGE FROM THE APPROPRIATION:

Due to counties misreporting expenditures, the Appropriation reflects a reduction in the Participant Reimbursement funds by FNS. The current year reflects an increase in county expenditures as counties have corrected the data.

### REASON FOR YEAR-TO-YEAR CHANGE:

The costs were updated to reflect federally approved funding levels.

## Food Stamp Employment and Training Program

### EXPENDITURES:

(in 000's)

	2006-07	2007-08
	County Admin.	County Admin.
Total	\$66,944	\$66,633
Federal	37,498	37,094
State	0	0
County	29,446	29,539
Reimbursements	0	0

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## California Nutrition Network

### **DESCRIPTION:**

This premise reflects the amount of federal matching funds that the California Department of Social Services (CDSS) passes through to the Department of Health Services (DHS). The California Nutrition Network is a statewide marketing campaign to promote healthy eating and physical activity among food stamp recipients. The Network is a collaborative effort among DHS, CDSS, California Department of Education, University of California Cooperative Extension, and private agencies. The California Nutrition Network partners with faith communities, local health departments, parks and recreation departments, and school districts. DHS is the lead agency administering the project. CDSS serves as the pass-through agency for the matching federal funds.

### **IMPLEMENTATION DATE:**

This premise implemented on October 1, 1996.

### **KEY DATA/ASSUMPTIONS:**

- The budget CDSS proposed to the Food and Nutrition Service (FNS) for Federal Fiscal Year (FFY) 2007 of \$107,659,611 was used to estimate funding for the current year (CY).
- The budget year (BY) assumes continuation of the CY funding level.

### **METHODOLOGY:**

- The CY estimate is based on the proposed funding for FFY 2007.
- The BY estimate is based on the CY funding level.

### **FUNDING:**

The pass-through consists of 100 percent FNS federal funds.

### **CHANGE FROM THE APPROPRIATION:**

The increase reflects updated contract amounts.

### **REASON FOR YEAR-TO-YEAR CHANGE:**

There is no change.

## California Nutrition Network

### EXPENDITURES:

(in 000's)

	2006-07	2007-08
	County Admin.	County Admin.
Total	\$107,660	\$107,660
Federal	107,660	107,660
State	0	0
County	0	0
Reimbursements	0	0

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## UC Food Stamp Nutrition Education Plan

### DESCRIPTION:

This premise reflects the amount of federal matching funds that the California Department of Social Services (CDSS) passes through to the University of California Cooperative Extension (UCCE). Food stamp applicants and recipients will be provided nutrition education services in 41 counties by local university county extension offices. California's Food Stamp Nutrition Education Plan is a cooperative effort between CDSS and UCCE. CDSS serves as the pass-through agency for the matching federal funds.

### IMPLEMENTATION DATE:

This premise implemented on January 1, 1995.

### KEY DATA/ASSUMPTIONS:

- The budget CDSS proposed to the Food and Nutrition Service (FNS) for Federal Fiscal Year (FFY) 2007 of \$7,608,827 was used to estimate funding for the current year (CY).
- The budget year (BY) assumes continuation of the CY funding level.

### METHODOLOGY:

- The CY estimate is based on the proposed funding for FFY 2007.
- The BY estimate is based on the CY funding level.

### FUNDING:

The pass-through consists of 100 percent FNS federal funds.

### CHANGE FROM THE APPROPRIATION:

The increase reflects updated contract amounts.

### REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

### EXPENDITURES:

(in 000's)

	2006-07	2007-08
	County Admin.	County Admin.
Total	\$7,609	\$7,609
Federal	7,609	7,609
State	0	0
County	0	0
Reimbursements	0	0

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## Simplification Options

### DESCRIPTION:

This premise reflects the impact to Federal Food Stamp Administration and the California Food Assistance Program (CFAP) associated with the implementation of certain optional provisions allowed by the federal government. These options are designed to simplify the Food Stamp Program by easing administrative processes and by aligning certain aspects of the Food Stamp Program with the California Work Opportunity and Responsibility to Kids (CalWORKs) Program such as: 1) allowing the food stamp program to adopt certain income exclusions (Job Training Partnership Act [JTPA], Independent Living Program [ILP], Relocation Assistance Benefit, Victims of Crimes Program) and resource exemptions (restricted accounts, Individual Development Accounts [IDA], and Individual Retirement Accounts [IRA] consistent with the CalWORKs Program, thereby increasing benefits for eligible recipients; 2) allowing for the treatment of child support payments to a non-participating household member to be treated as an income exclusion rather than a deduction for the person paying the child support; and 3) requiring the use of the Standard Utility Allowance (SUA) instead of allowing households the option of choosing the standard or actual costs.

### IMPLEMENTATION DATE:

This premise implemented November 1, 2006.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: The Farm Security and Rural Investment Act of 2002 (Public Law, 107-171), Food Stamp Reauthorization Act of 2002.
- The Public Assistance Food Stamps (PAFS) caseload is based on the November 2006 CalWORKs projected caseload excluding Safety Net cases. The CalWORKs monthly average caseload for the last eight months in Fiscal Year (FY) 2006-07 is 422,364 and for FY 2007-08 is 417,039.
- Based on the CalWORKs Characteristics Survey, 84.80 percent of CalWORKs cases receive Food Stamps.
- The Non-Assistance Food Stamps (NAFS) caseload is based on the November 2006 NAFS projected caseload trend. The NAFS monthly average caseload for the last eight months in FY 2006-07 is 462,690 and for FY 2007-08 is 491,863.
- The CFAP caseload is based on the November 2006 CalWORKs and NAFS projected trend forecasts. The CFAP average monthly caseload for the last eight months in FY 2006-07 is 9,056 and for FY 2007-08 is 9,393.
- CFAP consists of 29.59 percent PAFS and 70.41 percent NAFS cases.
- Based on the DFA 296 - Food Stamp Program Monthly Caseload Movement Statistical Report from FY 2005-06, the denied NAFS/CFAP applicants are equivalent to 4.23 percent of the number of the NAFS/CFAP caseload.
- It is assumed that it will cost \$51.00 per case for an Eligibility Worker (EW) to process new NAFS and CFAP cases.

## Simplification Options

### **KEY DATA/ASSUMPTIONS (continued):**

- It is assumed that it will cost \$33.69 per case for an EW to process NAFS and CFAP continuing cases on a quarterly basis.
- It is assumed that 7.20 percent of the new cumulative caseload would be subject to mid-quarter reporting.
- It is assumed that it will cost \$28.23 for an EW to process a mid-quarter report.
- Based on actual data reported on the DFA 256, Food Stamp Program Participation and Benefit Issuance Report from FY 2005-06, the average CFAP coupon value per case is \$217.03.

### **Income Exclusions**

- The exclusion of certain types of income results in an increase of NAFS/CFAP eligible cases.
- It is assumed that 0.3 percent of the NAFS/CFAP caseload receive earnings from participation in the JTPA, ILP, Relocation Assistance Benefit, payments received under the Victims of Crimes Program, Department of Rehabilitation Training Allowances, scholarship awarded to a dependent child, and contributions from persons or organizations.
- Based on county experience, it currently requires 15 minutes of an EW time semiannually to process these cases. Therefore, excluding these types of income will result in an annual savings of \$29.14 per case.

### **Child Support Disregard**

- The exclusion of the child support disregard results in administrative savings associated with the food stamp benefit determination and increased benefits for those receiving child support disregard.
- The child support disregard applies only to PAFS cases.
- Based on data from the Department of Child Support Services, 9.95 percent of CalWORKs/CFAP cases receive child support disregard.
- Based on county experience, it currently requires 10 minutes of an EW time quarterly to process cases with the child support disregard. Therefore, excluding the child support disregard will result in a quarterly savings of \$9.71 per case.
- The exclusion of the child support disregard as income in benefit determination will result in a benefit increase of \$22.73 per case.

### **Resource Exemptions**

- The exemption of certain types of resources results in an increase of NAFS/CFAP eligible cases.
- Based on CA 255 CW - CalWORKs Report on Reasons for Denials and Other Non-Approvals of Applications from July 2003 through June 2004, 3 percent of CalWORKs denials result from excess resources. Absent similar data for Food Stamp cases, the CalWORKs experience will be assumed to apply to Food Stamps.

## Simplification Options

### **KEY DATA/ASSUMPTIONS (continued):**

- Based on a county survey, 3 percent of NAFS/CFAP cases that are denied due to excess resources have restricted accounts, IDA, and IRA.

### **Child Support**

- The treatment of child support payments to a non-participating household member as an income exclusion results in an increase of NAFS/CFAP eligible cases.
- Based on a county survey, 1 percent of NAFS/CFAP denied applicants pay child support.

### **SUA/Limited Utility Allowance (LUA)**

- The implementation of a mandatory SUA also requires implementation of a LUA. The LUA includes expenses for items such as water, sewer, trash, and telephone.
- The LUA is for households that do not qualify for the SUA.
- The mandatory SUA would decrease benefits for those claiming actual utility expenses.
- Based on the Federal Fiscal Year 2003 Food Stamps Characteristics Survey, approximately 0.02 percent of Food Stamp/CFAP caseload qualify for the SUA, but claim actuals and approximately 1.28 percent of the Food Stamp/CFAP caseload qualify for the LUA.
- Effective August 2006, the SUA is \$271.
- The average monthly actual utility costs claimed for those that qualify for the SUA is \$350.
- The mandatory SUA will result in an average decrease in benefits of \$35.91 per case for cases claiming actual utilities.
- Effective November 2006, the LUA is \$75.
- The average monthly actual utility cost claimed for those that qualify for the LUA is \$68.
- The LUA will result in an average increase in benefits of \$3.18 per case for cases currently claiming actual utilities.
- It is assumed that utility expenses are determined by the EW at intake and during the annual re-certification.
- Intake cases represent 6.0 percent of total Food Stamp households.
- Based on county experience, it currently requires 10 minutes of an EW time to calculate actual utility expenses. Therefore, mandating the SUA/LUA will result in a savings of \$9.71 per impacted case.

## Simplification Options

### METHODOLOGY:

- The new monthly cases that are eligible due to the exclusion of certain types of income are calculated by multiplying the projected NAFS/CFAP average monthly caseload by the percentage of applicants that are denied (4.23 percent) and the percentage of applicants that are denied due to receiving earnings from participation in certain programs (0.3 percent).
- The new cases that are eligible due to the exemption of certain resources are calculated by multiplying the projected NAFS/CFAP average monthly caseload by the percentage of applicants that are denied (4.23 percent) and the percentage of applicants that are denied due to excess resources (3 percent) then by the percentage of cases that are denied due to certain accounts (3 percent).
- The new cases that are eligible due to the exclusion of child support disregards are calculated by multiplying the projected NAFS/CFAP average monthly caseload by the percentage of applicants that are denied (4.23 percent) and by the percentage of applicants that are denied due to child support payments (1 percent).
- The monthly administrative costs associated with processing the new cases due to income exclusions, child support income exclusion and resource exemptions are calculated by multiplying the new monthly cases by \$51.00.
- The monthly administrative costs associated with processing the mid-quarter changes for the new cases due to income exclusions, child support income exclusion and resource exemptions are calculated by multiplying the new cumulative cases by 7.20 percent and by \$28.23.
- The quarterly administrative costs associated with processing the quarterly reports for the new cases due to income exclusions, child support income exclusion and resource exemptions are calculated by multiplying the new cumulative cases by \$33.69 on a quarterly basis.
- The administrative savings associated with the income exclusion is calculated by multiplying the caseload by \$29.14 semiannually.
- The CFAP coupon costs associated with the new cases due to income exclusions, child support income exclusion and resource exemptions are calculated by multiplying the related caseload by the average CFAP coupon cost.
- The existing cases that will be impacted due to excluding the child support disregard are calculated by multiplying the CalWORKs average monthly caseload by 84.8 percent and 9.95 percent.
- The administrative savings associated with the elimination of the child support disregard is calculated by multiplying the PAFS caseload by \$9.71 quarterly.
- The impacted CFAP caseload due to excluding the child support disregard is calculated by multiplying the PAFS CFAP caseload by 9.95 percent.
- The coupon costs associated with the exclusion of the child support disregard as income is calculated by multiplying the impacted CFAP caseload by \$22.73.
- The cases that will be impacted by requiring the use of a SUA are calculated by multiplying the impacted Food Stamp/CFAP caseload by 0.02 percent.

## Simplification Options

### METHODOLOGY (continued):

- The administrative savings associated with requiring the use of a SUA is calculated by multiplying the impacted Food Stamp/CFAP caseload by \$9.71.
- The coupon savings associated with requiring the use of a SUA is calculated by multiplying the impacted CFAP caseload by \$35.91.
- The cases that will be impacted by implementing a LUA are calculated by multiplying the impacted Food Stamp/CFAP caseload by 1.28 percent.
- The administrative savings associated with implementing a LUA is calculated by multiplying the impacted Food Stamp/CFAP caseload by \$9.71.
- The coupon costs associated with requiring the use of a LUA is calculated by multiplying the impacted CFAP caseload by \$3.18.

### FUNDING:

The Food Stamp sharing ratio for the administrative cost/savings is 50 percent federal, 35 percent state, and 15 percent county funds. These county costs are countable towards their Maintenance of Effort (MOE). The CFAP funding is 100 percent State General Fund (GF). The PAFS CFAP costs are eligible to be counted towards the Temporary Assistance for Needy Families (TANF) MOE requirement.

### CHANGE FROM THE APPROPRIATION:

For CFAP, the increase reflects a caseload growth.

For NAFS, the loss of savings is due to a caseload decline.

### REASON FOR YEAR-TO-YEAR CHANGE:

For CFAP, the increase reflects caseload growth and a full year implementation.

For NAFS, the loss of savings is the result of more people becoming eligible for benefits due to certain income and resources exclusions. These recipients will also remain on the program longer. The budget year also reflects a full year implementation.

### EXPENDITURES:

(in 000's)

101 - CFAP	2006-07	2007-08
	Grants	Grants
Total	\$92	\$283
Federal	0	0
State	92	283
County	0	0
Reimbursements	0	0

## Simplification Options

### EXPENDITURES (continued):

<b>141-Food Stamp Administration<sup>1</sup></b>	2006-07	2007-08
	County Admin.	County Admin.
Total	-\$1,022	-\$860
Federal	-511	-430
State	-358	-301
County	-153	-129
Reimbursements	0	0

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<sup>1</sup> These costs include CFAP administrative costs.

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## Refugee Cash Assistance – Administration

### DESCRIPTION:

This premise reflects the costs necessary to perform the administrative functions of the Refugee Cash Assistance (RCA) Program. The RCA Program provides cash grants to refugees during their first eight months in the United States (U.S.) if they are not otherwise eligible for the standard categorical welfare programs. The RCA administrative costs include salaries and benefits of eligibility workers and first line supervisors who determine eligibility and provide ongoing case management for the RCA Program. Also included are allocated overhead and direct costs.

### IMPLEMENTATION DATE:

This premise implemented on March 17, 1980.

### KEY DATA/ASSUMPTIONS:

- Section 1522 of Title 8 of the United States Code (U.S.C.) authorizes the federal government to provide grants to the states to assist refugees who resettle in the U.S.
- Sections 13275 through 13282 of the Welfare and Institutions Code authorize the Department to administer the funds provided under Title 8 of the U.S.C. It also provides the Department authority to allocate the federal funds to the counties.
- Based on data through June 2006, the average administrative monthly cost per RCA case was \$123.64.
- The average monthly caseload is 1,260 for FY 2006-07. The average monthly caseload is projected at 1,267 for FY 2007-08.

### METHODOLOGY:

The average cost per case for RCA administration is multiplied by the estimated caseload for each fiscal year to arrive at the total cost.

### FUNDING:

This program is 100 percent federally funded with the Cash, Medical and Administration Grant through the Office of Refugee Resettlement.

### CHANGE FROM THE APPROPRIATION:

The current year estimate has decreased due to a lower average monthly caseload than previously estimated.

### REASON FOR YEAR-TO-YEAR CHANGE:

Total costs increase due to slight caseload growth.

## Refugee Cash Assistance – Administration

### EXPENDITURES:

(in 000's)

RCA Basic	2006-07	2007-08
	County Admin.	County Admin.
Total	\$2,016	\$2,019
Federal	2,016	2,019
State	0	0
County	0	0
Reimbursements	0	0

## **Be Vu v. Mitchell**

### **DESCRIPTION:**

This premise reflects the local assistance costs associated with complying with the terms of the settlement agreement in the *Be Vu v. Mitchell* court case.

As a result of the settlement of this court case, the Food Stamp Program (FSP) forms and joint FSP/California Work Opportunity to Kids (CalWORKs) forms must be translated into eight additional languages. The settlement agreement specifies that in addition to Chinese, Russian, Spanish and Vietnamese; California Department of Social Services will translate FSP forms and forms jointly used with the CalWORKs program into Arabic, Armenian, Cambodian, Farsi, Hmong, Korean, Lao and Tagalog.

### **IMPLEMENTATION DATE:**

Forms designated as high priority must be translated six months from the date the settlement agreement was signed, December 4, 2006. The remaining forms must be translated within twelve months of that date.

### **KEY DATA/ASSUMPTIONS:**

- Federal Food Stamp Regulations Title 7, Code of Federal Regulations sections 272.4 (b) (2) (i), (ii), and (iii).
- Based on estimates received by the Office of Systems Integration, it is assumed that it will cost \$7.1 million in the budget year (BY) to reprogram existing automation systems to issue the FSP and CalWORKs forms in the additional languages.
- It will require additional staff time to manually complete the translated forms prior to the forms being fully automated on the county systems.

### **METHODOLOGY:**

- The costs associated with the reprogramming of existing automated systems and the manual completion of the translated forms are estimated to be \$10 million in the BY.

### **FUNDING:**

This premise is funded with 50 percent federal Food and Nutrition Services (FNS) funds, 35 percent State General Fund, and 15 percent county.

### **CHANGE FROM THE APPROPRIATION:**

This is a new premise.

## Be Vu v. Mitchell

### REASON FOR YEAR-TO YEAR CHANGE:

Automation costs and manual workaround costs associated with this court case are assumed to begin in BY.

### EXPENDITURES:

(in 000's)	2006-07	2007-08
Total	\$0	\$10,000
Federal	0	5,000
State	0	3,500
County	0	1,500
Reimbursements	0	0

## SAWS Statewide Project Management

### DESCRIPTION:

This premise reflects costs for the Statewide Automated Welfare System (SAWS) Statewide Project Management. This activity is performed by the California Health and Human Services Agency, Office of Systems Integration (OSI) in accordance with Welfare and Institutions Code (W&IC) section 10823(a), which requires the implementation of SAWS. The OSI provides statewide project management for the four SAWS consortia and the Welfare Data Tracking Implementation Project.

The OSI provides state level project management, including securing project approvals and funding, procuring and managing specialized technical consultant services and other contract services, monitoring consortia implementation and operations, reviewing and approving selected consortia deliverables, applying early issue identification and resolution methods, managing risk, managing stakeholder involvement, and approving and tracking expenditures. Consortia are responsible for defining county-level system requirements, and for the competitive procurement of system hardware and software development, implementation support, and maintenance and operations of the consortia systems.

### IMPLEMENTATION DATE:

This premise implemented on July 1, 1995.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&IC section 10823.

### METHODOLOGY:

Costs are based on the December 2001 (Revised May 2002) SAWS Statewide Project Management Implementation Advance Planning Document Update and subsequent baseline adjustments.

### FUNDING:

Statewide Project Management funding comes from various sources. Federal funds include the normal share of Food Stamp, Title IV-E and Refugee Resettlement program funding. The project is eligible for Title XIX federal funding, which is budgeted by the Department of Health Services. The Temporary Assistance for Needy Families (TANF) Program Block Grant is the funding source for TANF eligible costs. The balance of the funding is State General Fund. Based on the cost allocation plan for the project, the federal share of the California Work Opportunity and Responsibility to Kids Program is 100 percent TANF eligible. Project-related TANF funds are identified in total within the "Additional TANF/MOE Expenditures in CDSS" in the TANF section of each Detail Table.

### CHANGE FROM THE APPROPRIATION:

The increase in Fiscal Year (FY) 2006-07 is due to an adjustment in retirement contributions and employee compensation.

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## SAWS Statewide Project Management

### REASON FOR YEAR-TO-YEAR CHANGE:

The decrease in FY 2007-08 is due to the applied Pro Rata adjustments.

### EXPENDITURES:

(in 000's)

	2006-07	2007-08
	County Admin.	County Admin.
Total	\$6,511	\$6,284
Federal	1,904	1,838
State	2,805	2,707
County	0	0
Reimbursements	1,802	1,739

### CDSS/OSI PARTNERSHIP:

(in 000's)

	2006-07	2007-08
Total	\$6,511	\$6,284
CDSS	150	150
OSI	6,361	6,134

## **Welfare Data Tracking Implementation Project (WDTIP)**

### **DESCRIPTION:**

This premise reflects costs for the Statewide Automated Welfare System (SAWS) - Welfare Data Tracking Implementation Project (WDTIP). Project management for WDTIP is provided by the California Health and Human Services Agency, Office of Systems Integration. WDTIP provides counties with the automated functionality required to conform to statewide tracking of time-on-aid requirements mandated by welfare reform in Assembly Bill 1542 (Chapter 270, Statutes of 1997).

### **IMPLEMENTATION DATE:**

This premise implemented on July 1, 1999.

### **KEY DATA/ASSUMPTIONS:**

- Authorizing statute: Welfare and Institutions Code section 11454.5(b)(4).

### **METHODOLOGY:**

Costs are based on the June 2002 (Revised January 2003) SAWS-WDTIP Implementation Advance Planning Document Update and subsequent baseline adjustments.

### **FUNDING:**

SAWS-WDTIP funding is 100 percent California Work Opportunity and Responsibility to Kids (CalWORKs)/Temporary Assistance for Needy Families (TANF). Based on the cost allocation plan for the project, the federal share of the CalWORKs Program is 100 percent TANF eligible. Project-related TANF funds are identified in total within the "Additional TANF/MOE Expenditures in CDSS" section in the TANF section of each Detail Table.

### **CHANGE FROM THE APPROPRIATION:**

The increase in Fiscal Year (FY) 2006-07 is due to an adjustment in retirement contributions and employee compensation.

### **REASON FOR YEAR-TO-YEAR CHANGE:**

The decrease in FY 2007-08 is due to the applied Pro Rata adjustments.

## Welfare Data Tracking Implementation Project (WDTIP)

### EXPENDITURES:

(in 000's)

	2006-07	2007-08
	County Admin.	County Admin.
Total	\$4,000	\$3,932
Federal	4,000	3,932
State	0	0
County	0	0
Reimbursements	0	0

### CDSS/OSI PARTNERSHIP:

(in 000's)

	2006-07	2007-08
Total	\$4,000	\$3,932
CDSS	3,000	3,000
OSI	1,000	932

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## **Interim Statewide Automated Welfare System (ISAWS)**

### **DESCRIPTION:**

This premise reflects the costs for the Interim Statewide Automated Welfare System (ISAWS) Consortium, one of four consortia within the Statewide Automated Welfare System (SAWS) Project. State level project management for ISAWS is provided by the California Health and Human Services Agency, Office of Systems Integration (OSI). In addition, OSI provides computing, application maintenance and operational support services for the ISAWS Consortium. The Consortium is comprised of 35 counties.

### **IMPLEMENTATION DATE:**

This premise implemented on July 1, 1994.

### **KEY DATA/ASSUMPTIONS:**

- Authorizing statute: Welfare and Institutions Code section 10823.
- The ISAWS estimate reflects ongoing maintenance and operations (M&O) costs.

### **METHODOLOGY:**

Costs are based on the May 2005 "As Needed" ISAWS Consortium Implementation Advance Planning Document Update. The ISAWS Post Implementation Evaluation Report (PIER) was approved by the Department of Finance in August 2004.

### **FUNDING:**

ISAWS funding comes from various sources. Federal funds include the normal shares of Food Stamp, Title IV-E and Refugee Resettlement Programs funding. Also, the project is eligible for Title XIX federal funding, which is budgeted by the Department of Health Services. The Temporary Assistance for Needy Families (TANF) program block grant is the funding source for TANF-eligible costs. The balance of the funding is State General Fund and the county share of Food Stamp and Title IV-E costs. Based on the federally-approved cost allocation plan for the project, costs are allocated across benefiting programs. The federal share of the California Work Opportunity and Responsibility to Kids Program is 100 percent TANF-eligible. Project-related TANF funds are identified in total within the "Additional TANF/MOE Expenditures in CDSS" section in the TANF section of each Detail Table.

### **CHANGE FROM THE APPROPRIATION:**

The increase in Fiscal Year (FY) 2006-07 is due to an adjustment in retirement contributions and employee compensation.

### **REASON FOR YEAR-TO-YEAR CHANGE:**

The decrease in FY 2007-08 is due to the applied Pro Rata adjustments.

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## **Interim Statewide Automated Welfare System (ISAWS)**

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**EXPENDITURES:**

(in 000's)

	2006-07	2007-08
	County Admin.	County Admin.
Total	\$37,028	\$36,656
Federal	11,884	11,765
State	14,438	14,293
County	0	0
Reimbursements	10,706	10,598

**CDSS/OSI PARTNERSHIP:**

(in 000's)

	2006-07	2007-08
Total	\$37,028	36,656
CDSS	2,919	2,919
OSI	34,109	33,737

## **Interim Statewide Automated Welfare System (ISAWS) Consortium Migration Project**

### **DESCRIPTION:**

This premise reflects costs for the Interim Statewide Automated Welfare System (ISAWS) Consortium Migration Project. The ISAWS Consortium is one of the four consortia within the Statewide Automated Welfare System (SAWS) Project. The California Health and Human Services Agency Office of Systems Integration provides state level project management for SAWS. The ISAWS Migration project will migrate the 35 ISAWS Consortium counties to the Consortium IV.

### **IMPLEMENTATION DATE:**

This premise implemented on July 1, 2006.

### **KEY DATA/ASSUMPTIONS:**

- Authorizing statute: Welfare and Institutions Code section 10823.
- Planning activities began in July 2006.

### **METHODOLOGY:**

Costs are based on the March 2006 SAWS-ISAWS Consortium Migration Project Planning Advance Planning Document.

### **FUNDING:**

ISAWS Migration funding comes from various sources. Federal funds include the normal shares of Food Stamp and Refugee Resettlement program funding. The project is eligible for Title XIX federal funding, which is budgeted by the Department of Health Services. The Temporary Assistance for Needy Families (TANF) Program Block Grant is the funding source for TANF-eligible costs. The balance of the funding is State General Fund. Based on the cost allocation plan for the project, the federal share of the California Work Opportunity and Responsibility to Kids Program is 100 percent TANF-eligible. Project-related TANF funds are identified in total within the "Additional TANF/MOE Expenditures in CDSS" section in the TANF section of each Detail Table.

### **CHANGE FROM THE APPROPRIATION:**

The allocation of costs to benefiting programs was updated for Fiscal Year (FY) 2006-07.

### **REASON FOR YEAR-TO-YEAR CHANGE:**

The FY 2007-08 decrease is due to having only ten months of planning activities.

## Interim Statewide Automated Welfare System (ISAWS) Consortium Migration Project

### EXPENDITURES:

(in 000's)

	2006-07	2007-08
	County Admin.	County Admin.
Total	\$2,833	\$2,329
Federal	896	737
State	1,255	1,032
County	0	0
Reimbursements	682	560

### CDSS/OSI PARTNERSHIP:

(in 000's)

	2006-07	2007-08
Total	\$2,833	\$2,329
CDSS	2,531	2,077
OSI	302	252

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## Los Angeles Eligibility, Automated Determination, Evaluation and Reporting (LEADER)

### DESCRIPTION:

This premise reflects the costs for the Los Angeles Eligibility, Automated Determination, Evaluation and Reporting (LEADER) Consortium, one of four consortia within the Statewide Automated Welfare System (SAWS) Project. The California Health and Human Services Agency Office of Systems Integration provides state level project management for SAWS. The LEADER Consortium includes only Los Angeles County.

### IMPLEMENTATION DATE:

This premise implemented on July 1, 1994.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 10823.
- The LEADER estimate reflects ongoing maintenance and operations (M&O) costs.
- The county will extend its M&O contract beginning in May 2007 to continue M&O services until the replacement system is implemented.
- The project was closed out in November 2006; however, M&O continues.

### METHODOLOGY:

Costs are based on the June 2005 SAWS LEADER Implementation Advance Planning Document Update and subsequent adjustments to reflect the planned extension of the M&O contract.

### FUNDING:

LEADER funding comes from various sources. Federal funds include the normal shares of Food Stamp and Refugee Resettlement program funding. Also, the project is eligible for Title XIX federal funding, which is included in the Department of Health Services budget. The Temporary Assistance for Needy Families (TANF) Program Block Grant is the funding source for TANF-eligible costs. The balance of the funding is State General Fund and the county share of Food Stamp and General Relief costs. Based on the cost allocation plan for the project, the federal share of the California Work Opportunity and Responsibility to Kids Program is 100 percent TANF eligible. Project-related TANF funds are identified in total within the "Additional TANF/MOE Expenditures in CDSS" section in the TANF section of each Detail Table.

### CHANGE FROM THE APPROPRIATION:

The decrease in Fiscal Year (FY) 2006-07 is due to a reduction in negotiated rates for the contract extension.

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## Los Angeles Eligibility, Automated Determination, Evaluation and Reporting (LEADER)

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**REASON FOR YEAR-TO-YEAR CHANGE:**

The FY 2007-08 increase reflects the estimated cost of the contract amendment.

**EXPENDITURES:**

(in 000's)

	2006-07	2007-08
	County Admin.	County Admin.
Total	\$8,902	\$12,585
Federal	5,516	7,798
State	2,017	2,852
County	1,369	1,935
Reimbursements	0	0

**CDSS/OSI PARTNERSHIP:**

(in 000's)

	2006-07	2007-08
Total	\$8,902	\$12,585
CDSS	8,902	12,585
OSI	0	0

# Los Angeles Eligibility, Automated Determination, Evaluation and Reporting (LEADER) Replacement System

## DESCRIPTION:

This premise reflects the costs for the Los Angeles Eligibility, Automated Determination, Evaluation and Reporting (LEADER) Consortium Replacement System project. The LEADER Consortium is one of four consortia within the Statewide Automated Welfare System (SAWS) Project and is comprised of only Los Angeles County. The California Health and Human Services Agency Office of Systems Integration provides state level project management for SAWS. The LEADER Replacement System project currently includes planning and procurement activities for a system to replace LEADER.

## IMPLEMENTATION DATE:

This implemented as a separate premise on July 1, 2006.

## KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 10823.
- This item was previously included in the LEADER premise.
- Planning activities for the Replacement System project began in July 2005.
- The contract award for the replacement system is scheduled for June 2008.

## METHODOLOGY:

Costs are based on the June 2006 (Revised November 2006) SAWS LEADER Replacement System Planning Advance Planning Document Update.

## FUNDING:

LEADER funding comes from various sources. Federal funds include the normal shares of Food Stamp and Refugee Resettlement program funding. Also, the project is eligible for Title XIX federal funding, which is included in the Department of Health Services budget. The Temporary Assistance for Needy Families (TANF) Program Block Grant is the funding source for TANF-eligible costs. The balance of the funding is State General Fund and the county share of Food Stamp and General Relief costs. Based on the cost allocation plan for the project, the federal share of the California Work Opportunity and Responsibility to Kids Program is 100 percent TANF eligible. Project-related TANF funds are identified in total within the "Additional TANF/MOE Expenditures in CDSS" section in the TANF section of each Detail Table.

## CHANGE FROM THE APPROPRIATION:

The decrease in Fiscal Year (FY) 2006-07 is due to a delay in the planning phase and lower than estimated consultant costs.

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## Los Angeles Eligibility, Automated Determination, Evaluation and Reporting (LEADER) Replacement System

### REASON FOR YEAR-TO-YEAR CHANGE:

The increase in FY 2007-08 reflects a one-year extension of costs for the planning phase.

### EXPENDITURES:

(in 000's)

	2006-07	2007-08
	County Admin.	County Admin.
Total	\$1,574	\$2,030
Federal	399	515
State	611	788
County	99	127
Reimbursements	465	600

### CDSS/OSI PARTNERSHIP:

(in 000's)

	2006-07	2007-08
Total	\$1,574	\$2,030
CDSS	1,574	2,030
OSI	0	0

## **Welfare Client Data System (WCDS) – CalWORKS Information Network (CalWIN)**

### **DESCRIPTION:**

This premise reflects costs for the Welfare Client Data System (WCDS) Consortium, one of the four consortia within the Statewide Automated Welfare System (SAWS) Project. The California Health and Human Services Agency, Office of Systems Integration provides state level project management for SAWS. The WCDS Consortium CalWIN Project is managed by 18 counties.

### **IMPLEMENTATION DATE:**

This premise implemented on July 1, 1997.

### **KEY DATA/ASSUMPTIONS:**

- Authorizing statute: Welfare and Institutions Code section 10823.
- Implementation activities began in February 2000 and were completed in July 2006.

### **METHODOLOGY:**

Costs are based on the June 2005 SAWS-WCDS Consortium Implementation Advance Planning Document Update.

### **FUNDING:**

WCDS funding comes from various sources. Federal funds include the normal shares of Food Stamp and Refugee Resettlement program funding. Also, the project is eligible for Title XIX federal funding, which is budgeted by the Department of Health Services. The Temporary Assistance for Needy Families (TANF) Program Block Grant is the funding source for TANF-eligible costs. The balance of the funding is State General Fund and the county share of Food Stamp, Foster Care and General Assistance/General Relief costs. Based on the cost allocation plan for the project, the federal share of the California Work Opportunity and Responsibility to Kids Program is 100 percent TANF-eligible. Project-related TANF funds are identified in total within the "Additional TANF/MOE Expenditures in CDSS" section in the TANF section of each Detail Table.

### **CHANGE FROM THE APPROPRIATION:**

The decrease in Fiscal Year (FY) 2006-07 reflects an updated estimate for print costs. The savings are partially offset by the costs for client correspondence servers.

### **REASON FOR YEAR-TO-YEAR CHANGE:**

The change in FY 2007-08 does not reflect the updated print costs.

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## Welfare Client Data System (WCDS) – CalWORKS Information Network (CalWIN)

### EXPENDITURES:

(in 000's)

	2006-07	2007-08
	County Admin.	County Admin.
Total	\$112,845	\$117,489
Federal	38,356	39,712
State	42,342	44,332
County	5,104	5,152
Reimbursements	27,043	28,293

### CDSS/OSI PARTNERSHIP:

(in 000's)

	2006-07	2007-08
Total	\$112,845	\$117,489
CDSS	112,845	117,489
OSI	0	0

## Consortium IV (C-IV)

### **DESCRIPTION:**

This premise reflects the costs for Consortium IV (C-IV), one of the four consortia within the Statewide Automated Welfare System (SAWS) Project. The California Health and Human Services Agency Office of Systems Integration (OSI) provides state level project management for SAWS. Consortium IV is comprised of four counties.

### **IMPLEMENTATION DATE:**

This premise implemented on July 1, 1997.

### **KEY DATA/ASSUMPTIONS:**

- Authorizing statute: Welfare and Institutions Code section 10823.
- The C-IV estimate reflects ongoing maintenance and operations (M&O) costs.

### **METHODOLOGY:**

Costs are based on the June 2006 SAWS-C-IV Implementation Advance Planning Document Update.

### **FUNDING:**

C-IV funding comes from various sources. Federal funds include the normal shares of Food Stamp and Refugee Resettlement program funding. The project is eligible for Title XIX federal funding, which is budgeted by the Department of Health Services. The Temporary Assistance for Needy Families (TANF) Program Block Grant is the funding source for TANF-eligible costs. The balance of the funding is State General Fund and the county share of Food Stamp and Foster Care costs. Based on the cost allocation plan for the project, the federal share of the California Work Opportunity and Responsibility to Kids Program is 100 percent TANF-eligible. Project-related TANF funds are identified in total within the "Additional TANF/MOE Expenditures in CDSS" section in the TANF section of each Detail Table.

### **CHANGE FROM THE APPROPRIATION:**

The decrease in Fiscal Year (FY) 2006-07 is due to the removal of Joint Powers Authority costs.

### **REASON FOR YEAR-TO-YEAR CHANGE:**

The increase in FY 2007-08 is attributable to various adjustments in ongoing M&O.

## Consortium IV (C-IV)

### EXPENDITURES:

(in 000's)

	2006-07	2007-08
Total	\$48,623	\$48,683
Federal	17,587	17,396
State	17,420	17,519
County	2,116	2,159
Reimbursements	11,500	11,609

### CDSS/OSI PARTNERSHIP:

(in 000's)

	2006-07	2007-08
Total	\$48,623	\$48,683
CDSS	48,623	48,683
OSI	0	0

## **Statewide Automated Welfare System (SAWS) and California Child Support Automated System (CCSAS) Interface**

### **DESCRIPTION:**

This premise reflects costs for testing activities associated with an interface between the Statewide Automated Welfare System (SAWS) consortium systems and the California Child Support Automated System (CCSAS). The testing activities are necessary to ensure the successful exchange of data between the SAWS systems and the CCSAS when CCSAS is implemented statewide. The implementation schedule for CCSAS requires that testing occur during Fiscal Year (FY) 2006-07 and FY 2007-08.

### **IMPLEMENTATION DATE:**

This premise implemented on July 1, 2006.

### **KEY DATA/ASSUMPTIONS:**

- Authorizing statute: Welfare and Institutions Code section 10823.

### **METHODOLOGY:**

Costs are based on workload estimates for the SAWS consortia testing activities.

### **FUNDING:**

Federal funds include the normal share of Title IV-E program funding. The project is eligible for Title XIX federal funding, which is budgeted by the Department of Health Services. The Temporary Assistance for Needy Families (TANF) Program Block Grant is the funding source for TANF eligible costs. The balance of the funding is State General Fund and county funds. Based on the cost allocation plan, the federal share of the California Work Opportunity and Responsibility to Kids Program is 100 percent TANF eligible. Project-related TANF funds are identified in total within the "Additional TANF/MOE Expenditures in CDSS" in the TANF section of each Detail Table.

### **CHANGE FROM THE APPROPRIATION:**

The allocation of costs to benefiting programs was updated for FY 2006-07.

### **REASON FOR YEAR-TO-YEAR CHANGE:**

The increase in FY 2007-08 reflects the costs to complete testing activities.

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## Statewide Automated Welfare System (SAWS) and California Child Support Automated System (CCSAS) Interface

### EXPENDITURES:

(in 000's)

	2006-07	2007-08
Total	\$1,459	\$1,604
Federal	323	378
State	574	622
County	4	3
Reimbursements	558	601

### CDSS/OSI PARTNERSHIP:

(in 000's)

	2006-07	2007-08
Total	\$1,459	\$1,604
CDSS	1,459	1,604
OSI	0	0

## Statewide Fingerprint Imaging System (SFIS) Project

### DESCRIPTION:

This premise reflects the cost for the Statewide Fingerprint Imaging System (SFIS). Senate Bill 1780 (Chapter 206, Statutes of 1996) required applicants for, and recipients of California Work Opportunity and Responsibility to Kids (CalWORKs), Non-Assistance Food Stamp (NAFS), and California Food Assistance Program benefits to be fingerprint imaged as a condition of eligibility.

The following persons must provide fingerprint images and a photo image: (1) each parent and/or caretaker relative of an aided or applicant child when living in the home of the child; (2) each parent and/or caretaker relative receiving or applying for aid on the basis of an unaided excluded child; (3) each aided or applicant adult; and, (4) the aided or applicant pregnant woman in an assistance unit (AU) consisting of the woman only. Failure to provide the required images will result in ineligibility for the entire AU.

### IMPLEMENTATION DATE:

The first phase of counties began implementation on March 14, 2000. The statewide implementation of the SFIS was completed on December 7, 2001.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 10830.
- The Health and Human Services Agency, Office of Systems Integration cost estimates reflected in this premise are based on the negotiated contract with the SFIS development contractor that was a result of the second procurement effort (RFP HWDC-8001). Cost estimates are based on the following:
  - Maintenance and operations (M&O) vendor – The M&O vendor contract estimate is based on a structured monthly lease and maintenance cost for state and county-operated workstations and a “per transaction” cost. The “per transaction” cost includes: vendor project staff; help desk when the system is operational; fingerprint examiners; system operators; lease/maintenance costs for host computer(s) (i.e., central site); and software development and maintenance.
  - Quality Assurance vendor – Quality Assurance staff will be utilized to assure the state that the maintenance and operations vendor is providing the promised product at the lowest cost, and to reduce any risk factors during the maintenance and operations phase of the project.
  - Change control – Change control is necessary since there are always items not addressed in the RFP, which require changes in the program(s). These can be legislative, interface, capacity or workload changes that affect the new system.

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## Statewide Fingerprint Imaging System (SFIS) Project

### METHODOLOGY:

The current cost estimates are based on the negotiated contract with the current SFIS vendor and the September 1999 contract start date as reported in the June 2003 Post Implementation Evaluation Report.

### FUNDING:

The M & O automation project costs are funded with State General Fund for the CalWORKs and Food Stamps programs and county share of General Assistance/General Relief costs. Project-related Temporary Assistance for Needy Families (TANF) funds are identified in total within the "Additional TANF/MOE Expenditures in CDSS" section in the TANF section of each Detail Table.

### CHANGE FROM THE APPROPRIATION:

The increase in Fiscal Year (FY) 2006-07 is due to an adjustment in retirement contributions and employee compensation.

### REASON FOR YEAR-TO-YEAR CHANGE:

The decrease in FY 2007-08 is due to the applied Pro Rata adjustments.

### EXPENDITURES:

(in 000's)

	2006-07	2007-08
	County Admin.	County Admin.
Total	\$8,020	\$7,968
Federal	0	0
State	7,770	7,718
County	250	250
Reimbursements	0	0

### CDSS/OSI PARTNERSHIP:

(in 000's)

	2006-07	2007-08
Total	\$8,020	\$7,968
CDSS	3,805	3,805
OSI	4,215	4,163

## **Electronic Benefit Transfer (EBT) Project Maintenance and Operations (M&O)**

### **DESCRIPTION:**

This premise reflects the costs associated with ongoing M&O for the EBT Project. The EBT system is the automated delivery, redemption, and reconciliation of the Food Stamp Program (FSP) and cash program benefits. It provides program recipients electronic access to food stamp and cash benefits through the use of EBT cards at point-of-sale devices and automated teller machines. The EBT system replaced the paper-based food coupon and, when selected by the counties, cash benefit issuance methods employed in the state for the distribution of the California Department of Social Services (CDSS) program benefits.

### **IMPLEMENTATION DATE:**

This premise implemented in Fiscal Year (FY) 1997-98.

### **KEY DATA/ASSUMPTIONS:**

Authorizing statute: Welfare & Institutions Code section 10069.

### **METHODOLOGY:**

Implementation costs, the county rollout schedule, and ongoing operations costs are detailed in the April 2001 Implementation Advance Planning Document, the July 2002 Implementation Advance Planning Document Update (IAPDU), the July 2003 IAPDU, and the November 2004 IAPDU.

### **FUNDING:**

EBT funding comes from the FSP and Temporary Assistance for Needy Families (TANF) Program. Federal funds and State General Fund are provided for the FSP. The TANF Program Block Grant is the funding source for TANF-eligible costs. Based on the cost allocation plan for the project, the federal share of the California Work Opportunity and Responsibility to Kids Program is 100 percent TANF-eligible. Project-related TANF funds are identified in total within the "Additional TANF/MOE Expenditures in CDSS" section in the TANF section of each Detail Table.

### **CHANGE FROM THE APPROPRIATION:**

The change in FY 2006-07 costs is due to a reduction in the EBT Prime Contractor, telecommunication and pay phone costs and the elimination of Independent Verification and Validation (IV&V) services. The reduction has been adjusted to reflect changes in retirement contributions and employee compensation.

### **REASON FOR YEAR-TO-YEAR CHANGE:**

The decrease in FY 2007-08 reflects a reduction in the EBT Prime Contractor's costs, the elimination of IV&V services and a reduction of applied Pro Rata adjustments.

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## Electronic Benefit Transfer (EBT) Project Maintenance and Operations (M&O)

### EXPENDITURES:

(in 000's)	2006-07	2007-08
	County Admin.	County Admin.
Total	\$41,941	\$37,064
Federal	28,360	25,110
State	8,386	7,305
County	5,195	4,649
Reimbursements	0	0

### CDSS/OSI PARTNERSHIP:

(in 000's)	2006-07	2007-08
Total	\$41,941	\$37,064
CDSS	0	0
OSI	41,941	37,064

## **Electronic Benefit Transfer (EBT) Project Reprocurement**

### **DESCRIPTION:**

The EBT system is the automated delivery, redemption, and reconciliation of the Food Stamp Program (FSP) and cash program benefits. It provides program recipients electronic access to food stamp and cash benefits through the use of EBT cards at point-of-sale devices and automated teller machines. The EBT system replaced the paper-based food coupons and, when selected by the counties, cash benefit issuance methods employed in the state for the distribution of the California Department of Social Services (CDSS) program benefits.

The existing contract for EBT services was originally scheduled to expire on August 8, 2008, with a cost not to exceed \$278,700,000. There were two one-year extensions available at the state's option. The state recently exercised the optional years with a negotiated price reduction for California EBT services. The contract now expires on August 8, 2010.

A high priority for this reprocurement is a cost-effective solution for California that will not impact the clients. Due to its decentralized county-based welfare infrastructure, California's needs are significantly greater than other states'. However, in today's economy a price reduction per household per month is an achievable goal.

### **IMPLEMENTATION DATE:**

This premise implemented in Fiscal Year (FY) 2005-06.

### **KEY DATA/ASSUMPTIONS:**

- Authorizing statute: Welfare & Institutions Code section 10069.
- Reprocurement activities will take at least three years to complete.

### **METHODOLOGY:**

The EBT Reprocurement Project's planning-phase costs are detailed in the EBT May 2005 Reprocurement Planning Advance Planning Document.

### **FUNDING:**

EBT funding comes from the FSP and Temporary Assistance for Needy Families (TANF) Program. Federal funds and State General Fund are provided for the FSP. The TANF Program Block Grant is the funding source for TANF-eligible costs. Based on the cost allocation plan for the project, the federal share of the California Work Opportunity and Responsibility to Kids Program is 100 percent TANF-eligible. Project-related TANF funds are identified in total within the "Additional TANF/MOE Expenditures in CDSS" section in the TANF section of each Detail Table.

### **CHANGE FROM THE APPROPRIATION:**

The allocation of costs to benefiting programs was updated for FY 2006-07.

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## Electronic Benefit Transfer (EBT) Project Reprocurement

### REASON FOR YEAR-TO-YEAR CHANGE:

The allocation of costs to benefiting programs was updated for FY 2007-08.

### EXPENDITURES:

(in 000's)	2006-07	2007-08
	County Admin.	County Admin.
Total	\$863	\$863
Federal	583	585
State	280	278
County	0	0

### CDSS/OSI PARTNERSHIP:

(in 000's)	2006-07	2007-08
Total	\$863	\$863
CDSS	140	140
OSI	723	723

## TANF Reauthorization

### DESCRIPTION:

This premise reflects the automation reprogramming costs associated with program changes made in response to the federal Deficit Reduction Act (DRA) of 2005, which reauthorized the Temporary Assistance to Needy Families (TANF) program. In addition to TANF Reauthorization, the DRA implements a new requirement for documentation of citizenship/national status and identity for Medi-Cal eligibility. Counties must ensure that the Medi-Cal record includes satisfactory evidence of United States (U.S.) citizenship or U.S. national status and identity for all Medi-Cal applicants and beneficiaries who have declared that they are U.S. citizens or nationals.

Prior to the enactment of the DRA, documentary evidence to establish U.S. citizenship or U.S. national status was not required for Medi-Cal eligibility unless an applicant declared a birthplace outside the U.S., or if evidence suggested an applicant falsely claimed to be a U.S. citizen or national. Automation reprogramming is required to support the enhanced documentation requirements for the Medi-Cal program.

### IMPLEMENTATION DATE:

Funding for automation reprogramming is included in Fiscal Year 2007-08.

### KEY DATA/ASSUMPTIONS:

- The federal DRA of 2005 established enhanced citizenship verification requirements for current and new Medi-Cal applicants.
- Based on information received from the Office of Systems Integration it is assumed that it will cost \$3.0 million to implement the automation changes associated with the new citizenship documentation requirements for Medi-Cal pursuant to the federal DRA of 2005.
- An additional \$2.5 million is included in the budget year (BY) to reprogram existing systems to implement the proposed CalWORKs program changes.

### METHODOLOGY:

- The costs associated with the reprogramming of existing automated systems to support the proposed CalWORKs program changes and the citizenship documentation changes are estimated to be \$5.5 million in the BY.

### FUNDING:

This premise is funded with 100 percent federal TANF funds.

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## TANF Reauthorization

### CHANGE FROM THE APPROPRIATION:

This is a new premise.

### REASON FOR YEAR-TO-YEAR CHANGE:

There are no costs in the current year. Any programming changes associated with the proposed CalWORKs program changes or citizenship documentation changes will not be implemented until the BY.

### EXPENDITURES:

in 000's)	2006-07	2007-08
Total	\$0	\$5,500
Federal	0	5,500
State	0	0
County	0	0
Reimbursements	0	0

## Child Welfare Services – Basic Costs

### **DESCRIPTION:**

This premise reflects the costs incurred by County Welfare Departments (CWDs) in the administration of each component of the Child Welfare Services (CWS) Program as established through the Welfare and Institutions Code (W&IC) section 16500. W&IC section 11461(e)(4)(B) provides additional funding to counties as incentives and assistance specifically for the Aid to Families with Dependent Children/Foster Care Specialized Care Program. These funds will be used to cover the purchase of nonrecurring items on an as needed basis, the purchase of services not available through other fund sources, and the development of a respite care program or purchase of respite care services.

In recognition of the funding and staffing need identified by the workload study authorized by Senate Bill (SB) 2030 (Chapter 785, Statutes of 1998), the estimate reflects funding to allow counties to maintain the level of social workers funded in the prior year.

### **Emergency Response (ER) Component**

ER services consist of a response system providing in-person response, when required, to reports of child abuse, neglect, or exploitation for the purpose of investigation and to determine the necessity for providing initial intake services and crisis intervention to maintain the child safely in his or her own home or to protect the safety of the child.

### **Emergency Response Assessment (ERA) Component**

ERA is the initial intake service provided in response to reported allegations of child abuse, neglect or exploitation that is determined, based upon an evaluation of risk, to be inappropriate for an in-person investigation.

### **Family Maintenance (FM) Component**

FM is designed to provide time-limited protective services to prevent or remedy neglect, abuse or exploitation for the purpose of preventing separation of children from their families. CWDs are responsible for determining the specific service needs of the child and family aimed at sustaining the child in the home.

### **Family Reunification (FR) Component**

FR is designed to provide time-limited services while the child is in temporary foster care to prevent or remedy neglect, abuse or exploitation when the child cannot safely remain at home. CWDs are responsible for determining the specific service needs of the child and/or family aimed at reunifying the child with the family.

### **Permanent Placement (PP) Component**

PP is designed to provide an alternative permanent family structure for children who because of abuse, neglect or exploitation cannot safely remain at home and who are unlikely to ever return home. The CWDs are responsible for determining the appropriate permanent goal for the child and facilitating the implementation of that goal. These goals are defined as guardianship, adoption or long-term placement.

## Child Welfare Services – Basic Costs

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&IC sections 16500 and 11461(e)(4)(B).
- The workload standard was adopted by the California Department of Social Services in conjunction with the County Welfare Directors' Association in 1984. These standards are 15.8 for ER, 35.0 for FM, 27.0 for FR, 54.0 for PP and 320.0 for ER assessments.
- The statewide annual cost of a social worker (SW) (\$129,074) was based on the estimated cost of providing services, to include total staff costs, support costs, and electronic data processing costs, provided in the Fiscal Year (FY) 2001-02 proposed county administrative budgets.
- All counties are reporting caseload data on the CWS/Case Management System (CMS). Caseload projections were developed for each individual county using data through April 2006.
- Additional funds are provided in recognition of the funding and staffing need identified by the workload study authorized by SB 2030. Costs are calculated in order to continue each county's SW full-time equivalent (FTE) level funded in the prior year.

### METHODOLOGY:

#### FY 2006-07

- The Current Year (CY) ER, ERA, FM, FR and PP estimate is being held to the Budget Act of 2006 Appropriation level.
- CY estimate includes \$3,051,021 for a Title XX grant from the federal Department of Health and Human Services to assist with meeting the life-sustaining needs for families relocated to California as a result of Hurricanes Katrina, Rita and Wilma. The grant will fund mental health and social services.

#### FY 2007-08

- The estimate is derived by applying the workload standards to the individual county caseload projections and expanding for a 7:1 supervisory ratio. Additional FTEs are included in order to continue each county's prior year FTE level.
  - The annual cost of a SW in each county is applied to the total number of FTEs in each county to derive staff costs for each line.
  - Direct costs are projected from FY 2005-06 actual expenditures and statewide average caseload growth from FY 2005-06 to FY 2007-08. Total direct costs, excluding county-operated emergency shelter care (ESC), are \$92.8 million for the 58 counties. The projected county-operated ESC costs are \$43.7 million for those counties with county-operated emergency shelters based on actual expenditures from FY 2005-06.
  - Once the total CWS basic costs are derived, costs for the Emergency Assistance (EA) Program are subtracted and are displayed separately under the "EA Program" premise. The EA Program costs are determined based on the FY 2006-07 funding level and any caseload growth.
-

## Child Welfare Services – Basic Costs

### **METHODOLOGY (continued):**

- In order to reflect an appropriate level of federal spending authority, additional Titles IV-E and XIX funds are added to the estimate.
- An additional \$4.1 million State General Fund (GF) is being shifted to this premise from the CWS/CMS System Support Staff to comply with federal Statewide Automated Child Welfare Information System (SACWIS) requirements and are matched with federal Title IV-E funds.

### **FUNDING:**

#### **FY 2007-08**

The federal share of costs is a combination of Titles IV-B, IV-E, XIX and XX funds. The Title IV-B funds are limited by the capped federal allocation.

The estimated Title IV-B funds available in local assistance are \$30.5 million. These funds have a 75-percent federal match rate.

The Title IV-E amount reflects the actual experience from FY 2005-06 that 39.8 percent of the expenditures will be eligible for Title IV-E funding. In order to reflect an appropriate level of federal spending authority based on actual expenditures, additional Title IV-E funds are budgeted in the amount of \$103.1 million.

Hold harmless is funded with Title IV-E and is used to prevent the loss of funding for counties who experience caseload declines. The hold harmless funds are estimated to be \$297.4 million (\$122.4 million GF).

The Title XIX amount for FY 2007-08 is calculated using individual county usage rates based on FY 2005-06 expenditure data which reflect that 5.0 percent of the expenditures will be eligible for Title XIX funding. These costs are reflected as a reimbursement. In order to reflect an appropriate level of federal spending authority based on actual expenditures, additional Title XIX funds are budgeted in the amount of \$13.4 million.

Nonfederal costs are shared at 70 percent GF and 30 percent county.

After the GF amount is calculated, federal Title XX funds transferred from the TANF block grant are used in lieu of GF. The amount of Title XX-eligible costs is calculated based on the nonmatching GF portion of FR and PP expenditures. For FY 2007-08, the Title XX-eligible amount is \$51.2 million.

### **CHANGE FROM THE APPROPRIATION:**

The CY increase is due to an additional \$3.1 million Title XX grant to provide for mental health and social services to victims of Hurricanes Katrina, Rita and Wilma.

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## Child Welfare Services – Basic Costs

### REASON FOR YEAR-TO-YEAR CHANGE:

Direct costs, county-operated ESC costs have increased based on actual expenditures. The Title XX-eligible costs have increased resulting in a decrease in GF. The amount of the additional federal spending authority has increased.

### CASELOAD:

(Average Monthly)

	2006-07	2007-08
Emergency Response	41,397	38,772
Emergency Response Assessment	16,656	15,078
Family Maintenance	25,404	26,399
Family Reunification	23,823	25,221
Permanent Placement	52,247	49,446

### EXPENDITURES:

(in 000's)

	2006-07	2007-08
<b>Total Basic</b>	<b>County Admin.</b>	<b>County Admin.</b>
Total	\$994,336	\$1,040,020
Federal	462,304	499,668
State	348,981	351,873
County	130,599	128,662
Reimbursements	52,452	59,817

## Child Welfare Services – Basic Costs

**Weighted Costs by Component:**

	2006-07		2007-08	
	<u>TOTAL FUNDS</u>	<u>GENERAL FUND</u>	<u>TOTAL FUNDS</u>	<u>GENERAL FUND</u>
Emergency Response	\$475,261	\$192,005	\$499,920	\$193,744
Emergency Response Assessment	10,221	4,025	9,599	3,720
Family Maintenance	142,536	56,134	153,659	59,551
Family Reunification	173,268	46,179	190,300	47,902
Permanent Placement	<u>189,999</u>	<u>50,638</u>	<u>186,542</u>	<u>46,956</u>
	\$991,285	\$348,981	\$1,040,020	\$351,873

**Reconciliation of Federal Funds:**

	2006-07	2007-08
Title IV-B	\$30,476	\$30,476
Title IV-E	382,531	418,005
Title XIX	52,452	59,817
Title XX	<u>49,297</u>	<u>51,187</u>
Total Federal Funding	\$514,756	\$559,485

**Specialized Care:**

	2006-07	2007-08
Total	\$4,918	\$4,739
Federal	0	0
State	4,918	4,739
County	0	0

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## Federal Budget Bill – Loss of Federal Financial Participation (FFP)

### DESCRIPTION:

This premise reflects the cost to backfill the loss of federal Title IV-E funds for children placed in hospitals or mental health institutions for longer than 30 days. The Federal Reconciliation Bill (FRB), signed February 8, 2006 (but effective October 1, 2005), limits the claiming of Title IV-E administrative costs when a child is placed in an ineligible facility to the 30 days prior to the child being moved to a Title IV-E eligible facility or home. Prior to the FRB, there was no limit on administrative claiming if the county was providing pre-placement preventive services or preparing for the child to enter foster care.

### IMPLEMENTATION DATE:

The FRB effective date is October 1, 2005.

### KEY DATA/ASSUMPTIONS:

- FRB S. 1932, signed February 8, 2006.
- There are approximately 280 cases placed in non-foster care facilities over 30 days statewide.
- The children placed in ineligible foster care facilities represent 0.12 percent of the total foster care caseload.
- Current year costs are based on the October 1, 2005 implementation date. Budget year costs are based on a full year of cost.

### METHODOLOGY:

The total Child Welfare Services Basic social worker salary and benefit expenditures were multiplied by the percent of cases that are placed in ineligible facilities.

### FUNDING:

These costs are ineligible for Title IV-E and will be funded with state General Fund and county funds at the 70 percent state, 30 percent county shares.

### CHANGE FROM THE APPROPRIATION:

There is no change.

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## Federal Budget Bill – Loss of Federal Financial Participation (FFP)

### REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

### EXPENDITURES:

(in 000's)

#### Augmentation Funds:

	2006-07	2007-08
	County Admin.	County Admin.
Total	\$0	\$0
Federal	-279	-279
State	195	195
County	84	84
Reimbursements	0	0

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## Alternative Funding for CWS

### DESCRIPTION:

This premise reflects additional costs resulting from the proposed new funding methodology to be submitted to the Legislature by February 1, 2007. Assembly Bill 1808 (Chapter 75, Statutes of 2006) instructed the California Department of Social Services to work with the County Welfare Directors Association, legislative staff, and members of organizations that represent social workers, to develop a methodology for budgeting the child welfare services program to meet the program requirements and outcomes identified in Welfare and Institutions Code Section 10601.2. It is the intent of the Legislature that this methodology be implemented in the Budget Act of 2007.

### IMPLEMENTATION DATE:

This premise will implement on July 1, 2007.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: The Budget Act of 2007.
- Funds will be reflected in the May 2007 Revision to the Governor's Budget.

### METHODOLOGY:

There is no estimate.

### FUNDING:

There is no estimate.

### CHANGE FROM THE APPROPRIATION:

This is a new premise.

### REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

### EXPENDITURES:

(in 000's)

	2006-07	2007-08
	County Admin.	County Admin.
Total	\$0	\$0
Federal	0	0
State	0	0
County	0	0
Reimbursements	0	0

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## Augmentation to Child Welfare Services

### DESCRIPTION:

This premise reflects the cost to provide an augmentation to the Child Welfare Services (CWS) Program. These funds shall be expressly targeted for services provided through the Emergency Response, Family Maintenance, Family Reunification (FR) and Permanent Placement (PP) components of CWS, and shall not be used to supplant existing CWS funds. Funds will be available to counties contingent upon individual counties: 1) matching their CWS Basic General Fund (GF) allocation; and, 2) fully utilizing the CWS/Case Management System. There is no county match required for these funds.

### IMPLEMENTATION DATE:

This premise, formerly known as "Emergency Workload Relief," implemented on July 1, 1998.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Assembly Bill (AB) 1656 (Chapter 324, Statutes of 1998) and AB 1740 (Chapter 52, Statutes of 2000).
- AB 1656 authorized \$40.0 million in GF with no county match required.
- AB 1740 authorized an additional \$34.3 million in GF with no county match required.
- The GF Appropriation has been reduced by \$17,150,000 due to lower revenues and other demands on the available GF.

### METHODOLOGY:

AB 1656 and AB 1740 designated the GF amount; however, due to lower revenues and other demands on the available GF, the GF Appropriation has been reduced by \$17,150,000.

### FUNDING:

After applying the foster care federal discount rate of 75 percent, federally-eligible costs are shared 50 percent federal Title IV-E and 50 percent nonfederal. Nonfederal costs are 100 percent GF. After the GF amount is calculated, federal Title XX funds transferred from the Temporary Assistance for Needy Families block grant are used in lieu of GF. The amount of Title XX-eligible costs is calculated based on the nonmatching GF portion of FR and PP expenditures. For FY 2006-07, the Title XX-eligible amount is \$8.1 million. For FY 2007-08, the Title XX-eligible amount is \$8.3 million.

### CHANGE FROM THE APPROPRIATION:

There is no change.

## Augmentation to Child Welfare Services

### REASON FOR YEAR-TO-YEAR CHANGE:

The amount of Title XX-eligible costs has increased.

### EXPENDITURES:

(in 000's)

#### Augmentation Funds:

	2006-07	2007-08
	County Admin.	County Admin.
Total	\$91,440	\$91,440
Federal	42,348	42,573
State	49,092	48,867
County	0	0
Reimbursements	0	0

## **Child Welfare Services/Case Management System – System Support Staff**

### **DESCRIPTION:**

This premise reflects the cost for county administrative staff needed to support the Child Welfare Services/Case Management System which was implemented as a result of Senate Bill 370 (Chapter 1294, Statutes of 1989). These staff are needed for the ongoing operations of the system.

### **IMPLEMENTATION DATE:**

There was a staggered implementation based on individual county start dates beginning in Fiscal Year (FY) 1996-97.

### **KEY DATA/ASSUMPTIONS:**

- Authorizing statute: Welfare and Institutions Code section 16501.5.
- The base estimate is \$25,119,682 based on the FY 2005-06 Appropriation.
- Of the base amount, funds budgeted for this premise are based on actual expenditures. The remainder of funds is budgeted as part of CWS Basic.

### **METHODOLOGY:**

The estimate is based on actual expenditures.

### **FUNDING:**

For each FY, the federal share is 50 percent from Statewide Automation Child Welfare Information System (SACWIS) funds. The nonfederal share is split 70 percent State General Fund and 30 percent county.

### **CHANGE FROM THE APPROPRIATION:**

There is no change.

### **REASON FOR YEAR-TO-YEAR CHANGE:**

The increase is due to an increase in actual expenditures.

## **Child Welfare Services/Case Management System – System Support Staff**

### **EXPENDITURES:**

(in 000's)

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	2006-07	2007-08
	County Admin.	County Admin.
Total	\$13,359	\$13,565
Federal	6,679	6,782
State	4,676	4,748
County	2,004	2,035
Reimbursements	0	0

## **Child Welfare Services – Emergency Assistance Program (TANF & Title IV-E)**

### **DESCRIPTION:**

These premises reflect the costs associated with the Child Welfare Services (CWS) Emergency Assistance (EA) Program funded through federal Temporary Assistance for Needy Families (TANF) and Title IV-E funds.

In 1993, the California Department of Social Services (CDSS) implemented a statewide EA Program under Title IV-A of the Social Security Act for County Welfare Departments which provides funding for emergency shelter care to children determined to be at risk due to abuse, neglect, abandonment, or exploitation.

In 1994, CDSS implemented crisis resolution and emergency response (ER) as the child welfare services components of emergency assistance. Crisis resolution provides services to families aimed at resolving family crises without removing the child from the home or by allowing the child to be returned to the family with the provision of supporting services to ensure child safety. Under EA/ER, funds will be available for emergency response activities such as receiving and assessing referrals, investigating emergency allegations, and gathering and evaluating relevant information.

EA case management is defined as an array of activities directed to a specific child. These activities include, but are not limited to, developing a case or service plan for a child, working with foster or adoptive parents to prepare them to receive a child, case and administrative reviews, case conferences, or permanency planning meetings.

Public Law (P.L.) 104-193 eliminated Title IV-A funding for the EA Program but permitted use of TANF dollars for EA funding. Although P.L. 104-193 allowed TANF funding, the Budget Act of 1997 replaced the TANF funding with State General Fund (GF). Based on interpretation of the final TANF regulations, effective October 1, 1999, EA GF expenditures are not countable towards the TANF maintenance of effort requirement, therefore, the GF was replaced with TANF funding. EA case management activities are now funded with Title IV-E funds in order to free-up TANF dollars.

### **IMPLEMENTATION DATE:**

Emergency Shelter Care - This component implemented on September 1, 1993.

Crisis Resolution - This component implemented on August 1, 1994.

Emergency Response - This component implemented on August 1, 1994.

Case Management - This component implemented on October 1, 1995.

### **KEY DATA/ASSUMPTIONS:**

- Authorizing statute: Welfare and Institutions Code section 15204.25.
- There is no caseload growth projected for in Fiscal Year (FY) 2007-08.
- A total of \$33.4 million in additional EA TANF funds are being used for CWS Basic investigative activities that the federal government has deemed ineligible for Title IV-E funding.

## **Child Welfare Services – Emergency Assistance Program (TANF & Title IV-E)**

### **METHODOLOGY:**

The FY 2006-07 EA TANF estimate is being held at the Budget Act of 2006 Appropriation level. The FY 2007-08 EA TANF estimate is based on the FY 2006-07 estimate and increased by any individual county caseload growth.

### **FUNDING:**

EA funding, although eliminated by P.L. 104-193, was used in the TANF block grant calculation and is, therefore, part of the TANF funding schedule.

The sharing ratio for EA eligible shelter care cases under 30 days, emergency response, and crisis resolution is 85 percent TANF and 15 percent county. For shelter care EA eligible cases over 30 days, the ratio is 50 percent TANF and 50 percent county. These funds are reflected in the "Emergency Assistance TANF" line.

Federally eligible EA case management activities are funded 50 percent Title IV-E after the federal foster care discount rate of 75 percent is applied. Nonfederal costs are shared 85 percent GF and 15 percent county. After the GF amount is calculated, federal Title XX funds transferred from the TANF block grant are used in lieu of GF. The amount of Title XX-eligible costs is calculated based on the nonmatching GF portion of FR and PP expenditures. For FY 2006-07, the Title XX-eligible amount is \$6.3 million. For FY 2007-08, the Title XX-eligible amount is \$6.5 million. These funds are reflected in the "Emergency Assistance Title IV-E" line.

### **CHANGE FROM THE APPROPRIATION:**

There is no change.

### **REASON FOR YEAR-TO-YEAR CHANGE:**

The EA Title IV-E estimate of Title XX-eligible expenditures has increased. The FY 2006-07 Appropriation assumed a reduction of TANF funds in the CWS EA Program. The TANF funds are restored in FY 2007-08.

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## Child Welfare Services – Emergency Assistance Program (TANF & Title IV-E)

### EXPENDITURES:

(in 000's)

	2006-07	2007-08	2006-07	2007-08
	<b>EA TANF</b>		<b>EA Title IV-E</b>	
Total	\$208,171	\$208,171	\$83,908	\$83,908
Federal	172,321	172,321	37,751	37,926
State	0	0	33,571	33,396
County	35,850	35,850	12,586	12,586
Reimbursements	0	0	0	0

	2006-07	2007-08
	<b>Adjustment to EA TANF</b>	
Total	\$0	\$0
Federal	-56,428	0
State	56,428	0
County	0	0
Reimbursements	0	0

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## Tribal-State Title IV-E Agreements

### DESCRIPTION:

This premise reflects the costs to provide start-up funding for three years to allow the pass through when a tribe seeks to provide its own child welfare services program. The Federal Social Security Act, Indian Child Welfare Act (ICWA) and the California Welfare and Institutions Code (W&IC) Sections 10553.1, 10553.2 and 10553.3 allow states to enter into agreements to pass through federal Title IV-E funds for foster care, maintenance and administration to tribes as tribes cannot receive direct Title IV-E funding. Therefore, a Tribal-State Agreement is essential to allow the pass through of Title IV-E funds to the tribes to provide foster care services to tribal children.

### IMPLEMENTATION DATE:

This premise will implement on July 1, 2007.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Federal Social Security Act, ICWA, W&IC Sections 10553.1, 10553.2, and 10553.3.
- The Karuk Tribe of California is currently negotiating an Agreement with the State. It is anticipated that the Agreement will be signed by Fiscal Year 2007-08.
- Based on cost and caseload information from the Karuk Tribe, \$150,000 in State General Funds (GF) will be necessary for the Tribe to establish their program.
- Eligible costs will draw down federal Title IV-E funding.

### METHODOLOGY:

The estimate is projected at \$150,000 GF.

### FUNDING:

Costs are shared 50 percent federal Title IV-E and 50 percent nonfederal. Nonfederal costs are 70 percent GF and 30 percent county/tribe.

### CHANGE FROM THE APPROPRIATION:

This is a new premise.

### REASON FOR YEAR-TO-YEAR CHANGE:

This is a new premise.

## Tribal-State Title IV-E Agreements

### EXPENDITURES:

(in 000's)

	2006-07 County Admin.	2007-08 County Admin.
Total	\$0	\$429
Federal	0	215
State	0	150
County	0	64
Reimbursements	0	0

## State Family Preservation

### DESCRIPTION:

This premise reflects the authorization for the permanent transfer of funds from an incentive/penalty provision program to a program with a sharing ratio of 70 percent State General Fund (GF) and 30 percent county. In accordance with Assembly Bill 2365 (Chapter 71, Statutes of 1992), the counties that have operated a family preservation program for at least three years can participate in the program. Historically, funding was provided through an annual allocation derived from a shift in funds from the GF (and federal share, to the extent permitted under federal law) of the Aid for Family with Dependent Children-Foster Care appropriation. Fifteen counties opted to participate in the program which included an incentive/penalty provision based on increases/decreases in foster care placements. However, the foster care caseloads began to stabilize which resulted in little savings. Therefore, counties were given the option to permanently transfer funding to a 70 percent GF and 30 percent county share limited to not exceed 70 percent of the highest annual amount spent for family preservation.

### IMPLEMENTATION DATE:

This premise implemented in Fiscal Year (FY) 1993-94.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 16500.5 through 16500.7.
- The state share of funds reflects up to 70 percent of the highest annual amount expended for family preservation services by 15 counties (Alameda, Contra Costa, Humboldt, Los Angeles, Mendocino, Napa, Placer, Riverside, Sacramento, San Diego, San Luis Obispo, Santa Clara, Santa Cruz, Solano, and Stanislaus).

### METHODOLOGY:

For FYs 2006-07 and 2007-08 the amounts are being held at the Budget Act of 2006 Appropriation level.

### FUNDING:

The federal Title IV-B, nonfederal, and federal Title XIX reimbursement funding levels are based on FY 2001-02 expenditure data.

### CHANGE FROM THE APPROPRIATION:

There is no change.

### REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

## State Family Preservation

### EXPENDITURES:

(in 000's)

	2006-07	2007-08
	County Admin.	County Admin.
Total	\$36,649	\$36,649
Federal	4,325	4,325
State	22,136	22,136
County	9,492	9,492
Reimbursements	696	696

## Promoting Safe and Stable Families (PSSF)

### DESCRIPTION:

This premise reflects the amount of the federal PSSF grant to provide community-based, family-centered services to focus on supporting and preserving families, protecting children and preventing child abuse and neglect. The Omnibus Budget Reconciliation Act of 1993 established this capped grant program under Title IV-B.

### IMPLEMENTATION DATE:

This premise implemented on October 1, 1993.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 16600 through 16604.5.
- The federal Title IV-B funds cannot be used to supplant existing state or local spending.
- Effective Fiscal Year (FY) 2001-02, based on federal requirements, a minimum of 20 percent of PSSF funds must be spent on each of the four components of the program (Family Preservation Services, Family Support Services, Adoption Promotion and Support, and Time-Limited Family Reunification).
- A 25 percent match from state or county funds is required. This match is made available through existing State Family Preservation Program funds.
- The Federal Fiscal Year (FFY) 2006 grant is \$1.0 million less than the FFY 2005 grant. It is projected that the FFY 2007 grant will be less than the FFY 2006 grant.

### METHODOLOGY:

The federal funds for this program are the sum of grants converted from an FFY to a State FY.

For FY 2007-08 California received an additional PSSF grant to be used only to support monthly caseworker visits.

### FUNDING:

This premise reflects federal Title IV-B grant funds to be used over a two-year period. The additional grant for caseworker visits reflects federal Title IV-B grant funds to be used over a four-year period.

### CHANGE FROM THE APPROPRIATION:

There is no change.

### REASON FOR YEAR-TO-YEAR CHANGE:

The FY 2007-08 amount reflects the projected FFY 2007 federal grant award based on the FFY 2006 grant and the additional grant for monthly caseworker visits.

## Promoting Safe and Stable Families (PSSF)

### EXPENDITURES:

(in 000's)

	2006-07	2007-08
	County Admin.	County Admin.
Total	\$41,505	\$36,638
Federal	41,505	36,638
State	0	0
County	0	0
Reimbursements	0	0

PSSF	2006-07	2007-08
	County Admin.	County Admin.
Caseworker Visit		
Total	\$0	\$4,306
Federal	0	4,306
State	0	0
County	0	0
Reimbursements	0	0

PSSF	2006-07	2007-08
Reappropriation <sup>1</sup>	County Admin.	County Admin.
Total	\$0	\$0
Federal	0	0
State	0	0
County	0	0
Reimbursements	0	0

<sup>1</sup>- This is a non-add item.

## Independent Living Program

### DESCRIPTION:

This premise reflects the amount of the federal grant for the Independent Living Program (ILP). The Omnibus Budget Reconciliation Act of 1993 permanently authorized this program, which offers training to foster care adolescents and emancipated youth enabling them to be independent when their foster care terminates. County Welfare Departments provide or arrange for the provision of services that facilitate the transition of foster children to emancipated lifestyles.

Federal statute, H.R.3443, the Chafee Foster Care Independence Program (CFCIP) Act of 1999 (Public Law 106-169), amended Section 477 of the Social Security Act providing more flexibility in funding of ILP services. The CFCIP authorized the expansion of this program to serve foster care youth ages 16 to 21. In addition, counties were given the discretion to provide ILP services to youth ages 14 and 15 when it was determined that these youth would most likely remain in foster care until emancipation. Counties are authorized to use up to 30 percent of their grant to provide housing assistance for emancipated foster youth and aftercare services to former foster youth ages 18 to 21.

### IMPLEMENTATION DATE:

This premise implemented on January 1, 1988.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 10609.3.
- Funding is based on the federal grant awards for ILP.
- The grant amount for Federal Fiscal Year (FFY) 2005 was \$25,012,729.
- The revised grant amount for FFY 2006 was \$23,738,286.
- The estimated grant amount for FFY 2007 is \$23,738,286.

### METHODOLOGY:

- For State Fiscal Year (FY) 2006-07, the federal funding amount is obtained by converting the federal grant from a FFY to a FY [one quarter of the FFY 2005 grant (\$6,253,182) and three quarters of the FFY 2006 grant (3 x \$6,063,097)], less \$1,019,784 for state operations costs.
- For FY 2007-08, the federal funding amount is obtained by converting the federal grant from a FFY to a FY [one quarter of the revised FFY 2006 grant (\$5,934,572) and three quarters of the estimated FFY 2007 grant (3 x \$5,934,572)], less \$1,019,784 for state operations costs.

### FUNDING:

This premise is funded 100 percent with a federal grant award. The matching funds are provided through the "Extended ILP" premise.

## Independent Living Program

### CHANGE FROM THE APPROPRIATION:

There is no change.

### REASON FOR YEAR-TO-YEAR CHANGE:

There was a decrease in the federal grant.

### EXPENDITURES:

(in 000's)

	2006-07	2007-08
	County Admin.	County Admin.
Total	\$23,423	\$22,332
Federal	23,423	22,332
State	0	0
County	0	0
Reimbursements	0	0

## Extended Independent Living Program

### DESCRIPTION:

This premise reflects the State General Fund (GF) portion of the Independent Living Program (ILP), which provides training for eligible foster care adolescents aged 16 to 21 years old, enabling them to be independent when their foster care terminates. Senate Bill (SB) 933 (Chapter 311, Statutes of 1998) implemented the GF portion to extend ILP services to 100 percent of the eligible foster care adolescent population, up to the age of 21 years. County Welfare Departments (CWD) provide or arrange for the provision of services that facilitate the transition of foster children to emancipated lifestyles.

In addition, counties are given the discretion to provide ILP services to youth ages 14 and 15, when it is determined that these youth would most likely remain in foster care until emancipated. Counties are authorized to use up to 30 percent of their allocation to provide housing assistance for emancipated foster youth and aftercare service to former foster youth ages 18 to 21.

Effective January 1, 2006, SB 436 (Chapter 629, Statutes of 2005) requires the CWD in a county that provides transitional housing placement services to include in its annual ILP report a description of currently available transitional housing resources in relation to the number of emancipating pregnant or parenting foster youth in the county, and a plan for meeting any unmet transitional housing needs of the emancipating pregnant or parenting foster youth.

### IMPLEMENTATION DATE:

This premise implemented in September 1998.

SB 436 (Chapter 629, Statutes of 2005) implemented on January 1, 2006.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 10609.3 and SB 436 (Chapter 629, Statutes of 2005).
- At least one (1) hour per case to collect and to report available transitional housing resources and to develop a plan for meeting any unmet transitional housing needs of the emancipating pregnant or parenting foster youth.
- The social worker cost per hour is \$72.60.
- For calendar year 2004, the number of female emancipated youths was 2,465.
- In calendar year 2003, the teen parent birth rate for 19 year olds is 76.7 per 1000 women.
- Assembly Bill 436 is a new state mandate; there is no county cost.

## Extended Independent Living Program

### METHODOLOGY:

For Fiscal Year (FY) 2006-07 and FY 2007-08, the funding is held to the 2006 Budget Act Appropriation plus additional GF is added based on the approximate number of emancipated pregnant or parenting foster youth multiplied by the one hour of social worker costs

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**FUNDING:**

This premise is funded 100 percent GF.

**CHANGE FROM THE APPROPRIATION:**

There is no change.

**REASON FOR YEAR-TO-YEAR CHANGE:**

There is no change.

**EXPENDITURES:**

(in 000's)

	2006-07	2007-08
	County Admin.	County Admin.
Total	\$15,166	\$15,166
Federal	0	0
State	15,166	15,166
County	0	0
Reimbursements	0	0

# Chafee Post Secondary Education & Training Vouchers

## DESCRIPTION:

This premise reflects the amount of the federal grant for Chafee Post Secondary Education and Training Vouchers. This funding is provided under the Educational and Training Vouchers (ETV) Program which is part of the Chafee Foster Care Independence Program (CFCIP).

The Foster Care Independence Act of 1999, Public Law 107-133, amended Section 477 of the Social Security Act to provide states with flexible funding to design and conduct education and training voucher programs for youth who age out of foster care. This can assist youth with the development of skills necessary to lead independent and productive lives. The purpose of this program is to make available vouchers of up to \$5,000 per year per youth for education and training, including post secondary training and education, to eligible youth who have aged out of foster care.

Individuals eligible to receive vouchers under this program are: (1) youth otherwise eligible for services under the State CFCIP program; (2) youth adopted from foster care after attaining age 16; (3) youth participating in the voucher program on their 21<sup>st</sup> birthday, until they turn 23 years old, as long as they are enrolled in a post secondary education or training program and are making satisfactory progress toward completion of that program.

## IMPLEMENTATION DATE:

This premise implemented on October 1, 2003.

## KEY DATA/ASSUMPTIONS:

- Authorizing statute: The Foster Care Independence Act of 1999, Public Law 107-133, Section 477 of the Social Security Act, as amended.
- Funding is based on the federal grant awards for ETV.
- The grant amount for Federal Fiscal Year (FFY) 2006 is \$8,112,582. The estimated grant for FFY 2007 that California will receive is \$8,112,582.
- A 20 percent match of the total cost is required. The match may be cash or in-kind contributions.
- Future funding will be appropriated on an annual basis pending congressional authorization.
- Assembly Bill (AB) 1808 (Section 5.1) (Chapter 75, Statutes of 2006) added \$5.7 million General Fund (GF) to assist students who are current and former foster youth, for career and technical training or traditional college courses.

## METHODOLOGY:

This premise reflects federal grant funds to be used for FY 2006-07 through September 30, 2007, and for FY 2007-08 through September 30, 2008.

## Chafee Post Secondary Education & Training Vouchers

### FUNDING:

This premise is funded 100 percent with a federal grant award. The matching funds are provided through the "Emancipated Youth Stipend" premise. AB 1808 added \$5.7 million GF.

### CHANGE FROM THE APPROPRIATION:

There was a decrease in the federal grant.

### REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

### EXPENDITURES:

(in 000's)

	2006-07	2007-08
	County Admin.	County Admin.
Total	\$13,812	\$13,812
Federal	8,112	8,112
State	5,700	5,700
County	0	0
Reimbursements	0	0

## Transitional Housing for Foster Youth

### DESCRIPTION:

The Transitional Housing Placement Program (THPP) and Transitional Housing Program Plus (THP-Plus) offers foster youth emancipating from the foster care system and youth who have emancipated from foster care the experience of learning basic life skills while living on their own under general supervision. The programs provide a safety net of services to assure attainment of educational and employment goals. Assembly Bill (AB) 427 expanded the THPP age range for participation from 17 to 18 years of age to 16 to 18 years of age for THPP and ages 18 to 21 for the new THP-Plus program. It also enabled additional counties to participate in the THPP and THP-Plus by providing a new rate-setting methodology. Effective January 1, 2006, AB 824 (Chapter 636, Statutes of 2005) raises the age limit for receipt of THP-Plus services by an emancipated foster youth to 24 years of age.

### IMPLEMENTATION DATE:

AB 427 implemented on January 1, 2002.

AB1119 implemented on January 1, 2003.

AB 824 (Chapter 636, Statutes of 2005) implemented on January 1, 2006.

AB 1808 (Chapter 75, Statutes of 2006) implemented on July 12, 2006.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Health and Safety Code 1559.110 and Welfare and Institutions Code sections 11400, 11403.2, 11403.3, 16522 and 16522.1.
- The nonfederal sharing ratio is 40 percent state and 60 percent county.
- The THP-Plus rate is 70 percent of the county's group home average grant.

### METHODOLOGY:

Funding is based on counties' approved rates multiplied by the number of approved beds.

### FUNDING:

Federal funding is provided by Title IV-E of the Social Security Act, with the amount of federal financial participation based on the Federal Medical Assistance Percentage rate, for those cases meeting federal eligibility criteria. The federal Title IV-E funding is available for youth ages 16 to 18. Youth ages 18 to 24 are ineligible for federal funds.

Funding is shared 40 percent State General Fund (GF) and 60 percent county for THPP and 100 percent GF for THP-Plus.

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## Transitional Housing for Foster Youth

### CHANGE FROM THE APPROPRIATION:

The increase is due to additional letters of intent from new counties that wish to participate in the programs.

### REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

### EXPENDITURES:

(in 000's)

	2006-07	2007-08
<b>Total</b>		
Total	\$29,294	\$29,294
Federal	5,188	5,188
State	18,918	18,918
County	5,188	5,188
Reimbursements	0	0

	2006-07	2007-08
<b>THPP</b>		
Total	\$13,835	\$13,835
Federal	5,188	5,188
State	3,459	3,459
County	5,188	5,188
Reimbursements	0	0

	2006-07	2007-08
<b>THP-Plus</b>		
Total	\$15,459	\$15,459
Federal	0	0
State	15,459	15,459
County	0	0
Reimbursements	0	0

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## Emancipated Foster Youth Stipends

### DESCRIPTION:

This premise reflects the costs to provide special needs stipends for emancipating foster youth. The program can assist emancipating foster youth with finding affordable housing, provide text books for college or vocational training, employment searches, emergency personal needs, and bus vouchers. County Welfare Departments will provide for the provision of these services. A portion of this amount is being used as match for the Chafee Post Secondary Education and Training Vouchers.

### IMPLEMENTATION DATE:

This premise implemented on July 1, 2000.

### KEY DATA/ASSUMPTIONS:

Authorizing statute: The Budget Act of 2000.

### METHODOLOGY:

The Budget Bill designates State General Fund (GF) support levels.

### FUNDING:

This program is funded 100 percent GF.

### CHANGE FROM THE APPROPRIATION:

There is no change.

### REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

### EXPENDITURES:

(in 000's)

	2006-07	2007-08
	County Services	County Services
Total	\$3,602	\$3,602
Federal	0	0
State	3,602	3,602
County	0	0
Reimbursements	0	0

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## Recruitment and Retention of Social Workers

### DESCRIPTION:

This premise reflects the cost to fund a contract with Cooperative Personnel Services/Merit System Services to help recruit and retain social workers in 30 small counties. Due to the continued difficulties of hiring and retaining social workers, Merit System Services will work with counties to implement and provide on-going recruitment efforts and career development plans to increase and retain the number of social workers in the smaller counties.

### IMPLEMENTATION DATE:

This premise implemented on July 1, 2001.

### KEY DATA/ASSUMPTIONS:

The recruitment and career development plans were designed during Fiscal Year (FY) 2000-01.

### METHODOLOGY:

The funding for this premise reflects the amount of the contract with Merit System Services.

### FUNDING:

This premise is eligible for federal Title IV-E funding. After the foster care federal discount rate of 75 percent for FY 2006-07 and for FY 2007-08 is applied, costs are shared 50 percent federal and 50 percent State General Fund (GF). Nonfederally-eligible costs are funded with 100 percent GF.

### CHANGE FROM THE APPROPRIATION:

There is no change.

### REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

### EXPENDITURES:

(in 000's)	2006-07	2007-08
	County Admin.	County Admin.
Total	\$269	\$269
Federal	101	101
State	168	168
County	0	0
Reimbursements	0	0

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## Total Child Welfare Training Program

### DESCRIPTION:

This premise reflects the costs for providing a statewide coordinated training program designed specifically to meet the needs of county child protective services social workers assigned to emergency response, family maintenance, family reunification, permanent placement, and adoptions responsibilities. The training program was established by Senate Bill (SB) 834 (Chapter 1310, Statutes of 1987), and extended permanently by SB 1125 (Chapter 1203, Statutes of 1991).

The Total Child Welfare Training Program includes training for other agencies under contract with County Welfare Departments to provide child welfare case management services. The program also includes crisis intervention, investigative techniques, rules of evidence, indicators of abuse and neglect, assessment criteria, intervention strategies, family-based services, legal requirements of child protection, case management, and the use of community resources.

### IMPLEMENTATION DATE:

This premise implemented on July 1, 1988.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 16200 through 16215.
- The implementation of regional training academies started in 1996.
- Funding is based on contract amounts entered into by the California Department of Social Services.

### METHODOLOGY:

The estimates for both Fiscal Years (FYs) 2006-07 and 2007-08 are based on contract costs.

### FUNDING:

After the foster care federal discount rate of 75 percent is applied for FY 2006-07 and FY 2007-08, federally-eligible costs are shared at 75 percent federal and 25 percent state, with the exception of various contracts which will use federal Title IV-E funds with an in-kind match. Nonfederally eligible costs are funded with 100 percent State General Fund (GF).

### CHANGE FROM THE APPROPRIATION:

For FY 2006-07, the contracted costs have been updated.

### REASON FOR YEAR-TO-YEAR CHANGE:

The increase is due to contracted costs being updated and \$1 million being shifted from the Child Welfare Services Outcome Improvement Project. All counties have the Safety Assessment (SA) Tool for FY 2006-07, therefore in FY 2007-08 the funds will be used for training staff on SA.

## Total Child Welfare Training Program

### EXPENDITURES:

(in 000's)

	2006-07	2007-08
	County Admin.	County Admin.
Total	\$15,730	\$18,590
Federal	9,336	11,234
State	6,394	7,356
County	0	0
Reimbursements	0	0

## Substance Abuse/HIV Infant Program

### DESCRIPTION:

This premise reflects the costs for the recruitment, special training, and respite care for specially recruited and trained foster family providers caring for children with medical problems related to drug or alcohol exposure or to Acquired Immune Deficiency Syndrome (AIDS). Originally established as a demonstration project by Senate Bill (SB) 1173 (Chapter 1385, Statutes of 1989) and Assembly Bill (AB) 2268 (Chapter 1437, Statutes of 1989), the program was extended by SB 1050 (Chapter 296, Statutes of 1993) and made into a permanent program in 1997 by AB 67 (Chapter 606, Statutes of 1997). AB 2037 (Chapter 799, Statutes of 2000) revised the age for children participating in this program from age three to age five for those counties that have participated in the program for at least three years.

### IMPLEMENTATION DATE:

This premise implemented on July 1, 1989.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 16525.10 through 16525.30.
- The savings to the Foster Care Program resulting from diverting children from expensive out-of-home placements are reflected in the caseload and expenditure trends for foster care.
- This program is available to any county requesting participation pursuant to established procedures and to the extent funds are available. Currently, there are 10 counties that are participating in this program (Alameda, Butte, Contra Costa, Glenn, Monterey, San Diego, San Francisco, San Luis Obispo, Santa Cruz, and Shasta).

### METHODOLOGY:

The foster care federal discount rate was applied to the training and recruitment components.

### FUNDING:

Respite care is funded 70 percent State General Fund (GF) and 30 percent county funds. The training and recruitment components are funded with 75 percent and 50 percent federal funds, respectively, after the foster care federal discount rate is applied. The nonfederal portion is funded 70 percent GF and 30 percent county funds.

### CHANGE FROM THE APPROPRIATION:

There is no change.

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## Substance Abuse/HIV Infant Program

### REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

### EXPENDITURES:

(in 000's)

	2006-07	2007-08
	County Admin.	County Admin.
Total	\$5,649	\$5,649
Federal	1,744	1,744
State	2,733	2,733
County	1,172	1,172
Reimbursements	0	0

## Child Welfare Services – Pass-Through Title IV-E Costs

### DESCRIPTION:

This premise reflects the pass-through of federal Title IV-E funds for probation and other public agency administrative costs, foster parent training, and social work training as described below.

### IMPLEMENTATION DATE:

Probation Costs	June 1991
Social Work Training	1992-1993
Other Public Agencies	2003-2004
Social Worker/County Counsel Training	2005-2006
Foster and Kinship Care Education Program* (Community College Chancellor's Office)	2005-2006

\*Incorporates the Foster Parent Training Fund (1990-1991) and the Foster Parent Training (1998-1999)

### METHODOLOGY:

This premise includes the combined estimated expenditures for the following four Title IV-E pass-through costs:

- **Probation Costs** - The State received federal approval to pass on Title IV-E administration funds for county probation staff activities that are similar to the Title IV-E eligible tasks of county social services workers. This federal funding source will be passed through to the county probation departments for their federally-eligible activities related to probation supervised cases in foster care and the Title IV-E eligible training of probation staff who complete case management activities on behalf of these children.
- **Other Public Agencies** – The federal government allows Title IV-E reimbursement for administrative activities associated with pre-placement prevention. Under current California Department of Social Services (CDSS) regulations and specified conditions, counties may pass on Title IV-E funds to other county public agencies, such as Education or Mental Health, who perform eligible administrative activities for children at risk of, or currently placed in foster care. This pass-on provision does not apply to similar activities performed by private non-profit organizations.
- **Foster and Kinship Care Education Program (Community College Chancellor's Office)** – Beginning Fiscal Year 2005-06, the Foster Parent Training Fund is being incorporated into the Community College Proposition 98 fund. Title IV-E funds will be accessed by using the Community College Proposition 98 funds as match for the purpose of reimbursing the California Community Colleges Chancellor's Office for providing education and training to foster parents and kinship care providers. This program is conducted through community colleges in consultation with CDSS and key state foster and caregiver associations. Statutes that relate to the type of education and training this program delivers includes: Senate Bill 2003

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## Child Welfare Services – Pass-Through Title IV-E Costs

### METHODOLOGY (continued):

(Chapter 1597, Statutes of 1984); Assembly Bill (AB) 3062 (Chapter 1016, Statutes of 1996); AB 2307 (Chapter 745, Statutes of 2000); and AB 458 (Chapter 331, Statutes of 2003).

- **Social Worker Training** - An agreement between CDSS, the University of California and the California State University was implemented for a statewide training program to increase the number of social workers employed in California county welfare departments. This effort was initiated due to the shortage of professionals in public child welfare services, especially those holding a master's degree in social work.

Currently, there are 17 schools of social work participating. Funding is provided with Title IV-E federal funds and using in kind match provided by the state universities.

- **Social Worker/County Counsel Training** – The trainings will be coordinated and overseen by the Administrative Office of the Courts (AOC) through a contract with statewide and local training providers to provide short-term training to enhance social worker and county counsel's understanding of the judicial determination process and necessary court findings on behalf of children in foster care.

### FUNDING:

Costs represent 100 percent federal Title IV-E funds and no state share of costs.

### CHANGE FROM THE APPROPRIATION:

The increased is based on actual expenditures.

### REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

### EXPENDITURES:

(in 000's)

<b>COMBINED TOTAL:</b>	2006-07 County Admin.	2007-08 County Admin.
Total	\$221,473	\$221,473
Federal	221,473	\$221,473
State	0	0
County	0	0
Reimbursements	0	0

## Child Welfare Services – Pass-Through Title IV-E Costs

**DETAILED  
TOTALS:**

<b>Probation:</b>	2006-07 County Admin.	2007-08 County Admin.	<b>Other Public Agencies:</b>	2006-07 County Admin.	2007-08 County Admin.
Total	\$184,552	\$184,552	Total	\$2,915	\$2,915
Federal	184,552	\$184,552	Federal	2,915	2,915
State	0	0	State	0	0
County	0	0	County	0	0
Reimbursements	0	0	Reimbursements	0	0

<b>Foster and Kinship Care Education Program</b>	2006-07 County Admin.	2007-08 County Admin.	<b>Social Worker Training</b>	2006-07 County Admin.	2007-08 County Admin.
Total	\$6,112	\$6,112	Total	\$27,113	\$27,508
Federal	6,112	6,112	Federal	27,113	\$27,508
State	0	0	State	0	0
County	0	0	County	0	0
Reimbursements	0	0	Reimbursements	0	0

<b>AOC Social Worker/County Counsel Training:</b>	2006-07 County Admin.	2007-08 County Admin.
Total	\$386	\$386
Federal	386	386
State	0	0
County	0	0
Reimbursements	0	0

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## Foster Parent Training and Recruitment

### **DESCRIPTION:**

This premise reflects the costs for the enhanced statewide foster parent training and recruitment program. As part of the Foster Care Initiative, Assembly Bill 2129 (Chapter 1089, Statutes of 1993), the California Department of Social Services was required to develop and implement an expanded foster parent training and recruitment program. The expanded program provides specialized training for foster parents of children with special care needs, and specific recruitment activities for minority and sibling placements.

### **IMPLEMENTATION DATE:**

This premise implemented on January 1, 1994.

### **KEY DATA/ASSUMPTIONS:**

Authorizing statute: Welfare and Institutions Code section 903.8.

### **METHODOLOGY:**

Total funding for the current year is being held at the Budget Act of 2006 Appropriation level. Funding level for budget year is updated to reflect costs.

### **FUNDING:**

This program is eligible for Title IV-E federal funding. After the foster care federal discount rate of 75 percent for Fiscal Year (FY) 2006-07 and FY 2007-08 is applied, costs are shared 75 percent federal and 25 percent nonfederal for the training costs, and 50 percent federal and 50 percent nonfederal for the recruitment costs. The nonfederal shares are funded 100 percent with State General Fund. The funds are evenly distributed to each component of the program.

### **CHANGE FROM THE APPROPRIATION:**

There is no change.

### **REASON FOR YEAR-TO-YEAR CHANGE:**

This premise reflects a decrease due to updated costs.

## Foster Parent Training and Recruitment

### EXPENDITURES:

(in 000's)

	2006-07	2007-08
	County Admin.	County Admin.
Total	\$3,648	\$3,598
Federal	1,710	1,687
State	1,938	1,911
County	0	0
Reimbursements	0	0

## Minor Parent Services and Investigations

### DESCRIPTION:

This premise reflects the costs for a program designed to discourage teen pregnancy and encourage appropriate parenting of teen parents and their children. As established by Assembly Bill 908 (Chapter 304, Statutes of 1995), the guidelines require pregnant and parenting teens to live with their parents or legal guardians as a condition for receiving welfare benefits unless specific conditions exist. Teen parents not living at home will live in an appropriate, supervised setting. Minor Parent Services (MPS) will be provided if deemed necessary.

### IMPLEMENTATION DATE:

The investigative part of this premise implemented on May 1, 1997.

The MPS part of this premise implemented on June 1, 1997.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code (W&IC) sections 11254, 16504(b), and 16506.
- It is assumed that any situations of abuse or neglect under W&IC Section 300 requiring a foster care living arrangement resulting from this investigation are already reflected in Child Welfare Services (CWS) and Foster Care caseload trends.
- It is assumed that a social worker will spend four hours investigating each case. The four hours include one and one-half hours each for two client contacts (teen parent and the teen parent's parent(s) or legal guardian), including interviews and documentation. An additional hour is allocated for travel and time to prepare a report of the social worker's findings.
- Based on historical family maintenance data, it is assumed that minor parents (mostly those at 17 years of age) will be allowed to form their own assistance units (AUs) and receive MPS. The estimated number of minor parents approved for their own AUs at age 17 is based on application survey data. An average of six months of services is estimated for each case.

### METHODOLOGY:

The total funding for both Fiscal Years (FYs) 2006-07 and 2007-08 is being held at the Budget Act of 2006 Appropriation level.

### FUNDING:

The costs of performing the investigations and providing MPS are eligible for 50 percent funding under the Temporary Assistance for Needy Families block grant. All nonfederal costs are shared 70 percent state and 30 percent county.

## Minor Parent Services and Investigations

### CHANGE FROM THE APPROPRIATION:

There is no change.

### REASON FOR YEAR-TO-YEAR CHANGE:

There is no change in the combined total; however, based on actual expenditures, the investigations and minor parent services costs are updated.

### EXPENDITURES:

(in 000's)

<b>COMBINED TOTAL:</b>	2006-07	2007-08
	County Admin.	County Admin.
Total	\$7,097	\$7,097
Federal	3,549	3,549
State	2,484	2,484
County	1,064	1,064
Reimbursements	0	0

  

<b>Investigations:</b>	2006-07	2007-08
	County Admin.	County Admin.
Total	\$3,096	\$2,314
Federal	1,548	1,157
State	1,084	810
County	464	347
Reimbursements	0	0

  

<b>Minor Parent Services:</b>	2006-07	2007-08
	County Admin.	County Admin.
Total	\$4,001	\$4,783
Federal	2,001	2,392
State	1,400	1,674
County	600	717
Reimbursements	0	0

## Dependency Drug Court

### **DESCRIPTION:**

This premise reflects funding to continue support of the Dependency Drug Court Program via an Interagency Agreement with the California Department of Social Services (CDSS) and the Department of Alcohol and Drug Programs (DADP) for the county drug court pilots and continuation of the cost benefit evaluation. Dependency Drug Courts play a critical role in monitoring families who are involved with the child welfare system because of child abuse or neglect by overseeing compliance with the law, adjudicating cases, and ensuring permanency, safety and well being of children. Drug courts have been established for the past 10 years to provide a therapeutic alternative to incarceration for individuals in the criminal justice system with drug problems. The blending of these two approaches, dependency court and drug court, has resulted in the recent emergence of "Dependency Drug Courts" which combine the two functions of: (1) monitoring families in the child welfare system regarding child protection and permanent placement and (2) providing therapeutic interventions for individuals with substance abuse problems under court monitoring.

### **IMPLEMENTATION DATE:**

This premise implemented January 1, 2005.

### **KEY DATA/ASSUMPTIONS:**

- Authorizing statute: Welfare and Institutions Code sections 11970.1 through 11970.4.
- Nine counties have agreed to pilot either a new or expanded Dependency Drug Court Program.
- CDSS funding will augment the amount DADP currently funds for the pilot programs.

### **METHODOLOGY:**

The estimate for Fiscal Year 2006-07 is based on contract costs.

### **FUNDING:**

This program is funded 100 percent State General Fund.

### **CHANGE FROM THE APPROPRIATION:**

The decrease is due to moving the cost benefit evaluation to the Budget Year (BY).

### **REASON FOR YEAR-TO-YEAR CHANGE:**

For BY the Dependency Drug Court program will be shifted to DADP's budget.

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## Dependency Drug Court

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**EXPENDITURES:**

(in 000's)

	2006-07	2007-08
	County Admin.	County Admin.
Total	\$4,800	\$0
Federal	0	0
State	4,800	0
County	0	0
Reimbursements	0	0

## Kinship Support Services

### DESCRIPTION:

This premise reflects the costs for the grants-in-aid program that provides start-up and expansion funds for local kinship support service programs. As designated by Assembly Bill (AB) 1193 (Chapter 794, Statutes of 1997), the Kinship Support Services Program (KSSP) is to be conducted by the California Department of Social Services (CDSS) with the initial grants being awarded in July 1998 to eight counties. Currently, there are 11 counties participating in the program. These programs are to provide community-based family support services to kinship (relative) caregivers and the children who are placed in their homes by the juvenile court or who are at risk of dependency or delinquency.

Effective Fiscal Year 2006-07, the KSSP will be augmented by \$2.5 million and all counties will be allowed to apply for the KSSP funds. The application process will require each interested county to submit a comprehensive proposal outlining how many relative caretakers reside in their county, what services will be provided to relative caretakers and the children in their care, how the county will develop the necessary community supports, how many relative caretakers and children will be served, and what the county outcome improvement goals are for the program. The proposals must also include a description of how each county will measure the success and cost-effectiveness of their program, and how the county will report these measures to CDSS.

### IMPLEMENTATION DATE:

This premise implemented on January 1, 1998.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 16605.
- The participating counties for Fiscal Years (FY) 2006-07 and 2007-08 are: Alameda, Contra Costa, Los Angeles, Monterey, Riverside, San Bernardino, San Diego, San Francisco, San Mateo, Santa Clara, and Stanislaus.
- Beginning FY 2007-08, it is anticipated that additional counties will participate in KSSP.

### METHODOLOGY:

The estimate reflects the amount contained in AB 1193 and the 2006 Budget Act.

### FUNDING:

This premise is funded 100 percent with State General Fund.

### CHANGE FROM THE APPROPRIATION:

There is no change.

### REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

## Kinship Support Services

### EXPENDITURES:

(in 000's)

	2006-07	2007-08
	County Admin.	County Admin.
Total	\$4,000	\$4,000
Federal	0	0
State	4,000	4,000
County	0	0
Reimbursements	0	0

## Kinship/Foster Care Emergency Funds

### **DESCRIPTION:**

This premise reflects the cost to provide emergency funds to relative caregivers and foster parents. The program primarily offers one-time assistance for necessary housing needs, such as extra beds and clothing. Short-term support services, such as crisis counseling, are also provided to prevent children from entering or re-entering the child welfare system.

### **IMPLEMENTATION DATE:**

This premise implemented on July 1, 2000.

### **KEY DATA/ASSUMPTIONS:**

Authorizing statute: The Budget Act of 2000.

### **METHODOLOGY:**

The California Department of Social Services received policy clarification from the federal Department of Health and Human Services that administrative costs for beds, cribs, and smoke detectors that are needed in order to license or approve a foster family home are allowable under Title IV-E. Effective Fiscal Year 2005-06, the total \$1 million is being applied to draw down the federal reimbursement.

### **FUNDING:**

After the foster care federal discount rate of 75 percent is applied, costs are shared 50 percent federal and 50 percent nonfederal. The nonfederal shares are funded 100 percent State General Fund.

### **CHANGE FROM THE APPROPRIATION:**

There is no change.

### **REASON FOR YEAR-TO-YEAR CHANGE:**

There is no change.

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## Kinship/Foster Care Emergency Funds

### EXPENDITURES:

(in 000's)

	2006-07	2007-08
	County Admin.	County Admin.
Total	\$1,600	\$1,600
Federal	600	600
State	1,000	1,000
County	0	0
Reimbursements	0	0

## Child Welfare Services/Case Management System Staff Development

### DESCRIPTION:

This premise reflects the cost to fund staff development for the Child Welfare Services/Case Management System (CWS/CMS) which was implemented as a result of Senate Bill 370 (Chapter 1294, Statutes of 1989). The estimate includes costs for five training components plus costs to maintain three training tools in order to continue to provide a statewide CWS/CMS training curriculum and classes. This statewide training promotes user continuity and consistency to meet Statewide Automated Child Welfare Information System requirements.

### IMPLEMENTATION DATE:

This premise implemented on July 1, 1997.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 16501.5.
- The estimate includes training costs for all new users as a result of user growth and staff turnover.
- The cost per hour of training is \$48.07 for each fiscal year.
- The estimate assumes an 11.5 percent staff turnover rate.
- There are 15,819 budgeted users for each fiscal year.
- The estimate includes costs for five training components:
  - ◆ **New User Training** – provides 44 hours of basic training for newly hired staff as a result of staff turnover;
  - ◆ **Intermediate/Advanced Training** – provides 16 hours of training to service providers on the more difficult tasks not covered in the new user training;
  - ◆ **Management/Supervisory Training** – provides 16 hours of training to management on the supervisory process of approvals and program management reports;
  - ◆ **System Support Training** – provides 24 hours of training to newly hired system support staff as a result of caseload growth and staff turnover in order to assist other users as needed; and,
  - ◆ **Database Training** – provides 24 hours of training to staff responsible for extracting and interpreting caseload data.
- Costs are also included for statewide contracted training needs.

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## Child Welfare Services/Case Management System Staff Development

### METHODOLOGY:

Costs are calculated for each training component by multiplying the number of users being trained by the number of hours of training at the hourly cost for training. Costs are then added for the statewide contracted training needs.

**Fiscal Year (FY) 2006-07 and FY 2007-08:** (1,819 New Users x 44 hours x \$48.07) + (1,559 Intermediate/Advanced Users x 16 hours x \$48.07) + (195 Management/Supervisory Users x 16 hours x \$48.07) + (55 System Support Users x 24 hours x \$48.07) + (29 Database Users x 24 hours x \$48.07). For the statewide contract costs, \$3,148,991 is added in FY 2005-06 and \$3,000,000 is added in FY 2006-07 in order to meet the total contract commitment.

### FUNDING:

After applying the foster care federal discount rate of 75 percent, federally-eligible costs are shared 75 percent federal Title IV-E and 25 percent nonfederal. Nonfederal costs are shared 70 percent State General Fund (GF) and 30 percent county. However, nonfederal costs for the statewide training contract are 100 percent GF.

### CHANGE FROM THE APPROPRIATION:

There is no change.

### REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

### EXPENDITURES:

(in 000's)

	2006-07	2007-08
	County Admin.	County Admin.
Total	\$8,294	\$8,294
Federal	4,665	4,665
State	2,934	2,934
County	695	695
Reimbursements	0	0

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## **CWS/CMS Maintenance and Operation (M&O) Project**

### **DESCRIPTION:**

This premise reflects the costs related to the ongoing and administrative support of the Child Welfare Services/Case Management System (CWS/CMS). As mandated by Senate Bill 370 (Chapter 1294, Statutes of 1989), the CWS/CMS provides a comprehensive database, case management tool, and reporting system for the CWS Program. It contains both current and historical information for all children statewide in emergency response, family maintenance, family reunification, and permanent placement. CWS/CMS also includes information regarding adoptions to produce the semiannual adoption and foster care analysis reporting system reports.

CWS/CMS provides: (1) immediate statewide data on referrals for children at risk of abuse, neglect or exploitation; (2) immediate case status and case tracking for children and families receiving child welfare services; (3) necessary information and forms required to determine eligibility for the Aid to Families with Dependent Children - Foster Care Program; (4) tracking for all placement activities for children in foster care; and (5) issuance of the appropriate notice of action messages, court reports and service plans. The system also produces all required state and federal reports. State level project management for CWS/CMS is provided by the Office of Systems Integration (OSI). OSI administers the projects under an interagency agreement with the California Department of Social Services.

### **IMPLEMENTATION DATE:**

This premise became effective Fiscal Year (FY) 1995-96.

### **KEY DATA/ASSUMPTIONS:**

- Authorizing statute: Welfare and Institutions Code section 16501.5.
- Costs represent ongoing maintenance and operations (M&O) costs associated with support and oversight of the CWS/CMS.
- Costs include the wide-area network (WAN) maintained by Department of Technology Services (DTS), OSI administrative support, and vendor costs related to operation, support, and maintenance of the application and technical architecture.

### **METHODOLOGY:**

Costs are based on the FY 2007-08 M&O Plan.

### **FUNDING:**

The cost allocation reflects a Statewide Automated Child Welfare Information System (SACWIS) methodology. Federal funding is based on the federal cost allocation plan for CWS/CMS. Federally eligible costs are shared at 50 percent federal Title IV-E and 50 percent State General Fund.

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## CWS/CMS Maintenance and Operation (M&O) Project

### CHANGE FROM THE APPROPRIATION:

The increase in FY 2006-07 reflects a shift of costs from the CWS/CMS Go Forward Plan (GFP) and an adjustment in retirement contributions and employee compensation.

### REASON FOR YEAR-TO-YEAR CHANGE:

The increase in FY 2007-08 reflects a redirection of funding from the CWS/CMS GFP, a decrease in prime vendor contract costs, technical maintenance, hosting and remote access costs, a decrease for one-time disaster recovery services and a reduction of applied Pro Rata adjustments.

### EXPENDITURES:

(in 000's)

	2006-07	2007-08
	County Admin.	County Admin.
Total	\$88,538	\$91,944
Federal	44,207	45,791
State	44,018	45,679
County	0	0
Reimbursements	313	474

### CDSS/OSI PARTNERSHIP:

(in 000's)

	2006-07	2007-08
Total	\$88,538	\$91,944
CDSS	33,844	36,869
OSI	54,694	55,075

## **CWS/CMS Go Forward Plan Project**

### **DESCRIPTION:**

This premise reflects the costs related to the implementation of the Go Forward Plan (GFP) Project.

The GFP presented the State's strategy for accomplishing the following agreed upon items:

- Technical Architecture Alternatives Analysis (TAAA)
- CWS/CMS Application Re-hosting
- Subsequent Application Maintenance Services Procurement
- Executive Independent Verification and Validation (IV&V)

After receiving various stakeholders' input and taking into account the federal Administration for Children and Families' increasing concern over the State not achieving all Statewide Automated Child Welfare Information System (SACWIS) requirements, the State decided to pursue the development of a New System, to best meet the business needs of the Child Welfare Services Program. In order to transition to a New System as soon as possible and minimize the risk to current operations, the State determined it was more prudent to cancel the Subsequent Application Maintenance Services Procurement effort and move directly to procurement planning for the New System. To support this, the IBM Contract was extended by approval of Amendment 23.

The State concluded the re-host activities, migrating the operations and application hosting to Department of Technology Services (DTS) on March 26, 2006. This solution is cost-effective and takes advantage of the mainframe operating capabilities offered by DTS. Project closeout activities were completed in July 2006. Funding for the Executive IV&V contract has been redirected to the CWS/CMS Maintenance and Operation (M&O) budget.

### **IMPLEMENTATION DATE:**

This premise became effective Fiscal Year (FY) 2004-05.

### **KEY DATA/ASSUMPTIONS:**

- Authorizing statute: Welfare and Institutions Code section 16501.5.
- Costs represent GFP project costs associated with support and oversight of the CWS/CMS.
- Costs include staffing, contract services for hosting the application, consultant services, and Office of Systems Integration administrative support

## **CWS/CMS Go Forward Plan Project**

### **METHODOLOGY:**

Costs are based on the August 2004 As-Needed-Advanced Planning Document and subsequent adjustments.

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**FUNDING:**

The cost allocation reflects a SACWIS methodology. Federal funding is based on the federal cost allocation plan for CWS/CMS. Federally eligible costs are shared at 50 percent federal Title IV-E and 50 percent State General Fund.

**CHANGE FROM THE APPROPRIATION:**

The net decrease in FY 2006-07 is due to project closeout activities which were completed in July 2006, redirection of costs to the M&O and New System projects, offset with adjustments in retirement contributions and employee compensation.

**REASON FOR YEAR-TO-YEAR CHANGE:**

The GFP project was implemented in FY 2006-07.

**EXPENDITURES:**

(in 000's)

	2006-07	2007-08
	County Admin.	County Admin.
Total	\$25	\$0
Federal	12	0
State	13	0
County	0	0
Reimbursements	0	0

**CDSS/OSI PARTNERSHIP:**

(in 000's)

	2006-07	2007-08
Total	\$25	\$0
CDSS	0	0
OSI	25	0

## **CWS/CMS New System Project**

### **DESCRIPTION:**

This premise reflects the costs related to the implementation of the New System Project. The New System will be developed using a web services-based technical architecture and include the re-development of current functionality and development of the four unfulfilled Statewide Automated Child Welfare Information System (SACWIS) requirements on the new architecture. Where appropriate, improvements will be made during the re-development of the current functionality to address business and user needs. The New System will include improvements that take advantage of the capabilities of the new architecture, while not changing the way the State and counties conduct business. The current CWS/CMS will be maintained during the development and decommissioned upon statewide implementation of the New System.

### **IMPLEMENTATION DATE:**

This premise became effective Fiscal Year (FY) 2006-07.

### **KEY DATA/ASSUMPTIONS:**

- Authorizing statute: Welfare and Institutions Code section 16501.5.
- Costs represent New System project costs associated with support and oversight of the CWS/CMS.
- Costs include staffing, consultant services, and Office of Systems Integration administrative support.

### **METHODOLOGY:**

Costs are based on the April 2006 Planning Advanced Planning Document.

### **FUNDING:**

The cost allocation reflects a SACWIS methodology. Federal funding is based on the federal cost allocation plan for CWS/CMS. Federally eligible costs are shared at 50 percent federal Title IV-E and 50 percent State General Fund. This change is in accordance with the Administration for Children and Families (ACF) direction as provided in their letter dated October 12, 2004.

### **CHANGE FROM THE APPROPRIATION:**

The increase in FY 2006-07 is due to the shifting of costs from the CWS/CMS Go Forward Plan (GFP) to the New System Project as well as an adjustment in retirement contributions and employee compensation.

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## CWS/CMS New System Project

### REASON FOR YEAR-TO-YEAR CHANGE:

The increase FY 2007-08 reflects a decrease in staff travel costs, an increase in consultant service contracts and a reduction of applied Pro Rata adjustments.

### EXPENDITURES:

(in 000's)

	2006-07	2007-08
	County Admin.	County Admin.
Total	\$2,887	\$3,076
Federal	1,443	1,538
State	1,444	1,538
County	0	0
Reimbursements	0	0

### CDSS/OSI PARTNERSHIP:

(in 000's)

	2006-07	2007-08
Total	\$2,887	\$3,076
CDSS	16	16
OSI	2,871	3,060

## Child Health and Safety Fund

### DESCRIPTION:

This premise reflects the distribution of funding to counties from the Child Health and Safety Fund (CHSF) for child abuse prevention in the community. Assembly Bill 3087 (Chapter 1316, Statutes of 1992) established the CHSF for specified purposes. Monies for this activity are generated through the Department of Motor Vehicles' (DMV) "Have a Heart, Be a Star, Help our Kids" license plate program pursuant to Vehicle Code Section 5072.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code (W&IC) section 18285.
- Of the license plate monies, up to 25 percent may be used for child abuse prevention, and of that 25 percent, 90 percent (i.e., 22.5 percent of the total plate revenue) is to be provided to counties (county children's trust funds) for support of child abuse prevention services in the community [W&IC section 18285(e)(1)].
- The total actual CHSF license plate revenue for Fiscal Year (FY) 2004-05 was \$3,121,000 and for FY 2005-06 was \$3,459,000.

### METHODOLOGY:

- Using FY 2004-05 actual revenue multiplied by 1.25 as the estimate for FY 2006-07 plates' revenue (and appropriating a portion of the fund balance which accrued in the early years of the fund), 22.5 percent will be transferred to the counties for child abuse prevention activities ( $\$3,121,000 \times 1.25 \times 22.5 \text{ percent} = \$878,000$ ) for FY 2006-07.
- Using FY 2005-06 actual revenue multiplied by 1.6 as the estimate for FY 2007-08 plates' revenue (and appropriating a portion of the fund balance), 22.5 percent will be transferred to the counties for child abuse prevention activities ( $\$3,459,000 \times 1.6 \times 22.5 \text{ percent} = \$1,245,000$ ) for FY 2007-08.

### FUNDING:

All funds are provided by the CHSF.

### CHANGE FROM THE APPROPRIATION:

There is no change.

### REASON FOR YEAR-TO-YEAR CHANGE:

The increase is due to anticipated revenue growth.

## Child Health and Safety Fund

### EXPENDITURES:

(in 000's)

	2006-07	2007-08
	County Admin.	County Admin.
Total	\$878	\$1,245
Federal	0	0
State	878	1,245
County	0	0
Reimbursements	0	0

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## Supportive and Therapeutic Options Program (STOP)

### DESCRIPTION:

This premise reflects costs for providing expanded therapeutic day services as an alternative to placement in foster care and as a means of reunifying children with their families from these placements. These services are provided to families with children and youth returning from out-of-home placement or at-risk of such placements that cannot access services through current mental health services or other funding mechanisms. Services target a broader number of children than the current child welfare services population such as children and youth at-risk of placement and those exiting foster care. Funds provide supportive and therapeutic services in order to prevent placement in out-of-home care and/or provide aftercare services to facilitate a successful transition to home or community from out-of-home care placements.

### IMPLEMENTATION DATE:

This premise implemented in August 1998.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 16500, 16508.2, and 16508.3.
- The Department of Mental Health's annual cost for mental health services per child in Fiscal Year (FY) 2006-07 is assumed to be \$5,409.
- For FY 2007-08, the cost for mental health services per child is assumed to be \$5,676.

### METHODOLOGY:

The funding for FY 2006-07 and FY 2007-08 is being held to the Budget Act of 2006 Appropriation level. Initially, cost for this program was calculated by multiplying the estimated number of children to be served by the cost per case for mental health services.

### FUNDING:

This premise is shared 70 percent state and 30 percent county.

### CHANGE FROM THE APPROPRIATION:

There is no change.

### REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

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## Supportive and Therapeutic Options Program (STOP)

### EXPENDITURES:

(in 000's)

	2006-07	2007-08
	County Admin.	County Admin.
Total	\$14,220	\$14,220
Federal	0	0
State	9,954	9,954
County	4,266	4,266
Reimbursements	0	0

## Group Home Monthly Visits

### DESCRIPTION:

This premise reflects the costs of providing monthly visits to all foster care children placed in group homes (GHs), both in-state and out-of-state. This premise was authorized by Senate Bill 933 (Chapter 311, Statutes of 1998).

### IMPLEMENTATION DATE:

This premise implemented on July 1, 1998.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 16516.5.
- The in-state GH caseload is projected to be 11,315 for Fiscal Year (FY) 2006-07 and 11,514 for FY 2007-08 based on data as reported on the Child Welfare Services/Case Management System. The out-of-state GH caseload is estimated at 122 for FY 2006-07 and 126 for FY 2007-08.
- The hourly cost of a social worker is \$72.60 for each fiscal year.
- For the out-of-state placements, it is assumed that an average of two cases can be visited per trip.
- All GH placements will receive ten additional visits per year.
- In-state visits will take an average of two hours per visit and out-of-state visits will take an average of 12 hours to visit two cases.
- Based on caseload data for in-state GH placements, 4,494 cases are placed out-of-county for FY 2006-07, and 4,538 cases for FY 2007-08. For each FY, these cases have been budgeted to include an additional two hours of travel time.
- For both fiscal years, out-of-state per diem costs are estimated at \$124 and out-of-state travel costs are estimated at \$500.

### METHODOLOGY:

- For each fiscal year, the in-state costs for ten visits are calculated using the in-state GH caseload for two hours per visit multiplied by the hourly cost of a social worker.
- An additional two hours are calculated for the in-state, out-of-county placements at the hourly cost of a social worker.
- The out-of-state costs for ten visits are calculated using the out-of-state GH caseload divided by two (two cases per visit) for 12 hours per visit multiplied by the hourly cost of a social worker.
- Per diem and travel costs are added for each out-of-state visit.

## Group Home Monthly Visits

### FUNDING:

After the foster care federal discount rate of 75 is applied, federally-eligible costs are shared 50 percent federal Title IV-E and 50 percent nonfederal. Nonfederal costs are 100 percent State General Fund.

### CHANGE FROM THE APPROPRIATION:

There is no change.

### REASON FOR YEAR-TO-YEAR CHANGE:

The increase is due to an increase in caseload.

### EXPENDITURES:

(in 000's)

	2006-07	2007-08
	County Admin.	County Admin.
Total	\$17,990	\$18,132
Federal	6,746	6,799
State	11,244	11,333
County	0	0
Reimbursements	0	0

## Caregiver Court Filing (SB 1667)

### DESCRIPTION:

This premise reflects the cost for county social workers to instruct caregivers on how to file a Caregiver Information Form with the court at each status review hearing as a result of Senate Bill (SB) 1667 (Chapter 389, Statutes of 2006). This bill requires a social worker to provide the child's caregiver a copy of the Caregiver Information Form in the caregiver's primary language when available and information regarding filing the form with the court.

### IMPLEMENTATION DATE:

The premise implemented on January 1, 2007.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: SB 1667 (Chapter 389, Statutes of 2006).
- Status review hearings are held every six months.
- Ten percent of the Foster Family Home (FFH) and relative home placements will submit the Caregiver Information Form, requiring 15 minutes of social worker instruction time.
- The FFH caseload is projected at 39,452 for Fiscal Year (FY) 2006-07 and 35,686 for FY 2007-08.
- The relative home caseload is projected at 32,210 for both FYs.
- The average hourly cost of a social worker is \$72.60.

### METHODOLOGY:

The caseload is multiplied by .25 of the hourly cost of a social worker which is then multiplied by two hearings per year.

### FUNDING:

After the foster care federal discount rate of 75 percent is applied, federally-eligible costs are shared 50 percent federal Title IV-E and 50 percent nonfederal. Nonfederal costs are 100 percent State General Fund.

### CHANGE FROM THE APPROPRIATION:

This is a new premise.

### REASON FOR YEAR-TO-YEAR CHANGE:

FY 2006-07 reflects half-year costs and FY 2007-08 reflects full-year costs. There is also a decrease in the projected FFH caseload.

## Caregiver Court Filing (SB 1667)

### EXPENDITURES:

(in 000's)

	2006-07	2007-08
	County Admin.	County Admin.
Total	\$135	\$268
Federal	81	161
State	54	107
County	0	0
Reimbursements	0	0

## **Criminal Records Check for FR (AB 1774)**

### **DESCRIPTION:**

This premise reflects the cost to conduct background checks on parents wishing to reunify with their child as a result of Assembly Bill (AB) 1774 (Chapter 726, Statutes of 2006). AB 1774 expands the purposes for which criminal offender record information can be obtained to include assessing a parent's suitability to reunify with their child, provided that the parent's consent to fingerprint submission has been obtained. Courts would be allowed to consider the criminal history of a parent at review and permanency hearings.

### **IMPLEMENTATION DATE:**

The premise implemented on January 1, 2007.

### **KEY DATA/ASSUMPTIONS:**

- Authorizing statute: AB 1774 (Chapter 726, Statutes of 2006).
- Family Reunification (FR) cases can be subject to up to three review and permanency hearings before termination of parental rights is considered, however, it is assumed that criminal records checks will only be performed once.
- The FR average monthly caseload is projected at 23,823 for Fiscal Year (FY) 2006-07 and 25,221 for FY 2007-08.
- Costs for a Department of Justice background check through the Live Scan System are \$32 along with a \$16 application fee per check.
- The Federal Bureau of Investigations background check is \$24.

### **METHODOLOGY:**

The FR caseload for each FY is multiplied by \$72.

### **FUNDING:**

After the foster care federal discount rate of 75 percent is applied, federally-eligible costs are shared 50 percent federal Title IV-E and 50 percent nonfederal. Nonfederal costs are 100 percent State General Fund.

### **CHANGE FROM THE APPROPRIATION:**

This is a new premise.

### **REASON FOR YEAR-TO-YEAR CHANGE:**

FY 2006-07 reflects half-year costs and FY 2007-08 reflects full-year costs. There is also a slight increase in the projected FR caseload.

## Criminal Records Check for FY (AB 1774)

### EXPENDITURES:

(in 000's)

	2006-07	2007-08
	County Admin.	County Admin.
Total	\$858	\$1,816
Federal	322	681
State	536	1,135
County	0	0
Reimbursements	0	0

## Background Checks

### DESCRIPTION:

This premise reflects the cost associated with conducting background checks prior to placing children in the home of a relative, or the home of any other person who is not a licensed foster parent. Pursuant to Assembly Bill 1695 (Chapter 653, Statutes of 2001), all unlicensed foster parents must meet the same standards set forth in regulations for the licensing of foster family homes. Therefore, all unlicensed foster parents will be subject to a background check to be conducted through the Child Abuse Index, the Department of Justice and the Federal Bureau of Investigations.

### IMPLEMENTATION DATE:

This premise implemented on January 1, 1999.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 361.4.
- The caseload for Fiscal Year (FY) 2006-07 is 26,974, based on new placement data for Calendar Year 2005. The caseload for FY 2007-08 is 24,263, based on new placement data for FY 2005-06.
- Based on information from the California Welfare Directors Association, it is assumed that an average of 1.56 children is placed per home.
- It is assumed that an average of two persons in the home will require background checks.
- The cost for the Child Abuse Index check is estimated at \$15 per check.
- Costs for a Department of Justice background check through the Live Scan System are \$32 along with a \$16 application fee per check.
- The Federal Bureau of Investigations background check is \$24.

### METHODOLOGY:

The costs are calculated by dividing the caseload by number of placements per home, multiplied by two persons in the home requiring background checks, multiplied by the cost for background checks.

### FUNDING:

After the foster care federal discount rate of 75 percent is applied, federally-eligible costs are shared 50 percent federal Title IV-E and 50 percent nonfederal. Nonfederal costs are 100 percent State General Fund.

## Background Checks

### CHANGE FROM THE APPROPRIATION:

There is no change.

### REASON FOR YEAR-TO-YEAR CHANGE:

The decrease is due to a decrease in caseload.

### EXPENDITURES:

(in 000's)

	2006-07	2007-08
	County Admin.	County Admin.
Total	\$3,009	\$2,707
Federal	1,128	1,015
State	1,881	1,692
County	0	0
Reimbursements	0	0

## Relative Home Approvals

### DESCRIPTION:

This premise reflects the cost associated with conducting an in-home approval prior to placing children in the home of a relative, or the home of a nonrelative extended family member (Initial Approvals). This premise also reflects the cost of conducting an annual visit for continued approval of a relative home (Annual Approvals). Assembly Bill (AB) 1695 (Chapter 653, Statutes of 2001) requires the county welfare department to conduct an in-home inspection to assess the safety of the home and the ability of the relative to care for the child's needs. The bill stipulates that the standards used to evaluate and grant or deny approval of the home of the relative shall be the same standards set forth in regulations for the licensing of foster family homes. However, all homes will require an annual reassessment as opposed to targeted visits for continued licensure of foster family homes.

### IMPLEMENTATION DATE:

This premise implemented January 1, 2002.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 309(d).
- The caseload for Fiscal Year (FY) 2006-07 is 26,974, based on new placement data for Calendar Year 2005. The caseload for FY 2007-08 is 24,263, based on new placement data for FY 2005-06.
- The existing caseload for FY 2006-07 is 29,735 based on placement data for January 2006. The existing caseload for FY 2007-08 is 32,210 based on placement data for July 2006.
- Based on information from the California Welfare Directors' Association (CWDA), it is assumed that an average of 1.56 children are placed per home.
- Based on information from the CWDA, it is assumed that it will take an average of nine hours to complete the additional activities associated with conducting an initial approval equivalent to the licensure of a foster family home.
- Beginning in FY 2007-08, an additional 30 minutes will be required to check the Licensing Administrative Action Records System (LAARS) as part of the background check process. Social workers must assume this function as the Department of Justice no longer provides this service.
- It is assumed that it will take an average of three hours to conduct an annual visit for reapproval of the home.
- The hourly cost of a social worker is \$72.60 for each FY.

### METHODOLOGY:

Costs for the initial assessments are calculated by dividing the new caseload by the number of children per home, multiplied by the number of hours for approval, multiplied by the hourly cost of a social worker. Costs for annual reapprovals are then calculated for the existing caseload.

## Relative Home Approvals

### FUNDING:

After the foster care federal discount rate of 75 percent is applied, federally-eligible costs are shared 50 percent federal Title IV-E and 50 percent nonfederal. Nonfederal costs are 70 percent State General Fund and 30 percent county.

### CHANGE FROM THE APPROPRIATION:

There is no change.

### REASON FOR YEAR-TO-YEAR CHANGE:

The net decrease is due to a reduction in new caseload, an increase in existing caseload and the impact of the LAARS check.

### EXPENDITURES:

(in 000's)

<b>Initial Approvals:</b>	2006-07	2007-08	<b>Annual Approvals:</b>	2006-07	2007-08
	County Admin.	County Admin.		County Admin.	County Admin.
Total	\$11,298	\$10,772	Total	\$4,151	\$4,497
Federal	4,237	4,040	Federal	1,557	1,687
State	4,943	4,713	State	1,816	1,967
County	2,118	2,019	County	778	843
Reimbursements	0	0	Reimbursements	0	0

<b>COMBINED TOTAL:</b>	2006-07	2007-08
	County Admin.	County Admin.
Total	\$15,449	\$15,269
Federal	5,794	5,727
State	6,759	6,680
County	2,896	2,862
Reimbursements	0	0

## Multiple Relative Home Approvals

### DESCRIPTION:

This premise reflects the cost associated with conducting additional approvals when more than one relative or non-related extended family member is seeking to have related foster children placed with them. These additional approvals of all willing relatives or non-related extended family members are necessary in order to fairly establish viable placement options and to better enable the State to meet the federal Adoption and Safe Families Act requirement that approval of relative homes be in compliance with foster family home licensing/approval standards.

### IMPLEMENTATION DATE:

This premise implemented on December 1, 2002.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 309(d).
- The caseload for Fiscal Year (FY) 2006-07 is 26,974, based on new placement data for Calendar Year 2005. The caseload for FY 2007-08 is 24,263, based on new placement data for FY 2005-06.
- Based on information from the California Welfare Directors Association (CWDA), it is assumed that an average of 1.56 children is placed per home.
- It is assumed that 30 percent of the placements have more than one party interested in receiving the placement.
- It is assumed that there are two to three (2.5 average) interested parties per placement. Therefore, since the "Relative Home Approvals" premise already provides for one assessment, there is an average of 1.5 additional homes that require approvals.
- Based on information from CWDA, it is assumed that it will take an average of 15 hours to assess each home for approval.
- Beginning in FY 2007-08, an additional 30 minutes will be required to check the Licensing Administrative Action Records System (LAARS) as part of the background check process. Social workers must assume this function as the Department of Justice no longer provides this service.
- The hourly cost of a social worker is \$72.60 for both fiscal years.

### METHODOLOGY:

The number of approvals to be conducted is calculated by dividing the caseload by the average placements per home, then multiplying by the percentage of placements with multiple interest, multiplied by the additional homes requiring approval. Annual costs are calculated by multiplying the number of approvals by the number of hours per approval multiplied by the hourly cost of a social worker.

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## Multiple Relative Home Approvals

### FUNDING:

After the foster care federal discount rate of 75 percent is applied, federally-eligible costs are shared 50 percent federal Title IV-E and 50 percent nonfederal. Nonfederal costs are shared 70 percent State General Fund and 30 percent county.

### CHANGE FROM THE APPROPRIATION:

There is no change.

### REASON FOR YEAR-TO-YEAR CHANGE:

The net decrease is due to a decrease in new caseload, an increase in existing caseload and the impact of the LAARS check.

### EXPENDITURES:

(in 000's)

	2006-07	2007-08
	County Admin.	County Admin.
Total	\$8,473	\$7,896
Federal	3,177	2,961
State	3,707	3,455
County	1,589	1,480
Reimbursements	0	0

## Grievance Review for Relatives

### DESCRIPTION:

This premise reflects the cost associated with providing a review process upon request for relatives seeking to have related foster children placed with them but who are determined not to meet approval standards established by law and regulation. Making a grievance review available to relatives disapproved prior to placement is necessary to afford due process through an objective review of the basis for the disapproval and to better enable the State to meet the federal Adoption and Safe Families Act requirement that approval of relative homes be in compliance with foster family home licensing/approval standards.

### IMPLEMENTATION DATE:

This premise implemented on January 1, 2003.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 309(d).
- The caseload for Fiscal Year (FY) 2006-07 is 26,974, based on new placement data for Calendar Year 2005. The caseload for FY 2007-08 is 24,263, based on new placement data for FY 2005-06.
- Based on information from the California Welfare Directors Association, it is assumed that an average of 1.56 children is placed per home.
- It is assumed that 30 percent of the placements have more than one party interested in receiving the placement.
- It is assumed that there are two to three (2.5 average) interested parties per placement.
- It is assumed that 45 percent of homes will be disapproved.
- It is assumed that 20 percent of those whose homes are disapproved will request a review.
- It is assumed that it will take an average of eight hours to review each case.
- The hourly cost of a social worker is \$72.60 for both fiscal years.

### METHODOLOGY:

The number of reviews to be conducted is calculated by dividing the caseload by the average placements per home, then multiplying by the percentage of placements with multiple interest, multiplied by the average interested parties per placement, then multiplying by the percent of homes that are disapproved and the percent of those requesting a review. Annual costs are calculated by multiplying the number of reviews by the number of hours per review multiplied by the hourly cost of a social worker.

## Grievance Review for Relatives

### FUNDING:

After the foster care federal discount rate of 75 percent is applied, federally-eligible costs are shared 50 percent federal Title IV-E and 50 percent nonfederal. Nonfederal costs are shared 70 percent State General Fund and 30 percent county.

### CHANGE FROM THE APPROPRIATION:

There is no change.

### REASON FOR YEAR-TO-YEAR CHANGE:

The decrease is due to a decrease in caseload.

### EXPENDITURES:

(in 000's)

	2006-07	2007-08
	County Admin.	County Admin.
Total	\$678	\$610
Federal	254	229
State	297	267
County	127	114
Reimbursements	0	0

## Live Scan Technology

### DESCRIPTION:

This premise reflects the cost to maintain Live Scan machines in the 58 county child welfare services agencies for the Foster Care program. Before a child can be placed in a foster home or an unlicensed relative or guardian home, caregivers must clear a criminal record check. Live Scan technology provides the capability to do instantaneous criminal record checks from fingerprints. Providing and maintaining Live Scan machines to the child welfare agencies allow for immediate onsite fingerprint processing.

### IMPLEMENTATION DATE:

This premise implemented on July 1, 2000.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Assembly Bill 1740 (Chapter 52, Statutes of 2000).
- The 58 counties were provided funds to purchase 100 Live Scan machines in Fiscal Year (FY) 2000-01.
- Costs are negotiated and contracted with a Live Scan vendor by each of the counties.
- Contract costs for on-going maintenance are based on an existing Live Scan contract for Community Care Licensing activities.

### METHODOLOGY:

The estimate is based on an existing Live Scan contract to provide on-going maintenance.

### FUNDING:

After the foster care federal discount rate of 75 percent is applied, federally-eligible costs are shared 50 percent federal Title IV-E and 50 percent nonfederal. Nonfederal costs are 100 percent State General Fund.

### CHANGE FROM THE APPROPRIATION:

There is no change.

### REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

## Live Scan Technology

### EXPENDITURES:

(in 000's)

	2006-07	2007-08
	County Admin.	County Admin.
Total	\$1,200	\$1,200
Federal	450	450
State	750	750
County	0	0
Reimbursements	0	0

## Health Services for Children in Foster Care

### DESCRIPTION:

This premise reflects the cost to fund positions for public health care nurses (PHNs) in the county welfare departments. These nurses will provide enhanced health services to children entering foster care. As authorized by Assembly Bill 1111 (Chapter 147, Statutes of 1999), this program will improve the physical, mental, dental, and developmental well being of children in the child welfare system. The PHNs funded through this program shall work closely with the child's caseworker or probation officer to coordinate health care services and serve as a liaison with health care professionals and other providers of health related services.

### IMPLEMENTATION DATE:

This premise implemented on January 1, 2000.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 16501.3.
- For Fiscal Year (FY) 2006-07, the number of new cases added to foster care is 44,853 based on actual data from the previous 24 months. For FY 2007-08, the projected new cases added to foster care is 41,025. The projection is based on the previous 24 months of actual data.
- The foster care caseload per PHN is based on a 1:200 ratio.
- The cost for a PHN for FY 2006-07 is being held to the FY 2004-05 level of \$104,039. The cost for a PHN for FY 2007-08 is \$100,263.
- The matching State General Funds (25 percent) are reflected in the California Department of Social Services' (CDSS) budget and, through an interagency agreement, passed over to the budget of the Department of Health Services (DHS).

### METHODOLOGY:

#### FY 2006-07

The projected new foster care caseload is divided by the number of annual cases per PHN, then multiplied by the unit cost of a PHN to determine the total cost of the program ( $44,853 \div 200 \times \$104,039$ ). The total funds are multiplied by 25 percent to calculate the amount reflected in the CDSS budget and the remaining 75 percent of the funds are reflected in the budget of the DHS.

#### FY 2007-08

The projected new foster care caseload is divided by the number of annual cases per PHN, then multiplied by the unit cost of a PHN to determine the total cost of the program ( $41,025 \div 200 \times \$100,263$ ). The total funds are multiplied by 25 percent to calculate the amount reflected in the CDSS budget and the remaining 75 percent of the funds are reflected in the budget of the DHS.

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## Health Services for Children in Foster Care

### FUNDING:

This program is eligible for enhanced federal Title XIX funding of 75 percent with a match of 25 percent State General Fund.

### CHANGE FROM THE APPROPRIATION:

There is no change.

### REASON FOR YEAR-TO-YEAR CHANGE:

Based on 24 months of prior caseload data, the FY 2007-08 foster care caseload is projected to decrease. The PHN costs have also decreased.

### EXPENDITURES:

(in 000's)

	2006-07	2007-08
	County Admin.	County Admin.
Total	\$5,833	\$5,142
Federal	0	0
State	5,833	5,142
County	0	0
Reimbursements	0	0

## County Self-Assessment and System Improvement Planning (SIP) Development

### DESCRIPTION:

This premise reflects the cost to provide funding to counties to support the additional administrative responsibility related to the planning and coordination of the periodic county Child Welfare Services (CWS) performance self-assessments and annual System Improvement Plans (SIPs) as required by Assembly Bill (AB) 636 (Chapter 678, Statutes of 2002). Self-assessments and SIPs are critical and mandated components of the new CWS outcomes and accountability systems that require full and continuous participation by the public, service recipients, providers, courts, and agencies participating in CWS and are necessary to ensure a comprehensive, efficient, and non-duplicative approach to CWS assessment, design and operations.

Additional staff resources are necessary for the new function of identifying, selecting, updating membership, providing information, and coordinating the activities of the wide range of participants that include: advocates, the general public, law enforcement, courts, health and mental health agencies, local education, foster parents, foster youth, service recipient parents, and tribal organizations.

### IMPLEMENTATION DATE:

This premise implemented January 1, 2004.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: The Budget Act of 2004.
- Eighty-seven staff, at the social worker level, are budgeted to perform these duties for each Fiscal Year (FY).
- The statewide average cost of a social worker is \$129,074 for each FY.

### METHODOLOGY:

The estimate is calculated for each FY by multiplying the number of social workers by the statewide average cost of a social worker.

### FUNDING:

After the foster care federal discount rate of 75 percent is applied, federally-eligible costs are shared 50 percent federal Title IV-E and 50 percent nonfederal. Nonfederal costs are shared 70 percent State General Fund and 30 percent county.

### CHANGE FROM THE APPROPRIATION:

There is no change.

## County Self-Assessment and System Improvement Planning (SIP) Development

### REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

### EXPENDITURES:

(in 000's)

	2006-07	2007-08
	County Admin.	County Admin.
Total	\$11,230	\$11,230
Federal	4,211	4,211
State	4,913	4,913
County	2,106	2,106
Reimbursements	0	0

## Federal Child & Family Services Review

### DESCRIPTION:

This premise reflects funding for activities related to the preparation and completion of the federal Child and Family Services Review scheduled for Federal Fiscal Year 2008. The funds will be used to hire a contractor to complete research and prepare the Statewide Self Assessment. In addition, funding is needed to support preparation and completion of the onsite review in three counties and development of a Program Improvement Plan.

### IMPLEMENTATION DATE:

This premise will implement on July 1, 2007.

### KEY DATA/ASSUMPTIONS:

- Contractor costs for the Statewide Self Assessment are \$200,000.
- Costs for the three county reviews are estimated at \$50,000 each.
- The foster care federal discount rate is 75 percent.

### METHODOLOGY:

Contractor costs are added to the three county costs.

### FUNDING:

After the foster care federal discount rate of 75 percent is applied, federally-eligible costs are shared 50 percent federal Title IV-E and 50 percent nonfederal. Nonfederal costs are 70 percent State General Fund and 30 percent county.

### CHANGE FROM THE APPROPRIATION:

This is a new premise.

### REASON FOR YEAR-TO-YEAR CHANGE:

This is a new premise.

## Federal Child & Family Services Review

### EXPENDITURES:

(in 000's)

	2006-07 County Admin.	2007-08 County Admin.
Total	\$0	\$350
Federal	0	131
State	0	153
County	0	66
Reimbursements	0	0

## Data Requirements for New Activities

### DESCRIPTION:

This premise reflects the cost related to the additional data requirements associated with the many new mandated activities counties must accomplish to implement the Program Improvement Plan (PIP) and the California Child & Family Services Review process authorized by Assembly Bill 636 (Chapter 678, Statutes of 2002). Counties must review and update data already contained in the Child Welfare Services/Case Management System to ensure the new required data elements are entered into the case files. Counties must also spend additional time entering these additional data requirements in all new cases as they are created. This effort must be accomplished so that it is possible to measure program improvement progress as required in the PIP in order to avoid federal penalties.

### IMPLEMENTATION DATE:

This premise implemented January 1, 2004.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: The Budget Act of 2005.
- The Fiscal Year (FY) 2006-07 and FY 2007-08 estimates are for new cases only.
- The new caseload is 61,166 for FY 2006-07 based on actual data for FY 2004-05 and 54,812 for FY 2007-08 based on actual data for FY 2005-06.
- It is assumed that it will take an average of 15 minutes per case to enter data for all new cases.
- The hourly cost of a social worker is \$72.60 for each FY.

### METHODOLOGY:

The estimate is calculated by multiplying the caseload by the number of hours per case and then by the hourly cost of a social worker.

### FUNDING:

After the foster care federal discount rate of 75 percent is applied, federally-eligible costs are shared 50 percent federal Title IV-E and 50 percent nonfederal. Nonfederal costs are shared 70 percent State General Fund and 30 percent county.

### CHANGE FROM THE APPROPRIATION:

There is no change.

### REASON FOR YEAR-TO-YEAR CHANGE:

The decrease is due to a decrease in caseload.

## Data Requirements for New Activities

### EXPENDITURES:

(in 000's)

	2006-07	2007-08
	County Admin.	County Admin.
Total	\$1,111	\$995
Federal	417	373
State	486	435
County	208	187
Reimbursements	0	0

## Peer Quality Case Reviews

### DESCRIPTION:

This premise reflects the cost associated with backfilling and travel and per diem costs for social workers and probation officers participating in Peer Quality Case Reviews (PQCR) as required by Assembly Bill 636 (Chapter 678, Statutes of 2001). The purpose of the PQCR is to learn, through intensive examination of county child welfare practice, how to improve child welfare services and practices in California, both in the participating county and in other jurisdictions as well. Without relying on the PQCR as a vehicle for validating the quantitative data contained within each county's County Data Report and Self Assessment, the PQCR should provide another layer of information. Specifically, the PQCR will be another mechanism for understanding the key to the child welfare system and social worker practice. While the quantitative data provides integral, population-based information, the PQCR will provide a rich and deep understanding of actual practice in the field. In addition, the PQCR goes beyond the County Self-Assessment by incorporating outside expertise, including county peers, to help identify the strengths and weaknesses of county child welfare services delivery systems, and social worker and probation officer practices.

### IMPLEMENTATION DATE:

This premise implemented July 1, 2004.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 10601.2.
- There will be 22 counties completing County Welfare Department (CWD) reviews and 27 counties completing County Probation Department (CPD) reviews in Fiscal Year (FY) 2006-07 and 15 counties completing CWD and CPD reviews in FY 2007-08.
- Each CWD review will take approximately five days to complete and will involve an average of 16 staff; eight staff from the county being reviewed and eight staff from other counties. Each CPD review will take approximately three days to complete and will involve an average of 16 staff; eight staff from the county being reviewed and eight staff from other counties.
- Based on information from the County Welfare Directors Association, it will require a total of 712 hours of social worker time for each CWD review, which also includes time for preparation, coordination and training for the reviews and completion and review of reports. Each CPD review will take approximately three-fifths the time of a CWD review, or 427 hours of probation worker time.
- The hourly cost of a worker is \$72.60.
- Eight social workers from other counties will participate in each county review and will require travel and per diem costs of \$124.00 per day.
- \$20,000 of state support is included in the premise.

## Peer Quality Case Reviews

### METHODOLOGY:

The total number of worker hours per review is multiplied by the number of reviews and then by the worker cost per hour. Costs are then added for travel and per diem for eight visiting workers for each of the reviews at \$124.00 per day. An additional \$20,000 is added for state staff's travel and per diem.

### FUNDING:

After the foster care federal discount rate of 75 percent is applied, federally-eligible costs are shared 50 percent federal Title IV-E and 50 percent nonfederal. Nonfederal costs are shared 70 percent State General Fund and 30 percent county.

### CHANGE FROM THE APPROPRIATION:

There is no change.

### REASON FOR YEAR-TO-YEAR CHANGE:

The number of reviews has decreased.

### EXPENDITURES:

(in 000's)

	2006-07	2007-08
	County Admin.	County Admin.
Total	\$2,204	\$1,400
Federal	827	525
State	964	613
County	413	262
Reimbursements	0	0

## Child Fatality and Near Fatality Peer Quality Case Reviews (PQCRs)

### DESCRIPTION:

This premise reflects the costs associated with compiling and publishing reports on all child deaths and near deaths that are caused by suspected child abuse or neglect as required by the federal Child Abuse Prevention and Treatment Act (CAPTA). A team will be established to review cases on a monthly basis and compile data for a final report. In addition, the on-site review of high profile cases will be contracted out.

### IMPLEMENTATION DATE:

This premise will implement July 1, 2007.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: CAPTA.
- Eight county staff will meet monthly in Sacramento for two days.
- The average hourly cost for a social worker is \$72.60.
- Airfare is estimated at \$100 and per diem costs are estimated at \$124 per day.
- On-site contracting costs are \$100,000.

### METHODOLOGY:

The number of staff is multiplied by the annual number of hours and then multiplied by the average cost per hour. Costs are added for travel and per diem and for on-site contracting.

### FUNDING:

After the foster care federal discount rate of 75 percent is applied, federally-eligible costs are shared 50 percent federal Title IV-E and 50 percent nonfederal. Nonfederal costs are 70 percent State General Fund and 30 percent county.

### CHANGE FROM THE APPROPRIATION:

This is a new premise.

## Child Fatality and Near Fatality Peer Quality Case Reviews (PQCRs)

### REASON FOR YEAR-TO-YEAR CHANGE:

This is a new premise.

### EXPENDITURES:

(in 000's)

	2006-07	2007-08
	County Admin.	County Admin.
Total	\$0	\$245
Federal	0	92
State	0	107
County	0	46
Reimbursements	0	0

## Statewide Standardized Training

### DESCRIPTION:

This premise reflects the additional costs associated with the need for counties to backfill behind county social workers and supervisors who must attend additional days of training, as required under the statewide standardized common core curriculum for all current and new child welfare, and probation workers, and their supervisors. The additional training days resulted from California's negotiation of the federal Children and Family Services Review (CFSR) Program Improvement Plan (PIP) which was aimed at improving outcomes for children in foster care. The PIP required that the California Department of Social Services (CDSS) develop regulations which would mandate the standardized training curricula which will result in up to four additional days of training. The standardized curricula and additional days of training were also added to the Training Plan section of the Title IV-B State Plan. The standardized curricula was developed in collaboration with the Statewide Training and Education Committee, which includes representation from all of the Regional Training Academies (RTA) and the Inter-University Consortium (IUC), California Social Work Education Center (CalSWEC), county staff, the tribal community, and other important stakeholders.

### IMPLEMENTATION DATE:

This premise will implement in Fiscal Year (FY) 2006-07.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 16200 through 16215.
- The additional days of training were required as part of the CSFR PIP and Title IV-B Training Plan.
- Funding is based on the number of county Full Time Equivalent (FTE's) who will be attending the additional days of training.
- Social workers will attend four additional days of training; social work supervisors will attend two additional days of training; and probation workers will attend three additional days of training.

### METHODOLOGY:

The estimate is based on the total number of FTEs in each county who will be attending the additional days of training multiplied by the number of hours of training. The total hours are then multiplied by the hourly cost of a social worker.

### FUNDING:

After the foster care federal discount rate of 75 percent is applied for FY 2006-07, federally-eligible costs are shared at 75 percent federal, 17.5 percent State, and 7.5 percent county. Nonfederally eligible costs are funded with 70 percent State, 30 percent county.

## Statewide Standardized Training

### CHANGE FROM THE APPROPRIATION:

There is no change.

### REASON FOR YEAR-TO-YEAR CHANGE:

The decrease is due to a decrease in the number of FTEs attending the training.

### EXPENDITURES:

(in 000's)

	2006-07	2007-08
	County Admin.	County Admin.
Total	\$19,446	\$19,413
Federal	10,939	10,920
State	5,955	5,945
County	2,552	2,548
Reimbursements	0	0

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## CWS Program Improvement Fund

### DESCRIPTION:

This premise reflects donated grants, gifts, or bequests made to the State from private sources to be deposited into the Child Welfare Services (CWS) Program Improvement Fund as established by Assembly Bill 2496 (Chapter 168, Statutes of 2004). These funds are intended to enhance the State's ability to provide a comprehensive system of supports that promote positive outcomes for children and families.

### IMPLEMENTATION DATE:

This premise implemented July 1, 2005.

### KEY DATA/ASSUMPTIONS:

- Donated funds will be eligible for federal Title IV-E enhanced training matching funds.
- The foster care federal discount rate is 75 percent for Fiscal Years (FYs) 2006-07 and 2007-08.

### METHODOLOGY:

A total of \$1,500,000 in donated funds is expected in both FYs.

### FUNDING:

After applying the foster care federal discount rate, federally-eligible costs are shared 75 percent enhanced federal Title IV-E training funds and 50 percent nonfederal. Nonfederal costs are 100 percent State General Fund, payable from the CWS Program Improvement Fund.

### CHANGE FROM THE APPROPRIATION:

The amount of expected donations has increased.

### REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

### EXPENDITURES:

(in 000's)	2006-07	2007-08
	County Admin.	County Admin.
Total	\$3,429	\$3,429
Federal	1,929	1,929
State	1,500	1,500
County	0	0
Reimbursements	0	0

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## **CWS Differential Response (DR), Safety Assessment (SA) and Permanency & Youth Services (PYS)**

### **DESCRIPTION:**

This premise reflects funding for activities related to DR, SA, and PYS that were previously identified as separate premises. Beginning at the Child Welfare Services (CWS) Hotline, the new DR intake system provides a more customized response to families through case planning and development, and provides enhanced services to support the specific needs of children and families. The Standardized Safety Assessment System establishes the standards, tools, and practice applications to improve California's safety outcomes. PYS is aimed at increasing permanence and stability for children in the CWS system as well as supporting foster youth as they transition to adulthood.

### **IMPLEMENTATION DATE:**

This premise implemented July 1, 2005.

### **KEY DATA/ASSUMPTIONS:**

- This premise provides funding for continued implementation in the 11 counties (Contra Costa, Glenn, Humboldt, Los Angeles, Placer, Sacramento, San Luis Obispo, San Mateo, Stanislaus, Tehama, and Trinity) that received funding in Fiscal Year (FY) 2004-05 through other existing fund sources.
- Additional funding is provided for state level contracts for training and technical assistance in support of the DR, SA, and PYS activities.
- The foster care federal discount rate is 75 percent.
- It is assumed that a portion of activities for DR are ineligible for federal Title IV-E funding and are funded with 100 percent State General Fund (GF).

### **METHODOLOGY:**

Funding for the 11 counties is \$13,002,000. An additional \$743,000 is provided for state contracts.

### **FUNDING:**

After applying the foster care federal discount rate, federally-eligible costs are shared 50 percent federal Title IV-E and 50 percent nonfederal for the non-enhanced expenditures and 75 percent enhanced federal Title IV-E training funds and 25 percent nonfederal. Nonfederal costs are 100 percent GF.

### **CHANGE FROM THE APPROPRIATION:**

There is no change.

## **CWS Differential Response (DR), Safety Assessment (SA) and Permanency & Youth Services (PYS)**

### **REASON FOR YEAR-TO-YEAR CHANGE:**

The amount of funds budgeted for DR has increased.

### **EXPENDITURES:**

(in 000's)

	2006-07	2007-08
	County Admin.	County Admin.
Total	\$13,745	\$13,745
Federal	5,490	5,359
State	8,255	8,386
County	0	0
Reimbursements	0	0

## **CWS Differential Response (DR), Safety Assessment (SA) and Permanency & Youth Services (PYS) – County Expansions**

### **DESCRIPTION:**

This premise reflects funding for county expansions of activities related to DR, SA, and PYS that were first piloted in 11 counties. Beginning at the Child Welfare Services (CWS) Hotline, the new DR intake system provides a more customized response to families through case planning and development, and provides enhanced services to support the specific needs of children and families. The Standardized Safety Assessment System establishes the standards, tools, and practice application to improve California's safety outcomes. PYS is aimed at increasing permanence and stability for children in the CWS system as well as supporting foster youth as they transition to adulthood.

### **IMPLEMENTATION DATE:**

This premise will implement July 1, 2006.

### **KEY DATA/ASSUMPTIONS:**

- This premise provides funding in Fiscal year (FY) 2006-07 to expand SA only to an additional 18 counties.
- The foster care federal discount rate is 75 percent.

### **METHODOLOGY:**

Funding is provided in the amount of \$1,000,000.

### **FUNDING:**

After applying the foster care federal discount rate, federally-eligible costs are shared 50 percent federal Title IV-E and 50 percent nonfederal for the non-enhanced expenditures and 75 percent enhanced federal Title IV-E training funds and 25 percent nonfederal. Nonfederal costs are 100 percent State General Fund.

### **CHANGE FROM THE APPROPRIATION:**

There is no change.

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## CWS Differential Response (DR), Safety Assessment (SA) and Permanency & Youth Services (PYS) – County Expansions

### REASON FOR YEAR-TO-YEAR CHANGE:

The expansion of SA will be completed in FY 2006-07.

### EXPENDITURES:

(in 000's)

	2006-07	2007-08
	County Admin.	County Admin.
Total	\$1,000	\$0
Federal	422	0
State	578	0
County	0	0
Reimbursements	0	0

## CWS Outcome Improvement Project

### DESCRIPTION:

This premise reflects funding for county child welfare and probation agencies to enhance/modify their existing service delivery systems to improve outcomes for children and families consistent with the strategies contained in the county System Improvement Plans approved by each county's Board of Supervisors. These plans are required under the new California Child and Family Services Review, pursuant to Chapter 678, Statutes of 2001 (Assembly Bill 636). Improvements in the area of safety are a priority. In addition, the eleven Child Welfare Services (CWS) Program Improvement pilot counties can access these funds to support ongoing development of their Standardized Safety Assessment System, Differential Response, and Youth Permanency programs. The California Department of Social Services anticipates that there will be both one-time and ongoing costs for improvements that could include specialized training, equipment, consultant services, enhanced staffing, and expanded service capacity. In addition, Assembly Bill (AB) 1808 (Chapter 75, Statutes of 2006) provided a \$98.6 million augmentation for all counties to be spent flexibly on local priorities identified in the county System Improvement Plans.

### IMPLEMENTATION DATE:

This premise implemented July 1, 2005.

### KEY DATA/ASSUMPTIONS:

- Authorizing Statute: AB 1808 (Chapter 75, Statutes of 2006).
- The total funding for county welfare department Child Welfare Services Outcome Improvement Project (CWSOIP) activities is \$12,862,000.
- Beginning in Fiscal Year 2007-08, total funding for county probation department CWSOIP activities is \$3,200,000.
- AB 1808 provides an augmentation of \$98,572,000 in total funds, \$37,216,000 in federal Title IV-E funds, and \$61,356,000 in State General Funds (GF).
- The foster care federal discount rate is 75 percent.
- For county welfare department CWSOIP activities, 55 percent of the activities are ineligible for federal Title IV-E funding.
- For county probation department CWSOIP activities, 100 percent of the activities are eligible for federal Title IV-E funding.

### METHODOLOGY:

The CWSOIP funding is added with the CWSOIP Augmentation funding.

### FUNDING:

For the CWSOIP, federally-eligible costs are shared 50 percent federal Title IV-E and 50 percent nonfederal, after applying the foster care federal discount rate. Nonfederal costs are 100 percent GF. The CWSOIP Augmentation funding is determined by AB 1808.

## CWS Outcome Improvement Project

### CHANGE FROM THE APPROPRIATION:

There is no change to the total combined estimate.

### REASON FOR YEAR-TO-YEAR CHANGE:

The increase is for county probation department related CWSOIP activities.

### EXPENDITURES:

(in 000's)

<b>CWSOIP:</b>	2006-07	2007-08	<b>CWSOIP Augmentation:</b>	2006-07	2007-08
	County Admin.	County Admin.		County Admin.	County Admin.
Total	\$12,862	\$16,062	Total	\$98,572	\$98,572
Federal	2,170	3,370	Federal	37,216	37,216
State	10,692	12,692	State	61,356	61,356
County	0	0	County	0	0
Reimbursements	0	0	Reimbursements	0	0
<b>COMBINED TOTAL:</b>	2006-07	2007-08			
	County Admin.	County Admin.			
Total	\$111,434	\$114,634			
Federal	39,386	40,586			
State	72,048	74,048			
County	0	0			
Reimbursements	0	0			

## Safe & Timely Interstate Placement of FC Act of 2006

### DESCRIPTION:

This premise reflects the costs associated with social workers meeting the new 60-day home study time frame requirement of the Safe and Timely Interstate Placement of the Foster Care Act of 2006 (H.R. 5403). Within the 60 days, county social workers must complete a study of a home environment in order to assess the safety and suitability of placing a child and to develop a report of their findings. The bill also grants authority for incentive payments of \$1,500 for each home study completed within 30 days.

### IMPLEMENTATION DATE:

This premise will implement on July 1, 2007.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: H.R. 5403
- The caseload from out-of-state is estimated at 500 annually
- Each home study will take an average of 15.5 hours.
- The average hourly cost of a social worker is \$72.60.
- California will not qualify for the incentive payments.

### METHODOLOGY:

The caseload is multiplied by the hours and then multiplied by the hourly cost.

### FUNDING:

After the foster care federal discount rate of 75 percent is applied, federally-eligible costs are shared 50 percent federal Title IV-E and 50 percent nonfederal. Nonfederal costs are 70 percent State General Fund and 30 percent county.

### CHANGE FROM THE APPROPRIATION:

This is a new premise.

### REASON FOR YEAR-TO-YEAR CHANGE:

This is a new premise.

## Safe & Timely Interstate Placement of FC Act of 2006

### EXPENDITURES:

(in 000's)

	2006-07 County Admin.	2007-08 County Admin.
Total	\$0	\$563
Federal	0	211
State	0	246
County	0	106
Reimbursements	0	0

## **AB 408 Child Relationships (Amended by AB 1412)**

### **DESCRIPTION:**

This premise reflects the costs for social workers to perform additional activities on every initial and six month case plan and court report on children 10 years of age and older who are placed in group homes for more than six months to establish a special relationship with an important person in the child's life as stipulated by Assembly Bill (AB) 408 (Chapter 813, Statutes of 2003). Social workers will conduct investigations to identify these individuals, evaluate and assess relationships between foster children and other important people in their lives, excluding siblings, and take necessary actions to maintain these relationships. These identified persons will be included in the child's Transitional Independent Living Plan (TILP).

Effective January 1, 2006, the provisions of AB 408 are amended as stipulated by AB 1412 (Chapter 640, Statutes of 2005) to include all children who are developmentally appropriate and who are in out-of-home placements. In addition, the social workers will insure that developmentally appropriate children are involved in the development of their case plan, help plan for permanent placement, and that children 12 years of age or older review their case plan, sign it, and receive a copy.

The implementation and operation of the amendments are to be budgeted by phases.

### **IMPLEMENTATION DATE:**

This premise implemented on July 1, 2004 and was amended on January 1, 2006.

### **KEY DATA/ASSUMPTIONS:**

Authorizing statute: AB 408 (Chapter 813, Statutes of 2003) and AB 1412 (Chapter 640, Statutes of 2005).

#### AB 408

The provisions of AB 408 are being held at the Budget Act of 2006 Appropriation Level.

#### AB 1412

- Implementation of AB 1412 was delayed until July 1, 2006.
- There are approximately 30,000 children 10 years of age and older and placed with a nonrelative for six months or longer.
- There are approximately 13,000 children 10 years of age and older and placed with a permanent placement (PP) relative for six months or longer.
- There are approximately 4,000 children 10 years of age and older and who have been in out-of-home placement for six months or longer.
- There are approximately 17,000 children 8 to 11 years old who are developmentally appropriate to participate in their case plan development.
- There are approximately 46,000 children 12 years and older who will review and sign their case plan.

## **AB 408 Child Relationships (Amended by AB 1412)**

### **KEY DATA/ASSUMPTIONS (continued):**

- One out of every four relationships initially assessed will not be deemed in the child's best interest. In such cases, another relationship will be assessed, which will require four additional hours of social worker time.
- For Phase I, a social worker will spend at least 4 hours per case for the initial assessment of new cases for children 10 years and older placed with a non-relative for six months or longer and one-half hour for one-half of the new cases for a six month case plan/court report.
- For Phase II, a social worker will spend at least 15 minutes for Phase I children for the six months court report and at least 4 hours per case for the children 10 years and older placed in PP relative care for six months or longer and one-half hour for the PP cases for the six month case plan/court report.
- For Phase III, a social worker will spend at least 15 minutes for Phase I and Phase II children for the six months court report, at least 4 hours per case for the children 10 years and older placed in out-of-home placement for more than six months and one-half hour for the out-of-home placement cases for the six month case plan/court report.
- The social worker cost per hour is \$72.60.
- Background checks will be performed on each initial and additional assessment case at a cost of \$87.00 per case.

### **METHODOLOGY:**

The provisions of AB 408 for Fiscal Years (FYs) 2006-07 and 2007-08 are held at the Budget Act of 2006 Appropriation level.

The implementation of the provisions of AB 1412 was delayed until July 1, 2006. Therefore, beginning in FY 2006-07 the costs will be phased in according to the placement of the children. The estimate is calculated by multiplying the amount of time by the frequency of activity per year by social worker rate and by the number of cases. In addition, the background check cost is added to the total.

### **FUNDING:**

After the foster care federal discount rate for FYs 2006-07 and 2007-08 is applied, costs are shared 50 percent federal and the nonfederal portion is funded 70 percent with State General Fund and 30 percent county funds.

### **CHANGE FROM THE APPROPRIATION:**

There is no change.

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## AB 408 Child Relationships (Amended by AB 1412)

### REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

### EXPENDITURES:

(in 000's)

Total	2006-07	2007-08
	County Admin.	County Admin.
Total	\$22,965	\$22,965
Federal	8,612	8,612
State	10,047	10,047
County	4,306	4,306
Reimbursements	0	0
AB 408	2006-07	2007-08
	County Admin.	County Admin.
Total	\$5,189	\$5,189
Federal	1,946	1,946
State	2,270	2,270
County	973	973
Reimbursements	0	0
AB 1412	2006-07	2007-08
	County Admin.	County Admin.
Total	\$17,776	\$17,776
Federal	6,666	6,666
State	7,777	7,777
County	3,333	3,333
Reimbursements	0	0

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## **AB 2985 – Foster Youth Identity Theft**

### **DESCRIPTION:**

Assembly Bill 2985 (Chapter 387, Statutes of 2006) requires a County Welfare Department (CWD) to request a credit check from a credit reporting agency for every foster child upon his/her 16<sup>th</sup> birthday. When a credit report contains negative information or evidence of identity theft, the CWD must refer the child to an approved credit counseling organization from a list developed by the California Department of Social Services, in consultation with the County Welfare Directors Association and other stakeholders.

This premise reflects costs associated with requesting and evaluating a credit check and referring a child to an approved credit counseling organization.

### **IMPLEMENTATION DATE:**

This premise implements January 1, 2007.

### **KEY DATA/ASSUMPTIONS:**

- Authorizing statute: Welfare and Institutions Code section 10618.6.
- A credit check from a credit reporting agency is \$15.00.
- The hourly cost for one social worker hour is \$72.60. The standard time to process each credit check is one hour. To process each referral to a credit counseling organization is one additional hour.
- In Fiscal Year (FY) 2006-07, approximately 31,000 foster children are 16 years of age or older. One percent will not receive a free credit check. Ten percent will be referred to a credit counseling organization.
- In FY 2007-08, approximately 8,000 foster children are 16 years of age or older. One percent will not receive a free credit check. Ten percent will be referred to a credit counseling organization.

### **METHODOLOGY:**

The estimated cost of obtaining credit reports is derived by multiplying the number of children not eligible to receive a free credit report by \$15.00.

The estimated social worker cost is derived by multiplying the number of credit reports requested and evaluated, and referrals by the social worker hourly cost.

### **FUNDING:**

After the foster care federal discount rate of 75 percent is applied, federally eligible costs are shared 50 percent federal title IV-E and 50 percent State General Fund.

### **CHANGE FROM THE APPROPRIATION:**

This is a new premise.

## AB 2985 – Foster Youth Identity Theft

### REASON FOR YEAR-TO-YEAR CHANGE:

Budget year applies to children who enter foster care at 16 years or age and older in FY 2007-08 and current foster children who reach his/her 16<sup>th</sup> birthday in FY 2007-08.

### EXPENDITURES:

(in 000's)

	2006-07	2007-08
	County Admin.	County Admin.
Total	\$2,476	\$1,196
Federal	928	448
State	1,548	748
County	0	0
Reimbursements	0	0

## Adoptions Program – Basic Costs

### DESCRIPTION:

This premise reflects costs associated with agency (relinquishment) and independent adoptions for 30 counties. Although only 28 counties provide adoptive services, these costs include funding for independent adoptions and services in two adjacent counties. Relinquishment and agency adoption include:

1. Agency (Relinquishment) Adoptions - Placements through a licensed adoption agency in which a child to be adopted has been relinquished by his or her legal parents or in which, due to abuse or neglect, parental rights have been terminated by court action; and
2. Independent Adoptions - Placements in which the parents place a child directly with an adopting family or persons of their choice.

The 1996 Adoptions Initiative (Assembly Bill 1524, Chapter 1083, Statutes of 1996) was introduced to maximize adoption opportunities for children in public foster care and reduce the foster care population. Counties were funded based on performance agreements that increased the number of adoption social workers in an effort to double the number of statewide adoptive placements. As a result of the Adoptions Initiative, the annual number of foster children who were placed in an adoptive home increased from 3,000 to over 7,200.

Previously, this premise was separated from the Adoptions Initiative premise in order to illustrate the fiscal impact of the Initiative. However, since achieving the goal of doubling the number of statewide adoptions, this premise now combines the Adoptions Initiative with the Adoption Program basic costs to fund the program with 560.55 full-time equivalents (FTEs).

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 16100 through 16106.
- The counties are funded with 560.55 FTEs in each Fiscal Year (FY).
- The statewide average annual unit cost of an adoption worker was held at \$128,564 for each FY.
- Additional federal spending authority in the amount of \$696,480 for FY 2006-07 and \$1,594,174 for FY 2007-08 is included based on actual historical expenditure data.

### METHODOLOGY:

- Estimates are individually calculated for each county that performs its own adoptive services by multiplying the number of FTEs by the county's annual adoption worker unit cost.
- Additional federal funds are included to bring the federal spending authority up to a level based on actual historical expenditure data.

## Adoptions Program – Basic Costs

### FUNDING:

The sharing ratio for FY 2006-07 is 43.67 percent federal and 56.33 percent nonfederal based on actual expenditure data from FY 2004-05. The sharing ratio for FY 2007-08 is 43.05 percent federal and 56.95 percent nonfederal based on actual expenditure data from FY 2005-06. The nonfederal share is 100 percent State General Fund (GF). Additional federal funding is included in the amount of \$696,480 for FY 2006-07 and \$1,594,174 for FY 2007-08 to provide sufficient federal spending authority to a level based on actual historical expenditure data.

### CHANGE FROM THE APPROPRIATION:

There is no change.

### REASON FOR YEAR-TO-YEAR CHANGE:

The nonfederal sharing ratio has increased and the amount of additional federal funding has increased.

### EXPENDITURES:

(in 000's)

	2006-07	2007-08
	County Admin.	County Admin.
Total	\$72,764	\$73,661
Federal	32,225	32,657
State	40,539	41,004
County	0	0
Reimbursements	0	0

## Improving Adoptions Outcomes

### DESCRIPTION:

This premise reflects the costs and savings associated with augmenting county adoption funding to improve permanency outcomes for children via adoption resulting in increased foster care exits. The funding is provided to hire additional adoptions caseworkers to increase the number of finalized adoptions.

### IMPLEMENTATION DATE:

This premise implemented July 1, 2006.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: The Budget Act of 2006.
- In each Fiscal Year (FY), funding is provided to hire additional adoptions caseworkers to produce 1,000 adoptions finalizations.
- Due to hiring timelines and processes during the first year of implementation, adoption finalizations will not begin to occur until January of 2007.
- During FY 2006-07, 500 adoptions will be phased-in over six months from January through June of 2007, resulting in 1,750 casemonths.
- During FY 2007-08, an additional 1,000 adoptions will be phased-in, resulting in 12,500 cumulative casemonths.
- Adoption Assistance Payment (AAP) Program costs are based on the average Foster Family Homes (FFH) grant of \$694.75.
- Foster Care (FC) grant savings are based on cases moving from FFH and Foster Family Agencies (FFA). The weighted average grant amount is \$786.37.
- Child Welfare Services (CWS) administrative savings of \$347.40 in FY 2006-07 and \$358.93 in FY 2007-08 per permanent placement case each month will be realized as a result of cases exiting the child welfare system.
- FC and AAP administrative savings are the average cost per case based on actual data.

### METHODOLOGY:

- A 1,000 case increase in adoptions represents a 15.55 percent increase over actual adoptions finalized during FY 2003-04. Therefore, the additional cost to the Adoptions Program was calculated based on a 15.55 percent increase in funding over the FY 2006-07 Adoptions Basic Program estimate before the additional federal spending authority is added.
- The AAP estimate was calculated by multiplying the average federal and nonfederal FFH grant by the projected 1,750 casemonths in FY 2006-07 and 12,500 casemonths in FY 2007-08.

## Improving Adoptions Outcomes

### METHODOLOGY (continued):

- To estimate the FC Program savings, the projected number of casemonths avoided due to cases exiting the FC Program is multiplied by the FFH and FFA weighted average foster care grant. CWS administrative savings are calculated by applying the permanent placement cost per case to total casemonths avoided due to cases exiting from the child welfare system. Net FC and AAP administrative savings are calculated by multiplying the average cost per case by the projected casemonths.

### FUNDING:

The Adoptions Program, AAP Program, FC Program, FC Administration and CWS Administrative costs/savings are shared at the same ratios as in their respective programs.

### CHANGE FROM THE APPROPRIATION:

The grants have been updated based on most current information.

### REASON FOR YEAR-TO-YEAR CHANGE:

The budget year reflects full-year cumulative costs and savings.

### EXPENDITURES:

(in 000's)

ITEM 101 – AAP Grant Costs	2006-07 Grant	2007-08 Grant
Total	\$1,216	\$8,685
Federal	608	4,342
State	456	3,257
County	152	1,086
Reimbursements	0	0

ITEM 101 – Foster Care Savings	2006-07 Grant	2007-08 Grant
Total	-\$1,376	-\$9,830
Federal	-688	-4,915
State	-275	-1,966
County	-413	-2,949
Reimbursements	0	0

## Improving Adoptions Outcomes

### EXPENDITURES (continued):

(in 000s)

	2006-07	2007-08
<b>ITEM 141 –</b>		
<b>Foster Care Admin</b>	County Admin.	County Admin.
<b>Savings</b>		
Total	-\$152	-\$1,075
Federal	-76	-538
State	-53	-376
County	-23	-161
Reimbursements	0	0
<b>ITEM 151 –</b>		
<b>CWS Admin Savings</b>	County Admin.	County Admin.
Total	-\$51	-\$374
Federal	-19	-140
State	-22	-164
County	-10	-70
Reimbursements	0	0
<b>ITEM 151 –</b>		
<b>Adoptions Cost</b>	County Admin.	County Admin.
Total	\$11,207	\$11,207
Federal	4,903	4,831
State	6,304	6,376
County	0	0
Reimbursements	0	0

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## Older Foster Youth Adoption Project

### DESCRIPTION:

This premise reflects the costs to establish a three year project in four counties to provide preadoption and postadoption services as required by Assembly Bill (AB) 1808 (Chapter 75, Statutes of 2006). These services are aimed at ensuring the successful adoption of children and youth who have been in foster care 18 months or more, are at least nine years of age, and are placed in an unrelated foster home or in a group home.

### IMPLEMENTATION DATE:

This premise implemented on July 1, 2006.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: AB 1808 (Chapter 75, Statutes of 2006).
- AB 1808 specifies San Francisco and Los Angeles Counties as two of the participating counties. The two additional counties are to be selected based on criteria developed by the California Department of Social Services and the County Welfare Directors Association.

### METHODOLOGY:

As specified in AB 1808, \$750,000 General Fund (GF) is made available for San Francisco County and \$1,250,000 GF is made available for Los Angeles County. Also, \$2,000,000 is made available for the other two counties, less costs to implement the pilot in one State District Office (\$300,000 GF) and costs for State administration of the project [\$0 in Fiscal Year (FY) 2006-07; \$300,000 GF in FY 2007-08].

### FUNDING:

The federal share of cost is 43.05 percent and the GF share is 56.95 percent based on FY 2005-06 actual expenditures for the Adoptions Basic program.

### CHANGE FROM THE APPROPRIATION:

The correct sharing ratios have been applied.

### REASON FOR YEAR-TO-YEAR CHANGE:

The decrease is due to \$300,000 GF being used for State administration.

## Older Foster Youth Adoption Project

### EXPENDITURES:

(in 000's)

	2006-07 County Admin.	2007-08 County Admin.
Total	\$6,497	\$5,971
Federal	2,797	2,571
State	3,700	3,400
County	0	0
Reimbursements	0	0

## Private Agency Adoption Reimbursement Payments

### DESCRIPTION:

This premise reflects the costs of providing private agency adoption reimbursement payments (PAARPs) to private adoption agencies for expenditures associated with adoptive placements of special needs children. Assembly Bill (AB) 1524 (Chapter 1083, Statutes of 1996) established a \$3,500 compensatory limit per placement of special needs children. AB 1225 (Chapter 905, Statutes of 1999) increased the compensatory limit per placement to \$5,000 per adoptive placement of a special needs child.

Once the child is placed, a claim is submitted to the California Department of Social Services (CDSS) for an individual child by the private adoption agency. CDSS program staff review the claim, verify federal eligibility, and forward the claim(s) to the Office of the State Controller for direct issuance of a reimbursement payment to the private adoption agency. Fiscal control is maintained by CDSS program staff.

### IMPLEMENTATION DATE:

This premise originally implemented on July 1, 1992.

The AB 1225 reimbursement payment increase went into effect on July 1, 1999.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 16120 through 16122.
- The caseload is projected at 2,217 for both Fiscal Years (FYs) 2006-07 and 2007-08 based on actual caseload data from FY 2005-06.
- The cost of each PAARP was calculated at \$5,000 per private agency adoptive placement.

### METHODOLOGY:

To determine the PAARP basic cost, the projected number of private agency adoptive placements was multiplied by the average reimbursement cost per placement (2,217 placements x \$5,000 reimbursement per placement).

### FUNDING:

The funding ratio was based on actual claiming data from FY 2005-06. The federal share of cost is 47 percent, and the state share of cost is 53 percent.

### CHANGE FROM THE APPROPRIATION:

The increase is due to an increase in caseload.

### REASON FOR YEAR-TO-YEAR CHANGE:

The increase is due to an increase in caseload.

## Private Agency Adoption Reimbursement Payments

### EXPENDITURES:

(in 000's)

	2006-07	2007-08
	County Admin.	County Admin.
Total	\$11,083	\$11,083
Federal	5,172	5,172
State	5,911	5,911
County	0	0
Reimbursement	0	0

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## Foster and Adoptive Home Recruitment

### DESCRIPTION:

This premise reflects the costs associated with utilizing the services of local community organizations to increase the pool of minority adoptive families in order to place more minority children. The program is administered via contracts between the California Department of Social Services and private providers; counties are not directly involved.

### IMPLEMENTATION DATE:

This premise implemented on July 1, 1982.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Federal Multiethnic Placement Act.
- The Foster and Adoptive Home Recruitment Program will fund three contracts with private providers in the current and budget years.

### METHODOLOGY:

- The estimate for Fiscal Years (FYs) 2006-07 and 2007-08 is developed based on anticipated and actual executed contracts.
- The foster care federal discount rate is 75 percent for both FYs.

### FUNDING:

After the foster care federal discount rate is applied, federally-eligible costs are shared 50 percent federal Title IV-E and 50 percent nonfederal. Nonfederal costs are 100 percent State General Fund.

### CHANGE FROM THE APPROPRIATION:

There is no change.

### REASON FOR YEAR-TO-YEAR CHANGE:

The increase is due to an increase in contracts.

### EXPENDITURES:

(in 000's)

	2006-07	2007-08
	County Admin.	County Admin.
Total	\$367	\$417
Federal	138	156
State	229	261
County	0	0
Reimbursements	0	0

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## County Counsel Costs

### DESCRIPTION:

This premise reflects the costs of parental rights termination proceedings for those counties that do not provide their own adoption services. For these counties, Senate Bill 243 (Chapter 1485, Statutes of 1987) transferred the function of terminating parental rights for court dependents from the State Attorney General's Office to the county counsels, effective January 1, 1990.

Cost elements of the parental rights termination function are primarily attorney and paralegal costs; however, they also include minor costs such as publication of notices, process server fees, court reporter fees, sheriff fees, and expert witness fees.

### IMPLEMENTATION DATE:

This premise implemented on January 1, 1990.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institution Code sections 16100 through 16106.
- For Fiscal Year (FY) 2006-07, the average cost per case is \$3,581 based on actual data from FY 2004-05. For FY 2007-08, the average cost per case is \$3,176 based on actual data from FY 2005-06.
- For those counties that report expenditures, the projected number of children freed for adoption by county counsels is 440 for FY 2006-07 and 447 for FY 2007-08.
- The foster care federal discount rate is 75 percent for each FY.

### METHODOLOGY:

The average cost per case was derived by dividing the expenditures by the number of children freed during that same period. The average cost per case was then multiplied by the projected number of children to be legally freed for adoption.

### FUNDING:

After the foster care federal discount rate is applied, federally-eligible costs are shared 50 percent federal Title IV-E and 50 percent nonfederal. Nonfederal costs are 100 percent State General Fund.

### CHANGE FROM THE APPROPRIATION:

There is no change.

## County Counsel Costs

### REASON FOR YEAR-TO-YEAR CHANGE:

The cost per case has decreased and the caseload has slightly increased.

### EXPENDITURES:

(in 000's)

	2006-07	2007-08
	County Admin.	County Admin.
Total	\$1,574	\$1,419
Federal	590	532
State	984	887
County	0	0
Reimbursements	0	0

## Nonrecurring Adoption Expenses

### DESCRIPTION:

This premise reflects the costs for the reimbursement to families for nonrecurring adoption expenses associated with adopting special needs children. These costs may include, but are not limited to, legal fees, court filing fees, special medical examinations, and psychological evaluations. Only families adopting special needs children are eligible for reimbursement of these one-time costs.

The California maximum reimbursement amount is \$400 with a 50 percent federal sharing ratio. Assembly Bill 2129 (Chapter 1089, Statutes of 1993) made this cap permanent.

### IMPLEMENTATION DATE:

This premise implemented on January 1, 1990.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 16120.1.
- The maximum reimbursement that can be applied to each case is \$400.
- Approximately 68 percent of all adopted children can be classified as special needs children.
- An average of 47.58 percent of eligible cases will submit claims in Fiscal Year (FY) 2006-07 and 39.57 percent will submit claims in FY 2007-08.

### METHODOLOGY:

The estimate was developed by multiplying the projected number of adoptions by the percentage that would qualify as special needs cases (6,166 adoptions x 68 percent). This number was then multiplied by the average percentage of submitted claims, and then by the maximum reimbursement amount.

### FUNDING:

The funding for these reimbursements is shared between federal and state at 50 percent each. There is no county share.

### CHANGE FROM THE APPROPRIATION:

There is no change.

## Nonrecurring Adoption Expenses

### REASON FOR YEAR-TO-YEAR CHANGE:

The percentage of submitted claims has decreased.

### EXPENDITURES:

(in 000's)

	2006-07	2007-08
	County Admin.	County Admin.
Total	\$798	\$664
Federal	399	332
State	399	332
County	0	0
Reimbursements	0	0

## Specialized Training for Adoptive Parents (STAP)

### DESCRIPTION:

This premise reflects the costs associated with implementing Assembly Bill (AB) 2198 (Chapter 1014, Statutes of 1998) which provides special training and services to facilitate the adoption of children who are HIV positive or who have a condition of symptoms resulting from substance abuse by the mother. Specifically, this funding will provide recruitment, special training and respite care to families adopting court dependent children who are either HIV positive or assessed as being prenatally exposed to alcohol or a controlled substance. This program is similar to the Child Welfare Services Substance Abuse/HIV Infant Program (Options for Recovery) authorized by AB 67 (Chapter 606, Statutes of 1997).

### IMPLEMENTATION DATE:

This premise implemented on July 1, 1998.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 16135 through 16135.30.
- This program is available to any county requesting participation pursuant to established procedures and to the extent funds are available. There are currently 10 counties (El Dorado, Mendocino, Monterey, Riverside, San Francisco, San Luis Obispo, Santa Clara, Santa Cruz, Shasta, and Stanislaus) that are participating in this program.
- The foster care federal discount rate is 75 percent for each Fiscal Year (FY).

### METHODOLOGY:

The estimate for this program was developed by calculating the costs for each of the three separate components (respite care, training, and recruitment). The total program funding is \$1,871,000, based on the \$1,000,000 State General Fund (GF) appropriation in AB 2198 for the implementation of this program.

### FUNDING:

After the foster care federal discount rate is applied, federally-eligible recruitment activities are funded with 50 percent federal funds and 50 percent nonfederal funds. The nonfederal funds are shared 70 percent GF and 30 percent county.

After the foster care federal discount rate is applied, federally-eligible training costs are funded with 75 percent federal funds and 25 percent nonfederal funds. The nonfederal funds are shared 70 percent GF and 30 percent county.

Respite care is funded with 70 percent GF and 30 percent county funds.

## Specialized Training for Adoptive Parents (STAP)

### CHANGE FROM THE APPROPRIATION:

There is no change.

### REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

### EXPENDITURES:

(in 000's)

	2006-07	2007-08
	County Admin.	County Admin.
Total	\$1,871	\$1,871
Federal	442	442
State	1,000	1,000
County	429	429
Reimbursements	0	0

## Nonresident Petitions for Adoption (AB 746)

### DESCRIPTION:

This premise reflects the costs associated with conducting home studies for non-California residents who file a petition for either an agency or independent adoption in the county where the child resides. Assembly Bill (AB) 746 (Chapter 1112, Statutes of 2002) requires a review to be conducted and an endorsed home study report to be completed by either the California Department of Social Services or a California licensed adoption agency. This home study report would need approval in the nonresident petitioner's state.

### IMPLEMENTATION DATE:

This premise implemented on January 1, 2003.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Family Code sections 8714 through 8715, 8802, and 8807.
- AB 746 would result in an increase of 33 more out-of-state adoptions.
- Each new case would require, on average, 2.5 visits per year.
- It would take 16 hours, including travel, to conduct each visit.
- Travel costs are estimated to be \$624 (including per diem) per visit.
- The average hourly cost for a social worker is \$72.60.

### METHODOLOGY:

The estimate was developed by first multiplying the number of new cases by the average number of visits required (33 new cases x 2.5 visits per case = 82.5 total visits). The average cost of the social worker (\$72.60 per hour x 16 hours per visit = \$1,162) was added to the travel costs (\$1,162 cost of social worker + \$624 travel costs = \$1,786). This total cost was then multiplied by the number of total visits (82.5 total visits x \$1,786 cost per visit = \$147,345).

### FUNDING:

For Fiscal Year (FY) 2006-07, the federal share of costs is 43.69 percent and the State General Fund (GF) share is 56.31 percent based on FY 2004-05 actual expenditures for the Adoptions Basic program. For FY 2007-08, the federal share of costs is 43.05 percent and the GF share is 56.95 percent based on FY 2005-06 actual expenditures for the Adoptions Basic program.

### CHANGE FROM THE APPROPRIATION:

There is no change.

## Nonresident Petitions for Adoption (AB 746)

### REASON FOR YEAR-TO-YEAR CHANGE:

The sharing ratios have been updated based on actual expenditures for the Adoptions Basic program.

### EXPENDITURES:

(in 000's)

	2006-07	2007-08
	County Admin.	County Admin.
Total	\$148	\$148
Federal	65	64
State	83	84
County	0	0
Reimbursements	0	0

## Disclosure of Sibling Contact Information (AB 2488)

### DESCRIPTION:

This premise reflects the costs associated with locating and obtaining consent to disclosure of contact information from adoptees and their siblings pursuant to Assembly Bill (AB) 2488 (Chapter 386, Statutes of 2006). AB 2488 lowers the age of consent to disclosure of contact information between adoptees and their siblings from 21 years of age to 18. For those children under 18, consent to disclosure of their information is allowed provided that their adoptive parent, legal parent or guardian consents. Additionally, AB 2488 authorizes a court to appoint the adoption agency as a confidential intermediary to make all reasonable efforts to obtain the consent of an adoptee or their sibling who has not already consented to disclosure.

### IMPLEMENTATION DATE:

This premise implemented on January 1, 2007.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: AB 2488 (Chapter 386, Statutes of 2006).
- The projected number of requests for intermediary services is estimated at 265 per month.
- Each request will require an average of 8 hours to locate adoptees and siblings and obtain consent.
- The average hourly cost of an adoptions worker is \$72.31.

### METHODOLOGY:

The number of requests is multiplied by the hours and then multiplied by the hourly cost.

### FUNDING:

The federal share of costs is 43.05 percent and the General Fund share is 56.95 percent based on Fiscal Year (FY) 2005-06 actual expenditures for the Adoptions Basic program.

### CHANGE FROM THE APPROPRIATION:

This is a new premise.

### REASON FOR YEAR-TO-YEAR CHANGE:

FY 2006-07 reflects half-year costs and FY 2007-08 reflects full-year costs.

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## Disclosure of Sibling Contact Information (AB 2488)

### EXPENDITURES:

(in 000's)

	2006-07 County Admin.	2007-08 County Admin.
Total	\$920	\$1,840
Federal	396	792
State	524	1,048
County	0	0
Reimbursements	0	0

## Adoption Opportunity Grant

### **DESCRIPTION:**

This premise reflects an annual \$350,000 in federal grant funds that the California Department of Social Services will receive for five years, on behalf of Sacramento County, to help promote adoptive placements and to provide services to children in foster care. Services include building a culture of permanence in partner agencies through the enhancement of existing protocols, training and collaborations; implementing changes in current services by engaging project youth in recruitment plans and activities to increase permanency; developing and implementing marketing strategies to increase recruitment of adoptive families; and addressing system barriers by identifying focus issues and enhancing partnerships between advocates, policy makers, and legislators. Sacramento County will contract with Sierra Adoptions Services to provide these services. Sierra Adoptions Services will provide the 11.93 percent nonfederal match required for the grant.

### **IMPLEMENTATION DATE:**

This premise implemented during Fiscal Year 2003-04.

### **KEY DATA/ASSUMPTIONS:**

Authorizing statute: Senate Bill 1104 (Chapter 229, Statutes of 2004).

### **METHODOLOGY:**

The amount of funding reflects the annual grant award.

### **FUNDING:**

Funding is 88.07 percent federal share with an 11.93 percent county match.

### **CHANGE FROM THE APPROPRIATION:**

There is no change.

### **REASON FOR YEAR-TO-YEAR CHANGE:**

There is no change.

## Adoption Opportunity Grant

### EXPENDITURES:

(in 000's)

	2006-07	2007-08
	County Admin.	County Admin.
Total	\$398	\$398
Federal	350	350
State	0	0
County	48	48
Reimbursements	0	0

## County Third Party Contracts

### DESCRIPTION:

This premise reflects the costs associated with the Child Abuse Prevention, Intervention, and Treatment (CAPIT) Program. Assembly Bill 1733 (Chapter 1398, Statutes of 1982) established CAPIT to fund prevention and intervention services for children at risk of abuse and/or neglect. Contracts with community-based public and private agencies utilize CAPIT funds to provide services to high-risk children and their families, as well as training and technical assistance to funded agencies. The program includes a local assistance contract component of approximately \$1.0 million which funds innovative, child-centered approaches for the prevention of child abuse and neglect.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 18960 through 18965.
- These funds are used to fulfill federal Community-Based Child Abuse Prevention (CBCAP) grant matching and leveraging requirements.

### METHODOLOGY:

Total funding is divided among county allocations, innovative services, and training and technical assistance/state support as follows:

- County Allocations: Counties are allocated a total of \$12,356,000. Small counties receive a preset minimum funding level, and the remaining distribution uses a formula that considers a county's child population (under age 18), children receiving public assistance, and child abuse reports.
- Innovative Services Contracts: There is \$1,039,000 appropriated for innovative services contracts. A competitive bid process determines the grantees of innovative services contracts.
- Training and Technical Assistance (T&TA)/State Support: The funding is \$306,200 to ensure that the programs effectively serve high-risk children and their families, provide for regional training on various child abuse issues and periodic statewide training institutes, and provide state support for the program. Of the \$306,200, \$200,000 is appropriated for a statewide nonprofit consortium. The T&TA/State Support amount is not included in the local assistance budget.

### FUNDING:

The CAPIT funding is 100 percent State General Fund.

### CHANGE FROM THE APPROPRIATION:

There is no change.

## County Third Party Contracts

### REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

### EXPENDITURES:

(in 000's)	2006-07	2007-08
	Grant	Grant
Total	\$13,395	\$13,395
Federal	0	0
State	13,395	13,395
County	0	0
Reimbursements	0	0

## Federal Grants

### DESCRIPTION:

This premise reflects the federal grants associated with assisting local and private agencies in the development and strengthening of child abuse and neglect prevention and treatment programs. These federal grants include those under the Child Abuse Prevention and Treatment Act (CAPTA). The CAPTA grants now consist of Title I (consisting of the former Parts A and B) and Title II, otherwise known as the Community-Based Child Abuse Prevention (CBCAP) grant. Approximately fifty percent of each annual CBCAP grant award is allocated to the counties. The CBCAP grant was formerly known as the Community-Based Family Resource and Support (CBFRS) grant.

In Fiscal Year 2006-07 the California Department of Social Services (CDSS) received the Linkages Grant. CDSS in collaboration with Child and Family Policy Institute of California will enhance, expand, and measure the impacts of Linkages. Linkages is a strategic effort involving nearly 30 counties in California to improve coordination between California Work Opportunity and Responsibility to Kids (CalWORKs) and Child Welfare Services (CWS). The mission of Linkages is to deepen and broaden collaboration and coordination of CalWORKs and CWS at the county level to better serve families and improve outcomes. Through training and support, Linkages will also work towards increasing the number of counties co-locating services, support counties in developing strategies to serve at least one identified underserved population, and strengthen data collection practices and counties' use of data for continuous improvement of service delivery and systems integration.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 18958.
- Project funding is contingent upon continued receipt of federal grant awards.
- CBCAP grant awards are contingent upon using Child Abuse Prevention, Intervention, and Treatment (CAPIT) funds to fulfill nonfederal matching and leveraging requirements.

### METHODOLOGY:

The CAPTA federal grants average approximately \$3 million annually and have a lifetime limit of five years to fully expend the annual grant. This allows states flexibility in the use and support of multi-year projects. The Linkages grant is \$400,000 annually and has a lifetime limit of five years to fully expend the annual grant.

## Federal Grants

### METHODOLOGY (continued):

The total reflects the following federal grants:

	<u>2006-07</u>	<u>2007-08</u>
• CAPTA Title I Grants	\$3,344,513	\$2,979,489
• CAPTA Title II – CBCAP Grants	<u>\$3,469,004</u>	<u>\$2,575,472</u>
	\$6,813,517	\$5,554,961
• Linkages Grant	\$400,000	\$400,000

### FUNDING:

Funding for these projects is 100 percent federal grant funds. The Linkages Grant is 90 percent federal grant funds with a 10 percent match using CAPIT funds.

### CHANGE FROM THE APPROPRIATION:

The increase is the net effect of decreased federal grants and the addition of the Linkages Grant.

### REASON FOR YEAR-TO-YEAR CHANGE:

The increase is the net effect of decreased federal grants and the addition of the Linkages Grant.

### EXPENDITURES:

(in 000's)	2006-07 Grant	2007-08 Grant
Total	\$7,213	\$5,955
Federal	7,213	5,955
State	0	0
County	0	0
Reimbursements	0	0

## State Children's Trust Fund Program

### DESCRIPTION:

This premise reflects the revenue available for the State Children's Trust Fund (SCTF) in California. The SCTF provides funding for innovative child abuse and neglect prevention and intervention projects utilizing deposits generated from birth certificate surcharges, state income tax designations, and private donations. Project funding is awarded through proposals submitted to the Office of Child Abuse Prevention (OCAP) of the California Department of Social Services (CDSS).

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 18969.
- The Office of the State Controller accounts for deposits to the SCTF and advises CDSS as to the availability of funds.

### METHODOLOGY:

This premise reflects the current funding available for the SCTF, as provided by OCAP.

### FUNDING:

The SCTF is used for research, evaluation, dissemination of information to the public, the establishment of public-private partnerships with foundations and corporations; to increase public awareness about child abuse and neglect via media campaigns, and to seek continued contributions to the fund. Beginning in Fiscal Year (FY) 2005-06, SCTF funds will also support the implementation of the CWS Program Improvement Project and Assembly Bill 636 (Chapter 678, Statutes of 2001) activities.

### CHANGE FROM THE APPROPRIATION:

There is no change.

### REASON FOR YEAR-TO-YEAR CHANGE:

During FY 2007-08, OCAP will launch new statewide initiatives to support prevention and early intervention strategies related to child abuse and neglect. The SCTF will be used to develop local capacity to promote prevention and respond to the need for early intervention with families and children at risk of abuse and neglect. OCAP has accumulated SCTF funds over the last few years in order to have sufficient resources for new initiatives.

## State Children's Trust Fund Program

### EXPENDITURES:

(in 000's)	2006-07	2007-08
	Grant	Grant
Total	\$1,600	\$3,755
Federal	0	0
State	1,600	3,755
County	0	0
Reimbursements	0	0

## County Services Block Grant – Basic Costs

### DESCRIPTION:

This premise reflects the County Services Block Grant (CSBG) funding provided to the counties. The CSBG provides funds for Adult Protective Services (APS) and APS administrative costs. The CSBG may also be used to fund related optional services and activities to the extent funds are available.

Non-Medical Out-of-Home Care (NMOHC) administrative costs relating to the Supplemental Security Income/State Supplementary Payment (SSI/SSP) Program are also included in this premise since Fiscal Year (FY) 2000-01. These NMOHC costs were previously reflected in the “Small Programs (non-CalWORKs) Block Grant” premise.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 13004 through 13007.
- The State General Fund (GF) is block granted at \$10.5 million.
- The county match (\$10.9 million) reflects the FY 1996-97 CSBG county expenditure level. Senate Bill 2199 (Chapter 946, Statutes of 1998) required the counties to maintain their FY 1996-97 APS expenditure level for CSBG purposes.
- The Title XIX reimbursement rate is assumed to be 33.89 percent, based on the actual federal reimbursement percentage claimed on the county administrative expense claim for FY 2005-06.

### METHODOLOGY:

- In the current year, estimated costs are computed by adding the GF block grant, the county match and the Title XIX reimbursements ( $\$10,500,000 + \$10,936,000 + \$13,199,054 = \$35,176,383$ ) and the NMOHC costs. The NMOHC costs are estimated to be \$541,329 in the current year.
- In the budget year, the estimated costs are computed by adding the GF block grant, the county match and the Title XIX reimbursements ( $\$10,500,000 + \$10,936,000 + \$13,199,054 = \$35,090,099$ ) and the NMOHC costs. The NMOHC costs are estimated to be \$455,045 in the budget year.

### FUNDING:

- GF for CSBG is block granted at \$10.5 million with county participation at the maintenance of effort level.
  - NMOHC is funded with 100 percent GF.
  - The Title XIX reimbursements are as follows:
    - ◆ Activities performed by skilled professional medical personnel are eligible for Title XIX reimbursement at 75 percent.
    - ◆ Health-related activities provided to Medi-Cal eligible recipients are eligible for Title XIX reimbursement at 50 percent.
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## County Services Block Grant – Basic Costs

### CHANGE FROM THE APPROPRIATION:

The current year increase reflects actual expenditures in the NMOHC and Title XIX reimbursements.

### REASON FOR YEAR-TO-YEAR CHANGE:

The budget year reduction in total costs reflects a reduction in estimated costs for the NMOHC Program.

### EXPENDITURES:

(in 000's)	2006-07	2007-08
	County Admin.	County Admin.
Total	\$35,176	\$35,090
Federal	0	0
State	11,041	10,955
County	10,936	10,936
Reimbursements	13,199	13,199

## Adult Protective Services

### DESCRIPTION:

This premise reflects the funds available over and above the funds provided in the County Services Block Grant (CSBG) for the provision of adult protective services (APS). Senate Bill (SB) 2199 (Chapter 946, Statutes of 1998) established a statewide mandated APS Program and provided these additional funds for expanded APS activities. The county share of APS expenditures was held at the Fiscal Year (FY) 1996-97 county match level for the CSBG. The APS Program has been funded in whole or in part under CSBG since the 1984 Budget Act. The APS Program, administered by the county welfare departments, provides assistance to elderly and dependent adults who are functionally impaired, unable to meet their own needs, and who are victims of abuse, neglect or exploitation.

The APS Program, as defined in SB 2199, requires the counties to respond to reports of elder and dependent adult abuse on a 24-hour emergency response basis. Among the services required by SB 2199 are investigations, needs assessments, and case management services. SB 2199 also provides for necessary tangible resources such as food, emergency shelter care, in-home protection, transportation, and the use of multidisciplinary teams.

### IMPLEMENTATION DATE:

- This premise implemented on July 1, 1997.
- The enhanced APS Program became effective May 1, 1999.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Elder Abuse and Dependent Adult Civil Protection Act, commencing Welfare and Institutions Code section 15600.
- This program received a \$20 million State General Fund (GF) augmentation in the 1998 Budget Act to provide counties with additional resources needed to implement the statewide mandated APS Program. An additional \$25.3 million GF augmentation was provided in the 1999 Budget Act.
- The counties are assumed to have no additional share of the APS costs effective FY 1998-99. SB 2199 held county costs to the FY 1996-97 CSBG expenditure level.

### METHODOLOGY:

The GF estimated expenditures are held at the FY 2002-03 levels and the Federal Title XIX reimbursement is based on actual expenditures for FY 2004-05.

### FUNDING:

- The program is funded with GF and Title XIX reimbursements.
- The Title XIX reimbursements are as follows:
  - ◆ Activities performed by skilled professional medical personnel are eligible for Title XIX reimbursement at 75 percent; and,

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## Adult Protective Services

### FUNDING (continued):

- ◆ Health-related activities provided to Medi-Cal eligible recipients are eligible for Title XIX reimbursement at 50 percent.

### CHANGE FROM THE APPROPRIATION:

The current year Title XIX reimbursement is updated to reflect actual expenditures.

### REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

### EXPENDITURES:

(in 000's)

	2006-07	2007-08
	County Admin.	County Admin.
Total	\$88,329	\$88,329
Federal	0	0
State	50,179	50,179
County	0	0
Reimbursements	38,150	38,150

## APS Contract for Training Curriculum

### DESCRIPTION:

This premise reflects the cost of a multi-year contract with a qualified institution, agency or consultant to:

- Develop a comprehensive statewide training curriculum for county Adult Protective Services (APS) workers that will be owned by the State and shared with county APS agencies;
- Present the training curriculum to all APS workers, including scheduling and arranging training in all the regions of the State and producing all required training materials; and,
- Periodically update the curriculum and its content to reflect changing APS laws, policies and practices and provide updated training to APS workers.

The purpose of the training will be to educate county APS workers on the new APS Program standards, requirements, and mandates established by passage of Senate Bill 2199 (Chapter 946, Statutes of 1998), and subsequent legislation. The training is intended to promote statewide uniformity and consistency in the administration and delivery of services under the APS Program.

### IMPLEMENTATION DATE:

This premise implemented on July 1, 2001.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Elder Abuse and Dependent Adult Civil Protection Act, commencing Welfare and Institutions Code Section 15600.
- The cost for ongoing training activities is estimated to be \$176,000 annually.

### METHODOLOGY:

The funding for this premise reflects the amount of the contract.

### FUNDING:

The federal Title XIX reimbursement represents 12.5 percent of the total funding. The nonfederal share is funded with 100 percent State General Fund.

### CHANGE FROM THE APPROPRIATION:

There is no change.

### REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

## APS Contract for Training Curriculum

### EXPENDITURES:

(in 000's)

	2006-07	2007-08
	Contracts	Contracts
Total	\$176	\$176
Federal	0	0
State	154	154
County	0	0
Reimbursements	22	22

## Community Care Licensing - Foster Family Homes

### DESCRIPTION:

This premise reflects the costs of providing basic funding for Foster Family Home (FFH) licensing and recruitment services. The California Community Care Facilities Act authorizes counties to provide FFH licensing services. There are currently 41 counties providing FFH licensing and recruitment services. Beginning in Fiscal Year (FY) 2005-06, Yolo County has decided to return their licensing function to the State. FFHs in the remaining 17 counties are licensed by the California Department of Social Services' (CDSS) Community Care Licensing Program District Offices. For these counties, funds are provided for the purpose of recruiting FFH providers.

In FY 2003-04, CDSS implemented a Targeted Visits protocol to streamline the annual review process of licensed care facilities to focus on facilities in which health and safety may be at greatest risk, or those facilities that require an annual visit as a condition of federal funding. A ten percent sample of the remainder of the facilities is subject to annual unannounced visits. Current law requires that all facilities be visited at least once every five years. Also, if the number of citations increases by ten percent over the prior year, the number of unannounced visits must also increase by ten percent.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Health and Safety Code sections 1500 through 1519.
- The workload standards used to determine Full Time Equivalent (FTE) for targeted visits in FY 2006-07 and FY 2007-08 is 120 cases per worker.
- The worker to supervisor ratio used to determine the total number of FTEs is 6.35:1.
- The average statewide unit cost is held at the FY 2002-03 unit cost of \$125,663.

### METHODOLOGY:

#### FY 2006-07

The estimate was developed by determining the number of FTEs based on an updated FY 2006-07 average caseload of 7,575. This caseload was divided by the workload standards of cases per worker to derive the number of nonsupervisory FTEs (7,575 cases ÷ 120 cases per worker = 63.13 FTEs). The FTEs were expanded to include supervisors at a ratio of 6.35:1 to determine the total number of FTEs [(63.13 FTEs ÷ 6.35 supervisor ratio) + 63.13 FTEs = 73.10 FTEs]. The federal and GF sharing ratio was applied.

The total estimate was derived by adding the recruitment-only allocation to the FFH Program estimate (\$9,181,686 + \$877,764). Then, an additional \$3,632,926 in federal spending authority, based on a 3-year average of actual expenditures, was included. The recruitment-only amount is held at the FY 2005-06 funding level.

## Community Care Licensing - Foster Family Homes

### METHODOLOGY (continued):

#### FY 2007-08

The estimate was developed by determining the number of FTEs based on an updated FY 2006-07 average caseload of 7,447. This caseload was divided by the workload standards of cases per worker to derive the number of nonsupervisory FTEs (7,447 cases ÷ 120 cases per worker = 62.06 FTEs). The FTEs were expanded to include supervisors at a ratio of 6.35:1 to determine the total number of FTEs [(62.06 FTEs ÷ 6.35 supervisor ratio) + 62.06 FTEs = 71.80 FTEs]. The federal and GF sharing ratio was applied.

The total estimate was derived by adding the recruitment-only allocation to the FFH Program estimate (\$9,026,537 + \$877,764). Then, an additional \$3,632,926 in federal spending authority, based on a 3-year average of actual expenditures, was included. The recruitment-only amount is held at the FY 2005-06 funding level.

### FUNDING:

Based on actual expenditure data from FY 2005-06, the sharing ratio for FY 2006-07 and for FY 2007-08 is 41.3 percent federal Title IV-E and 58.7 percent GF. Additional federal spending authority is included based on actual expenditures.

### CHANGE FROM THE APPROPRIATION:

The increase is due to the number of citations increasing by ten percent over the prior year, therefore the number of unannounced visits must also increase by ten percent. The Current Year (CY) assumes unannounced visits will increase to 30 percent. Also, the average caseload has been updated. The average caseload is lower than projected in the May 2006 Revise

### REASON FOR YEAR-TO-YEAR CHANGE:

The average caseload is projected to decrease.

### EXPENDITURES:

(in 000's)

	2006-07	2007-08
	County Admin.	County Admin.
Total	\$13,692	\$13,537
Federal	7,797	7,726
State	5,895	5,811
County	0	0
Reimbursements	0	0

## Family Child Care Homes – Basic Costs

### DESCRIPTION:

This premise reflects the costs of providing basic funding to six counties for Family Child Care Home (FCCH) licensing services and, beginning Fiscal Year (FY) 2005-06, the necessary staff to process serious incident reports. For FY 2006-07, Marin County has chosen to return the licensing function to the State. FCCH programs in the remaining 52 counties are licensed by the California Department of Social Services (CDSS) Community Care Licensing (CCL) District Offices. The California Community Care Facilities Act authorizes participating counties to provide FCCH licensing services. Also, FCCH licensees are required to report any injury to a child requiring medical treatment, the death of any child, or any unusual incident or child absence that threatens the physical or emotional health or safety of any child while the child is in the care of the licensee.

In FY 2003-04, CDSS implemented a Targeted Visits protocol to streamline the annual review process of licensed care facilities to focus on facilities in which health and safety may be at greatest risk, or those facilities that require an annual visit as a condition of federal funding. A ten percent sample of the remainder of the facilities is subject to annual unannounced visits. Current law requires that all facilities be visited at least once every five years. Also, if the number of citations increases by ten percent over the prior year, the number of unannounced visits must also increase by ten percent.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Health and Safety Code sections 1500 through 1519.
- The workload standard used to determine Full Time Equivalents (FTE) for targeted monitoring visits for FY 2006-07 and FY 2007-08 is 257 cases per worker.
- The worker to supervisor ratio used to determine FTEs is 6.35:1.
- The average statewide unit cost is held at the FY 2002-03 level of \$117,885.

### METHODOLOGY:

#### FY 2006-07

The estimate was developed by determining the number of FTEs based on the FY 2006-07 projected caseload of 3,749. This caseload was divided by the workload standard of 257 cases per worker to determine the number of nonsupervisory FTEs ( $3,749 \text{ caseload} \div 257$ ). The FTEs were then expanded to include supervisors at a ratio of 6.35:1 to derive the total number of FTEs ( $[14.59 \text{ FTEs} \div 6.35 \text{ supervisor ratio}] + 14.59 \text{ FTEs} = 16.09 \text{ FTEs}$ ). The average statewide unit cost was then multiplied by total FTEs.

## Family Child Care Homes – Basic Costs

### METHODOLOGY (continued):

#### FY 2007-08

The estimate was developed by determining the number of FTEs based on the FY 2007-08 projected caseload of 3,894. This caseload was divided by the workload standard of 257 cases per worker to determine the number of nonsupervisory FTEs (3,894 caseload ÷ 257). The FTEs were then expanded to include supervisors at a ratio of 6.35:1 to derive the total number of FTEs ( $[15.15 \text{ FTEs} \div 6.35 \text{ supervisor ratio}] + 15.15 \text{ FTEs} = 17.50 \text{ FTEs}$ ). The average statewide unit cost was then multiplied by total FTEs.

### FUNDING:

In the Budget Act of 1999, the Legislature appropriated \$318,000 in reimbursement funds from the California Department of Education for licensing workers to conduct comprehensive annual site visits. This funding is a reimbursement through the Child Care Development Fund. The remaining costs are funded 100 percent State General Fund (GF).

### CHANGE FROM THE APPROPRIATION:

The increase is due to the number of citations increasing by ten percent over the prior year, therefore the number of unannounced visits must also increase by ten percent. Also, the average caseload has been updated. The average caseload is higher than projected in the May 2006 Revise.

### REASON FOR YEAR-TO-YEAR CHANGE:

The average caseload is projected to increase.

### EXPENDITURES:

(in 000's)

	2006-07	2007-08
	County Admin.	County Admin.
Total	\$2,070	\$2,147
Federal	0	0
State	1,752	1,829
County	0	0
Reimbursements	318	318

## **Gresher v. Anderson**

### **DESCRIPTION:**

This premise reflects the costs associated with implementation of the court ruling of *Gresher v. Anderson*. On February 25, 2005, the appellate court overturned an earlier trial court decision and ruled against the California Department of Social Services (CDSS). This case challenged background check procedures used by CDSS and counties for dealing with applicants with criminal records seeking employment or Trustline registration, and who need an exemption as part of their criminal background clearance in order to be employed as a caregiver. In particular, the Gresher decision will require the background check exemption process to include notification of the applicant of the following details:

- The conviction information that the county received and relied upon when determining the need for an exemption; and
- A summary of the reasons for denial of an exemption tailored to each specific case.

There are currently 41 counties providing Foster Family Home (FFH) licensing services and 6 counties providing Family Child Care Home (FCCH) licensing services.

### **IMPLEMENTATION DATE:**

This premise implemented on July 1, 2005.

### **KEY DATA/ASSUMPTIONS:**

This estimate reflects the local assistance cost for the additional time necessary for the issuance of exemption needed notices and exemption denied notices to individuals with criminal convictions requiring exemptions.

### **METHODOLOGY:**

The annual cost is determined by multiplying the total hours, based on the number of exemption needed notices and exemption denied notices, divided by the full-time equivalent which equates to 0.21 for FFH and 0.09 for FCCH times the unit costs. The unit cost for the FFHs and for the FCCHs is being held at the FY 2002-03 level of \$125,663 and \$117,885, respectively.

#### **Foster Family Homes**

- In Fiscal Year (FY) 2006-07 and FY 2007-08 the number of county exemption needed notices is estimated at 1,172 times 0.25 additional hours to review the rap sheet, identify specific convictions, and include the conviction details in the exemption needed notice. This equates to 293 total hours.
- In FY 2006-07 and FY 2007-08 the number of county exemption denied notices is estimated at 1,172 times 8 percent (statewide average of denied exemption notices) equals 94 times 0.25 additional hours to develop the language explaining the specific reasons for the denial and to incorporate them into the exemption denied notice. This equates to 24 total hours.

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## Gresher v. Anderson

### **METHODOLOGY (continued):**

#### Family Child Care Homes

- In FY 2006-07 and FY 2007-08 the number of county exemption needed notices is estimated at 550 times 0.25 additional hours to review the rap sheet, identify specific convictions, and include the conviction details in the exemption needed notice. This equates to 138 total hours.
- In FY 2006-07 and FY 2007-08 the number of county exemption denied notices is estimated at 550 times 8 percent (statewide average denied exemption notices) equals 44 times 0.25 additional hours to develop the language explaining the specific reasons for the denial and to incorporate them into the exemption denied notice. This equates to 11 total hours.

### **FUNDING:**

#### Foster Family Homes

After the federal discount rate of 75 percent is applied, the costs are shared 50 percent federal and 50 percent State General Fund (GF).

#### Family Child Care Homes

The funding is 100 percent GF. The FCCHs are ineligible for federal financial participation because the clientele are not foster youth.

### **CHANGE FROM THE APPROPRIATION:**

There is no change.

### **REASON FOR YEAR-TO-YEAR CHANGE:**

There is no change.

### **EXPENDITURES:**

(in 000's)

	2006-07	2007-08
	County Admin.	County Admin.
Total	\$37	\$37
Federal	10	10
State	27	27
County	0	0
Reimbursements	0	0

## Court Cases

### DESCRIPTION:

This premise reflects the costs for attorney fees and settlements resulting from lawsuits pertaining to the California Department of Social Services (CDSS), Budget Item 151 – Social Service Programs, specifically, Child Welfare Services, Special Programs, and Community Care Licensing.

### IMPLEMENTATION DATE:

The attorney fees and settlement costs for these court cases are anticipated to be paid in Fiscal Year (FY) 2006-07 and FY 2007-08.

### KEY DATA/ASSUMPTIONS:

The estimate for settlement costs and attorney fees is based in part on actual payments for specific cases in the Current Year (CY), and a projection of costs that are anticipated to be paid in CY and the Budget Year (BY).

### FUNDING:

The legal fees and settlement amounts are funded 100 percent State General Fund.

### CHANGE FROM THE APPROPRIATION:

The increase reflects the attorney fees and settlement associated with the Gomez v. Saenz case in the Current Year (CY).

### REASON FOR YEAR-TO-YEAR CHANGE:

The decrease reflects the attorney fees and settlements associated with the Gomez v. Saenz case paid in the CY.

### EXPENDITURES:

(in 000's)

	2006-07	2007-08
	County Admin.	County Admin.
Total	\$1,700	\$500
Federal	0	0
State	1,700	500
County	0	0
Reimbursements	0	0

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## Fee-Exempt Live Scan

### **DESCRIPTION:**

This premise reflects the costs for fingerprinting and search requirements associated with certain fee-exempt providers pursuant to Senate Bill (SB) 933 (Chapter 311, Statutes of 1998). SB 933 also mandated that a second set of fingerprints be submitted in order to search the records of the Federal Bureau of Investigation (FBI). Assembly Bill (AB) 1659 (Chapter 881, Statutes of 1999) added certain categories of licensed fee-exempt providers for FBI background checks.

This premise also includes the reimbursement cost for processing applications referred by the California Department of Education (CDE) and licensed fee-exempt providers.

The Community Care Licensing Division (CCLD) is responsible for processing the applications pursuant to AB 753 (Chapter 843, Statutes of 1997). CCLD contracts with the Department of Justice (DOJ) and the California Child Care Resource and Referral Network to process the fingerprint and index search file activities. Additionally, CCLD contracts with Sylvan/Indentix, a private vendor, for the Live Scan fingerprinting. The Live Scan fingerprint process is an electronic technology that transfers images of fingerprints and personal information to DOJ in a matter of seconds.

### **IMPLEMENTATION DATE:**

This premise implemented on January 1, 1999.

### **KEY DATA ASSUMPTIONS:**

Authorizing statute: Welfare and Institutions Code section 11324.

### **METHODOLOGY:**

The funding is suspended for Fiscal Years (FY) 2006-07 and 2007-08.

### **FUNDING:**

This premise is funded with 100 percent State General Fund.

### **CHANGE FROM THE APPROPRIATION:**

There is no change.

### **REASON FOR YEAR-TO-YEAR CHANGE:**

There is no change.

## Fee-Exempt Live Scan

### EXPENDITURES:

(in 000's)

	2006-07 Contracts	2007-08 Contracts
Total	\$0	\$0
Federal	0	0
State	0	0
County	0	0
Reimbursements	0	0

## Special Programs – Other Specialized Services

### DESCRIPTION:

This premise reflects the costs for the Foster Care Burial and Repatriated Americans Programs. Foster care burial costs are reimbursements by the State that are provided to foster parents for the costs of a burial plot and funeral expenses, up to \$5,000 per burial, for a child receiving foster care at the time of death.

The Repatriated Americans Program provides temporary help to needy United States citizens returning from foreign countries because of destitution, physical or mental illness, or war.

### KEY DATA/ASSUMPTIONS:

#### Foster Care Burial

Authorizing statute: Welfare and Institutions Code (W&IC) section 11212.

#### Repatriated Americans

Authorizing statute: W&IC sections 10553 and 10554.

### METHODOLOGY:

#### Foster Care Burial

The estimated costs for both current and budget years are held at the Fiscal Year (FY) 1999-00 State General Fund expenditure level of \$186,000.

#### Repatriated Americans

The estimated costs for both current and budget years were held at the Budget Act of 2000 Appropriation level.

### FUNDING:

The Foster Care Burial program is funded with 100 percent State General Fund. The Repatriated Americans Program is funded with 100 percent federal funds through a special Department of Health and Human Services, U.S. Repatriate Program Direct Loan, which are provided to individuals on a repayable basis.

### CHANGE FROM THE APPROPRIATION:

There is no change.

### REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

## Special Programs – Other Specialized Services

### EXPENDITURES:

(in 000's)

	2006-07	2007-08
	Grant	Grant
Total	\$261	\$261
Federal	75	75
State	186	186
County	0	0
Reimbursements	0	0

## Eligibility/Extension of Dog Food Allowance

### DESCRIPTION:

This premise reflects the costs associated with providing a monthly dog food allowance to recipients of federal Social Security Disability Insurance and Supplemental Security Income/State Supplementary Payments (SSI/SSP) and In-Home Supportive Services (IHSS) only Program participants who have incomes at or below the federal poverty level. Existing law provides that eligible individuals with guide, signal, or service dogs are eligible for a dog food allowance of \$50 per month.

### IMPLEMENTATION DATE:

This premise implemented on January 1, 2000.

### KEY DATA/ASSUMPTIONS:

- Authorizing statutes: Welfare and Institutions Code section 12553 and 12554.
- Recipients will receive a monthly dog food allowance of \$50.
- The budget year caseload is projected to increase by 5.6 percent.

### METHODOLOGY:

The current year and budget year estimates are based on year-to-date actual costs and projected caseload growth.

### FUNDING:

This program is funded with 100 percent State General Fund.

### CHANGE FROM THE APPROPRIATION:

There is no change.

### REASON FOR YEAR-TO-YEAR CHANGE:

The increase in the budget year reflects projected caseload growth among Eligibility/Extension of Dog Food Allowance recipients.

## Eligibility Extension of Dog Food Allowance

### EXPENDITURES:

(in 000's)

	2006-07	2007-08
	Grant	Grant
Total	\$536	\$559
Federal	0	0
State	536	559
County	0	0
Reimbursements	0	0

## Access Assistance/Deaf Program

### DESCRIPTION:

This premise reflects the costs associated with the Office of Deaf Access, Access Assistance/Deaf Program. Assembly Bill 2980 (Chapter 1193, Statutes of 1980) established the Access Assistance/Deaf Program in 1980. The Deaf Access Program serves approximately 2.9 million deaf and hearing-impaired Californians through regional contractors. Assistance under this program enables deaf and hearing-impaired persons to access needed social and community services, e.g. employment services, counseling, interpreting services, education on deafness and advocacy. Currently, eight regional contractors provide services to the hearing-impaired in all 58 counties.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 10621.
- The program funding of \$3,304,000 was augmented by \$2,500,000 in Fiscal Year (FY) 1998-99 for program expansion.
- The program is funded with \$3,200,000 in Title XX funds.

### METHODOLOGY:

The estimated costs for both current and budget years are held at the FY 1998-99 appropriation level.

### FUNDING:

This program is funded with \$2,604,000 State General Fund (GF). The Title XX block grant allocated to the program (\$3,200,000) reduces the amount of GF in the program.

### CHANGE FROM THE APPROPRIATION:

There is no change.

### REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

### EXPENDITURES:

(in 000's)

	2006-07	2007-08
	Grant	Grant
Total	\$5,804	\$5,804
Federal	3,200	3,200
State	2,604	2,604
County	0	0
Reimbursements	0	0

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## Refugee Employment Social Services

### DESCRIPTION:

Refugee employment social services (RESS) are provided to refugees through county welfare departments and contracting agencies. The services are funded through an annual block grant allocation by the federal Office of Refugee Resettlement (ORR). The funds are used to provide employment-related services, such as employability assessment, on-the-job training, English language training, and vocational training.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 13275-13282.
- The federal grant includes \$7.4 million in standard funds and \$1.5 million in a set-aside fund to serve Hmong refugees.
- A contract in the amount of \$1.0 million in Fiscal Year (FY) 2006-07 and increasing to \$1.1 million in FY 2007-08 to serve unaccompanied refugee minors is included in total funding.

### METHODOLOGY:

Funding is based on federal award.

### FUNDING:

This program is 100 percent federally funded.

### CHANGE FROM THE APPROPRIATION:

Funding has increased due to a larger standard grant issued by the ORR based on an adjusted allocation methodology to account for the refugee arrival impact changes as a result of the events of September 11, 2001.

### REASON FOR YEAR-TO-YEAR CHANGE:

The grant to serve unaccompanied refugee minors increases in the budget year.

### EXPENDITURES:

(in 000's)

	2006-07	2007-08
	Grant	Grant
Total	\$9,889	\$9,981
Federal	9,889	9,981
State	0	0
County	0	0
Reimbursements	0	0

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## Refugee Programs – Targeted Assistance

### DESCRIPTION:

This program provides services to refugees to enable them to be placed in employment or to receive employment training. The goal of this program is to assist refugees in attaining self-sufficiency. Targeted Assistance (TA) grants are made available to high refugee-impacted counties. Program components include employment services, work experience, vocational training, vocational English-as-a-second-language, on-the-job training, economic development, skills upgrading, and extreme and unusual needs. In addition to regular TA funds, the federal government can award TA discretionary funds to the State for specific local projects. Local agencies develop project proposals in response to a federal announcement. The federal government selects the projects to be funded.

### IMPLEMENTATION DATE:

This premise implemented on October 1, 1983.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 13275-13282.
- California's proposed TA allocation includes \$800,000 in discretionary funding for projects in various counties.
- The Fiscal Year (FY) 2006-07 allocation includes \$50,000 in discretionary funding to serve elderly refugees.

### METHODOLOGY:

Funding is based on federal award.

### FUNDING:

This program is 100 percent federally funded.

### CHANGE FROM THE APPROPRIATION:

Funding has decreased slightly due to a decrease in the standard and discretionary TA grant awards.

### REASON FOR YEAR-TO-YEAR CHANGE:

Elder discretionary funding of \$50,000 is awarded in FY 2006-07 only.

## Refugee Programs – Targeted Assistance

### EXPENDITURES:

(in 000's)

	2006-07	2007-08
	Grant	Grant
Total	\$5,545	\$5,495
Federal	5,545	5,495
State	0	0
County	0	0
Reimbursements	0	0

## Refugee School Impact Grant

### DESCRIPTION:

This premise reflects the federal funding granted to the California Department of Social Services by the Office of Refugee Resettlement (ORR) to provide services to school-age refugee children and their families. The funding for this grant will be a pass-through from the Department to the California Department of Education (CDE). Services provided through local educational agencies will include intensive and innovative educational interventions to assist refugee children to improve English fluency and to progress toward grade-level proficiency.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Title 45 of the Code of Federal Regulations Part 92.
- A federal grant in the amount of \$1,700,000 was awarded in August 2006 to serve school-age refugee children and their families. This is the second year of a five-year project period.
- A Memorandum of Understanding between the CDE and the Department outlines the working relationship between the two departments and assigns responsibilities to each pursuant to the implementation of the grant.
- The services funded under this grant will serve the following counties: Alameda, Fresno, Los Angeles, Orange, Sacramento, San Diego, San Francisco, and Santa Clara.

### METHODOLOGY:

Funding is based on federal award.

### FUNDING:

This program is 100 percent federally funded.

### CHANGE FROM THE APPROPRIATION:

There is no change.

### REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

### EXPENDITURES:

(in 000's)

	2006-07	2007-08
	Grant	Grant
Total	\$1,700	\$1,700
Federal	1,700	1,700
State	0	0
County	0	0
Reimbursements	0	0

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## **Title IV-E Child Welfare Waiver Demonstration Capped Allocation Project**

### **DESCRIPTION:**

On March 31, 2006, the federal Department of Health and Human Services (DHHS) approved the Title IV-E Child Welfare Waiver Demonstration Capped Allocation Project (CAP). The approved waiver allows Title IV-E funds, which are restricted to pay for board and care costs and child welfare services administration, to be used for services and supports in order to avoid the over reliance on out-of-home care and reunify families more expeditiously. The intent of the CAP is to test a "capped allocation" strategy which would block grant a portion of the federal Title IV-E and State General Fund (GF) Administrative and Assistance costs. The California Department of Social Services (CDSS) has been working with the County Welfare Directors Association (CWDA) and interested counties to refine a practice and fiscal model that can be implemented under the waiver. The CAP will allow up to 20 counties to participate in the five year demonstration project.

### **IMPLEMENTATION DATE:**

The current federal terms and conditions will be updated to allow for an estimated April 1, 2007 implementation date.

### **KEY DATA/ASSUMPTIONS:**

- Two counties, Los Angeles and Alameda, have applied to participate in the waiver.
- An annual capped allocation for federal Title IV-E and GF has been established. Participating counties will be required to provide the match necessary to draw down the federal and state capped grant funds.
- Counties will be required to submit a CAP plan for CDSS approval.
- Current Year (CY) estimated impact assumes an April 1, 2007 implementation date. Budget Year (BY) estimated impact is based on a full year of implementation.

### **METHODOLOGY:**

- The federal capped allocation estimates will be based on the county's average Title IV-E expenditure claims for administration and assistance submitted for Federal Fiscal Years (FFY) 2003, 2004, and 2005. An annual two percent growth on the federal funds for administration and assistance will be provided beginning in FFY 2006.
- The GF for Foster Care Assistance will be capped based on the State Fiscal Year (FY) expenditures for 2005-06.
- The GF for Child Welfare Services and Foster Care Administration will be based on specified FY 2006-07 allocation amounts with an annual two percent growth beginning in FY 2007-08.
- Total Title IV-E expenditures will be separated into Budget Item 153 which will include Foster Care Assistance, Foster Care Administration, and Child Welfare Services Administration.

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## Title IV-E Child Welfare Waiver Demonstration Capped Allocation Project

### Funding:

#### Item 153

The Title IV-E funding and GF will be capped. Participating counties will be required to provide their matching share, but will be allowed to reinvest any savings resulting from improved outcomes.

### CHANGE FROM THE APPROPRIATION:

CY reflects a partial year implementation of the CAP for two counties that will participate in the waiver. This premise has been broken out to show funding for the two participating counties that would have been included in items 101, 141, and 151 absent the CAP, as well as the adjustment for growth provided through the CAP to the participating counties.

### REASON FOR YEAR-TO-YEAR CHANGE:

BY reflects a full year implementation of the CAP.

### EXPENDITURES:

(in 000's):

	2006-07	2007-08
<b>Item 153 Waiver Adjustment</b>	Services/Admin And Grants	Services/Admin And Grants
Total	\$17,100	\$ 50,270
Federal	11,900	37,570
State	4,200	7,700
County	1,000	5,000
Reimbursements	0	0

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## Title IV-E Child Welfare Waiver Demonstration Capped Allocation Project

### EXPENDITURES: (continued)

(in 000's):

	2006-07	2007-08
<b>Item 153</b>	Grants	Grants
<b>Foster Care 101</b>		
Total	\$120,846	\$ 473,293
Federal	34,013	130,505
State	34,935	137,923
County	51,898	204,865
Reimbursements	0	0

	2006-07	2007-08
<b>Item 153</b>	Admin.	Admin.
<b>Foster Care 141</b>		
Total	\$10,557	\$ 33,715
Federal	5,434	17,054
State	3,730	12,290
County	1,393	4,371
Reimbursements	0	0

	2006-07	2007-08
<b>Item 153</b>	Services/Admin.	Services/Admin.
<b>CWS 151</b>		
Total	\$179,882	\$ 430,784
Federal	102,263	244,511
State	61,985	148,686
County	15,634	37,587
Reimbursements	0	0

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## Other Departments' TANF MOE Eligible Expenditures Community Colleges – Expansion of Services to TANF Eligibles

### DESCRIPTION:

This premise reflects the State maintenance of effort (MOE) expenditures made by the California Community Colleges (CCC) for the purpose of assisting students who are Temporary Assistance for Needy Families (TANF) Program recipients, including those transitioning from TANF, to achieve long-term self-sufficiency through coordinated student services offered at community colleges.

Public Law 104-193, the federal welfare reform legislation, established the TANF Program and a TANF block grant to replace the Aid to Families with Dependent Children (AFDC) Program. For State Fiscal Years (FYs) 2006-07 and 2007-08, an adjustment has been added, which reflects the fact that California met the federal work participation rate for the California Work Opportunity and Responsibility to Kids (CalWORKs) Program in Federal Fiscal Years (FFYs) 2004 and 2005. When the State meets this rate, the MOE level falls from 80 percent to 75 percent. In addition, adjustments are made to the MOE as a result of Tribal TANF. Therefore, with the Work Participation Rate and Tribal TANF MOE Adjustments, the final MOE level is \$2.7 billion.

The State may count either local and State expenditures made by California Department of Social Services (CDSS) or other departments on behalf of TANF/CalWORKs eligible families toward the MOE. If these expenditures would have been authorized and allowable under the former AFDC, JOBS, Emergency Assistance, Child Care for AFDC recipients, At-Risk Child Care or Transitional Child Care programs in FFY 1995, then the expenditures may count toward the MOE. However, if such expenditures were not previously authorized and allowable, then countable current year expenditures are those that exceed the total State program expenditures in FFY 1995. State expenditures that are used as a match to draw down other federal funding are generally not countable toward the TANF MOE.

Services provided by CCC include work-study, other educational-related work experience, job placement services, child care services, and coordination with county welfare offices to determine eligibility and availability of services. Current TANF recipients may utilize these services until their educational objectives are met, but for no longer than two years. Based on these expenditure requirements, these funds would meet the federal requirements for counting toward the TANF MOE.

### IMPLEMENTATION DATE:

This premise implemented on July 1, 1997.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: 45 Code of Federal Regulations sections 263.2 and 263.4.
- It is assumed the eligible MOE expenditures will be \$43.6 million in FY 2006-07 and FY 2007-08.
- These funds are required to be expended for educational-related services for CalWORKs Program eligible recipients only.

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## Other Departments' TANF MOE Eligible Expenditures Community Colleges – Expansion of Services to TANF Eligibles

### **METHODOLOGY:**

For FYs 2006-07 and 2007-08, the estimate reflects the anticipated MOE-eligible expenditures.

### **FUNDING:**

This program is funded with 100 percent State General Fund.

### **CHANGE FROM THE APPROPRIATION:**

There is no change.

### **REASON FOR YEAR-TO-YEAR CHANGE:**

There is no change.

### **EXPENDITURES:**

(in 000's)

	2006-07	2007-08
	Grant	Grant
Total	\$43,580	\$43,580
Federal	0	0
State	43,580	43,580
County	0	0
Reimbursements	0	0

## Other Departments' TANF MOE Eligible Expenditures CDE Child Care Programs

### DESCRIPTION:

This premise reflects the State maintenance of effort (MOE) expenditures made by the California Department of Education (CDE) for child care programs that provide services for California Work Opportunity and Responsibility to Kids (CalWORKs)/Temporary Assistance for Needy Families (TANF) Program. This premise also reflects expenditures for those who are income eligible but not participating in CalWORKs/TANF program.

Public Law (P.L.) 104-193, the federal welfare reform legislation, established the TANF Program and a TANF block grant to replace the Aid to Families with Dependent Children (AFDC) Program. States must meet an 80 percent MOE to receive their full block grant allocation. For State Fiscal Years (FYs) 2006-07 and 2007-08, an adjustment has been added, which reflects the fact that California met the federal work participation rate for the California Work Opportunity and Responsibility to Kids (CalWORKs) Program in Federal Fiscal Year (FFYs) 2004 and 2005. When the State meets this rate, the MOE level falls from 80 percent to 75 percent. In addition, adjustments are made to the MOE as a result of Tribal TANF. Therefore, with the Work Participation Rate and Tribal TANF MOE Adjustments, the final MOE level is \$2.7 billion.

The State may count both local and state expenditures made by the California Department of Social Services or other departments on behalf of TANF/CalWORKs-eligible families toward the MOE. If these expenditures would have been authorized and allowable under the former AFDC, JOBS, Emergency Assistance, Child Care for AFDC recipients, At-Risk Child Care or Transitional Child Care programs in FFY 1995, all otherwise countable expenditures may count toward the MOE. However, if such expenditures were not previously authorized and allowable, countable expenditures are limited to the amount by which allowable current year expenditures exceed the total State program expenditures in FFY 1995. State expenditures that are used as a match to draw down other federal funding are generally not countable toward the TANF MOE.

Before the implementation of federal welfare reform, California received federal funding for child care through Title IV-A of the Social Security Act and the Child Care and Development Block Grant (CCDBG). Title IV-A funds were used to provide child care for families on welfare, those transitioning off welfare, and those at risk of going on welfare. CCDBG funds were used to provide child care for the working poor. As a part of federal welfare reform under P.L. 104-193, these two federal child care funding streams were merged into the new Child Care and Development Fund (CCDF). In order for states to receive this portion of the CCDF, they are required to spend a level of funding equal to their FFY 1994 nonfederal share of child care expenditures under the old Title IV-A Program (\$85.6 million in California). Federal regulations will allow state expenditures for child care to satisfy both the CCDF MOE and TANF Program MOE, provided that these expenditures meet the MOE requirements for both grants. In addition, if a state has additional child care expenditures, i.e., expenditures that have not been used toward meeting the CCDF MOE requirement or to receive federal matching funds, these expenditures may count toward the state's TANF MOE, provided that the benefiting families meet the state's definition for TANF eligibility. All other TANF MOE requirements and limitations, as set forth in federal regulations, must also be met.

## Other Departments' TANF MOE Eligible Expenditures CDE Child Care Programs

### IMPLEMENTATION DATE:

This premise implemented on July 1, 1997.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: 45 Code of Federal Regulations sections 263.2 and 263.3.
- Based on estimated general fund expenditures for CalWORKs recipients and CalWORKs Eligibles in CDE child care programs, it is assumed the eligible MOE expenditures will be \$404.8 million in FY 2006-07 and \$629.1 million in FY 2007-08 respectively.
- Federal regulations allow state expenditures for child care to satisfy both the CCDF MOE and the TANF MOE, provided that these expenditures meet the MOE requirements for both grants.
- All TANF/CalWORKs-eligible families meet CCDF eligibility requirements and would, therefore, meet both the CCDF and TANF MOE expenditure requirements.
- The total "double-countable" expenditures cannot exceed the MOE level for the CCDF (\$85.6 million).

### METHODOLOGY:

For FYs 2006-07 and 2007-08, the estimate reflects the anticipated MOE-eligible expenditures.

### FUNDING:

This program is funded with 100 percent State General Fund (GF).

### CHANGE FROM THE APPROPRIATION:

In the Appropriation, expenditures for the Temporary Assistance Program and Kin-Gap Plus were removed from CalWORKs funding and were funded with non-MOE countable GF. These expenditures were backfilled with other Department MOE to ensure the Department met its MOE requirement. As a result of not implementing these programs, the amount of MOE from CDE Child Care programs has been reduced.

### REASON FOR YEAR-TO-YEAR CHANGE:

The budget year reflects an increase in countable MOE because Stage Two Child Care TANF dollars will be replaced with Proposition 98 funds which are MOE countable.

## Other Departments' TANF MOE Eligible Expenditures CDE Child Care Programs

### EXPENDITURES:

(in 000's)

	2006-07	2007-08
	Grant	Grant
Total <sup>1</sup>	\$404,786	\$629,072
Federal	0	0
State	404,786	629,072
County	0	0
Reimbursements	0	0

- <sup>1</sup> - Total does not reflect an additional \$30.4 million in eligible CDE child care expenditures in FY 2006-07 and \$75 million in FY 2007-08 that will be counted as excess MOE. Refer to the "Excess Maintenance-of-Effort (MOE)" premise description for more information.

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## Other Departments' TANF MOE Eligible Expenditures \$50 State Disregard Payment to Families

### DESCRIPTION:

This premise reflects the State maintenance of effort (MOE) expenditures made by the Department of Child Support Services (DCSS) for the \$50 State Disregard Payment to Families for current recipients of benefits under the California Work Opportunity and Responsibility to Kids (CalWORKs) Program.

Public Law (P.L.) 104-193, the federal welfare reform legislation, established the Temporary Assistance for Needy Families (TANF) Program and a TANF block grant to replace the Aid to Families with Dependent Children (AFDC) Program. For State Fiscal Years (FYs) 2006-07 and 2007-08, an adjustment has been added, which reflects the fact that California met the federal work participation rate for the California Work Opportunity and Responsibility to Kids (CalWORKs) Program in Federal Fiscal Years (FFYs) 2004 and 2005. When the State meets this rate, the MOE level falls from 80 percent to 75 percent. In addition, adjustments are made to the MOE as a result of Tribal TANF. Therefore, with the Work Participation Rate and Tribal TANF MOE Adjustments, the final MOE level is \$2.7 billion.

The State may count both local and state expenditures made by the California Department of Social Services or other departments on behalf of TANF/CalWORKs-eligible families toward the MOE. If these expenditures would have been authorized and allowable under the former AFDC, JOBS, Emergency Assistance, Child Care for AFDC recipients, At-Risk Child Care or Transitional Child Care programs in FFY 1995, then the expenditures may count toward the MOE. However, if such expenditures were not previously authorized and allowable, then allowable current year expenditures exceed the total State program expenditures in FFY 1995. State expenditures that are used as a match to draw down other federal funding are generally not countable toward the TANF MOE.

In addition to the CalWORKs grant, custodial parents also receive the first \$50 of the current month's child support payment collected from the absent parent. Forwarding the disregard portion of the collection to the family instead of retaining it to abate government's cost of the CalWORKs grant results in cost increases (lost collection revenues).

Under the provisions of P.L. 104-193, the federal government discontinued federal financial participation in the disregard payment to the family as of October 1, 1996. Therefore, this premise reflects the cost for the State to fund the entire \$50 disregard payment to the custodial parent.

### IMPLEMENTATION DATE:

This program was originally implemented in FY 1984-85.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 11475.3 and Family Code section 17504.
- It is assumed the eligible MOE expenditures claimed by DCSS will be \$29.7 million in FY 2006-07 and FY 2007-08 respectively. The estimate is based on projected expenditures from the DCSS.

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## Other Departments' TANF MOE Eligible Expenditures \$50 State Disregard Payment to Families

### KEY DATA/ASSUMPTIONS (continued):

- The child support payment data are based on the counties' monthly CS 35 Reports; Child Support Services Supplement to the CS 34 Monthly Report of Collections and Distributions, a 24 month linear regression was applied from January 2004 through December 2005.

### METHODOLOGY:

The cost of the current \$50 disregard is reported monthly on the CS 35 Report. The disregard is paid when the child support collection is distributed.

### FUNDING:

This program is funded with 100 percent State General Fund.

### CHANGE FROM THE APPROPRIATION:

The current year was updated to reflect the anticipated MOE eligible expenditures.

### REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

### EXPENDITURES:

(in 000's)

	2006-07	2007-08
	Grant	Grant
Total	\$29,747	\$29,747
Federal	0	0
State	29,747	29,747
County	0	0
Reimbursements	0	0

## Other Departments' TANF MOE Eligible Expenditures EDD – Employment Training Fund Program

### DESCRIPTION:

This premise reflects the State maintenance of effort (MOE) expenditures made by the California Employment Development Department (EDD) for the Employment Training Fund Program.

As a result of Public Law 104-193, the federal welfare reform legislation establishing the Temporary Assistance for Needy Families (TANF) Program and a TANF block grant to replace the Aid to Families with Dependent Children (AFDC) Program, States must meet an 80 percent MOE to receive their full block grant allocation. For State Fiscal Years (FYs) 2006-07 and 2007-08, an adjustment has been added, which reflects the fact that California met the federal work participation rate for the California Work Opportunity and Responsibility to Kids (CalWORKs) Program in Federal Fiscal Years (FFYs) 2004 and 2005. When the State meets this rate, the MOE level falls from 80 percent to 75 percent. In addition, adjustments are made to the MOE as a result of Tribal TANF. Therefore, with the Work Participation Rate and Tribal TANF MOE Adjustments, the final MOE level is \$2.7 billion.

The State may count both local and state expenditures made by the California Department of Social Services or other departments on behalf of TANF/CalWORKs-eligible families toward the MOE. If these expenditures would have been authorized and allowable under the former AFDC, JOBS, Emergency Assistance, Child Care for AFDC recipients, At-Risk Child Care or Transitional Child Care programs in FFY 1995, then the expenditures may count toward the MOE. However, if such expenditures were not previously authorized and allowable, countable expenditures are limited to the amount by which allowable current year expenditures exceed the total State program expenditures in FFY 1995. State expenditures that are used as a match to draw down other federal funding are generally not countable toward the TANF MOE.

Based on the Code 45 of Federal Regulations section 263.2, pro rata charges are considered administrative costs for TANF MOE purposes. Pro rata is the apportionment of central service agency costs (e.g., Finance, Controller, Personnel Board, Legislature) incurred by the State General Fund and billed to other funds.

### IMPLEMENTATION DATE:

This premise implemented on July 1, 2003.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: 45 Code of Federal Regulations section 263.0 and section 263.2.
- The pro-rata assessment to the Employment Training Fund is \$87,000 for FY 2006-07.

### METHODOLOGY:

For FY 2006-07 the estimate reflects the anticipated MOE eligible expenditures.

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## Other Departments' TANF MOE Eligible Expenditures EDD – Employment Training Fund Program

### FUNDING:

This program is funded with 100 percent Employment Training Fund.

### CHANGE FROM THE APPROPRIATION:

There is no change.

### REASON FOR YEAR-TO-YEAR CHANGE:

Due to a change in methodology there are no anticipated expenditures in the budget year.

### EXPENDITURES:

(in 000's)

	2006-07	2007-08
	Grant	Grant
Total	\$87	\$0
Federal	0	0
State	87	0
County	0	0
Reimbursements	0	0

## Other Departments' TANF MOE Eligible Expenditures Cal Grants

### DESCRIPTION:

This premise reflects the State maintenance of effort (MOE) expenditures associated with Cal Grants, awarded through the California Student Aid Commission (CSAC), to assist students with paying college expenses. The Cal Grants awards are paid with state funded grants for students attending public or private colleges and universities. It is assumed that state expenditures for Cal Grants are countable toward the Temporary Assistance to Needy Families (TANF) MOE requirement under Purpose Three of TANF.

The CSAC is the principal state agency responsible for administering financial aid programs for students attending public and private universities, colleges, and vocational schools in California. The Cal Grants awards have been used to help middle- and low-income students finance their unmet financial need for college.

The two components of the Cal Grants awards for this premise include;

**Cal Grant A** can be used for tuition and fees at public and private colleges as well as some occupational and career colleges.

**Cal Grant B** provides low-income students with a living allowance and assistance with tuition and fees.

Public Law 104-193, the federal welfare reform legislation, established the TANF Program and a TANF block grant to replace the Aid to Families with Dependent Children (AFDC) Program. For State Fiscal Years (FYs) 2006-07 and 2007-08, an adjustment has been made, which reflects the fact that California met the federal work participation rate for the California Work Opportunity and Responsibility to Kids (CalWORKs) Program in Federal Fiscal Years (FFYs) 2004 and 2005. When the State meets this rate, the MOE level falls from 80 percent to 75 percent. In addition, adjustments are made to the MOE as a result of Tribal TANF. Therefore, with the Work Participation Rate and Tribal TANF MOE Adjustments, the final MOE level is \$2.7 billion.

The State may count either local and State expenditures made by California Department of Social Services (CDSS) or other departments on behalf of TANF/CalWORKs eligible families toward the MOE. If these expenditures would have been authorized and allowable under the former AFDC, JOBS, Emergency Assistance, Child Care for AFDC recipients, At-Risk Child Care or Transitional Child Care programs in FFY 1995, then the expenditures may count toward the MOE. However, if such expenditures were not previously authorized and allowable, countable expenditures are limited to the amount by which allowable current year expenditures exceed the total State program expenditures in FFY 1995. State expenditures that are used as a match to draw down other federal funding are generally not countable toward the TANF MOE.

Furthermore, the recent passage of the Federal Deficit Reduction Act 2005 (DRA) allows other expenditures to be counted without regards to eligibility conditions. This includes counting funds spent in programs which can be reasonably calculated to accomplish TANF goals three and/or four. The Cal Grants awards meets TANF goal number three as described below.

(3) Prevent and reduce the incidence of out-of-wedlock pregnancies and establish annual numerical goals for preventing and reducing the incidence of these pregnancies;

### IMPLEMENTATION DATE:

This premise implemented on July 1, 2006.

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## Other Departments' TANF MOE Eligible Expenditures Cal Grants

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: 45 Code of Federal Regulations sections 263.2 and 263.4.
- All Cal Grants expenditures for Cal Grants A & B used for tuition and fees for single non-married students are countable in the same year they are expended. The expenditures for the access allowance for Cal Grants B recipients are removed from the countable expenditures.
- It is assumed the eligible MOE expenditures will be \$215 million in FY 2007-08.

### METHODOLOGY:

For FY 2007-08, the estimate reflects the anticipated MOE-eligible expenditures.

### FUNDING:

This program is funded with 100 percent State General Fund (GF).

### CHANGE FROM THE APPROPRIATION:

In the Appropriation, expenditures for the Temporary Assistance Program and KinGap Plus were removed from CalWORKs funding and were funded with non-MOE countable GF. These expenditures were backfilled with other Department MOE to ensure the Department met its MOE requirement. As a result of not implementing these programs, there is no need to backfill with other Department MOE expenditures.

### REASON FOR YEAR-TO-YEAR CHANGE:

As result of the state's structural deficit between GF revenue and expenditures, the CDSS is counting additional MOE from other Departments which reduces the GF expenditures in the CDSS budget.

### EXPENDITURES:

(in 000's)

	2006-07	2007-08
	Grant	Grant
Total <sup>1</sup>	\$0	\$214,986
Federal	0	0
State	0	214,986
County	0	0
Reimbursements	0	0

<sup>1</sup> - Total does not reflect an additional \$215 million in eligible Cal Grant expenditures in FY 2006-07 that will be counted as excess MOE. Refer to the "Excess Maintenance-of-Effort (MOE)" premise description for more information.

## Other Departments' TANF MOE Eligible Expenditures After School

### DESCRIPTION:

This premise reflects the State maintenance of effort (MOE) associated with expenditures made by the California Department of Education (CDE) for students attending After School Programs as made available by the CDE. It is assumed that state expenditures for After School are countable toward the TANF MOE requirement under Purpose Three of the Temporary Assistance to Needy Families (TANF) program.

The After School Education and Safety (ASES) Program is the result of the 2002 voter approved initiative, Proposition 49. The ASES Program funds the establishment of local after school education and enrichment programs. These programs are created through partnerships between schools and local community resources to provide literacy, academic enrichment and safe constructive alternatives for students in kindergarten through ninth grade. Funding is designed to: 1) maintain existing before and after school program funding, and 2) provide eligibility to all elementary and middle schools that submit quality applications throughout California.

Public Law 104-193, the federal welfare reform legislation, established the TANF Program and a TANF block grant to replace the Aid to Families with Dependent Children (AFDC) Program. For State Fiscal Years (FYs) 2006-07 and 2007-08, an adjustment has been made, which reflects the fact that California met the federal work participation rate for the California Work Opportunity and Responsibility to Kids (CalWORKs) Program in Federal Fiscal Years (FFYs) 2004 and 2005. When the State meets this rate, the MOE level falls from 80 percent to 75 percent. In addition, adjustments are made to the MOE as a result of Tribal TANF. Therefore, with the Work Participation Rate and Tribal TANF MOE Adjustments, the final MOE level is \$2.7 billion.

The State may count either local and State expenditures made by California Department of Social Services (CDSS) or other departments on behalf of TANF/ CalWORKs eligible families toward the MOE. If these expenditures would have been authorized and allowable under the former AFDC, JOBS, Emergency Assistance, Child Care for AFDC recipients, At-Risk Child Care or Transitional Child Care programs in FFY 1995, then the expenditures may count toward the MOE. However, if such expenditures were not previously authorized and allowable, countable expenditures are limited to the amount by which allowable current year expenditures exceed the total State program expenditures in FFY 1995. State expenditures that are used as a match to draw down other federal funding are generally not countable toward the TANF MOE.

Furthermore, the recent passage of the Federal Deficit Reduction Act 2005 (DRA) allows other expenditures to be counted without regards to eligibility conditions. This includes counting funds spent in programs which can be reasonably calculated to accomplish TANF goals three and/or four. The After School Program meets TANF goal number three as described below.

(3) Prevent and reduce the incidence of out-of-wedlock pregnancies and establish annual numerical goals for preventing and reducing the incidence of these pregnancies.

### IMPLEMENTATION DATE:

This premise implemented on July 1, 2006.

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## Other Departments' TANF MOE Eligible Expenditures After School MOE

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: 45 Code of Federal Regulations sections 263.2 and 263.4.
- All State General Fund (GF) expenditures spent on After School programs will be counted towards the MOE requirement in the year it is spent.
- It is assumed the eligible MOE expenditures will be \$158.8 million in FY 2007-08.

### METHODOLOGY:

For FY 2007-08, the estimate reflects the anticipated MOE-eligible expenditures.

### FUNDING:

This program is funded with 100 percent GF.

### CHANGE FROM THE APPROPRIATION:

In the Appropriation, expenditures for the Temporary Assistance Program and KinGap Plus were removed from CalWORKs funding and were funded with non-MOE countable GF. These expenditures were backfilled with other Department MOE to ensure the Department met its MOE requirement. As a result of not implementing these programs, there is no need to backfill with other Department MOE expenditures.

### REASON FOR YEAR-TO-YEAR CHANGE:

As result of the state's structural deficit between General Fund (GF) revenue and expenditures, the CDSS is counting additional MOE from other Departments which reduces the GF expenditures in CDSS budget.

### EXPENDITURES:

(in 000's)

	2006-07	2007-08
	Grant	Grant
Total <sup>1</sup>	\$0	\$158,764
Federal	0	0
State	0	158,764
County	0	0
Reimbursements	0	0

<sup>1</sup> - Total does not reflect an additional \$225.3 million in eligible after school expenditures in FY 2006-07 and \$128 million in FY 2007-08 that will be counted as excess MOE. Refer to the "Excess Maintenance-of-Effort (MOE)" premise description for more information.

## Other Departments' TANF MOE Eligible Expenditures Community College Fee Waivers

### DESCRIPTION:

This premise reflects the State maintenance of effort (MOE) countable expenditures associated with the California Community College Chancellor's Office (CCCCO) Board of Governor's (BOG) fee waivers program which provides tuition costs to financially needy students attending any of the State's Community Colleges. It is assumed that state expenditures for BOG fee waivers are countable toward the Temporary Assistance Needy Families (TANF) MOE requirement under Purpose Three of TANF. It is assumed the countable expenditures benefit single non-married students.

Public Law 104-193, the federal welfare reform legislation, established the TANF Program and a TANF block grant to replace the Aid to Families with Dependent Children (AFDC) Program. For State Fiscal Years (FYs) 2006-07 and 2007-08, an adjustment has been made, which reflects the fact that California met the federal work participation rate for the California Work Opportunity and Responsibility to Kids (CalWORKs) Program in Federal Fiscal Years (FFYs) 2004 and 2005. When the State meets this rate, the MOE level falls from 80 percent to 75 percent. In addition, adjustments are made to the MOE as a result of Tribal TANF. Therefore, with the Work Participation Rate and Tribal TANF MOE Adjustments, the final MOE level is \$2.7 billion.

The State may count either local and State expenditures made by California Department of Social Services (CDSS) or other departments on behalf of TANF/CalWORKs eligible families toward the MOE. If these expenditures would have been authorized and allowable under the former AFDC, JOBS, Emergency Assistance, Child Care for AFDC recipients, At-Risk Child Care or Transitional Child Care programs in FFY 1995, then the expenditures may count toward the MOE. However, if such expenditures were not previously authorized and allowable, countable expenditures are limited to the amount by which allowable current year expenditures exceed the total State program expenditures in FFY 1995. State expenditures that are used as a match to draw down other federal funding are generally not countable toward the TANF MOE.

Furthermore, the recent passage of the Federal Deficit Reduction Act 2005 (DRA) allows other expenditures to be counted without regards to eligibility conditions. This includes counting funds spent in programs which can be reasonably calculated to accomplish TANF goals three and/or four. The BOG fee waivers meets TANF goal number three as described below.

(3) Prevent and reduce the incidence of out-of-wedlock pregnancies and establish annual numerical goals for preventing and reducing the incidence of these pregnancies;

### IMPLEMENTATION DATE:

This premise implemented on July 1, 2007.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: 45 Code of Federal Regulations sections 263.2 and 263.4.
  - The Department will continue to work with CCCCCO to identify expenditures benefiting single non-married students.
  - Any eligible State General Fund (GF) expenditures identified will be counted towards the MOE requirement in the same year they are spent.
  - It is assumed the eligible MOE expenditures will be \$57 million in FY 2007-08.
-

## Other Departments' TANF MOE Eligible Expenditures Community College Fee Waivers

### **METHODOLOGY:**

For FY 2007-08, the estimate reflects the anticipated MOE-eligible expenditures.

### **FUNDING:**

This program is funded with 100 percent SGF.

### **CHANGE FROM THE APPROPRIATION:**

This is a new premise.

### **REASON FOR YEAR-TO-YEAR CHANGE:**

As result of the state's structural deficit between GF revenue and expenditures, the CDSS is counting additional MOE from other Departments in 2007-08, which reduces the GF expenditures in the CDSS budget.

### **EXPENDITURES:**

(in 000's)

	2006-07	2007-08
	Grant	Grant
Total	\$0	\$56,972
Federal	0	0
State	0	56,972
County	0	0
Reimbursements	0	0

## Excess Maintenance of Effort (MOE)

### DESCRIPTION:

This premise reflects the Department's strategy to earn additional Caseload Reduction Credit (CRC) by counting excess MOE dollars spent on allowable activities above the MOE floor. Current federal regulations allow states that are investing state MOE funds on eligible families, in excess of the required MOE level, to receive a pro rata CRC. Under new federal guidelines included in the Federal Deficit Reduction Act of 2005, states are allowed to count as MOE, without regard to income or eligibility criteria, those expenditures that meet TANF goals three and/or four (prevent and reduce the incidence of out-of-wedlock births, and/or encourage the formation and maintenance of two-parent married families, respectively). Based on this expanded definition, the Department has identified additional countable MOE from other departments that meet the TANF goals.

The resulting CRC the state would receive from excess MOE will enable the state to move closer toward meeting the Work Participation Rate and will subsequently assist the state in avoiding or reducing any federal penalties.

### IMPLEMENTATION DATE:

This premise implemented on July 1, 2006.

### KEY DATA/ASSUMPTIONS:

- Authorizing Statute: 45 Code of Federal Regulations section 261.43.
- In the CY, the Department is claiming only the MOE funds identified in the 2006-07 Budget as excess MOE and will not require a change to the existing Budget Act authority.
- For further information on Other Department's TANF MOE see premises titled CDE Child Care MOE, After School MOE and CalGrants MOE.

### METHODOLOGY:

- In FY 2006-07, the Department will claim a total of \$470.7 million in excess MOE from other Departments for CDE Child Care (\$30.4 million), After School (\$225.3 million) and Cal Grants (\$215 million).
- In the FY 2007-08, the Department will claim a total of \$203 million in excess MOE from other Departments for CDE Child Care (\$75 million) and After School (\$128 million).

### FUNDING:

This program is funded with 100 percent GF.

### CHANGE FROM THE APPROPRIATION:

This is a new premise.

## Excess Maintenance of Effort (MOE)

### REASON FOR YEAR-TO-YEAR CHANGE:

As result of the state's structural deficit between General Fund (GF) revenue and expenditures, the Department is counting additional MOE from other departments in FY 2007-08 which reduces the GF expenditures in the CDSS budget, but reduces the availability of excess MOE.

### EXPENDITURES:

(in 000's)

	2006-07	2007-08
Total	\$470,735	\$203,000
Federal	0	0
State	470,735	203,000
County	0	0
Reimbursements	0	0

## **General Fund Maintenance of Effort Work Participation Rate Reductions**

### **DESCRIPTION:**

This premise reflects adjustments made on the Department's federal reports for prior federal fiscal years (FFYs) that reduce the State's maintenance of effort (MOE) requirement from 80 percent of the base year expenditures to 75 percent. These adjustments are the result of meeting the federal work participation rates for the California Work Opportunity and Responsibility to Kids (CalWORKs) Program.

The Department assumes an 80 percent MOE requirement until notified by the federal government that the State has met the federal work participation rates. This typically occurs after the end of the FFY. After notification by the federal government, the Department files an amended federal report for that past FFY to reflect the lower MOE expenditure level of 75 percent. Therefore, State Fiscal Year (FY) 2006-07 reflects the adjustment for FFY 2004. FY 2007-08 reflects the adjustment for FFY 2005.

### **IMPLEMENTATION DATE:**

The Work Participation Rate adjustments are not made until after the federal government has notified the State that it has met the rate for the FFY. This does not occur until after the end of the FFY for which the adjustment is being made.

### **METHODOLOGY:**

The FFYs 2004 and 2005 adjustments were determined by adjusting the MOE levels for those years to 75 percent. This results in reductions of \$179.5 million which is displayed in FY 2006-07, and \$179.5 which is displayed in FY 2007-08.

Because of the overlapping quarter between the FFY and the FY, the Department is able to reflect the impact of the MOE reduction in a later FY. Accordingly, the State General Fund (GF) expenditure reductions are not reflected in the State Budget until FY 2006-07 and FY 2007-08. These adjustments do not, however, bring the MOE expenditure level below the federal requirement for any FFY.

### **FUNDING:**

The funding is 100 percent GF.

### **CHANGE FROM THE APPROPRIATION:**

There is no change.

### **REASON FOR YEAR-TO-YEAR CHANGE:**

There is no change.

## General Fund Maintenance of Effort Work Participation Rate Reductions

### EXPENDITURES:

(in 000's)

	2006-07	2007-08
	Grant	Grant
Total	-\$179,546	-\$179,546
Federal	0	0
State	-179,546	-179,546
County	0	0
Reimbursements	0	0

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## Total TANF Reserve

### DESCRIPTION:

This premise reflects the Temporary Assistance for Needy Families (TANF) funds that are held in reserve to meet unanticipated pressures in the California Work Opportunity and Responsibility to Kids (CalWORKs) Program. Expenditures as determined by the California Department of Social Services (CDSS) are subject to Legislative notification and approval by the California Health and Human Services Agency and the Department of Finance.

### IMPLEMENTATION DATE:

This premise implemented on July 1, 2000.

### KEY DATA/ASSUMPTIONS:

- The reserve was originally established by the Budget Act of 2000.
- The Total TANF Reserve funds are used to meet unforeseen program needs in the CalWORKs Program.

### METHODOLOGY:

For Fiscal Year (FY) 2007-08, \$100.0 million has been placed in the reserve for unforeseen expenses.

### FUNDING:

This premise is funded with 100 percent federal TANF funds.

### CHANGE FROM THE APPROPRIATION:

There is no reserve in the current year.

### REASON FOR YEAR-TO-YEAR CHANGE:

The increase in the budget year is necessary to ensure that funding is available for unforeseen expenses.

### RESERVE:

(in 000's)	2006-07	2007-08
Total	\$0	\$100,000
Federal	0	100,000
State	0	0
County	0	0
Reimbursements	0	0

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