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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.

General Fund Maintenance of Effort Adjustment

CHANGE FROM PRIOR SUBVENTION:

The GF MOE Adjustment increased in CY and BY due to caseload decline.

REASON FOR YEAR-TO-YEAR CHANGE:

As a 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 Grant	2007-08 Grant
Total	$0	$0
Federal	-1,189,690	-670,777
State	1,189,690	670,777
County	0	0
Reimbursements	0	0

Two-Parent Families

DESCRIPTION:

A Two-Parent (TP) family is defined as an assistance unit (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 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 administrative costs for two-parent for CY held to the November 2006 Subvention. The costs for BY are based on the percentage of two-parent families in the caseload projection
- The employment services and Stage One child care costs for two-parent families are based on expenditure data from Calendar Year 2006.
- 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.

Two-Parent Families

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 57.1 percent TANF and 42.9 percent GF and 77 percent TANF and 23 percent GF in the BY.
- 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 PRIOR SUBVENTION:

- The CY change for CalWORKs grants is due to an increase in the cost per case and caseload.
- The CY services increase is due to new costs associated with the Emergency Response Freeze premise.
- The CY costs for administration are held to the November 2006 Subvention; with the exception of costs associated with the new Emergency Freeze Response premise,
- The CY and BY change in child care costs is primarily due to an increased cost per child.
- The November 2006 Subvention did not display the administration and services costs for BY associated with the Full Family Sanction premise.

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 a decreased caseload and increased savings from the Welfare Reform, TANF Reauthorization (AB 1808), Full Family Sanction, and Minimum Wage Increases (AB 1835) premises.
- The BY increase for services and child care is primarily due to a full year impact from the Homeless Assistance (AB 1808) and Emergency Freeze Response premises. The change also includes the implementation of the TANF Reauthorization (AB 1808) and Full Family Sanction premise.
- The BY decrease for administration is primarily due to a decrease in caseload.

Two-Parent Families

CASELOAD:

	2006-07	2007-08
Average Monthly Caseload	32,936	32,099

EXPENDITURES:

(in 000's)

ITEM 101 - Total	2006-07 Total	2007-08 Total
Total	$355,141	$341,854
Federal	237,680	301,333
State	111,082	34,549
County	6,379	5,972
Reimbursements	0	0

ITEM 101 - CalWORKs Grants	2006-07 Grant	2007-08 Grant
Total	$255,138	$238,904
Federal	186,598	232,932
State	62,162	0
County	6,378	5,972
Reimbursements	0	0

Two-Parent Families

EXPENDITURES (continued):

(in 000's)

ITEM 101 - CalWORKs Services	2006-07 Services	2007-08 Services
Total	$65,918	$66,008
Federal	37,659	50,624
State	28,259	15,384
County	0	0
Reimbursements	0	0

ITEM 101 - CalWORKs Administration	2006-07 Admin.	2007-08 Admin.
Total	$17,895	$17,777
Federal	13,424	17,777
State	4,471	0
County	0	0
Reimbursements	0	0

ITEM 101 - CalWORKs Stage One Child Care	2006-07 Child Care	2007-08 Child Care
Total	$16,190	$19,165
Federal	0	0
State	16,190	19,165
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 10,601,270 All Other Families (AF) personmonths and 1,502,517 Two-Parent (TP) personmonths are anticipated. For FY 2007-08, 10,435,098 AF personmonths and 1,486,522 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 79 with an average cost per case of $2,288 for the current year (CY), and budget year (BY).
- Due to the continual increase in the cost per person from July to December 2006, the CY cost per person was based on a trend analysis projection through June 2007.
- The estimated cost per person for BY is based on an average of the actual cost per person between July and November 2006.
- The AF cost per person is $229.45 for CY and $227.45 BY. The TP cost per person is $169.65 for CY and $166.95 for BY.
- The AF and TP basic costs are adjusted for the OASDI COLA. The Consumer Price Index (CPI)-W COLAs are 3.5 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 $3,209,506 and a FY 2007-08 reduction of $4,695,893.
- 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 $17,735 in grant savings in FY 2006-07, and $65,484 in grant savings in FY 2007-08. Approximately 431 in CY and 426 in BY recipients will receive additional earnings. The CPI-U is 2.3 for January 2007 and 2.0 effective for 2008.

CalWORKs – Basic Grants

KEY DATA/ASSUMPTIONS (continued):

- 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

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	AF	TP
Projected Personmonths	10,601,270	1,502,517
Projected Casemonths	4,511,371	386,798
Persons Per Case	2.35	3.88

FY 2007-08	AF	TP
Projected Personmonths	10,435,098	1,486,522
Projected Casemonths	4,422,274	383,188
Persons Per Case	2.36	3.88

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 PRIOR SUBVENTION:

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

The CalWORKs caseload was previously projected to decrease 2.9 percent. The caseload is now projected to decrease 4.1 percent. However, the decreased cost due to caseload is significantly offset due to the increased cost per case.

REASON FOR YEAR-TO-YEAR CHANGE:

The caseload is projected to decrease by 1.9 percent 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	408,181	400,455
Average Monthly Persons	1,008,649	993,468

EXPENDITURES:

(in 000's)

	2006-07 Grant	2007-08 Grant
Total	$2,638,831	$2,581,923
Federal	2,487,223	2,494,599
State	85,637	22,776
County	65,971	64,548
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 May 2007 projected total CalWORKs caseload used for this estimate [461,352 for Current Year (CY) and 458,667 for the Budget Year (BY)], and accounting for an accumulating 15 month phase-in beginning July 2006, an average of 1,263 cases per month are projected to be in assessment in the CY and 2,849 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 necessary 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 204,368 cases in CY and 198,829 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 (86,857 cases in CY and 84,503 cases in BY) are currently working or participating in work-directed activities. Fifty-seven percent of impacted cases (117,512 cases in CY and 114,327 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-related activities (67,748 cases in CY and 65,912 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-related activities (19,108 cases in CY and 18,591 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 (13,567 in CY and 13,199 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 (5,541 cases in CY and 5,391 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 (18,584 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 54,937 cases in the CY and 54,669 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.

Welfare Reform / Work Participation

KEY DATA/ASSUMPTIONS (continued):

- Of the cases not currently working or participating in work-related activities, it is assumed that five percent each month (5,876 cases in CY and 5,716 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 or participating in work-related activities, it is assumed that approximately five percent (24,036 cases in CY and 23,897 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, 5,397 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 less than 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-related activities (8,682 cases in CY and 6,065 cases in BY), it is assumed that 43 percent (3,690 cases in CY and 2,578 cases in BY) will participate in work or work-directed activities. Of these cases, 71 percent (2,620 cases in CY and 1,830 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 (1,070 cases in CY and 747 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-related activities, it is assumed that 57 percent (4,992 cases in CY and 3,487 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 45 percent (2,247 cases in CY and 1,569 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 (1,595 cases in CY and 1,114 in BY) will work an average of 20 hours per week, and 29 percent (651 cases in CY and 455 cases in BY) will comply with program requirements through participation in approved activities other than work.

Welfare Reform / Work Participation

KEY DATA/ASSUMPTIONS (continued):

- 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 while in sanction status and $35 when they cure.
- This premise assumes that the remaining 55 percent of the cases subject to sanction (2,746 cases in CY and 1,918 cases in BY) for non-compliance with participation requirements will become sanctioned.

- Based on current experience in the CalWORKs program, it is assumed that 812 cases will utilize child care services in the CY and 1640 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 8.85 percent of the non-participating cases that will comply with program participation requirements will utilize ancillary services. The average cost is $68.64 per month.
- Based on current experience in the CalWORKs program, it is assumed that 49.82 percent of the non-participating cases that will comply with program participation requirements will utilize transportation services. The average cost is $69.38 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 (1,263 x 57.57 x 1.25 hours x 12 = $1,090,648 in the CY and 2,849 x 57.57 x 1.25 hours x 12 = $2,460,534 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 (204,368 x .43 x .22 x .71 = 13,567 cases in the CY and 198,829 x .43 x .22 x .71 = 13,199 cases in the BY).

Welfare Reform / Work Participation

METHODOLOGY (continued):

- 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 $10.2 million and $22.6 million for the BY.

- The $10.2 million in CY grant savings and $22.6 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 $8.7 million and $21 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 (8,682 x .43 = 3,690 cases in the CY and 6,065 x .43 = 2,578 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 (8,682 x .43 x .71 = 2,620 cases in the CY and 6,065 x .43 x .71 = 1,830 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 ($2.4 million in grant savings for the CY and $3.9 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 (4,992 x .45 = 2,247 cases in CY and 3,487 x .45 = 1,569 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 (8,682 x .57 x .45 x .71 = 1,595 cases in CY and 6,065 x .57 x .45 x .71 = 1,114 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 ($1.7 million in grant savings for the CY and $2.8 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.

Welfare Reform / Work Participation

METHODOLOGY (continued):

- 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 ($2.0 million savings in the CY and $3.3 million savings in the BY).
- 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 $164,000 in the CY and $472,000 net savings 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 ($11.9 million in the CY and $24.2 million in the BY).

FUNDING:

- The grant funding for the CalWORKs Program in CY is 93.76 percent TANF, 3.74 percent State General Fund (GF) and 2.5 percent county, BY is 95.57 percent TANF, 1.93 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 96.69 percent TANF and 3.31 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 PRIOR SUBVENTION:

- The decrease in grant savings is due to decreased caseload and increased non-compliance cases. The decreased cost for employment services and child care is due to a decrease in the 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.
- The BY services savings reflects costs for newly participating adults offset by a full year of savings associated with the elimination of the 18/24 month time clock.

Welfare Reform / Work Participation

METHODOLOGY (continued):

- 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.

EXPENDITURES:

(in 000's)

101 – CalWORKs Basic Grants	2006-07	2007-08
	Grant	Grant
Total	-$14,903	-$30,991
Federal	-13,973	-29,618
State	-558	-599
County	-372	-774
Reimbursement	0	0

101 – CalWORKs Services	2006-07	2007-08
	Services	Services
Total	$164	-$472
Federal	158	-465
State	6	-7
County	0	0
Reimbursement	0	0

Welfare Reform / Work Participation

Expenditures (continued):

(in 000's)

101 – CalWORKs Stage One Child Care [1]	2006-07[1]	2007-08[1]
	Child Care	Child Care
Total	$11,311	$22,958
Federal	10,937	22,199
State	374	759
County	0	0
Reimbursement	0	0

NET TOTAL	2006-07	2007-08
Total	-$3,428	-$8,505
Federal	-2,878	-7,884
State	-178	153
County	-372	-774
Reimbursement	0	0

[1] 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 statue: 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 PRIOR SUBVENTION:

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.

Temporary Assistance Program (TAP)

EXPENDITURES:

(in 000's)

101- CalWORKs Assistance Payments	2006-07	2007-08
Total	$0	$0
Federal	0	0
State	0	0
County	0	0
Reimbursements	0	0

(in 000's)

101- CalWORKs Administration	2006-07	2007-08
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 that 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 the California Department of Social Services (CDSS) to 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, 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 20,300 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 36,300 additional cases (including the 20,300 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), 15,169 previously unengaged cases will need to meet the federal work requirements. It is assumed that 25 percent (3,792) will fully participate through work and the remaining 75 percent (11,377) 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 $722.24.
- Based on current experience in the CalWORKs program, it is assumed that 8.85 percent of the newly participating cases that meet the federal WPR requirements will utilize ancillary services. The average cost is $68.64 per month.
- Based on current experience in the CalWORKs program, it is assumed that 49.82 percent of the newly participating cases that meet the federal WPR requirements will utilize transportation services. The average cost is $69.38 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 cases x $174 (12 hours of work x $6.75 x 4.33 weeks x 0.5)] = $11.9 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 x .70 x 12 x $174).
- By the end of FY 2007-08, an additional 6,158 cases will increase their participation to meet federal requirements. Assuming a 12 month phased approach results in 40,027 additional casemonths in BY. Assuming 70 percent (28,019) would need to increase an average of 12 hours of work per week. [28,019 cases x $174 (12 hours of work x $6.75 x 4.33 weeks x 0.5)] = $4.9 million in grant savings for the BY.
- Beginning in FY 2007-08, as a result of the ongoing strategies, 15,169 cases that are currently unengaged (sanctioned, good cause, and non-compliant) will begin to fully participate. Assuming a 12 month phased approach results in 98,599 additional casemonths in FY 2007-08. It is assumed that 25 percent (24,650) of these cases will begin to participate an average of 32 hours per week. [24,650 cases x $355 (32 hours of work x $6.75 x 4.33 weeks -$225 x 0.5)] = $8.8 million in grant savings for the BY.
- Ancillary and transportation services costs were determined by multiplying the number of newly participating (98,599) casemonths by the ratio of cases who utilize ancillary/transportation services, then by the average monthly costs (ancillary services – 98,599 cases x 8.85 percent x $68.64 per month; transportation services – 98,599 cases x 49.82 percent x $69.38 per month).
- Assuming a one month delay in the payment of child care the total casemonths between July 2007 through May 2008 (83,430) 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. (83,430 cases x 0.416 utilization rate x 1.7 children per case x $722.24 payment per child) = $42.6 million in Stage One.
- Approximately $2.1 million 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 including $500,000 intended for Data Master Plan efforts in FY 2007-08. 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 in CY is shared 93.76 percent federal/TANF, 3.74 percent General Fund (GF) and 2.5 percent county. The funding for administration, transportation, and ancillary costs are shared 96.47 percent federal/TANF funds and 3.53 percent GF. The State share reflects the GF 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.

The funding for the CalWORKs Program in BY is shared 95.57 percent federal/TANF, 1.93 percent GF and 2.5 percent county. The funding for administration, transportation, and ancillary costs are shared 98.56 percent federal/TANF funds and 1.44 percent GF. Child care funding is shared 96.69 percent federal and 3.31 percent GF.

CHANGE FROM PRIOR SUBVENTION;

There is no change in CY. An increase in the participation of previously unengaged cases in BY will result in decreased grant savings and increased child care and services costs.

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)

101-TANF Reauthorization (AB 1808) Grants	2006-07	2007-08
Total	-$11,876	-$35,550
Federal	-11,135	-33,975
State	-444	-686
County	-297	-889
Reimbursements	0	0

TANF Reauthorization-Assembly Bill (AB) 1808

EXPENDITURES (continued):

(in 000's)

101-TANF Reauthorization (AB 1808) Services & Admin	2006-07	2007-08
Total	$90,000	$94,007
Federal	86,823	92,653
State	3,177	1,354
County	0	0
Reimbursements	0	0

101-TANF Reauthorization (AB 1808) Stage One Child Care 1/	2006-07	2007-08
Total	$0	$40,483
Federal	0	39,143
State	0	1,340
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

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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.
- In February 2007, the Appellate Court ruled in favor of the State. In April, 2007, the plaintiffs filed an appeal to the California Supreme Court. The Department has prepared a response and must now wait for the court's decision on whether or not to hear the case.

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 SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change pending a decision from the California State Supreme Court.

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.
- SB 68 (Chapter 78, Statutes of 2005) eliminated the FY 2006-07 COLA.
- The cost avoidance associated with eliminating the COLA based on the current CNI rate of 3.75 percent is $125.1 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 PRIOR SUBVENTION:

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 Grant	2007-08 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.

The cost avoidance associated with suspending the COLA based on the estimated CNI rate of 3.7 percent is $123.6 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 PRIOR SUBVENTION:

No change.

REASON FOR YEAR-TO-YEAR CHANGE:

No change.

Maximum Aid Payment – July 2007 COLA

EXPENDITURES:

(in 000's)

	2006-07 Grant	2007-08 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 for Needy Families (TANF) Reauthorization provisions resulted 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 is 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. Only the sanctioned adult is removed from the assistance unit for grant purposes. The case remains active and the sanctioned adult remains off aid until the sanction is cured.

This premise will continue to remove the sanctioned adult from the grant for the first 90 days of the sanction. If the sanctioned adult fails to cure the sanction within the first 90 days, the entire CalWORKs case will be discontinued.

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.
- It is assumed that based on this policy change the sanction cure rate will increase from 45 percent to 70 percent with cases curing their sanction in a variety of ways including being determined to be exempt, fully participating after curing the specific reason for sanction as well as partially participating.
- The total projected sanction caseload in Fiscal Year (FY) 2007-08 is 38,436 and it is assumed that a portion of the cases that are discontinued under the full family sanction will reapply for CalWORKs, and cure their sanction. It is estimated that approximately 15,000 cases will not cure their sanction and will remain discontinued.
- Of the cases that cure, ten percent will be exempt, 45 percent will fully meet federal requirements, and 45 percent will not fully meet federal requirements.

Full Family Sanction

KEY DATA/ASSUMPTIONS: (continued)

- Of the 45 percent that will fully meet federal requirements, 70 percent will participate through work activities, and 30 percent will participate in non-work activities.

- Assuming that some of the cases that receive the full family sanction will return to aid, after full implementation it is estimated that approximately 15,000 families will not comply with work requirements and will be discontinued from cash assistance. Assuming a 12-month phased approach results in 49,600 discontinued casemonths in budget year (BY).

- It is estimated that 10,870 cases will reapply for CalWORKs following a full family sanction. Assuming a 12-month phased approach results in 26,469 application casemonths in BY.

- Of that amount, it is assumed 6,679 cases or 15,584 casemonths in BY will have their CalWORKs benefits restored. Ten percent or 1,558 of the restored cases will be exempt, resulting in net casemonths of 14,026. It is assumed that 42.5 percent will immediately fully participate, and 57.5 percent will not be immediately participating.

- Of the 57.5 percent or 8,065 casemonths that will not be participating when they return, 42.5 percent or 3,629 casemonths will eventually comply by either working or participating in non-work activities up to 20 hours per week. Forty five percent or 4,436 casemonths are non-compliant and 78 percent will experience a two-month partial sanction and 22 percent will experience a one-month partial sanction. Forty five percent will eventually comply post partial sanction by either working or participating in non-work activities up to 20 hours per week and 55 percent will not comply and will continue to remain in partial sanction.

- The grant savings resulting from a partial sanction is $139 per case per month.

- The average hourly eligibility worker (EW) cost is $57.57 and it is assumed that it will take 2.4 hours of administrative time per case to process an application for restoration of benefits resulting in a total cost of $138.43 per case.

- The monthly administrative cost per case is $33.69.
- It is assumed the net average monthly grant savings for existing cases that cure through increased work participation is $41 per month.

- It is assumed the average monthly grant cost for existing cases that cure but do not participate in work activities or are determined to be exempt is $139 per month.

- It is assumed the average monthly grant cost for cases that are under a partial sanction is $584 per month.

- Returning cases that are assumed to participate through work hours have average monthly grant costs of $253 per month.

- Returning cases that are assumed to participate through non-work hours have average monthly grant costs of $723 per month.

Full Family Sanction

KEY DATA/ASSUMPTIONS: (continued)

- Based on current experience in the CalWORKs program, it is assumed that newly participating cases will utilize child care services at the same rate as the CalWORKs caseload. The average number of children per case is 1.7 and the average cost per child is $722.24.
- Based on current experience in the CalWORKs program, it is assumed that 8.85 percent of the newly participating cases will utilize ancillary services. The average cost is $68.64 per month.
- Based on current experience in the CalWORKs program, it is assumed that 49.82 percent of the newly participating cases will utilize transportation services. The average cost is $69.38 per month.
- Assuming a 12-month phased-in approach, 53,365 casemonths in the BY will cure their sanctions.

METHODOLOGY:

- Full Family Sanction Policy
  - ✓ Forty-five percent of sanction cases will cure their sanction based on the following:
    - o Ten percent, or 5,337 casemonths, will cure their sanctions and be determined as exempt from work participation and result in grant costs of $0.7 million in BY.
    - o Forty-five percent, or 24,014 casemonths, will fully participate through work or non-work activities.
      - ▪ It is assumed that 70 percent, or 16,810 casemonths (24,014 x .70 = 16,810), will participate by working an average of 20 hours per week resulting in grant savings of $0.7 million in BY.
      - ▪ It is assumed that 30 percent, or 7,204 casemonths (24,014 x .30 = 7,204), will participate through non-work activities resulting in grant costs of $1 million in BY.
  - ✓ Forty-five percent, or 24,014 casemonths, will cure their sanctions but will not fully participate resulting in grants costs of $3.3 million in BY.
  - ✓ Fifty-five percent, or 65,222 casemonths, will not cure their sanction and the CalWORKs case will be discontinued resulting in grant savings of $38.1 million and administration savings of $2.2 million in BY.
- Following a full family sanction, it is assumed that 10,870 cases will reapply for CalWORKs benefits. Assuming a 12-month phased approach results in 26,469 reapplication casemonths in BY. Administration costs associated with processing the reapplication for CalWORKs total $3.7 million in BY.
  - ✓ Of the 26,469 reapplication casemonths, it is assumed restorations of aid will be approved for 15,584 casemonths resulting in monthly administrative costs of $0.5 million in BY.

Full Family Sanction

METHODOLOGY (continued):

- Ten percent of the restorations, or 1,558 casemonths, will cure their sanctions and be determined as exempt from work participation resulting in grant costs of $1.1 million in BY. The casemonths subject to participation are reduced by the number of exempt cases resulting in 14,026 net casemonths subject to participation requirements.
- It is assumed that 42.5 percent, or 5,961 casemonths, will fully participate through increased work or non-work activities an average of ten hours per week resulting in net grant costs of $2.9 million in BY.
- It is assumed that 57.5 percent or 8,065 casemonths will not participate, and 42.5 percent will comply by either working or participating in non-work activities up to 20 hours per week when faced with a partial sanction resulting in net grant costs of $2.2 million in BY.
    - Of the 57.5 percent, 4,436 casemonths are non-compliant and 78 percent will experience a two-month partial sanction and 22 percent will experience a one-month partial sanction. 45 percent will comply post partial sanction by either working or participating in non-work activities up to 20 hours per week and 55 percent will not comply and will continue to remain in partial sanction resulting in net grant costs of $2.8 million in BY.

- Ancillary and transportation services costs were determined by multiplying the number of newly participating casemonths (59,504) by the ratio of cases who utilize ancillary/transportation services, then by the average monthly costs (ancillary services – 59,504 cases x 8.85 percent x $68.64 per month; transportation services – 59,504 cases x 49.82 percent x $69.38 per month) = $2.4 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) 45,962 Casemonths by the utilization rate, the average number of children per case, and the average Stage One Child Care payment per child. (19,120 x 1.7 children per case x $722.24 payment per child = $23.5 million in Stage One).
- The Stage One Child Care cost is reduced by five percent, approximately $1.2 million, and held in the Stage One/Stage Two Holdback.

FUNDING:

The funding for the CalWORKs Program is 95.57 percent TANF, 1.93 percent General Fund (GF), and 2.5 percent county. The funding for administration, transportation, and ancillary costs are shared 98.56 percent TANF and 1.44 percent GF. Child care funding is 96.69 percent TANF and 3.31 percent GF.

Full Family Sanction

CHANGE FROM PRIOR SUBVENTION:

The prior Subvention double counted the original 45 percent cure rate by applying a 70 percent cure rate to the current sanction caseload. In addition, cases were previously assumed to cure by fully participating and it was not assumed any cases receiving a full family sanction would reapply for CalWORKs benefits.

Based on the revised assumptions the CalWORKs grant savings are increased due to an increased sanction rate and the employment services and child care costs are decreased due to fewer cases curing their sanctions. Administrative costs increased due to the addition of staff time associated with processing reapplications for CalWORKs.

REASON FOR YEAR-TO-YEAR CHANGE:

This premise implements in the budget year.

EXPENDITURES:

(in 000's)

101-Grants	2006-07	2007-08
Total	$0	$-24,697
Federal	0	-23,603
State	0	-477
County	0	-617
Reimbursements	0	0

101-Services	2006-2007	2007-08
Total	$0	$2,418
Federal	0	2,383
State	0	35
County	0	0
Reimbursements	0	0
101-Admin		
Total	$0	$1,992
Federal	0	1,963
State	0	29
County	0	0
Reimbursements	0	0

Full Family Sanction

EXPENDITURES (continued):

(in 000's)

101-Child Care	2006-07	2007-08
Total	$0	$22,302
Federal	0	21,564
State	0	738
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.
- All CalWORKs cases will be informed of this change by July 31, 2007.
- 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 impacted by this policy change with the first cases being discontinued effective 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 37,244 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 37,244 cases will result in grant savings of $147 million in budget year (BY). (37,244 x $491.21 x 8).
- The discontinuance of 37,244 cases will result in administrative savings of $10 million in the BY.

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.

Child-Only Time Limit

CHANGE FROM PRIOR SUBVENTION:

The decrease in grant savings is due to a decrease in the projected caseload.

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)

101-Grants	2006-07	2007-08
Total	$0	-$147,090
Federal	0	-143,413
State	0	-0
County	0	-3,677
Reimbursements	0	0

101-Admin	2006-07	2007-08
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 (Chapter 47, Statutes of 2006), 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 implemented on July 1, 2005.

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 PRIOR SUBVENTION:

There is no change.

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)

101 – CalWORKs Services	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

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 from $40 per day to $65 per day and allowed for once-in-a-lifetime permanent housing (PH) assistance under threat of eviction. These changes are expected to result in fewer families becoming homeless and utilizing Temporary Housing (TH). Because PH will stabilize the recipient's shelter needs, it is anticipated that these recipients will comply with Welfare to Work (WtW) requirements.

The rent threshold for PH is changed from 80 percent of the maximum aid payment (MAP) to 80 percent of the total monthly household income. 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.
- The provisions in AB 1808 allow additional cases to become eligible for PH that will increase from current year (CY) to budget year (BY). This provision will result in fewer cases applying for TH.
- Los Angeles County's Emergency Assistance Prevent Eviction (EAPE) is a county program that provides PH assistance to prevent eviction which is similar to the requirements of AB 1808.
- Data showed that the EAPE program approved approximately 261 PH cases a month for rent arrearage payments.
- 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÷ 44 percent = 594).
- Based on the CA 237 CalWORKs Homeless Assistance (HA) Program report, approximately 59 monthly cases were denied PH prior to the policy change of AB 1808.

Homeless Assistance

KEY DATA/ASSUMPTIONS: (continued)

- It is assumed 33 percent or 20 cases were denied due to the recipient's rent threshold exceeding 80 percent of MAP. It is estimated these 20 cases will now be eligible and approved for PH because the maximum payment for PH is based on 80 percent of the total monthly income rather than 80 percent of MAP.
- An estimated 614 new monthly cases will receive PH as a result of the HA changes included in AB 1808 (594 + 20 = 614). This caseload will gradually increase from 64 cases to 614 cases from January 2007 to June 2008.
- The impact of AB 1808 is determined by comparing actual data from the July to December 2006 on the CA 237 CalWORKs Homeless Assistance (HA) Program report to the July to December 2005 period.
- The data shows approved PH cases increased by 64 cases and the cost per case increased from $788 to $858.
- The estimated increased TH 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.
- The data shows the number of approved TH cases decreased by 91 cases and the cost per case increased from $407 to $668.

Grants

- The average monthly new cases eligible for PH for CY is 115 and 429 in the BY.
- Based on historical participation rates of all CalWORKs families, it is assumed that in the CY, 27 new cases each month will participate in WtW activities as a result of stabilizing their housing situation. In the BY, 101 new cases each month will participate in WtW activities.
- The average monthly new cases participating in WtW with earnings for CY is 17 and BY is 91. The caseload accumulates monthly resulting in an average caseload of 83 in the CY and 746 in the BY.
- The grant savings per case applies the earned income disregards and accounts for the minimum wage increases from $6.75 to $7.50 per hour in January 2007 and to $8.00 per hour in January 2008. It is assumed that these cases will work 32 hours a week.
- The CY grant savings is based on 83 monthly cases that will work with an average monthly savings of $388 per case. In the BY 746 monthly cases will work with an average monthly savings of $431 per case.
- 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.

Homeless Assistance

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. New monthly cases are accumulated.
- Based on actual expenditures and the WtW 25 and 25a report, approximately 49.82 percent of the cases participating in WtW utilize transportation services at a cost of $69.38 per case and approximately 8.85 percent utilize ancillary services at a cost of $68.64 per case.
- The average monthly cases that will utilize transportation services in the CY is 65 cases and 448 cases in the BY.
- The average monthly cases that will utilize ancillary services in the CY is 12 cases and 80 cases in the BY.

Child Care Services

- The CY assumes a one month delay before increased costs are realized. The BY reflects a full year impact with an accumulating caseload.
- Based on child care data and expenditures, approximately 41.6 percent of cases participating in WtW activities utilize child care services. On average, each case has 1.7 children with a cost of $722.24 per child.
- The average monthly children that will utilize child care services is 89 the CY and 625 in the BY.
- Total child care costs is reduced by 5 percent and shifted to the Stage One/Two Holdback.

Administrative Costs

- The CY administrative cost is held to the November Estimate.
- The BY administrative cost is based on an average of 429 new monthly 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 $57.57.

METHODOLOGY:

Grant Costs:

- The total grant cost is the net result from the increased costs for PH and TH, offset by the grant savings associated with the new cases projected to work monthly. These cases also represent the costs associated for employment services, administration, and child care.
- The total PH grant costs for Fiscal Year (FY) 2005-06 is $9 million.

Homeless Assistance

METHODOLOGY (continued):

- The projected PH grant cost for FY 2006-07 $11 million, an increase of $2 million in the CY. The projected PH grant cost for FY 2007-08 is $15 million, an increase of $6 million in the BY.
- The total grant costs for TH in FY 2005-06 is $11 million.
- The projected TH grant cost for FY 2006-07 is $17, an increase of $6 million in the CY. The projected TH grant cost for FY 2007-08 is $15, an increase of $4 million in the BY.
- The PH and TH increases are offset by $0.4 million in grant savings associated with the newly working cases in the CY and $4 million in the BY.

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.
- The ancillary cost is determined by multiplying the average monthly number of cases by the cost per case.

Child Care:

- Child care costs are determined by multiplying the average number of children by the cost per child then reduced by the five percent that is shifted into the Stage One/Two holdback.

Administrative Costs:

- For the BY, the administrative cost is determined by multiplying the average monthly number of new cases eligible for PH by the cost per case.

FUNDING:

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

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

In the CY and BY, child care costs are 96.69 percent TANF and 3.31 percent State GF. The State share represents two-parent families, and is countable toward the State's TANF maintenance of effort requirement.

Homeless Assistance

CHANGE FROM PRIOR SUBVENTION:

The caseload and grant costs are based on actual caseload and expenditure information.

The decrease in grant savings is due to fewer new PH cases, therefore, fewer cases working, resulting in less grant savings.

The child care cost per child increased from $630.96 to $722.24.

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 which results in a greater grant savings, offsetting the grant cost.

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 - CalWORKs Assistance Payments	2006-07	2007-08
	Grant	Grant
Total	$7,248	$6,024
Federal	6,127	5,150
State	940	724
County	181	150
Reimbursements	0	0

Homeless Assistance

EXPENDITURES (continued):

(in 000's)

ITEM 101 - CalWORKs Services	2006-07 Services	2007-08 Services
Total	$64	$439
Federal	56	385
State	8	54
County	0	0
Reimbursements	0	0

ITEM 101 - CalWORKs Administration	2006-07 Administration	2007-08 Administration
Total	$928	$649
Federal	814	569
State	114	80
County	0	0
Reimbursements	0	0

ITEM 101 - CalWORKs Child Care	2006-07	2007-08
Total	$670	$5,149
Federal	648	4,979
State	22	170
County	0	0
Reimbursements	0	0

Ending Durational Sanctions

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 461,352 and budget year (BY) is 458,667.
- 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 six-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 for the period prior to July 2006, the estimated percentage of sanctioned cases to the total CalWORKs caseload is 10.3 percent. The estimated total sanctioned caseload prior to implementation of this change is 47,519 for CY and 47,243 for BY.
- Based on Welfare Data Tracking Implementation Project (WDTIP) data, 13.6 percent of the total sanction caseload is in the second or third instance of sanction status.
- Based on information from a two-year sanction study by Riverside County in 2005, 54.3 percent of cases in the second or third instance of sanction status will cure their sanction.
- Based on a six-month phase-in, the average monthly caseload that will cure for CY is 2,536 and for BY is 3,492.
- 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

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: 47,519, for BY: 47,243).
- 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 in their second or third instance from the WDTP data source (for CY: 6,463, for BY: 6,425)
- 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: 3,509, for BY: 3,492).
- 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 3 month phase in with a nine month impact and BY reflects a full year impact (for CY: 2,536 x $139 x 9 = $3.2 million, and for BY 3,492 x $139 x 12 = $5.8 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 PRIOR SUBVENTION:

Estimate reflects updated caseload projections.

REASON FOR YEAR-TO-YEAR CHANGE:

The grant costs in the CY reflect a six-month phase-in with a nine-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

EXPENDITURES:
(in 000's)

ITEM 101 -

CalWORKs Assistance Payments	2006-07 Grant	2007-08 Grant
Total	$3,173	$5,824
Federal	2,983	5,596
State	111	82
County	79	146
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 and $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.
- 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 current year (CY) and budget year (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.
- Of the cases with an aided adult, 4.46 percent earns $6.75 an hour, 6.89 percent earns between $6.75 and $7.50 per hour, and 2.54 percent earns between $7.50 and $8.00 per hour.

CalWORKs

- The projected total CalWORKs caseload for CY is 461,352 and BY is 458,667.

Minimum Wage Increases (AB 1835)

KEY DATA/ASSUMPTIONS (continued):

- It is assumed all cases with earned income currently have the CalWORKs earned income disregards ($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.
- Based on current information from the CalWORKs (CA 237) report, an estimated 64.15 percent of the total CalWORKs caseload has an aided adult (CY: 461,352 x 64.15 percent = 295,523, and BY: 458,667 x 64.15 percent = 294,212).
- The estimate includes additional cases with an adult who are expected to be working due to implementation of Senate Bill (SB) 1104, Pay for Performance, and AB 1808.
- For CY, on average, 46,966 monthly cases will reflect an average grant savings of $29.60 per case per month for 5 months.
- For BY, on average, 62,271 monthly cases will reflect an average grant savings of $43.75 per case per month.
- The administrative savings for FY 2006-07 has been held at the November 2006 estimate and is based on the following key data/assumptions:
    - Based on 2005 Characteristics Survey (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 370 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 savings for FY 2006-07 has been held to the November 2006 estimate and is based on the following key data/assumptions:
    - 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, 5,797 households represent NAFS and 2,184 households represent PAFS.
    - 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.

Minimum Wage Increases (AB 1835)

KEY DATA/ASSUMPTIONS (continued):

- For BY, on average, 720 monthly NAFS cases will reflect a CFAP savings of $29 per case. On average, 271 PAFS monthly cases will reflect a CFAP savings of $10 per case.

IHSS

- The wage and benefit rates are based on the individual counties' current rate information.
- The casemonths and average hours per case are based on the individual counties' data.
- Nineteen counties will only increase wages to $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, Pay for Performance, and AB 1808.
- 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: 46,966 x $26.60 x 5, BY: 62,271 x $43.75 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: 370 x $33.58 x 12).

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 five months of savings and the BY reflects a full year of savings (CY: 780 x $19 x 5, BY: 720 x $29 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 five months of savings and the BY reflects a full year of savings (CY: 252 x $7 x 5, BY: 271 x $10 x 12).
- The total CFAP savings is calculated by adding the annual savings for NAFS and PAFS.

Minimum Wage Increases (AB 1835)

METHODOLOGY (continued):

IHSS

For FY 2006-07 the estimated cost is computed by multiplying the casemonths by the average hours per case by the difference between the hourly wage and benefit rate in effect at the November 2006 Subvention and the current rate. For FY 2007-08 the estimated cost is computed by multiplying the casemonths by the average hours per case by the difference between the May 2006 Revise rate and $8.00 per hour.

FUNDING:

CalWORKs

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

The administrative savings is 87.68 percent TANF and 12.32 percent GF.

CFAP

The CFAP savings is 100 percent GF.

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 PRIOR SUBVENTION:

CalWORKs and CFAP

For CY and BY, the caseload has been updated using most current available data.

The CalWORKs grant savings is updated to include cases projected to work from the Pay for Performance and AB 1808 premises.

IHSS

CY and BY reflect current caseload and actual wage and benefit increases.

Minimum Wage Increases (AB 1835)

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 19 counties to increase wages to $8.00 per hour for six months, and wages and benefits for counties that increased wages to at least $8.00 in CY.

EXPENDITURES:

(in 000's)

ITEM 101 -	2006-07	2007-08
CalWORKs Assistance Payments	Grant	Grant
Total	-$6,953	-$32,696
Federal	-5,878	-27,951
State	-902	-3,928
County	-173	-817
Reimbursements	0	0

ITEM 101 -	2006-07	2007-08
CalWORKs Administration	Administration	Administration
Total	-$48	-$149
Federal	-41	-130
State	-7	-19
County	0	0
Reimbursements	0	0

Minimum Wage Increases (AB 1835)

EXPENDITURES (continued):

(in 000's)

ITEM 101 - CFAP	2006-07 Coupon	2007-08 Coupon
Total	-$84	-$289
Federal	0	0
State	-84	-289
County	0	0
Reimbursements	0	0

ITEM 111 - IHSS	2006-07 Grant	2007-08 Grant
Total	$12,224	$27,857
Federal	0	0
State	3,973	9,053
County	0	0
Reimbursements	8,251	18,804

PCSP	2006-07	2007-08
Total	$10,307	$23,761
Federal	0	0
State	3,350	7,722
County	0	0
Reimbursements	6,957	16,039

Minimum Wage Increases (AB 1835)

EXPENDITURES (continued):

Residual Program	2006-07	2007-08
Total	$1,917	$4,096
Federal	0	0
State	623	1,331
County	0	0
Reimbursements	1,294	2,765

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Undocumented Citizens (SB 1569)

DESCRIPTION:

This premise represents 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 (Chapter 672, Statutes of 2006), 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 would require 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 would require 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 4 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 California Work Opportunity and Responsibility to Kids (CalWORKs), and 2,540 persons for other services.

CalWORKs

- The current year funding for the CalWORKs administration is held to the November Subvention.
- It is assumed that 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 required to apply for a U visa to become eligible for CalWORKs. Unless the U visa application is denied, these recipients can continue to receive CalWORKs benefits and services. 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 2.70 persons per case.

- The Maximum Aid Payment (MAP) for an Assistance Unit (AU) or family size of three is $723 and for an AU or family size of four is $862.

- It is assumed these recipients are not legally able to work to receive earned income to offset the monthly grant. The grant cost will assume each case will receive the full MAP.

- Between January and March 2007, actual data reported from the counties shows 15 new cases are receiving CalWORKs under SB 1569. An additional 161 new cases are projected to phase-in over a six month period beginning April 2007, resulting in an average of 27 new cases per month. After the phase-in period, an estimated five new monthly cases will begin September 2007.

- The average monthly number of new cases for CY is 39 and 187 in the BY.

- The administrative costs include 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 an average of 23 new cases in the CY and 14 new cases in the BY.

- Monthly mid-quarter and quarterly administrative costs are included for an average of 54 cases per month in CY and 273 cases per month in BY.

- The provisions of SB 1569 states these recipients are subject to the same welfare to work (WTW) requirements and exemptions as other participants, provided that compliance with these requirements is authorized by law. The county will assist these recipients to engage in the appropriate work or non-work activities to focus on job preparation once these recipients achieve legal residency.

- The employment services costs include case management, transportation, and ancillary costs. The average monthly number of new cases for CY is 39 and 187 in the BY, with a $267 cost per case.

- Based on historical CalWORKs child care data, there are approximately 1.7 children per case. Approximately 41.6 percent of the employment services caseload utilizes child care services.

Undocumented Citizens (SB 1569)

KEY DATA/ASSUMPTIONS (continued):

- The child care cost is $722.24 per child. The average number of children that will receive services is 39 in the CY and 187 in the BY.

California Food Assistance Program (CFAP)

- Based on Federal Fiscal Year 2005 Characteristics Survey (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 April 2007. Beginning October 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 April 2007. Beginning October 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 April 2007. Beginning October 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 December 2007.
- In the CY, approximately 631 CFAP recipients are phased in over a six month period effective April 2007. This includes unduplicated persons estimated to receive benefits for CalWORKs, CAPI, and RCA.
- In October 2007, approximately 27 new persons will receive CFAP benefits per month.
- The average monthly number of CFAP recipients is 119 in the CY and 647 in the BY, with a $91.36 average coupon value per person. This includes unduplicated persons estimated to receive benefits for CalWORKs, CAPI, and RCA.
- An estimated 7.2 percent of the new cumulative caseload will be subject to mid-quarter reporting.
- The administrative costs include 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 starting in April 2007.
- The projected average monthly number of RCA recipients is 32 in CY and 163 in BY.
- Based on actual data reported by the counties, the average combined RCA grant and administrative cost per case is $427.40.

Undocumented Citizens (SB 1569)

KEY DATA/ASSUMPTIONS (continued):

CAPI

- Cases will be phased in over six months beginning in April 2007.
- The projected average monthly number of CAPI recipients is 12 in CY and 86 in BY.
- Based on actual data reported by the counties, the average combined CAPI grant and administrative cost per case is $951.61.

RESS

- Program implementation of the Refugee Employment Social Services (RESS) portion of SB 1569 has been delayed until July 1, 2007, when an appropriation can be provided.
- The projected average monthly number of RESS recipients is 1,568 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. The CY represents a six month impact of 35 cases with an assistance unit (AU) size of three and five cases with an AU size of four [for CY: (34 x $723 x 6) + (5 x $862 x 6)] The BY represents a full year impact of 167 cases with an AU size of three and 19 cases with an AU size of four [for BY: (167 x $723 x 12) + (20 x $862 x 12)].

- The employment services costs are calculated by multiplying the average monthly number of cases by the cost per case. The CY represents a six month impact and the BY represents a full year impact (for CY: 39 x $267 x 6, for BY 187 x $267 x 12).

- The one-time intake administrative costs are calculated by multiplying the average monthly number of cases by the cost per case. The CY funding is held to the November Subvention. The BY represents a full year impact (for BY 14 x $197.75 x 12).

- The ongoing mid-quarter and quarterly administrative costs are calculated by multiplying the average monthly number of cases by the cost per case. The CY funding is held to the Governor's Budget. The BY represents a full year impact (for BY: 273 x $33.58 x 12).

- The child care costs are calculated by multiplying the average monthly number of children by the cost per child. The CY represents a six month impact and the BY represents a full year impact (for CY: 28 x $722.24 x 6, for BY: 132 x $722.24 x 12).

Undocumented Citizens (SB 1569)

METHODOLOGY (continued):

CFAP

- The coupon costs are calculated by multiplying the average coupon value per person by the projected monthly number of recipients (for CY: $91.36 x 119 x 6, for BY: $91.36 x 647 x 12).
- The one-time intake administrative costs are calculated by multiplying the average monthly number of new cases by the cost per case. The CY represents a six month impact and the BY represents a full year impact (for CY: 55 x $51.00 x 6, for BY: 38 x $51.00 x 12)
- The ongoing quarterly administrative costs are calculated by multiplying the average monthly number of cases by the cost per case. The CY represents a six month impact and the BY represents a full year impact (for CY: 119 x $13.11 x 6, for BY: 647 x $13.11 x 12).
- The 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. The CY represents a six month impact and the BY represents a full year impact (for CY: 119 x 7.2% x $28.23 x 6, for BY: 647 x 7.2% x $28.23 x 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 are not Maintenance of Effort eligible.

CHANGE FROM PRIOR SUBVENTION:

CalWORKs/CFAP

The caseload is updated with actual data which results with a decrease in the CY. The BY caseload increased based on the assumption that all projected new cases will materialize in the BY. The grant cost increased due to an increase in the cost per case and the child care cost increased due to an increase in the cost per child.

Undocumented Citizens (SB 1569)

CHANGE FROM PRIOR SUBVENTION: (continued)

RCA/CAPI

CY costs decreased due to a lower average monthly caseload than projected.

RESS

Program implementation for the RESS portion of SB 1569 has been delayed until July 1, 2007, when an appropriation can be provided.

REASON FOR YEAR-TO-YEAR CHANGE:

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

EXPENDITURES:

(in 000's)

ITEM 101 - CalWORKs Assistance Payments	2006-07 Grant	2007-08 Grant
Total	$174	$1,652
Federal	0	0
State	170	1,611
County	4	41

ITEM 101 - CalWORKs Services	2006-07 Services	2007-08 Services
Total	$63	$598
Federal	0	0
State	63	598
County	0	0

Undocumented Citizens (SB 1569)

EXPENDITURES (continued):

(in 000's)

ITEM 101 - CalWORKs Administration	2006-07 Administration	2007-08 Administration
Total	$53	$143
Federal	0	0
State	53	143
County	0	0

ITEM 101 - CalWORKs Child Care	2006-07 Services/ Administration	2007-08 Services/ Administration
Total	$121	$1,145
Federal	0	0
State	121	1,145
County	0	0

ITEM 101 - CFAP Coupon	2006-07 Food Assistance Programs	2007-08 Food Assistance Programs
Total	$65	$709
Federal	0	0
State	65	709
County	0	0

ITEM 101 - RCA	2006-07 Services/ Administration	2007-08 Services/ Administration
Total	$82	$836
Federal	0	0
State	82	836
County	0	0
Reimbursements	0	0

Undocumented Citizens (SB 1569)

EXPENDITURES (continued):
(in 000's)

ITEM 111 - CAPI	2006-07 Services/ Administration	2007-08 Services/ Administration
Total	$69	$983
Federal	0	0
State	69	983
County	0	0
Reimbursements	0	0

ITEM 141	2006-07	2007-08
CFAP Administration	County Administration	County Administration
Total	$28	$141
Federal	0	0
State	28	141
County	0	0

ITEM 151 - RESS	2006-07 Services	2007-08 Services
Total	$0	$1,492
Federal	0	0
State	0	1,492
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 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 implemented on 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 grant funding is shared 97.5 percent federal and 2.5 percent county.
- The services funding is shared 100 percent federal.

CHANGE FROM PRIOR SUBVENTION:

There is no change.

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 Grant	2007-08 Grant
Total	$11	$82
Federal	11	80
State	0	0
County	0	2
Reimbursements	0	0

101-CalWORKs
Services & Admin.

	2006-07 Services	2007-08 Services
Total	$7	$57
Federal	7	57
State	0	0
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 (AB) 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; and Yurok that represents tribal members in Del Norte and Humboldt 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, Chapter 229, Statutes of 2004, 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 AB 1808, Chapter 75, Statutes of 2006, 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 January 2008.

Tribal TANF

MPLEMENTATION DATE (continued):

- The original Hoopa tribe in Humboldt implemented in October 2004.
- The Morongo Band of Mission Indians in Riverside County implemented in March 2006. Morongo-Phase II in Riverside County was expected to implement in January 2007; however, federal approval is pending.
- The original tribes in NFR implemented in August 2003. NFR-Phase II in Fresno County is expected to implement in July 2007.
- 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. Mono, and Ventura counties were expected to implement in March 2007, however federal approval is pending.
- 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 July 2007.
- The Yurok tribes in Del Norte and Humboldt counties implemented on August 1, 2006.
- The Scotts Valley Band of Pomo Indians that represent tribal members from Contra Costa County was expected to implement in March 2007; however, federal approval is pending.

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 17,478 in the current year (CY) and 23,145 in budget year (BY);
  - The average persons per case is 2.9;

Tribal TANF

KEY DATA/ASSUMPTIONS (continued):

- The average monthly number of persons receiving WtW services is 1,960 in the CY and 2,627 in the BY.
- 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 PRIOR SUBVENTION:

The CY and BY costs were updated to reflect revised implementation dates.

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		
	Grants	WTW Services	County Admin.	Grants	WTW Services	County Admin.
Total	$61,127	$1,871	$4,036	$80,947	$2,506	$5,348
Federal [1]	0	0	0	0	0	0
State	61,127	1,871	4,036	80,947	2,506	5,348
County	0	0	0	0	0	0
Reimbursements	0	0	0	0	0	0

[1] 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 $72.0 million in FY 2006-07 and $95.4 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 current year funding for CFAP administration and coupons, CalWORKs administration, and NAFS administration is held to the November Subvention.
- The May 2007 Revise 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 5,536,222 CalWORKs casemonths; 5,500,042 NAFS casemonths; 20,400 RCA casemonths; and 107,997 CFAP casemonths.
- The budget year (BY) costs and savings are based on 5,504,001 CalWORKs casemonths; 5,835,867 NAFS casemonths; 20,736 RCA casemonths; and 95,778 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 5,228,937 NAFS cases and 85,817 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 MMRB. 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 under MMRB. 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 December 2006, fraud cases account for 2.29 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 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 $535.05 based on the CA 800 CalWORKs expenditure reports for the period of July through November 2006.
- The average CFAP benefit per case is $224.06 based on the DFA 256 Reports for the period of October 2006 through January 2007.
- 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 $119.47.
- It is estimated that 10 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 21 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 the CalWORKs and CFAP programs. The net effect is zero in those cases with increased income of all ranges of non-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 0.69 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 Calendar Year 2006, 0.16 percent of the monthly NAFS/CFAP caseload for non-waiver counties (2,954,831in FY 2006-07 and 3,180,096 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 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 x 5,504,001)].
- The CalWORKs and RCA administrative costs associated with continuing case activities under quarterly reporting/prospective budgeting 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 x 5,504,001)].
- 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: (5,504,001 x $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 x 5,228,937)].
- 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 x 5,228,937 x 33 percent)].
- The NAFS and CFAP administrative costs to process a change resulting in increased benefits 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: (5,228,937 x 2.72 percent x $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: (5,228,937 x 4.47 percent x $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: (5,228,937 x 0.69 percent x $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: (3,180,096 x 0.16 percent x $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: (5,228,937 x 33 percent x $0.78 cents), for CalWORKs FY 2007-08: (5,504,001 x 33 percent x $0.78 cents)]. Mailing costs for mid quarter reports are determined based on the monthly number of mid-quarter reports x $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: (5,228,937 x $0.78), for CalWORKs FY 2007-08: (5,504,001 x $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, 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: ($535.05 x 66,058 x 50 percent) + ($535.05 x 66,058 x 50 percent x 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: ($535.05 x 143 x 50 percent) + ($535.05 x 143 x 50 percent x 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 $119.47 [e.g., for RCA FY 2007-08: (63 x $119.47x 50 percent) + (63 x $119.47 x 50 percent x 2)].
- 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 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: ($206.50 x 1,027 x 50 percent) + ($206.50 x 1,027 x 50 percent x 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, 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: ($206.50 x 14,893 x 50 percent) + ($206.50 x 14,893 x 50 percent x 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 x 149,541 x 50 percent) + ($116.67 x 149,541 x 50 percent x 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 x 85 x 50 percent) x 50 percent] + [($206.50 x 85 x 50 percent x 2) x 50 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 assuming 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 x 10 x 50 percent) + ($85.00 x 10 x 50 percent x 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 x 2,332) + ($53.03 x 2,332 x 50 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 x 2,332 x 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 BY, the FS funding is 50 percent federal, 35 percent state, and 15 percent county funds. CFAP costs are 100 percent GF.

Prospective Budgeting

FUNDING (continued):

RCA

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

CHANGE FROM PRIOR SUBVENTION:

CalWORKs

The CalWORKs grant costs and reduction in administrative savings for CY and BY is due to a decrease in projected caseload.

NAFS and CFAP

There is no change in the CY for NAFS and CFAP.

The decrease in CFAP in the BY are due to a decline in caseload. For NAFS, the loss of savings is due to a change in methodology to exclude Safety Net cases and cases receiving Transitional Benefits. The November Subvention included these cases.

RCA

The CY and BY increase in grant costs and administrations savings reflects an increase in the number of projected cases.

REASON FOR YEAR-TO-YEAR CHANGE:

The BY CalWORKs grant costs and reduced administrative savings is due to a decrease in the projected number of cases.

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

The BY increase in savings for NAFS administration reflects an increase in projected caseload.

The BY CFAP administration and benefits reflect a decline in projected caseload.

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

Prospective Budgeting

EXPENDITURES:

(in 000's)

ITEM 101 – CalWORKs Grants	2006-07	2007-08
	Grant	Grant
Total	$84,767	$84,273
Federal	71,656	72,041
State	10,992	10,126
County	2,119	2,106
Reimbursements	0	0

ITEM 101 – CalWORKs Administration	2006-07	2007-08
	Admin.	Admin.
Total	-$54,744	-$53,353
Federal	-47,464	-46,777
State	-7,280	-6,575
County	0	0
Reimbursements	0	0

ITEM 101 – RCA Grants	2006-07	2007-08
	Grant	Grant
Total	$11	$11
Federal	11	11
State	0	0
County	0	0
Reimbursements	0	0

Prospective Budgeting

EXPENDITURES (continued):

(in 000's)

ITEM 101 – CFAP Grants	2006-07	2007-08
	Grant	Grant
Total	$974	$845
Federal	0	0
State	974	845
County	0	0
Reimbursements	0	0

ITEM 141 – Food Stamp Administration	2006-07	2007-08
	Admin.	Admin.
Total	-$50,460	-$53,566
Federal	-25,230	-26,783
State	-17,661	-18,748
County	-7,569	-8,035
Reimbursements	0	0

ITEM 141- CFAP Administration	2006-07	2007-08
	Admin.	Admin.
Total	-$991	-$879
Federal	0	0
State	-991	-879
County	0	0
Reimbursements	0	0

Prospective Budgeting

EXPENDITURES (continued):

(in 000's)

ITEM 141 – RCA Administration	2006-07	2007-08
	Admin.	Admin.
Total	-$537	-$546
Federal	-537	-546
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:

- The grant and administration costs show no change from November Subvention for current year (CY) and budget year (BY).
- 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 CY and 13,993 for the 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 $52,000 and $53,000 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 49.89 percent.
- The services costs in FYs 2006-07 and 2007-08 reflect actual expenditure data from calendar year 2006. Of the total amount of $10.4 million, $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 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 0.93 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 calendar year 2006.
- For Cal Learn, the RNE costs in FY 2006-07 and FY 2007-08 reflect 1.5 percent of the Cal Learn cost which is reflected in the Cal Learn premise. The percentage is based upon actual expenditures from calendar year 2006.
- 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, 49.89 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 0.93 percent based on Stage One expenditures from FY 2005-06. Of the 0.93 percent, 49.89 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 based on actual expenditures from calendar year 2006. Of the total cost, 49.89 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 PRIOR SUBVENTION:

The increase in child care costs are due to increased cost per case based on actual expenditures.

The decrease in services costs are based on a change in methodology that reflects actual expenditure data rather than a percentage of the projected costs.

Recent Noncitizen Entrants

REASON FOR YEAR-TO-YEAR CHANGE:

Grants, administrative, and child care costs reflect a decrease in caseload from CY to BY. There is no change to services costs.

EXPENDITURES:

(in 000's)

ITEM 101 - CalWORKs Grants	2006-07 Grant	2007-08 Grant
Total	$25,117	$24,786
Federal	0	0
State	23,861	23,547
County	1,256	1,239
Reimbursements	0	0

ITEM 101 - CalWORKs Services	2006-07 County Services	2007-08 County Services
Total	$5,197	$5,197
Federal	0	0
State	5,197	5,197
County	0	0
Reimbursements	0	0

Recent Noncitizen Entrants

EXPENDITURES (continued):

(in 000's)

ITEM 101 -	2006-07	2007-08
CalWORKs Administration	Admin.	Admin.
Total	$4,898	$4,834
Federal	0	0
State	4,898	4,834
County	0	0
Reimbursements	0	0

ITEM 101 -	2006-07	2007-08
CalWORKs Stage One Child Care	Services/ Administration	Services/ Administration
Total	$1,818	$1,763
Federal	0	0
State	1,818	1,763
County	0	0
Reimbursements	0	0

CalWORKs and Food Stamps Freeze Emergency Response

DESCRIPTION:

The Governor has declared 18 counties as disaster areas due to recent weather conditions that have devastated many farming-related businesses and left many farming workers unemployed. These counties have established Workforce Investment One-Stop Centers as freeze emergency assistance centers. County eligibility workers are on-hand to provide direct assistance to individuals and families to apply for CalWORKs cash aid and/or Food Stamp benefits. According to Government Code 8686(a), the Office of Emergency Services (OES) will reimburse counties up to 75 percent of allowable one-time emergency-related costs. This premise will reflect the remaining 25 percent of the total one-time cost for any overtime, travel expenses, and the backfilling of non-budgeted workers.

This premise will also reflect ongoing costs associated with new cases that will receive CalWORKs cash assistance, employment services, child care, federal food stamps, and California Food Assistance Program (CFAP) benefits as a result of this effort.

IMPLEMENTATION DATE:

This premise implemented January 31, 2007.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Government Code section 8686(a).
- Due to freezing weather conditions that occurred during the period of January 11th to January 17th, 18 counties were declared disaster areas. Those counties are El Dorado, Fresno, Imperial, Kern, Kings, Madera, Merced, Monterey, Riverside, San Bernardino, San Diego, San Luis Obispo, Santa Barbara, Santa Clara, Stanislaus, Tulare, Ventura, and Yuba.
- The estimated cost is based on current data reported from the counties reflecting new applications for Food Stamp and CalWORKs benefits. Counties also provided data reflecting the cost associated with the overtime performed by workers to manage the increased workload with time spent specifically related to the freeze emergency.
- Actual data received from counties was used to project costs for the non-reporting counties.

CalWORKs

- An estimated 1,046 families will apply for CalWORKs benefits.
- Based on projected and actual data reported from the counties, approximately 464 new cases will begin receiving CalWORKs benefits beginning in January 2007. The average cost per case is $535.05 for current year (CY) and budget year (BY).
- The total administration costs include one-time intake costs of $197.75 per application, mid-quarter costs of $8.63 per case per month, and ongoing costs of $24.95 per case per month.
- The administrative intake costs are included for the 1,046 new applicants in the CY.
- Monthly mid-quarter and quarterly administrative costs are included for an average of 464 cases per month for CY and BY.

CalWORKs and Food Stamps Freeze Emergency Response

KEY DATA/ASSUMPTIONS (continued):

- Based on the monthly CalWORKs Report (CA 237), the percentage of cases with an aided adult (excluding Safety Net) is 54.8 percent.
- Of the new CalWORKs cases that will begin to receive CalWORKs cash assistance, approximately 254 cases will have an aided adult. The costs for employment services for these cases include case management, transportation, and ancillary costs.
- The monthly case management cost per case is $206.02. The percentage of cases utilizing transportation services is 42.82 percent with a cost of $69.38 per case. The percentage of cases utilizing ancillary services is 8.85 percent with a cost of $68.54 per case.
- Based on historical CalWORKs child care data, an estimated 41.6 percent of the total caseload will utilize child care services. On average, each case has 1.7 children. The monthly child care cost is $722.24 per child.
- Of the new CalWORKs cases with an aided adult, the monthly average number of cases that will utilize child care services is 106 cases.
- There are approximately 1.7 children per case or 180 children who will receive child care in the CY and BY.

Non-Assistance Food Stamps (NAFS) and CFAP

- An estimated 1,743 families will apply for Food Stamp benefits.
- Based on actual data from reporting counties, approximately 63.4 percent of applications received are approved.
- Based on projected and actual data reported from the counties, approximately 1,106 new cases will begin receiving NAFS benefits beginning January 2007.
- It is assumed 50 percent of new cases are CFAP cases and the other 50 percent are federal NAFS cases.
- The average coupon cost per case for CFAP is $224.06 for CY and BY.
- The total administration costs include one-time intake costs of $51 per application, mid-quarter costs of $28.23 per case per month for approximately 7.2 percent of the monthly caseload, and ongoing costs of $13.11 per case per month.

Emergency Freeze Response: Staff Over-Time (OT)

- The OES will reimburse counties 75 percent of overtime performed by county workers.
- The average number of OT hours per application is determined by actual data reported from three disaster related counties.

CalWORKs and Food Stamps Freeze Emergency Response

KEY DATA/ASSUMPTIONS (continued):

- Based on actual data reported from counties, the average number of overtime hours performed by county workers is 1.4 hours per application for either Food Stamps or CalWORKs benefits.
- Based on actual and projected data, the total number of OT hours performed by CalWORKs workers is 304 and for Food Stamp workers is 2,252.
- The cost per hour for a CalWORKs worker is $57.57 and the estimated OT hourly rate is $86.36 an hour.
- The cost per hour of a Food Stamp Worker is $58.27 and the estimated OT hourly rate is $87.41 per hour.

METHODOLOGY:

CalWORKs

- The grant costs are determined by multiplying the average number of cases by the average cost per case. The CY reflects a partial fiscal year impact and the BY reflects a full year fiscal impact [for CY: (464 x $535.05 x 6), for BY: (464 x $535.05 x 12)].
- The total Employment Services costs are determined by summing the costs for case management, transportation and ancillary services.
- The case management costs are determined by multiplying the number of cases with an aided adult by the monthly cost per case. The CY reflects a partial fiscal year impact and the BY reflects a full year fiscal impact [for CY: (254 x $206.02 x 6), for BY: (254 x $206.02 x 12)].
- The transportation costs are determined by multiplying the number of cases that will utilize transportation services by the monthly cost per case. The CY reflects a partial fiscal year impact and the BY reflects a full year fiscal impact [for CY: (127 x $69.38 x 6), for BY: (127 x $69.38 x 12)].
- The ancillary costs are determined by multiplying the number of cases that will utilize ancillary services by the monthly cost per case. The CY reflects a partial fiscal year impact and the BY reflects a full year fiscal impact [for CY: (23 x $68.64 x 6), for BY: (23 x $68.64 x 12)].
- The administration costs include intake, mid-quarter, and ongoing costs. The CY reflects a partial fiscal year impact and the BY reflects a full year fiscal impact.
- The one-time intake costs are only reflected in the CY and determined by multiplying the number of applications by the intake cost (1,046 x $197.75).

CalWORKs and Food Stamps Freeze Emergency Response

METHODOLOGY (continued):

- The mid-quarter costs are determined by multiplying the average number of cases by the cost per case [For CY: (464 x $8.63 x 6), For BY: (464 x $8.63 x 12)].
- The ongoing costs are determined by multiplying the average number of cases by the cost per case [For CY: (464 x $24.95 x 6), For BY: (464 x $24.95 x 12)].
- The child care costs are determined by multiplying the number of children by the cost per child. The CY reflects a partial fiscal year impact and the BY reflects a fully year fiscal impact [for CY: (180 x 722.24 x 6), for BY: (180 x 722.24 x 12)].

NAFS and CFAP

- The CFAP coupon costs are determined by multiplying the average number of cases by the average cost per case. The CY reflects a partial fiscal year impact and the BY reflects a full year fiscal impact [for CY: (553 x $224.06 x 6), for BY: (553 x $224.06 x 12)].
- The total administration costs include intake, mid-quarter, and ongoing costs. The CY reflects a partial fiscal year impact and the BY reflects a full year fiscal impact.
- The one-time intake costs are only reflected in the CY and determined by multiplying the number of applications by the intake cost (1,743 x $51).
- The mid-quarter costs are determined by multiplying the percentage of cases that report during the mid-quarter period by the cost per case [For CY: ((1,106 x 7.2 %) x $28.23 x 6)], For BY: ((1,106 x 7.2 %) x $28.23 x 12)].
- The ongoing costs are determined by multiplying the average number of cases by the cost per case [For CY: (1,106 x $13.11 x 6), For BY: (1,106 x $13.11 x 12)].
- Fifty percent of the total administrative costs reflect the administrative costs for CFAP.
- Twenty-seven percent of the CFAP administrative costs are maintenance of effort (MOE) eligible and 73 percent of the costs are not MOE eligible.

Emergency Freeze Response: Staff Over-Time (OT)

- The shared OT cost is determined by multiplying OT hourly rate by the total number of received applications and multiplied by 25 percent [For CalWORKs: ($86.36 x 304 x 25% = $6,563), For Food Stamps: ($87.41 x 2,252 x 25% = $49,212).

FUNDING:

CalWORKs

The funding for CalWORKs grants for CY is 95.67 percent TANF, 1.83 percent State General Fund (GF) and 2.5 percent county. For BY, funding is 96.07 percent TANF, 1.43 percent GF, and 2.5 percent county.

Funding for CalWORKs administration for CY is 98.12 percent TANF and 1.88 percent GF and for BY is 98.53 percent TANF and 1.47 percent GF.

CalWORKs and Food Stamps Freeze Emergency Response

FUNDING (continued):

NAFS and CFAP

For CY and BY, the funding for NAFS administration is 50 percent federal, 35 percent state, and 15 percent county funds. The CFAP administrative costs are 100 percent GF.

Emergency Freeze Response: Staff Over-Time (OT)

The cost of Staff OT for NAFS is 50 percent federal and 50 percent GF. For CalWORKs, the costs are 100 percent TANF.

CHANGE FROM PRIOR SUBVENTION:

This is a new premise.

REASON FOR YEAR-TO-YEAR CHANGE:

The increased costs for CalWORKs cash assistance, employment services, child care, and CFAP coupons reflect a full fiscal year impact. The administration costs for CalWORKs are decreased in the BY because there are no intake costs. The staff OT costs are only reflected in the CY.

EXPENDITURES:

(in 000's)

ITEM 101 -	2006-07	2007-08
CalWORKs Assistance Payments	Grant	Grant
Total	$1,489	$2,979
Federal	1,425	2,861
State	27	43
County	37	75
Reimbursements	0	0

CalWORKs and Food Stamps Freeze Emergency Response

EXPENDITURES (continued):

(in 000's)

ITEM 101 - CalWORKs Services	2006-07	2007-08
	Services	Services
Total	$376	$753
Federal	371	742
State	5	11
County	0	0
Reimbursements	0	0

ITEM 101 - CalWORKs Administration	2006-07	2007-08
	Admin.	Admin.
Total	$300	$187
Federal	295	184
State	5	3
County	0	0
Reimbursements	0	0

ITEM 101 - CalWORKs Child Care	2006-07	2007-08
Total	$779	$1,558
Federal	754	1,507
State	25	51
County	0	0
Reimbursements	0	0

CalWORKs and Food Stamps Freeze Emergency Response

EXPENDITURES (continued):

(in 000's)

ITEM 101 - CFAP	2006-07 Coupon	2007-08 Coupon
Total	$743	$1,487
Federal	0	0
State	743	1,487
County	0	0
Reimbursements	0	0

ITEM 141 - CalWORKs and Food Stamps: Staff OT	2006-07 County Admin.	2007-08 County Admin.
Total	$56	$0
Federal	31	0
State	25	0
County	0	0
Reimbursements	0	0

ITEM 141 - NAFS	2006-07 County Admin.	2007-08 County Admin.
Total	$95	$100
Federal	48	50
State	33	35
County	14	15
Reimbursements	0	0

CalWORKs and Food Stamps Freeze Emergency Response

EXPENDITURES (continued):

(in 000's)

ITEM 141 - CFAP	2006-07 County Admin.	2007-08 County Admin.
Total	$95	$100
Federal	0	0
State	95	100
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 PRIOR SUBVENTION:

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 for 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) 2005-06 base funding for CalWORKs Services Basic is $749.1 million and $737.9 million in FY 2006-07.
- 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 $4.4 million, based on calendar year 2006 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, $10.4 million of the CalWORKs Services Basic expenditures are for Recent Noncitizens Entrants (RNEs). Of the $10.4 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 Cal Learn RNEs are funded with GF in the amount of $219,000 and $223,000 in FY 2007-08.
- Contract costs are projected to be $3.9 million for FY 2006-07 and FY 2007-08.

METHODOLOGY:

- The basic funding from FY 2005-06 is adjusted to reflect caseload decline, staff development expenditures, time limit savings, Cal Learn RNEs costs, 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 2006-07 is adjusted to reflect staff development expenditures, time limit savings, Cal Learn RNEs costs, contract costs, and the Wagner-Peyser reimbursement. Funds for TANF ineligible RNEs were subtracted and shifted to the RNE premise.

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 PRIOR SUBVENTION:

The FY 2006-07 increased costs reflects a change in methodology for RNEs. The estimate was previously based on a percentage of the projected expenditures. The estimate has been changed to reflect actual expenditures reported.

REASON FOR YEAR-TO-YEAR CHANGE:

- The FY 2007-08 change reflects increased costs for Cal Learn RNEs.
- 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	$577,341	$577,345
Federal	566,654	571,947
State	10,687	5,398
County	0	0
Reimbursements	0	0

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 FY 2007-08, two-parent families are no longer funded with GF.

CHANGE FROM PRIOR SUBVENTION:

There is no change.

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.

The State only two-parent percentage increased from 6.20 percent to 6.29 percent.

EXPENDITURES:

(in 000's)

	2006-07	2007-08
Total	$191,892	$191,892
Federal	188,874	191,892
State	3,018	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 up to 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.
- All CalWORKs cases will be informed of this change by July 31, 2007.
- It is assumed that the Safety Net cases that do not meet the WPR standards will be discontinued effective November 2007.

Grants

Current Year (CY):

- The average monthly grant ($444) 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 45,162.

Budget Year (BY):

- Between July and October 2007, the average monthly Safety Net caseload is 48,394.

CalWORKs Safety Net Program

KEY DATA/ASSUMPTIONS (continued):

- Between November 2007 and June 2008, it is assumed that on average, only 31 percent of the Safety Net caseload will meet the federal WPR through work and non-work related activities and will remain eligible for assistance. This results in an average of 15,562 monthly cases. The average monthly grant for these cases is $299.

Services

- The funding for FY 2006-07 and 2007-08 reflects no change from the November Subvention. The estimated cost is based on the following key data/assumptions:

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 2007-08 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

- The funding for FY 2006-07 reflects no change from the November Subvention. The estimated cost is based on the following key data/assumptions:

Current Year (CY):

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

Budget Year (BY):

- The Safety Net administration cost would have been $29.9 million which represents 10.87 percent of the total CalWORKs eligibility expenditures.
- Between July and October 2007, the administrative cost is $9.66 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 $6.3 million. This amount assumes that only 31 percent of the Safety Net population will remain eligible for aid during this period.

CalWORKs Safety Net Program

KEY DATA/ASSUMPTIONS (continued):

Child Care

- The funding for FY 2006-07 and 2007-08 reflects no change from the November Subvention. The estimated cost is based on the following key data/assumptions:
- 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.

METHODOLOGY:

Grants

- In the CY, Safety Net grant costs are calculated by multiplying the average monthly Safety Net cases by the cost per case (45,162 x $444 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: 48,394 x $444 x 4; Nov 2007 - Jun 2008: 15,562 x $299 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 ($29.9 million x .33 = 9.87 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 31 percent to represent the remaining Safety Net population ($29.9 million x .66 x .31 = $6.12 million).

CalWORKs Safety Net Program

KEY DATA/ASSUMPTIONS (continued):

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 PRIOR SUBVENTION:

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 BY estimated grant cost includes cases that will meet the federal WPR through non-work activities.

For employment services, administration, and child care, there is no change.

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 - CalWORKs Grants	2006-07 Grants	2007-08 Grants
Total	$239,504	$123,158
Federal	0	0
State	233,516	120,079
County	5,988	3,079
Reimbursements	0	0

CalWORKs Safety Net Program

EXPENDITURES (continued):

(in 000's)

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

ITEM 101 - CalWORK Administration	2006-07 Admin.	2007-08 Admin.
Total	$25,802	$15,980
Federal	0	0
State	25,802	15,980
County	0	0
Reimbursements	0	0

ITEM 101 - CalWORKs Stage One Child Care	2006-07 Child Care	2007-08 Child Care
Total	$8,472	$9,556
Federal	0	0
State	8,472	9,556
County	0	0
Reimbursements	0	0

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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 funding in FY 2007-08 is being held at the Governor's Budget.
- 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 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 PRIOR SUBVENTION:

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 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 funding in FY 2007-08 is being held at the Governor's Budget.
- 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 PRIOR SUBVENTION:

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 County Services	2007-08 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 PRIOR SUBVENTION:

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

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, CDSS 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.

State rules (Government Code section 16304.1) provide that federal funds appropriated in the Budget Act of 2002 can be paid from that appropriation for five years, through June 30, 2007. CDSS is requesting the reappropriation of any unexpended performance incentive funds in order to be able to continue to pay county claims after that date.

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 $52.3 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.

County Performance Incentives

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.

CHANGE FROM PRIOR SUBVENTION:

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[1] Services	2007-08 Services
Total	$52,302	$0
Federal	52,302	0
State	0	0
County	0	0
Reimbursements	0	0

[1] – The current year amount represents 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 PRIOR SUBVENTION:

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:

	FY 2006-07		FY 2007-08
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 PRIOR SUBVENTION:

There is no change.

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 7,983 and 8,152 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 (327 in FY 2006-07 and 334 in FY 2007-08) represents 4.1 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 calendar year 2006 caseload as reported on the Stat 45 Reports, it is assumed that 4.1 percent of the Cal Learn participants receive the $100 bonus and one percent receive the $500 bonus.
- 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 case management cost is $2,870 per case per year for all activities performed by the case manager. The rate is based on calendar year 2006 case management expenditures divided by the total Cal Learn caseload.
- It is assumed that 26.6 percent of the total Cal Learn caseload will utilize transportation services at a cost of $20.98 per month per participant. The utilization rate is based on the calendar year 2006 caseload as reported on the monthly Stat 45 Reports. The cost is based on the calendar year 2006 county transportation expenditure claims.
- It is assumed that 2.9 percent of the total Cal Learn caseload will utilize ancillary services at a cost of $99.25 per month per participant. The utilization rate is based on the calendar year 2006 caseload as reported on the monthly Stat 45 Reports. The cost is based on the calendar year 2006 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.
- The funding for FY 2006-07 for Services and Administration costs are based on the following key data/assumptions:
    - The estimate assumes that 7,983 CalWORKs cases are pregnant or parenting teens in the Cal Learn Program. This caseload is based on applying a linear regression to the actual Cal Learn caseload as reported for calendar year 2006 on the monthly Stat 45 Reports and projected through June 2008.
    - Automation costs for Cal Learn tracking is approximately $167,000.
    - The Recent Noncitizen Entrants (RNEs) caseload of 120 represents 1.5 percent of the projected Cal Learn caseload and is funded with GF.
    - The sanctioned caseload of 327 represents 4.1 percent of the projected Cal Learn caseload and is funded with GF.
- The funding for FY 2007-08 for Services and Administration costs are based on the following key data/assumptions:
    - The estimate assumes that 8,152 of the CalWORKs Program caseload are pregnant or parenting teens in the Cal Learn Program. This caseload is based on applying a linear regression to the actual Cal Learn caseload as reported for calendar year 2006 on the monthly Stat 45 Reports and projected through June 2008

Cal Learn

KEY DATA/ASSUMPTIONS (continued):

- Automation costs for Cal Learn tracking is approximately $173,625.
- The RNE caseload of 122 represents 1.5 percent of the projected Cal Learn caseload and is funded with GF.
- The sanctioned caseload of 334 represents 4.1 percent of the projected Cal Learn caseload and is funded with GF.

METHODOLOGY:

- For FYs 2006-07 and 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.
- 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 for RNE cases are 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 PRIOR SUBVENTION :

The change in bonuses and sanctioned grants is due to a decline in caseload. The increased cost in services reflects increased case management expenditures.

REASON FOR YEAR-TO-YEAR CHANGE:

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

Cal Learn

CASELOAD:

	2006-07	2007-08
Average Monthly Caseload	7,983	8,152

EXPENDITURES [1]:

(in 000's)

101 – CalWORKs Bonuses	2006-07	2007-08
	Grant	Grant
Total	$811	$829
Federal	811	829
State	0	0
County	0	0
Reimbursement	0	0

101 – CalWORKs Sanctioned Grants	2006-07	2007-08
	Grant	Grant
Total	$1,899	$1,940
Federal	0	0
State	1,899	1,940
County	0	0
Reimbursement	0	0

Cal Learn

EXPENDITURES [1]:

(in 000's)

101 – CalWORKs Services & Administration	2006-07	2007-08
	Services	Services
Total	$29,184	$29,799
Federal	27,766	28,352
State	1,418	1,447
County	0	0
Reimbursement	0	0

[1] - The recent noncitizen entrants costs are a subset of these expenditures and are displayed in the "Recent Noncitizen Entrants" premise.

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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.
- FY 2006-07 is being held at the November 2006 level.
- The FY 2006-07 base funding for CalWORKs County Administrative Basic is $642 million.
- The estimate reflects a projected caseload decline of 0.6 percent in FY 2007-08.
- Staff development costs in FY 2007-08 are $15 million based on actual expenditures from Calendar Year 2006.
- Statewide Automated Welfare System (SAWS) development and testing interface costs are $129,000 in FY 2007-08.
- Administrative costs related to the Merced Automated Global Information Control (MAGIC) automation system are $272,000 in FY 2007-08.
- Electronic Benefit Transfer (EBT) savings are $10.8 million in FY 2007-08.
- Time limit savings are $35.8 million in FY 2007-08.
- Contract costs are $4.1 million for FY 2007-08.

TANF/CalWORKs Administrative Costs – Basic

KEY DATA/ASSUMPTIONS (continued):

- In FY 2007-08, $9.7 million of the CalWORKs Administrative Basic expenditures are for Recent Noncitizens Entrants (RNEs). Of the $9.7 million, $4.9 million reflects the federally eligible recipients in mixed households.

METHODOLOGY:

The basic funding from FY 2006-07 is adjusted to reflect the projected decrease in caseload, staff development expenditures, savings for EBT and time limits, the MAGIC system, the SAWS development and testing 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 State General Fund (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 PRIOR SUBVENTION:

The FY 2007-08 estimate reflects a decrease in the projected CalWORKs caseload, an increase in staff development expenditures, a decrease in EBT savings and an increase in time limit savings.

REASON FOR YEAR-TO-YEAR CHANGE:

The FY 2007-08 estimate reflects a caseload decrease.

EXPENDITURES:

(in 000's)

	2006-07	2007-08
	County Admin.	County Admin.
Total	$611,802	$605,478
Federal	602,287	600,574
State	9,515	4,904
County	0	0
Reimbursements	0	0

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 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 PRIOR SUBVENTION:

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 PRIOR SUBVENTION:

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)

101 – CalWORKs	2006-07	2007-08
Administration		
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 PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000's)

ITEM 101 - CalWORKs	2006-07	2007-08
	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)

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

ITEM 141 - Food Stamp Admin	2006-07 County Admin	2007-08 County Admin
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 $66.6 million for Fiscal Year (FY) 2005-06.
- The total estimated overpayment collections are $62.5 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.

Fraud Recovery Incentives

CHANGE FROM PRIOR SUBVENTION:

The FY 2005-06 overpayment collections were estimated to be $47.5 million in the November Subvention. However, the actual overpayments for FY 2005-06 were $66.6 million. As a result, the FY 2006-07 overpayment collections estimates were adjusted from $50.6 million in the November Subvention to $62.5 million in the May Revise. Current year and budget year expenditures were 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
ITEM 101 – TANF	County Admin.	County Admin.
Total	$5,410	$5,745
Federal	5,410	5,745
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.

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 to FY 2000-01 will be reappropriated to FY 2006-07 and unexpended incentives from FY 2002-03 to FY 2005-06 will be reappropriated to FY 2007-08.

FUNDING:

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

CHANGE FROM PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

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

Fraud Recovery Incentives-Reappropriation

EXPENDITURES:

(in 000's)

	2006-07 [1]	2007-08 [1]
ITEM 101 – TANF	County Admin.	County Admin.
Total	$5,091	$24,422
Federal	5,091	24,422
State	0	0
County	0	0
Reimbursements	0	0

[1] The current and budget year amounts represent unspent funding which was appropriated in FY 2006-07 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 $49.3 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 0.6916 based on the FY 2005-06 expenditures.
- The ratio of PAFS to the CalWORKs caseload is 0.59 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 $692,504,462.

METHODOLOGY:

The CalWORKs continuing case costs based on actual expenditures adjusted for premise items was multiplied by 0.6916 to determine the value of the PAFS/CalWORKs shared administrative costs. The shared administrative costs were multiplied by 0.59. 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.

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 PRIOR SUBVENTION;

The current year was held to the November Subvention. The budget year was 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
ITEM 101 – TANF	County Admin.	County Admin.
Total	-$181,319	-$178,561
Federal	-181,319	-178,561
State	0	0
County	0	0
Reimbursements	0	0

ITEM 141 – Food Stamps	2006-07	2007-08
	County Admin.	County Admin.
Total	$181,319	$178,561
Federal	90,659	89,281
State	63,462	62,496
County	27,198	26,784
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 estimate in Fiscal Year (FY) 2006-07 is being held at the Budget Act of 2006 Appropriation level.
- The initial eligibility determination expenditures are $151.2 million, which represents 17.93 percent of the total CalWORKs eligibility expenditures for FY 2005-06.
- The anticipated CalWORKs county administrative cost for FY 2005-06 is $843.5 million, 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 FY 2007-08 estimate was based on FY 2005-06 CalWORKs county administrative cost of $843.5 million which is reduced by the FY 2006-07 administrative basic caseload decline of 1.5 percent. Of this amount, 17.93 percent represents total CalWORKs eligibility expenditures or $148.9 million of which one third or $49.6 million is attributable to Medi-Cal Services Eligibility/Common Cost in current year. This amount was further reduced by the projected 2007-08 caseload decline of 0.6 percent.

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.

Effective October 1, 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

CHANGE FROM PRIOR SUBVENTION:

The budget year (BY) change reflects a decline in caseload.

REASON FOR YEAR-TO-YEAR CHANGE:

- The decreased cost reflects the slight decline in caseload.
- For the first quarter of 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	-$49,335
Federal	-48,989	-49,335
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 PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

CalWORKs Administrative Cap Adjustment

EXPENDITURES:

(in 000's)

	2006-07 County Admin.	2007-08 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 $1,688,000 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 $1,130,000 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).

Court Cases

CHANGE FROM PRIOR SUBVENTION:

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
TANF Administration	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
FC, AAP, and Food Stamp Administration	County Admin.	County Admin.
Total	$1,688	$1,130
Federal	844	565
State	844	565
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 up to 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.

State/County Peer Field Reviews

FUNDING:

This premise is funded with 100 percent TANF funds.

CHANGE FROM PRIOR SUBVENTION:

This is no change.

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

Governor's Proposal – Mailing Costs

DESCRIPTION:

This premise reflects the one-time costs associated with mailing a 90-day informing notice to all CalWORKs cases regarding the policy changes proposed by the Administration (60-month time limit on certain child-only cases; full family sanction policy for non-compliant cases that have been sanctioned for over 90 days; and the requirement for Safety Net cases to meet the federal Work Participation Requirement).

IMPLEMENTATION DATE:

Implementation begins July 1, 2007.

KEY DATA/ASSUMPTIONS:

- It is assumed all CalWORKs cases will receive a 90-day informing notice associated with the Administration's proposed changes by July 31, 2007.
- The Department of Social Services will develop an inter-agency agreement with the Employment Development Department (EDD) to complete this mailing.

METHODOLOGY:

The inter-agency agreement with EDD to mail each CalWORKs case a notice is estimated to be $173,805.

FUNDING:

The funding for the CalWORKs administration costs is shared 88.42 percent federal/Temporary Assistance to Needy Families (TANF) and 11.58 percent State General Fund (GF).

CHANGE FROM PRIOR SUBVENTION:

This is a new premise.

REASON FOR YEAR-TO-YEAR CHANGE:

The cost associated with this premise is only reflected in the BY. No costs will be incurred beyond the BY.

EXPENDITURES:

(in 000's)

101-Admin	2006-07	2007-08
Total	$0	$174
Federal	0	154
State	0	20
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 PRIOR SUBVENTION:

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 County Admin.	2007-08 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 $117,175,669 respectively.

FUNDING:

This is a shift from federal to county funds.

CHANGE FROM PRIOR SUBVENTION:

The current year was held to the November Subvention. The budget 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 County Admin.	2007-08 County Admin.
Total	$0	$0
Federal	-27,550	-21,173
State	0	0
County	27,550	21,173
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 (AB) 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 five 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 52,491 and 51,496 in the budget year (BY) based on a regression analysis projection using actual caseload from Calendar Year 2006 as reported on the CW 115 and CW 115A reports.

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 Calendar Year 2006 as reported on the county expense claims and the CW 115 and CW 115A reports.
- The CalWORKs child care administrative ratio of 12.15 percent is based on the actual administrative expenditures compared to services expenditures for Calendar Year 2006.
- The child care cost for two-parent families is 3.31 percent based on Stage One expenditures from Calendar Year 2006.
- The child care costs for the Recent Noncitizen Entrants (RNEs) is 0.93 percent based on Stage One expenditures from Calendar Year 2006.
- The child care cost for sanctioned teens for State-Only Cal Learn Child Care is 0.02 percent based on Stage One expenditures from Calendar Year 2006.
- It is assumed $198.1 million in the CY and $188.9 million in the BY in TANF are transferred to Title XX for Stage One.
- The Stage One/Two holdback is $14.5 million (plus $8.1 million that has been approved and shifted to the Stage One child care costs) in the CY and $27.4 million in the BY. These amounts are based on five percent of the expenditures including the effect of all premises affecting child care basic.

- 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 $454.2 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 $546.8 million.

METHODOLOGY:

- The Stage One child care services costs are calculated by multiplying the caseload by the cost per child multiplied by 12 months. The Stage One child care administrative costs are calculated by multiplying the services costs by the administrative ratio.
- The total Stage One child care costs are calculated by adding the services and administrative costs.
- The total Stage One child care costs are reduced by $21.4 million in the CY and $44.6 million in the BY for the RMR impact as these costs are reflected on a separate premise.
- The total Stage One Child Care costs are reduced by five percent and placed in the Stage One/Two holdback.
- In the CY, $8.1 million, has been approved for Stage One and has been shifted from the holdback to the Stage One child care costs.

CalWORKs Child Care - Stage One Services and Administration

METHODOLOGY (continued):

- The Stage One two-parent child care costs are calculated by multiplying the total Stage One child care costs by 3.31 percent. These funds are then shifted to GF.
- RNEs represent 0.93 percent of Stage One Child Care costs.
- Federally eligible members of mixed RNE households represent 49.89 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. These funds are reflected in the State-Only Cal Learn Child Care line, funded with GF.

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 MOE. Child Care for RNEs is funded with 100 percent GF.

CHANGE FROM PRIOR SUBVENTION:

The decrease in services costs in the CY and the BY reflect a decrease in the projected caseload.

The CY increase in administration is due to an increased administration ratio.

REASON FOR YEAR-TO-YEAR CHANGE:

The BY decrease reflects a decrease in the projected caseload.

CASELOAD:

	2006-07	2007-08
Average Monthly Children	52,491	51,496

CalWORKs Child Care - Stage One Services and Administration

EXPENDITURES:

101 – CalWORKs Child Care

(in 000's)	2006-07 Services	2007-08 Services
Total	$353,601	$336,597
Federal	340,316	323,661
State	13,285	12,936
County	0	0
Reimbursements	0	0

	2006-07 Administration	2007-08 Administration
Total	$43,161	$40,434
Federal	41,720	39,084
State	1,441	1,350
County	0	0
Reimbursements	0	0

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 costs are based on the most recent expenditure data which includes the impact of the RMR changes.
- For Fiscal Year (FY) 2006-07 and FY 2007-08, the cost impact to Stage One is $21.4 million and $44.6 million, respectively, as a result of the RMR updates.

METHODOLOGY:

The estimated costs are based on actual data through December 2006 which reflects the impact of the RMR changes.

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 PRIOR SUBVENTION:

Based on actual expenditure data which includes the impact of the RMR, the current year and budget year (BY) reflect increased costs associated with the RMR implementation. The impact of the RMR was increased from 1.5 percent in November to eight percent in May.

REASON FOR YEAR-TO-YEAR CHANGE:

The BY increase reflects a full year implementation.

Stage One Child Care RMR Impact

EXPENDITURES:

(in 000's)

	2006-07	2007-08
Total	$21,404	$44,643
Federal	20,696	43,166
State	708	1,477
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 California Work Opportunity and Responsibility to Kids (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 PRIOR SUBVENTION:

The current year and budget year reflect a slight increase in the percentage of sanctioned teens receiving services from the State-Only Cal Learn Child Care program.

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	$81	$79
Federal	0	0
State	81	79
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 funding for FY 2006-07 is held to the Governor's Budget.
- For FY 2007-08, 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 24,517. This is based on a regression analysis projection using the number of actual applications for Trustline fingerprinting from Calendar Year 2006. 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 2 percent of CDSS and CDE caseloads use Cardscan and 98 percent use Live Scan.
  - This estimate assumes that 100 percent of voluntary cases use Live Scan.
  - The county administration cost per case is $108 based on actual county expenditures divided by the number of DOJ applications for Calendar Year 2006.
- The Trustline Automated Registration Process (TARP) pilot implemented in October 2006, with Kern as the pilot county. The roll-out to San Bernardino is anticipated to begin in April 2007. Statewide implementation is expected to occur in the BY. The projected caseload is 24,517. 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:

	FY 2006-07	FY 2007-08
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[1]	$10	$10
Identix Live Scan[1]	$16	$16
TARP	$5	$5

[1] 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	$1,601,050
R&R Network	$652,650	$612,900
Identix [2]	$440,793	$515,677
County Administrative Costs	$1,437,260	$1,724,649

[2] 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 PRIOR SUBVENTION:

There is no change in the CY. The BY reflects a decline in the projected caseload.

REASON FOR YEAR-TO-YEAR CHANGE:

The BY increase is the net effect of a caseload decline, offset by an increase in the county administration cost per case.

CASELOAD:

	2006-07	2007-08
Average Monthly CDSS Trustline Caseload	1,388	1,326
Average Monthly CDE Trustline Caseload	583	553
Average Monthly Voluntary Trustline Caseload	205	164

Child Care – Trustline

Expenditures:

(in 000's)

	2006-07 County Admin.	2007-08 County Admin.
Total	$4,211	$4,454
Federal	3,183	3,541
State	247	170
County	0	0
Reimbursements	781	743

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 funding for FY 2006-07 is held to the Governor's Budget.
- For FY 2007-08, 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 15,912, based on a regression analysis projection using the number of applications for Trustline fingerprinting from Calendar Year 2006. 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 ($124) is based on actual county expenditures divided by total Trustline applications processed in Calendar Year 2006.

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 BY: $124 x 15,912 = $2.0 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.

Self-Certification

CHANGE FROM PRIOR SUBVENTION:

There is no change in the CY. The BY reflects a decline in the projected caseload.

REASON FOR YEAR-TO-YEAR CHANGE:

The BY increase is the net effect of a caseload decline, offset by an increase in the county administration cost per case.

CASELOAD:

	2006-07	2007-08
Average Annual Caseload	16,651	15,912

EXPENDITURES:

(in 000's)

	2006-07	2007-08
	County Admin.	County Admin.
Total	$1,602	$1,969
Federal	1,514	1,904
State	88	65
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 76,185 based on a regression caseload trend analysis utilizing actual caseload reported from CDE for Calendar Year 2006.
  - The monthly cost per child for Stage Two Child Care is $470 based on Calendar Year 2006 actual expenditures and caseload.
  - The impact of the October 1, 2006 implementation of the updated Regional Market Rate (RMR) ceilings is reflected in the monthly cost per child.
  - The administrative ratio is 21.8 percent, based on the comparison between administrative expenditures and service costs from Calendar Year 2006.
  - The annual family fee offset of 1.5 percent is based on actual family fees and expenditures reported from CDE for Calendar Year 2006.
  - 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.

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

KEY DATA/ASSUMPTIONS (continued):

- 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.

METHODOLOGY:

- The following data was provided by CDE for the period July 2006 through December 2006:

Services costs:	$207.8 million
Administration costs:	$ 44.4 million
Less Family Fees:	$ 4.0 million
Total cost	$248.2 million

  - The average monthly caseload is 76,855.
- The following methodology was used to calculate costs for the period January 2007 through June 2007:
  - The projected average monthly caseload is 75,515.
  - The services cost was calculated by multiplying the caseload by the cost per child multiplied by six months (75,515 x $470 x 6 = $212.9 million).
  - The administrative cost was calculated by multiplying the services cost by the administrative ratio ($212.9 x 21.8 percent = $46.3 million).
  - The family fee was calculated by multiplying the sum of services and administrative costs by 1.5 percent ($259.2 million x 1.5 percent = $3.9 million).
  - The total Stage Two Child Care basic cost was calculated by adding the services cost to the administrative cost and subtracting the family fees ($259.2 million - $3.9 million = $255.3 million).
- The total Stage Two Child Care cost in the current year is $503.5 million.
- The total Stage Two Child Care cost was reduced by five percent in the amount of $25.2 million in FY 2006-07 (see the Stage One/Stage Two Holdback premise description for more information).

  $503.5 million x five percent = $25.2 million

  $503.5 million - $25.2 million = $478.3 million
- The transfer of TANF funds to CCDF was calculated by subtracting CDE's available CCDF and Proposition 98 funding and the Title XX Transfer from the net Stage Two Child Care cost.
  - $478.3 million - $155.2 million - $10 million = $313.1 million

FUNDING:

Funds are 100 percent TANF transferred to the CCDF.

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

CHANGE FROM PRIOR SUBVENTION:

The impact of the RMR is more significant than was assumed in November resulting in a higher cost per child than was assumed in November. The higher cost per child results in increased costs.

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	$313,128	0
Federal	313,128	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 $454.2 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 $546.8 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 $503.5 million and $499.4 million, respectively.
- A total of five percent from Stage One and Stage Two will be held in the reserve.
- An allocation of $8.1 million has been transferred from the Stage One holdback and is reflected in the CalWORKs Child Care Stage One Services and Administration premise.

METHODOLOGY:

- In FY 2006-07, five percent of Stage One ($14.5 million plus the $8.1 million reflected in the Stage One Services and Administration premise) and Stage Two ($25.2 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 ($27.4 million) and Stage Two ($24.9 million) are summed for a total holdback. No funding is reserved above the need in this premise.

Child Care
Stage One/Two Holdback

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.

CHANGE FROM PRIOR SUBVENTION:

The current year reflects increased child care costs offset by the $8.1 million that has been transferred to the Stage One Services and Administration premise.

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	$39,727	$52,316
Federal	39,727	52,316
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.

Enhanced Kin-GAP benefits include all clothing allowances and specialized care increments (SCI) as specified in the below statutes. All Kin-GAP cases are eligible to receive clothing allowances however, only those cases when the child received SCI while in Foster Care are eligible for the SCI under Enhanced Kin-GAP.

IMPLEMENTATION DATE:

The Kin-GAP Program was implemented on January 1, 2000. Kin-GAP enhancements were implemented on October 1, 2006.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&IC sections 11360 through 11375.
- Authorizing statute for Enhanced Kin-GAP: W&IC sections 11363 through 11380.
- 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 actual expenditures and cases reported on the CA 800 KG through January 2007. The average federal Kin-GAP grant payment is $524.35 and the average nonfederal Kin-GAP grant payment is $544.73.

Kinship Guardianship Assistance Payment Program

KEY DATA/ASSUMPTIONS (continued):

- 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.
- Based on actual expenditures through December 2006, the cost of ongoing county Kin-GAP administrative functions is $28.02 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.
- 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.
- 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 specialized care increments (SCIs) as applicable, as specified in statue.
- Savings to Foster Care (FC) grants, CalWORKs grants and administration, and Child Welfare Services (CWS) administration are now included in the respective program's basic costs and are no longer displayed as separate premises.
- The average (Temporary Assistance for Needy Families) TANF portion of the Enhanced Kin-GAP rate is $347. However, effective with the implementation of the Kin-GAP enhancements, the TANF portion of the rate is 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 $650. CalWORKs grant savings are based on the standardized monthly rate of $347 in CY and BY.
- CWS administrative savings of $342 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.
- Due to the impact of the Title IV-E Waiver in Los Angeles and Alameda, the estimated federal savings to FC basic ($10.5 million), FC Administration ($0.9 million) and Child Welfare Services ($5.6 million) will not be reflected in the budget year. Federal funding will not be reduced below the federal Title IV-E Waiver capped amount.

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.

Kinship Guardianship Assistance Payment Program

FUNDING:

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 PRIOR SUBVENTION:

Current year decrease in costs is due to a decline in caseload. Costs previously associated with the "Enhanced Kin-GAP Program Basic and Administration" premises are now incorporated into the "Kin-GAP Program" premise description. The previous proposal to create a new Enhanced Kin-GAP Program is no longer applicable. Costs associated with providing Clothing allowances and SCI to all eligible recipients are now reflected as Kin-GAP Enhancements.

REASON FOR YEAR-TO-YEAR CHANGE:

Budget year costs decrease reflects a slower caseload growth.

CASELOAD:

	2006-07	2007-08
Average Monthly Caseload	16,627	19,990

Kinship Guardianship Assistance Payment Program

EXPENDITURES:
(in 000's)

Item 101 – CalWORKs Savings	2006-07	2007-08
Total	$0	-$54
Federal	0	-27
State	0	-19
County	0	-8
Reimbursements	0	0

Item 101 – CalWORKs Admin Savings	2006-07	2007-08
	County Admin.	County Admin.
Total	$0	-$5
Federal	0	-3
State	0	-1
County	0	-1
Reimbursements	0	0

Item 101 – Kin-GAP Basic Costs	2006-07	2007-08
	Grant	Grant
Total	$104,626	$125,788
Federal	0	0
State	86,752	104,425
County	17,874	21,363
Reimbursements	0	0

Item 101 – Kin-GAP Administration	2006-07	2007-08
	County Admin.	County Admin.
Total	$5,591	$6,722
Federal	0	0
State	5,585	6,715
County	6	7
Reimbursements	0	0

Kinship Guardianship Assistance Payment Program

EXPENDITURES (continued):

(in 000's)

Kin-GAP Enhancements	2006-07 Grant	2007-08 Grant
Total	$27,208	$54,898
Federal	0	0
State	13,604	27,449
County	13,604	27,449
Reimbursements	0	0

Item 101 – Foster Care Savings	2006-07	2007-08
Total	-$19,020	-$37,460
Federal	-9,510	-13,443
State	-3,804	-9,607
County	-5,706	-14,410
Reimbursements	0	0

Item 141 – Foster Care Admin Savings	2006-07 County Admin.	2007-08 County Admin.
Total	$0	-$3,291
Federal	0	-1,181
State	0	-1,477
County	0	-633
Reimbursements	0	0

Item 151 – CWS Admin Savings	2006-07 County Admin.	2007-08 County Admin.
Total	$0	-$19,704
Federal	0	-7,071
State	0	-8,843
County	0	-3,790
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 was 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 are provided by DCSS.

FUNDING:

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

CHANGE FROM PRIOR SUBVENTION:

The decrease in collections reflects updated actual FC collections.

REASON FOR YEAR-TO-YEAR CHANGE:

The budget year decrease in collections reflects updated actual FC collections.

Title IV-E Child Support Collections/Recovery Fund

Offset Collections:
(in 000's)

	2006-07 Grant	2007-08 Grant
Total	-$12,543	-$11,047
Federal	-12,543	-11,047
State	0	0
County	0	0
Reimbursements	0	0

Recovery Fund:
(in 000's)

	2006-07 Grant	2007-08 Grant
Total	$12,543	$11,047
Federal	12,543	11,047
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 November 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 74.2 percent used for the prior projection.
- For current year (CY), the federal and nonfederal average grant computations utilized caseload and expenditure data reported by the counties on the CA 237 FC during the most recent seventeen month period ending November 2006. The projected federal grant is $650.18 and the nonfederal grant is $801.32.
- For budget year (BY), the federal and nonfederal average grant computations utilized caseload and expenditure data reported by the non-waiver counties on the CA 237 FC during the most recent twelve month period ending November 2006. The projected federal grant is $680.63 and the nonfederal grant is $723.11.
- The Title IV-E waiver base amount was determined by the proportionate share of the FFH estimates to the total foster care estimates.
- 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.
- Additional State Fiscal Year (SFY) 2007-08 costs include the estimated impact of increased regional center rates for foster care children receiving California Department of Developmental Services. (See the Dual Agency Rate Premise).

Foster Family Home – Basic Costs

METHODOLOGY:

FFH basic costs are the product of projected federal and nonfederal case months and average grant, as identified above. The established waiver counties base was added to the non-waiver counties estimates for the total basic FFH estimated need.

FUNDING:

Federal funding is provided for 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.

CHANGE FROM PRIOR SUBVENTION:

The CY decline reflects lower caseload growth than was projected for the November estimate.

REASON FOR YEAR-TO-YEAR CHANGE:

The BY increase reflects the adjusted impact from the Title IV-E Waiver Demonstration Project and the impact of the Dual Agency Rate Premise.

CASELOAD:

	2006-07	2007-08
Average Monthly Caseload	41,165	40,788
Federal Caseload	30,491	30,211
Nonfederal Caseload	10,674	10,577

EXPENDITURES:

(in 000's)	2006-07	2007-08
FFH – Basic Costs	Grant	Grant
Total	$340,537	$367,335
Federal	106,588	121,875
State	93,580	98,166
County	140,369	147,294
Reimbursements	0	0

Foster Family Home – Basic Costs

EXPENDITURES (continued):

(in 000's)

FFH – Waiver county Base	2006-07 Grant	2007-08 Grant
Total	0	$113,978
Federal	0	37,312
State	0	30,649
County	0	46,018
Reimbursements	0	0

FFH – Non-Waiver Counties Basic Costs	2006-07 Grant	2007-08 Grant
Total	$340,537	$215,732
Federal	106,588	70,454
State	93,580	58,111
County	140,369	87,167
Reimbursements	0	0

FHH – Federal	2006-07 Grant	2007-08 Grant
Total	$237,893	$157,246
Federal	106,588	70,454
State	52,522	34,717
County	78,783	52,075
Reimbursements	0	0

FHH – Nonfederal	2006-07 Grant	2007-08 Grant
Total	$102,644	$58,486
Federal	0	0
State	41,058	23,394
County	61,586	35,092
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 November 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 has not changed from the prior projection.
- For current year (CY), the federal and nonfederal average grant computations utilized caseload and expenditure data reported by the counties on the CA 237 FC during the most recent seventeen month period ending November 2006. The projected federal grant is $4,731.59 and the nonfederal grant is $5,175.39.
- For budget year (BY), the grant computations are adjusted for the Title IV-E waiver. The federal and nonfederal average grant computations utilized caseload and expenditure data reported by the non-waiver counties on the CA 237 FC during the most recent twelve month period ending November 2006. The projected federal grant is $5,184.94 and the nonfederal grant is $4,937.40.
- The Title IV-E waiver base amount was determined by the proportionate share of the GH estimates to the total foster care estimates.
- 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.

Group Home – Basic Costs

METHODOLOGY:

Non-Waiver counties' 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.

The established waiver counties base was added to the non-waiver counties estimates for the total basic GH estimated need.

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.

CHANGE FROM PRIOR SUBVENTION:

The CY decline reflects lower caseload growth than was projected for the November Estimate. The BY increase reflects Title IV-E waiver adjustments to Governor's Budget.

REASON FOR YEAR-TO-YEAR CHANGE:

The BY increase reflects the adjusted impact from the Title IV-E Waiver Demonstration project.

CASELOAD:

	2006-07	2007-08
Average Monthly Caseload	11,462	11,211
Federal Caseload	7,030	7,053
Nonfederal Caseload	4,145	4,158

EXPENDITURES:

(in 000's)	2006-07	2007-08
GH – Basic Costs	Grant	Grant
Total	$656,572	$691,067
Federal	178,836	198,461
State	191,094	197,003
County	286,642	295,603
Reimbursements	0	0

Group Home – Basic Costs

EXPENDITURES (continued):

(in 000's)

GH – IV-E Waiver County Base

Total	0	$238,874
Federal	0	68,713
State	0	68,025
County	0	102,136
Reimbursements	0	0

	2006-07 Grant	2007-08 Grant
GH – Non-Waiver Counties Basic Costs		
Total	$656,572	$452,193
Federal	178,836	129,748
State	191,094	128,978
County	286,642	193,467
Reimbursements	0	0
GH – Federal		
Total	$399,143	$289,584
Federal	178,836	129,748
State	88,123	63,934
County	132,184	95,902
Reimbursements	0	0
GH – Nonfederal		
Total	$257,429	$162,609
Federal	0	0
State	102,971	65,044
County	154,458	97,565
Reimbursements	0	0

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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 November 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, which has not changed from the prior projection.
- For current year (CY), the federal and nonfederal average grant computations utilized caseload and expenditure data reported by the counties on the CA 237 FC during the most recent seventeen month period ending November 2006. The projected federal grant is $1,594.39, and the nonfederal grant is $2,032.11.
- For budget year (BY), the federal and nonfederal average grant computations utilized caseload and expenditure data reported by the non-waiver counties on the CA 237 FC during the most recent twelve month period ending November 2006. The projected federal grant is $1,791.70 and the nonfederal grant is $2,103.40.
- The Title IV-E waiver base amount was determined by the proportionate share of the FFA estimates to the total foster care estimates.
- 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.

Foster Family Agency – Basic Costs

METHODOLOGY:

Non-Waiver counties 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.

The established waiver counties base was added to the non-waiver counties estimates for the total basic FFA estimated need.

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.

CHANGE FROM PRIOR SUBVENTION:

The CY decline reflects lower caseload growth than was projected for the November Estimate. The BY increase reflects waiver adjustments to Governor's Budget

REASON FOR YEAR-TO-YEAR CHANGE:

The CY decline reflects slightly lower caseload growth than was projected for the November Estimate. The BY increase reflects waiver adjustments to Governor's Budget.

CASELOAD:

	2006-07	2007-08
Average Monthly Caseload	19,729	20,136
Federal Caseload	16,373	16,711
Nonfederal Caseload	3,356	3,425

EXPENDITURES:

(in 000's)	2006-07	2007-08
FFA – Basic Costs	Grant	Grant
Total	$395,072	$435,036
Federal	140,345	157,148
State	101,891	111,133
County	152,836	166,755
Reimbursements	0	0

Foster Family Agency – Basic Costs

EXPENDITURES (CONTINUED):

(in 000's)

FFA – IV-E Waiver County Base	2006-07 Grant	2007-08 Grant
Total	0	$150,400
Federal	0	54,409
State	0	38,374
County	0	57,617
Reimbursements	0	0

FFA – Non-Waiver Counties Basic Costs	2006-07 Grant	2007-08 Grant
Total	$395,072	$284,636
Federal	140,345	102,739
State	101,891	72,759
County	152,836	109,138
Reimbursements	0	0

FFA– Federal	2006-07 Grant	2007-08 Grant
Total	$313,235	$229,302
Federal	140,345	102,739
State	69,156	50,625
County	103,734	75,938
Reimbursements	0	0

FFA – Nonfederal	2006-07 Grant	2007-08 Grant
Total	$81,837	$55,334
Federal	0	0
State	32,735	22,134
County	49,102	33,200
Reimbursements	0	0

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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 (W&I) Code 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 was implemented on July 1, 1987.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&I Code 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 December 2006. The projected average grant for Los Angeles County is $5,409.00. The projected average grant for the remaining counties is $5,659.13.

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.

Seriously Emotionally Disturbed Children
Basic Costs

CHANGE FROM PRIOR SUBVENTION:

The current year estimate reflects a slight increase in caseload and an increase in the average grant than what was projected for the Governor's Budget.

REASON FOR YEAR-TO-YEAR CHANGE:

The budget year estimate reflects adjustments for caseload growth.

CASELOAD:

	2006-07	2007-08
Average Monthly Caseload	1,609	1,664

EXPENDITURES:

(in 000's)

	2006-07	2007-08
	Grant	Grant
Total	$107,568	$111,234
Federal	0	0
State	43,027	44,494
County	64,541	66,740
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 was 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 60,894 for Fiscal Year (FY) 2006-07, and 60,924 for FY 2007-08.
- All cases shifting to the Kin-GAP Program are presumed to receive the clothing allowance prior to exiting foster care.
- For the Title IV-E waiver counties, $2,703,000 is the supplemental clothing allowance share of the assistance base amount.
- The amount of federal financial participation (FFP) is based on the Federal Medical Assistance Percentage (FMAP) rate of 50 percent.

METHODOLOGY:

Non-Waiver counties expenditures for the statewide supplemental clothing allowance are a product of the projected cases and the $100 allowance. The established waiver counties base will be added to the non-waiver county estimates for the total supplemental clothing allowance estimate.

Supplemental Clothing 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.

CHANGE FROM PRIOR SUBVENTION:

The current year estimate reflects lower caseloads than the prior projection. The budge year (BY) estimate reflects the adjustments for the IV-E Waiver counties.

REASON FOR YEAR-TO-YEAR CHANGE:

The BY estimate reflects lower caseload than projected in Governor's Budget and the adjustments for the IV-E Waiver counties.

EXPENDITURES:

(in 000's)	2006-07	2007-08
	Grant	Grant
Total	$6,089	$5,998
Federal	2,343	2,313
State	3,746	3,685
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 and $206.1 million for FFY 2007. An additional $ 373.4 million in TANF grant dollars will be transferred to Title XX in FFY 2006-07 and FFY 2007-08, as compared to the Appropriation. FFY 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) $49.8 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 $50.6 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 $58.7 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 CY in the Deaf Access Program, $3.2 million Title XX funds will reduce State General Fund (GF) in an otherwise 100 percent GF program. In BY, Title XX funds are reduced to $3 million.
- For CY in Community Care Licensing (CCL), in CY $0.119 million in Title XX funds will be used for non-Title IV-E claimable costs. The funding does not continue in BY.
- In State Support, $55 million in Title XX funds will be used in CCL for both CY and BY.
- 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.

FUNDING:

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

CHANGE FROM PRIOR SUBVENTION:

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 State One Child Care for Title XX-eligible costs. The CCL decrease CY to BY for non-Title IV-E claimable costs is due budgetary limitations. The BY also reflects a decrease in the amount of Title XX for the Deaf Access Program. In the CY and BY an additional $187 and $188.1 million, respectively, TANF funds are transferred to Title XX for Stage One Child Care.

Title XX Funding

EXPENDITURES:
(in 000's)

	2006-07 Grant	2007-08 Grant
Total Title XX	**$582,708**	**$579,453**
Title XX Grant	209,326	206,071
TANF Transfer In	373,382	373,382
Foster Care (Item 101)	$0	$0
Foster Care (Transfer from TANF)		
Federal	49,820	50,586
State	-49,820	-50,586
CWS	$206,954	$203,903
(Item 151)		
CWS Transfer to DDS	$203,903	$203,903
CWS (Title XX Transfer to DDS)	$147,903	$147,903
Federal	147,903	147,903
State	0	0
CWS (Transfer from TANF)		
For Transfer to DDS		
Federal	56,000	56,000
State	0	0
Title XX Hurricane Katrina	3,051	0
Federal	3,051	0
For CWS (Transfer from TANF)	$60,589	$58,710
Item 151		
Federal	60,589	34,560
State	-60,589	-34,560

Title XX Funding

EXPENDITURES (continued):

(in 000's)

	2006-07 Grant	2007-08 Grant
Item 153		
Federal	0	24,150
State	0	-24,150
Deaf Access (Item 151)	$0	$0
Federal	3,200	2,996
State	-3,200	-2,996
CCL (Item 151)	$0	$0
Federal	119	0
State	-119	0
CCL (State Support)	$0	$0
Federal	55,053	55,053
State	-55,053	-55,053
CalWORKs Child Care (Transfer from TANF)		
	$206,973	$208,086
Federal	206,973	208,086
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 (9th 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 PRIOR SUBVENTION:

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, the impact of which is reflected in the *Rosales v. Thompson (Reversal)* premise.

EXPENDITURES:

(in 000's)

	2006-07	2007-08
	Grant	Grant
Item 101 – CalWORKs		
Total	-$ 43	$ 0
Federal	-42	0
State	0	0
County	-1	0
Reimbursements	0	0
Item 101 – CalWORKs	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
Item 101 - Foster Care	Grant	Grant
Total	$ 208	$ 0
Federal	1,286	0
State	-433	0
County	-645	0
Reimbursements	0	0

Item 141 - Foster Care	Admin	Admin
Total	$171	$184
Federal	85	93
State	60	61
County	26	30
Reimbursements	0	0

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.
- For the Title IV-E waiver counties, -$110,000 is the Rosales Reversal share of the assistance base.
- 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

Non-Waiver counties 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. The established waiver base will be added to the non-waiver county estimates for the total estimate.

CalWORKs grant costs 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).

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.

Rosales V. Thompson (Reversal)

FUNDING (continued):

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 141 - County Administration

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

CHANGE FROM PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

The BY reflects annualized estimates, and adjustments for the IV-E Waiver.

EXPENDITURES:

(in 000's)

Item 101 - Foster Care	2006-07 Grant	2007-08 Grant
Total	-$ 169	-$ 314
Federal	-1,244	-2,072
State	430	703
County	645	1,055
Reimbursements	0	0

Item 101 - CalWORKs	2006-07 Grant	2007-08 Grant
Total	$ 36	$ 43
Federal	35	42
State	0	0
County	1	1
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 less than 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 PRIOR SUBVENTION:

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 PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

Supportive Transitional Emancipation Program

EXPENDITURES:

(in 000's)

101 – Assistance Payments – STEP	2006-07	2007-08
	Grant	Grant
Total	$0	$0
Federal	0	0
State	0	0
County	0	0
Reimbursements	0	0

Item 141 – STEP Eligibility	2006-07	2007-08
	County Admin.	County Admin.
Total	$0	$0
Federal	0	0
State	0	0
County	0	0
Reimbursements	0	0

Item 151 – STEP Plan Activity	2006-07	2007-08
	County Admin.	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 December 2006, the projected average grant for EA-FC cases is $1,423.72, 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 added to the federal share 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 PRIOR SUBVENTION:

The current year increase reflects a higher average grant than was projected in the Governor's Budget. The EA administrative costs for FY 2006-07 were held to appropriation.

REASON FOR YEAR-TO-YEAR CHANGE:

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

CASELOAD:

	2006-07	2007-08
Average Monthly Caseload	3,516	3,374

EXPENDITURES:

(in 000's)

ITEMS 101 & 141 – EA	2006-07		2007-08	
	Grant	County Admin.	Grant	County Admin.
Total	$60,607	$4,997	$58,156	$4,881
Federal	42,398	4,253	40,678	4,154
State	0	0	0	0
County	18,209	744	17,478	727
Reimbursements	0	0	0	0

Foster Care Overpayments

Description:

This premise reflects the costs associated with Title IV-E Foster Care Overpayments. The Department of Health and Human Services (DHHS) Federal Region IX inquired and expressed a concern to the California Department of Social Services (CDSS) regarding its overpayment and collection activities in the Title IV-E foster care program. The DHHS is concerned that the Federal share of Title IV-E overpayments identified through State audits performed on group homes and the share of Title IV-E overpayments identified through county overpayments is not being returned immediately once the overpayment has been identified as required by federal regulations. The current practice is to repay the federal share upon recoupment from foster care providers. Therefore, the DHHS has issued a demand for repayment for the federal share of all State and county overpayments identified regardless of whether or not CDSS collects the overpayment.

IMPLEMENTATION DATE:

Adjustments to federal claim will begin in State Fiscal Year (SFY) 2006-07.

KEY DATA/ASSUMPTIONS:

- Costs will consist of the federal share of identified overpayments through December 31, 2006.
- Identified overpayments for county and state audits for SFY 2006-07 will be based on actuals, and include uncollected overpayments balances through December 31, 2006.
- SFY 2007-08 is based on an estimated annual cost associated with the federal share of county and state audit overpayments.

METHODOLOGY:

- Current year costs will be based on actual identified overpayments through December 31, 2006, and the estimated overpayments that will be identified from January 2007 to June 2007.
- For county and state audit overpayments, the budget year estimate reflects ongoing costs as determined by calculating an annual average based on actual claims.

FUNDING:

Funding for the repayment of the federal Title IV-E overpayments will be 40 percent Sate General Fund and 60 percent county.

Foster Care Overpayments

CHANGE FROM PRIOR SUBVENTION:

This is a new premise.

REASON FOR YEAR-TO-YEAR CHANGE:

This is a new premise.

EXPENDITURES:

(in 000's)

ITEM 101 – FC Payments	2006-07 Grant	2007-08 Grant
Total	$8,493	$2,265
Federal	0	0
State	3,397	906
County	5,096	1,359
Reimbursements	0	0

Dual Agency Rate

DESCRIPTION:

The California Department of Social Services (CDSS) and the California Department of Developmental Services (CDDS) have developed a rate-setting methodology for the care and supervision of foster and adoptive children receiving services from both county welfare departments and regional centers. This premise proposes a rate that would be established to cover the costs associated with care and supervision of children placed in out-of-home care. Services as identified in the child's Individual Program Plan (IPP) would continue to be provided as needed by regional centers. The rate would be prospective from the date of enactment in order to mitigate any negative impact to rates that were established prior to this premise. Also, regional centers would provide the county welfare departments with a rate for dual agency children. The county welfare departments and regional centers would be provided training by both CDSS and CDDS, as necessary, to facilitate their implementation and administration of the new rate-setting responsibilities. It is expected that these changes will ensure a comprehensive and equitable rate-setting methodology that will be used throughout the state and will provide appropriate and timely services to dual agency children.

IMPLEMENTATION DATE:

This premise will implement on July 1, 2007.

KEY DATA/ASSUMPTIONS:

- It is estimated that there are currently 3,138 foster care children receiving a foster care assistance payment from CDSS and regional center services. Of these, 1,210 are under 3 years of age and 1,928 are over 3 years of age.
- It is estimated that there are currently 2,498 adopted children receiving an adoption assistance payment from CDSS and regional center services. Of these, 629 are under 3 years of age and 1,869 are over 3 years of age.
- The estimated number of Foster Care (FC) and Adoption Assistance Program (AAP) clients 3 years or older currently receiving a maintenance payment less than the proposed $2,006 grant would be increased on July 1, 2007 to the proposed rate of $2,006. Cases currently receiving a higher rate than the $2,006 proposed grant will continue to receive that established rate.
- New cases over 3 years old entering on or after July 1, 2007 will receive the $2,006 rate.
- The estimated current rate including Specialized Care Increment for both FC and AAP payments is $1,087.
- The estimated number of Foster Care and Adoption Assistance Payment clients under 3 years of age currently receiving a maintenance payment less than the proposed $898 grant would be increased on July 1, 2007 to the proposed rate of $898. Cases currently receiving a higher rate than the $898 proposed rate will continue to receive that established rate.
- New cases under 3 years old entering on or after July 1, 2007 will receive the $898 rate.
- For the Title IV-E waiver counties, the $3.1 million federal share for foster care costs is not reflected because federal funding has been established in the Title IV-E Waiver capped amount.

Dual Agency Rate

KEY DATA/ASSUMPTIONS (continued):

- CDSS is named as a defendant in a lawsuit of nine consolidated class actions filed against nine counties alleged to have denied the appropriate rate for benefits to dual agency children. In another lawsuit, children's advocates have sued CDSS, CDDS, the California Health & Human Services Agency (CHHSA), and certain regional centers in order to obtain a declaration of the collective defendants' legal responsibilities in the dual agency process and an injunction to ensure the provision of Alternative Residential Model (ARM) rates and assessments.
- The proposal establishes a flat rate which will avoid increased cost associated with the lawsuits.
- It is estimated that 2,105 children and families phased in over eighteen months would have begun receiving a regional center 4i rate of $5,159 over the current estimated FC rate of $1,087 which includes a Specialized Care Increment.
- It is estimated that 1,709 children and families phased in over eighteen months would have begun receiving a regional center 4i rate of $5,159 over the current estimated AAP rate of $1,087 which includes a Specialized Care Increment.

METHODOLOGY:

- The increased costs associated with children over 3 years of age for FC and AAP cases are based on the total casemonths multiplied by the difference between the proposed payment of $2,006 and the current payment of $1,087 which is an average basic FC rate plus specialized care increment.
- The increased costs associated with children less than 3 years of age for foster care and adoption cases are based on the total casemonths multiplied by the difference between the proposed payment of $898 and the current standard rate of $425.
- It is estimated that 462 foster care children will enter in SFY 07-08 and receive the proposed rate of $2,006 instead of the current rate of $1,087. Also, there is an estimated 48 children that would have received rate higher than the proposed rate.
- It is estimated that 96 adopted children will enter in SFY 07-08 and receive the proposed rate of $2,006 instead of the current rate of $1,087. Also, there is an estimated 15 children that would have received a rate higher than the proposed rate.
- The SFY 07-08 cost avoidance is calculate by multiplying the casemonths by the difference between the current grant level of $1,087 and the 4i rate of $5,159.

FUNDING:

Foster Care - 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.

Dual Agency Rate

Funding (continued):

Adoption Assistance Program - 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 costs and the costs of the nonfederal program are shared 75 percent State General Fund and 25 percent county.

CHANGE FROM PRIOR SUBVENTION:

This is a new premise.

REASON FOR YEAR-TO-YEAR CHANGE:

This is a new premise.

EXPENDITURES:

(in 000's)

Dual Agency – FC Total	2006-07	2007-08
Total	$0	-$15,521
Federal	0	-7,771
State	0	-3,100
County	0	-4,650
Reimbursements	0	0

FC - Cost	2006-07	2007-08
Total	$0	$22,103
Federal	0	6,338
State	0	6,306
County	0	9,459
Reimbursements	0	0

Dual Agency Rate

EXPENDITURES:

(in 000's)

FC – Cost Avoidance	2006-07	2007-08
Total	$0	-$37,624
Federal	0	-14,109
`State	0	-9,406
County	0	-14,109
Reimbursements	0	0

Dual Agency AAP	2006-07	2007-08
Total	$0	-$9,445
Federal	0	-4,109
State	0	-4,002
County	0	-1,334
Reimbursements	0	0

AAP - Costs	2006-07	2007-08
Total	$0	$21,092
Federal	0	9,175
State	0	8,938
County	0	2,979
Reimbursements	0	0

AAP – Cost Avoidance	2006-07	2007-08
Total	$0	-$30,537
Federal	0	-13,284
State	0	-12,940
County	0	-4,313
Reimbursements	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 was 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 PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

The last payment was 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 who must 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 that a State Plan Amendment is not necessary to implement this maintenance payment option.

IMPLEMENTATION DATE:

This premise was 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.
- This program is open to all counties statewide. Currently only San Francisco, Santa Clara, and San Mateo counties are participating.

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.
- The monthly CalWORK's Child Care Stage One reimbursement including the California Necessities Index and administration cost is $722.24 for Fiscal Year (FY) 2006-07 and $722.24 for FY 2007-08.

Title IV-E Foster Parent Child Care Program

FUNDING:

This premise is funded with 50 percent federal funds, 50 percent county funds. There is no GF share.

CHANGE FROM PRIOR SUBVENTION:

The change is due to a slight increase in the Child Care grants which is due to the Regional Market Rate (RMR) increase.

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	$ 7,090	$7,026
Federal	3,545	3,513
State	0	0
County	3,545	3,513
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 Foster Family Agency and Foster Family Homes infant supplement rate will change from $391 to $425.
- The average grant for Group Homes is $4,993.55 with a current infant supplement rate of $848 for non-dependent children and a rate of $4,993.55 for dependent children. SB500 allows a dependent infant to be placed with a dependent mother for Reunification purposes and that infant would receive the mother's rate.
- For the Title IV-E waiver counties, $411,000 is the foster care Infant rate share of the assistance base for the Title IV-E Child Welfare Waiver Demonstration Capped Allocation Project. .
- For Child Welfare Services (CWS) it is assumed that an additional two hours of social work time would be required to develop the written "shared responsibility plan."
- The social worker cost per hour is $72.60.
- For CWS, the Title IV-E Waiver counties' base amounts for Fiscal Year (FY) 2007-08 are $8,354 federal, $7,050 State General Fund (GF), and $5,501 county funds.

Foster Care Infant Rate (SB 500)

METHODOLOGY:

- The increased costs are associated with the full foster care payment for dependent infants placed in Group Homes, and the additional $200 above the infant supplemental rate for non-dependent infants.
- The 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.
- Costs for the non-Title IV-E Waiver counties 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. The Title IV-E Waiver counties' base amounts are then added.

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 at the 50 percent rate. Funding for the nonfederal cases is 40 percent State General Fund (GF) and 60 percent county.

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For the non-Title IV-E Waiver counties, 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 PRIOR SUBVENTION:

For FY 2007-08, adjustments are made for the Title IV-E Waiver.

REASON FOR YEAR-TO-YEAR CHANGE:

Estimate reflects ongoing costs, and adjustments for the Title IV-E Waiver.

EXPENDITURES:

(in 000's)

ITEM 101 – FC Payments	2006-07 Grant	2007-08 Grant
Total	$1,184	$1,188
Federal	444	463
State	296	290
County	444	435
Reimbursements	0	0

Foster Care Infant Rate (SB 500)

EXPENDITURES (continued):

ITEM 151 – Child Welfare Services	2006-07 County Admin.	2007-08 County Admin.
Total	$38	$43
Federal	14	16
State	17	17
County	7	10
Reimbursements	0	0

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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 86.6 percent of the total AAP payment caseload, based on data through January 2007 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 $752.84 and $809.04, respectively, for State Fiscal Year (SFY) 2006-07 and $762.14 and $813.71 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.
- Additional SFY 2007-08 costs include the estimated impact of increased regional center rates for adopted children also receiving California Department of Developmental Services. (See the Dual Agency Rate Premise).

METHODOLOGY:

AAP basic costs are the product of projected federal and nonfederal casemonths and the respective average grant, as identified above.

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 PRIOR SUBVENTION:

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. Also, budget year reflects the impact of the Dual Agency Rate Premise.

CASELOAD:

	2006-07	2007-08
Average Monthly Caseload	72,306	76,626

EXPENDITURES:

(in 000's)

	2006-07	2007-08
	Grant	Grant
Total	$658,538	$737,708
Federal	275,478	309,463
State	287,295	321,184
County	95,765	107,061
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 $305.91, which reflects actual expenditures through January 2007.
- The United States Department of State notified states that a number of refugees from Iran are expected to resettle in the United States in 2006-07. California is expected to receive approximately 1,800 of these cases.
- The average monthly caseload for Fiscal Years (FYs) 2006-07 and 2007-08 is estimated at 1,700 and 1,728 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 PRIOR SUBVENTION:

Program costs have increased due to an influx of Iranian refugees arriving in the country in FY 2006-07.

REASON FOR YEAR-TO-YEAR CHANGE:

Total costs increase in FY 2007-08 due to a slight caseload growth.

Refugee Cash Assistance – Basic Costs

EXPENDITURES:

(in 000's)

	2006-07 Grant	2007-08 Grant
Total	$6,231	$6,343
Federal	6,231	6,343
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 $27,000.
- The estimated annual administrative costs for the FTB and SCO are $6,134 in both the current year (CY) and budget year (BY).
- These funds are provided to supplement, and not supplant, existing program funds.

METHODOLOGY:

The CY reflects the actual amount available for expenditure in Fiscal Year 2006-07. The BY 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 PRIOR SUBVENTION:

There is no change in the CY. The BY increase reflects higher interest earnings for the fund than initially projected.

Emergency Food Assistance Program Fund

REASON FOR YEAR-TO-YEAR CHANGE:

The BY reflects increases in the estimated tax contributions and interest earnings.

EXPENDITURES:

(in 000's)

	2006-07 Grant	2007-08 Grant
Total	$438	$473
Federal	0	0
State	438	473
County	0	0
Reimbursements	0	0

Food Bank Funding

DESCRIPTION:

The Governor has declared 18 counties as disaster areas due to recent weather conditions that affected farming-related business. The extent of the damage has displaced many farming workers who have loss of income and are expected to need assistance. The Governor has authorized the Department of Finance to transfer $4.7 million in 2006-07 to the Department of Social Services for allocation to local food banks and Foodlink for the storage and transportation of food to these individuals. The May Revision includes an additional $4.4 million to be allocated to the food banks and Foodlink in the budget year (BY).

IMPLEMENTATION DATE:

This premise implemented January 31, 2007.

KEY DATA/ASSUMPTIONS:

Authorizing statute: Government Code section 8690.6.

METHODOLOGY:

Eighteen counties have been declared disaster areas by the Governor. Those counties are El Dorado, Fresno, Imperial, Kern, Kings, Madera, Merced, Monterey, Riverside, San Bernardino, San Diego, San Luis Obispo, Santa Barbara, Santa Clara, Stanislaus, Tulare, Ventura, and Yuba.

The $4.4 million in the BY is included based on the expectation that the federal government will be providing 144 truckloads of food in June, 2007, and an additional 1,171 truckloads of food in the BY. The food banks will require $323,000 for storage and transportation of the commodities provided with the June truckloads and an additional $2.6 million for storage and transportation for the commodities provided with the remaining truckloads in the BY. Foodlink will require $1.5 million in the BY for storage and transportation.

FUNDING:

The cost is funded with 100 percent State General Fund.

CHANGE FROM PRIOR SUBVENTION:

This is a new premise.

REASON FOR YEAR-TO-YEAR CHANGE:

The current year funding was approved for the purchase of food as well as the storage and transportation of the federal commodities. The BY funding is included for the storage and transportation of the federal commodities.

Food Bank Funding

EXPENDITURES:

(in 000's)

	2006-07	2007-08
	County Admin.	County Admin.
Total	$4,660	$4,445
Federal	0	0
State	4,660	4,445
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.
- The funding for Fiscal Year 2006-07 is held to the November Subvention.
- For FY 2007-08, CFAP costs are based on the following key data/assumptions:
  - 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 January 2007 actual recipients.
  - The projected average monthly number of CFAP recipients is 20,678.
  - The projected average monthly number of CFAP households is 7,982.
  - Based on actual data reported from the counties for October 2006 through January 2007, the average coupon value per person is $89.34. Effective October 1, 2007, a cost-of-living adjustment (COLA) is applied increasing the average coupon value per person to $91.36.
  - 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.

California Food Assistance Program

KEY DATA/ASSUMPTIONS (continued):

- The ratio between public assistance (PA) and nonassistance (NA) is 27.4 percent PA and 72.6 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 2007 through September 2007:

  $89.34 x 20,678 x 3 = $5.5 million

  For October 2007 through June 2008:

  $91.36 x 20,678 x 9 = $17.0 million

  FY 2007-08 Total:

  $5.5 million + $17.0 million = $22.5 million

  The processing fees are included in the annual coupon costs:

  ($22.5 million ÷ 1.0 million) x $314 = $7,079

  Increased coupon costs due to a Standard Utility Allowance adjustment are also included in the annual coupon costs:

  $22.5 million + $7,079 + $995,000 = $23.5 million

  Annual coupon costs are reduced by $845,000 for Prospective Budgeting as these costs are reflected on a separate premise:

  $23.5 million - $845,000 = $22.7 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 x 7,982 x 12 = $2.4 million

  Administrative costs are reduced by $5,500 to reflect the savings associated with Simplification Options:

  $2.4 million - $5,500 = $2.39 million

FUNDING:

The expenditures are State General Fund only. The PA portion of the costs is eligible to be counted towards the MOE requirement.

California Food Assistance Program

CHANGE FROM PRIOR SUBVENTION:

There is no change in the current year. The budget year (BY) reflects a caseload decline.

REASON FOR YEAR-TO-YEAR CHANGE:

The BY decrease reflects a caseload decline.

CASELOAD:

	2006-07	2007-08
Average Monthly Number of Recipients	22,642	20,678

EXPENDITURES:

(in 000's)

	2006-07		2007-08	
	Coupon	County Admin.	Coupon	County Admin.
Total	$23,605	$2,688	$22,702	$2,390
Federal	0	0	0	0
State	23,605	2,688	22,702	2,390
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 Section 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% x $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 ÷ 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 CalWORKs Characteristics Survey (Q5) 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 x 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 x $16.19 x 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 PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

This premise is a current year line item only.

EXPENDITURES:

(in 000's)

	2006-07 Grant	2007-08 Grant
Total	$185	$0
Federal	0	0
State	185	0
County	0	0
Reimbursements	0	0

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 average grants are based on actual data through December 2006, and the SSP average basic grants, based on actual data through February 2007, are as follows:

	SSI	SSP
Aged	$281.88	$227.46
Blind	347.06	281.09
Disabled	379.19	225.16

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.

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 PRIOR SUBVENTION:

Total costs decrease due to a lower average monthly caseload which offsets an increase in the average grant to these cases.

REASON FOR YEAR-TO-YEAR CHANGE:

Expenditures increase in the budget year due to caseload growth of 1.8 percent.

CASELOAD:

	2006-07	2007-08
Average Monthly Persons	1,227,999	1,250,399

EXPENDITURES:

(in 000's)

	2006-07	2007-08
	Grant	Grant
Total	$8,454,865	$8,559,064
Federal	5,139,403	5,193,538
State	3,315,462	3,365,526
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 was implemented 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 GF. Each component is costed separately.

CHANGE FROM PRIOR SUBVENTION:

Federal costs have decreased due to a lower average monthly SSI/SSP caseload.

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 Grant	2007-08 Grant
Total	$98,425	$200,116
Federal	98,425	200,116
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 California Necessities Index (CNI) of 3.70 percent for 2008 will be suspended.

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 3.70 percent for 2008, and will be suspended.
- The estimated CPI is 1.2 percent for 2008.

METHODOLOGY:

- The SSI average grants change as a result of the COLA. The CPI is applied to the 2007 SSI payment standards and the result is the new SSI payment standards for 2008.
- 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 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 GF. Each component is costed separately.

CHANGE FROM PRIOR SUBVENTION:

The GF cost has decreased due to the suspension of the State COLA.

REASON FOR YEAR-TO-YEAR CHANGE:

The COLA is effective in budget year only.

SSI/SSP – January 2008 COLA

EXPENDITURES:

(in 000's):

	2006-07 Grant	2007-08 Grant
Total	$0	$36,005
Federal	0	36,005
State	0	0
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 was 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 PRIOR SUBVENTION:

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	1,240,097	1,264,026

EXPENDITURES:

(in 000's)

	2006-07	2007-08
	Admin	Admin
Total	$142,718	$149,719
Federal	0	0
State	142,718	149,719
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 was 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 $241.47 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 1,801 in Fiscal Year (FY) 2006-07, and 1,798 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 PRIOR SUBVENTION:

The estimate has decreased due to a slightly lower average monthly caseload and average grant than previously estimated.

REASON FOR YEAR-TO-YEAR CHANGE:

Total program costs decrease slightly in FY 2007-08 due to a slight decrease in the average monthly caseload.

California Veterans Cash Benefit Program

EXPENDITURES:

(in 000's)

CVCB Costs	2006-07 Grant/ Administration	2007-08 Grant/ Administration
Total	$5,425	$5,422
Federal	0	0
State	5,425	5,422
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 was implemented on March 1, 2006.

KEY DATA/ASSUMPTIONS:

Pre-Effectuation Reviews

- Beginning June 1, 2006, 20 percent of SSI disability allowances were reviewed by SSA. Starting October 1, 2006, 40 percent of disability allowances were reviewed. Effective October 1, 2007, 50 percent of disability allowances will be reviewed.
- Based on the State Data Exchange (SDX) data, 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 $621.24. 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, 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.

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 GF. Each component is costed separately.

CHANGE FROM PRIOR SUBVENTION:

Savings are slightly lower due to a lower average monthly SSI/SSP average monthly caseload.

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	-$80,850	-$8,791
Federal	-59,879	-5,572
State	-20,971	-3,219
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 8,060 in Fiscal Year (FY) 2006-07, and 9,848 in FY 2007-08.

Cash Assistance Program for Immigrants (CAPI)

KEY DATA/ASSUMPTIONS (continued):

- The average monthly grant is $637.16 for the Base CAPI cases, based on actual expenditures through December 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 1.4 percent federal COLA and 3.7 percent State COLA. The impact of the COLAs is reflected in the "January 2008 COLA" premise description.
- The average monthly grant is $770.24 for the Extended CAPI cases, based on actual expenditures through December 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 $181.37 is based on actual expenditures through December 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 GF.

CHANGE FROM PRIOR SUBVENTION:

The estimate has decreased due to a lower average monthly caseload in the Extended CAPI program. The number of cases entering the program due to the expiration of the 10-year sponsor deeming period is not materializing as forecasted.

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	$88,667	$112,169
Federal	0	0
State	88,667	112,169
County	0	0
Reimbursements	0	0

Cash Assistance Program for Immigrants (CAPI)

EXPENDITURES (continued):

(in 000's)	2006-07	2007-08
Base CAPI		
Total	$28,381	$20,408
Federal	0	0
State	28,381	20,408
County	0	0
Reimbursements	0	0

(in 000's)	2006-07	2007-08
Extended CAPI		
Total	$60,286	$91,761
Federal	0	0
State	60,286	91,761
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 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 Opportunity and Basic Skills Training (JOBS), Child Care for AFDC recipients, At-Risk Child Care or Transitional Child Care programs in FFY 1995, the entire expenditure 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 was 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 July through September 2006 was 8,935, or 11.5 percent. For the October through December 2006 period, the average was 8,870, or 11.3 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 $139.1 million in Fiscal Year (FY) 2006-07.
- The projected expenditures for SSP children living in a CalWORKs household for FYs 2006-07 and 2007-08 will be $15.8 and $16.0 million, respectively.

Additional TANF/MOE Expenditures in CDSS SSP MOE Eligible

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 will remain the same.
- The percentage of SSP children living in a CalWORKs household 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 $15.8 and $16.0 million, respectively.
- For FY 2006-07, the amount by which allowable current year expenditures exceed the total State program expenditures in 1995 is $7.3 million ($15.8 - $8.5 million).
- For FY 2007-08, the amount by which allowable SSP expenditures will exceed the total State program expenditures in 1995 is $8.9 million ($16.0 - $8.5 million).

FUNDING:

The SSP expenditures are funded with 100 percent State General Fund.

CHANGE FROM PRIOR SUBVENTION:

Due to a lower percentage of SSP children living with relatives in a CalWORKs household and lower caseload growth 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.

EXPENDITURES:

(in 000's)

	2006-07 Grant	2007-08 Grant
Total	$7,301	$7,540
Federal	0	0
State	7,301	7,540
County	0	0
Reimbursements	0	0

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 1,813 (CC) and 105 (WS), and Residual caseloads were 402 (CC) and 23 (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 2006-07, the average recipient PCSP Program share of cost (SOC) is assumed to be $365 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 $388 and $177 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 7,055 in the CY and 7,414 in the BY.
- In the Residual Program, the average monthly SOC caseload is assumed to be 528 in the CY and 555 in the BY in the IP Mode, and 38 in the CC/WS for both CY and BY.
- The RMA cost per case is $62.
- The RMA cost is estimated to be $525,720 for CY and $552,498 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.
- CY and BY include costs for the Los Angeles County Back-Up Attendant Program.

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.

Personal Care Services Program/Residual IHSS Basic Costs

CHANGE FROM PRIOR SUBVENTION:

The estimate has been updated using current caseload and expenditure data and also includes the Los Angeles County Back-up Attendant Program.

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	343,168	360,648
Average Monthly Residual Program Caseload	27,102	28,482

EXPENDITURES:

(in 000's)

TOTAL	2006-07	2007-08
	Grant	Grant
Total	$4,016,861	$4,315,945
Federal	0	0
State	1,390,065	1,492,395
County	0	0
Reimbursements	2,626,796	2,823,550

Personal Care Services Program/Residual IHSS Basic Costs

EXPENDITURES (continued):

(in 000's)

PCSP	2006-07	2007-08
	Grant	Grant
Total	$3,694,399	$3,970,716
Federal	0	0
State	1,182,797	1,270,499
County	0	0
Reimbursements	2,511,602	2,700,217

Residual Program	2006-07	2007-08
	Grant	Grant
Total	$322,462	$345,229
Federal	0	0
State	207,268	221,896
County	0	0
Reimbursements	115,194	123,333

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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 12302.2.
- The CMIPS contract is currently held by Electronic Data Systems (EDS).
- The estimated costs for the SCO contract was updated.

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.

	2006-07	2007-08
EDS	$9,670,452	$10,117,190
STO	$856,063	$915,987
SCO	$5,056,000	$5,056,000
CIN Transaction	$8,307	$8,307
Total Costs	$15,590,822	$16,097,484

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 PRIOR SUBVENTION:

The current year (CY) includes shifting a portion of the SCO costs to budget year (BY).

REASON FOR YEAR-TO-YEAR CHANGE:

The BY reflects increased STO and SCO costs, and shifting a portion of the SCO costs from CY.

Case Management Information and Payrolling System (CMIPS) and Associated Costs

EXPENDITURES:
(in 000's)

TOTAL	2006-07	2007-08
	Grant	Grant
Total	$15,591	$16,097
Federal	0	0
State	5,856	6,047
County	2,510	2,591
Reimbursements	7,225	7,459

PCSP	2006-07	2007-08
	Grant	Grant
Total	$14,450	$14,919
Federal	0	0
State	5,057	5,222
County	2,168	2,238
Reimbursements	7,225	7,459

Residual Program	2006-07	2007-08
	Grant	Grant
Total	$1,141	$1,178
Federal	0	0
State	799	825
County	342	353
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 PRIOR SUBVENTION:

The current year reflects a shift of $80 million to budget year to complete the required QA, IPW and PDD enhancements. The budget year (BY) reflects a reduction in the PDD costs.

Case Management Information and Payrolling System (CMIPS) Enhancements to Support a Federal Waiver and Quality Assurance

REASON FOR YEAR-TO-YEAR CHANGE:

The BY includes costs associated with implementing the PDD function. Also, costs for completion of the QA and IPW enhancements.

EXPENDITURES:

(in 000's)

TOTAL	2006-07	2007-08
Total	$959	$1,065
Federal	0	0
State	360	401
County	154	171
Reimbursements	445	493

PCSP	2006-07	2007-08
Total	$889	$987
Federal	0	0
State	311	346
County	133	148
Reimbursements	445	493

Residual Program	2006-07	2007-08
Total	$70	$78
Federal	0	0
State	49	55
County	21	23
Reimbursements	0	0

Case Management, Information and Payrolling System (CMIPS II) Contract Procurement

DESCRIPTION:

This premise reflects the costs for contracting with the Health and Human Services Agency Office of Systems Integration (OSI) for planning activities 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 PRIOR SUBVENTION:

The decrease in Fiscal Year (FY) 2006-07 is a result of implementation schedule delays.
The decrease in FY 2007-08 reflects the realignment of funding between the California Department of Social Services (CDSS) local assistance and state operations.

REASON FOR YEAR-TO-YEAR CHANGE:

The FY 2007-08 increase is due to a delay in implementation costs. The delay shifts FY 2006-07 costs beyond FY 2007-08.

Case Management Information and Payrolling System (CMIPS II) Contract Procurement

EXPENDITURES:
(in 000's)

Total	2006-007	2007-08
	County Admin.	County Admin
Total	$4,651	$24,637
Federal	0	0
State	2,496	$13,220
County	0	0
Reimbursement	2,155	$11,417

PCSP	2006-07	2007-08
	County Admin.	County Admin.
Total	$4,311	$22,834
Federal	0	0
State	2,156	$11,417
County	0	0
Reimbursements	2,155	$11,417

Residual Program	2006-07	2007-08
	County Admin.	County Admin.
Total	$340	$1,803
Federal	0	0
State	340	$1,803
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	$4,651	$24,637
CDSS	230	$492
OSI	4,421	$24,145

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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 PRIOR SUBVENTION:

The current year (CY) and budget year (BY) have been updated to incorporate the most current PA administrative rate and slower caseload growth than projected in the November 2006 Subvention. CY and BY also reflect PA administrative costs for the Los Angeles Back-Up Attendant Program.

REASON FOR YEAR-TO-YEAR CHANGE:

The BY increase reflects administrative rate changes and caseload growth.

EXPENDITURES:

(in 000's)

TOTAL	2006-07	2007-08
	Admin	Admin
Total	$51,316	$53,969
Federal	0	0
State	18,288	19,228
County	0	0
Reimbursements	33,028	34,741

PCSP	2006-07	2007-08
	Admin	Admin
Total	$46,362	$48,773
Federal	0	0
State	15,068	15,851
County	0	0
Reimbursements	31,294	32,922

Public Authority Administration

EXPENDITURES (continued):

(in 000's)

Residual Program	2006-07	2007-08
	Admin	Admin
Total	$4,954	$5,196
Federal	0	0
State	3,220	3,377
County	0	0
Reimbursements	1,734	1,819

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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 2006 through January 2007, 1.72 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 49.14 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 PRIOR SUBVENTION:

The estimate has been updated to reflect the percent of new case approvals, current caseload and cost per case 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	$906	$977
Federal	0	0
State	317	343
County	0	0
Reimbursements	589	634

PCSP	2006-07	2007-08
	Grant	Grant
Total	$835	$901
Federal	0	0
State	271	293
County	0	0
Reimbursements	564	608

PCSP Three-Month Retroactive Benefits

EXPENDITURES (continued):
(in 000's)

Residual Program	2006-07 Grant	2007-08 Grant
Total	$71	$76
Federal	0	0
State	46	50
County	0	0
Reimbursements	25	26

Administration	2006-07 Admin.	2007-08 Admin.
Total	$667	$673
Federal	0	0
State	238	240
County	102	102
Reimbursements	327	331

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IHSS Quality Assurance

DESCRIPTION:

This premise reflects savings from implementation of a Quality Assurance (QA) program which 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 (HTG) training will be reduced by five percent.
- The savings from new case assessments and reassessments of existing cases will accrue beginning January 2007.
- 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 HTG 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 $3.5 million ($1.1 million GF), and $50.4 million ($16.4 million GF) for FY 2007-08.

Other savings

- 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 $26.9 million ($8.8 million GF) in FY 2006-07 and $57.9 million ($18.8 million GF) in FY 2007-08.
- Savings from fraud activities will be $6.7 million ($2.2 million GF) in FY 2006-07 and $14.5 million ($4.7 million GF) in FY 2007-08.
- Savings for the earlier reassessments of recipients whose conditions are expected to improve will be $4.8 million ($1.6 million GF) in FY 2006-07 and $10.4 million ($3.4 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 PRIOR SUBVENTION:

Savings will being to accrue January 1, 2007 and will be phased in through budget year. Updated methodology based on actual county implementation data.

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)

TOTAL PCSP/RESIDUAL	2006-07	2007-08
Total	-$41,920	-$133,203
Federal	0	0
State	-13,624	-43,291
County	0	0
Reimbursements	-28,296	-89,912

PCSP	2006-07	2007-08
Total	-$38,284	-$119,987
Federal	0	0
State	-12,442	-38,996
County	0	0
Reimbursements	-25,842	-80,991

IHSS Quality Assurance

EXPENDITURES (continued):
(in 000's)

Residual	2006-07	2007-08
Total	-$3,636	-$4,295
Federal	0	0
State	-1,182	-8,104
County	0	0
Reimbursements	-2,454	-8,921

Administration	2006-07	2007-08
Total	$32,602	$32,602
Federal	0	0
State	11,625	11,608
County	4,982	4,975
Reimbursements	15,995	16,019

Limit State Participation in Wages and Benefits

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, as authorized by statute. This premise is renamed to include any limitations on state participation during Fiscal Years (FYs) 2006-07 and 2007-08.

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 established by statute.

IMPLEMENTATION DATE:

This premise will be implemented as required by statute.

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 FY 2007-08.

METHODOLOGY:

Projected expenditures for FYs 2006-07 and 2007-08 are based on wage and benefit increases approved as of the May 2007 Revise. 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.

Limit State Participation in Wages and Benefits

CHANGE FROM PRIOR SUBVENTION

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000's)

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

Residual	2006-07 Grant	2007-08 Grant
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 Med-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 2006-07 actual cases and expenditures for the buy-out.

CHANGE FROM PRIOR SUBVENTION:

There is no change.

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)

PCSP	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 303 in the current year (CY) and 449 in the budget year (BY). The NF Subacute average monthly caseload is assumed to be 193 in the CY and 217 in the BY.
- The NF A/B average monthly hours of service per case are 160 in the CY and BY. The NF Subacute average monthly hours of service per case are 298 in the CY and BY.
- The cost per hour is assumed at $9.71

METHODOLOGY:

The estimated cost is computed by multiplying the caseload by the average hours per case by the cost per hour by twelve months.

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 PRIOR SUBVENTION:

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	$12,336	$15,913
Federal	0	0
State	0	0
County	0	0
Reimbursements	12,336	15,913

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 PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

It is expected that all claims will be paid in the 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 $73 million [$47 million State General Fund (GF)] for current year and $75 million ($49 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.

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 PRIOR SUBVENTION:

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	-83,129	-90,414
County	-182	-188
Reimbursements	83,311	90,602

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 PRIOR SUBVENTION:

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 Grant	2007-08 Grant
Title XIX Total	**$2,258,439**	**$2,390,894**
IHSS Services	**$1,997,680**	**$2,112,506**
PCSP	1,850,648	1,957,967
Waiver/State Plan Amendment	147,032	154,539
Total Health Related	**$260,759**	**$278,388**
IHSS Administration	152,534	158,194
CWS	56,854	68,823
CSBG	13,199	13,199
APS/APS Training	38,172	38,172

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 49.14 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 PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

The budget year reflects adjustments to the projected caseload.

CASELOAD:

	2006-07	2007-08
Average Monthly Caseload	370,270	389,130

EXPENDITURES:

(in 000's)

	2006-07	2007-08
	County Admin.	County Admin.
Total	$273,351	$285,404
Federal	0	0
State	97,469	101,620
County	41,772	43,551
Reimbursements	134,110	140,233

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 49.14 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 PRIOR SUBVENTION:

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 Grant	2007-08 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 PRIOR SUBVENTION:

This premise is updated 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	$810	$500
Federal	0	0
State	810	500
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 2005-06.

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 PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

In-Home Supportive Services - Advisory Committees

EXPENDITURES:

(in 000's)

	2006-07 Grant	2007-08 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 PRIOR SUBVENTION:

There is no change.

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 Med-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 will be implemented on 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 (FY) 2006-07 actual average cases and cost-per-case for the buy-out.

CHANGE FROM PRIOR SUBVENTION:

The Governor's FY 2007-08 Budget estimate was based on FY 2005-06 expenditures. The actual cases and cost-per case for FY 2006-07 are higher than projected.

REASON FOR YEAR-TO-YEAR CHANGE:

This premise replaces the Income Eligible Shift (SOC Buy-out) premise.

Eligibility Income Adjustment

EXPENDITURES:
(in 000's)

PCSP	2006-07	2007-08
Total	$0	$34,291
Federal	0	0
State	0	34,291
County	0	0
Reimbursements	0	0

Foster Care & NAFS Administrative Costs – Basic

DESCRIPTION:

This premise reflects the administrative 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 an annual 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 $86 million.
- For the Title IV-E Waiver counties, a separate fiscal base has been established for duration of the 5 year waiver period.
- The FC caseload growth projection for FY 2006-07 and FY 2007-08 are -1.3 percent and 0.2 percent, respectively.
- Staff development for FC, $1.1 million for FY 2007-08, was based on the last four quarters of actual expenditures.
- The AAP cost of $11.3 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 with an exception on the update of County Food Stamp overmatch.
- The NAFS Administrative Costs base funding in FY 2006-07 is $524.4 million.
- The NAFS caseload growth projection is 5.5 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 $25.8 million in FY 2007-08.
- Statewide Automated Welfare System Development and Testing Interface costs for NAFS are $230,113 for FY 2007-08, based on updated expenditures.
- Contract costs for NAFS are $3.3 million for FY 2007-08.
- Staff development costs for NAFS are $7.7 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 $22.4 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 non- waiver counties basic funding are 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 PRIOR SUBVENTION:

There is no change in the CY Foster care estimate. For NAFS, the change is due to the inclusion of additional County Food Stamp overmatch dollars.

REASON FOR YEAR-TO-YEAR CHANGE:

The changes for Foster Care are due to caseload growth and the adjustment for the IV-E waiver. NAFS changes are due to projected caseload growth.

Foster Care & NAFS Administrative Costs – Basic

EXPENDITURES:
(in 000's)

Foster Care	2006-07	2007-08
	County Admin.	County Admin.
Total	$98,226	$99,654
Federal	49,326	51,086
State	35,905	35,722
County	12,995	12,846
Reimbursements	0	0

IV-E Waiver Adjustment	2006-07	2007-08
	County Admin.	County Admin.
Total	$0	$37,988
Federal	0	20,013
State	0	12,531
County	0	5,444
Reimbursements	0	0

Foster Care – non-waiver counties	2006-07	2007-08
	County Admin.	County Admin.
Total	$98,226	$61,666
Federal	49,326	31,073
State	35,905	23,191
County	12,995	7,402
Reimbursements	0	0

Foster Care & NAFS Administrative Costs – Basic

EXPENDITURES:
(in 000's)

NAFS	2006-07 County Admin.	2007-08 County Admin.
Total	$557,339	$583,691
Federal	279,572	292,787
State	193,421	203,367
County	84,346	87,537
Reimbursements	0	0

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 $10.4 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 PRIOR SUBVENTION:

The CY estimate is held to Governor's Budget.

REASON FOR YEAR-TO-YEAR CHANGE:

The BY decrease is based on projected caseload eligibility costs.

ADMINISTRATIVE:

(in 000's)	2006-07	2007-08
Total	-$10,570	-$10,414
Federal	-5,285	-5,207
State	-3,717	-3,662
County	-1,568	-1,545
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.

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 $58,849,393 ($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 PRIOR SUBVENTION:

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.
- The State Fiscal Year (FY) 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 FY 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:

- The FY 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.
- The FY 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.[1]

2006-07: (in 000's)	Total	Federal	State	County
100 Percent Federal Funds	$8,052	$8,052	$0	$0
Administration Overmatch [1]	$45,674	$22,837	$0	$22,837
Participant Reimbursement	$9,236	$4,618	$0	$4,618
Total	**$62,962**	**$35,507**	**$0**	**$27,455**

2007-08: (in 000's)	Total	Federal	State	County
100 Percent Federal Funds	$7,555	$7,555	$0	$0
Administration Overmatch [1]	$45,768	$22,884	$0	$22,884
Participant Reimbursement	$8,000	$4,000	$0	$4,000
Total	**$61,323**	**$34,439**	**$0**	**$26,884**

[1] Administration Overmatch funds are used once costs exceed the 100 percent federal funds and participant reimbursement funds.

CHANGE FROM PRIOR SUBVENTION:

The costs were updated to reflect federally approved funding levels.

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	$62,962	$61,323
Federal	35,507	34,439
State	0	0
County	27,455	26,884
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 approved by 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 approved 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 PRIOR SUBVENTION:

There is no change.

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

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 $6,981,284 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 PRIOR SUBVENTION:

The decrease 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	$6,981	$6,981
Federal	6,981	6,981
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 current year funding for CFAP is held to the Governor's Budget.
- The Public Assistance Food Stamps (PAFS) caseload is based on the May 2007 CalWORKs projected caseload excluding Safety Net cases. The CalWORKs monthly average caseload for the last eight months in Fiscal Year (FY) 2006-07 is 414,874 and for FY 2007-08 is 409,816.
- 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 May 2007 NAFS projected caseload trend. The NAFS monthly average caseload for the last eight months in FY 2006-07 is 552,212 and for FY 2007-08 is 576,743.
- The CFAP caseload is based on the May 2007 CalWORKs and NAFS projected trend forecasts. The CFAP average monthly caseload for FY 2007-08 is 7,982.
- CFAP consists of 27.4 percent PAFS and 72.6 percent NAFS cases.
- Based on the DFA 296 - Food Stamp Program Monthly Caseload Movement Statistical Report from Calendar Year 2006, the denied NAFS/CFAP applicants are equivalent to 4.54 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 $39.33 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 October 2006 through January 2007, the average CFAP coupon value per case is $224.06.

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 Job Training Partnership Act (JTPA), ILP, Relocation Assistance Benefit, payments received under the Victims of Crimes Program, Department of Rehabilitation Training Allowances, scholarships awarded to a dependent child, and contributions from persons or organizations.
- Based on county experience, it currently requires 15 minutes of 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.

Simplification Options

KEY DATA/ASSUMPTIONS (continued):

- Based on the CA 255 CW - CalWORKs Report on Reasons for Denials and Other Non-Approvals of Applications from November 2005 through October 2006, three 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.
- Based on a county survey, three percent of NAFS/CFAP cases that are denied due to excess resources have restricted accounts, IDAs, and IRAs.

Child Support Payments

- 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, one 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 EW time quarterly 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 (4.54 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 (4.54 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 (4.54 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 $39.33 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 PRIOR SUBVENTION:

For CFAP, there is no change in the current year. The loss of savings in the budget year reflects the net effect of a caseload decline offset by an increase in the ratio of cases previously denied.

For NAFS, the loss of savings is due to a change in methodology to exclude Safety Net cases and cases receiving Transitional Benefits. The November Subvention included these cases.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase for CFAP and the loss of savings for NAFS 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	$256
Federal	0	0
State	92	256
County	0	0
Reimbursements	0	0

Simplification Options

EXPENDITURES (continued):

141-Food Stamp Administration[1]	2006-07	2007-08
	County Admin.	County Admin.
Total	-$949	-$622
Federal	-475	-311
State	-332	-218
County	-142	-93
Reimbursements	0	0

[1] These costs include CFAP administrative costs.

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 December 2006, the average administrative monthly cost per RCA case was $121.49.
- The average monthly caseload is 1,700 for FY 2006-07. The average monthly caseload is projected at 1,728 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 PRIOR SUBVENTION:

The estimated cost has increased due to a higher average monthly caseload attributable to an influx of Iranian refugees.

REASON FOR YEAR-TO-YEAR CHANGE:

Total costs increase due to slight caseload growth.

Refugee Cash Assistance – Administration

EXPENDITURES:

(in 000's)

	2006-07	2007-08
	County Admin.	County Admin.
Total	$2,331	$2,519
Federal	2,331	2,519
State	0	0
County	0	0
Reimbursements	0	0

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 California Work Opportunity and Responsibility to Kids (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.

TANF Reauthorization

CHANGE FROM PRIOR SUBVENTION:

There is no change.

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

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 and Responsibility 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 $7.6 million in the budget year (BY) to reprogram existing automation systems to issue the FSP and CalWORKs forms in the additional languages.
- It is assumed that it will cost $0.7 in 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 $8.3 million in the BY.

FUNDING:

Manual completion costs are shared 50/50 with the CalWORKs and Food Stamp programs. The CalWORKs share is funded with 100 percent federal/Temporary Assistance to Needy Families (TANF), and the Food Stamp share is funded 50 percent federal Food and Nutrition Services (FNS) funds, 35 percent State General Fund (GF), and 15 percent county.

The automation costs are shared 85 percent with the Food Stamp Program and 15 percent with the CalWORKs program. The CalWORKs share is funded 100 percent federal/TANF, and the food stamp share is funded 50 percent FNS funds, 35 percent GF, and 15 percent county.

CHANGE FROM PRIOR SUBVENTION:

Automation reprogramming costs increased due to updated information and manual forms completion costs decreased as some of the required languages are supported by existing systems.

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	$8,296
Federal	0	4,887
State	0	2,386
County	0	1,023
Reimbursements	0	0

Semi-Annual Reporting

DESCRIPTION:

This premise reflects the automation reprogramming costs associated with the replacement of the existing Quarterly Reporting/Prospective Budgeting (QR/PB) system in the California Work Opportunity and Responsibility to Kids (CalWORKs) and Food Stamp (FS) programs with a Semi-Annual Reporting (SAR) system with change reporting. Assuming implementation of the SAR is effective January 2009, the automation reprogramming is necessary in Fiscal Year (FY) 2007-08 for SAR to be operative January 2009.

Pursuant to AB 444 (Chapter 1022, Statutes of 2002), the California Department of Social Services (CDSS) replaced the Monthly Reporting/Retrospective Budgeting (MR/RB) system with a QR/PB system for the CalWORKs program. The bill also required CDSS to adopt the QR/PB system in the FS program to the extent permitted by federal law. Implementation was phased in, beginning in November 2003 and ending in June 2004, with full statewide implementation.

The replacement of QR/PB with SAR will simplify the CalWORKs reporting system and more closely align California's welfare program with those of other states.

IMPLEMENTATION DATE:

Automation reprogramming is to occur in FY 2007-08.

KEY DATA/ASSUMPTIONS:

- In order to implement this proposal, statutory changes are required.
- It is assumed that it will cost $18.7 million in FY 2007-08 to reprogram existing systems to implement SAR based on information from Office of Systems Integration.

METHODOLOGY:

- The costs associated with the reprogramming of existing automated systems to support the proposed CalWORKs and FS program changes are estimated to be $18.7 million in the budget year (BY).
- Costs are shared between CalWORKs and FS based on FY 2005-06 person counts of the programs. $8.2 million is funded with CalWORKs funds and $10.5 million is funded with FS funds.

FUNDING:

The CalWORKs share of costs is funded with 100 percent federal Temporary Assistance to Needy Families funds. The FS share is funded 50 percent federal Food and Nutrition Services, 35 percent State General Fund, and 15 percent county funds.

CHANGE FROM PRIOR SUBVENTION:

This is a new premise.

Semi-Annual Reporting

REASON FOR YEAR-TO-YEAR CHANGE:

There are no costs in the current year. Any automation changes associated with the proposed CalWORKs and FS program changes will not be implemented until the BY.

EXPENDITURES:

(in 000's)	2006-07	2007-08
Total	$0	$18,722
Federal	0	13,487
State	0	3,664
County	0	1,571
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 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: Welfare and Institutions Code 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 PRIOR SUBVENTION:

The allocation of costs to benefiting programs was updated for Fiscal Year (FY) 2007-08.

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 County Admin.	2007-08 County Admin.
Total	$6,511	$6,284
Federal	1,904	1,784
State	2,805	2,735
County	0	0
Reimbursements	1,802	1,765

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 (OSI). WDTIP provides counties with the automated functionality required to conform to statewide tracking of time-on-aid requirements mandated by welfare reform in Chapter 270, Statutes of 1997 (AB 1542).

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 PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

The decrease in Fiscal Year 2007-08 is due to 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

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 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 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 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 PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

The decrease in Fiscal Year 2007-08 is due to the applied Pro Rate adjustment.

Interim Statewide Automated Welfare System (ISAWS)

EXPENDITURES:

(in 000's)

	2006-07 County Admin.	2007-08 County Admin.
Total	$37,028	$36,656
Federal	11,884	11,482
State	14,438	14,372
County	0	0
Reimbursements	10,706	10,802

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 (OSI) provides state level project management for SAWS. The ISAWS Migration project will migrate the 35 ISAWS Consortium counties to 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 December 2006 SAWS-ISAWS Consortium Migration Project Implementation 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 PRIOR SUBVENTION:

The Fiscal Year (FY) 2007-08 increase is due to the addition of development, implementation and operation activities.

REASON FOR YEAR-TO-YEAR CHANGE:

The FY 2007-08 increase is due to the addition of development, implementation and operation activities.

Interim Statewide Automated Welfare System (ISAWS) Consortium Migration Project

EXPENDITURES:

(in 000's)

	2006-07 County Admin.	2007-08 County Admin.
Total	$2,833	$38,903
Federal	896	12,375
State	1,255	17,071
County	0	0
Reimbursements	682	9,457

CDSS/OSI PARTNERSHIP:

(in 000's)

	2006-07	2007-08
Total	$2,833	$38,903
CDSS	2,531	38,651
OSI	302	252

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 (OSI) 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.

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. The Post- Implementation Evaluation Report was approved by the Department of Finance on November 14, 2006.

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 PRIOR SUBVENTION:

The allocation of costs to benefiting programs was updated for Fiscal Year (FY) 2007-08.

Los Angeles Eligibility, Automated Determination, Evaluation and Reporting (LEADER)

REASON FOR YEAR-TO-YEAR CHANGE:

The FY 2007-08 increase reflects the negotiated rates for the contract extension.

EXPENDITURES:

(in 000's)

	2006-07	2007-08
	County Admin.	County Admin.
Total	$8,902	$12,349
Federal	5,516	7,580
State	2,017	2,851
County	1,369	1,918
Reimbursements	0	0

CDSS/OSI PARTNERSHIP:

(in 000's)

	2006-07	2007-08
Total	$8,902	$12,349
CDSS	8,902	12,349
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 (OSI) 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:

The planning activities began in Fiscal Year (FY) 2005-06.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 10823.
- Planning activities for the Replacement System project began in July 2005.
- The contract award for the replacement system is scheduled for June 2008.
- This item was previously included in the LEADER premise.

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 PRIOR SUBVENTION:

The allocation of costs to benefiting programs was updated for FY 2007-08.

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 County Admin.	2007-08 County Admin.
Total	$1,574	$2,030
Federal	399	500
State	611	796
County	99	127
Reimbursements	465	607

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 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 (OSI) 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 December 2006 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 PRIOR SUBVENTION:

The decrease in Fiscal Year (FY) 2006-07 is due to a change in the vendor acceptance payment schedule. This results in a shift of costs from FY 2006-07 to FY 2007-08.

The FY 2007-08 M&O net decrease reflects consortium-wide implementation. The allocation of costs to benefiting programs was updated for FY 2007-08.

Welfare Client Data System (WCDS) – CalWORKs Information Network (CalWIN)

REASON FOR YEAR-TO-YEAR CHANGE:

The net decrease in FY 2007-08 reflects completion of consortium-wide implementation and print charge reductions.

EXPENDITURES:

(in 000's)

	2006-07 County Admin.	2007-08 County Admin.
Total	$106,884	$75,898
Federal	35,639	$22,952
State	39,798	$29,080
County	5,408	$4,033
Reimbursements	26,039	$19,833

CDSS/OSI PARTNERSHIP:

(in 000's)

	2006-07	2007-08
Total	$106,884	$75,898
CDSS	106,884	75,898
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 (Revised November 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 PRIOR SUBVENTION:

The allocation of costs to benefiting programs was updated for Fiscal Year (FY) 2007-08.

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
	County Admin.	County Admin.
Total	$48,623	$48,683
Federal	17,588	16,513
State	17,420	17,957
County	2,115	2,157
Reimbursements	11,500	12,056

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 (CalWORKs) 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 PRIOR SUBVENTION:

A delay in the CCSAS schedule affected interface testing activities and resulted in a shift of costs from FY 2006-07 to FY 2007-08.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase in FY 2007-08 reflects shifting of testing activities from FY 2006-07 to FY 2007-08.

Statewide Automated Welfare System (SAWS) and California Child Support Automated System (CCSAS) Interface

EXPENDITURES:

(in 000's)

	2006-07	2007-08
Total	$1,359	$1,704
Federal	302	376
State	536	669
County	2	7
Reimbursements	519	652

CDSS/OSI PARTNERSHIP:

(in 000's)	2006-07	2007-08
Total	$1,359	$1,704
CDSS	1,359	853
OSI	0	851

Statewide Fingerprint Imaging System (SFIS) Project

DESCRIPTION:

This premise reflects the cost for the SFIS project. 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 (OSI) cost estimates reflected in this premise are based on the negotiated contract with the SFIS development contractor. 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 M&O 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 Request for Proposal, which require changes in the program(s). These can be legislative, interface, capacity or workload changes that affect the new system.

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.

Statewide Fingerprint Imaging System (SFIS) Project

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 PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

The decrease in Fiscal Year 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	7,719
County	250	249
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 & Operations (M&O)

DESCRIPTION:

This premise reflects the costs for contracting with the California Health and Human Services, Office of Systems Integration (OSI) for ongoing maintenance and operations (M&O) of the EBT Project. The EBT system is the automated delivery, redemption, and reconciliation of the Food Stamp Program (FSP) and cash programs 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 and Institutions Code section 10069.

METHODOLOGY:

Costs are based on the November 2004 Implementation Advance Planning Document Update. The Post Implementation Evaluation Report was approved by the Department of Finance on January 2, 2007.

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 PRIOR SUBVENTION:

The allocation of costs to benefiting programs was updated for FY 2006-07 and FY 2007-08.

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.

Electronic Benefit Transfer (EBT) Project Maintenance & Operations (M&O)

EXPENDITURES:

(in 000's)

	2006-07 County Admin.	2007-08 County Admin.
Total	$41,941	$37,064
Federal	26,832	23,722
State	9,862	8,634
County	5,247	4,708
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 programs 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 and Institutions Code section 10069.
- Reprocurement activities will take at least three years to complete.

METHODOLOGY:

The EBT Reprocurement Project's May 2007 Planning Advance Planning Document Update details the completion of the planning phase and the beginning of the implementation phase.

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.

Electronic Benefit Transfer (EBT) Project Reprocurement

CHANGE FROM PRIOR SUBVENTION:

The allocation of costs to benefiting programs was updated for FY 2006-07 and FY 2007-08. The increase in FY 2007-08 is due to increases in prime vendor costs and consultant services activities.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase is due to an increase in prime vendor costs and consultant activities (and their related county costs--travel, project management, interfaces, site prep and overhead) during the ramp-up and implementation phases.

EXPENDITURES:

(in 000's)

	2006-07 County Admin.	2007-08 County Admin.
Total	$863	$2,325
Federal	552	1,488
State	311	837
County	0	0
Reimbursements	0	0

CDSS/OSI PARTNERSHIP:

(in 000's)

	2006-07	2007-08
Total	$863	$2,325
CDSS	140	730
OSI	723	1,595

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 October 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 $94.0 million for the 58 counties. The projected county-operated ESC costs are $43.5 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 $4.3 million State General Fund (GF) is 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.
- Adjustments are made for the Title IV-E Waiver counties.

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 40.7 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 $43.0 million.

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 $12.2 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 $45.9 million.

Costs for the Title IV-E Waiver counties are deducted ($103.4 million federal, $115.0 million GF and $33.1 county) with the established Waiver county base amounts added back ($115.7 million federal, $115.7 GF and $76.1 county).

CHANGE FROM PRIOR SUBVENTION:

For FY 2007-08, adjustments for the Title IV-E Waiver are reflected. Costs have also been updated for actual expenditures and the Title XX-eligible costs have decreased. The amount of additional federal spending authority has decreased due to the impact of the Title IV-E Waiver.

Child Welfare Services – Basic Costs

REASON FOR YEAR-TO-YEAR CHANGE:

For FY 2007-08, adjustments for the Title IV-E Waiver are reflected. Costs have also been updated for actual expenditures and the Title XX-eligible costs have decreased. The amount of additional federal spending authority has decreased due to the impact of the Title IV-E Waiver.

CASELOAD:

(Average Monthly)

	2006-07	2007-08
Emergency Response	42,055	43,405
Emergency Response Assessment	14,623	14,856
Family Maintenance	25,684	25,674
Family Reunification	24,715	25,174
Permanent Placement	49,446	51,124

EXPENDITURES:

(in 000's)

	2006-07	2007-08
Total Basic	County Admin.	County Admin.
Total	$994,336	$1,039,054
Federal	462,304	453,676
State	348,981	355,635
County	130,599	170,476
Reimbursements	52,452	59,267

Child Welfare Services – Basic Costs

Reconciliation of Federal Funds:

	2006-07	2007-08
Title IV-B	$30,476	$30,476
Title IV-E	382,531	377,335
Title XIX	52,452	59,267
Title XX	46,246	45,865
Total Federal Funding	$511,705	$512,943

Specialized Care:

	2006-07	2007-08
Total	$4,918	$4,636
Federal	0	0
State	4,918	4,636
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 was 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. Sixteen of those cases are in Title IV-E Waiver counties.
- The children placed in ineligible foster care facilities represent 0.12 percent of the total foster care caseload.
- For the Title IV-E Waiver counties, $161,338 in Title IV-E savings is not reflected. However, the General Fund (GF) base amount of $83,465 and county match of $35,771 are reflected.

METHODOLOGY:

The Title IV-E funded 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 GF and county funds at the 70 percent state, 30 percent county shares. The federal savings for the Title IV-E Waiver counties is not reflected, but the GF base amount and county match are reflected.

CHANGE FROM PRIOR SUBVENTION:

The FY 2007-08 estimate reflects the adjustments for the Title IV-E Waiver counties. In addition, the total Child Welfare Services Basic social worker salary and benefit expenditures has increased.

Federal Budget Bill – Loss of Federal Financial Participation (FFP)

REASON FOR YEAR-TO-YEAR CHANGE:

The FY 2007-08 estimate reflects the adjustments for the Title IV-E Waiver counties. In addition, the Child Welfare Services Basic social worker salary and benefit expenditures have increased.

EXPENDITURES:

(in 000's)

	2006-07	2007-08
	County Admin.	County Admin.
Total	$0	$119
Federal	-279	-248
State	195	257
County	84	110
Reimbursements	0	0

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," was 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.
- The Title IV-E Waiver counties' base amounts for Fiscal Year (FY) 2007-08 are $23.7 million federal, $17.6 million State General Fund (GF) and $13.7 million county funds. The federal and county base amounts include costs for county overmatch.

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:

- For the non-Title IV-E Waiver costs of $63.3 million, 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. Title IV-E Waiver base amounts are then added.
- 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 $7.9 million.

Augmentation to Child Welfare Services

CHANGE FROM PRIOR SUBVENTION:

For FY 2007-08, an adjustment for the Title IV-E Wavier is reflected.

REASON FOR YEAR-TO-YEAR CHANGE:

An adjustment for the Title IV-E Waiver is reflected based on base amounts which include costs for county overmatch.

EXPENDITURES:

(in 000's)

Augmentation Funds:

	2006-07	2007-08
	County Admin.	County Admin.
Total	$91,440	$118,285
Federal	42,348	55,375
State	49,092	49,204
County	0	13,706
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:

Costs are shared according to California's federally approved Cost Allocation Plan (CAP) which allocates costs to all benefiting CWS Programs based on statewide county worker time study hours. However, for FY 2006-07, State General Fund (GF) and county costs have been held to the Appropriation.

CHANGE FROM PRIOR SUBVENTION:

Funding ratios have changed due to a new CAP methodology. However, for FY 2006-07, GF and county costs have been held to the Appropriation. For FY 2007-08, actual expenditures have increased.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase is due to an increase in actual expenditures and all costs are reflected according to the new CAP methodology.

Child Welfare Services/Case Management System – System Support Staff

EXPENDITURES:

(in 000's)

	2006-07 County Admin.	2007-08 County Admin.
Total	$13,939	$14,500
Federal	6,821	7,404
State	4,676	4,462
County	2,004	2,158
Reimbursements	438	476

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.
- Caseload growth of 0.7 percent is projected for in Fiscal Year (FY) 2007-08.
- The Title IV-E Waiver counties' base amounts for FY 2007-08 are $27.3 million federal, $25.5 million State General Fund (GF) and $11.5 million county funds.

Child Welfare Services – Emergency Assistance Program (TANF & Title IV-E)

METHODOLOGY:

The FY 2006-07 EA TANF and EA Title IV-E estimates are 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. The FY 2007-08 EA Title IV-E estimate for the non-Title IV-E Waiver counties is based on the FY 2006-07 estimate and increased by any individual county caseload growth. The Title IV-E Waiver counties' base amounts are then added.

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.

For the non-Title IV-E Wavier counties, 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. Costs are then added for the Title IV-E Waiver counties. 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 $4.9 million. These funds are reflected in the "Emergency Assistance Title IV-E" line.

CHANGE FROM PRIOR SUBVENTION:

For FY 2007-08, the estimate has increased due to caseload growth and the EA Title IV-E estimate of Title XX-eligible expenditures has decreased. An adjustment for the Title IV-E Wavier is also reflected.

REASON FOR YEAR-TO-YEAR CHANGE:

The EA Title IV-E estimate of Title XX-eligible expenditures has decreased. In addition, 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. There is an increase due to caseload growth and an adjustment for the Title IV-E Waiver is reflected.

Child Welfare Services – Emergency Assistance Program (TANF & Title IV-E)

EXPENDITURES:

(in 000's)

	2006-07	2007-08	2006-07	2007-08
	EA TANF		**EA Title IV-E**	
Total	$208,171	$209,528	$83,908	$90,190
Federal	172,321	173,470	37,751	41,905
State	0	0	33,571	35,100
County	35,850	36,058	12,586	13,185
Reimbursements	0	0	0	0

	2006-07	2007-08
	Adjustment to EA TANF	
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 in 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 PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

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

Gomez v. Saenz

DESCRIPTION:

This premise reflects the costs for county activities related to the *Gomez, et al. v. Saenz* court settlement. Specifically, costs are for; a) counties to enact a grievance process to provide due process to any persons desiring to challenge their listing on the Child Abuse Central Index (CACI), both prospectively and retroactively, and b) maintenance and a purging "clean-up" of the CACI system.

IMPLEMENTATION DATE:

The premise will implement on July 1, 2007.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: The Budget Act of 2007.
- There are approximately 800,000 names currently listed on CACI. One percent of those currently listed on CACI will request a grievance hearing. Each grievance hearing will require 19.5 hours of social worker time at an overtime rate. These grievance hearings will commence in January 2008.
- There are 37,620 new referrals to CACI per year. Twenty percent of the new referrals to CACI will request a grievance hearing. Each grievance hearing will require 15.5 hours of social worker time. These grievance hearings will commence in October 2007.
- A customized notice to all new referrals to CACI will require an additional five minutes of social worker time to add information to the current notice. Customized notices will begin to be sent out in October 2007.
- Mass media notification in five major and two Spanish-language newspapers to current CACI listees of the right to a grievance hearing will cost $39,000.
- The hourly cost of a social worker is $72.60.
- Social worker overtime costs for salaries only are $40.50 per hour.
- For the Title IV-E Waiver counties, $1.1 million in federal funding is not reflected as federal funding will not be increased above the federal Title IV-E Waiver capped allocation.

METHODOLOGY:

The caseload is multiplied by the number of hours, multiplied by the hourly cost. Costs are then added for the newspaper notification.

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. Except for the newspaper notification, nonfederal costs are 70 percent State General Fund (GF) and 30 percent county. Nonfederal costs for the newspaper notification are 100 percent GF. Federal funding not reflected for the Title IV-E Waiver counties.

Gomez v. Saenz

CHANGE FROM PRIOR SUBVENTION:

This is a new premise.

REASON FOR YEAR-TO-YEAR CHANGE:

This is a new premise.

EXPENDITURES:

(in 000's)

	2006-07 County Admin.	2007-08 County Admin.
Total	$0	$8,615
Federal	0	2,529
State	0	4,268
County	0	1,818
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 to Families 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).
- For FY 2007-08, the non-Title IV-E Waiver expenditure is $35,288,000. The Title IV-E Waiver county base amount for FY 2007-08 is $1,681,000.

METHODOLOGY:

FY 2006-07 is being held at the Budget Act of 2006 Appropriation level. For FY 2007-08, the non-Title IV-E Waiver counties are held at the Budget Act of 2006 Appropriation level. The Title IV-E Waiver county base amount is then added.

FUNDING:

The federal Title IV-B, nonfederal, and federal Title XIX reimbursement funding levels are based on FY 2001-02 expenditure data.

State Family Preservation

CHANGE FROM PRIOR SUBVENTION:

There is no change for FY 2006-07; however, in FY 2007-08 there is an adjustment for the Title IV-E Waiver county.

REASON FOR YEAR-TO-YEAR CHANGE:

Increase reflects an adjustment for the Title IV-E Waiver county.

EXPENDITURES:

(in 000's)

	2006-07	2007-08
	County Admin.	County Admin.
Total	$36,649	$36,969
Federal	4,325	4,789
State	22,136	22,136
County	9,492	9,348
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 final grant is $3.6 million less than the FFY 2005 grant.

METHODOLOGY:

Effective FY 2006-07, funds will be based on the federal grant amount less state operations costs.

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 PRIOR SUBVENTION:

There is no change for FY 2006-07. FY 2007-08 reflects the federal grant award.

REASON FOR YEAR-TO-YEAR CHANGE:

The FY 2007-08 amount reflects the FFY 2007 federal grant award less state operations costs.

Promoting Safe and Stable Families (PSSF)

EXPENDITURES:

(in 000's)

	2006-07	2007-08
	County Admin.	County Admin.
Total	$41,505	$37,848
Federal	41,505	37,848
State	0	0
County	0	0
Reimbursements	0	0

PSSF	2006-07	2007-08
Caseworker Visit	County Admin.	County Admin.
Total	$0	$4,306
Federal	0	4,306
State	0	0
County	0	0
Reimbursements	0	0

PSSF Reappropriation [1]	2006-07	2007-08
	County Admin.	County Admin.
Total	$0	$0
Federal	0	0
State	0	0
County	0	0
Reimbursements	0	0

[1]- 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 final grant amount for FFY 2006 was reduced to $23,738,286.
- The estimated grant amount for FFY 2007 is $23,754,187.

METHODOLOGY:

- For State Fiscal Year (SFY) 2006-07, the federal funding amount is obtained by converting the federal grant from a FFY to a SFY grant [one quarter of the FFY 2005 grant ($6,253,182) and three quarters of the FFY 2006 grant (3 x $5,934,572)], less $1,019,784 for state operations costs.
- Beginning FY 2007-08, funds will be based on the federal grant amount less state operations costs.
- Due to a reduction in the 2006 final federal grant, federal dollars from the 2007 federal grant were shifted to cover the cost for SFY 2006-07.

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 PRIOR SUBVENTION:

There is no change in SFY 2006-07. In SFY 2007-08, the federal grant award was larger than projected.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change in SFY 2006-07. In SFY 2007-08, the federal grant award was larger than projected.

EXPENDITURES:

(in 000's)

	2006-07 County Admin.	2007-08 County Admin.
Total	$23,423	$22,349
Federal	23,423	22,349
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).
- Effective January 2006, additional GF was allocated to support SB 436 activities.
  - 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 Fiscal Year (FY) 2005-06, the number of female emancipated youths was 2,549.
  - In calendar year 2004, the teen parent birth rate for 19 year olds is 74.8 per 1,000 women.
  - SB 436 is a new State mandate; there is no county cost.

Extended Independent Living Program

METHODOLOGY:

For FY 2006-07 and FY 2007-08, the funding is held to the Budget Act 2006 Appropriation. The caseload for female emancipated youths and birth rate were updated but estimated costs remain the same as for prior year.

FUNDING:

This premise is funded 100 percent GF.

CHANGE FROM PRIOR SUBVENTION:

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; and (3) youth participating in the voucher program on their 21st 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 final grant amount for Federal Fiscal Year (FFY) 2006 is $8,108,697. The estimated grant for FFY 2007 that California will receive is $7,991,882.
- 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) 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 Fiscal Year (FY) 2006-07 through September 30, 2007, and for FY 2007-08 through September 30, 2008. An additional $5.7 million GF is included to support AB 1808 activities. Spending of the two-year grant will occur during the first year.

Chafee Post Secondary Education & Training Vouchers

FUNDING:

This premise is funded 100 percent with a federal grant award. AB 1808 activities are funded with 100 percent GF. The matching funds are provided through the "Emancipated Youth Stipend" premise.

CHANGE FROM PRIOR SUBVENTION:

The change for FY 2006-07 is due to a decreased grant. In FY 2007-08, the increase is due to spending of the two-year federal grant in the first year.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase reflects spending of the FFY 2007 grant in the first year.

EXPENDITURES:

(in 000's)

	2006-07 County Admin.	2007-08 County Admin.
Total	$13,809	$16,000
Federal	8,109	10,300
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.

AB 1119 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.

Transitional Housing for Foster Youth

CHANGE FROM PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000's)

Total	2006-07	2007-08
Total	$29,294	$29,294
Federal	5,188	5,188
State	18,918	18,918
County	5,188	5,188
Reimbursements	0	0

THPP	2006-07	2007-08
Total	$13,835	$13,835
Federal	5,188	5,188
State	3,459	3,459
County	5,188	5,188
Reimbursements	0	0

THP-Plus	2006-07	2007-08
Total	$15,459	$15,459
Federal	0	0
State	15,459	15,459
County	0	0
Reimbursements	0	0

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, 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 PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000's)

	2006-07 County Services	2007-08 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 PRIOR SUBVENTION:

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 PRIOR SUBVENTION:

There is no change in FY 2006-07; however, for FY 2007-08, 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	$17,980
Federal	9,336	10,624
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, Statues 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 ten counties that are participating in this program (Alameda, Butte, Contra Costa, Glenn, Monterey, San Diego, San Francisco, San Luis Obispo, Santa Cruz, and Shasta).
- For FY 2007-08, the non-Title IV-E Waiver expenditure is $7,990,000. Title IV-E Waiver county base amount for FY 2007-08 is $492.

METHODOLOGY:

The foster care federal discount rate was applied to the training and recruitment components. Adjustments are made to add in the Title IV-E Waiver county base amount.

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.

Substance Abuse/HIV Infant Program

CHANGE FROM PRIOR SUBVENTION:

There is no change for FY 2006-07; however, for FY 2007-08, the difference reflects adjustments for the Title IV-E Waiver.

REASON FOR YEAR-TO-YEAR CHANGE:

The decrease reflects adjustments for the Title IV-E Waiver.

EXPENDITURES:

(in 000's)

	2006-07	2007-08
	County Admin.	County Admin.
Total	$5,649	$5,514
Federal	1,744	1,712
State	2,733	2,733
County	1,172	1,069
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)

KEY DATA/ASSUMPTIONS:

For Fiscal Year (FY) 2007-08 the non-Title IV-E Waiver expenditure costs are $129,110,637. The Title IV-E Waiver counties base amount for FY 2007-08 is $44,494,000.

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 through 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.

Child Welfare Services – Pass-Through Title IV-E Costs

- **Foster and Kinship Care Education Program (Community College Chancellor's Office)** – Effective in FY 2005-06, the Foster Parent Training Fund was 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 (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 PRIOR SUBVENTION:

The increase for FY 2006-07 is based on actual expenditures for probation. FY 2007-08, reflects an adjustment for the Title IV-E Waiver.

REASON FOR YEAR-TO-YEAR CHANGE:

Adjustments for the Title IV-E Waiver are reflected.

Child Welfare Services – Pass-Through Title IV-E Costs

EXPENDITURES:

(in 000's)

COMBINED TOTAL:	2006-07 County Admin.	2007-08 County Admin.
Total	$226,359	$210,630
Federal	226,359	$210,630
State	0	0
County	0	0
Reimbursements	0	0

DETAILED TOTALS:

Probation:	2006-07 County Admin.	2007-08 County Admin.
Total	$190,437	$173,605
Federal	190,437	$173,605
State	0	0
County	0	0
Reimbursements	0	0

Other Public Agencies:	2006-07 County Admin.	2007-08 County Admin.
Total	$2,915	$2,915
Federal	2,915	2,915
State	0	0
County	0	0
Reimbursements	0	0

Foster and Kinship Care Education Program	2006-07 County Admin.	2007-08 County Admin.
Total	$6,112	$6,112
Federal	6,112	6,112
State	0	0
County	0	0
Reimbursements	0	0

Social Worker Training	2006-07 County Admin.	2007-08 County Admin.
Total	$26,509	$27,612
Federal	26,509	$27,612
State	0	0
County	0	0
Reimbursements	0	0

Child Welfare Services – Pass-Through Title IV-E Costs

EXPENDITURES:

(in 000's)

DETAILED TOTALS (continued):

AOC Social Worker/County Counsel Training:	2006-07 County Admin.	2007-08 County Admin.
Total	$386	$386
Federal	386	386
State	0	0
County	0	0
Reimbursements	0	0

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 (AB) 2129 (Chapter 1089, Statutes of 1993), required the California Department of Social Services 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.
- For FY 2007-08, the non-Title IV-E Waiver counties' expenditure costs are $2,686,000. Title IV-E Waiver counties' base amounts for Fiscal Year (FY) 2007-08 are $728,000.

METHODOLOGY:

Total funding for FY 2006-07 is being held at the Budget Act of 2006 Appropriation level.
FY 2007-08 reflects adjustments made to add in the Title IV-E Waiver counties' base amounts.

FUNDING:

This program is eligible for Title IV-E federal funding. After the foster care federal discount rate of 75 percent 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 PRIOR SUBVENTION:

There is no change for FY 2006-07. However, for FY 2007-08, funds for a Foster Parent Training Conference in accordance with AB 2129 are included and an adjustment for the Title IV-E Waiver is reflected.

REASON FOR YEAR-TO-YEAR CHANGE:

An adjustment for the Title IV-E Waiver is reflected.

Foster Parent Training and Recruitment

EXPENDITURES:

(in 000's)

	2006-07 County Admin.	2007-08 County Admin.
Total	$3,648	$3,414
Federal	1,710	1,405
State	1,938	2,009
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 PRIOR SUBVENTION:

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)

COMBINED TOTAL:	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

Investigations:	2006-07	2007-08
	County Admin.	County Admin.
Total	$3,096	$2,252
Federal	1,548	1,126
State	1,084	788
County	464	338
Reimbursements	0	0

Minor Parent Services:	2006-07	2007-08
	County Admin.	County Admin.
Total	$4,001	$4,845
Federal	2,001	2,423
State	1,400	1,696
County	600	726
Reimbursements	0	0

Dependency Drug Court

DESCRIPTION:

This premise reflects funding to continue support of the Dependency Drug Court Program via an Interagency Agreement between 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 ten 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 (FY) 2006-07 is based on contract costs.

FUNDING:

This program is funded 100 percent State General Fund.

CHANGE FROM PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

For FY 2007-08 the Dependency Drug Court Program will be shifted to DADP's budget.

Dependency Drug Court

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 in Fiscal Year (FY) 2006-07, 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 FY 2006-07 and FY 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 PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

Kinship Support Services

EXPENDITURES:

(in 000's)

	2006-07 County Admin.	2007-08 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.
- For Fiscal Year (FY) 2007-08, the non-Title IV-E Waiver expenditure is $1,446,000. The Title IV-E Waiver counties' base amount is $112, 435.

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 in FY 2005-06, a total of $1 million was 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. The Title IV-E Waiver counties' base amount is then added.

CHANGE FROM PRIOR SUBVENTION:

There is no change for FY 2006-07. For FY 2007-08 the federal share reflects an adjustment for the Title IV-E Waiver.

REASON FOR YEAR-TO-YEAR CHANGE:

The decrease in federal share is due to an adjustment for the Title IV-E Waiver.

Kinship/Foster Care Emergency Funds

EXPENDITURES:

(in 000's)

	2006-07 County Admin.	2007-08 County Admin.
Total	$1,600	$1,558
Federal	600	558
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 was 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.

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:

Costs are shared according to California's federally approved Cost Allocation Plan (CAP) which allocates costs to all benefiting CWS Programs based on statewide county worker time study hours. However, for FY 2006-07, State General Fund (GF) and county costs have been held to the Appropriation.

CHANGE FROM PRIOR SUBVENTION:

Funding ratios have changed due to a new CAP methodology. However, for FY 2006-07, GF and county costs have been held to the Appropriation.

REASON FOR YEAR-TO-YEAR CHANGE:

All costs are reflected according to the new CAP methodology.

EXPENDITURES:

(in 000's)

	2006-07 County Admin.	2007-08 County Admin.
Total	$8,556	$8,294
Federal	4,655	4,655
State	2,934	2,659
County	695	708
Reimbursements	272	272

Child Welfare Services/Case Management System (CWS/CMS) Maintenance and Operation (M&O) Project

DESCRIPTION:

This premise reflects the costs related to the ongoing and administrative support of the 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 (CDSS).

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 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 Maintenance & Operations Plan.

FUNDING:

Costs are shared according to California's federally approved Cost Allocation Plan (CAP) which allocates costs to all benefiting CWS Programs based on statewide county worker time study hours.

Child Welfare Services/Case Management System (CWS/CMS) Maintenance and Operation (M&O) Project

CHANGE FROM PRIOR SUBVENTION:

The allocation of costs to benefiting programs was updated for FY 2006-07 and FY 2007-08.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase in FY 2007-08 reflects a redirection of funding from the CWS/CMS Go Forward Plan, 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	44,983	46,697
State	40,655	42,236
County	0	0
Reimbursements	2,900	3,011

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

Child Welfare Services/Case Management System (CWS/CMS) Go-Forward Plan (GFP) 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 Administration for Children and Families (ACF) increasing concern over the State not achieving all Statewide Automated Child Welfare Information Systems (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.

Child Welfare Services/Case Management System (CWS/CMS) Go-Forward Plan (GFP) Project

METHODOLOGY:

Costs are based on the August 2004 As-Needed-Advanced Planning Document and subsequent adjustments.

FUNDING:

Costs are shared according to California's federally approved Cost Allocation Plan (CAP) which allocates costs to all benefiting CWS Programs based on statewide county worker time study hours.

CHANGE FROM PRIOR SUBVENTION:

The allocation of costs to benefiting programs was updated for Fiscal Year FY 2006-07.

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	12	0
County	0	0
Reimbursements	1	0

CDSS/OSI PARTNERSHIP:

(in 000's)

	2006-07	2007-08
Total	$25	$0
CDSS	0	0
OSI	25	0

Child Welfare Services/Case Management System (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 CWS/CMS 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:

Costs are shared according to California's federally approved Cost Allocation Plan (CAP) which allocates costs to all benefiting CWS Programs based on statewide county worker time study hours.

Child Welfare Services/Case Management System (CWS/CMS) New System Project

CHANGE FROM PRIOR SUBVENTION:

The allocation of costs to benefiting programs was updated for FY 2006-07 and FY 2007-08.

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	1,475	1,572
State	1,317	1,403
County	0	0
Reimbursements	95	101

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 x 1.25 x 22.5 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 x 1.6 x 22.5 percent = $1,245,000) for FY 2007-08.

FUNDING:

All funds are provided by the CHSF.

CHANGE FROM PRIOR SUBVENTION:

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

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 PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

Supportive and Therapeutic Options Program (STOP)

EXPENDITURES:

(in 000's)

	2006-07 County Admin.	2007-08 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 was 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 7,502 for FY 2007-08 for the non-Title IV-E Waiver counties 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 137 for the non-Title IV-E Waiver counties 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 3,722 cases for FY 2007-08 for the non-Title IV-E Waiver counties. 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.
- The Title IV-E Waiver counties' base amounts for FY 2007-08 are $4.0 million federal and $11.9 million State General Fund (GF).

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.
- Title IV-E Waiver counties' base amounts are then added.

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 GF. Costs are then added for the Title IV-E Waiver counties.

CHANGE FROM PRIOR SUBVENTION:

For FY 2007-08, caseload has been updated and an adjustment for the Title IV-E Waiver is reflected.

REASON FOR YEAR-TO-YEAR CHANGE:

Caseload has been updated and an adjustment for the Title IV-E Waiver is reflected.

EXPENDITURES:

(in 000's)

	2006-07	2007-08
	County Admin.	County Admin.
Total	$17,990	$20,474
Federal	6,746	8,573
State	11,244	11,901
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 was 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.
- For Fiscal Year (FY) 2007-08 the FFH caseload is projected at 30,211 and the relative home caseload is projected at 30,469.
- The average hourly cost of a social worker is $72.60.
- Program implementation has been delayed until July 1, 2007, when an appropriation can be provided.
- For the Title IV-E Waiver counties, $32,518 in federal funding is not reflected as federal funding will not be increased above the federal Title IV-E Waiver capped allocation.

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. Federal funding for the Title IV-E Waiver counties is not reflected.

CHANGE FROM PRIOR SUBVENTION:

Program implementation has been delayed until July 1, 2007, when an appropriation can be provided. Caseload has decreased and federal funding for the Title IV-E Waiver counties is not reflected.

Caregiver Court Filing (SB 1667)

REASON FOR YEAR-TO-YEAR CHANGE:

Implementation will begin FY 2007-08.

EXPENDITURES:

(in 000's)

	2006-07 County Admin.	2007-08 County Admin.
Total	$0	$188
Federal	0	50
State	0	138
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 was 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 25,174 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.
- Program implementation has been delayed until July 1, 2007, when an appropriation can be provided.
- For the Title IV-E Waiver counties, $240,300 in federal funding is not reflected as federal funding will not be increased above the federal Title IV-E Waiver capped allocation.

METHODOLOGY:

The FR caseload for each FY is multiplied by $72. Federal funding for the Title IV-E Waiver counties is not reflected.

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. Federal funding for the Title IV-E Waiver counties is not reflected.

CHANGE FROM PRIOR SUBVENTION:

Implementation has been delayed until FY 2007-08 and federal funding for the Title IV-E Waiver counties is not reflected.

Criminal Records Check for FY (AB 1774)

REASON FOR YEAR-TO-YEAR CHANGE:

Implementation will begin in FY 2007-08.

EXPENDITURES:

(in 000's)

	2006-07 County Admin.	2007-08 County Admin.
Total	$0	$1,573
Federal	0	440
State	0	1,133
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 was 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 25,376, based on new placement data for Calendar Year 2006.
- 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 PRIOR SUBVENTION:

For FY 2007-08, the caseload has increased.

REASON FOR YEAR-TO-YEAR CHANGE:

The decrease in cost is due to a decline in caseload.

EXPENDITURES:

(in 000's)

	2006-07	2007-08
	County Admin.	County Admin.
Total	$3,009	$2,831
Federal	1,128	1,061
State	1,881	1,770
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 was 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 25,376, based on new placement data for Calendar Year 2006.
- 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 30,469 based on placement data for January 2007.
- 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 PRIOR SUBVENTION:

For FY 2007-08, the new caseload has increased and the existing caseload has decreased.

REASON FOR YEAR-TO-YEAR CHANGE:

The net increase is due to a decrease in new caseload, an increase in existing caseload and the impact of the LAARS check.

EXPENDITURES:

(in 000's)

Initial Approvals:	2006-07	2007-08	**Annual Approvals:**	2006-07	2007-08
	County Admin.	County Admin.		County Admin.	County Admin.
Total	$11,298	$11,266	Total	$4,151	$4,254
Federal	4,237	4,225	Federal	1,557	1,595
State	4,943	4,929	State	1,816	1,861
County	2,118	2,112	County	778	798
Reimbursements	0	0	Reimbursements	0	0

COMBINED TOTAL:	2006-07	2007-08
	County Admin.	County Admin.
Total	$15,449	$15,520
Federal	5,794	5,820
State	6,759	6,790
County	2,896	2,910
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 was 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 25,376, based on new placement data for Calendar Year 2006.
- 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.

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 PRIOR SUBVENTION:

For FY 2007-08, the caseload has increased.

REASON FOR YEAR-TO-YEAR CHANGE:

The net decrease is due to a decrease in new caseload and the impact of the LAARS check.

EXPENDITURES:

(in 000's)

	2006-07	2007-08
	County Admin.	County Admin.
Total	$8,473	$8,259
Federal	3,177	3,097
State	3,707	3,613
County	1,589	1,549
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 was 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 25,376, based on new placement data for Calendar Year 2006.
- 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 PRIOR SUBVENTION:

For FY 2007-08, the caseload has increased.

REASON FOR YEAR-TO-YEAR CHANGE:

The decrease in cost is due to a decline in caseload.

EXPENDITURES:

(in 000's)

	2006-07	2007-08
	County Admin.	County Admin.
Total	$678	$638
Federal	254	239
State	297	279
County	127	120
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 was 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 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 PRIOR SUBVENTION:

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 number new cases added to foster care is being held at the FY 2006-07 level.
- The foster care caseload per PHN is based on a 1:200 ratio.
- The cost for a PHN for FY 2006-07 and FY 2007-08 is being held to the FY 2004-05 level of $104,039.
- 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 ÷ 200 x $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 FY 2007-08 estimate is being held to the FY 2006-07 level. DHS and CDSS will be reviewing the caseload data and methodology.

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 PRIOR SUBVENTION:

There is no change for FY 2006-07; however, in FY 2007-08 is being held to FY 2006-07 due to data inconsistencies.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000's)

	2006-07 County Admin.	2007-08 County Admin.
Total	$5,833	$5,833
Federal	0	0
State	5,833	5,833
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 was 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.
- The Title IV-E Waiver counties' base amounts for FY 2007-08 are $554,461 federal, $503,146 State General Fund (GF) and $360,170 county funds.

METHODOLOGY:

The FY 2006-07 estimate is calculated by multiplying the number of social workers by the statewide average cost of a social worker. The FY 2007-08 total estimate is calculated by adding the non-Title IV-E Waiver counties' estimate and the Title IV-E Waiver counties' base amounts.

FUNDING:

For the non-Title IV-E Waiver counties, 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 GF and 30 percent county. Costs are then added for the Title IV-E Waiver counties.

County Self-Assessment and System Improvement Planning (SIP) Development

CHANGE FROM PRIOR SUBVENTION:

For FY 2007-08, an adjustment for the Title IV-E Waiver is reflected.

REASON FOR YEAR-TO-YEAR CHANGE:

An adjustment for the Title IV-E Waiver is reflected.

EXPENDITURES:

(in 000's)

	2006-07	2007-08
	County Admin.	County Admin.
Total	$11,230	$11,497
Federal	4,211	4,334
State	4,913	4,913
County	2,106	2,250
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 PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

This premise will implement in Fiscal Year 2007-08.

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 was 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 39,518 for FY 2007-08 for non-Title IV-E Waiver counties based on actual data for FY 2005-06.
- The Title IV-E Waiver counties' base amounts for FY 2007-08 are $223,892 federal, $188,878 State General Fund (GF), and $147,433 county funds.
- 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. For FY 2007-08 the Title IV-E Waiver counties' base amounts are added.

FUNDING:

For the non-Title IV-E Waiver counties, 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 GF and 30 percent county. Costs are then added for the Title IV-E Waiver counties.

Data Requirements for New Activities

CHANGE FROM PRIOR SUBVENTION:

For FY 2007-08, an adjustment for the Title IV-E Waiver is reflected.

REASON FOR YEAR-TO-YEAR CHANGE:

An adjustment for the Title IV-E Waiver is reflected.

EXPENDITURES:

(in 000's)

	2006-07	2007-08
	County Admin.	County Admin.
Total	$1,111	$1,278
Federal	417	493
State	486	503
County	208	282
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 was 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.
- For the Title IV-E Waiver counties, $2,000 in federal funding is included as part of the base calculation.

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. Federal funding is added for the Title IV-E Waiver counties.

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. Federal funding is added for the Title IV-E Waiver counties.

CHANGE FROM PRIOR SUBVENTION:

For FY 2007-08, additional federal funding is included for the Title IV-E Waiver counties.

REASON FOR YEAR-TO-YEAR CHANGE:

The number of reviews has decreased and additional federal funding is included for the Title IV-E Waiver counties.

EXPENDITURES:

(in 000's)

	2006-07	2007-08
	County Admin.	County Admin.
Total	$2,204	$1,402
Federal	827	527
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 PRIOR SUBVENTION:

There is no change.

Child Fatality and Near Fatality Peer Quality Case Reviews (PQCRs)

REASON FOR YEAR-TO-YEAR CHANGE:

This premise will implement in Fiscal Year 2007-08.

EXPENDITURES:

(in 000's)

	2006-07 County Admin.	2007-08 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 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 was implemented 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. For FY 2007-08 there are 874 new social workers, 125 new social work supervisors, 7,190 existing social workers, 1,027 existing social work supervisors, and 175 existing probation workers.
- New social workers will attend four additional days of initial training and new social work supervisors will attend one additional day of initial training.
- Existing social workers will attend four additional days of continued training; existing social work supervisors will attend two additional days of continued training; and existing probation workers will attend three additional days of continued 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.

Statewide Standardized Training

FUNDING:

After the foster care federal discount rate of 75 percent is applied, 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.

CHANGE FROM PRIOR SUBVENTION:

For FY 2007-08, the number of additional days of training for new social workers has increased from 2.9 to 4. The number of workers requiring training has also increased.

REASON FOR YEAR-TO-YEAR CHANGE:

The number of additional days of training for new social workers has increased from 2.9 to 4. The number of workers requiring training has also increased.

EXPENDITURES:

(in 000's)

	2006-07	2007-08
	County Admin.	County Admin.
Total	$19,446	$20,304
Federal	10,939	11,421
State	5,955	6,218
County	2,552	2,665
Reimbursements	0	0

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 was 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 PRIOR SUBVENTION:

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	$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 was 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.

CWS Differential Response (DR), Safety Assessment (SA) and Permanency & Youth Services (PYS)

CHANGE FROM PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

The amount of funds budgeted for DR has increased.

EXPENDITURES:

(in 000's)

	2006-07 County Admin.	2007-08 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 was implemented 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 PRIOR SUBVENTION:

There is no change.

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 County Admin.	2007-08 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 was 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.
- For the Title IV-E Waiver counties, $13.2 million in federal funding is not reflected as federal funding will not be increased above the federal Title IV-E Waiver capped allocation.

METHODOLOGY:

The CWSOIP funding is added with the CWSOIP Augmentation funding.

CWS Outcome Improvement Project

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. Federal funding for the Title IV-E Waiver counties is not reflected.

CHANGE FROM PRIOR SUBVENTION:

For FY 2007-08, federal funding for the Title IV-E Waiver counties is not reflected.

REASON FOR YEAR-TO-YEAR CHANGE:

There is an increase for county probation department related CWSOIP activities. Federal funding for the Title IV-E Waiver counties is not reflected.

EXPENDITURES:

(in 000's)

CWSOIP:	2006-07	2007-08	**CWSOIP Augmentation:**	2006-07	2007-08
	County Admin.	County Admin.		County Admin.	County Admin.
Total	$12,862	$16,062	Total	$98,572	$85,378
Federal	2,170	3,370	Federal	37,216	24,022
State	10,692	12,692	State	61,356	61,356
County	0	0	County	0	0
Reimbursements	0	0	Reimbursements	0	0

COMBINED TOTAL:	2006-07	2007-08
	County Admin.	County Admin.
Total	$111,434	$101,440
Federal	39,386	27,392
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 Child Welfare Services (CWS) and Adoptions 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 in a foster or adoptive home 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 CWS caseload from out-of-state is estimated at 500 annually for Fiscal Year (FY) 2006-07 and 750 annually for FY 2007-08.
- The Adoptions caseload from out-of state is estimate at 200 annually for FY 2007-08.
- Each CWS home study will take an average of 15.5 hours and each Adoptions home study will take an average of 24 hours.
- The average hourly cost of a social worker is $72.60.
- California will not qualify for the incentive payments.
- For the Title IV-E Waiver counties, $114,788 in federal funding for CWS is not reflected as federal funding will not be increased above the federal Title IV-E Waiver capped allocation.

METHODOLOGY:

The caseload is multiplied by the hours and then multiplied by the hourly cost.

FUNDING:

For CWS, 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. Federal funding for the Title IV-E Waiver counties is not reflected. For Adoptions, costs are shared 43.14 percent federal and 56.86 percent GF based on actual sharing ratios for the Adoptions Program.

CHANGE FROM PRIOR SUBVENTION:

For CWS, the caseload has increased from 500 to 750 based on survey information from the counties and federal funding for the Title IV-E Waiver counties is not reflected. The Adoptions component of this premise has been added.

Safe & Timely Interstate Placement of FC Act of 2006

REASON FOR YEAR-TO-YEAR CHANGE:

This premise will implement in FY 2007-08.

EXPENDITURES:

(in 000's)

CWS	2006-07 County Admin.	2007-08 County Admin.
Total	$0	$729
Federal	0	202
State	0	369
County	0	158
Reimbursements	0	0

Adoptions	2006-07 County Admin.	2007-08 County Admin.
Total	$0	$347
Federal	0	150
State	0	197
County	0	0
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 ten 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 ten years of age and older and placed with a nonrelative for six months or longer.
- There are approximately 13,000 children ten years of age and older and placed with a permanent placement (PP) relative for six months or longer.
- There are approximately 4,000 children ten years of age and older and who have been in out-of-home placement for six months or longer.

AB 408 Child Relationships (Amended by AB 1412)

KEY DATA/ASSUMPTIONS (continued):

- 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.
- 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 four hours per case for the initial assessment of new cases for children ten 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 four hours per case for the children ten 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 four hours per case for the children ten 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.

Title IV-E Waiver

For Fiscal Year (FY) 2007-08, the non-Title IV-E Waiver counties' expenditure cost is $8,933,139. The Title IV-E Waiver counties' base amounts for FY 2007-08 are $14,710,531.

METHODOLOGY:

The provisions of AB 408 for FY 2006-07 and FY 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.

Title IV-E Waiver counties' base amounts are then added.

AB 408 Child Relationships (Amended by AB 1412)

FUNDING:

After the foster care federal discount rate for FY 2006-07 and FY 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 PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

For FY 2007-08, an adjustment for the Title IV-E Waiver is reflected.

EXPENDITURES:

(in 000's)

Total	2006-07 County Admin.	2007-08 County Admin.
Total	$22,965	$23,644
Federal	8,612	9,200
State	10,047	8,929
County	4,306	5,515
Reimbursements	0	0

AB 408	2006-07 County Admin.	2007-08 County Admin.
Total	$5,189	$5,189
Federal	1,946	1,946
State	2,270	2,270
County	973	973
Reimbursements	0	0

AB 408 Child Relationships
(Amended by AB 1412)

EXPENDITURES (continued):

(in 000's)

AB 1412	2006-07	2007-08
	County Admin.	County Admin.
Total	$17,776	$18,455
Federal	6,666	7,254
State	7,777	6,659
County	3,333	4,542
Reimbursements	0	0

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 16th 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 on January 1, 2008.

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.
- 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.
- 33 percent of the caseload will be impacted by the Title IV-E Waiver.
- For the Title IV-E Waiver counties, $307,000 in federal funding is not reflected because federal funding will not be reduced below the Federal Title IV-E Waiver capped amount.

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 GF. Federal funding not reflected for the Title IV-E Waiver counties.

AB 2985 – Foster Youth Identity Theft

CHANGE FROM PRIOR SUBVENTION:

Program implementation has been delayed until January 1, 2008, when an appropriation can be provided.

REASON FOR YEAR-TO-YEAR CHANGE:

Implementation will begin Fiscal Year 2007-08.

EXPENDITURES:

(in 000's)

	2006-07	2007-08
	County Admin.	County Admin.
Total	$0	$2,170
Federal	0	622
State	0	1,548
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 $1,569,889 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 43.14 percent federal and 56.86 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 $1,569,889 for FY 2007-08 to provide sufficient federal spending authority to a level based on actual historical expenditure data.

CHANGE FROM PRIOR SUBVENTION:

For FY 2007-08, the sharing ratios and additional federal funding have been updated.

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	$73,637
Federal	32,225	32,672
State	40,539	40,965
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 for non-Title IV-E Waiver counties are based on the average Foster Family Homes (FFH) grant of $691.65.
- Foster Care (FC) grant savings for non-Title IV-E Waiver counties are based on cases moving from FFH and Foster Family Agencies (FFA). The weighted average grant amount is $804.60.
- For the Title IV-E waiver counties, the $1.7 million federal share for FC savings is not reflected because federal funding will not be reduced below the federal Title IV-E Waiver capped amount.
- 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.
- For the CWS savings, 37 percent of the savings are for Title IV-E Waiver counties, based on the FY 2006-07 allocation. $83,934 in federal savings is not reflected for the Title IV-E Waiver counties as federal funding will not be reduced below the federal Title IV-E Waiver capped allocation. The Title IV-E Waiver counties' base savings amounts for FY 2007-08 are $8,158 State General Fund (GF), and $3,496 county funds.
- FC and AAP administrative savings are the average cost per case based on actual data.

Improving Adoptions Outcomes

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.
- To estimate the FC Program savings for non-Title IV-E Waiver counties, 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. The Title IV-E Waiver counties' base amounts are then added.
- 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. The savings for the Title IV-E Waiver counties is then subtracted, with the Title IV-E Waiver base savings added back.
- 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 PRIOR SUBVENTION:

The grants have been updated based on most current information. For FY 2007-08, adjustments are made for the Title IV-E Waiver.

REASON FOR YEAR-TO-YEAR CHANGE:

The budget year reflects full-year cumulative costs and savings. Adjustments are made for the Title IV-E Waiver.

EXPENDITURES:

(in 000's)

ITEM 101 – AAP Grant Costs	2006-07 Grant	2007-08 Grant
Total	$1,206	$8,617
Federal	603	4,309
State	452	3,231
County	151	1,077
Reimbursements	0	0

Improving Adoptions Outcomes

EXPENDITURES (continued):

(in 000s)

ITEM 101 –	2006-07	2007-08
Foster Care Savings	Grant	Grant
Total	-$1,374	-$8,112
Federal	-687	-3,205
State	-275	-1,963
County	-412	-2,944
Reimbursements	0	0

ITEM 141 –	2006-07	2007-08
Foster Care Admin Savings	County Admin.	County Admin.
Total	-$152	-$1,029
Federal	-76	-522
State	-53	-342
County	-23	-165
Reimbursements	0	0

ITEM 151 –	2006-07	2007-08
CWS Admin Savings	County Admin.	County Admin.
Total	-$51	-$236
Federal	-19	-84
State	-22	-106
County	-10	-46
Reimbursements	0	0

ITEM 151 –	2006-07	2007-08
Adoptions Cost	County Admin.	County Admin.
Total	$11,207	$11,207
Federal	4,903	4,837
State	6,304	6,370
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 was 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 selected are Alameda and Kern Counties 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]. Due to a delay in program implementation, $1,088,148 GF will be shifted from FY 2006-07 to FY 2007-08.

FUNDING:

The federal share of cost is 43.14 percent and the GF share is 56.86 percent based on FY 2005-06 actual expenditures for the Adoptions Basic program.

CHANGE FROM PRIOR SUBVENTION:

For FY 2007-08, the sharing ratios have been updated. Due to a delay in program implementation, a portion of the costs have shifted from FY 2006-07 to FY 2007-08.

REASON FOR YEAR-TO-YEAR CHANGE:

A portion of the costs have shifted from FY 2006-07 to FY 2007-08 due to a delay in program implementation. In addition, $300,000 GF is being used in FY 2007-08 for State administration.

Older Foster Youth Adoption Project

EXPENDITURES:

(in 000's)

	2006-07 County Admin.	2007-08 County Admin.
Total	$4,594	$8,421
Federal	1,982	3,633
State	2,612	4,788
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 was 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 2,089 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 (2,089 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 PRIOR SUBVENTION:

The decrease is due to a decrease in caseload**.**

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

Private Agency Adoption Reimbursement Payments

EXPENDITURES:

(in 000's)

	2006-07 County Admin.	2007-08 County Admin.
Total	$10,445	$10,445
Federal	4,874	4,874
State	5,571	5,571
County	0	0
Reimbursement	0	0

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 was 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) 2006-07and 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 PRIOR SUBVENTION:

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 was 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 $3,087 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 PRIOR SUBVENTION:

For FY 2006-07 there is no change. For FY 2007-08, the average cost per case has decreased.

County Counsel Costs

REASON FOR YEAR-TO-YEAR CHANGE:

The average cost per case has decreased and the caseload has slightly increased.

EXPENDITURES:

(in 000's)

	2006-07 County Admin.	2007-08 County Admin.
Total	$1,574	$1,379
Federal	590	517
State	984	862
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 was 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 40.61 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 PRIOR SUBVENTION:

For FY 2007-08, the estimated percentage of submitted claims has increased based on updated actual expenditure and caseload data.

Nonrecurring Adoption Expenses

REASON FOR YEAR-TO-YEAR CHANGE:

The percentage of submitted claims has decreased.

EXPENDITURES:

(in 000's)

	2006-07 County Admin.	2007-08 County Admin.
Total	$798	$682
Federal	399	341
State	399	341
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 was 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 PRIOR SUBVENTION:

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 was 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 43.14 percent and the GF share is 56.86 percent based on FY 2005-06 actual expenditures for the Adoptions Basic program.

CHANGE FROM PRIOR SUBVENTION:

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 County Admin.	2007-08 County Admin.
Total	$148	$148
Federal	65	64
State	83	84
County	0	0
Reimbursements	0	0

Electronic Record System

DESCRIPTION:

This premise reflects funding needed to conduct a Feasibility Study Report (FSR) in order to analyze the feasibility of converting adoption case files maintained by the California Department of Social Services (CDSS) Adoptions Services Bureau to an electronic format in order to protect irreplaceable case records in the event of a disaster. These case files are currently in paper format and stored at the State Record Center.

IMPLEMENTATION DATE:

This premise will implement on July 1, 2007.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: The Budget Act of 2007.
- A contractor has conducted a pre-assessment of the scope of this project and has provided a report to the CDSS with recommendations and cost estimates.

METHODOLOGY:

The contractor has provided an estimated cost of $159,000 to conduct the FSR.

FUNDING:

The federal share of costs is 43.14 percent and the General Fund share is 56.86 percent based on Fiscal Year (FY) 2005-06 actual expenditures for the Adoptions Basic program.

CHANGE FROM PRIOR SUBVENTION:

A cost estimate has been provided.

REASON FOR YEAR-TO-YEAR CHANGE:

This premise will implement in FY 2007-08.

EXPENDITURES:

(in 000's)

	2006-07 County Admin.	2007-08 County Admin.
Total	$0	$159
Federal	0	69
State	0	90
County	0	0
Reimbursements	0	0

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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 was 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.
- Program implementation has been delayed until July 1, 2007, when an appropriation can be provided.

METHODOLOGY:

The number of requests is multiplied by the hours and then multiplied by the hourly cost.

FUNDING:

The federal share of costs is 43.14 percent and the General Fund share is 56.86 percent based on Fiscal Year (FY) 2005-06 actual expenditures for the Adoptions Basic program.

CHANGE FROM PRIOR SUBVENTION:

Implementation has been delayed until FY 2007-08.

REASON FOR YEAR-TO-YEAR CHANGE:

Implementation will begin FY 2007-08.

Disclosure of Sibling Contact Information (AB 2488)

EXPENDITURES:

(in 000's)

	2006-07 County Admin.	2007-08 County Admin.
Total	$0	$1,840
Federal	0	794
State	0	1,046
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 was 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 PRIOR SUBVENTION:

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 PRIOR SUBVENTION:

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 (FY) 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:

	2006-07	2007-08
• CAPTA Title I Grants	$3,344,513	$5,301,325
• CAPTA Title II – CBCAP Grants	$3,469,004	$2,775,472
	$6,813,517	$8,076,797
• 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 PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

During FY 2007-08, the Office of Child Abuse Prevention (OCAP) of the California Department of Social Services will launch new statewide initiatives to support prevention and early intervention strategies related to child abuse and neglect. OCAP has accumulated CAPTA funds over the last few years in order to have sufficient resources for new initiatives.

EXPENDITURES:

(in 000's)	2006-07 Grant	2007-08 Grant
Total	$7,213	$8,477
Federal	7,213	8,477
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. In Fiscal Year (FY) 2005-06, the SCTF fund was used to also support the implementation of the CWS Program Improvement Project and Assembly Bill 636 (Chapter 678, Statutes of 2001) activities. However, for these activities, SCTF funds were replaced with State General Fund (GF).

CHANGE FROM PRIOR SUBVENTION:

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 32.67 percent, based on the actual federal reimbursement percentage claimed on the county administrative expense claim for the past four quarters.

METHODOLOGY:

- In the current year, estimated costs are computed by adding the GF block grant, the county match , the Title XIX reimbursements and NMOHC costs ($10,500,000 + $10,936,000 + $13,393,505 + $541,329 = $35,370,834).
- In the budget year, the estimated costs are computed by adding the GF block grant, the county match, the Title XIX reimbursements and the NMOHC costs ($10,500,000 + $10,936,000 + $13,393,505 + $455,045 = $35,284,550).

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.

County Services Block Grant – Basic Costs

CHANGE FROM PRIOR SUBVENTION:

The current year and budget year increase reflects actual expenditures in 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	$35,371	$35,285
Federal	0	0
State	11,041	10,955
County	10,936	10,936
Reimbursements	13,394	13,394

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 2005-06.

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,

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 PRIOR SUBVENTION:

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	$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 PRIOR SUBVENTION:

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 Contracts	2007-08 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 Equivalents (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 ÷ 126 cases per worker = 60.12 FTEs). The FTEs were expanded to include supervisors at a ratio of 6.35:1 to determine the total number of FTEs [(60.12 FTEs ÷ 6.35 supervisor ratio) + 60.12 FTEs = 69.59 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 ($8,744,463 + $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 7,436. This caseload was divided by the workload standards of cases per worker to derive the number of nonsupervisory FTEs (7,436 cases ÷ 120 cases per worker = 61.97 FTEs). The FTEs were expanded to include supervisors at a ratio of 6.35:1 to determine the total number of FTEs [(61.97 FTEs ÷ 6.35 supervisor ratio) + 61.97 FTEs = 71.73 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 ($9,013,203 + $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 PRIOR SUBVENTION:

For FY 2006-07 the unannounced visits will not increase until FY 2007-08. For FY 2007-08 the decrease is due to the average caseload being less than projected in November.

REASON FOR YEAR-TO-YEAR CHANGE:

For FY 2006-07 the unannounced visits will not increase until FY 2007-08. For FY 2007-08 the net 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 average caseload is less than projected in November.

EXPENDITURES:

(in 000's)

	2006-07	2007-08
	County Admin.	County Admin.
Total	$13,255	$13,523
Federal	7,616	7,727
State	5,639	5,796
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 53 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 282 cases per worker to determine the number of nonsupervisory FTEs (3,749 caseload ÷ 282). The FTEs were then expanded to include supervisors at a ratio of 6.35:1 to derive the total number of FTEs ([13.29 FTEs ÷ 6.35 supervisor ratio] + 13.29 FTEs = 15.39 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 3,802. This caseload was divided by the workload standard of 257 cases per worker to determine the number of nonsupervisory FTEs (3,802 caseload ÷ 257). The FTEs were then expanded to include supervisors at a ratio of 6.35:1 to derive the total number of FTEs ([14.79 FTEs ÷ 6.35 supervisor ratio] + 14.79 FTEs = 17.12 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 PRIOR SUBVENTION:

For FY 2006-07 the unannounced visits will not increase until FY 2007-08. For FY 2007-08 the decrease is due to the average caseload being less than projected in November.

REASON FOR YEAR-TO-YEAR CHANGE:

For FY 2006-07 the unannounced visits will not increase until FY 2007-08. For FY 2007-08 the net 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 average caseload is less than projected in November.

EXPENDITURES:

(in 000's)

	2006-07	2007-08
	County Admin.	County Admin.
Total	$1,894	$2,038
Federal	0	0
State	1,576	1,720
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 five 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 Fiscal Year (FY) 2002-03 level of $125,663 and $117,885, respectively.

Foster Family Homes

- In 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.

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 PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000's)

	2006-07 County Admin.	2007-08 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 PRIOR SUBVENTION:

The increase reflects the attorney fees and settlement associated with the *Gomez v. Saenz* case in the 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 2006-07 and 2007-08.

FUNDING:

This premise is funded with 100 percent State General Fund.

CHANGE FROM PRIOR SUBVENTION:

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 (GF) 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 of $75,000.

FUNDING:

The Foster Care Burial program is funded with 100 percent GF. 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 PRIOR SUBVENTION:

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.

METHODOLOGY:

The current year (CY) and budget year (BY) 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 PRIOR SUBVENTION:

The CY and BY reflect a decrease due to slower than projected caseload growth.

REASON FOR YEAR-TO-YEAR CHANGE:

Due to slower than projected caseload growth, the BY costs are projected to be the same as CY.

Eligibility Extension of Dog Food Allowance

EXPENDITURES:

(in 000's)

	2006-07	2007-08
	Grant	Grant
Total	$511	$511
Federal	0	0
State	511	511
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.
- In FY 2007-08, the program is funded with $2,996,000 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 State General Fund (GF). The Title XX block grant allocated to the program reduces the amount of GF in the program.

CHANGE FROM PRIOR SUBVENTION:

For budget year (BY), there is a change in the Title XX and GF share.

REASON FOR YEAR-TO-YEAR CHANGE:

For BY, the Title XX share is decreased, resulting in a GF increase.

EXPENDITURES:

(in 000's)

	2006-07 Grant	2007-08 Grant
Total	$5,804	$5,804
Federal	3,200	2,996
State	2,604	2,808
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 set-aside funds 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 PRIOR SUBVENTION:

Funding has increased slightly in the current year due to an increase in the Unaccompanied Minor Program contract.

REASON FOR YEAR-TO-YEAR CHANGE:

The grant to serve unaccompanied refugee minors increases in the budget year.

EXPENDITURES:

(in 000's)

	2006-07 Grant	2007-08 Grant
Total	$9,916	$9,981
Federal	9,916	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 was implemented on October 1, 1983.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 13275-13282.
- 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 PRIOR SUBVENTION:

Funding has decreased due to no funding awarded to the Refugee Programs Branch for the $800,000 proposal for discretionary TA activities.

REASON FOR YEAR-TO-YEAR CHANGE:

Elder discretionary funding of $50,000 is awarded in FY 2006-07 only.

EXPENDITURES:

(in 000's)

	2006-07 Grant	2007-08 Grant
Total	$4,508	$4,458
Federal	4,508	4,458
State	0	0
County	0	0
Reimbursements	0	0

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Refugee School Impact Grant

DESCRIPTION:

This premise reflects the federal funding granted to the California Department of Social Services (CDSS) 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 CDSS 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 PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000's)

	2006-07 Grant	2007-08 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 allows up to 20 counties to participate in the five year demonstration project.

IMPLEMENTATION DATE:

This premise will implement July 1, 2007.

KEY DATA/ASSUMPTIONS:

- Two counties, Los Angeles and Alameda, have applied to participate in the Project.
- An annual capped allocation for federal Title IV-E and GF has been established.
- Participating counties are required to provide funding equal to their State Fiscal Year (SFY) 2005-06 actual expenditures.

METHODOLOGY:

- The federal base allocations are based on the county's average Title IV-E actual 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 is provided beginning in FFY 2006.
- The GF base allocation for Foster Care Assistance is capped based on actual expenditures for SFY 2005-06.
- The GF base allocations for Child Welfare Services and Foster Care Administration are based on specified SFY 2006-07 allocations. An annual two percent growth above the base allocations is provided beginning in SFY 2007-08.
- After the GF base allocations for Foster Care Assistance and Child Welfare Services Administration are calculated, federal Title XX funds transferred from the Temporary Assistance for Needy Families block grant are used in lieu of GF.
- For SFY 2006-07, county planning costs associated with the Project are reflected based on actual expenditures.
- For SFY 2007-08, all base allocations for Foster Care Assistance, Foster Care Administration, and Child Welfare Services Administration are reflected separately in Budget Item 153 with total growth above the base amounts reflected in the IV-E Waiver Adjustment line.

Title IV-E Child Welfare Waiver Demonstration Capped Allocation Project

Funding:

Funding consists of the federal Title IV-E and GF capped allocations along with the required county funding. The Foster Care Assistance base allocation consists of $16.0 million in Title XX funds that are used in lieu of GF. The Child Welfare Services base allocation consists of $24.2 million in Title XX funds that are used in lieu of GF.

CHANGE FROM PRIOR SUBVENTION:

Planning costs are incurred in SFY 2006-07 with Project implementation beginning in SFY 2007-08. The federal Title IV-E and GF capped allocation amounts have been finalized.

REASON FOR YEAR-TO-YEAR CHANGE:

Planning costs are incurred in SFY 2006-07 with Project implementation beginning in SFY 2007-08.

EXPENDITURES:

(in 000's):

Item 153 Waiver Total	2006-07 Services/Admin And Grants	2007-08 Services/Admin And Grants
Total	$100	$ 1,124,476
Federal	50	464,315
State	35	286,621
County	15	373,540
Reimbursements	0	0

Title IV-E Child Welfare Waiver Demonstration Capped Allocation Project

EXPENDITURES: (continued)

(in 000's):

Item 153 Waiver Adjustment	2006-07 Services/Admin And Grants	2007-08 Services/Admin And Grants
Total	$100	$ 26,156
Federal	50	22,450
State	35	3,706
County	15	0
Reimbursements	0	0

Item 153	2006-07 Grants	2007-08 Grants
Foster Care 101		
Total	$0	$ 505,626
Federal	0	177,536
State	0	121,805
County	0	206,285
Reimbursements	0	0

Item 153	2006-07 Admin.	2007-08 Admin.
Foster Care 141		
Total	$0	$ 37,663
Federal	0	19,845
State	0	12,432
County	0	5,386
Reimbursements	0	0

Title IV-E Child Welfare Waiver Demonstration Capped Allocation Project

EXPENDITURES: (continued)

(in 000's):

	2006-07	2007-08
Item 153	Services/Admin.	Services/Admin.
CWS 151		
Total	$0	$ 555,031
Federal	0	244,484
State	0	148,678
County	0	161,869
Reimbursements	0	0

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) 2005-06 and 2006-07, 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) 2003 and 2004. 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/California Work Opportunity and Responsibility to Kids (CalWORKs) eligible families toward the MOE. If these expenditures would have been authorized and allowable under the former AFDC, Job Opportunities and Basic Skills (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.

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.

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 PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000's)

	2006-07 Grant	2007-08 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 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, Job Opportunities and Basic Skills (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.
- The FYs 2006-07 and 2007-08 estimates are held to the November Subvention.
- Based on estimated general fund (GF) 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.

CHANGE FROM PRIOR SUBVENTION;

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

The budget year reflects an increase in countable MOE because Stage Two Child Care TANF dollars were 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 Grant	2007-08 Grant
Total[1]	$404,786	$629,072
Federal	0	0
State	404,786	629,072
County	0	0
Reimbursements	0	0

[1]-Total does not reflect an additional $44.1 million in eligible CDE child care expenditures in FY 2006-07 and $25.5 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 made to reflect the fact that California met the federal work participation rate for the 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 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, Job Opportunities and Basic Skills (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 non-custodial parent. Forwarding the disregard portion of the collection to the family instead of retaining it to abate the state'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 $28 million in FY 2006-07 and $26.3 million in FY 2007-08 respectively. The estimate is based on projected expenditures from DCSS.

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 and the Child Support Services Supplement to the CS 34 Monthly Report of Collections and Distributions (a 24 month linear regression was applied from January 2005 through December 2006).

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 PRIOR SUBVENTION:

The anticipated expenditure decreases in current year and budget year (BY) are due to updated information from DCSS.

REASON FOR YEAR-TO-YEAR CHANGE:

The BY reflects a decrease in countable MOE due to a decrease in anticipated expenditures.

EXPENDITURES:

(in 000's)

	2006-07 Grant	2007-08 Grant
Total	$27,971	$26,250
Federal	0	0
State	27,971	26,250
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 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, Job Opportunities and Basic Skills (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 Fiscal Year (FY) 2006-07.

METHODOLOGY:

For FY 2006-07 the estimate reflects the anticipated MOE eligible expenditures.

Other Departments' TANF MOE Eligible Expenditures EDD – Employment Training Fund Program

FUNDING:

This program is funded with 100 percent Employment Training Fund.

CHANGE FROM PRIOR SUBVENTION:

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 for 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 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.

Other Departments' TANF MOE Eligible Expenditures Cal Grants

IMPLEMENTATION DATE:

This premise implemented on July 1, 2006.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: 45 Code of Federal Regulations sections 263.2 and 263.4.
- The FY 2007-08 estimate is held to the November Subvention.
- All Cal Grants expenditures for Cal Grants A and B used for tuition and fees for unmarried students are countable in the same year they are expended. The expenditures for the excess 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 PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

As a result of the State's structural deficit between GF revenue and expenditures, the CDSS is counting additional MOE from other Departments in FY 2007-2008, which reduces the GF expenditures in the CDSS budget.

EXPENDITURES:

(in 000's)

	2006-07 Grant	2007-08 Grant
Total[1]	$0	$214,986
Federal	0	0
State	0	214,986
County	0	0
Reimbursements	0	0

Other Departments' TANF MOE Eligible Expenditures
Cal Grants

EXPENDITURES (continued):

(in 000's)

[1]-Total does not reflect an additional $223 million in eligible Cal Grant expenditures in FY 2006-07 and an additional $8 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 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 Temporary Assistance for Needy Families (TANF) MOE requirement under Purpose Three of TANF.

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, Job Opportunities and Basic Skills (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 one or more of the four TANF goals. 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.

Other Departments' TANF MOE Eligible Expenditures After School

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 $158.7 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 PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

As a 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 Grant	2007-08 Grant
Total[1]	$0	$158,764
Federal	0	0
State	0	158,764
County	0	0
Reimbursements	0	0

[1]-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.

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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 for 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, Job Opportunities and Basic Skills (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 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 CCCCO 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 Expenditure 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 GF.

CHANGE FROM PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

As a result of the State's structural deficit between GF revenue and expenditures, the CDSS is counting additional MOE from other Departments in FY 2007-2008, which reduces the GF expenditures in the CDSS budget.

EXPENDITURES:

(in 000's)

	2006-07 Grant	2007-08 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 current year (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 Cal Grants MOE.

METHODOLOGY:

- In Fiscal Year (FY) 2006-07, the Department will claim a total of $492.5 million in excess MOE from other Departments for CDE Child Care, ($44.1 million), After School ($225.3 million) and Cal Grants ($223 million).
- In the FY 2007-08, the Department will claim a total of $161.5 million in excess MOE from other Departments for CDE Child Care ($25.5 million), After School ($128 million), and Cal Grants ($8 million).

FUNDING:

This program is funded with 100 percent State General Fund (GF).

Excess Maintenance of Effort (MOE)

CHANGE FROM PRIOR SUBVENTION:

Anticipated excess MOE expenditures increased by $21.7 million in CY and decreased by $41.5 million in BY.

REASON FOR YEAR-TO-YEAR CHANGE:

As a result of the State's structural deficit between 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	$492,498	$161,544
Federal	0	0
State	492,498	161,544
County	0	0
Reimbursements	0	0

General Fund Maintenance of Effort Work Participation Rate Reductions

DESCRIPTION:

This premise reflects adjustments made on the California Department of Social Services' (CDSS) 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 CDSS 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, CDSS 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, CDSS 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 PRIOR SUBVENTION;

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 Grant	2007-08 Grant
Total	-$179,546	-$179,546
Federal	0	0
State	-179,546	-179,546
County	0	0
Reimbursements	0	0

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, $88 million has been placed in the reserve for unforeseen expenses.

FUNDING:

This premise is funded with 100 percent federal TANF funds.

CHANGE FROM PRIOR SUBVENTION:

The anticipated overall increased TANF expenditures in BY will result in a decreased amount of funds available for the TANF Reserve.

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	$88,020
Federal	0	88,020
State	0	0
County	0	0
Reimbursements	0	0

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Cost-of-Doing-Business

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 Administration, Food Stamps, Foster Care, In-Home Supportive Services (IHSS), and Child Welfare Services.

The statute requires CDSS to develop, in consultation with the County Welfare Directors Association, a survey process to collect reasonable county specific cost data. Commencing with the May Revision of the Fiscal Year (FY) 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:

This premise reflects the FY 2007-08 estimated difference between the raw data results of the counties' cost-of-doing-business survey and the proposed funding levels.

FUNDING:

Funding will vary depending on program area.

CHANGE FROM SUBVENTION:

This is a new premise.

REASON FOR YEAR-TO-YEAR CHANGE:

This is a new premise

Cost-of-Doing-Business

Cost-of-Doing-Business
County Request vs. May 2007 Budget
(Dollars in thousands)

FY 2007-08	TOTAL	FEDERAL	STATE/TANF	COUNTY	REIMB (Title XIX)
CalWORKS-Admin	$228,313	$0	$228,313	$0	$0
CalWORKS-EmpSvcs	($28,840)	$0	($28,840)	$0	$0
Food Stamp Admin	$37,128	$15,940	$33,920	($12,732)	$0
Foster Care Admin	$31,929	$15,103	$12,676	$4,150	$0
IHSS Admin	$64,287	$0	$22,910	$9,818	$31,559
CWS Basic	$502,947	$216,573	$190,757	$69,578	$26,039
NET UNFUNDED	**$835,764**	**$247,616**	**$459,736**	**$70,814**	**$57,598**

Note: Costs reflect the statewide difference between total raw data results from county surveys and proposed funding levels. Costs are for basic programs only and do not include the impact to individual premises.