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CalWORKs Funding Subaccounts*

DESCRIPTION:

This premise reflects funding shifts for CalWORKs grant costs from GF to revenues deposited into the CalWORKs MOE Subaccount, Realignment Family Support Subaccount and Child Poverty and Family Supplemental Support Subaccount. ABX1 16 (Chapter 13, First Extraordinary Session, Statutes of 2011) added the CalWORKs MOE Subaccount. AB 85 (Chapter 24, Statutes of 2013) established the Realignment Family Support Subaccount and the Child Poverty and Family Supplemental Support Subaccount within the Sales Tax Account. Funds deposited into these subaccounts consist of county indigent health savings transferred from the Health Subaccount. These funds will be redistributed to counties in lieu of GF for CalWORKs expenditures.

IMPLEMENTATION DATE:

The CalWORKs MOE Subaccount funds implemented on September 1, 2011. The Realignment Family Support Subaccount and the Child Poverty and Family Supplemental Support Subaccount implemented on July 1, 2013.

KEY DATA/ASSUMPTIONS:

CalWORKs MOE Subaccount Funds

- Implementing statute: W&IC section 17601.2.
- Funds previously deposited into the Mental Health Subaccount are deposited in the CalWORKs MOE Subaccount.
- Counties are required to pay an increased share of CalWORKs assistance costs up to the amount of funds available in the CalWORKs MOE Subaccount.
- The CalWORKs MOE Subaccount is expected to contain revenues of \$1.1 billion in both FY 2013-14 and FY 2014-15.

Realignment Family Support Subaccount

- Implementing statute: W&IC section 17600.50.
- Sixty percent of the sum of the 1991 health realignment funds from the indigent and public health program and the county medical services program will shift to the Realignment Family Support Subaccount to offset CalWORKs grant costs.
- In FY 2013-14, \$300.0 million is anticipated to be available within the Realignment Family Support Subaccount.
- In FY 2014-15, \$724.9 million is anticipated to be available within the Realignment Family Support Subaccount.

Child Poverty and Family Supplemental Support Subaccount

- Implementing statute: W&IC section 11450.025.
- The Child Poverty and Family Supplemental Support Subaccount provides funding for the grant impact of the five percent CalWORKs MAP increase and any subsequent grant increases when sufficient revenues are available.

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

CalWORKs Funding Subaccounts*

KEY DATA/ASSUMPTIONS (CONTINUED):

- In FY 2013-14, \$58.3 million is anticipated to be available within the Child Poverty and Family Supplemental Support Subaccount.
- In FY 2014-15, \$157.7 million is anticipated to be available within the Child Poverty and Family Supplemental Support Subaccount.

METHODOLOGY:

Counties are required to pay an increased share of CalWORKs assistance costs based on the most recent projections of funds available in the CalWORKs MOE Subaccount, Realignment Family Support Subaccount and Child Poverty and Family Supplemental Support Subaccount.

FUNDING:

The increased county share is funded by revenues from the CalWORKs MOE Subaccount, Realignment Family Support Subaccount and the Child Poverty and Family Supplemental Support Subaccount and offsets an equivalent amount of GF.

CHANGE FROM GOVERNOR'S BUDGET:

CalWORKs MOE Subaccount Funds

There is no change in FY 2013-14 or FY 2014-15.

Realignment Family Support Subaccount

There is no change in FY 2013-14. There is no change to the total funds in FY 2014-15; however, the funding shift has decreased due to updated funding estimates.

Child Poverty and Family Supplemental Support Subaccount

There is no change to the total funds in FY 2013-14 or FY 2014-15; however, the funding shift has increased in FY 2013-14 and decreased in FY 2014-15 due to lower updated funding estimates.

REASON FOR YEAR-TO-YEAR CHANGE:

CalWORKs MOE Subaccount Funds

There is no change.

Realignment Family Support Subaccount

The increase in GF savings for the CalWORKs MOE Subaccount shift is due to a full year of implementation as well as funding being available to the counties directly from the subaccount.

Child Poverty and Family Supplemental Support Subaccount

The increase in GF savings is due to a full year of implementation as well as an increase in the projected funding available to the counties directly from the subaccount.

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

CalWORKs Funding Subaccounts^{*}

EXPENDITURES:

(in 000s)

FY 2013-14

Item 101 – CalWORKs Assistance	Total	Federal	State	County	Reimb.
CalWORKs MOE Subaccount	\$0	\$0	-\$1,120,551	\$1,120,551	\$0
** Realignment Family Support Subaccount	0	0	-225,000	225,000	0
Realignment Family Support Subaccount	0	0	-75,000	75,000	0
** Child Poverty and Family Supplemental Support Subaccount - Growth	0	0	-58,289	58,289	0
Child Poverty and Family Supplemental Support Subaccount - Base	0	0	0	0	0

FY 2014-15

Item 101 – CalWORKs Assistance	Total	Federal	State	County	Reimb.
CalWORKs MOE Subaccount	\$0	\$0	-\$1,120,551	\$1,120,551	\$0
** Realignment Family Support Subaccount	0	0	0	0	0
Realignment Family Support Subaccount	0	0	-724,894	724,894	0
** Child Poverty and Family Supplemental Support Subaccount - Growth	0	0	-75,830	75,830	0
Child Poverty and Family Supplemental Support Subaccount - Base	0	0	-81,857	81,857	0

** Non-add Line

**Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.*

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TANF/MOE Adjustments*

DESCRIPTION:

This premise reflects adjustments and funding shifts necessary to meet the MOE funding requirements of the TANF program, as well as additional state funding requirements for the CalWORKs program. This premise consolidates the assumptions, methodology and budget line item expenditure amounts for the following: CalWORKs Administrative Cap Adjustment, County MOE Adjustment, Tribal TANF MOE Adjustment, GF MOE WPR Adjustment, GF MOE Adjustment, TANF Carry Forward and Total TANF Reserve.

Federal welfare reform legislation, PL 104-193, established the TANF program and a TANF block grant to replace the AFDC program. The legislation also established the amount of MOE GF that states must contribute as a condition for receipt of the block grant. In any year in which the state meets the federal WPR for the CalWORKs program, the MOE requirement is reduced from 80 percent to 75 percent of the historical FFY 1994 expenditures. The state has not met the WPR since FFY 2007. In addition to TANF requirements for the state, this premise also reflects the individual county MOE requirement.

The TANF program rules prohibit states from spending more than 15 percent of federal TANF funds on administrative costs. This premise reflects an adjustment to ensure California does not exceed this 15 percent cap.

For other premise items pertaining to TANF and MOE, please refer to the TANF/MOE in Other State Agencies, CalWORKs Non-MOE and CalWORKs Funding Subaccounts premises.

IMPLEMENTATION DATE:

The TANF program and MOE requirements implemented on October 1, 1996.

KEY DATA/ASSUMPTIONS:

Administrative Cap Adjustment

- The administrative cap referenced in CFR sections 263.0 and 263.13 is applied statewide rather than to each county individually. Administrative activities include, but are not limited to, eligibility determinations, administrative costs incurred by contractors and 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.

County MOE Adjustment

- The individual county spending requirement is equal to the amount that was expended by the county for comparable activities in FY 1996-97, as authorized in W&IC section 15204.4. Failure to meet this required level of spending will result in a proportionate reduction in funds provided as part of the CalWORKs program single allocation.
- Actual county expenditures in FY 1996-97 of \$140,540,757 included expenditures made in the following programs: TANF; NA Food Stamps; Greater Avenues for Independence; Cal-Learn, Health & Safety (for child care); Transitional Child Care Administration; and the Non-GAIN Education & Training program. The ongoing county MOE requirement is \$140,540,757.

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

TANF/MOE Adjustments*

KEY DATA/ASSUMPTIONS (CONTINUED):

- Counties are projected to meet 100 percent of the MOE with CalFresh Administration costs in FY 2013-14 and FY 2014-15 and, therefore, will not be required to spend any MOE funds in the CalWORKs program.

Tribal TANF MOE Adjustment

- Adjustments are made to the TANF MOE to account for Tribal TANF expenditures.
- The total federal TANF funds for Tribal TANF programs are \$86.1 million and \$80.3 million for FY 2013-14 and FY 2014-15, respectively. It is also projected that \$80.2 million and \$74.8 million in GF for FY 2013-14 and FY 2014-15, respectively, will be spent in Tribal TANF programs; \$67.1 million and \$62.6 million of these additional GF expenditures may be used to reduce the state's TANF MOE requirement for FY 2013-14 and FY 2014-15, respectively.

GF MOE WPR Adjustment

- The CalWORKs TANF Block Grant is \$3.73 billion for both FY 2013-14 and FY 2014-15.
- California is not expected to meet the WPR in either FFY 2012 or FFY 2013 (though the official WPRs for FFY 2012 and FFY 2013 have not been announced by ACF).

TANF Carry Forward and Total TANF Reserve

- Unspent TANF funds from one FY may be carried forward to be spent in future FYs. The estimated carry forward available to be spent in FY 2013-14 is \$108.0 million. There is no TANF Carry Forward anticipated in FY 2014-15.
- The total TANF Reserve was established by the Budget Act of 2000 to meet unforeseen program needs in the CalWORKs Program. There are currently no funds in the TANF Reserve.

METHODOLOGY:

Administrative Cap Adjustment

- Actual state and federal administrative expenditures from the first three quarters of FFY 2013 are added to projected final quarter expenditures and the total is compared to the net annual TANF grant and the required state MOE for FFY 2013.

County MOE Adjustment

- The County MOE Requirement is \$140,540,757. If counties are projected to spend this amount or more for CalFresh Administration, counties will have met the MOE requirement solely within the CalFresh program and are, therefore, not required to spend additional MOE in the CalWORKs program. If counties are projected to spend less than this amount for CalFresh Administration, the projected expenditures are subtracted from \$140,540,757 and the remaining balance is shifted from state to county dollars in CalWORKs Administration.

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

TANF/MOE Adjustments*

METHODOLOGY (CONTINUED):

State MOE Requirement

- The State MOE Requirement is reduced by funds expended in the Tribal TANF program (\$67.1 million in FY 2013-14 and \$62.6 million in FY 2014-15). The projected MOE requirement is, therefore, \$2.84 billion in FY 2013-14 and \$2.85 billion in FY 2014-15.
- The projected state and county expenditures countable toward the MOE are compared to the state's MOE level to determine the GF MOE Adjustment, or the amount of expenditures necessary to meet the state's MOE level.
- The specific methodology used to determine the GF MOE Adjustment involves identifying projected CDSS local assistance expenditures that are TANF-eligible and calculating the federal, state (GF), county and reimbursement funds shares. Projected TANF-eligible expenditures for CDSS state support are then added to the projected local assistance expenditures.
- Other state departments' expenditures for TANF-eligibles that 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 funds available.
- Both the FY 2013-14 and FY 2014-15 projections include projected GF expenditures by other state departments that are assumed countable toward fulfilling the TANF MOE requirement. These expenditures are further described in the "TANF/MOE in Other State Agencies" premise.

Excess MOE Needed to Fund Programs

- If projected expenditures exceed the combined total of the TANF Block Grant and the MOE requirement, the additional projected GF is considered excess MOE needed to fund programs.

FUNDING:

The Administrative Cap Adjustment consists of a shift from TANF to the GF in order to keep the percentages consistent with the administrative cap requirement.

The county MOE adjustment is a shift from federal to county funds.

The MOE Adjustment shifts costs to meet the state's basic MOE level. The transfer is offset by a corresponding reverse adjustment to federal TANF funds.

The total TANF Reserve is funded with 100 percent federal TANF funds.

CHANGE FROM GOVERNOR'S BUDGET:

The decrease of the MOE Adjustment is due to an increase in projected MOE-eligible expenditures in CalWORKs in FY 2013-14 and reduced Excess MOE Needed to Fund Programs in FY 2014-15.

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

TANF/MOE Adjustments*

CHANGE FROM GOVERNOR'S BUDGET (CONTINUED):

There is no change to the Administrative Cap Adjustment in FY 2013-14. The increased adjustment in FY 2014-15 is due to higher administrative expenditures claimed by the counties (as of the September 2013 quarter).

The increase in Excess MOE Needed to Fund Programs in FY 2013-14 is primarily due to the implementation delay of the Non-MOE GF funding shift. The Excess MOE Needed to Fund Programs is reduced in FY 2014-15 to limit the GF spending to the MOE requirement and spend additional TANF in CalWORKs.

The increase in TANF Carry Forward in FY 2013-14 is primarily due to an adjustment based on a transfer to Title XX that had not reduced the TANF expenditures. There is no change in FY 2014-15.

There is no change for the County MOE Adjustment, the GF MOE WPR Adjustment or the TANF Reserve in either FY 2013-14 or FY 2014-15.

REASON FOR YEAR-TO-YEAR CHANGE:

The decrease to the GF MOE Adjustment is due to a decrease in projected MOE-eligible expenditures in CalWORKs and the absence of Excess MOE Needed to Fund Programs in FY 2014-15.

There is no change to the Administrative Cap Adjustment.

The decrease in Excess MOE Needed to Fund Programs is to limit the GF spending to the MOE requirement.

The decrease in TANF Carry Forward is due to increased TANF spent in FY 2013-14.

There is no change for the County MOE Adjustment, the GF MOE WPR Adjustment or the Total TANF Reserve.

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

TANF/MOE Adjustments***EXPENDITURES:**

(in 000s)

FY 2013-14

	Total	Federal	State	County	Reimb.
Item 101 – CalWORKs Assistance					
GF MOE Adjustment	\$0	-\$1,411,635	\$1,411,635	0	0
Item 101 – CalWORKs Administration					
Administrative Cap Adjustment	0	-230,920	230,920	0	0
County MOE Adjustment	0	0	0	0	0
Item 101 – TANF Page					
GF MOE WPR Adjustment	0	0	0	0	0
TANF Block Grant					
Transfer/Carry Forward	107,951	107,951	0	0	0
Excess MOE Needed to Fund Programs	219,258	0	219,258	0	0
Total TANF Reserve	0	0	0	0	0

FY 2014-15

	Total	Federal	State	County	Reimb.
Item 101 – CalWORKs Assistance					
GF MOE Adjustment	\$0	-\$1,345,978	\$1,345,978	\$0	\$0
Item 101 – CalWORKs Administration					
Administrative Cap Adjustment	0	-231,900	231,900	0	0
County MOE Adjustment	0	0	0	0	0
Item 101 – TANF Page					
GF MOE WPR Adjustment	0	0	0	0	0
TANF Block Grant					
Transfer/Carry Forward	0	0	0	0	0
Excess MOE Needed to Fund Programs	0	0	0	0	0
Total TANF Reserve	0	0	0	0	0

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

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CalWORKs Grants^{*}

DESCRIPTION:

This premise reflects the basic costs of providing cash aid to eligible CalWORKs families. Basic costs are adjusted to reflect the annual COLA increase for Social Security Old Age, Survivors and Disability Insurance benefits, thereby reducing CalWORKs grant costs. The basic costs are also adjusted for the impact of specific premises that are in the trend caseload but are also shown as separate premises. These adjustments are necessary in order to avoid budgeting the fiscal and caseload impacts twice. This premise consolidates cases that were previously identified in the Safety Net and RNE premises.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&IC section 11450.
- For FY 2013-14, a total of 11,494,964 all family person-months and 1,965,050 two-parent person-months are anticipated. For FY 2014-15, 11,082,844 all family person-months and 1,867,808 two-parent person-months are anticipated.
- All family cases consist of 2.28 persons in FY 2013-14 and 2.27 persons in FY 2014-15. The two-parent cases consist of 3.58 persons in FY 2013-14 and 3.57 persons in FY 2014-15.
- Adjustments are made for the estimated costs of current premises which are already included in the base period. These premises include: Cal-Learn Bonuses and sanctioned grants, RNE, Safety Net, AR/CO, SAR, EID Restoration and AB 98 subsidized employment. Another 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 CA 800, the average monthly diversion caseload is estimated at seven cases for FY 2013-14 and FY 2014-15, with an average monthly cost per case of \$1,501.
- The estimated CalWORKs grant cost per person is based on an average of the actual cost per person from calendar year 2013.
- The all family cost per person is \$202.16 for FY 2013-14 and FY 2014-15. The two-parent cost per person is \$155.74 for FY 2013-14 and FY 2014-15.
- The all family and two-parent basic costs are adjusted for the projected Old Age, Survivors and Disability Insurance COLA change of 1.5 percent, effective January 1, 2014 and 0.5 percent, effective January 1, 2015.
- The Old Age, Survivors and Disability Insurance COLA reflects the impact of the projected CPI COLAs on the average Social Security Benefits received by CalWORKs cases, resulting in a FY 2013-14 reduction in cash grants of \$896,347 and a reduction of \$2,015,449 in FY 2014-15.
- The FY 2013-14 and FY 2014-15 reflect a shift of funds from the RNE program for persons in mixed cases that are TANF-eligible.

**Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.*

CalWORKs Grants^{*}

KEY DATA/ASSUMPTIONS (CONTINUED):

- The projected monthly Safety Net caseload is 72,323 in FY 2013-14, and 72,776 in FY 2014-15.
- The Safety Net cost per case is \$400.85 in FY 2013-14 and FY 2014-15.
- The projected monthly RNE caseload is 38,522 (20,134 state-only cases) in FY 2013-14, and 37,380 (19,564 state-only cases) in FY 2014-15.
- The projected average monthly RNE cost per case is \$144.06 in FY 2013-14 and FY 2014-15.
- The FY 2013-14 county share of grant cost reflects a savings of \$15,456,891. This amount is shifted from county to federal expenditures and is funded with the ARRA of 2009 TANF ECF. The unspent funds from TANF ECF are a reimbursement based on approval of California's final TANF ECF application for eligible expenditures that were incurred during FFY 2009 and FFY 2010. Detailed information on ARRA TANF ECF can be referenced in the Estimate Methodologies section of the 2009 May Revision through the 2011 May Revision.

METHODOLOGY:

- The person-months are multiplied by the cost per person to determine all family and two-parent basic costs.
- The all family and two-parent basic costs are reduced for the Old Age, Survivors and Disability Insurance COLA adjustment.
- Diversion costs are calculated by multiplying the average monthly caseload by the cost per case by 12 months. The annual Diversion costs are added to the basic grant costs.
- The total all family and two-parent basic costs are reduced by the amounts of the costs for Cal-Learn Bonuses and sanctioned grants, RNE, new tribes establishing Tribal TANF programs, AR/CO, SAR and EID restoration premises.
- The total Safety Net costs are determined by multiplying the caseload by the cost per case by 12 months ($72,323 \times \$400.85 \times 12 = \347.9 million in FY 2013-14 and $72,776 \times \$400.85 \times 12 = \350.1 million in FY 2014-15).
- The total RNE costs are determined by multiplying the state-only caseload by the cost per case by 12 months ($20,134 \times \$144.06 \times 12 = \34.8 million in FY 2013-14 and $19,564 \times \$144.06 \times 12 = \33.8 million in FY 2014-15).
- The costs are also adjusted to subtract AB 98 subsidized employment grants, AR/CO and SAR grants and EID restoration grants from this premise so that they may be displayed separately.

**Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.*

CalWORKs Grants*

CASELOAD (All Family and Two-Parent):

	<u>FY 2013-14</u>	<u>FY 2014-15</u>
Average Monthly Caseload	465,365	450,535
Average Monthly Persons	1,121,668	1,079,221
All Family		
Projected Person-months	11,494,964	11,082,844
Projected Case-months	5,034,933	4,882,723
Person Per Case	2.28	2.27
Two-Parent		
Projected Person-months	1,965,050	1,867,808
Projected Case-months	549,452	523,699
Person Per Case	3.58	3.57

FUNDING:

Basic grant costs are funded with 90.0 percent TANF, 7.5 percent GF and 2.5 percent county. Due to a federal audit exception, effective September 1, 2009, TANF hardship cases are funded with GF MOE instead of TANF funds. In addition, GF MOE is used to fund the RNE program with persons in mixed cases that are TANF eligible. The RNE grant costs are funded with 95 percent GF and five percent county funds. Safety Net costs associated with CalWORKs grants are 97.5 percent GF and 2.5 percent county.

CHANGE FROM GOVERNOR'S BUDGET:

The increase in both FY 2013-14 and FY 2014-15 is due to an increase in the projected all family and two-parent persons.

REASON FOR YEAR-TO-YEAR CHANGE:

The decrease is due to a projected decline in the case-persons.

EXPENDITURES:

(in 000s)

Item 101 – CalWORKs Assistance	<u>FY 2013-14</u>				
	Total	Federal	State	County	Reimb.
CalWORKs Grants	\$2,962,477	\$2,334,261	\$566,280	\$61,936	\$0

Item 101 – CalWORKs Assistance	<u>FY 2014-15</u>				
	Total	Federal	State	County	Reimb.
CalWORKs Grants	\$2,851,801	\$2,218,346	\$558,929	\$74,526	\$0

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

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Subsidized Employment (AB 98)*

DESCRIPTION:

This premise provides funding to counties outside of the CalWORKs program single allocation for AB 98 (Chapter 589, Statutes of 2007) subsidized employment program. Under AB 98 subsidized employment, the state contributes up to 50 percent of the total wage costs less \$113 to account for the EID. The AB 98 subsidized employment program is intended to be cost neutral; therefore, the state's contribution toward a participant's monthly wage cost is not to exceed 100 percent of the computed grant for the participant's AU in the month prior to entering AB 98 subsidized employment.

Participation in AB 98 subsidized employment is limited to individuals who are not otherwise employed at the time of entry into the subsidized employment program. Participants may include those who become ineligible for CalWORKs due to subsidized employment income, individuals in WTW sanction status and individuals who have exceeded CalWORKs time limits and are receiving Safety Net benefits for eligible children. AB 98 subsidized employment is generally limited to a maximum of six months for each participant, but may be available for a total of 12 months if the county determines that a longer subsidy is necessary in order to mutually benefit the employer and the participant.

The Budget Act of 2013 provided funding for an Expanded Subsidized Employment program which is intended to supplement rather than supplant existing subsidized employment programs, including AB 98 subsidized employment. As such, counties must maintain a minimum level of AB 98 subsidized employment expenditures to access the expanded funding and the expanded funding cannot be used for AB 98 subsidized employment program expenditures. See the Expanded Subsidized Employment premise for additional information regarding the expanded funding.

IMPLEMENTATION DATE:

This premise originally implemented on January 1, 2008, but was suspended during ARRA subsidized employment. AB 98 subsidized employment was reinstated with the completion of ARRA as of September 30, 2010, and additional flexibility for participants and expenditures that qualify for AB 98 subsidized employment was provided on March 24, 2011. The phased-in implementation of the more flexible AB 98 subsidized employment began in July 2011.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&IC section 11322.63, as amended by SB 72 (Chapter 8, Statutes of 2011) and SB 1041 (Chapter 47, Statutes of 2012).
- The actual AB 98 subsidized employment expenditures in FY 2012-13 is approximately \$6.5 million.
- The base funding requirement for CalWORKs Expanded Subsidized Employment is based on FY 2012-13 expenditures (including Single Allocation and AB 98 Subsidized Employment). The expectation is that once counties meet this base requirement, they will transition efforts to the Expanded Subsidized Employment program. Therefore, the projected expenditures for AB 98 Subsidized Employment are not expected to exceed FY 2012-13 levels.

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

Subsidized Employment (AB 98)*

KEY DATA/ASSUMPTIONS (CONTINUED):

- Recipients' grants will be reduced due to the receipt of subsidized employment earnings, resulting in grant savings. The cost for CalWORKs services will be offset by the grant savings, resulting in the cost neutrality of the subsidized employment program.
- Due to the continued tracking of cases for subsidized employment program purposes, there will be no administrative savings for cases which "income off" of CalWORKs.

METHODOLOGY:

Services costs are aligned with FY 2012-13 expenditures. The subsidized employment program is considered cost neutral with service costs (the wage subsidy) resulting in corresponding grant savings.

FUNDING:

The funding for the CalWORKs grant savings is 93.5 percent TANF, 4.0 percent GF and 2.5 percent county. The funding for services is 95.9 percent TANF and 4.1 percent GF.

CHANGE FROM GOVERNOR'S BUDGET:

The FY 2013-14 and FY 2014-15 decrease in grant savings (along with the associated services cost) are primarily a result of aligning projected expenditures to FY 2012-13 expenditure data.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000s)

	<u>FY 2013-14</u>				
	Total	Federal	State	County	Reimb.
Item 101 – CalWORKs Assistance					
Subsidized Employment (AB 98)	-\$6,463	-\$6,040	-\$261	-\$162	\$0
Item 101 – CalWORKs Services					
Subsidized Employment (AB 98)	6,463	6,195	268	0	0
	<u>FY 2014-15</u>				
	Total	Federal	State	County	Reimb.
Item 101 – CalWORKs Assistance					
Subsidized Employment (AB 98)	-\$6,463	-\$6,040	-\$261	-\$162	\$0
Item 101 – CalWORKs Services					
Subsidized Employment (AB 98)	6,463	6,195	268	0	0

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

Expanded Subsidized Employment^{*}

DESCRIPTION:

This premise reflects the funding for expanding subsidized employment opportunities. The Budget Act of 2013 provided additional funding to redesign activities and services provided within the first 24 months of the CalWORKs WTW program including Expanded Subsidized Employment. Expanded Subsidized Employment was previously identified as “Enhanced Subsidized Employment” and consolidated in the 2013 May Revision 24-Month Early Engagement Redesign premise.

IMPLEMENTATION DATE:

This premise implemented July 1, 2013.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&IC section 11322.63 and 11322.64.
- The FY 2013-14 funding for services is held to the prior Governor’s Budget and the grant savings reflect updated funding ratios based on the CalWORKs Grants premise.
- The monthly average number of slots in FY 2014-15 is 8,250.
- The duration of each slot is six months.
- Based on data reported by counties during the two-year TANF ECF subsidized employment program, and feedback from the Early Engagement stakeholder workgroup, the average monthly cost per slot is \$1,355.
- The cost per slot includes subsidized wages and benefits, non-wage employer costs (such as Worker’s Compensation), supervision, training and ongoing job development.
- Grant savings will result from the subsidized employment earnings and those savings will be reinvested in the Expanded Subsidized Employment program to offset a portion of the costs.
- The average earnings for each slot is \$1,000 per month.
- The EID used in the grant calculation for CalWORKs cases is up to the first \$225 of earned income and 50 percent of remaining income.

METHODOLOGY:

- The FY 2014-15 services cost is the average monthly cost per slot multiplied by the average monthly number of slots and 12 months.
 - \$1,355 cost per slot x 8,250 slots x 12 months = \$134.15 million
- The average monthly grant savings per slot are the earnings less the EID.
 - \$1,000 earnings - \$225 disregard = \$775
 - \$775 x 50 percent = \$387.50 monthly grant savings

**Please refer to the first tab titled “[Acronyms](#)” for a full description of acronyms.*

Expanded Subsidized Employment^{*}

METHODOLOGY (CONTINUED):

- The FY 2014-15 total grant savings offset is the average monthly grant savings multiplied by the average monthly number of slots and 12 months.
 - \$387.50 monthly grant savings x 8,250 slots x 12 months = \$38.36 million

FUNDING:

The grant savings are approximately 90 percent TANF and 10 percent GF/MOE in FY 2013-14 and FY 2014-15. The services costs utilize the FY 2013-14 and FY 2014-15 CalWORKs Employment Services funding ratios for TANF and GF/MOE.

CHANGE FROM GOVERNOR'S BUDGET:

There is no change to the total funding amounts. The increase in the GF/MOE share of grant savings in FY 2013-14 and FY 2014-15 reflects updated expenditures and caseload data on federally eligible families. The FY 2014-15 increase in the state share of services cost also reflects updated expenditures and caseload data on federally eligible families.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase in grant savings and services cost is due to a full year of implementation.

EXPENDITURES:

(in 000s)

	<u>FY 2013-14</u>				
Item 101 - CalWORKs Assistance	Total	Federal	State	County	Reimb.
Expanded Subsidized Employment	-\$11,238	-\$10,111	-\$1,127	\$0	\$0
Item 101 - CalWORKs Services					
Expanded Subsidized Employment	39,295	38,390	905	0	0
	<u>FY 2014-15</u>				
Item 101 - CalWORKs Assistance	Total	Federal	State	County	Reimb.
Expanded Subsidized Employment	-\$38,363	-\$34,521	-\$3,842	\$0	\$0
Item 101 - CalWORKs Services					
Expanded Subsidized Employment	134,145	121,240	12,905	0	0

**Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.*

Cal-Learn^{*}

DESCRIPTION:

This premise reflects the cost of providing intensive case management, supportive services and financial incentives and disincentives to eligible teen recipients who are pregnant or parenting and participating in the Cal-Learn program.

The Cal-Learn program provides services to encourage pregnant or parenting teens 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 are the administrative time to process supportive services payments and county mandated activities performed by CWDs. Those required activities include the final determination of deferrals, exemptions, bonuses and sanctions, good cause determinations and activities associated with fair hearings.

IMPLEMENTATION DATE:

This premise implemented on April 1, 1994, with a one year suspension during FY 2011-12, and restored beginning July 1, 2012 with full restoration by April 1, 2013.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&IC section 11331.7.
- Due to the suspension of the Cal-Learn program in FY 2011-12, the projected caseload is based on FY 2010-11 actual caseload and expenditures. The projected Cal-Learn caseload was adjusted to account for the total CalWORKs caseload change from FY 2010-11 to FY 2013-14 and FY 2014-15.
- The projected average monthly caseload is 10,271 cases in FY 2013-14 and 10,001 cases in FY 2014-15.

Cal-Learn Bonuses:

- Cal-Learn incentives include 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 either 1) submit a report card or 2) to make adequate progress.
- Based on the FY 2010-11 actual caseload, as reported on the STAT 45 Reports, it is assumed that 5.9 percent of the Cal-Learn participants will receive the \$100 bonus and 1.4 percent will receive the \$500 bonus.

**Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.*

Cal-Learn^{*}

KEY DATA/ASSUMPTIONS (CONTINUED):

Cal-Learn Sanctioned Grants:

- The sanctioned caseload (318 cases in FY 2013-14 and 310 cases in FY 2014-15) represents 3.1 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 2010-11.
- The sanctioned grant cost is \$416 per month which will increase to \$442 due to the five percent MAP increase. These rates are based on the MAP for an AU of two (\$516 for June 2013 through February 2014 and \$542 beginning March 2014) less \$100 sanction for teens who fail to make adequate progress in school without demonstrating good cause.
- The cost of the five percent MAP increase (\$99,000 in FY 2013-14 and \$96,000 in FY 2014-15) is included in the Five Percent MAP Increase premise.

Cal-Learn Intensive Case Management:

- The average hourly eligibility worker cost is \$57.57.
- The eligibility worker requires one hour of administrative time per month for each case.
- The case management cost is \$2,610 per case per year for all activities performed by the case manager. The rate is based on FY 2010-11 total case management expenditures divided by the total Cal-Learn caseload.
- Of the total Cal-Learn caseload, 17.8 percent is projected to utilize transportation services at a cost of \$40.04 per month per participant. The utilization rate is based on FY 2010-11 caseload as reported on the monthly STAT 45 Reports. The cost is based on FY 2010-11 county transportation expenditure claims.
- Of the total Cal-Learn caseload, 2.9 percent is projected to utilize ancillary services at a cost of \$78.60 per month per participant. The utilization rate is based on FY 2010-11 caseload as reported on the monthly STAT 45 Reports. The cost is based on FY 2010-11 county ancillary expenditure claims.
- Subsidized child care is available for Cal-Learn participants attending high school. Please refer to the CaWORKs Child Care - Stage One Services and Administration premise for the assumptions and methodology used to develop the estimate.
- The automation costs for Cal-Learn tracking are approximately \$20 per participant per year, and each county may contract a third party vendor for the case management.
- The RNE caseload (157 cases in FY 2013-14 and 152 cases in FY 2014-15) represents 1.5 percent of the projected Cal-Learn caseload and is funded with GF. This estimate includes the costs of case management, administration, ancillary and transportation for the RNE caseload which was previously included in the employment services premise.
- The service costs of intensive case management in FY 2013-14 have been held to the 2014-15 Governor's Budget.

**Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.*

Cal-Learn *

METHODOLOGY:

Cal-Learn Bonuses:

- The Cal-Learn bonus costs are determined by multiplying the (\$100 or \$500) bonus amount by the total caseload, multiplied by the utilization rates for the \$100 bonus (5.9 percent) and \$500 bonus (1.4 percent) and then multiplied by 12 months.

Cal-Learn Sanctioned Grants:

- The sanctioned grant costs are determined by multiplying the total caseload by the sanctioned cases utilization rate (3.1 percent), multiplied by MAP for an AU of two subtracted by \$100 and then multiplied by 12 months.

Cal-Learn Intensive Case Management:

- For FY 2014-15, the case management cost is determined by multiplying the projected Cal-Learn caseload by the cost per case of \$2,610.
- The annual county administration cost is determined by multiplying the eligibility worker cost of \$57.57 per hour by the Cal-Learn caseload and then multiplied by 12 months.
- The annual transportation cost is determined by multiplying the Cal-Learn caseload by the transportation utilization rate of 17.80 percent, multiplied by the transportation cost per case of \$40.04 and then multiplied by 12 months.
- The annual ancillary service cost is determined by multiplying the Cal-Learn caseload by the ancillary utilization rate of 2.90 percent, multiplied by the ancillary cost per case of \$78.60 and then multiplied by 12 months.
- The total Cal-Learn intensive case management cost is the sum of the case management cost, county administration, transportation, ancillary and automation.
- Historically, costs for RNE mixed household cases were included in employment services estimate. For the May 2014 subvention, those costs are shifted to the Cal-Learn estimate.

FUNDING:

Cal-Learn costs are 100 percent TANF, except for 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 MOE requirement.

CHANGE FROM GOVERNOR'S BUDGET:

The FY 2013-14 and FY 2014-15 increases in Cal-Learn bonuses and sanctioned grants costs are due to an increase in projected caseload.

There is no change in Cal-Learn case management costs in FY 2013-14. The FY 2014-15 increase is due to an increase in the projected caseload as well as the case management, admin, ancillary and transportation costs associated with the RNE caseload, which were moved from the employment services estimate.

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

Cal-Learn^{*}**REASON FOR YEAR-TO-YEAR CHANGE:**

The decrease in Cal-Learn bonuses, sanctioned grants and case management costs is due to a decrease in the projected caseload.

EXPENDITURES:

(in 000s)

FY 2013-14

Item 101 – CalWORKs Assistance	Total	Federal	State	County	Reimb.
Cal-Learn Bonuses	\$1,566	\$1,566	\$0	\$0	\$0
Cal-Learn Sanctioned Grants	1,587	0	1,587	0	0
Item 101 – CalWORKs Services					
Cal-Learn Intensive Case Management	35,291	33,916	1,375	0	0

FY 2014-15

Item 101 – CalWORKs Assistance	Total	Federal	State	County	Reimb.
Cal-Learn Bonuses	\$1,525	\$1,525	\$0	\$0	\$0
Cal-Learn Sanctioned Grants	1,548	0	1,548	0	0
Item 101 – CalWORKs Services					
Cal-Learn Intensive Case Management	34,342	33,014	1,328	0	0

**Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.*

Quarterly Reporting/Prospective Budgeting^{*}

DESCRIPTION:

This premise reflects the administrative savings and grant/benefit costs associated with implementing a QR system to determine benefit amounts. The QR system, which replaced monthly reporting, uses PB projected income over a three-month period for the CalWORKs, CalFresh and CFAP which replaced monthly reporting programs.

Under QR/PB system, recipients' eligibility and benefits for a three-month period are based on information provided on the QR 7 and are determined using PB 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, which is the greater of CalWORKs eligibility limit or 130 percent of FPL for the family size, drug felony convictions, fleeing felon status, parole/probation violations and address changes. CalFresh recipients are only required to report address changes in mid-quarter. Certain NACF 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 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 are averaged for the current and 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, and June 30, 2004.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: 7 CFR section 273.21(b) and W&IC sections 11265.1 through 11265.3.
- The CDSS received FNS waiver approval to implement QR/PB for the CalFresh program.
- The estimated grant/benefit costs and administrative savings reflect the difference between the previous monthly retrospective reporting budgeting system and the current QR/PB reporting system.
- The FY 2013-14 grant/benefit costs are based on 18,440,740 NACF casemonths. The estimated CalWORKs grant and CFAP benefit costs in FY 2013-14 are based on 6,564,590 CalWORKs and 200,639 CFAP casemonths. The FY 2014-15 costs and savings are based on 6,392,060 CalWORKs casemonths; 20,765,106 NACF casemonths and 214,180 CFAP casemonths. The casemonths are the number of times a cost is budgeted in a given time frame and provides a more simple method for calculating the annual cost when there is not a monthly average caseload.

**Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.*

Quarterly Reporting/Prospective Budgeting^{*}

KEY DATA/ASSUMPTIONS (CONTINUED):

- Of the total NACF/CFAP cases, 10.4 percent are currently subject to change reporting based on the 2002 CalFresh Characteristics Survey. The remaining cases (16,522,903 NACF cases and 179,772 CFAP cases in FY 2013-14 and 18,605,535 NACF cases and 191,905 CFAP cases in FY 2014-15) are subject to QR.
- Based on the actual caseload and expenditure data, the administrative cost for on-going activities under monthly reporting is \$42.75 per month per case for CalWORKs cases and \$25.01 per month per case for NACF savings.
- The CalWORKs eligibility worker cost is \$57.57 per hour.
- The CalFresh and CFAP eligibility worker cost is \$58.27 per hour.
- Based on the 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 and the amount of time needed to process CalWORKs mid-quarter activities averages nine minutes per month per case at a cost of \$8.63 per case.
- Based on county time study data collected during March 2005, the NACF/CFAP cost for continuing case activities under QR/PB is \$39.33 per case and the NACF/CFAP cost for mid-quarter case activities under QR/PB is \$28.23 per case.
- Mid-quarter administrative activities for CalWORKs and NACF/CFAP cases include voluntary and mandatory mid-quarter reporting and county-initiated action.
- The CalWORKs mid-quarter activities also include reports of income that exceeds the income reporting threshold.
- The current cost for mailing a report form to a recipient or household is \$0.78.
- One-third of the total CalWORKs, NACF and CFAP cases will report each month under QR/PB. The remaining two-thirds of cases will only report outside their normal quarterly report month in certain circumstances. Based on the CalWORKs Report on Reasons for Discontinuances of Cash Grant (CA 253 CW), 8.73 percent of CalWORKs cases are discontinued each month, and 12.39 percent of those cases are discontinued due to income exceeding CalWORKs eligibility limits under monthly retrospective reporting budgeting.
- Under QR/PB some cases that would have been discontinued under monthly reporting will experience a delay in being discontinued until their quarterly report month, as detailed below.
- The CalWORKs recipients with unearned income only are exempt from mid-quarter reporting when their income exceeds the income reporting threshold. This group of recipients accounts for 0.55 percent of the CalWORKs caseload under monthly retrospective reporting budgeting. 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.

**Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.*

Quarterly Reporting/Prospective Budgeting*

KEY DATA/ASSUMPTIONS (CONTINUED):

- Of CalWORKs cases with income between CalWORKs eligibility limit and the income reporting threshold 45.85 percent are discontinued due to excess earned income. 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 calendar year 2012, fraud cases account for 1.62 percent of total CalWORKs cases. It is assumed that 50 percent of the cases will result in an overpayment for one month and 50 percent 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, prior to becoming ineligible due to excess income, it is assumed that the average CalWORKs case received a monthly grant of \$326 through September 2013; \$383 from October 2013 through February 2014, due to the EID restoration and \$402 effective March 2014, due to the five percent MAP increase. The average CFAP household receives a benefit of \$85 per month.
- Based on a county survey regarding Reduced Income Supplemental Payments, it is estimated that 2.72 percent of the total caseload will have decreased earnings and will report the decrease during non-quarterly report months.
- Under monthly reporting rules, CalWORKs recipients may receive supplemental payments equal to 80 percent of the grant increase. Under QR/PB, CalWORKs recipients will receive a grant adjustment equal to 100 percent of the grant increase associated with a reported decrease in income. The average CalWORKs grant increase for cases that would report decreased income in non-quarterly report months is estimated at \$112 per month.
- Under QR/PB CFAP cases receive a supplemental payment when they report decreased income. The average CFAP benefit for cases that would report decreased income in non-quarterly report months is \$53.03. Based on data from the CA 253 CW for FY 2007-08, 0.86 percent of the adjusted CFAP monthly cases would become ineligible due to no eligible child, excess resources or no deprivation. It is assumed that 50 percent of these cases will receive one additional month of the benefit and 50 percent will receive two additional months of the benefit before being discontinued.
- Based on data from the CA 253 CW for FY 2002-03, 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 18.87 percent of these cases now delay discontinuance for one or two months under QR/PB. It is assumed that 50 percent of the cases that delayed discontinuances will continue to receive one additional month of grant and 50 percent will continue to receive two additional months of grant before being discontinued.
- The average CalWORKs monthly grant is \$463.09 based on the CA 800 CalWORKs expenditure reports for calendar year 2012. The average monthly grant increased to \$486.24 beginning March 2014 due to the five percent MAP increase.

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

Quarterly Reporting/Prospective Budgeting*

KEY DATA/ASSUMPTIONS (CONTINUED):

- The impact of the five percent MAP increase on QR/PB costs for CalWORKs grants (\$0.6 million in FY 2013-14 and \$0.4 million in FY 2014-15) is included in the Five Percent MAP Increase premise.
- The average CFAP benefit per case is \$302.01 based on the average benefit per case for calendar year 2013.
- It is estimated that seven CFAP cases per month in FY 2013-14 and eight cases per month in FY 2014-15, that otherwise would have been discontinued due to exceeding income 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 month of benefit and 50 percent will continue to receive two additional months of benefits before being discontinued.
- It is estimated that 43 CFAP cases per month in FY 2013-14 and 46 CFAP cases per month in FY 2014-15, that otherwise would have had their benefits reduced due to increased income, will continue to receive additional benefits until their quarterly report month. 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.
- Of the NACF/CFAP caseload, 4.47 percent will report a change of address, household composition or shelter cost that will result in mid-quarter administrative activity. It is estimated that an additional 0.69 percent of the NACF/CFAP caseload will be subject to a county-initiated action during mid-quarter months.
- Effective October 1, 2008, able-bodied adults without dependents are exempt from meeting work requirements.

METHODOLOGY:

Administration

- The CalWORKs, NACF and CFAP PB administrative costs are calculated by adding the administrative costs to process the quarterly reports and mid-quarter changes.
- The CalWORKs 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.
- The CalWORKs administrative costs associated with continuing case activities under QR/PB are calculated by multiplying the monthly continuing case cost by the casemonths of those required to report on a quarterly basis.
- The CalWORKs administrative costs to process mid-quarter changes are calculated by multiplying the casemonths by the cost per month.
- The NACF 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.

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

Quarterly Reporting/Prospective Budgeting^{*}

METHODOLOGY:

- The NACF and CFAP administrative costs to process quarterly reports are calculated by multiplying the quarterly cost to process a continuing case by the casemonths of cases required to report on a quarterly basis.
- The NACF 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 QR months by the cost per case.
- The NACF and CFAP administrative costs to process a change of address, 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 QR months by the cost per case.
- The NACF and CFAP administrative costs to process county-initiated actions are calculated by multiplying the number of cases that would report the changes outside the QR months by the cost per case.
- The CalWORKs, NACF and CFAP administrative costs to mail quarterly reports are calculated by multiplying the annual casemonths by one-third and adding additional reports based on the estimated number of casemonths reporting change of address or household composition to determine the number of cases in a quarter and then multiplying by the mailing cost, which is based on the monthly number of mid-quarter reports multiplied by \$0.78.
- The CalWORKs, NACF and CFAP administrative savings due to no longer mailing monthly reports are calculated by multiplying the number of cases that would have reported monthly by the mailing cost.

Grants/Benefits

- The CalWORKs grant costs for not discontinuing cases with income over the CalWORKs eligibility limit but under the income reporting threshold until the QR month 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.
- The CalWORKs grant costs for cases exempt from reporting when their income exceeds the income reporting threshold because they have unearned income only are calculated by multiplying the 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.
- The CalWORKs grant costs for increasing the benefits of cases reporting a decrease in income during mid-quarter months are calculated by multiplying the casemonths by the average grant increase.
- Overpayments for cases that will not report income exceeding the income reporting threshold are calculated by multiplying the average grant per case by the 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 that 50 percent of the overpayments will be recovered after a six-month period.

**Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.*

Quarterly Reporting/Prospective Budgeting^{*}

METHODOLOGY (CONTINUED):

- The CalWORKs grant and CFAP benefit costs associated with noncompliance cases who do not submit their monthly reports are calculated by multiplying the average monthly grant/benefit per case by the casemonths, assuming 50 percent receive one month of additional grant/benefit and 50 percent receive two months of additional grant/benefits.
- The CalWORKs grant and CFAP benefit costs associated with not discontinuing ineligible cases until the quarterly report month are calculated by multiplying the average monthly grant/benefit per case by the impacted casemonths, assuming 50 percent receive one month of additional grant/benefit and 50 percent receive two months of additional grant/benefits.
- The CFAP benefit 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 benefit and 50 percent receive two months of additional benefits.
- The CFAP benefit costs for cases reporting a decrease in income during mid-quarter months are calculated by multiplying the impacted casemonths by the average benefit increase.

FUNDING:

The funding for CalWORKs grants for FY 2013-14 and FY 2014-15 is 90.0 percent TANF, 7.5 percent GF and 2.5 percent county.

The funding for CalWORKs administration for FY 2014-15 is 93.8 percent TANF and 6.2 percent GF.

The NACF funding is 50 percent SNAP, 35 percent GF and 15 percent county funds. The CFAP costs are 100 percent GF with 14.15 percent as MOE eligible in FY 2013-14 and 13.94 percent MOE eligible in FY 2014-15.

CHANGE FROM GOVERNOR'S BUDGET:

CalWORKs

There is no change in the administrative savings in FY 2013-14. The increase in CalWORKs grant costs in FY 2013-14 and FY 2014-15 and CalWORKs administrative savings in FY 2014-15 is due to a slower caseload decline than previously projected.

NACF and CFAP

There is no change in the NACF or CFAP administrative savings in FY 2013-14. The increase in CalFresh and CFAP administrative savings in FY 2014-15 and CFAP benefit costs in both FY 2013-14 and FY 2014-15 is due to an increase in projected caseload.

**Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.*

Quarterly Reporting/Prospective Budgeting ^{*}

REASON FOR YEAR-TO-YEAR CHANGE:

CalWORKs

The decrease in administrative savings and grant costs is due to a decrease in the projected CalWORKs average monthly caseload.

NACF and CFAP

The increase in NACF and CFAP administrative savings and CFAP benefit costs reflects an increase in the projected caseload.

EXPENDITURES:

(in 000s)

		<u>FY 2013-14</u>				
Item	Total	Federal	State	County	Reimb.	
Item 101 - CalWORKs Assistance						
QR/PB	\$72,885	\$65,585	\$5,479	\$1,821	\$0	
Item 101 - CalWORKs Administration						
QR/PB	-64,165	-60,467	-3,698	0	0	
Item 101 – CFAP Benefits						
QR/PB	2,088	0	2,088	0	0	
Item 141 - CalFresh Administration						
QR/PB	-169,730	-84,865	-59,405	-25,460	0	
Item 141 - CFAP Administration						
QR/PB	-1,715	0	-1,715	0	0	
		<u>FY 2014-15</u>				
Item 101 - CalWORKs Assistance						
QR/PB	\$71,253	\$64,115	\$5,357	\$1,781	\$0	
Item 101 - CalWORKs Administration						
QR/PB	-61,978	-58,132	-3,846	0	0	
Item 101 – CFAP Benefits						
QR/PB	2,229	0	2,229	0	0	
Item 141 - CalFresh Administration						
QR/PB	-191,123	-95,561	-66,893	-28,669	0	
Item 141 - CFAP Administration						
QR/PB	-1,972	0	-1,972	0	0	

**Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.*

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Semiannual Reporting^{*}

DESCRIPTION:

This premise reflects the administrative savings as well as the cost of benefits and automation programming associated with implementing a SAR system for CalWORKs, CalFresh and CFAP. The CDSS was required to replace the QR/PB system with a SAR system to the extent permitted by federal law, regulations, waiver and directives.

Under SAR, recipients' eligibility and benefits are determined prospectively for a six-month period based on information reported by recipients on the semiannual report form. In addition, all CalWORKs recipients are required to report mid-period any changes in household income or any changes in income that exceed the income reporting threshold, established at 55 percent of FPL based on an AU of three, plus the amount of income last used to determine the AU's benefits; the level that would render the AU ineligible; or the amount that would render the recipient ineligible for federal SNAP benefits, whichever is less. CalFresh recipients must report mid-period if their income exceeds 130 percent of the FPL.

The SAR is required for all CalWORKs and CalFresh cases, except certain child-only CalWORKs AUs who are required to report annually and certain CalFresh households who are subject to change reporting. Please refer to the AR/CO premise for additional details and the impact of AR/CO for those cases.

Per statute, the administrative savings that may be reflected in this premise are limited to the net GF costs of SAR. Additional savings in excess of these net GF costs may be reflected to the extent that they are based on actual savings related to the change to SAR calculated based on data developed in consultation with CWDA.

IMPLEMENTATION DATE:

Implementation of automation changes began in May 2012. The new reporting requirements implemented in October 2013.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&IC sections 11265.1, 11265.2, 11265.3, 11450, 11450.12, 11450.13, 11451.5 and 18910.
- The estimated grant/benefit costs and administrative savings are based on statistical information comparing the QR/PB system to the SAR system.
- The CalWORKs administrative savings for FY 2013-14 have been held to the prior Governor's Budget.
- The FY 2013-14 costs are based on 2,625,000 CalWORKs casemonths (approximately 292,000 average cases monthly); 10,927,000 NACF casemonths (approximately 1,214,000 average cases monthly) and 136,000 CFAP casemonths (approximately 15,000 average cases monthly).
- The FY 2014-15 costs and savings are based on 3,379,800 CalWORKs casemonths (approximately 282,000 average cases monthly); 16,224,000 NACF casemonths (approximately 1,352,000 average cases monthly) and 183,000 CFAP casemonths (approximately 15,000 average cases monthly).

**Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.*

Semiannual Reporting^{*}

KEY DATA/ASSUMPTIONS (CONTINUED):

- The NACF and CFAP cases with an associated CalWORKs child-only case, who are currently change reporters, shifted to SAR effective October 1, 2013. These cases require one additional report as compared to the AR/CO reporting requirements.
- Based on the 2002 CalFresh Characteristics Survey, NACF and CFAP caseloads are reduced by 10.4 percent to remove cases that are change reporters (generally elderly or disabled households with no earned income or seasonal workers with infrequent changes in household income status).
- Under SAR, the number of required CalWORKs reports was reduced from four quarterly reports and one annual redetermination to one SAR report and one annual redetermination.
- Based on county time study data collected during October and November 2005, the amount of time needed for continuing case activities under QR/PB is 26 minutes (\$24.95) per month per case for CalWORKs and 13 minutes (\$13.11) per month per case for NACF and CFAP.
- The CalWORKs eligibility worker cost is \$57.57 per hour.
- The CalFresh and CFAP eligibility worker cost is \$58.27 per hour.
- Due to the reduced reporting under SAR, the time needed for CalWORKs continuing case activities is reduced to 19 minutes per month at a cost of \$18.50 per case. The NACF and CFAP continuing case activities is nine minutes per month at a cost of \$9.73 per case.
- Based on county time study data collected during October and November 2005, the amount of time needed to process mid-quarter activities (voluntary and mandatory mid-period reporting and county-initiated contact) is \$8.63 per case for CalWORKs and \$28.23 per case for NACF and CFAP. Mid-period activity cost per case are assumed to remain the same under SAR.
- The CalWORKs, NACF and CFAP household composition change reporting requirements remain the same as required under QR/PB; however, under SAR, counties are required to act on any voluntary CalFresh and CFAP household composition changes resulting in decreased benefits. It is assumed that the number of voluntary household composition change reports received under SAR will remain the same as those received under QR/PB, resulting in no fiscal impact due to SAR implementation.
- The cost for mailing a report form to a recipient is \$0.78.
- The new reporting requirements will result in increased client contact during the first year of implementation. Counties are provided an additional ten minutes of administrative time for five percent of CalWORKs cases and an additional five minutes for two percent of NACF and CFAP cases.
- The CalWORKs, NACF and CFAP cases will require an additional five minutes to perform income assessments at redetermination. The income assessments previously performed during the QR report under QR/PB and under SAR will be combined with the annual redetermination. Under SAR some cases will experience a delay in having benefits decreased or being discontinued compared to the date they would have reported under QR/PB (e.g., cases with excess earned or unearned income [below the SAR income

**Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.*

Semiannual Reporting*

KEY DATA/ASSUMPTIONS (CONTINUED):

reporting threshold level] and cases that are no longer eligible or non-compliant with reporting requirements). These cases will continue to receive benefits one to five months longer until their SAR report month (compared to one to two months longer under QR).

- Based on data from the CalWORKs Report on Reasons for Discontinuances of Cash Grant (CA 253 CW) for calendar year 2012, approximately 800 CalWORKs cases per month in FY 2013-14 and 750 CalWORKs cases per month in FY 2014-15 will have excess unearned income and will receive additional months of a higher grant under SAR compared to QR/PB.
- Based on data from the CA 253 CW for calendar year 2012, approximately eight CalWORKs cases per month in FY 2013-14 and seven CalWORKs cases per month in FY 2014-15 will become ineligible for the following reasons: no eligible child, excess resources and/or no deprivation.
- Based on data from the CA 253 CW for calendar year 2012, approximately 4,500 CalWORKs cases per month in FY 2013-14 and 4,300 CalWORKs cases per month in FY 2014-15 and 135 CFAP cases per month in FY 2013-14 and 136 CFAP cases per month in FY 2014-15 will become ineligible for not submitting a QR 7 report.
- The average SAR CalWORKs monthly grant is \$505.06 based on the CA 800 CalWORKs expenditure reports for calendar year 2013. The average grant increased to 530.31 beginning March 2014 due to the five percent MAP increase.
- Based on a 2009 study of cases leaving CalWORKs, of the cases leaving CalWORKs prior to becoming ineligible due to excess income, the average CalWORKs case receives income of \$1,312 per month, resulting in a residual grant of \$97 through February 2014 (assuming a \$225 EID) and \$101.85 beginning March 2014 due to the five percent MAP increase.
- Of the CalWORKs cases that would stay on aid longer, it is assumed 60 percent will receive one month of additional benefits; of this group, 40 percent will receive two months of additional benefits and, of the 40 percent group, 20 percent will receive three months of additional benefits before being discontinued when a SAR report is due. In addition, some cases will experience an increase in earned income mid-period that will not reach the SAR income reporting threshold, resulting in additional months of continued grant costs at a higher level than under QR/PB. Based on EDD wage data in calendar year 2012, an average of 10,600 CalWORKs cases per month experience an increase of approximately \$550 earned income, resulting in approximately \$211 of continued higher grants (per month until the next reporting period).
- It is assumed that some CalFresh and CFAP cases will stay on aid longer due to the change from QR/PB to SAR, resulting in a four percent caseload increase. Three months of actuals are available from the October 2013 implementation, therefore, half of the four percent increase is assumed to be in the caseload trend.
- Based on benefit cost expenditures in FY 2012-13, CFAP households are estimated to have an average benefit amount of \$316.41 through October 2013, decreasing to \$302.01 beginning November 1, 2013, as a result of the expiration of ARRA enhanced benefits.

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

Semiannual Reporting^{*}

KEY DATA/ASSUMPTIONS (CONTINUED):

- The first tier CalWORKs income reporting threshold requires cases to report mid-period changes over 55 percent of the FPL. Based on EDD wage data for calendar year 2012, approximately 1,200 CalWORKs cases per month in both FY 2013-14 and FY 2014-15 that reach this level of income change (and do not income off of CalWORKs) receive a monthly wage increase of approximately \$1,300, resulting in an average grant savings of approximately \$600 per case.
- The second tier CalWORKs income reporting threshold requires cases to report mid-period changes that result in the case becoming ineligible to receive CalWORKs benefits. Based on EDD wage data for calendar year 2012, approximately 1,500 CalWORKs cases per month in FY 2013-14 and 1,400 CalWORKs cases per month in FY 2014-15 receive a monthly wage increase of approximately \$1,000 (prior to becoming ineligible due to excess income), resulting in an average grant savings of approximately \$400 per case.
- The impact of the five percent MAP increase on SAR costs for CalWORKs grants (\$0.2 million in FY 2013-14 and \$1.4 million in FY 2014-15) is included in the Five Percent MAP Increase premise.
- The NACF and CFAP income reporting threshold of 130 percent of FPL will result in the mid-period discontinuance of approximately 3,800 NACF and 38 CFAP households monthly in FY 2013-14 and 4,200 NACF and 42 CFAP households monthly in FY 2014-15. The estimate assumes one month of benefit savings (at \$253 per month) for half of these CFAP households and two months of benefit savings for the other half. The discontinuance of these cases will result in administrative costs of \$28.23 per case.
- The SAR automation costs have been estimated by the SAWS Consortia. Automation changes began in FY 2011-12 and are assumed to be completed in FY 2013-14. The estimated SAR automation costs for FY 2013-14 are estimated at \$0.7 million and \$2.5 million for CalWORKs and CalFresh, respectively.
- Estimated FY 2013-14 training costs are approximately \$4.4 million for CalWORKs and \$3.1 million for CalFresh.

METHODOLOGY:

- Counties were provided one-time mailing costs to inform recipients of the conversion from QR/PB to SAR. Please refer to the CalFresh Administration premise for additional details. The CalWORKs mailing costs were provided in full in FY 2012-13.
- The additional SAR 7 cost for NACF and CFAP cases with an associated CalWORKs child-only case is assumed to be \$15.25 per year.

Administration

- The CalWORKs, NACF and CFAP administrative savings associated with continuing case activities under SAR are calculated by multiplying the per case continuing costs by the casemonths of those required to report on a semiannual basis and comparing the cost to QR costs. The CalWORKs, NACF and CFAP administrative savings due to reduced mailing of report forms are calculated by multiplying the SAR caseload by the number of quarterly

**Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.*

Semiannual Reporting^{*}

METHODOLOGY (CONTINUED):

reports in one FY compared to the same caseload multiplied by the number of semiannual reports and multiplying the difference by \$0.78 (the cost to mail one report).

- The administrative savings for reduced mailings are offset by the administrative costs for increased client contact and income assessment at redetermination and for cases staying on longer. The client contact costs are calculated by multiplying the additional caseworker time by the caseload impacted. The costs for income assessment at redetermination are calculated by multiplying the additional caseworker time by the caseload impacted. The increased CalFresh and CFAP caseload cost is calculated by multiplying the cumulated monthly increase in cases by the ongoing administrative cost per case.
- The total administrative savings are limited to the amount necessary to offset GF costs in each respective program. Note that a portion of SAR grant costs are included in the Five Percent MAP Increase premise.

Grants/Benefits

- Additional grant costs for not discontinuing cases until the SAR report (i.e., cases with excess earned or unearned income and cases that are no longer eligible or non-compliant with reporting requirements) are calculated by multiplying the average grant per case by the impacted casemonths, assuming 60 percent will receive one month of additional benefits; of this group, 40 percent will receive two months of additional benefits and of the 40 percent group, 20 percent will receive three months of additional benefits.
- For non-compliant cases resulting in an overpayment, 50 percent of the overpayments on non-compliant cases will be recovered after a six-month period.
- The benefit cost for cases that stay on longer in CFAP is calculated by multiplying the cumulated monthly increase in cases by the average CFAP benefit per month.
- The grant/benefit costs are offset by the savings from cases with increased earned income that reach the income reporting threshold. The income reporting threshold savings are calculated by multiplying the number of cases that experience the increased income by the average benefit savings for each program, respectively.

FUNDING:

Automation and Training

The automation and training costs attributed to the CalWORKs program are funded with 100 percent TANF funds. The automation and training costs attributed to the CalFresh program are funded with 50 percent SNAP and 50 percent GF.

CalWORKs

The funding for CalWORKs grants for FY 2013-14 and FY 2014-15 is 90.0 percent TANF, 7.5 percent GF and 2.5 percent county. The funding for CalWORKs administration for FY 2013-14 and FY 2014-15 is 93.8 percent TANF and 6.2 percent GF.

**Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.*

Semiannual Reporting^{*}

FUNDING (CONTINUED):

NACF and CFAP

The CalFresh administration funding is 50 percent SNAP, 35 percent GF and 15 percent county. The CFAP costs are 100 percent GF; MOE eligible shares of cost are 14.2 percent in FY 2013-14 and 13.9 percent in FY 2014-15.

CHANGE FROM GOVERNOR'S BUDGET:

The overall decrease in CalWORKs grant costs in FY 2013-14 is primarily due to fewer cases identified as non-WTW sanctioned in AR/CO resulting in a higher SAR caseload. The increased SAR caseload results in a larger number of cases reaching the Income Reporting Threshold (resulting in increased grant savings), partially offset by a phased-in portion of cases staying on aid longer. There is no change to CalWORKs administrative savings in FY 2013-14.

The decrease in CalWORKs grant costs in FY 2014-15 is primarily due to a slower caseload decline than previously anticipated. The decrease in CalWORKs administrative savings in FY 2014-15 is due to lower grant costs to net the savings against.

The decrease in CFAP benefits in FY 2013-14 and FY 2014-15 is due to a portion of the caseload growth for SAR being in trend and reflected in the CFAP basic estimate.

There is no change in CFAP administration in FY 2013-14. The increase in savings in FY 2014-15 is due to an increase in the projected caseload.

There is no change to CalWORKs and CalFresh training costs and automation in FY 2013-14 and FY 2014-15.

There is no change to CalFresh administrative costs/savings in FY 2013-14 and FY 2014-15.

REASON FOR YEAR-TO-YEAR CHANGE:

The increases in CalWORKs and CFAP benefit costs and administrative savings are due to a full year of program implementation. The SAR training and automation were completed in FY 2013-14. The decrease in savings for CalFresh administration is due to not having costs to net against.

**Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.*

Semiannual Reporting***EXPENDITURES:**

(in 000s)

FY 2013-14

	Total	Federal	State	County	Reimb.
Item 101 – CalWORKs Assistance					
SAR	\$556	\$501	\$41	\$14	\$0
Item 101 – CalWORKs Administration					
SAR	-6,641	-6,254	-387	0	0
SAR Training - CalWORKs	4,371	4,371	0	0	0
Item 101 – CFAP Benefits					
SAR	206	0	206	0	0
Item 141 – CalFresh Administration					
SAR	-5,700	-2,850	-2,850	0	0
SAR Training – CalFresh	3,104	1,552	1,552	0	0
Item 141 – CFAP Administration					
SAR	-390	0	-390	0	0
Item 141 – Automation					
SAR	3,195	1,954	1,241	0	0

FY 2014-15

	Total	Federal	State	County	Reimb.
Item 101 – CalWORKs Assistance					
SAR	\$10,879	\$9,789	\$818	\$272	\$0
Item 101 – CalWORKs Administration					
SAR	-12,242	-11,482	-760	0	0
SAR Training - CalWORKs	0	0	0	0	0
Item 101 – CFAP Benefits					
SAR	799	0	799	0	0
Item 141 – CalFresh Administration					
SAR	0	0	0	0	0
SAR Training - CalFresh	0	0	0	0	0
Item 141 – CFAP Administration					
SAR	-605	0	-605	0	0
Item 141 – Automation					
SAR Automation	0	0	0	0	0

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

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Annual Reporting/Child-Only*

DESCRIPTION:

This premise reflects the implementation of an annual reporting system in accordance with SB 1041 (Chapter 47, Statutes of 2012) and its impacts to administration and benefits for CalWORKs, CalFresh and CFAP. The CDSS was required to replace the QR/PB system with an AR/CO system for certain cases that receive child-only benefits in the CalWORKs program. To better align with federal SNAP requirements as required by SB 1041, these cases reported according to CalFresh change reporting rules for purposes of CalFresh and CFAP benefits until September 30, 2013. Effective October 1, 2013, when SAR implemented, these cases converted to SAR for CalFresh and CFAP purposes. Costs associated with automation programming are included in the SB 1041 Automation premise.

Recipients' annual eligibility and benefits are determined prospectively based on information reported by recipients on the annual redetermination form. In addition, all CalWORKs recipients are required to report mid-period any changes in household composition or any changes in income that exceed the income reporting threshold, established at 55 percent of the FPL based on an AU of three plus the amount of income last used to determine the AU's benefits; the level that would render the AU ineligible; or the amount that would render the recipient ineligible for federal SNAP benefits, whichever is less. CalFresh and CFAP recipients must report mid-period if in any given month their earned income increases by more than \$100, if their unearned income increases by more than \$50 or if they have a change in income source.

All other cases were subject to QR/PB until the implementation of SAR. Please refer to the QR/PB and SAR premises for additional information. Automation costs are included within the SB 1041 estimate.

IMPLEMENTATION DATE:

This premise implemented on October 1, 2012.

KEY DATA/ASSUMPTIONS:

- Authorizing Statute: W&IC sections 11265.45, 11265.46, 11265.47 and 11265.48.
- The estimated benefit costs and administrative savings are based on statistical information comparing the QR/PB system to the AR/CO system.
- The estimated CalWORKs grant costs in FY 2013-14 are based on approximately 3,066,000 CalWORKs casemonths and the CalWORKs grant costs and administrative savings in FY 2014-15 are based on approximately 3,013,000 CalWORKs casemonths.
- Costs and savings for July 2013 through September 2013 are based on 686,573 NACF casemonths and 105 CFAP casemonths. The additional reporting costs for AR/CO cases after SAR implemented in October 2013 are reflected in the SAR premise.
- The AR/CO includes Safety Net and CalWORKs cases receiving child-only benefits, except those in which the adult is sanctioned for non-compliance with WTW requirements (a total AR/CO caseload of approximately 255,000 and 251,000 CalWORKs cases in FY 2013-14 and FY 2014-15, respectively).

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

Annual Reporting/Child-Only*

KEY DATA/ASSUMPTIONS (CONTINUED):

- Approximately 229,000 NACF cases with an associated CalWORKs child-only case will be subject to change reporting due to AR/CO in FY 2013-14.
- Approximately 35 CFAP cases will be subject to change reporting due to AR/CO in FY 2013-14.
- Under AR/CO:
 - The number of required CalWORKs reports was reduced from four quarterly reports and one annual redetermination to only one annual redetermination.
 - Counties are required to perform one additional redetermination per year for NACF and CFAP cases with earned income.
 - CalFresh and CFAP cases must report mid-period a change of more than \$100 in earned income, more than \$50 in unearned income or a source of income.
- Based on county time study data collected during October and November 2005, the amount of time needed for CalWORKs continuing case activities under QR is 26 minutes (\$24.95) per month per case and 13 minutes (\$13.11) per month per case for NACF and CFAP.
- The CalWORKs eligibility worker cost is \$57.57 per hour.
- The CalFresh and CFAP eligibility worker cost is \$58.27 per hour.
- Due to the reduced reporting under AR/CO, the amount of time needed for CalWORKs continuing case activities is reduced to approximately 16 minutes per month at a cost of approximately \$16.00 per case. Based on county time study data collected during October and November 2005, the amount of time needed to process mid-quarter activities (voluntary and mandatory mid-period reporting and county-initiated contact) is \$8.63 per case for CalWORKs and \$28.23 per case for NACF and CFAP. Average mid-period activity costs increase by approximately \$0.25 per case due to the AU change reporting requirement.
- The AR/CO administrative costs that apply to both NACF and CalWORKs cases will be claimed by CalWORKs and a portion will be shifted as appropriate from PA to NA.
- The CalWORKs, NACF and CFAP cases will require an additional five minutes to perform income assessments at redetermination/recertification. The income assessments were previously performed during the QR report under QR/PB and under AR/CO will be combined with the annual redetermination/recertification. The additional redetermination cost is assumed to be \$42.14 per year per CalFresh and CFAP case with earned income (approximately 54,000 average monthly NACF cases).
- The cost for mailing a report form to a recipient is \$0.78.

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

Annual Reporting/Child-Only*

KEY DATA/ASSUMPTIONS (CONTINUED):

- The new reporting requirements will result in increased client contact during the first year of implementation, requiring an additional ten minutes of administrative time for five percent of AR/CO cases. Under AR/CO some cases will experience a delay in having benefits decreased or being discontinued compared to the date they would have reported under QR/PB (e.g., cases with excess earned or unearned income and cases that are no longer eligible or non-compliant with reporting requirements). These cases will continue to receive benefits one to eleven months longer until their annual report month (compared to one to two months longer under QR).
- Based on CA 800 CalWORKs expenditure reports for FY 2012-13, the average CalWORKs monthly grant for AR/CO cases is \$413.99. The average grant will increase to \$434.69 beginning March 2014 due to the five percent MAP increase.
- Based on the average benefit per case for calendar year 2013, the average CFAP benefit per case is \$302.01.
- Based on data from the CalWORKs Report on Reasons for Discontinuances of Cash Grant (CA 253 CW) for calendar year 2012, approximately 410 CalWORKs cases per month in FY 2013-14 and 400 CalWORKs cases per month in FY 2014-15 will have excess unearned income and will receive additional months of higher grant under AR/CO as compared to QR/PB.
- Based on data from the Fraud Investigation Activity Report (DPA 266) for calendar year 2012, approximately eight CalWORKs cases per month in both FY 2013-14 and FY 2014-15 will stay on aid longer due to fraudulently failing to report. It is assumed that 50 percent of the overpayments will be recovered after a six-month period.
- Based on data from the CA 253 CW for calendar year 2012, one CalWORKs case annually in both FY 2013-14 and FY 2014-15 will become ineligible due to no eligible child, excess resources or no deprivation.
- Based on data from the CA 253 CW for FY 2011-12, approximately 1,800 CalWORKs cases per month in both FY 2013-14 and FY 2014-15 will become ineligible for not submitting a report.
- Of the CalWORKs cases that would stay on aid longer under AR/CO as compared to QR/PB, 60 percent will receive one month of additional benefits as compared to QR/PB; of this group, 40 percent will receive two months of additional benefits; of the 40 percent group, 20 percent will receive nine months of additional benefits (assumes 20 percent of cases will not report until their next reporting month).
- The first tier CalWORKs income reporting threshold requires cases to report mid-period changes over 55 percent of the FPL. Based on EDD wage data from calendar year 2012, CalWORKs cases that reach this level of income change (but do not become income-ineligible) received a monthly wage increase of approximately \$1,300, resulting in an average grant savings of \$601 per case, affecting approximately 750 cases in both FY 2013-14 and FY 2014-15.

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

Annual Reporting/Child-Only*

KEY DATA/ASSUMPTIONS (CONTINUED):

- The second tier CalWORKs income reporting threshold requires cases to report mid-period changes that result in the case becoming ineligible to receive CalWORKs benefits. Based on EDD wage data from calendar year 2012, prior to becoming ineligible due to excess income, the average CalWORKs case received a monthly wage increase of \$1,000, resulting in an average grant savings of approximately \$500 per case, affecting approximately 1,300 cases.
- Some cases will experience an increase in earned income mid-period that will not reach the AR/CO income reporting threshold, resulting in additional months of continued grant costs at a higher level. Based on EDD wage data from calendar year 2012, an average of approximately 8,800 CalWORKs case per month experience an average increase of approximately \$540 of earned income, resulting in an average additional grant amount of approximately \$200 until the next reporting month.
- Approximately 27,000 CalFresh cases monthly will reach the change reporting thresholds and will be required to report mid-period.
- The AR/CO policy also requires cases to report changes in household composition. It is assumed that approximately 7,200 CalWORKs cases per month in FY 2013-14 and 7,100 CalWORKs cases per month in FY 2014-15 will report a change in household composition and will be required to report mid-period for both their CalWORKs and CalFresh/CFAP benefits. Household composition changes will result in mid-period administrative costs and a savings of approximately \$128 per case (the difference between the CalWORKs MAP for an AU of three and a CalWORKs MAP for an AU of two).
- The impact of the five percent MAP increase on AR/CO costs for CalWORKs grants (\$0.3 million in FY 2013-14 and \$0.8 million in FY 2014-15) is included in the Five Percent MAP Increase premise.

METHODOLOGY:

Administration

- The CalWORKs, NACF and CFAP administrative savings associated with continuing case activities under AR/CO are calculated by multiplying the continuing activities cost per case by the caseloads of those required to report on an annual basis (or twice per year for CalFresh and CFAP cases with earned income) and comparing the cost to the cost of reporting under QR/PB.
- The CalWORKs and NACF administrative savings due to not mailing reports are calculated by multiplying the AR/CO caseload by the number of quarterly reports in one FY compared to the same caseload multiplied by the number of annual redeterminations/recertification and multiplying the difference by \$0.78 (the cost to mail one report). CalFresh cases with earned income are required to be recertified twice per year, which will require additional mailing costs.

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

Annual Reporting/Child-Only*

METHODOLOGY (CONTINUED):

- The CalWORKs administrative savings are offset by the administrative costs for increased client contact and for cases staying on longer. The client contact costs are calculated by multiplying the additional eligibility worker time by the caseload impacted.
- The CalWORKs, NACF and CFAP administrative costs also include costs to process AR/CO reports and mid-period changes, which are calculated by multiplying the mid-period cost per case by the respective cases impacted for each of the changes.

Grants/Benefits

- Additional grant costs for not decreasing benefits or discontinuing cases until the annual redetermination are calculated by multiplying the average grant cost per case by the impacted casemonths of those that will not report, assuming that 60 percent will receive one month of additional benefits as compared to QR/PB; of this group, 40 percent will receive two months of additional benefits; of the 40 percent group, 20 percent will receive nine months of additional benefits (assumes 20 percent of cases will not report until their next reporting month) before having benefits decreased or being discontinued when an AR/CO report is due.
- For noncompliant cases resulting in an overpayment, 50 percent of the overpayments on non-compliant cases will be recovered after a six-month period.
- The benefit costs for cases that experience increased income below the income reporting threshold that are not required to report the income are calculated by multiplying the number of cases with increased income by the average continued benefit cost for CalWORKs.
- The benefit cost for cases that stay on longer in CFAP are calculated by multiplying the cumulated monthly increase in cases by the average CFAP benefit per month.
- The grant/benefit costs are offset by the savings from cases with increased earned income that reach the income reporting threshold. The income reporting threshold savings are calculated by multiplying the number of cases that experience the increased income by the average benefit savings for each program, respectively.

FUNDING:

CalWORKs

The funding for CalWORKs grants for FY 2013-14 and FY 2014-15 is 90.0 percent TANF funds, 7.5 percent GF and 2.5 percent county. The funding for CalWORKs administration for FY 2013-14 and FY 2014-15 is 93.8 percent TANF and 6.2 percent GF.

NACF and CFAP

The CalFresh funding is 50 percent SNAP, 35 percent GF and 15 percent county funds. The CFAP costs are 100 percent GF with 14 percent MOE eligible in FY 2013-14.

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

Annual Reporting/Child-Only*

CHANGE FROM GOVERNOR'S BUDGET:

CalWORKs

There is no change to the CalWORKs administrative savings in FY 2013-14. The FY 2014-15 decrease in CalWORKs administrative savings is primarily due to a technical adjustment for non-WTW sanctioned cases resulting in fewer AR/CO cases.

The decrease to the CalWORKs grant costs in both FY 2013-14 and FY 2014-15 is primarily due to the technical adjustment to the caseload resulting in fewer AR/CO cases.

NACF

There is no change.

CFAP

The FY 2013-14 increase in CFAP benefits is due to caseload growth. There is no change in FY 2014-15.

REASON FOR YEAR-TO-YEAR CHANGE:

CalWORKs

The increase in CalWORKs grant costs is primarily due to an increased number of cases experiencing increased income below the income reporting threshold, partially offset by a decrease in caseload. The increase in CalWORKs administrative savings is primarily due to a full year of program implementation from the previously held funding level.

NACF and CFAP

The decrease is due to AR/CO cases converting to SAR effective October 1, 2013.

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

Annual Reporting/Child-Only***EXPENDITURES:**

(in 000s)

FY 2013-14

	Total	Federal	State	County	Reimb.
Item 101 - CalWORKs Assistance					
AR/CO	\$9,766	\$8,787	\$735	\$244	\$0
Item 101 - CalWORKs Administration					
AR/CO	-24,984	-23,454	-1,530	0	0
Item 101 - CFAP Benefits					
AR/CO	2	0	2	0	0
Item 141 - CalFresh Administration					
AR/CO	3,105	1,552	1,087	466	0

FY 2014-15

	Total	Federal	State	County	Reimb.
Item 101 - CalWORKs Assistance					
AR/CO	\$11,185	\$10,064	\$841	\$280	\$0
Item 101 - CalWORKs Administration					
AR/CO	-26,139	-24,517	-1,622	0	0
Item 101 - CFAP Benefits					
AR/CO	0	0	0	0	0
Item 141 - CalFresh Administration					
AR/CO	0	0	0	0	0

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

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Earned Income Disregard Restoration^{*}

DESCRIPTION:

This premise reflects the cost to the CalWORKs program as a result of restoring EID. SB 1041 (Chapter 47, Statutes of 2012) repealed the prior Budget Act of 2011 action, which reduced EID used in the grant calculation for CalWORKs recipients up to the first \$112 of earned income, from the previous EID of the first \$225 earned income. SB 1041 restored EID to the first \$225 of earned income and 50 percent of remaining income for all CalWORKs cases. This premise will result in increased CalWORKs costs beginning October 1, 2013, for cases with earned income and for some cases that will no longer be discontinued due to the higher income eligibility threshold.

IMPLEMENTATION DATE:

This premise implemented on October 1, 2013.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&IC section 11451.5, as amended by SB 1041.
- Approximately 0.78 percent of the current CalWORKs caseload will continue to remain eligible under the restored EID due to the higher income eligibility threshold. The assumption is based on a grant simulation of the reported earnings of CalWORKs cases in FFY 2012 RADEP sample data.
- The projected average monthly CalWORKs caseload from October 2013 through June 2014 is 547,012 and 532,672 in FY 2014-15.
- Approximately 4,253 cases from October 2013 through June 2014 and 4,142 cases in FY 2014-15 will continue to remain eligible.
- Cases that continue to remain eligible will have grant, employment services and administration costs. The current CalWORKs caseload will only have an increased grant cost.
- Due to the relatively small sample and since cases will be impacted at varying grant levels, the estimate uses the average monthly grant cost for cases that will continue to remain eligible.
- Based on actual expenditure data from CA 800 CalWORKs reports in calendar year 2013, the CalWORKs average monthly grant is \$463.09.
- Based on a grant simulation using incomes from FFY 2012 RADEP sample data, the average monthly grant will increase approximately \$2.04 for all CalWORKs cases.
- For cases that will continue to remain eligible, the increase of \$2.04 is added to the average grant of \$463.09 resulting in a monthly grant cost of \$465.13 per case.
- The administrative cost per case is \$31.81 per month in FY 2014-15.

**Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.*

Earned Income Disregard Restoration *

KEY DATA/ASSUMPTIONS (CONTINUED):

- Approximately 3,089 cases in FY 2014-15 will receive CalWORKs employment services.
- The employment services cost per case is \$382.37 per month.

METHODOLOGY:

- Total CalWORKs grant costs in FY 2014-15 are the sum of the cases that will continue to remain eligible multiplied by the cost per case then by 12 months and the total CalWORKs caseload multiplied by the average grant increase by 12 months.
- For CalWORKs administration costs in FY 2014-15, the number of cases that will continue to remain eligible is multiplied by the cost per case then by 12 months.
- For CalWORKs employment services costs in FY 2014-15, the number of cases that will receive employment services is multiplied by the cost per case and by 12 months.

FUNDING:

The funding for CalWORKs grant costs is 90.0 percent TANF, 7.5 percent GF and 2.5 percent county fund. The funding for employment services is 97.6 percent TANF and 2.4 percent GF. The funding for administration costs is 93.8 percent TANF and 6.2 percent GF.

CHANGE FROM GOVERNOR'S BUDGET:

There is no change in administration and employment services funding in FY 2013-14. The increase in grants for both FY 2013-14 and FY 2014-15 and administration and employment services in FY 2014-15 is due to a slower caseload decline than previously anticipated.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase in cost is due to a full year of implementation.

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

Earned Income Disregard Restoration ^{*}

EXPENDITURES:

(in 000s)

FY 2013-14

Item 101 – CalWORKs Assistance	Total	Federal	State	County	Reimb.
EID Restoration	\$27,849	\$25,059	\$2,094	\$696	\$0
Item 101 – CalWORKs Services					
EID Restoration	10,533	10,290	243	0	0
Item 101 – CalWORKs Administration					
EID Restoration	1,189	1,120	69	0	0

FY 2014-15

Item 101 – CalWORKs Assistance	Total	Federal	State	County	Reimb.
EID Restoration	\$36,159	\$32,536	\$2,719	\$904	\$0
Item 101 – CalWORKs Services					
EID Restoration	14,174	13,831	343	0	0
Item 101 – CalWORKs Administration					
EID Restoration	1,581	1,483	98	0	0

**Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.*

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Extended Foster Care*

DESCRIPTION:

This premise reflects the fiscal impact of AB 12 (Chapter 559, Statutes of 2010), which implemented the federal option of extending FC benefits as allowed in the Fostering Connections to Success and Increasing Adoptions Act of 2008 (PL 110-351). As directed by AB 12, CDSS amended the Title IV-E state plan to extend benefits up to age 21 for youth in the FC, Kin-GAP, Fed-GAP and AAP programs, as well as foster youth who receive aid payments through the CalWORKs program. The provisions of AB 12 create a new population of dependent youth, referred to as NMDs. AB 12 extended the age limit for eligible California youth to receive benefits so they can receive support in learning to be self-sufficient while still in the security of supervised living placements, with the goal of improving outcomes for this population while they transition to self-sufficiency.

Eligibility for extended benefits up to age 21 is available to NMDs who meet at least one of the five following criteria:

- Completing secondary education or a program leading to an equivalent credential.
- Enrolled in an institution that provides postsecondary or vocational education.
- Participating in a program or activity designed to promote or remove barriers to employment.
- Employed for at least 80 hours a month.
- Incapable of doing any of the above due to a medical condition that is documented regularly in the NMD's case plan.

In addition to the above criteria, for AAP, Kin-GAP and Fed-GAP, the NMD must have entered into one of these out-of-home care programs at age 16 or older. The Kin-GAP cases determined to have a disability can receive extended benefits up to age 21 regardless of the age these cases were upon entering Kin-GAP.

The premise also reflects cost avoidance to CalWORKs, CalFresh and CFAP as a result of youth staying in FC longer.

IMPLEMENTATION DATE:

Extending benefits for Kin-GAP disabled cases implemented on January 1, 2011. The extension of benefits beyond age 18 for all other qualified cases, implemented on January 1, 2012.

The extension of benefits up to age 19 implemented on January 1, 2012; up to age 20 implemented on January 1, 2013; and up to age 21 implemented on January 1, 2014.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: AB 12 and PL 110-351.
- The FC, Fed-GAP, AAP and CWS programs have been realigned and are included in the Realigned Programs premise.
- Caseload data used for this premise is based on the Urban Institute Report on extending FC benefits to 21 years of age.

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

Extended Foster Care*

KEY DATA/ASSUMPTIONS (CONTINUED):

CalWORKs

- The extension of benefits results in an additional seven Child-Only cases per month in FY 2013-14 and an additional eight Child-Only cases per month in FY 2014-15.
- Of the Child-Only cases, 68 percent will continue to remain with their non-needy caretaker relative and receive a Child-Only grant.
- The monthly projected Child-Only grant cost is \$317 (the MAP of an AU of one). The grant cost will increase to \$333 beginning March 1, 2014, due to the five percent MAP increase.
- The impact of the five percent MAP increase (\$18,000 in grant cost avoidance savings in FY 2013-14 and \$75,000 in FY 2014-15 as well as \$7,000 in grant costs for Child-Only cases in FY 2013-14 and \$27,000 in FY 2014-15) is included in the Five Percent MAP Increase premise.
- The monthly Child-Only administration cost is \$24.96 per case.
- Cost avoidance is assumed for 149 cases per month in FY 2013-14 and 240 cases per month in FY 2014-15, where FC youth will have extended benefits rather than enrolling in CalWORKs program after emancipating.
 - Grant cost avoidance per case is \$516 (the MAP for an AU of two) per month and will increase to \$542 beginning March 1, 2014, due to the five percent MAP increase.
 - Administrative cost avoidance is a one-time \$197.75 fee per new case for intake costs and \$33.58 per case per month for ongoing costs.
 - Employment services cost per case is \$382.37.
 - Child care cost avoidance is \$723.44 per child per month. The estimate assumes the normal child care utilization rate for CalWORKs, which is 15.9 percent based on actual data from the CalWORKs Welfare-to-Work Monthly Activity Reports (WTW 25 and WTW 25A) and Child Care Monthly Reports (CW 115 and CW 115A) for calendar year 2013.
- The cost avoidance funding for administration, employment services and child care in FY 2013-14 has been held to the prior Governor's Budget.

Kin-GAP

- There are two Kin-GAP cases per month that will extend beyond age 18 due to a disability, based on point-in-time Kin-GAP Dual Agency cases, by age, as of March 31, 2010.
- Based on county data, 80 percent of foster youth that would normally emancipate at age 17 will continue to receive benefits until age 19. Data from the Urban Institute Report on extending FC benefits to 21 years of age indicated 37 percent of foster youth that would normally emancipate at age 17 will continue to receive benefits until age 20 and 30 percent of foster youth would continue to receive benefits until age 21.

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

Extended Foster Care*

KEY DATA/ASSUMPTIONS (CONTINUED):

- The Kin-GAP Extended FC caseload was also increased to include youth that turned 18 years of age in 2011. This includes youth who did not qualify to continue to receive federal or state FC, but continued to receive FC funded with county-only dollars. These youth are now eligible to receive an AFDC-FC payment in January 2012 and will be able to extend until age 21. There are 13 average monthly Kin-GAP cases in FY 2013-14 and FY 2014-15 that will receive extended benefits beyond age 18 as a result of entering into the Kin-GAP program at age 16 or older, based on entrances into the Kin-GAP program from calendar year 2009 data. This includes the impact of Kin-GAP Interstate Compact for the Placement of Children residing outside of California.
- The projected Kin-GAP grant is \$795.37 for FY 2013-14 and \$812.63 for FY 2014-15, a combination of the basic grant for ages 15-20, based on the FC FFH rate of \$675, plus additional Kin-GAP benefits such as a SCI and clothing allowance which is determined on a case-by-case basis.
- The projected Kin-GAP grant is adjusted to include a COLA increase of 2.65 percent for FY 2013-14 and an additional COLA increase of 2.17 percent for FY 2014-15. The COLA is based on the CNI.
- The impact of the *California Foster Parent Association v. William Lightbourne, et al.* court decision that increased the FFH basic rate is now reflected in this premise.
- Based on actual Kin-GAP expenditure data, the projected average monthly administrative cost per case is \$57.03 for FY 2013-14 and \$53.66 for FY 2014-15.

CalFresh and CFAP

- Of the youth who age out of FC, 19.4 percent receive CalFresh benefits.
- Of the average 133 cases per month (up to age 20) and 111 average cases per month (up to age 21) beginning January 2014 that will receive extended FC benefits, 12 percent will not be eligible for CalFresh benefits because they will receive Social Security Income benefits. Approximately 15 percent of the cases will not be eligible for CalFresh benefits due to having student status.
- Of the remaining cases that are potentially eligible for CalFresh, an estimated 27 cases per month in FY 2013-14 and 14 cases per month in FY 2014-15 will apply for CalFresh naturally as they age out of FC.
- Based on benefit expenditures in calendar year 2013, the average benefit per foster youth is estimated to be \$150.70 per month through October 2013, decreasing to \$143.84 beginning November 1, 2013, as a result of the expiration of ARRA enhanced benefits.

CalWORKs

- Grant and administration costs for Child-Only cases are calculated by multiplying the caseload by the average grant cost per case per month and average administration cost per case per month, respectively.
- Grant cost avoidance is calculated by multiplying the MAP for an AU of two by the number of casemonths.

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

Extended Foster Care*

METHODOLOGY:

- Administrative cost avoidance is calculated by adding the intake cost per case to the ongoing monthly administrative cost per case and multiplying by the number of casemonths. Employment services cost avoidance is calculated by multiplying casemonths by the cost per case.
- Child care cost avoidance is calculated by multiplying casemonths by the cost per case for child care and then by the utilization rate.

Kin-GAP

- The extension of the Kin-GAP benefits is calculated by multiplying the total number of casemonths by the average Kin-GAP grant. The Kin-GAP administrative costs are calculated by multiplying the projected casemonths by the monthly administrative cost per case.

CalFresh and CFAP

- CalFresh administrative savings are calculated by multiplying the number of CalFresh-eligible cases remaining in FC per month by the administrative costs, calculated as follows:
 - Monthly administrative costs associated with processing new cases are calculated by multiplying new cases by the intake cost of \$51.
 - Monthly administrative costs associated with processing mid-period changes are calculated by multiplying ongoing cases by 7.2 percent and by \$28.23.
 - Quarterly administrative costs associated with processing quarterly reports are calculated by multiplying ongoing cases by \$13.11 on a monthly basis.
- The impact to CFAP is assumed to be one percent of the corresponding CalFresh costs.

Automation

- Automation costs are \$1.8 million in FY 2013-14. No automation is needed in FY 2014-15. The costs will be split among the impacted programs.

FUNDING:

Costs/savings are shared at the same ratios as in their respective programs.

Extended benefits through CalWORKs Child-Only cases are 100 percent state-funded and are not MOE countable. Cost avoidance for CalWORKs grants are 97.5 percent TANF/MOE and 2.5 percent county funded. Administration, employment services and child care cost avoidance are 100 percent TANF/MOE.

The Kin-GAP assistance costs are funded 79 percent GF and 21 percent county funds. The Kin-GAP administrative costs are funded 50 percent GF and 50 percent county funds.

The CFAP benefit savings are 100 percent GF. Administrative savings for CalFresh are 50 percent SNAP and 50 percent GF.

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

Extended Foster Care*

FUNDING (CONTINUED):

Funding for FC automation is shared 70 percent GF and 30 percent county funds. The funding for the FC, Fed-GAP, AAP and CWS programs portion of this estimate is included in the Realigned Programs premise.

CHANGE FROM GOVERNOR'S BUDGET:

CalWORKs – There is no change in grant, administration, employment services cost avoidance in both FY 2013-14 and FY 2014-15 and child care costs in FY 2013-14. The FY 2014-15 increase in child care cost avoidance is due to an increase in child care cost per case. There is no change in grant and administration costs for services-only cases in both FY 2013-14 and FY 2014-15.

Kin-GAP – There is no change to the administrative cost in FY 2013-14. The FY 2013-14 and FY 2014-15 grant increases and FY 2014-15 administrative costs increase reflects the two cases per month that will extend beyond age 18 due to a disability now captured in the trend, offset by the updated COLA.

CFAP Benefits – There is no change.

CalFresh Administration – There is no change in FY 2013-14. The FY 2014-15 decrease in savings is due to more recent data on children who aged out of FC, a smaller percentage are receiving SSI, apply for CalWORKs, CalFresh and have student status.

Automation – There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

CalWORKs – The increase in program costs and the cost avoidance savings is due to the addition of a new cohort of NMDs who will be eligible for extended benefits beginning January 2014.

Kin-GAP – The grant and administrative increases reflect the addition of a new cohort of NMDs who will be eligible for Extended FC beginning January 2014.

CFAP Benefits and CalFresh Administration – The increase is due to the cumulative caseload impact of a new cohort of NMDs who will be eligible for Extended FC beginning January 2014.

Automation – Programming will be complete in FY 2013-14. No additional costs are required in FY 2014-15.

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

Extended Foster Care***EXPENDITURES:**

(in 000s)

FY 2013-14

	Total	Federal	State	County	Reimb.
Item 101 – CalWORKs Assistance					
Extended FC - Cost Avoidance	-\$921	-\$898	\$0	-\$23	\$0
Item 101 – CalWORKs Services					
Extended FC - Cost Avoidance	-590	-590	0	0	0
Item 101 – CalWORKs Administration					
Extended FC - Cost Avoidance	-72	-72	0	0	0
Item 101 – CalWORKs Child Care					
Extended FC - Cost Avoidance	-206	-206	0	0	0
Item 101 – Kin-GAP Assistance					
Extended FC - Kin-GAP Grants Impact	134	0	106	28	0
Extended FC - Kin-GAP Administration Impact	8	0	4	4	0
Item 101 – Extended FC - Services-Only FC Cases					
Grants	350	0	341	9	0
Administration	28	0	28	0	0
Item 101 – CFAP					
Extended FC	-12	0	-12	0	0
Item 141 – CalFresh Administration					
Extended FC – CalFresh Impact	-128	-64	-64	0	0
Item 141 – Automation					
Extended FC - Automation	1,824	0	1,644	180	0

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

Extended Foster Care***EXPENDITURES (CONTINUED):**

(in 000s)

	<u>FY 2014-15</u>				
	Total	Federal	State	County	Reimb.
Item 101 – CalWORKs Assistance					
Extended FC - Cost Avoidance	-\$1,488	-\$1,451	\$0	-\$37	\$0
Item 101 – CalWORKs Services					
Extended FC - Cost Avoidance	-1,103	-1,103	0	0	0
Item 101 – CalWORKs Administration					
Extended FC - Cost Avoidance	-109	-109	0	0	0
Item 101 – CalWORKs Child Care					
Extended FC - Cost Avoidance	-332	-332	0	0	0
Item 101 – Kin-GAP Assistance					
Extended FC - Kin-GAP Grants Impact	148	0	117	31	0
Extended FC - Kin-GAP Administration Impact	10	0	5	5	0
Item 101 – Extended FC - Services-Only FC Cases					
Grants	538	0	525	13	0
Administration	42	0	42	0	0
Item 101 – CFAP					
Extended FC	-16	0	-16	0	0
Item 141 – CalFresh Administration					
Extended FC – CalFresh Impact	-174	-87	-87	0	0
Item 141 – Automation					
Extended FC - Automation	0	0	0	0	0

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

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Pregnant Teens*

DESCRIPTION:

This premise reflects the costs of providing pregnant teenagers 18 years of age or younger who are ineligible for the Cal-Learn program early eligibility for CalWORKs at any time after verification of pregnancy. The CalWORKs benefits are provided to these teens in an amount equal to that provided in an exempt AU of one if the mother and child, once born, would be otherwise eligible. This provision only applies when the Cal-Learn program is operative. When the Cal-Learn program is not operative, the CalWORKs benefits are paid to a pregnant teen in the month in which the birth is anticipated, and the three months immediately prior.

IMPLEMENTATION DATE:

This premise implemented on January 1, 2014.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&IC section 11450, as amended by AB 1640 (Chapter 778, Statutes of 2012).
- Verification of pregnancy may occur as soon as the first month of pregnancy; therefore, this policy change assumes five additional months of CalWORKs benefits for eligible cases.
- Based on FY 2012-13 CDSS/MEDS longitudinal database and WDTIP, approximately 271 cases in both FY 2013-14 and FY 2014-15 will be eligible for CalWORKs benefits during the first and second trimesters. For FY 2013-14, implementation is assumed to occur over a six-month period.
- The FY 2013-14 estimated costs are based on 452 casemonths and the FY 2014-15 estimated costs are based on 1,357 casemonths.
- Full implementation is assumed in May 2014.
- A \$47 special needs payment per month is also paid to eligible pregnant teenagers upon verification of pregnancy and continues for the duration of the pregnancy.
- In January and February 2014, it is assumed that eligible pregnant teens received a monthly CalWORKs grant in the amount equal to the exempt MAP for an AU of one (\$351).
- The MAP for an exempt AU of one increased to \$369, due to the five percent MAP increase beginning March 1, 2014. The value of the five percent MAP increase (\$7,000 in FY 2013-14 and \$24,000 in FY 2014-15) for this premise is included in the Five Percent MAP Increase premise.
- This premise allows retroactive payments for individuals who were eligible on or after January 1, 2013. It is assumed that 25 percent of eligible cases will seek retroactive payments for a maximum of five months.
- The average monthly administrative cost per case is \$33.58.
- Of the total 271 cases per month, approximately 170 cases are required to participate in WTW, and these cases will require employment services.

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

Pregnant Teens^{*}

KEY DATA/ASSUMPTIONS (CONTINUED):

- Employment services costs are based on 851 casemonths in FY 2014-15.
- The average monthly cost per case for employment services is \$382.37.

METHODOLOGY:

- The grant costs are calculated by multiplying the exempt MAP for an AU of one, plus the special needs payment, by the casemonths for FY 2013-14 and FY 2014-15, less the value of the five percent MAP increase.
- The administration costs are calculated by multiplying the cost per case by the casemonths.
- Employment services costs are calculated by multiplying the cost per case by the employment services casemonths.

FUNDING:

The funding is 90.0 percent TANF, 7.5 percent GF and 2.5 percent county for grant costs; 97.6 percent TANF and 2.4 percent GF for employment services; and 93.8 percent TANF and 6.2 percent GF for administrative costs.

CHANGE FROM GOVERNOR'S BUDGET:

There is no change in administration and employment services in FY 2013-14. The decrease in grants in FY 2013-14 and all costs in FY 2014-15 is due to a technical adjustment to the cost calculated for the number of months that eligible pregnant teens are provided CalWORKs benefits.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase is due to full-year implementation in FY 2014-15.

**Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.*

Pregnant Teens *

EXPENDITURES:

(in 000s)

FY 2013-14

Item 101 – CalWORKs Assistance	Total	Federal	State	County	Reimb.
Pregnant Teens - Grants	\$220	\$198	\$17	\$5	\$0
Item 101 – CalWORKs Services					
Pregnant Teens - Services	1,029	1,007	22	0	0
Item 101 – CalWORKs Administration					
Pregnant Teens - Administration	102	96	6	0	0

FY 2014-15

Item 101 – CalWORKs Assistance	Total	Federal	State	County	Reimb.
Pregnant Teens - Grants	\$541	\$486	\$41	\$14	\$0
Item 101 – CalWORKs Services					
Pregnant Teens - Services	325	317	8	0	0
Item 101 – CalWORKs Administration					
Pregnant Teens - Administration	46	43	3	0	0

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

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Five Percent MAP Increase^{*}

DESCRIPTION:

This premise reflects the cost to the CalWORKs program as a result of increasing MAP. AB 85 (Chapter 24, Statutes of 2013) increases MAP levels by five percent beginning March 1, 2014 for all AUs. The cost of the grant increase will be funded with the Child Poverty and Family Supplemental Support Subaccount of the LRF for FY 2013-14 and FY 2014-15, and the amounts in this subaccount carried over from prior FYs. The growth revenues deposited into the Child Poverty and Family Supplemental Support Subaccount of the LRF will be monitored to calculate the percent increase to the CalWORKs MAP standards to determine if funding remains sufficient for the following FY and thereafter. AB 85 also provides for a subsequent MAP increase beginning October 1, 2014, if sufficient funding is available through the Child Poverty and Family Supplemental Support Subaccount of the LRF. For more information regarding the Child Poverty and Family Supplemental Support Subaccount, see the CalWORKs Funding Subaccounts premise.

IMPLEMENTATION DATE:

This premise implemented on March 1, 2014.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&IC section 11450.025.
- Based on the reported incomes for CalWORKs cases in FFY 2013 RADEP sample data, approximately 0.31 percent of the projected average monthly CalWORKs caseload will continue to remain eligible under a higher income eligibility threshold as a result of MAP increase.
- The projected average monthly CalWORKs caseload is 549,124 from March 2014 to June 2014 and 536,813 in FY 2014-15, which includes approximately 4,230 cases from March 2014 to June 2014 and 4,140 cases in FY 2014-15 that will remain eligible longer as a result of EID restoration beginning October 1, 2013.
- Approximately 1,720 cases from March 2014 to June 2014 and 1,680 cases in FY 2014-15 will no longer be discontinued due to the increase of MAP standards for all CalWORKs AUs.
- Due to the relatively small sample and cases being impacted at varying grant levels, an average monthly grant cost is used for cases that remain eligible under the new income eligibility threshold as a result of MAP increase. Based on the CalWORKs CA 800 report for calendar year 2013, the average CalWORKs monthly grant is \$463.09.
- Based on a grant calculation simulation using incomes from FFY 2013 RADEP sample data, this policy will result in an increase to the average monthly grant of approximately \$24.55 for all CalWORKs cases.
- For cases that will remain eligible for CalWORKs, the \$24.55 increase is added to the average monthly grant of \$463.09. This results in an average monthly grant of \$487.64.

**Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.*

Five Percent MAP Increase^{*}

KEY DATA/ASSUMPTIONS (CONTINUED):

- Ongoing administrative costs are assumed for cases that will no longer be ineligible or discontinued. The administrative cost per case is assumed to be \$29.52 in FY 2014-15 based on the weighted average of SAR and AR/CO cases and the respective administration cost per case.
- A general notification will be provided to all CalWORKs cases in FY 2013-14 to inform them of the five percent MAP increase. The total cost of the mailers is estimated to be \$0.51 per case which is included in the total administration costs.
- Approximately 74.58 percent of cases that will no longer be ineligible or discontinued (1,250 cases in FY 2014-15) are assumed to receive CalWORKs employment services.
- The CalWORKs Employment Services cost per case is \$382.37.
- Based on the projected funding available in the Child Poverty and Family Supplemental Support Subaccount, there is not sufficient funding for a subsequent MAP increase in FY 2014-15.
- The estimated cost of the five percent MAP increase in other premises is \$1.0 million in FY 2013-14 and \$2.7 million in FY 2014-15.
- The funding for administration and employment services in FY 2013-14 is held to the prior Governor's Budget.

METHODOLOGY:

- Total CalWORKs grant costs are the sum of the cases no longer ineligible or discontinued multiplied by the cost per case and the total CalWORKs caseload multiplied by the average grant increase and then multiplied by four months in FY 2013-14 and 12 months in FY 2014-15. The value of the five percent MAP increase from other premises is added to the total grant costs.
- For CalWORKs administration costs, the number of cases no longer ineligible or discontinued is multiplied by the cost per case, and then multiplied by 12 months in FY 2014-15.
- The cost of mailers is calculated by multiplying the average monthly CalWORKs caseload in FY 2013-14 by \$0.51 per mailer.
- For CalWORKs employment services costs, the number of cases no longer ineligible or discontinued receiving employment services is calculated by multiplying the cost per case by 12 months in FY 2014-15.

FUNDING:

The funding for CalWORKs grant costs is 100 percent GF which will be offset by the Child Poverty and Family Supplemental Support Subaccount once the funds become available. The funding for employment services is 97.6 percent TANF and 2.4 percent MOE/GF. The funding for administration costs is 93.8 percent TANF and 6.2 percent MOE/GF.

**Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.*

Five Percent MAP Increase^{*}

CHANGE FROM GOVERNOR'S BUDGET:

There is no change in administration and employment services costs in FY 2013-14. The FY 2013-14 and FY 2014-15 increased grant costs are due to a slower decrease in the projected CalWORKs caseload. The FY 2014-15 decreased costs of administration and employment services is due to updated data indicating a decrease in the number of cases that will no longer be ineligible or discontinued.

REASON FOR YEAR-TO-YEAR CHANGE:

The increased cost is due to a full year of implementation.

EXPENDITURES:

(in 000s)

	<u>FY 2013-14</u>				
Item 101 – CalWORKs Assistance	Total	Federal	State	County	Reimb.
Five Percent MAP Increase	\$58,289	\$0	\$58,289	\$0	\$0
Item 101 – CalWORKs Employment Services					
Five Percent MAP Increase	2,890	2,823	67	0	0
Item 101 – CalWORKs Administration					
Five Percent MAP Increase	575	542	33	0	0
	<u>FY 2014-15</u>				
Item 101 – CalWORKs Assistance	Total	Federal	State	County	Reimb.
Five Percent MAP Increase	\$170,694	\$0	\$170,694	\$0	\$0
Item 101 – CalWORKs Employment Services					
Five Percent MAP Increase	5,740	5,601	139	0	0
Item 101 – CalWORKs Administration					
Five Percent MAP Increase	594	557	37	0	0

**Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.*

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Modified Vehicle Asset Limit*

DESCRIPTION:

This premise reflects the costs and savings to the CalWORKs program due to modification of the vehicle asset limit for all applicants and recipients. Under the previous law, a \$4,650 threshold was applied to the greater of the fair market value or equity value (fair market value less encumbrances) of the vehicle, unless an exemption was applied to the vehicle. AB 74 (Chapter 21, Statutes of 2013) modifies the allowable value of a licensed motor vehicle retained by an applicant or recipient of CalWORKs to not greater than \$9,500 equity value. The vehicle asset limit will be adjusted annually by the increase, if any, in the United States Transportation CPI for all urban consumers published by the United States Department of Labor, Bureau of Labor Statistics. AB 74 also allowed a vehicle to be exempt from the asset limit if the vehicle was transferred to the CalWORKs applicant or recipient as a gift, donation or family transfer. In addition to the asset limit and exemption criteria, AB 74 also permitted applicants to self-verify the value of their vehicle and any encumbrances owed on that vehicle. SB 98 (Chapter 358, Statutes of 2013) further modified the vehicle provisions so that the new equity value would apply to all vehicles and not just be limited to licensed vehicles.

IMPLEMENTATION DATE:

This premise implemented on January 1, 2014.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&IC section 11155, as amended by AB 74 and SB 98.
- There is no CPI adjustment to the vehicle asset limit at this time.
- The projected CalWORKs caseload is 547,049 in FY 2013-14 and 532,672 in FY 2014-15.
- Assumes this premise will result in new cases, affect the earned income of current cases and ease the administrative burden for applicants.
- The net grant cost is \$0.4 million in FY 2013-14 and \$0.3 million in FY 2014-15.
- The FY 2014-15 administrative savings are \$1 million, employment services cost is \$1.5 million and the child care cost is \$1.2 million.

The methodology for this premise includes the following assumptions from research studies as these assumptions are not available from existing CalWORKs data:

- Cynthia Bansak, Heather Mattson, Lorien A. Rice; "Cars, Employment, and Single Mothers: The Effect of Welfare Asset Restrictions;" *Industrial Relations: A Journal of Economy and Society*, Volume 49, Issue 3, pages 321–345, July 2010.
 - Car ownership can be expected to be 6.1 percent higher in states that value vehicles on an equity basis.
 - Individuals who own a vehicle work an additional 15 hours per week.
- Paul M. Ong; "Car Ownership and Welfare-to-Work;" University of California Transportation Center, February 2001.
 - Owning a vehicle increases the probability of being employed by 9 percent.

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

Modified Vehicle Asset Limit*

KEY DATA/ASSUMPTIONS (CONTINUED):

- Charles L. Baum; “The Effects of Vehicle Ownership on Employment;” *Journal of Urban Economics Volume 66, Pages 151–163, July 2009.*
 - For every \$1000 increase in vehicle value, the hours worked increased by one.

New Cases:

- There are grant, administrative, employment services and child care costs for cases that enter CalWORKs because they are now eligible under the modified vehicle asset limit rules.
- Approximately 0.259 percent of CalWORKs cases will become eligible for aid due to the increase in the vehicle asset limit (FY 2012-13 LEADER data).
- Approximately 17.56 percent of the denied cases would have reapplied successfully a second time absent the modified vehicle asset limit increase (Los Angeles CWD survey data, FY 2010-11).
- The remaining cases are the newly eligible cases due to this premise.
- The new caseload in FY 2013-14 is evenly phased starting January 2014 at 195 new cases each month reaching 1,168 new cases in June 2014, which equates to 4,089 casemonths. Casemonths are the number of times a cost is budgeted in a given time frame and provides a more simple method for calculating the annual cost when there is not a monthly average caseload.
- Starting July 1, 2014, the average monthly caseload is reduced by 17.51 percent for time on aid savings based on time on aid for cases that have a car compared to those who do not have a car (RADEP FFY 2012 and FY 2010-11 Los Angeles CWD Survey data).
- The projected average monthly caseload is 938 for FY 2014-15.
- Based on RADEP 2012 data, aided adult cases with annual earnings over \$10,000 had an average monthly grant of \$436.69; this average grant represents the base average grant cost that is anticipated for this caseload.
- Based on RADEP 2012 data, the median wage earned by CalWORKs recipients is \$8.75 per hour.
- The base average grant cost is then offset by the projected average incremental increase in earnings associated with the increased vehicle value (\$91.88 in FY 2013-14 and \$94.50 in FY 2014-15) based on the median wage of CalWORKs recipients with earnings and the hourly minimum wage increase to \$9.00 effective July 1, 2014.
- The resulting average grant cost for new cases is \$344.81 in FY 2013-14 and \$342.19 in FY 2014-15.
- The impact of the five percent MAP increase effective March 1, 2014, is approximately \$100,000 in FY 2013-14 and \$276,000 in FY 2014-15. These increases are not reflected in the total costs because they are captured in the Five Percent MAP Increase premise.
- The monthly administrative cost per case is \$29.52 in FY 2014-15.

*Please refer to the first tab titled “[Acronyms](#)” for a full description of acronyms.

Modified Vehicle Asset Limit*

KEY DATA/ASSUMPTIONS (CONTINUED):

- Based on CalWORKs Welfare-to-Work Monthly Activity Report (WTW 25 and 25A) calendar year 2013 data, 35.67 percent of CalWORKs cases receive employment services.
- The employment services cost per case is \$382.37.
- Based on calendar year 2013 child care data; the Stage One and Two utilization rate is 26.85 percent, there are 1.6 children per case and the Stage One Child Care child care cost per case is \$723.44 per child.

Current Cases:

- There are incremental grant savings for current cases (except zero-parent cases) that have increased earnings because they can acquire a new or higher valued vehicle while on CalWORKs.
- Based on CalWORKs Cash Grant Caseload Movement Report (CA 237 CW) calendar year 2013 data, approximately 33.39 percent of CalWORKs cases are zero-parent and are assumed not to be affected by the modified vehicle asset limit.
- Of the remaining cases, it is assumed that 6.1 percent will acquire a vehicle and approximately nine percent of those that acquire a vehicle will become employed.
- Approximately 84.33 percent of employed cases have monthly earnings greater than the earned income disregard of \$225 (FFY 2012 RADEP sample data) and will increase their employment by 15 hours per week.
- The current caseload grant savings for FY 2013-14 are evenly phased starting January 2014 at 281 cases per month and reaching 1,687 cases in June 2014, which equates to 5,904 casemonths.
- The projected average monthly caseload is 1,643 for FY 2014-15.
- Assuming the median wage for the additional 15 hours and disregarding the first \$225 and 50 percent of the remaining earnings, the grant savings for current cases who acquire a vehicle is \$171.66 in FY 2013-14.
- Applying the minimum wage increase (effective July 1, 2014) to the 15 hours of employment and applying the EID yields an average monthly grant savings of \$179.78 for current cases in FY 2014-15.

Applicants:

- There are administrative savings for the reduced time in processing applications for applicants who self-verify the value of their vehicle.
- The projected average monthly number of CalWORKs applications is 34,802 in FY 2014-15.
- Based on data from C-IV, CalWIN and LEADER, 42.93 percent of applicants own a vehicle.
- The CalWORKs eligibility worker cost is \$57.57 per hour, or 96 cents per minute.
- Assumes administrative time savings of 7.5 minutes per applicant for no longer verifying the value of a vehicle.

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

Modified Vehicle Asset Limit*

METHODOLOGY:

New Cases:

- The FY 2013-14 grant cost for new cases are calculated by multiplying the average monthly grant cost per case by the total casemonths (to account for phase in).
- The FY 2014-15 grant and administrative costs for new cases are calculated by multiplying the average monthly grant and administrative cost per case by the average monthly caseload and by 12 months.
- The employment services caseload is calculated by multiplying the grant and administrative caseload by 35.67 percent.
- The FY 2014-15 total employment services cost is calculated by multiplying the caseload by the employment services cost per case and by 12 months.
- The child care caseload is calculated by multiplying the employment services caseload by the 26.85 utilization rate and the 1.6 children per case.
- The FY 2014-15 total child care cost is calculated by multiplying the caseload by the Stage One Child Care cost per case and then by 12 months.

Current Cases:

- The caseload is calculated by reducing the projected CalWORKs caseload by the percent of zero-parent cases.
- The remaining cases are multiplied by 6.1 percent to determine the number of current cases anticipated to acquire a vehicle.
- The number of current cases anticipated to acquire a vehicle is multiplied by nine percent and then by 84 percent to determine the number of current cases who acquire a car and will be employed with higher earnings.
- The remaining cases are then multiplied by the average monthly grant savings for current cases of \$179.78.

Applicants:

- The administrative savings per case for applicant self-verification of vehicle asset is calculated by multiplying the cost per minute by number of minutes of county staff time saved.
- The total administrative savings are calculated by multiplying the average monthly number of applicants by the administrative savings per case.

FUNDING:

The funding for grants in FY 2013-14 and FY 2014-15 is TANF, GF/MOE, and county funds consistent with the funding ratios in the CalWORKs Grants premise. The FY 2014-15 funding for employment services, administrative and child care costs are TANF and GF/MOE consistent with the funding ratios in the CalWORKs Employment Services, CalWORKs Administrative Costs and Stage One Child Care premises, respectively.

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

Modified Vehicle Asset Limit*

CHANGE FROM GOVERNOR'S BUDGET:

The FY 2013-14 and FY 2014-15 decrease in grant costs reflect updated caseload data and a technical correction to the calculation for phasing in the offsetting grant savings for new cases. There is no change to the remaining funding for FY 2013-14. The FY 2014-15 increase in administrative savings, decrease in child care costs and increase in state share of employment services costs reflect updated caseload assumptions based on actual calendar year 2013 data.

REASON FOR YEAR-TO-YEAR CHANGE:

The changes to offsetting grant savings/grant cost, administrative savings, employment services cost and child care cost reflect a full year of implementation.

EXPENDITURES:

(in 000s)

FY 2013-14

Item 101 – CalWORKs Assistance	Total	Federal	State	County	Reimb.
Modified Vehicle Asset Limit	\$396	\$356	\$30	\$10	\$0
Item 101 – CalWORKs Services					
Modified Vehicle Asset Limit-Services	565	552	13	0	0
Item 101 – CalWORKs Administration					
Modified Vehicle Asset Limit	-529	-498	-31	0	0
Item 101 – CalWORKs Child Care					
Modified Vehicle Asset Limit-Child Care	478	444	34	0	0

FY 2014-15

Item 101 – CalWORKs Assistance	Total	Federal	State	County	Reimb.
Modified Vehicle Asset Limit	\$309	\$278	\$23	\$8	\$0
Item 101 – CalWORKs Services					
Modified Vehicle Asset Limit-Services	1,536	1,499	37	0	0
Item 101 – CalWORKs Administration					
Modified Vehicle Asset Limit	-958	-889	-59	0	0
Item 101 – CalWORKs Child Care					
Modified Vehicle Asset Limit-Child Care	1,248	1,171	77	0	0

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

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Children in Public Hospitals^{*}

DESCRIPTION:

This premise reflects the cost of providing CalWORKs cash assistance to families with a child in a public hospital. The previously existing policy limited grants to two months for such cases. Under AB 419 (Chapter 293, Statutes of 2013), an AU's benefits will not be reduced when a child in that AU receives care in a public hospital, regardless of the duration of stay. This aligns policy regarding children receiving care in a public hospital with previously existing policy regarding children receiving care in a private hospital.

IMPLEMENTATION DATE:

This premise implemented on January 1, 2014.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&IC section 11269, as amended by AB 419.
- The projected average monthly children receiving aid for FY 2013-14 is 1,037,537 children and for FY 2014-15 is 1,009,942 children.
- Based on data from OSHPD and 2010 Census data, 0.036 percent of all children in California were hospitalized for more than 60 days from January 2011 through June 2012.
- Public hospitals are assumed to provide 30 percent of care.
- Based on data from OSHPD, from January 2011 through June 2012, the average length of a hospital stay, for children hospitalized greater than 60 days, was 108 days.
- The grant cost will be incurred once the child has been hospitalized for greater than 60 days. Therefore, the grant cost is assumed to occur for 48 days, or 1.6 months, which is the difference between the average length of stay, 108 days, and 60 days.
- The grant cost is the difference between the MAP for an AU of three and an AU of two.
- The monthly grant cost is \$122 for January and February 2014.
- Due to the five percent MAP increase, the monthly grant cost is \$128 from March 2014 onward.
- The value of the five percent MAP increase (\$365 in FY 2013-14 and \$1,066 in FY 2014-15) for this population is not reflected in the total cost of this premise because it is consolidated into the Five Percent Grant Increase premise.

METHODOLOGY:

- The total caseload is the projected average monthly children on aid for the appropriate FY multiplied by the percentage of children in California that were hospitalized greater than 60 days then by the percentage of children assumed to receive care in a public hospital.

**Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.*

Children in Public Hospitals^{*}

METHODOLOGY (CONTINUED):

- The CalWORKs grant cost is the total caseload multiplied by the monthly grant cost then by the months exceeding 60 days.
- The grant costs are adjusted to reflect the value of the five percent MAP increase located in its own premise.

FUNDING:

The funding for this premise is 90 percent TANF, 7.5 percent GF and 2.5 percent county.

CHANGE FROM GOVERNOR’S BUDGET:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase reflects a full year of implementation.

EXPENDITURES:

(in 000s)

FY 2013-14

Item 101 – CalWORKs Assistance	Total	Federal	State	County	Reimb.
Children in Public Hospitals	\$11	\$10	\$1	\$0	\$0

FY 2014-15

Item 101 – CalWORKs Assistance	Total	Federal	State	County	Reimb.
Children in Public Hospitals	\$21	\$19	\$2	\$0	\$0

**Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.*

Minimum Wage Increase*

DESCRIPTION:

This premise reflects the savings to the CalWORKs program as a result of increasing the minimum wage. The increased wages will result in decreased CalWORKs grants for cases with earnings as well as administrative and services savings for cases that are discontinued from CalWORKs due to exceeding the income eligibility threshold. AB 10 (Chapter 351, Statutes of 2013) increases the minimum wage from \$8.00 per hour to \$9.00 per hour on or after July 1, 2014. A second increase (to not less than \$10 per hour) will go into effect on or after January 1, 2016. Cost impacts to IHSS programs are included in the IHSS Basic Services premise.

IMPLEMENTATION DATE:

This premise will implement July 1, 2014.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Labor Code section 1182.12
- The impacted cases will experience a reduction in their monthly grant amount at their next reporting period beginning August 1, 2014, the month after the minimum wage increase is effective. Cases working enough hours to exceed the CalWORKs income threshold will no longer be eligible for the CalWORKs program and will be impacted immediately due to the income reporting threshold under SAR and AR/CO.
- The projected average monthly CalWORKs caseload is 532,319 in FY 2014-15 (excluding July 2014).
- Based on FFY 2013 RADEP data, 21.78 percent of CalWORKs cases include a working adult.
- Of the cases that include a working adult, 12.9 percent of the cases earn below \$8.99 per hour and, therefore, it is assumed that these cases would be directly affected by the minimum wage increase.
- Based on FFY 2013 RADEP data, 1,060 cases are assumed to be working enough hours to exceed the CalWORKs income eligibility threshold due to the increased earnings when the minimum wage rises to \$9.00 per hour and will no longer be eligible for the CalWORKs program.
- Cases affected by the minimum wage increase, but not discontinued, are assumed to be impacted at their next reporting period.
- Of the cases that include a working adult, the average hours worked per month were 92.3 hours based on FFY 2013 RADEP data.
- Based on FFY 2013 RADEP data, cases impacted by the minimum wage increase will experience an average increase in earnings of approximately \$0.96 per hour. Since cases impacted by the minimum wage are already working, it is assumed that their grants have already been adjusted for the impact of the initial \$225 EID.

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

Minimum Wage Increase*

KEY DATA/ASSUMPTIONS (CONTINUED):

- The average earnings increase results in a monthly grant reduction of approximately \$0.48 per hour due to the 50 percent disregard of remaining income.
- Grant savings due to the increased wages are assumed to be \$44.08 per case per month (approximately \$0.48 grant reduction per hour x 92.3 work hours per month).
- Administration savings due to cases that exceed the income threshold and are no longer eligible for the CalWORKs program are assumed to be \$31.27 per case per month, the weighted average of administrative costs for impacted SAR cases and AR/CO cases.
- Employment services savings due to cases that exceed the income threshold, and are no longer eligible for the CalWORKs program, are assumed to be \$382.37 per case per month.

METHODOLOGY:

- Grant savings for cases impacted by the minimum wage increase, but not discontinued, are determined by multiplying the caseload by the average grant savings and then by the number of months impacted.
- Grant savings for cases that exceed the CalWORKs income eligibility threshold, and are discontinued, are determined by multiplying the discontinued cases by the average grant savings and then by 11 months.
- Administrative savings for cases that exceed the CalWORKs income eligibility threshold, and are discontinued, are determined by multiplying the discontinued cases by the average administrative savings and then by 11 months.
- Services savings for cases that exceed the CalWORKs income eligibility threshold, and are discontinued, are determined by multiplying the discontinued cases by the average administrative savings and then by 11 months.

FUNDING:

The funding for CalWORKs grants is 90.0 percent TANF, 7.5 percent GF and 2.5 percent county. The funding for CalWORKs administration is 93.8 percent TANF and 6.2 percent GF. The funding for CalWORKs employment services is 97.8 percent TANF and 2.4 percent GF.

CHANGE FROM GOVERNOR'S BUDGET:

There is no change in FY 2013-14. The FY 2014-15 increase in grant savings is due to updated data indicating higher earnings and a revised calculation of wage-earners who would income off due to increased wages. The FY 2014-15 decreases in administration and services savings are due to fewer cases incoming off as a result of the revised calculation.

REASON FOR YEAR-TO-YEAR CHANGE:

This is a new premise implementing in FY 2014-15.

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

Minimum Wage Increase***EXPENDITURES:**

(in 000s)

FY 2013-14

	Total	Federal	State	County	Reimb.
Item 101 – CalWORKs Assistance					
Minimum Wage Increase	\$0	\$0	\$0	\$0	\$0
Item 101 – CalWORKs Employment Services					
Minimum Wage Increase	0	0	0	0	0
Item 101 – CalWORKs Administration					
Minimum Wage Increase	0	0	0	0	0

FY 2014-15

	Total	Federal	State	County	Reimb.
Item 101 – CalWORKs Assistance					
Minimum Wage Increase	-\$5,715	-\$5,142	-\$430	-\$143	\$0
Item 101 – CalWORKs Employment Services					
Minimum Wage Increase	-4,458	-4,350	-108	0	0
Item 101 – CalWORKs Administration					
Minimum Wage Increase	-365	-341	-24	0	0

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

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Veterans' Disability Compensation*

DESCRIPTION:

This premise reflects the cost of CalWORKs grants for AUs with veterans' disability-based unearned income. AB 1094 (Chapter 554, Statutes of 2013) added veterans' disability-based compensation to the types of disability-based unearned income that are subject to the \$225 unearned income disregard. Under AB 1094, the first \$225 of veterans' disability-based compensation will be disregarded when calculating the CalWORKs monthly grant.

IMPLEMENTATION DATE:

This premise originally assumed an implementation date of July 1, 2014; however, statute required this policy to implement on January 1, 2014.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&IC section 11451.5, as amended by AB 1094.
- The projected average monthly CalWORKs caseload for FY 2013-14 is 547,049 cases and for FY 2014-15 is 532,672 cases.
- According to SAWS Consortia data, approximately 0.07 percent of CalWORKs cases receive veterans' disability-based compensation.
- Cases with veterans' disability-based compensation are assumed to receive the maximum income disregard of \$225 per month.

METHODOLOGY:

- The number of CalWORKs cases receiving veterans' disability-based compensation is the projected monthly CalWORKs caseload multiplied by the percentage of CalWORKs cases receiving veterans' disability-based compensation. The projected monthly caseload is 396 cases in FY 2013-14 and 386 cases in FY 2014-15.
- The CalWORKs grant cost is calculated by multiplying the projected monthly caseload by the maximum disregard (\$225) and then by the number of months in the FY.

FUNDING:

This program is funded 90.0 percent TANF, 7.5 percent GF and 2.5 percent county.

CHANGE FROM GOVERNOR'S BUDGET:

The change in FY 2013-14 is due to an updated implementation date (from July 1, 2014 to January 1, 2014). The increase in FY 2014-15 is due to a slower decline in the projected CalWORKs caseload.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase is due to a full year of implementation.

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

Veterans' Disability Compensation*

EXPENDITURES:

(in 000s)

FY 2013-14

Item 101 – CalWORKs Assistance	Total	Federal	State	County	Reimb.
Veterans' Disability Compensation	\$535	\$482	\$40	\$13	\$0

FY 2014-15

Item 101 – CalWORKs Assistance	Total	Federal	State	County	Reimb.
Veterans' Disability Compensation	\$1,042	\$938	\$78	\$26	\$0

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

Parent/Child Engagement Demonstration Pilot^{*}

DESCRIPTION:

This premise reflects the cost to implement a Parent/Child Engagement Demonstration Pilot. The most vulnerable low-income families with children typically do not access licensed child care, despite the availability of subsidies and other supports. Many of these parents are not engaged with the educational development of their children and often fall into CalWORKs sanction status, reducing monthly household benefit amounts and placing further stress on the children. This proposal will (1) connect vulnerable children with stable, licensed child care, (2) engage parents with their children in a child care setting, (3) enhance life skills, and (4) provide parents with barrier removal and work readiness activities to help move the family toward self-sufficiency. The proposed intervention is evidence-based, drawn largely from the Child Parent Center model which demonstrated positive educational outcomes for children and reduced need for PA by the family.

Six counties and 2,000 families will be selected to participate in the pilot over a three year period. Pilot counties will identify participant cohorts of CalWORKs children and families through an initial assessment and deep screening. This pilot provides child care in a stable environment and includes a parental involvement requirement in which parents will work with their child for an average of ten hours per week for at least six months. Child care providers will work directly with parents through mentoring and leading by example. Parents will learn how to nurture positive relationships with their children as well as understand their role in their child's learning and learn about available community resources.

IMPLEMENTATION DATE:

This premise will be implemented on January 1, 2015.

KEY DATA/ASSUMPTIONS:

- The first cohort of 1,000 parents will begin to participate in FY 2014-15 and enter the pilot in March 2015.

Child Care and Parental Involvement

- There are 1.6 children per family based on actual caseload data from the CW 115 and CW 115A Child Care Monthly Reports in calendar year 2013.
- Full-time child care will be provided throughout the entire pilot if the parent completes the parental involvement component.
- If the parent does not complete the parental involvement component, but continues to participate in WTW activities, the child will receive part-time care for the duration of the pilot.
- Assumes ten percent of participants enrolled will not meet the requirements of the parental component within three months.
- The projected monthly child care cost per case is based on a weighted statewide average of monthly preschool age, full-time and part-time care in a child care center at the 85th percentile of the 2005 RMR survey. The full-time and part-time care cost per case is \$873.40 and \$732.31, respectively.

**Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.*

Parent/Child Engagement Demonstration Pilot^{*}

KEY DATA/ASSUMPTIONS (CONTINUED):

- The monthly cost per case for parental involvement component in the child care setting is \$335. This funding is necessary to pay for additional, qualified staff in centers to provide services for parents, which may involve time beyond the typical child care hours. This funding is also necessary to support the child care providers with additional costs for facilities, utilities and supplies.

Parental Case Management (Services)

- This component will include job readiness, barrier removal and home visitation. Counties will work closely with parents on job readiness and job training, have lower client to worker ratios, address any crises or barriers the parents may be facing that have prevented them from being successful in WTW activities in the past and incorporate home visits as necessary.
- Each parent will receive seven months of intensive case management services.
- The projected monthly cost per case is \$361.43 and is based on the cost of similar services in WTW, such as Cal-Learn intensive case management (\$217.50) and family stabilization/barrier removal (\$143.93).

Grant Restoration

- This component assumes 90 percent of parents will be in sanction status upon entering the pilot.
- The remaining ten percent of participants are considered at risk of and are not sanctioned.
- Fifty percent of the sanctioned participants will cure their sanction for 12 months through participation in the pilot.
- The grant amount restored is assumed to be \$128, which is the difference between the MAP for an AU of two and an AU of three.

Health and Safety

- Trustline certification and tuberculosis testing may be completed for parents participating at child care centers.
- The projected Trustline cost per case is \$277.69 based on actual county expenditure and caseload data and actual contract costs in calendar year 2013.
- The projected tuberculosis testing cost per case is \$25 based on data from the Sacramento County Department of Public Health.

Pilot Consultant

- The pilot consultant cost is \$100,000 for pilot design, development and monitoring.

Research and Evaluation

- Research and evaluation cost is \$125,000 to track employment-related outcome measures for adult participants and produce a comprehensive final report and analysis of the pilot's results.

**Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.*

Parent/Child Engagement Demonstration Pilot^{*}

METHODOLOGY:

Child Care and Parental Involvement

- The number of adult participants is multiplied by the number of children per family to derive the monthly full-time child care caseload.
 - 1,000 adult participants x 1.6 children per family = 1,600 children per month
- The part-time child care caseload is derived by multiplying the total adult caseload by the percentage of adults that will not complete services within three months by the number of children per family.
 - 1,000 adult participants x 10 percent x 1.6 children per family = 160 children per month
- In June 2015, the full-time child care caseload is reduced by the percent of parents (assumes 10 percent) that are not meeting the pilot requirements. This group is removed from the full-time child care caseload and is moved to part-time child care.
 - 1,600 children – 160 children = 1,440 children per month
- The monthly full-time child care caseload is multiplied by the full-time child care cost per case by the number of months for the applicable period to derive the cost for full-time child care.
 - March through May 2015: 1,600 children x \$873.40 x 3 months = \$4.19 million
 - June 2015: 1,440 children x \$873.40 x 1 month = \$1.26 million
 - \$4.19 million + \$1.26 million = \$5.45 million
- The monthly part-time child care caseload is multiplied by the part-time child care cost per case by the number of months for the applicable period to derive the cost for part-time child care.
 - June 2015: 160 children x \$732.31 x 1 month = \$0.12 million
- The cost for parental involvement is the total child care caseload multiplied by the cost per case by the months in the FY.
 - 1,600 children x \$335 x 4 months = \$2.14 million
- The total child care cost is the sum of the full-time child care cost, the part-time child care cost and the cost for parental involvement.
 - \$5.45 million + \$0.12 million + \$2.14 million = \$7.71 million

Parental Case Management (Services)

- The adult caseload is discounted in June 2015 for parents that are not meeting the pilot requirements. The number of cases removed from the caseload is the total adult participants enrolled multiplied by ten percent.
 - 1,000 adult participants x 10 percent = 100 adult participants removed from the caseload

**Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.*

Parent/Child Engagement Demonstration Pilot^{*}

METHODOLOGY (CONTINUED):

- The total parental case management cost is the monthly caseload multiplied by the parental management cost per case by the number of months in the applicable period.
 - March through May 2015: 1,000 parents x \$361.43 x 3 months = \$1.08 million
 - June 2015: 900 parents x \$361.43 x 1 month = \$0.33 million
 - \$1.08 million + \$0.33 million = \$1.41 million

Grant Restoration

- The sanctioned caseload for the appropriate month is multiplied by 50 percent to determine the portion of cases that will have their grant restored.
 - March through May 2015: 900 adult participants x 50 percent = 450 adult participants
 - June 2015: 810 adult participants x 50 percent = 405 adult participants
- The projected expenditures are the monthly grant restoration caseload multiplied by the amount of grant restored by the number of months in the applicable period.
 - March through May 2015: 450 parents x \$128 x 3 months = \$0.17 million
 - June 2015: 405 parents x \$128 x 1 month = \$0.05 million
 - \$0.17 million + \$0.05 million = \$0.22 million

Health and Safety

- The Trustline cost per case and tuberculosis testing cost per case are added and then multiplied by the total adult caseload to determine the cost for Trustline and tuberculosis testing.
 - $(\$277.69 + \$25) \times 1,000$ adult participants = \$0.30 million

FUNDING:

The child care costs are 93.8 percent TANF and 6.2 percent GF. The parental case management (services) costs are 97.6 percent TANF and 2.4 percent GF. The CalWORKs grant costs are 90.0 percent TANF, 7.5 percent GF and 2.5 percent county. The Trustline costs are 92.9 percent TANF and 7.1 percent GF. The tuberculosis testing costs are 100 percent GF. The pilot consultant and research and evaluation costs are 100 percent TANF.

CHANGE FROM GOVERNOR'S BUDGET:

There is no change in FY 2013-14. The increase in Trustline and tuberculosis testing costs in FY 2014-15 is due to a higher Trustline cost per case. The decrease in grant cost in FY 2014-15 is due to a lower proportion of participants in sanction status, thereby reducing the number of cases curing sanction and incurring grant costs.

**Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.*

Parent/Child Engagement Demonstration Pilot^{*}

REASON FOR YEAR-TO-YEAR CHANGE:

This is a new premise implementing January 2015.

EXPENDITURES:

(in 000s)

FY 2013-14

Item 101 – CalWORKs Assistance	Total	Federal	State	County	Reimb.
Parent/Child Engagement Demo Pilot - Grants	\$0	\$0	\$0	\$0	\$0
Item 101 – CalWORKs Services					
Parent/Child Engagement Demo Pilot - Services	0	0	0	0	0
Item 101 – CalWORKs Administration					
Parent/Child Engagement Demo Pilot - Consult & Evaluation	0	0	0	0	0
Item 101 – CalWORKs Child Care					
Parent/Child Engagement Demo Pilot - Child Care	0	0	0	0	0
Parent/Child Engagement Demo Pilot - Trustline & Tuberculosis	0	0	0	0	0

FY 2014-15

Item 101 – CalWORKs Assistance	Total	Federal	State	County	Reimb.
Parent/Child Engagement Demo Pilot - Grants	\$225	\$202	\$17	\$6	\$0
Item 101 – CalWORKs Services					
Parent/Child Engagement Demo Pilot - Services	1,410	1,376	34	0	0
Item 101 – CalWORKs Administration					
Parent/Child Engagement Demo Pilot - Consult & Evaluation	225	225	0	0	0
Item 101 – CalWORKs Child Care					
Parent/Child Engagement Demo Pilot - Child Care	7,711	7,231	480	0	0
Parent/Child Engagement Demo Pilot - Trustline & Tuberculosis	303	258	45	0	0

**Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.*

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CalWORKs Employment Services^{*}

DESCRIPTION:

This premise reflects the cost of providing services to individuals in the CalWORKs WTW program. Employment services provided to WTW participants include a wide variety of work, educational, and training activities designed to assist individuals in obtaining and retaining employment. The CalWORKs Employment Services premise includes funding previously identified for CalWORKs Basic Services, Safety Net and RNE cases. This premise is also consolidated with any updated assumptions for the County Performance Incentives premise.

SB 1041 (Chapter 47, Statutes of 2012), resulted in significant changes to the CalWORKs WTW program, including a new time limitation for services (WTW 24-Month Clock), alignment of CalWORKs hourly work requirements to federal participation requirements and changes to certain WTW exemptions. Most of these changes became effective on January 1, 2013; however, certain provisions, such as the 20 percent WTW 24-Month Clock extensions, will not take effect until January 1, 2015.

The 2013-14 Governor's Budget established a new cost per case for CalWORKs Employment Services to provide additional resources to maximize successful outcomes under the new program structure where the full array of WTW activities for CalWORKs adults generally will be limited to 24 months, except for those families that meet federal work participation requirements. These resources will fund the full array of employment services and job development activities, and strengthen case management efforts.

IMPLEMENTATION DATE:

This premise implemented January 1, 1998.

KEY DATA/ASSUMPTIONS:

CalWORKs Employment Services

- Authorizing statute: W&IC section 15204.3(a).
- Based on actual caseload trend data from the CalWORKs WTW Monthly Activity Reports (WTW 25 and WTW 25A) for calendar year 2013, the CalWORKs Employment Services caseload is projected to be 206,837 for FY 2014-15.
- The CalWORKs Employment Services monthly cost per case is \$382.37 based on a three-year average of the funding and caseload from FY 2006-07 through FY 2008-09. Detailed information on how the methodology for CalWORKs Employment Services was developed can be referenced in the 2013-14 Governor's Budget, Estimate Methodologies section.
- Contract costs are projected to be \$3,888,308.
- Hardship cases are estimated to be 0.20 percent of the total projected CalWORKs Employment Services expenditures based on county expenditure claims from calendar year 2013. This amount is shifted from TANF to GF/MOE as they are not federally eligible.

**Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.*

CalWORKs Employment Services^{*}

KEY DATA/ASSUMPTIONS (CONTINUED):

- Based on actual Safety Net services expenditures and caseload data from calendar year 2013, the services funding for Safety Net cases is projected to be \$2,365,768 for FY 2014-15.
- Based on caseload information from the CA 800 expenditure reports, the state-only RNE recipients who are ineligible for TANF benefits make up approximately 52.04 percent of RNE and the remaining 47.96 percent are federally eligible recipients in mixed households.
- Based on county expenditure claims from calendar year 2013, RNE cases are estimated to be 1.99 percent of the total Employment Services expenditures in FY 2014-15. This amount is shifted from TANF to GF/MOE.

County Performance Incentives

- Authorizing Statute: W&IC sections 10544.1 and 10544.2.
- The W&IC section 10544.2 provides that incentive funds shall be available for encumbrance and expenditure by counties until all funds are expended.
- Based on FY 2012-13 expenditure information reported by the counties, the unexpended performance incentive balance in FY 2013-14 is \$4.8 million.
- It is assumed that all remaining incentive funds will be spent in FY 2013-14.

METHODOLOGY:

CalWORKs Employment Services

- The Employment Services funding is determined by multiplying the projected caseload by the monthly cost per case by twelve months:
 - FY 2014-15: 206,837 cases x \$382.37 x 12 months = \$949.1 million.
- The total CalWORKs Employment Services funding is determined by adding the contract costs to the base funding:
 - FY 2014-15: \$949.1 million + \$3.9 million = \$953.0 million.

County Performance Incentives

- It is anticipated that the balance available in FY 2013-14 will be \$4.8 million. There will be no remaining funds available in FY 2014-15.

FUNDING:

The services costs for RNE cases, Safety Net cases and Hardship cases are 100 percent GF. All other costs are 100 percent TANF.

**Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.*

CalWORKs Employment Services^{*}

CHANGE FROM GOVERNOR’S BUDGET:

There is no change in FY 2013-14. The FY 2014-15 increase in CalWORKs Employment Services reflects an increase in the employment services caseload primarily due to cases previously funded in the WTW Services/Reengagement premise for July through December 2013 that are now part of the employment services caseload trend.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase in Employment Services is due to a projected caseload increase. For County Performance Incentives, it is assumed that there will be no remaining funds available in FY 2014-15.

EXPENDITURES:

(in 000s)

FY 2013-14

Item 101 - CalWORKs Services	Total	Federal	State	County	Reimb.
CalWORKs Employment Services	\$914,644	\$893,576	\$21,068	\$0	\$0
County Performance Incentives - Reappropriation	4,776	4,776	0	0	0

FY 2014-15

Item 101 - CalWORKs Services	Total	Federal	State	County	Reimb.
CalWORKs Employment Services	\$952,942	\$929,883	\$23,059	\$0	\$0
County Performance Incentives - Reappropriation	0	0	0	0	0

**Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.*

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Mental Health and Substance Abuse Services^{*}

DESCRIPTION:

This premise reflects the cost to provide mental health and substance abuse services, including case management and treatment, to CalWORKs WTW participants in need of these services to obtain or retain employment. With the implementation of the CalWORKs program, counties are mandated to provide a plan for the treatment of mental or emotional difficulties and for treatment of substance abuse that may limit or impair a participant's ability to make the transition from WTW or retain long-term employment. The CWDs and 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: W&IC sections 11322.6, 11325.7 and 11325.8.
- ABX4 4 (Chapter 4, Fourth Extraordinary Session, Statutes of 2009) provided county flexibility to redirect funding allotted for mental health and substance abuse services to and from CalWORKs Employment Services funding.
- SB 1041 (Chapter 47, Statutes of 2012) extended this flexibility through June 30, 2014.
- Due to the sunset of this flexibility, the projected FY 2013-14 and FY 2014-15 mental health and substance abuse expenditures are held to the 2014-15 Governor's Budget amounts of \$76.3 million and \$50.3 million, respectively.

METHODOLOGY:

The total funding in FY 2013-14 and FY 2014-15 for mental health and substance abuse services is \$76.3 million and \$50.3 million, respectively, for a total of \$126.6 million.

FUNDING:

The funding for this premise is 100 percent GF/MOE.

CHANGE FROM GOVERNOR'S BUDGET:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

**Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.*

Mental Health and Substance Abuse Services^{*}

EXPENDITURES:

(in 000s)

FY 2013-14

Item 101 – CalWORKs Services	Total	Federal	State	County	Reimb.
Mental Health & Substance Abuse Services	\$126,606	\$0	\$126,606	\$0	\$0

FY 2014-15

Item 101 – CalWORKs Services	Total	Federal	State	County	Reimb.
Mental Health & Substance Abuse Services	\$126,606	\$0	\$126,606	\$0	\$0

**Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.*

Mental Health and Substance Abuse – 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 Indian health clinic. Services provided are necessary to obtain or retain employment, or to participate in county or TANF WTW activities.

The services may include: (a) outreach and identification of individuals who are receiving, or may be eligible for, CalWORKs program assistance; (b) screening of individuals for mental health and/or substance abuse issues; (c) ensuring that individuals have transportation to CWD to apply for CalWORKs 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 CWD and (f) facilitating the integration of individuals into the CalWORKs WTW program.

IMPLEMENTATION DATE:

This premise implemented in FY 2001-02.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&IC section 11322.6.
- The Legislature appropriated \$1,943,000 for mental health and substance abuse services in 36 Indian health clinics.
- Each mental health and substance abuse services clinic receives approximately \$53,950.
- There are 30 clinics operating in FY 2013-14, but additional clinics may enter the program at any time during the year.
- There are 36 clinics anticipated to operate in FY 2014-15.

METHODOLOGY:

The estimate is calculated by multiplying the cost per clinic by the number of clinics.

FUNDING:

This premise is funded with 100 percent GF, which is countable toward the TANF MOE requirement. These funds will remain with CDSS for distribution.

CHANGE FROM GOVERNOR'S BUDGET:

There is no change.

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

Mental Health and Substance Abuse – Indian Health Clinics*

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000s)

FY 2013-14

Item 101 – CalWORKs Services	Total	Federal	State	County	Reimb.
Mental Health & Sub Abuse - Indian Health Clinics	\$1,943	\$0	\$1,943	\$0	\$0

FY 2014-15

Item 101 – CalWORKs Services	Total	Federal	State	County	Reimb.
Mental Health & Sub Abuse - Indian Health Clinics	\$1,943	\$0	\$1,943	\$0	\$0

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

Welfare-to-Work Services/Reengagement*

DESCRIPTION:

This premise reflects the cost associated with reengagement of the CalWORKs cases that received the Short-Term Reform exemption from the WTW program and implementation of a new young child exemption in accordance with SB 1041 (Chapter 47, Statutes of 2012).

ABX4 4 (Chapter 4, Fourth Extraordinary Session, Statutes of 2009) created a Short-Term Reform exemption from WTW activities for a parent or caretaker relative who has primary responsibility for providing care to one child who is 12 months through 23 months of age, or at least two children who are under six years of age. SB 1041 extended the Short-Term Reform young child exemption through December 31, 2012, and required reengagement of those cases during the following 24-month period unless the case qualifies for another exemption. In addition, SB 1041 created a new one-time young child exemption for a parent or caretaker relative personally providing care to a child from birth through 23 months of age, which is utilized at the option of the parent.

IMPLEMENTATION DATE:

This premise implemented on January 1, 2013.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&IC section 11320.3 (g) through (h).
- As of December 31, 2013, there are 18,000 Short-Term Reform exempt cases based on SAWS Consortia data from CWDs.
- Based on FFY 2013 data from RADEP, it is assumed that 9,720 of the 18,000 Short-Term Reform exempt cases are not voluntarily participating in WTW. Exempt volunteers are already reflected in the estimated funding for the basic CalWORKs Employment Services estimate methodology and therefore excluded from the reengagement caseload.
- Of the 9,720 cases, the reengagement caseload excludes 3,771 cases who qualify for another exemption from WTW participation requirements. These cases require a one-time screening to ensure that they meet the criteria to qualify for the exemption.
- It is assumed that 2,799 of the 3,771 cases have a child under 18 months and will remain exempt by electing to take the new young child exemption. It is assumed that the remaining 972 of the 3,771 cases will qualify for some other WTW exemption.
- The resulting reengagement caseload for employment services is 5,949.
- The funding for the screening and the reengagement caseload is distributed evenly over the remaining 12-month reengagement period (January 2013 through December 2014), or 81 cases per month to screen for other WTW exemptions, 233 cases per month to screen for the new young child exemption and 496 reengagement cases per month.
- The one-time screening costs include ten minutes of case worker time for cases that will qualify for some other WTW exemption and 15 minutes for cases who will opt to take the new young child exemption, at the average caseworker cost of \$57.57 per hour.

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

Welfare-to-Work Services/Reengagement^{*}

KEY DATA/ASSUMPTIONS (CONTINUED):

- The Employment Services and Child Care cost per case for the reengagement caseload is consistent with the CalWORKs Employment Services and Stage One Child Care premises.
- The CalWORKs Employment Services cost per case is \$382.37.
- The Stage One Child Care cost per case is \$723.44.
- Based on actual child care data reported on the Child Care Monthly Reports (CW 115 and CW 115A) for calendar year 2013, there are 1.6 children per case and 15.93 percent of the cases receiving services utilize Stage One Child Care.

METHODOLOGY:

- As of January 2014, 496 cases are added to the ongoing reengaged caseload totaling 63,948 casemonths in FY 2014-15.
- The FY 2014-15 employment services for reengagement cases is calculated by multiplying the cost per case by the total casemonths. Casemonths are the number of times a cost is budgeted in a given time frame and provides a more simple method for calculating the annual cost when there is not a monthly average caseload.
 - 63,948 casemonths x \$382.37 cost per case = \$24.45 million.
- The screening caseload is multiplied by the caseworker cost of \$57.57 per hour, which is equivalent to 96 cents per minute or \$9.60 (\$0.96 x 10 minutes = \$9.60) per screening for other WTW exemptions and \$14.39 (\$0.96 x 15 minutes = \$14.39) per screening for the new young child exemption.
- The FY 2014-15 screening funding is estimated by multiplying the number of cases being screened by the applicable months in the FY and screening cost:
 - 81 cases per month x \$9.60 cost per screen x six months = \$4,666 other exemption.
 - 233 cases x \$14.39 cost per screen x six months = \$20,117 new young child exemption.
 - \$4,666 other exemption + \$20,117 new young child exemption = \$0.02 million.
- The FY 2014-15 total funds for WTW Services/Reengagement employment services for FY 2014-15 is the sum of the employment services for reengagement plus the screening cost:
 - \$24.45 million + \$0.02 million = \$24.47 million.
- The FY 2014-15 projected child care costs are estimated by multiplying the reengagement casemonths by 1.6 children per case, the cost per case and then by the utilization rate:
 - 63,948 casemonths x 1.6 children per case x \$723.44 cost per case = \$74.02 million.
 - \$74.02 million x 15.93 percent utilization rate = \$11.79 million.

**Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.*

Welfare-to-Work Services/Reengagement ^{*}

FUNDING:

The funding is TANF and GF/MOE consistent with the funding ratios in the CalWORKs Employment Services and Stage One Child Care premises.

CHANGE FROM GOVERNOR'S BUDGET:

There is no change in FY 2013-14. The FY 2014-15 decrease in employment services and child care is primarily due to updated reengagement caseload data indicating that there are fewer cases remaining in the Short-Term Reform exemption to be reengaged from July through December 2014.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase in employment services is due to the remaining reengagement caseload and a full year of employment services for this caseload in FY 2014-15. The decrease in child care is due to the updated Stage One Child Care cost per case and the revised child care utilization rate assumption for this caseload.

EXPENDITURES:

(in 000s)

	<u>FY 2013-14</u>				
Item 101 – CalWORKs Services	Total	Federal	State	County	Reimb.
WTW Services/Reengagement – Employment Services	\$19,615	\$19,163	\$452	\$0	\$0
Item 101 – CalWORKs Child Care	Total	Federal	State	County	Reimb.
WTW Services/Reengagement – Child Care	63,833	59,277	4,556	0	0
	<u>FY 2014-15</u>				
Item 101 – CalWORKs Services	Total	Federal	State	County	Reimb.
WTW Services/Reengagement – Employment Services	\$24,477	\$23,889	\$588	\$0	\$0
Item 101 – CalWORKs Child Care	Total	Federal	State	County	Reimb.
WTW Services/Reengagement – Child Care	11,792	11,057	735	0	0

**Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.*

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Family Stabilization*

DESCRIPTION:

This premise reflects the funding for family stabilization services to remove barriers to self-sufficiency and improve child well-being. The Budget Act of 2013 provided additional funding to redesign activities and services provided within the first 24 months of the CalWORKs WTW program including Family Stabilization services. Family Stabilization was previously consolidated in the 2013 May Revision 24-Month Early Engagement Redesign premise.

IMPLEMENTATION DATE:

This premise implemented January 1, 2014.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&IC section 11325.24.
- Based on actual caseload trend data from the CalWORKs WTW Monthly Activity Reports (WTW 25 and WTW 25A), the projected CalWORKs Employment Services caseload is 206,837 for FY 2014-15.
- Of the projected employment services caseload, 7.5 percent will receive family stabilization services in FY 2014-15.
- Family stabilization services will require an additional two and a half hours per month at an employment services worker cost per hour of \$57.57.

METHODOLOGY:

- The family stabilization cost per case is determined by multiplying the employment services worker cost per hour by the monthly number of hours per case for family stabilization services.
 - \$57.57 per hour x 2.5 hours = \$143.93 family stabilization cost per case
- The family stabilization caseload is the monthly average employment services caseload multiplied by the percent of cases that will receive family stabilization services.
 - 206,837 cases x 7.5 percent = 15,513 family stabilization cases per month
- The total family stabilization funding is the family stabilization caseload multiplied by the family stabilization cost per case and the effective number of months during the FY.
 - 15,513 cases x \$143.93 family stabilization cost x 12 months = \$26.79 million

FUNDING:

The federal and state share of costs mirror the CalWORKs Employment Services funding ratios for TANF and GF/MOE.

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

Family Stabilization *

CHANGE FROM GOVERNOR’S BUDGET:

There is no change in FY 2013-14. The FY 2014-15 increase reflects an increase in the CalWORKs Employment Services caseload.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase primarily reflects a full year of implementation, but is also due to a projected increase in the CalWORKs Employment Services caseload.

EXPENDITURES:

(in 000s)

FY 2013-14

Item 101 - CalWORKs Services	Total	Federal	State	County	Reimb.
Family Stabilization	\$10,836	\$10,605	\$231	\$0	\$0

FY 2014-15

Item 101 - CalWORKs Services	Total	Federal	State	County	Reimb.
Family Stabilization	\$26,792	\$26,137	\$655	\$0	\$0

**Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.*

Standardized Appraisal Tool*

DESCRIPTION:

This premise reflects the funding for the D&I of a statewide standardized appraisal tool, known as the Online CalWORKs Appraisal Tool, which will lead to more expedient and effective placement in work activities and referral to supportive services. The Budget Act of 2013 provided additional funding to redesign activities and services provided within the first 24 months of the CalWORKs WTW program including a Standardized Appraisal Tool. This premise includes contract, automation, CWD training and services costs. The Standardized Appraisal Tool was previously identified as “Robust Appraisal” and consolidated in the 2013 May Revision 24-Month Early Engagement Redesign premise.

IMPLEMENTATION DATE:

This premise implemented January 1, 2014.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&IC section 11325.2
- The FY 2013-14 funding includes \$1.43 million in one-time contract costs to develop, test, provide training and host an automated appraisal tool.
- Based on actual caseload trend data from the CalWORKs WTW Monthly Activity Reports (WTW 25 and WTW 25A) for calendar year 2013, the CalWORKs Employment Services caseload is projected to be 206,837 for FY 2014-15.
- Based on preliminary FFY 2013 data from RADEP and WTW 25 and WTW 25A, it is assumed that 9.33 percent of the CalWORKs Employment Services caseload will be new work-eligible entrants.
- To enable all CWDs to utilize the tool, funding is provided for an additional one hour of case worker time with each new work-eligible entrant to utilize the appraisal tool at the average caseworker cost of \$57.57 per hour.
- To ensure funding is available as needed, services costs for all CWDs are effective January 1, 2014; however, the timing for utilization of a standardized appraisal tool may vary across the state.
- There are projected automation costs of \$500,000 in FY 2014-15.
- The FY 2014-15 funding includes \$2.19 million in one-time funding to provide training to county staff that will utilize the completed tool to assist WTW participants in identifying barriers to self-sufficiency.

METHODOLOGY:

- The monthly appraisal caseload is calculated by multiplying the projected CalWORKs Employment Services caseload by the percent that are new work-eligible entrants.
 - FY 2014-15: 206,837 cases x .0933 new work-eligible entrants = 19,298 cases

*Please refer to the first tab titled “[Acronyms](#)” for a full description of acronyms.

Standardized Appraisal Tool*

METHODOLOGY (CONTINUED):

- The projected cost for additional caseworker time is calculated by multiplying the average monthly appraisal caseload by the additional cost for one hour per appraisal and the number of months effective in the FY.
 - FY 2014-15: 19,298 cases x \$57.57 per appraisal x 12 months = \$13.33 million
- The total services funding is the caseworker time plus training costs.
 - FY 2014-15: \$13.33 million + \$2.19 million = \$15.52 million

FUNDING:

The automation costs are 100 percent TANF. The remaining costs utilize the CalWORKs Employment Services funding ratios for TANF and GF/MOE.

CHANGE FROM GOVERNOR’S BUDGET:

There is no change in FY 2013-14. The decreased cost for employment services in FY 2014-15 is due to a decrease in the average monthly appraisal caseload.

REASON FOR YEAR-TO-YEAR CHANGE:

The increased cost is primarily due to a full year of implementation..

EXPENDITURES:

(in 000s)

	<u>FY 2013-14</u>				
Item 101 – CalWORKs Services	Total	Federal	State	County	Reimb.
Standardized Appraisal Tool	\$8,248	\$8,091	\$157	0	0
Item 141 – County Administration	Total	Federal	State	County	Reimb.
Standardized Appraisal Tool	100	100	0	0	0

	<u>FY 2014-15</u>				
Item 101 – CalWORKs Services	Total	Federal	State	County	Reimb.
Standardized Appraisal Tool	\$15,521	\$15,145	\$376	0	0
Item 141 – County Administration	Total	Federal	State	County	Reimb.
Standardized Appraisal Tool	500	500	0	0	0

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

CalWORKs Administrative Costs*

DESCRIPTION:

This premise reflects administrative costs for the TANF/CalWORKs program. The basic costs include the costs for general administration, coordination and overhead such as the salaries and benefits of the staff performing activities related to eligibility determination, preparing budgets, monitoring programs, fraud units, services related to accounting, litigation, payroll and personnel and costs for the goods and services required for the administration of the program such as supplies, equipment, utilities and rental and maintenance of office space.

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

In addition to the CalWORKs Administrative Costs premise line, this methodology also includes any updated assumptions for administrative funding for the following premise items: Work Verification and *Be Vu v. Mitchell*. Detailed descriptions of these premises can be referenced in the 2012 May Revision, Estimate Methodologies section.

KEY DATA/ASSUMPTIONS:

CalWORKs Administrative Costs

- Authorizing statute: W&IC section 14154.
- The CalWORKs Administrative Costs base funding is projected to be approximately \$763.8 million total funds in FY 2014-15.
- The CalWORKs caseload is projected to decrease by 2.63 percent in FY 2014-15 (from FY 2013-14), resulting in a decrease of approximately \$20.1 million total funds.
- The total EBT savings are approximately \$10.6 million in FY 2014-15.
- For FY 2014-15, staff development costs are projected to be \$15.3 million total funds based on actual expenditures in FY 2012-13.
- The SAWS development and testing interface costs are approximately \$129,000 total funds in FY 2014-15.
- Administrative costs related to the Merced Automated Global Information Control system are approximately \$272,000 total funds in FY 2014-15.
- The homeless assistance expenditures did not increase over the base year. Therefore, no adjustment/additional administration funding is provided in FY 2014-15.
- Time limit savings are approximately \$38.0 million total funds in FY 2014-15 and Legacy Systems savings are approximately \$12.1 million total funds in FY 2014-15.
- Contract costs are approximately \$4.1 million total funds in FY 2014-15.

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

CalWORKs Administrative Costs*

KEY DATA/ASSUMPTIONS (CONTINUED):

- For FY 2014-15, approximately \$5.6 million total funds of the CalWORKs Administrative Costs base expenditures are for RNE. Of the \$5.6 million, \$2.7 million reflects federally eligible recipients in mixed households and \$2.9 million reflects recipients in state-only households.
- For FY 2014-15, funding for Safety Net administrative costs is \$38.0 million, RNE administrative costs are \$2.7 million and savings from restoring CalWORKs administrative funding to the actual FY 2005-06 spending level are \$140.0 million.

Work Verification

- Authorizing statute: Federal Deficit Reduction Act of 2005.
- Implemented on July 1, 2008.
- Funding may be used by counties to hire additional staff, retrain existing staff and/or pay for additional workload to document and verify work participation required by federal law. Clearly documenting and verifying an individual's participation will enhance California's ability to meet the federal WPR and avoid penalties associated with inadequate documentation and verification of the data used in calculating the rates.
- Based on information from the CWDA, of the cases that participated in work activities in FY 2009-10, 80 percent have pay stubs that fulfill work verification requirements (documented hours for which the individual was paid). Twenty percent of cases will require additional documentation by the county.
- Of the cases that participate through non-work activities, 100 percent will require additional documentation by the county.
- Per FFY 2012 RADEP sample data, 59.2 percent of the total cases that are subject to work participation are participating at some level.
- Of the cases that participate at some level, 36.8 percent participate either partially or fully through work activities and 63.2 percent fully participate through non-work activities.
- Per FFY 2012 RADEP sample data, 15.9 percent of the Safety Net caseload is projected to participate either partially or fully through work activities and 17.2 percent are projected to fully participate through non-work activities.
- The average eligibility worker cost is \$57.57 per hour.
- Ten minutes of administrative time per month at a cost of \$9.60 per case is needed to verify participation for cases that participate through work, and 15 minutes of administrative time per month at a cost of \$14.39 per case is needed for cases that participate through non-work activities.

Be Vu v. Mitchell

- Authorizing statute: Federal SNAP Regulations, Title 7, CFR sections 272.4 (b)(2)(i), (ii) and (iii).

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

CalWORKs Administrative Costs*

KEY DATA/ASSUMPTIONS (CONTINUED):

- Implemented with the settlement agreement effective December 4, 2006, which requires that CalWORKs forms be translated into additional languages.
- The final eight languages were not automated, resulting in additional staff time required for form translation.
- *Be Vu v. Mitchell* base funding is \$68,782 in FY 2013-14 and \$67,201 in FY 2014-15.
- The CalWORKs caseload will decrease by 2.30 percent in FY 2013-14 and 2.63 percent in FY 2014-15.

METHODOLOGY:

CalWORKs Administrative Costs

- The base funding is adjusted to reflect the projected change in caseload, staff development expenditures, savings for EBT, time limits, Legacy Systems, the Merced Automated Global Information Control system, SAWS development and testing and contract costs.
- The administrative costs for Safety Net and RNE and the \$140 million restoration in CalWORKs administrative funding are added to the base funding.

Work Verification

- The cases that are subject to work participation requirements is multiplied by 59.2 percent to determine the number of cases that are participating at some level. The number of participants is multiplied by 36.8 percent to determine the number of cases that will participate through work activities and by 63.2 percent to determine the cases that will participate in non-work activities.
 - Of the cases that participate through work activities, 20 percent will require work verification for ten minutes per case at a cost of \$1.2 million in FY 2014-15.
 - The cases that participate in non-work activities will require work verification for 15 minutes per case at a cost of \$15.5 million in FY 2014-15.
- The Safety Net cases that will participate through work activities will require work verification for ten minutes per case at a cost of \$1.3 million in FY 2014-15.
- The Safety Net cases that participate in non-work activities will require work verification for 15 minutes per case at a cost of \$2.2 million in FY 2014-15.

Be Vu v. Mitchell

- Total costs associated with the manual completion of the translated forms are calculated by multiplying the base cost by the caseload decline and adding the value to the base cost. The total adjusted funding becomes the base for calculating the next year's costs.

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

CalWORKs Administrative Costs*

FUNDING:

Costs for Safety Net and RNE families are 100 percent GF. Contract costs are 100 percent TANF. All other costs are 93.8 percent TANF and 6.2 percent state MOE. Due to a federal audit exception, TANF hardship cases are funded with MOE instead of TANF funds effective September 1, 2009.

CHANGE FROM GOVERNOR'S BUDGET:

CalWORKs Administrative Costs

There is no change in FY 2013-14. The FY 2014-15 increase is primarily due to a slower than previously projected caseload decline.

Work Verification

There is no change in FY 2013-14. The FY 2014-15 increase is primarily due to a slower than previously projected caseload decline.

Be Vu v. Mitchell

There is no change in FY 2013-14. The FY 2014-15 increase is primarily due to a slower than previously projected caseload decline.

REASON FOR YEAR-TO-YEAR CHANGE:

CalWORKs Administrative Costs

The decrease is primarily due to projected caseload decline.

Work Verification

The increase is primarily due to an increase in safety net cases participating in non-work activities.

Be Vu v. Mitchell

The decrease is primarily due to projected caseload decline.

EXPENDITURES:

(in 000s)

Item 101 - CalWORKs Administration	<u>FY 2013-14</u>				
	Total	Federal	State	County	Reimb.
CalWORKs Admin	\$907,396	\$829,914	\$77,482	\$0	\$0
Work Verification	19,679	16,843	2,836	0	0
<i>Be Vu v. Mitchell</i>	66	62	4	0	0
Item 101 - CalWORKs Administration	<u>FY 2014-15</u>				
	Total	Federal	State	County	Reimb.
CalWORKs Admin	\$880,641	\$793,824	\$86,817	\$0	\$0
Work Verification	20,157	16,665	3,492	0	0
<i>Be Vu v. Mitchell</i>	65	61	4	0	0

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

Fraud Recovery Incentives^{*}

DESCRIPTION:

This premise reflects the incentive payments made annually to counties for the detection of fraud. Each county receives 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 Reconciliation Act of 1996 (PL 104-193).

IMPLEMENTATION DATE:

This premise implemented on January 1, 1998.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&IC section 11486(j).
- Based on the FNS 209 Status of Claims Against Households for FY 2012-13, client-caused overpayments represent a weighted average of 63.79 percent of all collections. The statewide average is weighted by the amount of overpayment collections for each individual county.
- The total actual CalWORKs overpayment collections for FY 2012-13 are \$53.6 million.
- The total estimated CalWORKs overpayment collections for FY 2013-14 are \$53.6 million based on overpayment collections for FY 2012-13.
- The total estimated CalWORKs overpayment collections for FY 2014-15 are \$54.4 million based on a trend of the most recent three years of collections.
- The projected Fraud Recovery Incentives funding for FY 2013-14 is \$4.2 million and FY 2014-15 is \$4.2 million.
- Based on the amount of overpayment collections, incentive payments are made annually to the counties in arrears.

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 (63.79 percent) and multiplied by the county incentive (12.5 percent).

- FY 2014-15: \$54.4 million x 97.5 percent x 63.79 percent x 12.5 percent = \$4.2 million.

FUNDING:

The fraud recovery incentive funds are 100 percent TANF.

CHANGE FROM GOVERNOR'S BUDGET:

The FY 2014-15 increase is due to higher overpayment collections than previously projected and a slightly higher statewide client-caused error rate.

**Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.*

Fraud Recovery Incentives^{*}

REASON FOR YEAR-TO-YEAR CHANGE:

The increase is due to a projected increase in overpayment collections.

EXPENDITURES:

(in 000s)

FY 2013-14

Item 101 – CalWORKs Administration	Total	Federal	State	County	Reimb.
Fraud Recovery Incentives	\$4,166	\$4,166	\$0	\$0	\$0

FY 2014-15

Item 101 – CalWORKs Administration	Total	Federal	State	County	Reimb.
Fraud Recovery Incentives	\$4,229	\$4,229	\$0	\$0	\$0

**Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.*

Shared Eligibility*

DESCRIPTION:

This premise reflects the shift of common eligibility costs that are shared across the CalWORKs, CalFresh and Medi-Cal programs, as well as the allocation of administrative costs associated with recipients of dual (CalWORKs and CalFresh) benefits, to the CalFresh budget. This premise consolidates the assumptions and methodologies previously identified under individual premises referred to as Medi-Cal Services Eligibility/Common Costs and the PA to NA Fund Shift.

The Medi-Cal Services Eligibility program mandates CDSS to instruct counties to modify the eligibility determination process so that eligibility for Medi-Cal is determined prior to eligibility for the TANF program. Some eligibility determination costs for clients in common are shared equally across the three benefiting programs. The common intake eligibility costs are claimed by the counties through CEC to the CalWORKs budget and distributed to Medi-Cal and CalFresh accordingly. The Medi-Cal portion of costs is reflected as a savings in the CalWORKs budget and then budgeted as costs at DHCS. The CalFresh portion of common eligibility costs is also reflected as a savings in the CalWORKs budget and is then shifted to the CalFresh budget through the PA to NA Fund Shift.

Ongoing eligibility costs for CalFresh recipients who also receive CalWORKs are charged as CalWORKs administrative costs through the CEC process. The federal DHHS, Division of Cost Allocation directed CDSS to distribute costs for eligibility determination activities among the benefiting programs. A methodology based on the ratio of CalWORKs and PACF caseload and administrative expenditure data is used to determine the portion of the eligibility, case management and program integrity activity costs in CalWORKs that also benefit CalFresh. These ongoing eligibility costs are shown as savings in the CalWORKs budget and shifted as costs to CalFresh in the PA to NA Fund Shift.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&IC section 14154.

PA to NA Fund Shift:

- This premise implemented in March 1984.
- It is assumed that continuing administrative costs increase at the same rate as total eligibility costs and that estimated continuing administrative costs will serve as the base for determining the next year's projected continuing administrative costs.
- In FY 2012-13, the continuing administrative costs were approximately \$143.7 million.

Medi-Cal Services Eligibility Common Costs:

- This premise implemented on July 1, 1998.
- In FY 2012-13, the total CalWORKs eligibility expenditures were approximately \$605.3 million.
- The total estimated CalWORKs eligibility expenditures in FY 2013-14 will serve as the base for determining total FY 2014-15 eligibility expenditures.

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

Shared Eligibility*

KEY DATA/ASSUMPTIONS (CONTINUED):

- In FY 2012-13, the Medi-Cal common costs were approximately \$69.7 million, which represents approximately 11.52 percent of the \$605.3 million total CalWORKs eligibility expenditures. It is assumed that Medi-Cal common costs will continue to represent the same proportion of total eligibility expenditures in FY 2014-15.
- The CalWORKs caseload is projected to decrease by 2.30 percent in FY 2013-14 and another 2.63 percent in FY 2014-15. Based on the ratios between caseload and expenditure change, CalWORKs eligibility expenditures are projected to decrease by approximately 0.02 percent in FY 2013-14 and 0.02 percent in FY 2014-15.

METHODOLOGY:

PA to NA Fund Shift:

- The projected continuing activity cost is calculated by multiplying the base/prior year's continuing activity cost by the projected expenditure change.
- The total PA to NA Fund Shift is calculated by adding the anticipated continuing case activity costs and the common intake costs.

Medi-Cal Services Eligibility Common Costs:

- Total projected CalWORKs eligibility expenditures are calculated by multiplying the base/prior year's expenditures by the percentage of projected expenditure change.
- The Medi-Cal common cost expenditures are calculated by multiplying total projected CalWORKs eligibility expenditures by the ratio of Medi-Cal common costs to total CalWORKs eligibility expenditures.

FUNDING:

The CalWORKs costs are 100 percent TANF. The NACF costs are shared 50 percent SNAP, 35 percent GF and 15 percent county funds.

CHANGE FROM GOVERNOR'S BUDGET:

There is no change for FY 2013-14. The FY 2014-15 decrease in the shift for the PA to NA Fund Shift is due to the percentage of common costs to CalWORKs eligibility decreasing. The increase in the Medi-Cal Services Eligibility Common Cost in FY 2014-15 is due to the CalWORKs caseload decreasing at a slower rate than previously projected.

REASON FOR YEAR-TO-YEAR CHANGE:

The decrease in shift for the PA to NA Fund Shift is due to lower continuing administrative costs. The increase in savings for Medi-Cal Services Eligibility Common Costs is due to the CalWORKs caseload decreasing at a slower rate than previously projected.

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

Shared Eligibility***EXPENDITURES:**

(in 000s)

FY 2013-14

Item 101 – CalWORKs Administration	Total	Federal	State	County	Reimb.
PA to NA Fund Shift	-\$214,450	-\$214,450	\$0	\$0	\$0
Medi-Cal Svcs. Elig./Common Costs	-64,896	-64,896	0	0	0
Item 141 - CalFresh Administration					
PA to NA Fund Shift	214,450	107,225	75,058	32,167	0

FY 2014-15

Item 101 – CalWORKs Administration	Total	Federal	State	County	Reimb.
PA to NA Fund Shift	-\$213,325	-\$213,325	\$0	\$0	\$0
Medi-Cal Svcs. Elig./Common Costs	-69,684	-69,684	0	0	0
Item 141 – CalFresh Administration					
PA to NA Fund Shift	213,325	106,663	74,664	31,998	0

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

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Court Cases^{*}

DESCRIPTION:

This premise reflects projected settlement costs and attorney fees relating to TANF, CalWORKs, IHSS, CAPI, SSI/SSP, APS and specialized services, FC, CalFresh, AAP, Social Service Programs, specifically, CWS, Special Programs and CCL. The costs result from the settlement of lawsuits related to local assistance in accordance with Budget Letter 98-22 and instructions from DOF.

IMPLEMENTATION DATE:

The attorney fees and settlement costs are anticipated to be paid in FY 2013-14 and FY 2014-15.

KEY DATA/ASSUMPTIONS:

- The estimate for attorney fees and settlement costs is based on actual payments for specific cases and anticipated costs in FY 2013-14, and a projection of anticipated costs to be paid in FY 2014-15.

Item 101 – TANF Administration

- A total of \$247,000 is budgeted in FY 2013-14 and \$350,000 is budgeted in FY 2014-15.

Item 111 – IHSS, CAPI, SSI/SSP, APS and specialized services

- A total of \$202,000 is budgeted in FY 2013-14 and \$370,000 is budgeted in FY 2014-15.

Item 141 – FC, AAP and CalFresh Administration

- The FC and AAP programs portion of this estimate are included in the Realigned Programs premise.
- For CalFresh, a total of \$13,000 is budgeted in FY 2013-14. There are no costs anticipated in FY 2014-15.

Item 151 – CWS and CCL Administration

- The CWS program portion of this estimate is included in the Realigned Programs premise.
- For CCL, a total of \$411,000 is budgeted in FY 2013-14 and \$855,000 is budgeted in FY 2014-15.

METHODOLOGY:

The TANF, IHSS, CAPI, SSI/SSP, APS and specialized services, FC, AAP, CalFresh, CWS and CCL cost estimates are based on actual and projected attorney fees, settlement costs and miscellaneous writs to be paid in FY 2013-14 and FY 2014-15.

**Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.*

Court Cases*

FUNDING:

Item 101 TANF Administration – The funding is 100 percent TANF.

Item 111 IHSS, CAPI, SSI/SSP, APS and specialized services – The funding is 100 percent GF.

Item 141 FC, AAP and CalFresh Administration – The funding for the FC and AAP programs portion of this estimate are included in the Realigned Programs premise. The funding for CalFresh is 50 percent SNAP and 50 percent GF.

Item 151 CWS and CCL Administration – The funding for the CWS program portion of this estimate is included in the Realigned Programs premise. The funding for CCL is 100 percent GF.

CHANGE FROM GOVERNOR’S BUDGET:

The decrease in TANF in FY 2013-14 and increase in TANF in FY 2014-15 reflects updated attorney fees and settlement projections.

The decrease in FY 2013-14 and increase in FY 2014-15 in IHSS, CAPI, SSI/SSP, APS and specialized services reflects the latest projected settlements and attorney fees.

The increase in CalFresh court case costs reflects updated attorney fees and settlement projections in FY 2013-14. There is no change in CalFresh court case costs in FY 2014-15.

There is no change for CCL in FY 2013-14. The increase in FY 2014-15 for CCL reflects the latest projected settlements and attorney fees.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase in TANF reflects the latest projected settlements and attorney fees.

The increase in IHSS, CAPI, SSI/SSP, APS and specialized services reflects the latest projected settlements and attorney fees.

There are no CalFresh court case costs anticipated in FY 2014-15.

The increase in CCL reflects the latest projected settlements and attorney fees.

**Please refer to the first tab titled “[Acronyms](#)” for a full description of acronyms.*

Court Cases***EXPENDITURES:**

(in 000s)

FY 2013-14

Item 101 – CalWORKs Administration	Total	Federal	State	County	Reimb.
Court Cases	\$247	\$247	\$0	\$0	\$0
Item 111 – IHSS Administration					
Court Cases	202	0	202	0	0
Item 141 – CalFresh Administration					
Court Cases	13	7	6	0	0
Item 151 – CCL Administration					
Court Cases	411	0	411	0	0

FY 2014-15

Item 101 – CalWORKs Administration	Total	Federal	State	County	Reimb.
Court Cases	\$350	\$350	\$0	\$0	\$0
Item 111 – IHSS Administration					
Court Cases	370	0	370	0	0
Item 141 – CalFresh Administration					
Court Cases	0	0	0	0	0
Item 151 – CCL Administration					
Court Cases	855	0	855	0	0

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

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State/County Peer Review*

DESCRIPTION:

This premise reflects the costs for CDSS to implement the state and county peer review process for the CalWORKs program. During FY 2007-08, a WTW County Peer Review program was developed in collaboration with counties and CWDA through a County Peer Review Advisory Team. The primary purpose of the County Peer Review program was for counties and CDSS to perform on-site peer review of CWD WTW programs to identify and share best practices, promising practices, opportunities for improvement and strategies that could positively impact the WPR.

Under the County Peer Review program, CDSS staff and peer county staff from two CWDs visit other CWDs to review their CalWORKs policies, procedures and data to improve performance outcomes.

Since the peer reviews are mandatory under current law, it is necessary to provide CWDs with appropriate funding to participate in these county peer review visits. This premise reflects the costs associated with backfilling, travel and per diem costs for the participating county staff.

IMPLEMENTATION DATE:

This premise implemented on July 1, 2007.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&IC section 10533.
- Peer reviews will resume in FY 2014-15.
- In FY 2014-15, there will be 17 county peer reviews.
- 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 in the host county for staff from the visiting counties.
- One manager and one staff person from each of the two visiting counties will travel to the host county for the county peer review visit. 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 \$1,430 per visit.
- This estimate includes the costs to backfill 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.
- Based on a county survey completed during the development of the County Peer Review program, the average daily salary and benefits for a county frontline employment services caseworker for an eight hour day is \$286.40.

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

State/County Peer Review^{*}

METHODOLOGY:

- The cost for travel and per diem per county peer review is \$5,720.
 - (\$1,430 travel and per diem cost x four county staff = \$5,720)
- The total backfill cost per visit per county peer review is \$6,874.
 - (\$286.40 average daily salary x four county staff x six days = \$6,874)
- The total travel, per diem and county staff backfill cost per peer review is \$12,594.
 - (\$5,720 travel and per diem + \$6,874 backfill cost = \$12,594)
- The total funding for 17 county peer reviews is approximately \$214,098.
 - (\$12,594 per peer review x 17 peer reviews = \$214,098)

FUNDING:

This premise is funded with 100 percent TANF funds.

CHANGE FROM GOVERNOR’S BUDGET:

There is no cost for FY 2013-14. The FY 2014-15 increase reflects a technical correction to travel and per diem costs consistent with the updated travel reimbursement rates that went into effect July 1, 2013.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase reflects the number of county visits anticipated in FY 2014-15.

EXPENDITURES:

(in 000s)

		<u>FY 2013-14</u>				
Item 101 – CalWORKs Administration	Total	Federal	State	County	Reimb.	
State/County Peer Review	\$0	\$0	\$0	\$0	\$0	\$0
		<u>FY 2014-15</u>				
Item 101 – CalWORKs Administration	Total	Federal	State	County	Reimb.	
State/County Peer Review	\$214	\$214	\$0	\$0	\$0	\$0

**Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.*

Research and Evaluation^{*}

DESCRIPTION:

This premise reflects the costs for research and evaluation of the direct and indirect effects of the CalWORKs program and to ensure that county demonstration projects and other innovative county approaches to CalWORKs program implementation are rigorously evaluated, with findings reported to the Legislature. The evaluation of county-specific programs are to be developed in conjunction with the county and other appropriate agencies responsible for the local program. This premise includes research projects such as the child care characteristic study and the CalWORKs Evaluation as required by SB 1041 (Chapter 47, Statutes of 2012).

IMPLEMENTATION DATE:

This premise implemented on July 1, 1997.

KEY DATA/ASSUMPTIONS:

Authorizing statute: W&IC sections 11520 through 11522.

METHODOLOGY:

The total funds in FY 2013-14 and FY 2014-15 has been held to historical funding levels for this premise.

FUNDING:

In FY 2013-14, the costs are funded 100 percent TANF and are TANF/MOE eligible. In FY 2014-15, the costs are funded with both TANF and GF (for the non-TANF/MOE-eligible portion of the study of the state's subsidized child care population).

CHANGE FROM GOVERNOR'S BUDGET:

There is no change in FY 2013-14. There is no change to total funds in FY 2014-15. However, the change in GF reflects a decrease in the amount of funding for the child care study in FY 2014-15 due to a portion of the study's budget being shifted to FY 2015-16.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change in total funds. The adjustment in TANF and GF reflects funding related to the non-TANF/MOE-eligible population within the child care study.

**Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.*

Research and Evaluation ^{*}

EXPENDITURES:

(in 000s)

FY 2013-14

Item 101 – CalWORKs Administration	Total	Federal	State	County	Reimb.
Research and Evaluation	\$4,000	\$4,000	\$0	\$0	\$0

FY 2014-15

Item 101 – CalWORKs Administration	Total	Federal	State	County	Reimb.
Research and Evaluation	\$4,000	\$3,428	\$572	\$0	\$0

**Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.*

CalWORKs Child Care – Stage One Services and Administration^{*}

DESCRIPTION:

This premise reflects the cost for Stage One Child Care for CalWORKs families with children under 13 years of age. Eligible recipients include those who are working or participating in work activities while on aid, former CalWORKs recipients who are unable to transfer to Stage Two due to the shortage of available slots and eligible teen parents participating in the Cal-Learn program.

The CalWORKs Child Care program includes three stages: Stage One is administered by CDSS; Stage Two is administered by CDE and serves individuals determined to be in a more stable situation, either working or participating in work activities while on aid, as well as participants transitioning off aid; Stage Three is also administered by CDE and serves participants who have been off aid for two years or more.

The CalWORKs Child Care for two-parent families cannot be funded with TANF funds, as these families must work or participate a minimum of 55 hours per week in WTW activities to be eligible for federally funded Child Care. Therefore, these expenditures are funded with GF counted toward the state's TANF MOE requirement.

This premise also includes Stage One services and administration funding previously identified in the Safety Net, RNE and State-Only Cal-Learn premises.

IMPLEMENTATION DATE:

This premise implemented on January 1, 1998.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Education Code sections 8350, 8351, 8352 and W&IC section 11331.7.
- The FY 2013-14 Stage One Child Care services and administration funding is held to the prior Governor's Budget.

The following assumptions were used to determine the funding for Stage One Child Care Services and Administration for FY 2014-15:

- The projected monthly caseload is 39,790 children for FY 2014-15 based on a trend projection using actual caseload as reported on the CW 115 and CW 115A Child Care Monthly Reports. This includes approximately 164 Safety Net children.
- The projected monthly cost per case is based on Stage One Child Care expenditures from calendar year 2013 claimed on the CEC and caseload as reported on the CW 115 and CW 115A Child Care Monthly Reports. The actual services cost per case in calendar year 2013 was \$554.41.

**Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.*

CalWORKs Child Care – Stage One Services and Administration^{*}

KEY DATA/ASSUMPTIONS (CONTINUED):

- Reengagement of cases that received a short term reform exemption is expected to take place January 1, 2013 through January 1, 2015. As these cases are assumed to have younger children, which have a higher cost per case, the cost per case is adjusted to accommodate the phase-in of this group. The adjustment is determined by comparing the FY 2008-09 actual services cost per case to the FY 2009-10 actual services cost per case and using the difference between the two cost per cases (\$47.99) to capture the impact of the short term reform exemptions. The projected monthly services cost per case is based on the actual services cost per case in calendar year 2013 plus the \$47.99 adjustment.
- The final monthly services cost per case for Stage One Child Care services is \$602.40 per child.
- The Stage One Child Care administrative ratio is 20.09 percent of the services expenditures (16.73 percent of the total expenditures) and is based on the actual administrative expenditures compared to services expenditures in calendar year 2013.
- The Child Care cost for two-parent families and federally eligible RNE recipients in mixed households is 6.23 percent of the total Stage One basic costs, based on Stage One expenditures for those families in calendar year 2013.
- The Child Care cost for RNE is 0.37 percent of the total Stage One Child Care cost, based on expenditures from calendar year 2013. Non-mixed RNE households (those with no federally eligible members) equal 52.04 percent of the RNE caseload.
- State-Only Cal-Learn Child Care costs are 0.38 percent of the total Stage One Child Care cost, based on expenditures from calendar year 2013.
- The cost per case for Safety Net children is \$595.69, based on actual Safety Net caseload and expenditures from calendar year 2013.

METHODOLOGY:

The following methodology was used to determine the funding for the Stage One Child Care Services and Administration for FY 2014-15:

- The Stage One Child Care services costs are calculated by multiplying the caseload (less the Safety Net cases) by the cost per case by 12 months.
 $39,626 \text{ cases} \times \$602.40 \times 12 \text{ months} = \286.45 million
- The Stage One Child Care administrative costs are calculated by multiplying the services costs by the administrative ratio.
 $\$286.45 \text{ million} \times 20.09 \text{ percent} = \57.55 million
- Total Stage One Child Care costs equal the services costs plus the administrative costs.
 $\$286.45 \text{ million} + \$57.55 \text{ million} = \344.0 million

**Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.*

CalWORKs Child Care – Stage One Services and Administration*

METHODOLOGY (CONTINUED):

- The Stage One Child Care costs attributed to RNE Child Care (for non-TANF eligible RNE recipients) is calculated by multiplying the total Stage One costs by the percent of RNE Child Care expenditures by the percent of RNE recipients who are not TANF eligible.
 $\$344.0 \text{ million} \times 0.37 \text{ percent} \times 52.04 \text{ percent} = \0.66 million
- Safety Net Child Care expenditures are calculated by multiplying the number of Safety Net cases by the average Safety Net cost per case by 12 months.
 $164 \text{ children} \times \$595.69 \text{ cost per case} \times 12 \text{ months} = \1.17 million
- The portion of Stage One Child Care costs attributed to State-Only Cal-Learn Child Care expenditures is calculated by multiplying the total Stage One costs by the percent of State-Only Cal-Learn Child Care costs.
 $\$344.0 \text{ million} \times 0.38 \text{ percent} = \1.31 million
- The state portion of Stage One Child Care costs are calculated by multiplying the basic Stage One Child Care costs (less State-Only RNE and State-Only Cal-Learn) by the ratio of two-parent and mixed-household RNE families and adding the State-only RNE, Safety Net and State-Only Cal-Learn costs.
 $\$344.0 \text{ million} - \$0.66 \text{ million} - \$1.31 \text{ million} = \342.03 million
 $\$342.03 \text{ million} \times 6.23 \text{ percent} = \21.31 million
 $\$21.31 \text{ million} + \$0.66 \text{ million} + \$1.17 \text{ million} + \$1.31 \text{ million} = \$24.45 \text{ million}$
- The total services and administration costs are calculated by adding the State-Only RNE, Safety Net and State-Only Cal Learn costs to the Stage One basic costs.
 $\$342.03 \text{ million} + \$0.66 \text{ million} + \$1.17 \text{ million} + \$1.31 \text{ million} = \$345.17 \text{ million}$
- The total services and administration costs are split by dividing the total by their respective ratio of 83.27 percent or 16.73 percent.
 Services: $\$345.17 \text{ million} \times 83.27 \text{ percent} = \287.42 million
 Administration: $\$345.17 \text{ million} \times 16.73 \text{ percent} = \57.75 million

FUNDING:

Child Care for two-parent families, RNE, Safety Net and State-Only Cal-Learn is funded with 100 percent GF. All other cases are funded with 100 percent TANF.

CHANGE FROM GOVERNOR'S BUDGET:

There is no change to FY 2013-14. The FY 2014-15 increase is due to an increased caseload projection, slightly offset by a lower cost per case.

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

CalWORKs Child Care – Stage One Services and Administration *

REASON FOR YEAR-TO- YEAR CHANGE:

The increase is due to a higher caseload projection in FY 2014-15, slightly offset by a lower cost per case.

EXPENDITURES:

(in 000s)

FY 2013-14

Item 101 – Stage One Child Care	Total	Federal	State	County	Reimb.
Services	\$281,214	\$258,103	\$23,111	\$0	\$0
Administration	54,331	49,866	4,465	0	0

FY 2014-15

Item 101 – Stage One Child Care	Total	Federal	State	County	Reimb.
Services	\$287,426	\$267,067	\$20,359	\$0	\$0
Administration	57,749	53,659	4,090	0	0

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

Health & Safety Requirements*

DESCRIPTION:

This premise reflects the costs for the Trustline registration program to assure license-exempt Self-Certification for child care providers meet the health and safety requirements.

Trustline is a state-mandated registration program that includes fingerprinting of certain child care providers and applicants as well as searching the California Criminal History System, CACI and a FBI background check. Trustline registration is required for child care providers in Stage One Child Care compensated by the CalWORKs program. This premise also includes the reimbursed cost for processing applications referred by CDE.

The CDSS CCL Division is responsible for processing the applications. The CCL Division contracts with DOJ and CCCRRN to process the fingerprint and index search file activities. Additionally, CCL Division contracts with L-1 Enrollment Services Division, 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 DOJ.

This premise also reflects the administrative costs associated with ensuring that license-exempt child care providers self-certify that they meet the minimum health and safety standards. 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:

The initial Trustline program implemented on September 1, 1995.

The Self-Certification mandate of meeting minimum standards for license-exempt providers implemented on October 1, 1996.

The implementation for FBI clearance implemented on January 1, 1999.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Health and Safety Code sections 1596.60 through 1596.68 and W&IC 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 CCCRRN costs. These applicants pay a fee directly to L-1 Enrollment Services Division to cover Live Scan and DOJ charges.
- Included in the L-1 Enrollment Services Division contract is a \$35,000 maintenance fee for Live Scan machines.

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

Health & Safety Requirements^{*}

KEY DATA/ASSUMPTIONS (CONTINUED):

- The CCCRRN contract includes a \$35 fee for all ancillary applications per SB 702 (Chapter 199, Statutes of 2009) which implemented January 2011. These fees are reimbursed by applicants to the GF outside of the CDSS budget. It is assumed that there are 2,460 ancillary applications for FY 2014-15, based on actual data from calendar year 2013.
- The CDSS Trustline application caseload and expenditures were adjusted for FY 2014-15 to reflect the reengagement of cases that received a short term reform exemption (with more families requiring child care providers, many of whom would be required to self-certify).
- Based on actual data from calendar year 2013, 11,138 CDSS Trustline applications for FY 2014-15 are anticipated.
- Based on trended data from calendar year 2013, 1,719 voluntary applications for FY 2014-15 are anticipated.
- Based on the actual number of CDE applications in calendar year 2013, 3,905 CDE applications for FY 2014-15.
- This estimate assumes that 100 percent of CDSS and CDE cases use Live Scan.
- The Trustline Automated Registration Process pilot implemented in October 2006, with statewide implementation completed in 22 counties as of July 2013. The projected number of Trustline Automated Registration Process applications for FY 2014-15 is 13,912. The Trustline Automated Registration Process costs (\$5.00 per application) are reflected in the L-1 Enrollment Services Division contract. The contract service fees are as follows:

	FY 2014-15 (in dollars)
DOJ Fingerprinting/Criminal History File	\$32
DOJ California CACI	15
DOJ FBI Fingerprints	17
CCCRRN Application Fee	35
CCCRRN Incomplete Application Fee	15
L-1 Enrollment Services Division Live Scan	16
Trustline Automated Registration Process	5

**Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.*

Health & Safety Requirements*

KEY DATA/ASSUMPTIONS (CONTINUED):

- The Trustline county administration cost per case is \$162.69, based on actual county expenditures divided by the number of CDSS applications in calendar year 2013.
- The Self-Certification county administration cost per case is \$144.67, based on actual county expenditures divided by the number of CDSS applications in calendar year 2013.
- The state sharing ratio for Trustline and Self-Certification is 7.1 percent, based on actual county expenditures from calendar year 2013.

METHODOLOGY:

The Trustline cost of each contract is calculated by multiplying the projected number of applications by the cost per activity. The L-1 Enrollment Services Division contract also includes the \$35,000 maintenance fee. The Trustline county administration cost was calculated by multiplying the projected number of CDSS applications by the county administration cost per case (FY 2014-15: \$162.69 x 11,138 = \$1.81 million).

The projected Trustline funding is \$3.82 million and the breakout is as follows:

	FY 2014-15 (in millions)
DOJ	\$0.96
CCCRRN	0.70
L-1 Enrollment Services Division	0.35
County Administrative Costs	1.81

The Self-Certification administration cost for notification of new recipients is calculated by multiplying the projected number of CDSS applications by the county administration cost per case (FY 2014-15: \$144.67 x 11,138 = \$1.61 million).

The total Health and Safety Requirement funding is the sum of Trustline and Self-Certification funding (FY 2014-15: \$3.82 million + \$1.61 million = \$5.43 million).

FUNDING:

The state's share reflects the percentage of Health and Safety child care costs for two-parent families, safety net, RNE and state-only Cal-Learn. The TANF 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 and ancillary applicants are paid from GF.

CHANGE FROM GOVERNOR'S BUDGET:

There is no change in FY 2013-14. The decrease in FY 2014-15 is primarily due to a decrease in the actual Self-Certification county cost per case.

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

Health & Safety Requirements*

REASON FOR YEAR-TO-YEAR CHANGE:

The decrease in projected expenditures is due to a projected decline in the number of applications and a decrease in the Self-Certification county cost per case.

EXPENDITURES:

(in 000s)

FY 2013-14

Item 101 – CalWORKs Child Care	Total	Federal	State	County	Reimb.
Trustline	\$3,952	\$2,952	\$388	\$0	\$612
Self-Certification	2,767	2,550	217	0	0

FY 2014-15

Item 101 – CalWORKs Child Care	Total	Federal	State	County	Reimb.
Trustline	\$3,816	\$2,966	\$376	\$0	\$474
Self-Certification	1,611	1,496	115	0	0

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

Tribal TANF*

DESCRIPTION:

This premise reflects the GF cost to operate Tribal TANF programs in California. The GF is to be provided for tribes administering a Tribal TANF program. The CDSS has established a MOU with the following:

- California Tribal TANF Partnership represents tribal members in Amador, Butte, Colusa, Del Norte, Glenn, Humboldt, Lake, Lassen, Modoc, Napa, Plumas, Solano, San Joaquin, Sutter, Trinity and Yuba Counties.
- The Federated Indians of Graton Rancheria represents tribal members in Marin and Sonoma Counties.
- Hoopa represents tribal members in Humboldt County.
- Karuk represents tribal members in Siskiyou and Humboldt Counties.
- Morongo represents tribal members in Riverside County.
- North Fork Rancheria represents tribal members in Fresno, Madera, Mariposa and Merced Counties.
- Owens Valley Career Development Center represents tribal members in Fresno, Inyo, Kern, Kings and Tulare Counties.
- Pechanga represents tribal members in Riverside County.
- Round Valley Indian represents tribal members in Mendocino County.
- Tule Reservation Scotts Valley represents tribal members in Contra Costa, Lake, Mendocino and Sonoma Counties.
- The Southern California Tribal Chairman Association represents tribal members in Santa Barbara and San Diego Counties.
- Shingle Springs represents tribal members in El Dorado, Placer and Sacramento Counties.
- Soboba represents tribal members in Riverside County.
- The Torres-Martinez Tribal TANF represents tribal members in Los Angeles and Riverside Counties.
- Washoe Tribe of Nevada and California represents tribal members in Alpine, Alameda, El Dorado, Sacramento, Nevada, San Francisco, San Joaquin, San Mateo, Santa Clara, Santa Cruz and Placer Counties.
- Yurok represents tribal members in Del Norte and Humboldt Counties.

Additional tribes and expansions are pending.

Federal welfare reform legislation allows for each Indian tribe that has an approved Tribal Family Assistance Plan to receive a Tribal Family Assistance Grant based on 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 WTW services.

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

Tribal TANF*

DESCRIPTION (CONTINUED):

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. The state funding will not exceed the original state share designated for the Tribal TANF program in the original negotiation of the 1994 caseload counts.

IMPLEMENTATION DATE:

Tribe	Implementation Date
California Tribal TANF Partnership	The original California Tribal TANF Partnership implemented in July 2003; the California Tribal TANF Partnership Phase II implemented in July 2004.
Graton	May 2008
Hoopla	October 2004
Karuk	December 2008
Morongo	March 2006
North Fork Rancheria	The original North Fork Rancheria implemented in August 2003; the North Fork Rancheria - Phase II in Fresno County implemented in July 2007.
Owens Valley Career Development Center	The original Owens Valley Career Development Center Tribes in Inyo and Kern Counties implemented in May 2001 and October 2001, respectively. The Owens Valley Career Development Center Tribe expansion in Tule River Reservation and Tulare County implemented in July 2002. Additional Owens Valley Career Development Center Tribes in Fresno and Kings Counties implemented in January 2004.
Pechanga	May 2011
Round Valley	January 2009
Scotts Valley	The Tule Reservation Scotts Valley Band of Pomo Indians represents tribal members from Contra Costa County implemented in January 2008. Tribes from Lake, Mendocino and Sonoma Counties added in December 2011. Big Valley Expansion has been granted approval of a MOU for their October 1, 2013, implementation of 51 cash aid cases and no WTW cases.
Southern California Tribal Chairman Association	The original Southern California Tribal Chairman Association 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. Santa Barbara was added to Phase III in July 1, 2014.
Shingle Springs	June 2010
Sobba	October 2005

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

Tribal TANF***IMPLEMENTATION DATE (CONTINUED):**

Torres-Martinez Tribal TANF	The original Torres-Martinez Tribal TANF Tribes in Los Angeles and Riverside Counties implemented in May 2001. The Torres-Martinez Tribal TANF tribal service area expanded in nine additional cities in Riverside County implemented in April 2002. Augustine has been granted approval of a MOU to withdraw from Torres-Martinez Tribal TANF on January 1, 2013, which will result in five less cash aid cases and three less WTW cases.
Washoe	The original Washoe Tribe 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 Nevada State 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 implemented in Amador County in October 2008.
Yurok	August 2006

Tribe	Implementation Updates
California Tribal TANF Partnership	Shasta County is seeking approval of a MOU for their July 1, 2015, implementation with an anticipated caseload of 264 cash aid cases and 23 WTW cases. Trinidad, Wiyot is seeking approval of a MOU for their May 1, 2015, implementation with an anticipated caseload of 12 cash aid cases and one WTW case.
Morongo	San Bernardino County is seeking approval of a MOU for their March 1, 2014, implementation with an updated anticipated caseload of 1,013 cash aid cases and 78 WTW cases.
Owens Valley Career Development Center	Mono County is seeking approval of a MOU for their July 1, 2015, implementation with an anticipated caseload of 55 cash aid cases and four WTW cases.
Scotts Valley	Lake, Mendocino and Sonoma Counties have been granted approval of a MOU for their July 1, 2013, implementation with an updated caseload of 12 cash aid cases and one WTW case for Lake, four cash aid cases for Mendocino and two cash aid cases for Sonoma.
Smith River	Del Norte and Humboldt Counties are seeking approval of a MOU for their July 1, 2014, implementation date with a caseload of 26 cash aid cases and two WTW cases for Del Norte County and caseload of one cash aid case and no WTW case for Humboldt County.
Torres-Martinez Tribal TANF	Orange County is seeking approval of a MOU for their September 1, 2014, implementation of 516 cash aid cases and 40 WTW cases.

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

Tribal TANF*

IMPLEMENTATION DATE (CONTINUED):

The implementation date of the following tribes are delayed from July 1, 2014, to July 1, 2015: Calaveras, Tehama, Yolo, Hopland, Mendocino (Manchester Point Arena), Ventura, Modoc, Shasta, Pinoleville (Sonoma, Lake, Mendocino, Napa Counties), Redding Rancheria (Shasta, Trinity Counties), Washoe (Monterey, San Benito, San Luis Obispo, Sierra Counties).

KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&IC section 10553.25.
- 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 21,009 in FY 2013-14 and 19,616 in FY 2014-15.
- The average number of persons per case is 2.9.
- The average monthly number of cases receiving WTW services is 1,974 in FY 2013-14 and 1,785 in FY 2014-15.
- The average monthly WTW services cost per person is \$206.36.
- The average monthly administrative cost per case is \$50.73.

METHODOLOGY:

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

- The grant costs are 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 is then multiplied by the cash aid cost per person.
- The WTW services costs are derived by multiplying the annual number of WTW cases by the average monthly WTW services cost per person.
- The administrative costs are derived by multiplying the average number of cash aid cases by the average monthly administrative cost per case.
- The state funded grants, county administration and WTW services for Tribal TANF are as follows:

	FY 2013-14 (in 000s)	FY 2014-15 (in 000s)
Grants	\$73,473	\$68,603
WTW Services	\$1,870	\$1,697
County Administration	\$4,825	\$4,523

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

Tribal TANF*

FUNDING:

The GF amount is counted toward the state’s MOE requirement. The GF grant share of cost is 47.5 percent. The GF administrative and WTW services share of cost 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 grant share of cost of 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 GOVERNOR’S BUDGET:

There is no change in FY 2013-14. The FY 2014-15 decrease reflects the updated federal approval dates for certain tribes, decreasing the number of implementation months.

REASON FOR YEAR-TO-YEAR CHANGE:

The decrease reflects the updated federal approval dates for certain tribes, decreasing the number of implementation months.

EXPENDITURES:

(in 000s)

		<u>FY 2013-14</u>				
Item 101 – Tribal TANF	Total	Federal ¹	State	County	Reimb.	
Tribal TANF	\$80,168	\$0	\$80,168	\$0	\$0	
		<u>FY 2014-15</u>				
Item 101 – Tribal TANF	Total	Federal ¹	State	County	Reimb.	
Tribal TANF	\$74,823	\$0	\$74,823	\$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 \$86.1 million in FY 2013-14 and \$80.3 million in FY 2014-15.

*Please refer to the first tab titled “[Acronyms](#)” for a full description of acronyms.

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TANF/MOE in Other State Agencies^{*}

DESCRIPTION:

This premise consolidates several premises associated with TANF funds and MOE expenditures in other state agencies. The TANF funds are used for eligible services in other departments' programs that also serve CalWORKs and needy families. Local and state expenditures by CDSS and other departments on behalf of TANF/CalWORKs-eligible families may be counted toward the state's MOE required for the TANF block grant.

Expenditures that would have been authorized in FFY 1995 and allowable under the former AFDC program, Job Opportunities and Basic Skills, Emergency Assistance, Child Care for AFDC recipients, At-Risk Child Care or Transitional Child Care programs, may count toward the MOE. Expenditures not previously authorized and allowable, are countable up to the amount by which allowable 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 TANF MOE.

The MOE-eligible expenditures have been identified in three state agencies:

- CCC - work-study, other education-related work experience, job placement services, child care services, as well as coordination with county welfare offices to determine eligibility and availability of services provided to students who are CalWORKs recipients.
- CDE - child care programs that provide services for families who are served in the CalWORKs program as well as for families who are income eligible but not currently receiving TANF benefits.
- DCSS - the state portion of the \$50 payment that is disregarded from child support collections and passed through to the custodial parent.

The CDSS transfers TANF to the following state agencies:

- CCC - the federal share of costs for educational services provided to participants in the WTW program.
- CDE - the federal share of costs for educational activities designed to increase self-sufficiency, job training and work for CalWORKs clients.
- CSAC - Cal Grants that are awarded to low-income students attending public or private colleges and universities.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Title 45, CFR, sections 263.2 through 263.6.

MOE Expenditures in Other State Agencies

- The eligible MOE expenditures claimed by CCC will be \$34.5 million in FY 2013-14 and FY 2014-15.
 - Services provided by CCC include work-study, other education-related work experience, job placement services, child care services and coordination with county welfare offices to determine eligibility and availability of services. Current CalWORKs recipients may utilize these services until their educational objectives are met.

**Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.*

TANF/MOE in Other State Agencies^{*}

KEY DATA/ASSUMPTIONS (CONTINUED):

- These funds are required to be expended for educational-related services for CalWORKs program eligible recipients only.
- The eligible MOE expenditures claimed by CDE will be approximately \$420.2 million in FY 2013-14 and \$444.0 million in FY 2014-15.
 - Federal regulations allow state expenditures for child care to satisfy both CCDF MOE and the TANF MOE, provided that these expenditures meet the MOE requirements for both grants. The total “double-countable” expenditures cannot exceed the MOE level for CCDF (\$85.6 million).
 - All TANF/CalWORKs-eligible families meet CCDF eligibility requirements and would, therefore, meet both CCDF and TANF MOE expenditure requirements.
 - If a state has additional child care expenditures that have not been used toward meeting 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.
- The eligible MOE expenditures claimed by DCSS will be \$13.3 million in FY 2013-14 and \$12.9 million in FY 2014-15.
 - The child support payment data is based on the counties’ monthly Child Support 35 Reports and the Child Support Services Supplement to the Child Support 34 Monthly Report of Collections and Distributions.
 - The \$50 disregard is shared between the state and the federal government.

TANF Transfers to Other State Agencies

- The contracted amounts of TANF pass-through are \$8.4 million for CCC and \$9.9 million for CDE, totaling \$18.3 million.
- The TANF transfer to CSAC for Cal Grant is approximately \$541.7 million and \$440.5 million for FY 2013-14 and FY 2014-15, respectively.
- There are two components of the Cal Grants awards used for this premise.
- 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.
- The following criteria are applied to the Cal Grant expenditures:
 - Exclude state expenditures used as federal match.
 - Exclude federally funded expenditures.
 - Exclude TANF ineligible expenditures (Cal Grant B Access and Cal Grant C).
 - Include expenditures that meet TANF criteria (unmarried students age 25 or younger with annual parental/student income at or below \$50,000 threshold).

**Please refer to the first tab titled “[Acronyms](#)” for a full description of acronyms.*

TANF/MOE in Other State Agencies^{*}

METHODOLOGY:

- The specified amounts of TANF funds to be transferred from CDSS to CCC and to CDE are established by interagency agreements.
- The amount of TANF transferred to CSAC reflects the projected amount of TANF expenditures to achieve GF savings without creating an excess MOE.
- The projected expenditures from CCC and DCSS that count toward the MOE requirement is estimated and provided by each agency, respectively.
- The projected expenditures from CDE that count toward the MOE requirement are calculated by multiplying the applicable GF cost for child care programs by the percentage of TANF-eligible families receiving CDE Child Care Services.

FUNDING:

Funds that are passed through or transferred to CCC, CDE and CSAC are 100 percent TANF. Expenditures claimed as MOE are 100 percent GF.

CHANGE FROM GOVERNOR'S BUDGET:

There is no change in TANF expenditures. There is no change to the MOE-eligible expenditures from CCC. The decrease in FY 2013-14 and increase in FY 2014-15 for CDE MOE-eligible expenditures reflects updated GF amounts for CDE programs. The decrease in both years for countable MOE from State Disregard Payment to Families reflects updated data from DCSS.

REASON FOR YEAR-TO-YEAR CHANGE:

The decrease in the amount transferred to CSAC reflects an increased need for TANF in CalWORKs. The increase in MOE-eligible expenditures is primarily due to the updated income eligibility threshold with the Five Percent MAP Increase, which results in a higher percentage of CDE child care program families that are eligible for TANF.

**Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.*

TANF/MOE in Other State Agencies^{*}**EXPENDITURES:**

(in 000s)

FY 2013-14

Item 101 – Other TANF Items	Total	Federal	State	County	Reimb.
TANF Pass-Through for State Agencies	\$18,322	\$18,322	\$0	\$0	\$0
TANF Transfer to Student Aid Commission	541,712	541,712	0	0	0
TANF Page – MOE Eligible Expend.					
Community Colleges-Expansion of Svcs.	34,545	0	34,545	0	0
CDE Child Care Programs	420,215	0	420,215	0	0
State Disregard Payment to Families	13,307	0	13,307	0	0

FY 2014-15

Item 101 – Other TANF Items	Total	Federal	State	County	Reimb.
TANF Pass-Through for State Agencies	\$18,322	\$18,322	\$0	\$0	\$0
TANF Transfer to Student Aid Commission	440,469	440,469	0	0	0
TANF Page – MOE Eligible Expend.					
Community Colleges-Expansion of Svcs.	34,545	0	34,545	0	0
CDE Child Care Programs	443,998	0	443,998	0	0
State Disregard Payment to Families	12,915	0	12,915	0	0

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

Kin-GAP Program*

DESCRIPTION:

This premise reflects the costs associated with the Kin-GAP program. The Kin-GAP program is intended to enhance family preservation and stability by recognizing many foster children are in long-term, stable placements with relatives, and these placements are the permanent plan for the child. Accordingly, a dependent child who has been living with a relative for at least six 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 or scheduled court and social services supervision of the placement.

The Kin-GAP rates are equivalent to the basic FC rate for children placed in a licensed or approved FFH as specified in W&IC section 11461, subdivisions (a) through (d). 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. The basic Kin-GAP rate includes all clothing allowances and SCIs the child would have been eligible for while in FC.

Pursuant to AB 12 (Chapter 559, Statutes of 2010), cases determined to be federal Title IV-E eligible have converted to the Fed-GAP program upon annual redetermination, effective January 1, 2011. Prospective federally eligible cases that would have entered the Kin-GAP program on or after January 1, 2011, now enter the Fed-GAP program.

In addition, this premise reflects the costs associated with the annual CNI COLA for the Kin-GAP program resulting from the *California Alliance of Child and Family Services v. William Lightbourne, et al.* court decision.

IMPLEMENTATION DATE:

The Kin-GAP program implemented on January 1, 2000, and the enhancements implemented on October 1, 2006. The annual CNI COLA impact implemented on July 1, 2011.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&IC sections 11360 through 11380 and 11461 for the CNI COLA impact.
- The Kin-GAP rate is equivalent to the basic FC rate for children placed in a licensed or approved FFH, including all clothing allowances and SCIs received while in FC, as specified in statute.
- Federal and non-federal cases and the basic grant payments are based on actual cases reported on the CA 800 KG, Summary Report of Expenditures for the Kin-GAP program, from November 2012 through December 2013, excluding February and March 2013.
- The average monthly caseload for FY 2013-14 is 7,963 and 8,080 for FY 2014-15.
- The average Kin-GAP basic grant payment is \$691.37.
- The projected Kin-GAP grant payment is adjusted to include a COLA increase of 2.65 percent for FY 2013-14 and an additional COLA increase of 2.17 percent for FY 2014-15. The COLA is based on the CNI.

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

Kin-GAP Program*

KEY DATA/ASSUMPTIONS (CONTINUED):

- The State-Only Kin-GAP program is available for those cases not eligible for the Fed-GAP program but meet the criteria for Kin-GAP. This includes cases that transfer from the CalWORKS program, permanent residence under color of law and cases determined non-federally eligible upon annual redetermination.
- The non-federally eligible cases represent approximately 58.5 percent of the total Kin-GAP caseload based on data from July 2012 through June 2013. Federally eligible cases have been transferred to the Fed-GAP program. Non-federally eligible cases remain in the Kin-GAP program.
- The impact of the *California Foster Parent Association v. William Lightbourne, et al.* court decision that increased the FFH basic rate is included in the Kin-GAP Basic Cost.
- Based on the actual expenditures through December 2013, the cost of ongoing county Kin-GAP administrative functions is \$53.66 per case per month.
- State and county expenditures associated with all cases are considered to be eligible to be counted towards the state's TANF MOE.
- This premise assumes no Title IV-E federal funding.
- Based on data from all counties, the average initial clothing allowance provided to new cases is \$220 and \$99 annually thereafter.

METHODOLOGY:

- The assistance costs are calculated by multiplying the total number of casemonths by the average monthly Kin-GAP grant payment.
- The FY 2013-14 Kin-GAP COLA costs are calculated by multiplying the caseload by the FY 2012-13 average grant by the FY 2013-14 COLA of 2.65 percent beginning July 1, 2013.
- The FY 2014-15 Kin-GAP COLA costs are calculated by further increasing the average grant by the FY 2014-15 COLA of 2.17 percent beginning July 1, 2014.
- The Kin-GAP administrative costs are calculated by multiplying the projected casemonths by the monthly administrative cost per case.

FUNDING:

The assistance costs are funded with 79 percent GF and 21 percent county funds, and the administrative costs are funded with 50 percent GF and 50 percent county funds.

CHANGE FROM GOVERNOR'S BUDGET:

For the Kin-GAP basic costs, FY 2013-14 and FY 2014-15 increases reflect updated caseload projections. For Kin-GAP administration, there is no change in FY 2013-14, and the FY 2014-15 decrease reflects the updated cost per case offset by the updated caseload projection. For the Kin-GAP COLA increase the FY 2013-14 increase reflects the updated caseload projection and the FY 2014-15 decrease reflects the updated COLA.

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

Kin-GAP Program *

REASON FOR YEAR-TO-YEAR CHANGE:

The Kin-GAP basic costs increase reflects the updated caseload projection. The Kin-GAP administrative costs decrease reflects the updated cost per case. The Kin-GAP COLA increase reflects the additional FY 2014-15 COLA.

EXPENDITURES:

(in 000s)

FY 2013-14

Item 101 – Kin-GAP Assistance	Total	Federal	State	County	Reimb.
Kin-GAP - Basic Costs	\$66,066	\$0	\$52,192	\$13,874	\$0
Kin-GAP - Administration	5,502	0	2,751	2,751	0
Kin-GAP - COLA Increase	1,751	0	1,383	368	0

FY 2014-15

Item 101 – Kin-GAP Assistance	Total	Federal	State	County	Reimb.
Kin-GAP - Basic Costs	\$67,032	\$0	\$52,955	\$14,077	\$0
Kin-GAP - Administration	5,204	0	2,602	2,602	0
Kin-GAP - COLA Increase	3,269	0	2,583	686	0

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

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Kin-GAP Nonrecurring Costs*

DESCRIPTION:

This premise provides funding to reimburse the nonrecurring expenses of relatives who obtain legal guardianship of related foster children. The federal Fostering Connections to Success and Increasing Adoptions Act of 2008 (PL 110-351) created a Title IV-E option allowing states to provide Kin-GAP to relatives who assume legal guardianship of related foster children. The Act requires a written, binding Kin-GAP agreement that specifies, among other things, the Title IV-E agency reimburse the legal guardian for the nonrecurring expenses associated with obtaining legal guardianship of the child, not to exceed \$2,000.

IMPLEMENTATION DATE:

This premise implemented on January 1, 2012.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&IC section 11364 and 11387.
- This estimate reflects costs for 58 counties.
- The maximum reimbursement per case is \$2,000.
- Based on actual caseload and expenditure data from the Adoptions program, it is assumed an average of 32.55 percent of relative foster parents will submit a claim in FY 2013-14 and FY 2014-15.
- Based on the caseload reported on the CA 237 KG Caseload Movement Report, approximately 16 percent of FC children served in CalWORKs transfer to the Kin-GAP program. As a result, an average of 86 monthly cases are assumed to be eligible for the state-only Kin-GAP program in FY 2013-14 and FY 2014-15.
- The Fed-GAP and CWS program portions of this estimate are included in the Realigned Programs premise.

METHODOLOGY:

The average monthly Kin-GAP caseload is multiplied by the \$2,000 maximum reimbursement per case.

FUNDING:

The Kin-GAP program costs are funded with 100 percent GF. The funding for Fed-GAP and CWS programs portion of this estimate is included in the Realigned Programs premise.

CHANGE FROM GOVERNOR'S BUDGET:

The FY 2013-14 and FY 2014-15 decreases reflect an updated caseload projection based on the assumption that less relative foster parents will be submitting claims.

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

Kin-GAP Nonrecurring Costs*

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000s)

FY 2013-14

Item 101 – Kin-GAP Assistance	Total	Federal	State	County	Reimb.
Nonrecurring Costs - Kin-GAP Impact	\$172	\$0	\$172	\$0	\$0

FY 2014-15

Item 101 – Kin-GAP Assistance	Total	Federal	State	County	Reimb.
Nonrecurring Costs - Kin-GAP Impact	\$172	\$0	\$172	\$0	\$0

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

Payable From Title IV-E Child Support Collections/Recovery Fund*

DESCRIPTION:

This premise reflects the estimated federal share of FC child support collections as determined by DCSS. The DCSS is responsible for transferring to the Recovery Fund the federal share of FC collections as reported to the federal government. The FC child support collections offset the Title IV-E share of FC expenditures.

IMPLEMENTATION DATE:

This premise implemented on July 1, 2000.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Social Security Act section 457(6)(e)(1).
- The estimated FC collections federal share is provided by DCSS based on the most recent budget process.
- The level of FFP is 50 percent based on the FMAP.

METHODOLOGY:

The estimates are provided by DCSS.

FUNDING:

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

CHANGE FROM GOVERNOR'S BUDGET:

The FY 2013-14 and FY 2014-15 decreases reflect updated actual FC collections.

REASON FOR YEAR-TO-YEAR CHANGE:

The decrease reflects updated actual FC collections.

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

Payable From Title IV-E Child Support Collections/Recovery Fund*

EXPENDITURES:

(in 000s)

FY 2013-14

Item 101 – FC Net Payments	Total	Federal	State	County	Reimb.
Offset Collections	-\$6,971	-\$6,971	\$0	\$0	\$0
Recovery Fund	6,971	6,971	0	0	0

FY 2014-15

Item 101 – FC Net Payments	Total	Federal	State	County	Reimb.
Offset Collections	-\$6,512	-\$6,512	\$0	\$0	\$0
Recovery Fund	6,512	6,512	0	0	0

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

Realigned Programs*

DESCRIPTION:

AB 118 (Chapter 40, Statutes of 2011) and ABX1 16 (Chapter 13, First Extraordinary Session, Statutes of 2011), realigned state funding to the counties through 2011 LRF for the following programs: AAP; Agency Adoptions; FC; CWS; CAPIT and APS. SB 1020 (Chapter 40, Statutes of 2012) established the Support Services Account. Specified tax revenues are redirected to the counties on an ongoing basis to the LRF Support Services Subaccount, Protective Services Subaccount.

The LRF was created in the State Treasury to receive all revenues, less refunds, derived from the taxes described in Government Code sections 6051.15 and 6201.15; revenues may be allocated to the fund pursuant to Revenue and Taxation Code sections 11001.5 and 11005, as well as other moneys that may be specifically appropriated to the fund.

The impact of the federal sequestration reduction is reflected in the Federal Sequestration Reduction premise.

IMPLEMENTATION DATE:

The base year for 2011 Realignment funding is FY 2011-12.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: SB 1020, AB 118 and ABX1 16.
- The LRF funding is solely for specified realigned programs.
- The LRF for the children's and adult programs mentioned above, representing the state revenues that shifted to the counties under realignment, is displayed in the "2011 Realigned" lines in the Detail Tables in this binder. The federal, county and reimbursement funding shares are shown in the corresponding "Cash Payments" or "Program Cost" table lines.
- The LRF value has been held at the 2011 Realignment base from FY 2011-12, while the federal, county and reimbursement funding reflect updated assumptions.
- The Expenditures section below displays the LRF, county and federal funding shares, including the break-out of the federal share by federal fund type.

Children's Programs

- The percent of federally eligible costs is 67 percent in FY 2013-14 and 68 percent in FY 2014-15 for the 56 non-Title IV-E Waiver counties estimates.
- The 58-county estimates assume 66 percent of costs are federally eligible in FY 2013-14 and FY 2014-15.
- The FMAP is 50 percent for both assistance and administrative expenditures and 75 percent for training expenditures.

Adult Programs

- The FFP is based on either a 50 or 75 percent FMAP.

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

Realigned Programs*

METHODOLOGY:

The program expenditures were developed using updated caseloads, grants and expenditures.

FUNDING:

Federal, county and reimbursement shares of costs/savings have been determined using the same funding ratios applied prior to 2011 Realignment.

The LRF is held to the FY 2011-12 Realignment base.

Children's Programs

Federal funds include Title IV-B, Title IV-E, Title XIX, Title XX and TANF. The FFP is 50 percent for both assistance and administrative expenditures and 75 percent for training expenditures.

Adult Programs

Federal funds are solely Title XIX. The FFP is based on a 75 percent enhanced FMAP for health-related activities performed by SPMP and 50 percent FMAP for health-related activities performed by non-SPMP.

CHANGE FROM GOVERNOR'S BUDGET:

Item 101 FC – The FY 2013-14 and FY 2014-15 federal and county increases reflect an overall slower decline in caseload than previously projected.

Item 101 AAP – The FY 2013-14 and FY 2014-15 federal and county decreases reflect a decrease in the projected caseload.

Item 141 FC – The FY 2013-14 and FY 2014-15 federal and county increases reflect the updated caseload projection.

Item 151 CWS – The FY 2013-14 federal increase reflects an updated Title XX Transfer to DDS amount. The FY 2014-15 net decrease reflects the removal of the Health Care Oversight for Children in FC program federal reimbursement authority, offset by an increase in caseloads and inclusion of FC and pre-adoption county counsel expenditures.

Item 151 Adoptions – There is no change in FY 2013-14. The FY 2014-15 increase reflects updated expenditures, offset by the removal of county counsel cost and additional savings from the Resource Family Approval premise.

Item 151 OCAP – There is no change.

Item 151 APS – The FY 2013-14 increase reflects updated federal reimbursement expenditures. The FY 2014-15 net decrease reflects updated county services block grant expenditures offset by an increase in APS expenditures.

Item 153 Title IV-E Waiver – There is no change.

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

Realigned Programs*

REASON FOR YEAR-TO-YEAR CHANGE:

Item 101 FC – The federal and county decreases reflect the overall decrease in the projected caseload.

Item 101 AAP – The federal and county increases reflect an increase in the projected caseload.

Item 141 FC – The federal and county decreases reflect the overall decrease in the projected caseload.

Item 151 CWS – The net increase reflects the inclusion of FC and pre-adoption county counsel expenditures, the increase in federal reimbursement authority and the increase in TANF to fund the next phase of the CWS-NS Project, offset by a decrease in caseloads.

Item 151 Adoptions – The increase reflects updated expenditures.

Item 151 OCAP – There is no change.

Item 151 APS – The decrease in the county share reflects the display change for county expenditures to no longer reflect the county share needed to match the additional federal funds budgeted.

Item 153 Title IV-E Waiver – The federal increase reflects additional growth in the federal base amount.

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

Realigned Programs^{*}

EXPENDITURES:

(in 000s)

FY 2013-14	Total	Title IV-E	Title IV-B	Title XIX	Title XX	TANF	LRF	County
Total Funds	\$5,306,664	\$1,601,138	\$31,013	\$210,810	\$262,182	\$305,220	\$1,660,834	\$1,235,467
Item 101 – FC Grant	1,043,947	284,963	0	0	30,303	46,673	242,386	439,622
Extended FC Additional Base Funding FY 2012-13**	18,186	0	0	0	0	0	18,186	0
Extended FC Additional Base Funding FY 2013-14**	20,368	0	0	0	0	0	20,368	0
Extended FC Additional Base Funding FY 2014-15**	0	0	0	0	0	0	0	0
Item 101 – AAP Grant	912,554	391,767	0	0	0	0	381,791	138,996
Item 141 – FC Administration	61,161	31,495	0	0	0	0	24,962	4,704
Item 151 – CWS Administration	1,586,046	330,022	31,013	116,541	186,256	258,547	476,451	187,216
Item 151 – Adoptions Administration	120,943	56,148	0	0	0	0	64,366	429
State Operations Agency Adoptions***	6,039	0	0	0	0	0	6,039	0
Item 151 – OCAP Administration	13,395	0	0	0	0	0	13,395	0
Item 151 – APS Administration	218,296	0	0	94,269	0	0	55,042	68,985
Item 153 – Title IV-E Waiver	1,305,729	506,743	0	0	45,623	0	357,848	395,515

** SB 1020 increased the Protective Services Subaccount funding base for Extended FC by \$53.9 million over three FYs; for additional information, refer to CFL 12-13-16. The additional base funding is reflected as a non-add line in the Detail Tables but included in the 2011 Realignment total.

*** State Operations Agency Adoptions costs are not included in CDSS' Local Assistance budget but are included in the 2011 Realignment total.

**Please refer to the first tab titled "Acronyms" for a full description of acronyms.*

Realigned Programs^{*}

EXPENDITURES (CONTINUED):

(in 000s)

FY 2014-15	Total	Title IV-E	Title IV-B	Title XIX	Title XX	TANF	LRF	County
Total Funds	\$5,312,091	\$1,617,109	\$31,789	\$214,505	\$261,956	\$305,206	\$1,676,167	\$1,205,359
Item 101 – FC Grant	1,035,699	282,577	0	0	30,303	46,673	242,386	433,760
Extended FC Additional Base Funding FY 2012-13**	18,186	0	0	0	0	0	18,186	0
Extended FC Additional Base Funding FY 2013-14**	20,368	0	0	0	0	0	20,368	0
Extended FC Additional Base Funding FY 2014-15**	15,333	0	0	0	0	0	15,333	0
Item 101 – AAP Grant	926,164	401,770	0	0	0	0	381,791	142,603
Item 141 – FC Administration	60,443	30,870	0	0	0	0	24,962	4,611
Item 151 – CWS Administration	1,592,745	328,995	31,789	120,236	186,030	258,533	476,451	190,711
Item 151 – Adoptions Administration	121,416	56,620	0	0	0	0	64,366	430
State Operations Agency Adoptions***	6,039	0	0	0	0	0	6,039	0
Item 151 – OCAP Administration	13,395	0	0	0	0	0	13,395	0
Item 151 – APS Administration	187,040	0	0	94,269	0	0	55,042	37,729
Item 153 – Title IV-E Waiver	1,315,263	516,277	0	0	45,623	0	357,848	395,515

** SB 1020 increased the Protective Services Subaccount funding base for Extended FC by \$53.9 million over three FYs; for additional information, refer to CFL 12-13-16. The additional base funding is reflected as a non-add line in the Detail Tables but included in the 2011 Realignment total.

*** State Operations Agency Adoptions costs are not included in CDSS' Local Assistance budget but are included in the 2011 Realignment total.

**Please refer to the first tab titled "Acronyms" for a full description of acronyms.*

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Tribal-State Title IV-E Agreements*

DESCRIPTION:

This premise reflects the costs to provide start-up funding for three years when a tribe seeks to implement a CWS program. The federal Social Security Act, Indian Child Welfare Act and W&IC sections 10553.1 and 10553.2 allow states to enter into agreements to pass-through federal Title IV-E funds for FC maintenance and administration to tribes. Tribal-State Agreements are required to allow the pass-through of Title IV-E funds to the tribes to provide FC services to tribal children.

IMPLEMENTATION DATE:

The Karuk Tribe implemented on July 1, 2010, and the Yurok Tribe implemented on October 1, 2013.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Federal Social Security Act, Indian Child Welfare Act and W&IC sections 10553.1 and 10553.2.
- The average monthly statewide FFH federal grant is \$895.99 for FY 2013-14 and \$915.44 for FY 2014-15. The GH federal grant is \$7,530.19 for FY 2013-14 and \$7,693.60 for FY 2014-15. The AAP federal grant is \$941.08 for FY 2013-14 and \$961.50 for FY 2014-15. The grants are based on statewide actual expenditures through June 2013. The FFH, GH and AAP federal grants include a CNI adjustment of 2.65 percent for FY 2013-14 and 2.17 percent for FY 2014-15.
- The impact of the *California Foster Parent Association v. William Lightbourne et al.* court decision that increased the FFH basic rate is included in the Tribal-State Title IV-E Basic Cost.
- Based on information from the Karuk Tribe, the average monthly projected FY 2013-14 and FY 2014-15 FFH caseload is five, GH caseload is zero and AAP caseload is one.
- Based on information from the Yurok Tribe, the average monthly projected FY 2013-14 and FY 2014-15 FFH caseload is 12, GH and AAP caseloads are zero.
- For FY 2013-14, the amount of FFP is based on 50 percent for both assistance and administrative costs. The training costs are reimbursed at 75 percent for those cases and programs meeting eligibility criteria.
- For FY 2014-15, the amount of FFP is based on an enhanced Tribal FMAP of 83 percent for assistance. The administrative costs receive federal reimbursement at 50 percent. The training costs are reimbursed at 75 percent for those cases and programs meeting eligibility criteria.
- For FY 2013-14, the sharing ratios are based on current statute.
- For FY 2014-15, for assistance, the state share will assume all non-federal costs with a FC Tribal FMAP of 80 percent or higher, an AAP Tribal FMAP of 62.5 percent or higher or a Fed-GAP Tribal FMAP of 60.5 percent or higher. If the FMAP falls below these thresholds, the tribal share of the non-federal costs will be 60 percent for FC, 25 percent for AAP and 21 percent for Fed-GAP.

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

Tribal-State Title IV-E Agreements^{*}

KEY DATA/ASSUMPTIONS (CONTINUED):

- Based on information from the Karuk Tribe, the annual cost of an eligibility worker is estimated at \$70,000. Based on information from the Yurok Tribe, the annual cost of an eligibility worker is estimated at \$50,000.
- The administration of FC eligibility requires one eligibility worker annually for the Karuk Tribe and two eligibility workers for the Yurok Tribe.

METHODOLOGY:

The estimate is based on cost and caseload information from the Karuk and Yurok Tribes. The basic assistance estimate is the product of casemonths and average grants.

FUNDING:

Federal funding is provided by Title IV-E of the Social Security Act, with the amount of FFP based on the Tribal FMAP for assistance, 50 percent for administrative expenditures and 75 percent for training for those cases and programs meeting eligibility criteria.

Item 101 – FC Assistance – Funding for the remaining federal and non-federal costs for FY 2013-14 is 40 percent GF and 60 percent tribal; for FY 2014-15 is 100 percent GF, with no tribal share.

Item 101 – AAP Assistance – Funding for the remaining federal and non-federal costs for FY 2013-14 is 75 percent GF and 25 tribal; for FY 2014-15 is 100 percent GF, with no tribal share.

Item 141 – FC and AAP Administration – Funding for the remaining federal and non-federal costs is 70 percent GF and 30 percent tribe.

Item 151 – CWS Administration – For Basic Staffing, Adam Walsh, Grievance Reviews, Multiple Relative Home Approvals, Relative Home Approvals and Child Relationships, the non-federal costs are 70 percent GF and 30 percent tribe. For Background Checks, Live Scan machines, Caregiver Court Filings, Criminal Records Check and Foster Parent Training and Recruitment, the remaining non-federal costs are 100 percent GF. The Basic Direct costs do not have a federal share and are 70 percent GF and 30 percent tribe.

Item 151 – Adoptions Administration – The sharing ratio for FY 2013-14 is 41.27 percent federal and 58.73 percent non-federal. The sharing ratio for FY 2014-15 is 41.10 percent federal and 58.90 percent non-federal. The non-federal share is 100 percent GF.

CHANGE FROM GOVERNOR'S BUDGET:

Item 101 – FC – The FY 2013-14 federal decrease and corresponding GF and county increases reflects reverting to statutory sharing ratios. The FY 2014-15 change reflects the updated CNI.

Item 101 – AAP – The FY 2013-14 federal decrease and corresponding GF and county increases reflects reverting to the statutory sharing ratios. The FY 2014-15 increase reflects a rounding adjustment.

Item 141 – FC Administration – There is no change.

**Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.*

Tribal-State Title IV-E Agreements^{*}

CHANGE FROM GOVERNOR'S BUDGET (CONTINUED):

Item 151 – CWS Administration – The FY 2013-14 decrease and the corresponding FY 2014-15 increase reflect the Yurok Tribe deferring funding for the purchase of the Live Scan machine from FY 2013-14 to FY 2014-15.

Item 151 – Adoptions – There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

Item 101 – FC – The net increase reflects the updated CNI and a full year of funding for the Yurok Tribe and the enhanced tribal FMAP for FY 2014-15.

Item 101 – AAP – The net increase reflects the updated CNI and the enhanced tribal FMAP for FY 2014-15.

Item 141 – FC Administration – The increase reflects a full year of funding for the Yurok Tribe.

Item 151 – CWS Administration – The increase reflects a full year of funding for the Yurok Tribe, offset by ongoing Live Scan maintenance costs for the Karuk Tribe.

Item 151 – Adoptions – There is no change.

EXPENDITURES:

(in 000s)

FY 2013-14

Tribal-State IV-E Agreements	Total	Federal	State	County	Reimb.
Item 101 – FC Grants	\$150	\$75	\$30	\$45	\$0
Item 101 – AAP Grants	11	6	4	1	0
Item 141 – FC Administration	146	73	51	22	0
Item 151 – CWS Administration	192	87	76	29	0
Item 151 – Adoptions Administration	72	30	42	0	0

FY 2014-15

Tribal-State IV-E Agreements	Total	Federal	State	County	Reimb.
Item 101 – FC Grants	\$187	\$155	\$32	\$0	\$0
Item 101 – AAP Grants	12	10	2	0	0
Item 141 – FC Administration	171	85	60	26	0
Item 151 – CWS Administration	229	102	92	35	0
Item 151 – Adoptions Administration	72	30	42	0	0

**Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.*

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Refugee Programs*

DESCRIPTION:

This premise reflects the costs associated with the Refugee Resettlement Program. The RCA program includes cash grants that are provided to refugees during their first eight months in the United States if they are not otherwise eligible for other categorical welfare programs.

Administrative costs necessary to perform the administrative function for the RCA program are also included in this premise. These include salaries and benefits of eligibility workers and first line supervisors who determine eligibility and provide ongoing case management for the RCA program. Overhead and direct costs are included in the RCA administrative costs. In addition to RCA Basic and RCA Administration premise lines, this premise includes updated funding assumptions for the: Refugee Social Services, Targeted Assistance and Refugee School Impact Grant premise items. Detailed descriptions of these premises can be found in the 2012 May Revision, Estimate Methodologies section.

The impacts of the federal sequestration reductions are reflected in the Federal Sequestration Reduction premise.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Title VIII of the United States Code section 1522 authorizes the federal government to provide grants to states to assist refugees who resettle in the United States. The W&IC sections 13275 through 13282 authorize CDSS to administer the funds provided under Title VIII of the United States Code. These sections also provide CDSS authority to allocate the federal Refugee Social Services and Targeted Assistance funds to the counties.
- The RCA premises implemented on March 17, 1980.

RCA – Administration

- Based on data from calendar year 2013, the average monthly administrative cost per RCA case is approximately \$103.08.
- The average monthly caseload is estimated at 2,027 cases for FY 2013-14 and FY 2014-15.

RCA – Basic

- Based on actual expenditures from calendar year 2013, the average monthly grant for RCA recipients in FY 2013-14 and FY 2014-15 is estimated to be \$289.61. The impact of the RCA - Five Percent MAP Increase is located in the corresponding premise write-up.
- The average monthly caseload is estimated at 2,027 cases for FY 2013-14 and FY 2014-15.

Refugee Social Services

- This premise implemented on October 1, 1981.
- The federal grant includes \$7.9 million in Standard State Refugee Social Services funds for FY 2013-14 and FY 2014-15.
- Of the \$7.9 million, \$1.1 million will be distributed to qualifying refugees through the Wilson/Fish Alternative Project.
- A contract for \$8.6 million total funds in FY 2013-14 and \$10.3 million total funds in FY 2014-15 is available to serve unaccompanied refugee minors.

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

Refugee Programs*

KEY DATA/ASSUMPTIONS (CONTINUED):

Targeted Assistance

- This premise implemented on October 1, 1983.
- Due to potential budget shortfalls at the federal level, the Office of Refugee Resettlement will award Targeted Assistance funding in two increments in FFY 2014.
- The federal grant includes \$4.7 million in Standard Targeted Assistance funds for FY 2013-14 and FY 2014-15.
- Of the \$4.7 million, \$0.7 million will be distributed to qualifying refugees through the Wilson/Fish Alternative Project.
- The federal grant includes \$275,000 in Targeted Assistance Discretionary funds awarded in FFY 2014, which is budgeted for FY 2013-14 and FY 2014-15. This grant represents the second year of a three-year project period.
- The federal grant includes \$175,000 in discretionary funding to serve elderly refugees in FY 2013-14 and FY 2014-15. This grant is available for a three-year project period with funding for subsequent years contingent upon the availability of federal funds and the project's progress.

Refugee School Impact Grant

- This premise implemented on August 15, 2005.
- The federal grant includes \$1.0 million to serve school-age refugee children and their families in FY 2013-14 and FY 2014-15.
- The grant includes \$60,000 in administrative funds for State Operations costs.

METHODOLOGY:

- The average cost per case for RCA administration is multiplied by the estimated annual caseload for each FY.
- The RCA average grant is multiplied by the estimated annual caseload for each FY.
- The Refugee Social Services funding is based on the sum of the standard federal grant award (less the portion of the Wilson/Fish Alternative Project) and the Unaccompanied Refugee Minors contracts.
- The Targeted Assistance funding is based on the sum of federal grants (less the portion of the Wilson/Fish Alternative Project), Targeted Assistance Discretionary and discretionary funding to serve elderly refugees.
- The Refugee School Impact Grant funding is based on a federal award.

FUNDING:

This program is 100 percent federally funded.

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

Refugee Programs*

CHANGE FROM GOVERNOR'S BUDGET:

The RCA Basic and Administration - The FY 2013-14 and FY 2014-15 RCA Basic increase reflects the updated average grant amount. The FY 2013-14 and FY 2014-15 administrative decrease reflects the updated average administrative cost per case.

Refugee Social Services - There is no change in FY 2013-14. The FY 2014-15 increase reflects the updated Unaccompanied Refugee Minors program contract amount.

Targeted Assistance and Refugee School Impact Grant - There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

The RCA Basic and RCA Administration - There is no change for RCA Basic. The administrative decrease reflects one-time mailing costs for the five percent MAP increase.

Refugee Social Services - The increase reflects updated Unaccompanied Refugee Minors program contract amount.

Target Assistance and Refugee School Impact Grant - There is no change.

EXPENDITURES:

(in 000s)

	<u>FY 2013-14</u>				
Item 101 – RCA	Total	Federal	State	County	Reimb.
RCA – Basic Cost	\$7,045	\$7,045	\$0	\$0	\$0
Item 141 – RCA Administration					
RCA – Administration	2,508	2,508	0	0	0
Item 151 – Special Programs					
Refugee Social Services	15,353	15,353	0	0	0
Targeted Assistance	4,467	4,467	0	0	0
Refugee School Impact Grant	1,000	1,000	0	0	0
	<u>FY 2014-15</u>				
Item 101 – RCA	Total	Federal	State	County	Reimb.
RCA – Basic Cost	\$7,045	\$7,045	\$0	\$0	\$0
Item 141 – RCA Administration					
RCA – Administration	2,507	2,507	0	0	0
Item 151 – Special Programs					
Refugee Social Services	17,134	17,134	0	0	0
Targeted Assistance	4,467	4,467	0	0	0
Refugee School Impact Grant	1,000	1,000	0	0	0

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

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RCA – Five Percent MAP Increase^{*}

DESCRIPTION:

This premise reflects the cost associated with implementation of a five percent MAP increase to the CalWORKs program, due to RCA payments being based on the CalWORKs grant levels (see Five Percent MAP Increase premise description). The W&IC section 11450.025 increases CalWORKs MAP levels by five percent beginning March 1, 2014, for all AUs. The RCA program provides cash grants to refugees during their first eight months in the United States if they are not otherwise eligible for other categorical welfare programs.

IMPLEMENTATION DATE:

This premise implemented on March 1, 2014.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&IC section 11450.025.
- The average monthly grant for RCA recipients in FY 2013-14 and FY 2014-15 is estimated to be \$289.61, prior to the rate increase.
- Applying the five percent MAP increase will result in an average estimated grant of \$299.00 in FY 2013-14 and \$304.10 in FY 2014-15.
- The average monthly caseload is estimated to be 2,027 cases for FY 2013-14 and FY 2014-15.

METHODOLOGY:

The five percent increased grant cost is calculated by multiplying the increase in the average RCA grant by the impacted caseload.

FUNDING:

This program is 100 percent federally funded.

CHANGE FROM GOVERNOR'S BUDGET:

The FY 2013-14 increase reflects a technical adjustment from seven to eight months of impact for the MAP increase. The FY 2014-15 increase reflects updated grant amounts.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase reflects a full year impact of the MAP increase.

**Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.*

RCA – Five Percent MAP Increase^{*}

EXPENDITURES:

(in 000s)

FY 2013-14

Item 101 – RCA	Total	Federal	State	County	Reimb.
Five Percent MAP Increase	\$228	\$228	\$0	\$0	\$0

FY 2014-15

Item 101 – RCA	Total	Federal	State	County	Reimb.
Five Percent MAP Increase	\$352	\$352	\$0	\$0	\$0

**Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.*

Federal Sequestration Reduction*

DESCRIPTION:

This premise reflects the federal across-the-board reductions to specific federal grants as a result of the federal sequestration order. The Balanced Budget and Emergency Deficit Control Act section 251 A, as amended on March 1, 2013, required the President to issue a sequestration order canceling \$85 billion in budgetary resources across the Federal Government for the remainder of FFY 2013. The order resulted in a reduction to the following CDSS federal grants in FFY 2013 and ongoing: the TEFAP, Chafee ETV, CWS Title IV-B, PSSF, Title XX - transfer to DDS, Title XX for the Deaf Access Program, CAPTA, CBCAP and the Refugee services grants.

IMPLEMENTATION DATE:

This premise implemented on March 1, 2013.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: The 2011 Budget Control Act (PL 112-25).
- This premise is reflected as a non-add lines for the 2013-14 Appropriation and as add lines for FY 2013-14 and FY 2014-15.
- The TEFAP grant is reduced by \$622,000 in both FY 2013-14 and FY 2014-15.
- The Chafee ETV grant will be reduced by \$510,000 and \$549,000 in FY 2013-14 and FY 2014-15, respectively.
- The CWS Title IV-B grant will be reduced by \$2,016,000 and \$2,791,000 in FY 2013-14 and FY 2014-15, respectively.
- The PSSF grant will be reduced by \$2,781,000 and \$3,113,000 in FY 2013-14 and FY 2014-15, respectively.
- The social services Title XX block grant will reduce the transfer of Title XX to DDS by \$9,596,000 and \$10,584,000 in FY 2013-14 and FY 2014-15, respectively and the Deaf Access program by \$283,000 and \$194,000 in FY 2013-14 and FY 2014-15, respectively.
- The CBCAP grant is not reduced in FY 2013-14 and will be reduced by \$299,000 in FY 2014-15.
- The CAPTA state grant is not reduced in FY 2013-14 and will be reduced by \$236,000 in FY 2014-15.
- The Refugee grants will be reduced by \$335,000 in both FY 2013-14 and FY 2014-15.

METHODOLOGY:

These are across-the-board federal grant reductions are the result of the Balanced Budget and Emergency Deficit Control Act. The reduction amounts are issued to states in annual federal grant letters.

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

Federal Sequestration Reduction*

FUNDING:

The reduction is 100 percent federal funds.

CHANGE FROM GOVERNOR'S BUDGET:

The FY 2013-14 and FY 2014-15 increases in the reduction to TEFAP reflect the updated projected federal sequestration reduction amount. There is no change to the other programs.

REASON FOR YEAR-TO-YEAR CHANGE:

For the CWS and Child Abuse Prevention programs, the increase in the reductions reflects updated projected federal sequestration reduction amounts. The decrease in the Deaf Access program reduction reflects updated projected federal sequestration reduction amounts. There is no change to TEFAP and the Refugee Programs.

EXPENDITURES:

(in 000s)

FY 2013-14

Federal Sequestration Reduction	Total	Federal	State	County	Reimb.
Item 101 – TEFAP	-\$622	-\$622	0	0	0
Item 151 – CWS	-14,903	-14,903	0	0	0
Item 151 – Child Abuse Prevention	0	0	0	0	0
Item 151 – Access Assistance/Deaf Access Program	-283	-283	0	0	0
Item 151 – Refugee Programs	-335	-335	0	0	0

FY 2014-15

Federal Sequestration Reduction	Total	Federal	State	County	Reimb.
Item 101 – TEFAP	-\$622	-\$622	0	0	0
Item 151 – CWS	-17,037	-17,037	0	0	0
Item 151 – Child Abuse Prevention	-535	-535	0	0	0
Item 151 – Access Assistance/Deaf Access Program	-194	-194	0	0	0
Item 151 – Refugee Programs	-335	-335	0	0	0

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

Trafficking and Crime Victims Assistance Program (TCVAP)*

DESCRIPTION:

This premise represents the costs associated with extending social services and benefits to otherwise ineligible noncitizens who are victims of human trafficking, domestic violence and other serious crimes through the TCVAP. These individuals are eligible for state-funded services and benefits to the same extent as persons who are eligible under the federal Refugee Act of 1980. The state-funded services and benefits provided include cash and medical assistance for up to eight months, employment services, food assistance through CFAP, IHSS, CAPI and Healthy Families.

Noncitizen trafficking and crime victims who have children and are eligible for CalWORKs will receive assistance through a state-funded CalWORKs grant. Eligible noncitizen trafficking and crime victims who do not have children will receive assistance through a state-funded TCVAP Cash Assistance grant.

The United States Citizenship and Immigration Services provides T Nonimmigrant Status (T Visa) to victims of trafficking and U Nonimmigrant Status (U Visa) to crime victims who have suffered substantial mental or physical abuse as a result of the crime.

The TCVAP requires victims of human trafficking to file for a visa which allows victims to remain in the United States and assist law enforcement authorities in the investigation or prosecution of human trafficking and other crimes. This is necessary to demonstrate that they are taking steps to meet the conditions for federal eligibility in order to qualify for state public social services. 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. Victims of domestic violence and other serious crimes must have filed a formal application for or have received a U visa to qualify for TCVAP benefits.

IMPLEMENTATION DATE:

This premise implemented on January 1, 2007.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&IC section 18945.
- All data, caseload, and cost assumptions are held to the FY 2013-14 Appropriation.

TCVAP CalWORKs:

- Funding is provided to serve 2,626 TCVAP recipients per month through CalWORKs.
- The TCVAP CalWORKs recipients are subject to the same WTW requirements and exemptions as other CalWORKs recipients, except that TCVAP CalWORKs recipients who do not have authorization to work are not required to participate in job search. As needed, TCVAP CalWORKs recipients participating in qualifying activities are eligible to receive employment services and child care.

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

Trafficking and Crime Victims Assistance Program (TCVAP)*

KEY DATA/ASSUMPTIONS (CONTINUED):

TCVAP Cash Assistance:

- Funding is provided to serve 146 recipients per month through TCVAP Cash Assistance.
- The TCVAP Cash Assistance recipients are funded for grants, administration, and employment services in the same manner as RCA recipients.

TCVAP CFAP:

- Funding is provided to serve 2,489 recipients, or 89 households, per month through CFAP.

METHODOLOGY:

TCVAP CalWORKs:

- Grant costs are calculated by multiplying the average monthly number of cases by the cost to add an adult to a case and 12 months.
- Employment services costs include case management, transportation and ancillary costs. These costs are calculated by multiplying the average monthly number of cases utilizing the service by the cost per case and 12 months.
- Child care costs are calculated by multiplying the average monthly number of cases utilizing services by the average monthly number of children and the cost per child and 12 months.

TCVAP Cash Assistance:

- Grant costs are calculated by multiplying the average monthly number of cases by the RCA cost per case and 12 months.
- Administrative costs are calculated by multiplying the average monthly number of cases by the RCA administrative cost per case and 12 months.
- Employment Services costs are calculated by multiplying the average monthly number of cases by the RCA services cost per case and 12 months.

TCVAP CFAP:

- Benefit costs are calculated by multiplying the average monthly number of TCVAP CFAP recipients by the average benefit per person and 12 months.
- Administrative costs are calculated by multiplying the average monthly number of TCVAP CFAP households by the average monthly administrative cost per case and 12 months.

FUNDING:

The TCVAP CalWORKs grants are funded with 97.5 percent GF and 2.5 percent county. All other costs are funded with 100 percent GF.

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

Trafficking and Crime Victims Assistance Program (TCVAP)*

CHANGE FROM GOVERNOR'S BUDGET:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000s)

Item 101 - TCVAP	Total	Federal	FY 2013-14			Reimb.
			State	County		
Grants	\$7,894	\$0	\$7,697	\$197		\$0
Services	10,433	0	10,433	0		0
Administration	142	0	142	0		0
FY 2014-15						
Item 101 - TCVAP	Total	Federal	State	County		Reimb.
Grants	\$7,894	\$0	\$7,697	\$197		\$0
Services	10,433	0	10,433	0		0
Administration	142	0	142	0		0

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

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LIHEAP/SUAS*

DESCRIPTION:

This premise reflects increased costs to CalFresh and CFAP as a result of providing a utility benefit through SUAS. To the extent permitted by federal law, households receiving the SUAS benefit are entitled to include the standard utility allowance when calculating CalFresh benefits. As a result of receiving the standard utility allowance, some households will experience an increase in food benefits and some previously ineligible households will become eligible for CalFresh or CFAP. The utility assistance benefit was previously a \$0.10 outreach service benefit provided through LIHEAP in conjunction with Department of Community Services and Development. The benefit was increased to \$20.01 in accordance with the Agricultural Act of 2014. Effective July 1, 2014, Department of Community Services and Development will delegate its authority to CDSS to design, implement and maintain the benefit under the new state funded SUAS.

This premise was previously titled Low Income Home Energy Assistance Program in the prior Governor's Budget.

IMPLEMENTATION DATE:

This premise implemented on January 1, 2013, with implementation of LIHEAP outreach service benefits and will continue through June 30, 2014, at which time it will be replaced by the SUAS benefit. The SUAS premise implements on July 1, 2014.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&IC section 18901.2.
- The LIHEAP benefit is provided to recipients by CDSS with funding reimbursed from Department of Community Services and Development through June 30, 2014.
- A \$0.10 annual LIHEAP benefit will be applied to existing CalFresh and CFAP households in FY 2013-14 and caseload impacts to CalFresh and CFAP are now reflected in the CalFresh caseload trends.
- Beginning July 1, 2014, a \$20.01 annual SUAS benefit will be applied to those CalFresh and CFAP households that experience an increase in benefits as a result of the standard utility allowance.
- The FY 2014-15 funding includes four months of retroactive payments to provide the new \$20.01 annual SUAS benefit to incoming CalFresh cases from March 2014 through June 2014, consistent with federal guidance on implementation of the Agricultural Act of 2014 changes. The retroactive benefits will be paid in upon completion of the automation changes.
- The SUAS program will be funded with GF.
- The total average monthly CalFresh caseload is projected to be 1,988,937 in FY 2013-14 and 2,142,925 in FY 2014-15.

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

LIHEAP/SUAS*

KEY DATA/ASSUMPTIONS (CONTINUED):

- The standard utility allowance is \$363 for FFY 2013.
- Based on data for calendar year 2013 from the DFA 296 Food Stamp Program Monthly Caseload Movement Statistical Report, an average of 90,408 cases enters CalFresh each month. It is assumed 47 percent of these cases had previously been on CalFresh in the last twelve months, based on calendar year 2012 statewide churn data. The LIHEAP/SUAS benefit is valid for twelve months; therefore anyone who received the benefit in the last twelve months would not receive the benefit for another twelve months.
- The CalFresh households receiving or anticipating the receipt of the SUAS benefit are entitled to use the full standard utility allowance in the CalFresh allotment determination, regardless of whether the SUAS benefit is redeemed.
- Approximately \$20,000 in automation costs are needed to program the standard utility allowance for all CalFresh recipients in FY 2013-14. An additional \$320,000 is needed in FY 2014-15 to program dual calculations within the system that would allot the SUAS benefit to only those who would experience an increase in CalFresh benefits when using the standard utility allowance. It is assumed LEADER and CalWIN will have programming completed by January 2015 and C-IV by May 2015.
- Until automation is complete, additional administrative costs are necessary for eligibility workers to calculate benefits with and without the standard utility allowance to determine if a household would benefit from receiving the standard utility allowance. It is assumed that it would take ten minutes of eligibility worker time (at a cost of \$9.71 per case) to perform this manual workaround.
- The additional administrative time would be necessary for 16.9 percent of CalFresh households (362,014 cases), which have the following characteristics:
 - not already receiving maximum benefit,
 - not at shelter cap,
 - not already receiving the standard utility allowance through submitting utility costs,
 - not reporting rent or reporting rent and received a shelter deduction and
 - not receiving the homeless shelter deduction in FY 2014-15.
- Of the incoming cases which have not received LIHEAP or SUAS in the past 12 months, 16.9 percent of cases (8,051 cases) would require this additional administrative time for the workaround.
- It is assumed that 16.3 percent of CalFresh households (349,090 cases) and incoming cases (7,763 cases) a month will benefit from the standard utility allowance and receive the SUAS benefit.
- Based on guidance from FNS, November 2014 would be the first month that states would be required to change the LIHEAP benefit amount for current cases receiving the standard utility allowance due to the SUAS benefit, as opposed to those who receive the standard utility allowance through submitting utility expenses.

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

LIHEAP/SUAS*

KEY DATA/ASSUMPTIONS (CONTINUED):

- The \$0.10 LIHEAP benefit applied to all cases resulted in an increase of \$1.7 million for EBT transactions in FY 2013-14. Limiting the SUAS benefit to only those benefitting from receipt of the standard utility allowance would decrease these costs by approximately \$1.5 million in FY 2014-15. These transaction costs are reflected in the EBT Project premise.
- The estimate includes \$171,000 in additional costs at a \$0.49 postage rate to outreach to those who would benefit from SUAS by sending notices to these households in FY 2014-15.
- The average increase in benefits to existing CalFresh households due to the standard utility allowance is estimated to be \$62 per month.
- As a result of receiving the standard utility allowance, approximately 1,000 cases per month are newly eligible for CalFresh. The CalFresh benefit is estimated to be \$104 per month for newly eligible cases through October 2013, decreasing to \$98 beginning November 1, 2013, as a result of the expiration of ARRA enhanced benefits.
- The impact to CFAP is assumed to be one percent of the corresponding NACF costs.

METHODOLOGY:

The SUAS benefit is calculated by multiplying the \$0.10 benefit by the total of the existing CalFresh caseload and new cases that enter CalFresh in FY 2013-14. The FY 2014-15 costs are calculated by multiplying the \$20.01 benefit to only those current and incoming cases that would benefit from the standard utility allowance.

CalFresh and CFAP administrative costs are calculated by multiplying the cost of a manual workaround by the current caseload that require a manual workaround divided by 12 months beginning November 2014 and incoming cases that would require the manual workaround beginning in July 2014.

Mailing costs are calculated by multiplying the number of current households that would benefit from SUAS by the current postage rate of \$0.49.

FUNDING:

The LIHEAP benefits are 100 percent reimbursement in FY 2013-14 as shown on the LIHEAP/SUAS line in the Detail Tables. The SUAS benefits and automation are 100 percent GF in FY 2014-15. CalFresh Administration is funded 50 percent SNAP and 50 percent GF. The CFAP administration and benefit costs are 100 percent GF.

CHANGE FROM GOVERNOR'S BUDGET:

SUAS Benefit: The FY 2013-14 decrease is due to a decrease in monthly applications based on data for calendar year 2013 from the DFA 296 Food Stamp Program Monthly Caseload Movement Statistical Report. The FY 2014-15 increase is primarily due to the increase of the LIHEAP benefit from \$0.10 to \$20.01; offset by only applying this benefit to recipients who would experience an increase in CalFresh benefits instead of the entire caseload.

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

LIHEAP/SUAS***CHANGE FROM GOVERNOR'S BUDGET (CONTINUED):**

CalFresh and CFAP Administration: There is no change in FY 2013-14. The FY 2014-15 increase is for additional administrative costs for eligibility workers to mail SUAS outreach notices and to conduct dual budget calculations until automation is complete.

SUAS Automation: The FY 2013-14 change reflects the updated sharing ratios. The FY 2014-15 increase is for programming a calculation into SAWS that would determine if cases would benefit from the standard utility allowance for SUAS eligibility.

REASON FOR YEAR-TO-YEAR CHANGE:

SUAS Benefit: The increase is primarily due to the increase of LIHEAP benefits from \$0.10 to \$20.01 SUAS benefit.

CalFresh and CFAP Administration: The additional administrative workaround is anticipated to begin in FY 2014-15.

SUAS Automation: The increase is for costs to program a calculation in SAWS that would determine if cases would benefit from the standard utility allowance for SUAS eligibility.

EXPENDITURES:

(in 000s)

	<u>FY 2013-14</u>				
	Total	Federal	State	County	Reimb.
Item 101 - Other Assistance Payments					
SUAS Benefit	\$307	\$0	\$0	\$0	\$307
Item 141 - CalFresh Administration					
SUAS- CalFresh	0	0	0	0	0
Item 141 - CFAP Administration					
SUAS - CFAP	0	0	0	0	0
Item 141 - Automation					
SUAS Automation	20	0	20	0	0
	<u>FY 2014-15</u>				
	Total	Federal	State	County	Reimb.
Item 101 - Other Assistance Payments					
SUAS Benefit	\$9,541	\$0	\$9,541	\$0	\$0
Item 141 - CalFresh Administration					
SUAS- CalFresh	1,858	929	929	0	0
Item 141 - CFAP Administration					
SUAS - CFAP	19	0	19	0	0
Item 141 - Automation					
SUAS Automation	370	0	370	0	0

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

Emergency Food for Families Fund*

DESCRIPTION:

This premise reflects expenditures from contributions designated on state income tax returns for the Emergency Food for Families Fund. This fund provides additional USDA commodities to a network of food banks for distribution to eligible individuals and households under the EFAP. This fund was scheduled to sunset on January 1, 2014, but was extended to January 1, 2019, by SB 116 (Chapter 222, Statutes of 2013).

IMPLEMENTATION DATE:

This premise implemented on July 1, 2000.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Revenue and Taxation Code sections 18851 through 18855.
- Funds available in FY 2013-14 include the actual contributions made to the Emergency Food for Families Fund from June 2012 through May 2013 of \$432,000 and interest earnings of \$2,000.
- The FY 2014-15 funding reflects estimated contributions to the Emergency Food for Families Fund from June 2013 through May 2014 of \$594,000 and estimated interest of \$2,000.
- Estimated annual administrative costs, including FTB, SCO and other miscellaneous charges, are \$8,000 in both FY 2013-14 and FY 2014-15.
- These funds are provided to supplement, and not supplant, existing program funds.

METHODOLOGY:

The FY 2013-14 funding reflects the actual contributions to Emergency Food for Families Fund from June 2012 through May 2013 and interest earnings in FY 2012-13, less the annual administrative costs to the fund. The FY 2014-15 funding reflects the estimated contributions to the Emergency Food for Families Fund from June 2013 through May 2014, plus projected interest earned in FY 2013-14, less the annual administrative costs to the fund.

FUNDING:

This program is funded 100 percent Emergency Food for Families Fund.

CHANGE FROM GOVERNOR'S BUDGET:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase is due to a projected increase in taxpayer contributions.

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

Emergency Food for Families Fund*

EXPENDITURES:

(in 000s)

FY 2013-14

Item 101 - Food Assistance	Total	Federal	State	County	Reimb.
Emergency Food for Families Fund	\$426	\$0	\$426	\$0	\$0

FY 2014-15

Item 101 - Food Assistance	Total	Federal	State	County	Reimb.
Emergency Food for Families Fund	\$588	\$0	\$588	\$0	\$0

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

The Emergency Food Assistance Program (TEFAP)*

DESCRIPTION:

This premise reflects the administrative funds for TEFAP. The USDA provides funding specifically for administrative purposes and allows states to “convert” up to ten percent of their food allotment to administrative funds. The funding is used to support the USDA’s Commodity Household Food Distribution Program. This premise reflects the move of TEFAP funds from state operations to the local assistance budget in order to expedite reimbursement and avoid delay in providing funds to food banks and California Foodlink.

The impact of the federal sequestration reduction is reflected in the Federal Sequestration Reduction premise.

IMPLEMENTATION DATE:

This premise implemented on July 1, 2010.

KEY DATA/ASSUMPTIONS:

- Funding in FY 2013-14 is based on the FFY 2014 federal TEFAP allocation.
- Funding in FY 2014-15 assumes the same funding as FY 2013-14 because the FFY 2015 federal funding amounts are not available at this time.
- The FFY 2014 federal funding for TEFAP administration is \$6,563,468.
- The FFY 2014 federal funding for TEFAP food grants is \$35,241,250, of which, \$3,570,640 converted to funding for administration.
- The FFY 2014 total administration funding is \$10,134,108.
- The FFY 2014 funding already reflects the impact of the federal sequestration reduction.
- The estimated impact of the federal sequestration reduction in FFY 2014 is \$622,457.

METHODOLOGY:

For table display purposes, the total TEFAP funding is calculated by making an upward adjustment to the total administration funding by the value of federal sequestration to estimate what the FFY 2014 funding would have been without sequestration for table display purposes.

- $\$10,134,108 + \$622,457 = \$10,756,565$

FUNDING:

This program is funded with 100 percent federal funds.

CHANGE FROM GOVERNOR’S BUDGET:

The FY 2013-14 and FY 2014-15 increases reflect updated FFY 2014 TEFAP funding amounts published by the USDA on January 31, 2014.

*Please refer to the first tab titled “[Acronyms](#)” for a full description of acronyms.

The Emergency Food Assistance Program (TEFAP)*

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000s)

FY 2013-14

Item 101 – Food Assistance	Total	Federal	State	County	Reimb.
TEFAP	\$10,756	\$10,756	\$0	\$0	\$0

FY 2014-15

Item 101 – Food Assistance	Total	Federal	State	County	Reimb.
TEFAP	\$10,756	\$10,756	\$0	\$0	\$0

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

State Emergency Food Assistance Program (SEFAP)*

DESCRIPTION:

This premise reflects funding for SEFAP, which may be used to purchase, store and transport food grown or produced in California. The CDSS is required to administer SEFAP to provide emergency food and funding to food banks to help fill the unmet need left by TEFAP and provide healthy food to the hungry in California. Food banks will seek reimbursement from CDSS through a process similar to what is used for EFAP. Funding for SEFAP is contingent upon appropriation from the Legislature.

IMPLEMENTATION DATE:

This premise implemented June 28, 2013.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&IC section 18995.
- These funds are reflected in the CDSS’ budget as a reimbursement from the SEFAP account.
- The appropriated funds are available for expenditure through June 30, 2014.

METHODOLOGY:

The California State Assembly provided \$1.0 million to SEFAP on June 28, 2013.

FUNDING:

This program is 100 percent reimbursement.

CHANGE FROM GOVERNOR’S BUDGET:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

No funding has been appropriated for FY 2014-15 at this time.

EXPENDITURES:

(in 000s)

		<u>FY 2013-14</u>			
Item 101 - Food Assistance	Total	Federal	State	County	Reimb.
SEFAP	\$1,000	\$0	\$0	\$0	\$1,000
		<u>FY 2014-15</u>			
Item 101 - Food Assistance	Total	Federal	State	County	Reimb.
SEFAP	\$0	\$0	\$0	\$0	\$0

*Please refer to the first tab titled “[Acronyms](#)” for a full description of acronyms.

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Drought Food Assistance Program^{*}

DESCRIPTION:

This premise reflects funding for the temporary program developed in response to Governor Edmund G. Brown, Jr.'s Drought Emergency Declaration in January 2014. The Drought Food Assistance Program is designed to provide food assistance to drought-affected counties that suffer high levels of unemployment.

On March 1, 2014, SB 103 (Chapter 2, Statutes of 2014) amended the Budget Act of 2013 to provide up to \$25.3 million for food assistance associated with the drought. This funding is available upon CDSS request and DOF approval.

The Drought Food Assistance Program has initially been provided through the California Emergency Foodlink. Foodlink is the non-profit contractor which purchases and distributes USDA food statewide. During the first phase of drought food assistance, Foodlink will procure, pre-package and distribute Drought Food Assistance Program food boxes to food banks in those counties identified by the Governor's Drought Task Force as being the most severely affected by the drought.

In order to receive this assistance, identified counties are required to provide a drought action plan to CDSS for approval.

IMPLEMENTATION DATE:

This premise became effective on March 1, 2014.

KEY DATA/ASSUMPTIONS:

- Counties identified as being most severely impacted by the drought include Amador, Butte, Colusa, Fresno, Glenn, Kern, Kings, Lake, Lassen, Madera, Merced, Modoc, Monterey, San Benito, San Joaquin, Santa Cruz, Sierra, Siskiyou, Stanislaus, Sutter, Tehama, Tulare, Yolo and Yuba. This list is subject to change as more information about the impact of the drought becomes available during 2014.
- Low-income individuals in counties heavily dependent on agricultural employment will be adversely impacted by California's current drought. These individuals will need food assistance, thus increasing the demand on TEFAP.
- California Emergency Foodlink and food banks will need to purchase additional food commodities and will incur additional administrative costs to store and distribute the additional food.
- At the time of the 2014 May Revision, CDSS has requested and DOF has approved \$5.1 million in Drought Food Assistance Program funds.
- It is anticipated that a total of \$10 million in FY 2013-14 and \$30 million in FY 2014-15 will be needed to provide emergency food assistance in drought impacted counties.

**Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.*

Drought Food Assistance Program^{*}

METHODOLOGY:

Funding is provided for the procurement, receiving, handling, packaging and shipping costs of food boxes. The funding is based on the anticipated demand for the Drought Food Assistance Program and current costs of activities and materials for receiving, storing and distributing the emergency food. These costs include: warehousing, labor, equipment, transportation, boxes, tape and stretch wrap.

FUNDING:

These funds are 100 percent GF.

CHANGE FROM GOVERNOR'S BUDGET:

This is a new premise.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase reflects the estimated ongoing need for emergency food.

EXPENDITURES:

(in 000s)

		<u>FY 2013-14</u>			
Item 101 – Food Assistance	Total	Federal	State	County	Reimb.
Drought Food Assistance Program	\$5,122	\$0	\$5,122	\$0	\$0
** Drought Food Assistance Program – Provisional	4,878	0	4,878	0	0
		<u>FY 2014-15</u>			
Item 101 – Food Assistance	Total	Federal	State	County	Reimb.
Drought Food Assistance Program	\$0	\$0	\$0	\$0	\$0
** Drought Food Assistance Program – Provisional	20,000	0	20,000	0	0

** Non-add Line

**Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.*

Work Incentive Nutritional Supplement (WINS)*

DESCRIPTION:

This premise reflects implementation of a new program to promote self-sufficiency through work by providing additional support to eligible working families in the form of a supplemental food assistance benefit. Working families who are receiving CalFresh or CFAP, but not receiving CalWORKs assistance, may be eligible for the WINS benefit if they are working sufficient hours to meet TANF federal work participation requirements. Households may be eligible for one ten dollar WINS benefit per month, which will be applied to the recipient's EBT card. The WINS benefit will not count as income in the CalFresh or CFAP benefit determination and will not be subject to child support assignment. Recipients should provide documentation of work hours (e.g., pay stubs) to be eligible for the benefit. This benefit will be funded with state dollars countable toward the MOE requirement in the TANF program effective October 2014 (funding will be non-MOE prior to October 2014), and families that receive the WINS benefit will be counted in the TANF WPR calculation.

IMPLEMENTATION DATE:

Automation changes relating to this premise began April 2013 and program benefits are anticipated to begin June 1, 2014, with full implementation by July 1, 2014.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&IC section 15525.
- Based on an analysis of earnings reported by current CalFresh recipients, an estimated 7.2 percent of the adjusted NACF caseload of approximately 1.7 million cases is assumed to be working sufficient hours to meet the TANF work participation requirements and be eligible for the WINS benefit (approximately 125,000 cases) by July 2014. Approximately 16 percent (21,000) of these cases will receive benefits in June 2014.
- In FY 2014-15, approximately 76,800 cases will enroll in the WINS program (6,400 each month).
- The SAWS is projected to identify eligible cases within the current CalFresh caseload in time to issue benefits effective July 1, 2014, for those counties that had not implemented by that date.
- Initial eligibility for WINS will be determined through an automation process that would identify cases with earnings who may have sufficient work hours.
- Of the cases that enroll in the WINS program, it is assumed that 80 percent will continue to meet the federal work requirements after their initial certification.
- Each WINS case will receive one \$10 WINS benefit per month.
- An additional five minutes of administrative time will be required during application intake for WINS-eligible NACF cases to discuss the requirements of the WINS program.

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

Work Incentive Nutritional Supplement (WINS)*

KEY DATA/ASSUMPTIONS (CONTINUED):

- It is assumed that an additional ten minutes of administrative time will be required during ongoing eligibility determination for work verification and documentation requirements of WINS participants. An additional ten minutes of administrative time will be necessary for data collection pertaining to federally required characteristics data and potential costs related to the federal sample requirement.
- The average NACF eligibility worker cost is \$58.27 per hour. Because all WINS cases are CalFresh or CFAP households, it is assumed that all other ongoing administrative costs are already reflected in CalFresh and CFAP administrative costs.
- Based on estimates from the SAWS Consortia, automation costs will total \$3.8 million in FY 2013-14.
- The CFAP WINS impact is equal to one percent of the total CalFresh WINS impact.

METHODOLOGY:

- Administrative costs are determined by multiplying the new WINS-eligible cases by five minutes of administrative time for intake (WINS-eligible cases x \$4.86 per month). In addition, cases that enroll in the WINS program receive an additional 20 minutes of administrative time per semiannual period (WINS cases x \$19.44 per semiannual period). These costs will compound each month as the WINS caseload increases.
- Cases that enroll in the WINS program are multiplied by \$10 per month for the WINS benefit cost (WINS cases x \$10.00 per month). Total benefit costs will compound each month as the WINS caseload increases.

FUNDING:

The WINS benefit and administration costs relating to CalFresh cases are funded with GF countable toward the MOE in the TANF program effective October 1, 2014 (non-MOE GF prior to October 1, 2014). The WINS benefit and administration costs relating to CFAP cases are funded with non-MOE GF. The funding for automation is 100 percent TANF funds.

CHANGE FROM GOVERNOR'S BUDGET:

The decrease in the cost of WINS benefits in FY 2013-14 is due to a delay in the implementation of a portion of the WINS benefits to July 2014 (the statutory limit for full implementation). There is no change in WINS administrative costs in FY 2013-14.

The increase in WINS benefits and administrative cost in FY 2014-15 is due to an increase in projected WINS participation.

There is no change to the automation costs in both FY 2013-14 and FY 2014-15.

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

Work Incentive Nutritional Supplement (WINS)*

REASON FOR YEAR-TO-YEAR CHANGE:

The increase in WINS benefit and administrative costs is due to a full year of implementation. Automation changes are anticipated to be complete in FY 2013-14.

EXPENDITURES:

(in 000s)

FY 2013-14

Item 101 - Other Assistance Payments	Total	Federal	State	County	Reimb.
WINS - Benefits	\$138	\$0	\$138	\$0	\$0
WINS - Administration	1,554	0	1,554	0	0
WINS - CFAP Benefits	1	0	1	0	0
WINS - CFAP Administration	16	0	16	0	0
Item 141 - Automation					
WINS Automation	3,831	3,831	0	0	0

FY 2014-15

Item 101 - Other Assistance Payments	Total	Federal	State	County	Reimb.
WINS - Benefits	\$16,770	\$0	\$16,770	\$0	\$0
WINS - Administration	5,806	0	5,806	0	0
WINS - CFAP Benefits	168	0	168	0	0
WINS - CFAP Administration	58	0	58	0	0
Item 141 - Automation					
WINS Automation	0	0	0	0	0

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

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California Food Assistance Program^{*}

DESCRIPTION:

This premise reflects the benefit and administrative costs associated with CFAP for eligible noncitizens. The Personal Responsibility and Work Opportunity Reconciliation Act of 1996, PL 104-193, provided that legal noncitizens who entered the United States on or after August 22, 1996, were ineligible for federal CalFresh benefits unless they were exempt under certain refugee categories. Federal CalFresh benefits for the ineligible legal noncitizens were terminated in August 1997. The CFAP serves legal noncitizens over the age of 18 and under the age of 65 who were legally in the United States prior to August 22, 1996, and met all federal food stamp eligibility criteria except for their immigration status. The program also serves legal noncitizens who entered the country on or after August 22, 1996, and are otherwise eligible.

The Food Stamp Reauthorization Act of 2002 (House Resolution 2646 Farm Bill) restored federal eligibility for food assistance to legal noncitizens who are disabled, effective October 2002; noncitizens who have been in the United States for five years or more, effective April 2003 and all noncitizen children, effective October 2003.

IMPLEMENTATION DATE:

This premise originally implemented on September 1, 1997. House Resolution 2646 Farm Bill implemented on October 1, 2002.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&IC section 18930.
- The total number of CFAP recipients is projected based on the trend of actual numbers of PA and NA CFAP reported on the recipients in calendar year 2013.
- The projected average monthly number of CFAP recipients is 41,020 in FY 2013-14 and 43,788 in FY 2014-15.
- The projected average monthly number of CFAP households is 16,720 in FY 2013-14 and 17,848 in FY 2014-15.
- The average benefit amount per person is \$130.24 per month through October 31, 2013. Beginning November 1, 2013, the average benefit amount decreases to \$123.13 per month as a result of the expiration of ARRA enhanced benefits.
- In each of the first three months following the expiration of ARRA enhanced benefits, 2.26 percent of cases will have questions about their benefits and require an additional five minutes of administrative time at the eligibility worker cost of \$58.27 per hour. This will result in an additional administrative cost of approximately \$5,492 in FY 2013-14.
- The EBT processing fee charged by FNS is \$314 per \$1.0 million of benefits, or approximately \$18,000 in FY 2013-14 and \$19,000 in FY 2014-15.
- The average monthly administrative cost per case is \$25.01.
- The cost for PB is subtracted out of the total benefit costs as it is reflected in a separate premise. The PB costs are \$2,087,587 in FY 2013-14 and \$2,228,464 in FY 2014-15.

**Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.*

California Food Assistance Program^{*}

KEY DATA/ASSUMPTIONS (CONTINUED):

- Costs for the CFAP population within TCVAP are subtracted from total benefit and administrative costs as they are reflected in the TCVAP premise. These costs include \$3,740,148 in FY 2013-14 and \$3,740,148 in FY 2014-15 for benefits and \$26,711 in administrative costs for both FY 2013-14 and FY 2014-15.
- The ratio between PA and NA caseload is 14.15 percent PA and 85.85 percent NA in FY 2013-14 and 13.94 percent PA and 86.06 percent NA in FY 2014-15.
- The PA costs are considered eligible expenditures for the state's MOE requirement. The NA costs are not considered TANF MOE eligible.
- This premise does not include costs for implementing categorical eligibility for the elderly/disabled population, which are now reflected in the actual caseload trend.

METHODOLOGY:

- Benefit costs are calculated summing the product of the average benefit value per person and the projected average monthly number of recipients for each month in the FY.
- Total benefit costs also include the EBT processing fee charged by FNS.
- Administrative costs are calculated by multiplying the average administrative cost per case by the projected monthly number of households.
- Total administrative costs include additional costs for increased client contact due to the expiration of ARRA enhanced benefits.

FUNDING:

The expenditures are 100 percent GF. The PA portion of the costs is eligible to be counted towards the TANF MOE requirement.

CHANGE FROM GOVERNOR'S BUDGET:

There is no change in administration costs in FY 2013-14. The FY 2013-14 and FY 2014-15 increases in benefit costs and FY 2014-15 increase in administration costs reflect an increase in the caseload projection and a technical correction to the TCVAP caseload.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase in benefit and administration costs is due to a higher projected caseload.

**Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.*

California Food Assistance Program (CFAP)*

EXPENDITURES:

(in 000s)

FY 2013-14

Item 101 – CFAP Assistance	Total	Federal	State	County	Reimb.
State-Only Program	\$55,999	\$0	\$55,999	\$0	\$0
Item 141 – CFAP Administration					
State-Only Program	4,665	0	4,665	0	0

FY 2014-15

Item 101 – CFAP Assistance	Total	Federal	State	County	Reimb.
State-Only Program	\$58,748	\$0	\$58,748	\$0	\$0
Item 141 – CFAP Administration					
State-Only Program	5,384	0	5,384	0	0

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

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CalFresh and CFAP Caseload Impact of the ACA*

DESCRIPTION:

This premise reflects the impact to CalFresh and CFAP as a result of implementing the Patient Protection and ACA, PL 111-148. The ACA implemented January 1, 2014, and requires most individuals to obtain health insurance or face a penalty. Pre-enrollment for the ACA began October 1, 2013. The DHCS estimates 2.5 million individuals will be added to the Medi-Cal program due to the ACA by June 2015. The Medi-Cal application process allows potentially CalFresh- or CFAP-eligible individuals to initiate an application process for food assistance through CalHEERS. This referral process is expected to have an administrative and caseload impact for CalFresh and CFAP.

This premise only includes cases with gross income at or below the CalFresh gross income limit of 130 percent of the FPL. Cases with gross income over 130 percent of the FPL that are eligible due to categorical eligibility under AB 191 (Chapter 669, Statutes of 2013) are captured in the Categorical Eligibility – Medi-Cal premise.

IMPLEMENTATION DATE:

This premise implemented April 1, 2014.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: ABX1 1 (Chapter 3, First Extraordinary Session, Statutes of 2013) and SBX1 1 (Chapter 4, First Extraordinary Session, Statutes of 2013).
- As of March 2014, CalHEERS had a backlog of pending Medi-Cal applications; due to the backlog of unprocessed applications and CalFresh referrals, a five-month delay in implementation has been assumed.
- The ACA is projected to increase the CalFresh caseload on a phase-in basis with approximately 279,000 new cases by June 2015. This constitutes a CalFresh caseload increase of 12.5 percent in FY 2014-15 over the prior-year caseload.
- Based on calendar year 2013 DFA 296 CalFresh Monthly Caseload Movement Statistical Report, 35.9 percent of CalFresh applications are denied.
- An estimated 154,000 applications generated by the ACA will be denied in FY 2014-15, but will result in administrative costs for counties to determine the households ineligible.

Already Medi-Cal Eligible:

- The caseload already for Medi-Cal eligible was to begin pre-enrolling in Medi-Cal in October 2013. A one-month lag was assumed for cases to enroll in CalFresh or CFAP to allow for processing time following the referral from Medi-Cal. Due to CalHEERS backlog an additional five-month delay in implementation was also assumed.
- The DHCS projected that approximately 631,000 cases already eligible for Medi-Cal will enroll in Medi-Cal as a result of the ACA by June 2014, with an additional 196,000 enrolling by June 2015.

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

CalFresh and CFAP Caseload Impact of the ACA*

KEY DATA/ASSUMPTIONS (CONTINUED):

- Because pre-ACA Medi-Cal income limits are up to 250 percent of the FPL for some age groups, which is higher than those for CalFresh, this caseload was adjusted to include only those that are under the CalFresh gross income limit of 130 percent of the FPL (data is from UC Berkeley/UCLA California Simulation of Insurance Markets version 1.8 data and American Community Survey for calendar years 2009 through 2011).
- The caseload was further reduced by 66.5 percent for cases that may already be enrolled in CalFresh, using the percentage of Medi-Cal cases already on CalFresh from June 2013 MEDS data.
- Half of the CalFresh denial rate from the DFA 296 CalFresh Monthly Caseload Movement Statistical Report for calendar year 2013 was used to calculate the number of households who would meet all other CalFresh eligibility standards and apply as a result of referral through the ACA.
- Based on June 2013 MEDS data, 66.5 percent of Medi-Cal recipients participate in CalFresh. This participation rate was applied to the eligible caseload to estimate the share that would enroll in CalFresh.
- The NACF average household size of 2.11 persons per household was assumed for those already eligible for Medi-Cal.
- The benefit for a NACF household is \$303.70 based on an average of calendar year 2013 actual benefits adjusted for the expiration of ARRA enhanced benefits.

Newly Medi-Cal Eligible:

- The DHCS projected that approximately 1.4 million newly eligible Medi-Cal cases will enroll in Medi-Cal as a result of the ACA by June 2014, with an additional 278,000 cases enrolling by June 2015.
- Cases newly eligible for Medi-Cal were expected to come into Medi-Cal beginning January 2014. A lag of one-month was assumed for CalFresh cases to allow for processing time following the referral from Medi-Cal. Due to the CalHEERS backlog, an additional five-month delay in implementation was also assumed.
- Because Medi-Cal income limits under the ACA are up to 250 percent of the FPL, this caseload was adjusted to include only those who are under the CalFresh gross income limit of 130 percent of the FPL (data is from UC Berkeley/UCLA California Simulation of Insurance Markets version 1.8 data and American Community Survey for calendar years 2009 through 2011).
- The caseload was further reduced for cases that may already be enrolled in CalFresh using California's FFY 2010 SNAP participation rate of 55 percent as reported by USDA.
- Half of the CalFresh denial rate from the DFA 296 CalFresh Monthly Caseload Movement Statistical Report for calendar year 2013 was used to calculate the number of households who would meet all other CalFresh eligibility standards and apply as a result of referral through ACA.

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

CalFresh and CFAP Caseload Impact of the ACA*

KEY DATA/ASSUMPTIONS (CONTINUED):

- The 66.5 percent participation rate, based on the percentage of Medi-Cal cases that participate in CalFresh from June 2013 MEDS data, was applied to those eligible.
- There are 1.56 persons per household for the cases that are newly eligible for Medi-Cal. This is lower than the average household size of 2.11 because half of the cases that are newly eligible for Medi-Cal are anticipated to be one-person households.
- The benefit is estimated to be \$223.77 based on an average of calendar year 2013 actual benefits adjusted for the expiration of ARRA enhanced benefits.

METHODOLOGY:

- The CalFresh Administration Basic methodology of applying caseload growth to the CalFresh base funding is used to estimate administrative costs of the ACA caseload impact to CalFresh.
- Administrative costs associated with processing denied cases are calculated by multiplying anticipated denials by \$51.00.
- The CFAP benefit and administration costs associated with the new cases are calculated by multiplying CalFresh benefit and administration costs by one percent.

FUNDING:

The CalFresh funding ratio for administrative costs is 49.5 percent SNAP, 36.5 percent GF and 14.0 percent county funds. The CFAP funding is 100 percent GF.

CHANGE FROM GOVERNOR'S BUDGET:

The FY 2013-14 CFAP benefit decrease is due to the five-month delay in implementation. There is no change in CalFresh and CFAP administrative costs for FY 2013-14.

The FY 2014-15 CFAP benefit and CalFresh and CFAP administrative and costs increases are primarily due to the increased Medi-Cal caseload based on actuals through March 2014, partially offset by the five-month delay in implementation due to the CalHEERS backlog.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase is due to a full year of implementation.

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

CalFresh and CFAP Caseload Impact of the ACA*

EXPENDITURES:

(in 000s)

<u>FY 2013-14</u>					
	Total	Federal	State	County	Reimb.
Item 101 – CFAP Benefits					
Caseload Impact of the ACA	\$17	\$0	\$17	\$0	\$0
Item 141 – CalFresh Administration					
Caseload Impact of the ACA	49,264	24,416	17,906	6,942	0
Item 141 – CFAP Administration					
Caseload Impact of the ACA	493	0	493	0	0
<u>FY 2014-15</u>					
	Total	Federal	State	County	Reimb.
Item 101 – CFAP Benefits					
Caseload Impact of the ACA	\$5,960	\$0	\$5,960	\$0	\$0
Item 141 – CalFresh Administration					
Caseload Impact of the ACA	196,610	98,305	68,814	29,491	0
Item 141 – CFAP Administration					
Caseload Impact of the ACA	1,966	0	1,966	0	0

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

Categorical Eligibility – Medi-Cal*

DESCRIPTION:

This premise reflects increased costs to CalFresh and CFAP as a result of expanding categorical eligibility to individuals who are eligible for Medi-Cal, in accordance with AB 191 (Chapter 669, Statutes of 2013). AB 191 requires CDSS to implement a program of categorical eligibility for CalFresh, to the extent permitted by federal law, by increasing the gross income test for the TANF and state MOE-funded service that confers modified categorical eligibility for any household that includes a member who receives or is eligible to receive Medi-Cal. AB 191 aligns income eligibility for CalFresh with Medi-Cal for this population by increasing their CalFresh gross income eligibility threshold above 130 percent of the FPL. The maximum gross income under AB 191 varies by Medi-Cal program from 138 percent of the FPL to 200 percent of the FPL. Other than the CalFresh resource limit, all other conditions of eligibility such as meeting the net income standard of 100 percent of the FPL still apply for these cases.

The 2014 May Revision proposes to increase the gross income test to 200 percent of the FPL for the TANF and state MOE-funded service that confers modified categorical eligibility for all households, instead of only those that receive or are eligible to receive Medi-Cal, for programmatic and implementation simplification. Establishing a gross income limit at 200 percent of the FPL for all households is an allowable federal option and would eliminate the administrative complexity of separating those who are categorically eligible for CalFresh under AB 191 from other CalFresh applicants and programming different income reporting threshold levels.

IMPLEMENTATION DATE:

This premise implemented January 1, 2014. The expansion to non-Medi-Cal households with a gross income of up to 200 percent of the FPL is proposed to implement on July 1, 2014.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&IC section 18901.5.
- The CalFresh and CFAP administration costs for FY 2013-14 are held to the 2014-15 Governor's Budget.
- AB 191 originally increased CalFresh and CFAP enrollment among three groups of people: those who are currently on Medi-Cal, those who were eligible for Medi-Cal prior to the ACA but not enrolled and those that became newly eligible under the ACA. The assumptions used to estimate AB 191's impact on the CalFresh caseload for each group are described below.
- Increasing the gross income test to 200 percent of the FPL for the TANF and state MOE-funded service that confers modified categorical eligibility to all households would create a new group of people who would become newly eligible for CalFresh that are not currently receiving or eligible to receive Medi-Cal.
- The total increase to the CalFresh caseload from the four eligible groups is estimated at approximately 6,500 cases by June 2014 in FY 2013-14 and 92,000 cases by June 2015 in FY 2014-15.

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

Categorical Eligibility – Medi-Cal*

KEY DATA/ASSUMPTIONS (CONTINUED):

- Based on calendar year 2013 DFA 296 CalFresh Monthly Caseload Movement Statistical Report, 35.9 percent of CalFresh applications are denied.
- The intake cost for an eligibility worker to process new NACF and CFAP cases is \$51.00 per case. This rate is also applied for processing denied cases.
- The cost for an eligibility worker to process NACF and CFAP continuing cases is \$39.33 per case on a quarterly basis.
- Of the new cumulative caseload, 7.2 percent would require a mid-period change and that the administrative cost to process a mid-period report is \$28.23.
- Assumes an increase in automation costs for FY 2013-14 and FY 2014-15 as a result of newly identified automation costs for identifying Medi-Cal and eligible-to-receive Medi-Cal recipients, setting separate income reporting thresholds, updating the dashboard and other programming requirements for AB 191.

Current Medi-Cal Cases:

- Based on a simulation conducted by Mathematica Policy Research representing households in California receiving Medi-Cal, 74,000 potentially CalFresh-eligible households have gross income between 130 percent and 200 percent of the FPL.
- Mathematica's simulation results in seven percent of the 74,000 households, or 5,000 cases, participating in CalFresh as a result of AB 191.
- This simulation used FFY 2010 characteristics data and does not consider the impact of outreach or recent program simplifications, such as online applications to improve CalFresh access that likely will increase CalFresh participation rates. To account for these efforts, an increased participation of ten percent is assumed.
- Based on the Mathematica simulation, 12 percent of households are assumed to be one-person households and 88 percent are assumed to be households with more than one individual for CalFresh benefits.
- The benefit for a NACF one-person household is estimated to be \$143.84 based on an average of calendar year 2013 actual benefits adjusted for the expiration of ARRA enhanced benefits.
- The benefit for a NACF household with more than one individual is estimated to be \$303.70 based on an average of calendar year 2013 actual benefits adjusted for the expiration of ARRA enhanced benefits. The NACF average household size of 2.11 persons per household is assumed for these cases.
- New cases are assumed to phase in over a 12-month period beginning January 2014. After the phase-in period, it is estimated that approximately four percent of the caseload will leave monthly and four percent will enter monthly.

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

Categorical Eligibility – Medi-Cal*

KEY DATA/ASSUMPTIONS (CONTINUED):

Already Medi-Cal Eligible (ACA):

- The DHCS estimates that approximately 631,000 already eligible for Medi-Cal cases will enroll in Medi-Cal as a result of the ACA by June 2014, with an additional 196,000 enrolling by June 2015. These cases began pre-enrolling in Medi-Cal in October 2013. As of March 2014, CalHEERS had a backlog of pending Medi-Cal applications; due to the backlog of unprocessed applications and CalFresh referrals, a delay until April 2014 is assumed.
- Since pre-ACA Medi-Cal income limits are higher (up to 250 percent of the FPL) for some age groups than those for CalFresh, this caseload was adjusted to include only those that are impacted by this premise, using UC Berkeley/UCLA California Simulation of Insurance Markets version 1.8 data and the American Community Survey for calendar years 2009 through 2011.
- California's FFY 2010 SNAP participation rate was 55 percent as reported by the USDA. This rate was applied to the eligible caseload to estimate the share that would enroll in CalFresh.
- The NACF average household size of 2.11 persons per household was assumed for those already eligible for Medi-Cal.
- For households that are assumed to apply as a result of referral through ACA, half of the CalFresh denial rate from the DFA 296 CalFresh Monthly Caseload Movement Statistical Report for calendar year 2013 was used to calculate the number of households who would meet all other CalFresh eligibility standards. The benefit is estimated to be \$303.70 based on an average of calendar year 2013 actual benefits adjusted for the expiration of ARRA enhanced benefits.
- UC Berkeley/UCLA California Simulation of Insurance Markets version 1.8 data was used to determine eligible households between 139 and 200 percent of the FPL that would take up Medi-Cal under ACA. A ten percent take up rate is used for these households because these households are higher income and the majority would receive little to no benefit.

Newly Medi-Cal Eligible - ACA:

- The DHCS estimates that approximately 1.4 million newly eligible Medi-Cal cases will enroll in Medi-Cal as a result of the ACA by June 2014, with an additional 278,000 enrolling by June 2015.
- Newly eligible cases will come onto Medi-Cal beginning January 2014. A one-month lag is assumed for CalFresh cases to allow for processing time following the referral from Medi-Cal. As of March 2014, CalHEERS had a backlog of pending Medi-Cal applications; due to the backlog of unprocessed applications and CalFresh referrals, a delay until April 2014 is assumed.
- Since those who are up to 130 percent of the FPL are already eligible for CalFresh, this caseload was adjusted to include only those that are impacted by this premise, using UC Berkeley/UCLA California Simulation of Insurance Markets version 1.8 data and the American Community Survey for calendar years 2009 through 2011.

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

Categorical Eligibility – Medi-Cal*

KEY DATA/ASSUMPTIONS (CONTINUED):

- For households that are assumed to apply as a result of referral through ACA, half of the CalFresh denial rate from the DFA 296 CalFresh Monthly Caseload Movement Statistical Report for calendar year 2013 was used to calculate the number of households who would meet all other CalFresh eligibility standards.
- The FFY 2010 participation rate of 55 percent was applied to the eligible caseload to estimate the share that would enroll in CalFresh.
- It is assumed that there are 1.56 persons per household for these newly eligible cases. This is lower than the average household size of 2.11 because half of the newly eligible cases are anticipated to be one-person households.
- The benefit is estimated to be \$223.77 based on an average of calendar year 2013 actual benefits adjusted for the expiration of ARRA enhanced benefits.

Non-Medi-Cal Eligible under 200 percent of the FPL:

- This group includes non-Medi-Cal households between 130 and 200 percent of the FPL who will be categorically eligible for Cal-Fresh under this policy.
- It is assumed that those who are eligible for Medi-Cal but do not take up under ACA would also be unlikely to participate in CalFresh and are excluded from this estimate.
- It is assumed that the majority of households over 185 percent of the FPL will be unable to pass the net income test for CalFresh, so no costs are provided for these households.
- A five percent participation rate is assumed for households under 200 percent of the FPL with no linkage to Medi-Cal.
- It is assumed that households most likely to pass the net income test and become eligible are those who receive income disregards, such as the child care disregard. The CalFresh benefit for an average household of two individuals (29 percent of cases) is \$143.84; for an average household of three (59 percent) is \$215.76.
- Approximately 30,000 cases are assumed to become newly eligible by June 2015 under this change in policy.

METHODOLOGY:

- Monthly administrative costs associated with processing NACF and CFAP applications are calculated by multiplying incoming applications by \$51.00.
- Quarterly administrative costs associated with processing quarterly reports are calculated by multiplying the new cumulative cases by \$39.33 on a quarterly basis.
- Monthly administrative costs associated with processing mid-period changes for the new cases are calculated by multiplying the new cumulative cases by 7.2 percent and by \$28.23.
- The CFAP benefit and administration costs associated with the new cases are calculated by multiplying CalFresh benefit and administration costs by one percent.

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

Categorical Eligibility – Medi-Cal*

FUNDING:

The CalFresh Administration and Automation sharing ratio is 50 percent SNAP and 50 percent GF. The CFAP funding is 100 percent GF.

CHANGE FROM GOVERNOR’S BUDGET:

There is no change to CalFresh and CFAP administration costs for FY 2013-14. The decreased CFAP benefit costs are due to counties being unable to process referrals from CalHEERS as of March 2014, so the ACA caseload growth assumption has been delayed to April 2014.

The increase in costs for CalFresh administration, CFAP administration and CFAP benefits in FY 2014-15 are due to revised caseload projection from DHCS reflecting higher caseload growth and the proposal to increase the gross income test to 200 percent of the FPL, instead of only those that receive or are eligible to receive Medi-Cal, for programmatic and implementation simplification.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase in cost is due to a full year of implementation.

EXPENDITURES:

(in 000s)

	<u>FY 2013-14</u>				
	Total	Federal	State	County	Reimb.
Item 101 - CFAP Benefits					
Categorical Eligibility - Medi-Cal (AB 191)	\$62	\$0	\$62	\$0	\$0
Item 141 - CalFresh Administration					
Categorical Eligibility - Medi-Cal (AB 191)	2,399	1,200	1,199	0	0
Item 141 - CFAP Administration					
Categorical Eligibility - Medi-Cal (AB 191)	24	0	24	0	0
	<u>FY 2014-15</u>				
	Total	Federal	State	County	Reimb.
Item 101 - CFAP Benefits					
Categorical Eligibility - Medi-Cal (AB 191)	\$1,785	\$0	\$1,785	\$0	\$0
Item 141 - CalFresh Administration					
Categorical Eligibility - Medi-Cal (AB 191)	12,556	6,278	6,278	0	0
Item 141 - CFAP Administration					
Categorical Eligibility - Medi-Cal (AB 191)	126	0	126	0	0

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

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School Lunch Program*

DESCRIPTION:

This premise provides the option for local school districts or county offices of education to partner with local CalFresh county offices to identify potential new CalFresh applicants. Households that qualify for free or reduced-price school meals will be notified that they may also qualify for CalFresh benefits. With authorization from the applicant, the information included in the School Lunch Program application will be shared with the local CalFresh county office for consideration of eligibility. This is an optional county program.

IMPLEMENTATION DATE:

This premise implemented on July 1, 2013.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&IC section 18901.55.
- The budgeted amount for FY 2013-14 CalFresh administration and CFAP administration costs are held to the 2014-2015 Governor's Budget.
- Based on October 2012 caseload data from CDE, approximately 3.5 million school-aged children statewide are eligible for school meals.
- The average SSI/SSP caseload in calendar year 2013 was approximately 1.3 million. Based on the SSP 107 Recipient Summary Report for the same period, 8.9 percent of the SSI/SSP caseload (115,000 individuals) are school-aged children and assumed eligible to receive school meals. Due to receipt of SSI/SSP, these children are ineligible for CalFresh benefits.
- The number of children eligible for school lunch and CalFresh benefits is reduced by 3.6 percent (127,000 children) to remove ineligible undocumented children (based on the January 2013 population projection by DOF for 2015).
- Based on September 2013 MEDS data, it is assumed that 1.7 million school-aged children (between four and 17 years of age) are already receiving CalFresh.
- Alameda, Los Angeles, Placer, San Mateo and Santa Clara planned to participate in this program beginning July 2013. The five counties combined account for 35.7 percent of NACF households. The CFAP benefit costs for these five counties have been removed for FY 2013-14 since those that did implement in July 2013 are in trend and reflected in the CFAP premise.
- Los Angeles and Placer were unable to implement as anticipated in July 2013, therefore, the implementation date for Los Angeles and Placer has been delayed to July 2014. San Francisco, Kern and Santa Cruz will also be implementing in July 2014. These five counties combined account for 34.2 percent of NACF households.
- Based on county survey, it is assumed that the participating school districts in participating counties represent 10.0 percent of school-aged children in these counties. This results in 54,000 additional school-age children who may be eligible for CalFresh through this process.

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

School Lunch Program*

KEY DATA/ASSUMPTIONS (CONTINUED):

- Based on December 2013 MEDS data, 33.3 percent of school-aged children have a non-school-aged sibling (under four years of age) who would also be eligible for CalFresh benefits, resulting in an additional 18,000 children and a total of 72,000 children who may be eligible for CalFresh.
- Based on June 2013 MEDS data, there are an estimated 2.0 children per CalFresh household, which results in 36,000 households that would potentially be newly eligible for CalFresh. Of the 36,000 households that are potentially eligible to receive CalFresh benefits, it is assumed that 42.0 percent (15,125 households) will participate in CalFresh, based on the state's 2010 CalFresh participation rate.
- Based on the calendar year 2013 DFA 296 CalFresh Monthly Caseload Movement Statistical Report, 64.3 percent of CalFresh applications are eligible to receive benefits.
- Based on the number of potentially newly eligible households and the share of applications that are eligible for CalFresh, it is estimated that 24,000 households will apply for CalFresh benefits.
- These eligible families are assumed to have 3.0 persons per household.
- The intake cost for an eligibility worker to process a NACF case is \$51.00 per case, and intake costs will occur one time at the beginning of the school year for new applicants.
- After initial enrollment, a four percent new applicant rate per month is assumed with an intake cost of \$51.00 per case. This will not result in a net change in caseload as a four percent attrition rate is also assumed.
- Based on county time study data collected during October and November 2005, 7.2 percent of the caseload would be subject to mid-period reporting and the cost to process a mid-period report is \$28.23.
- The cost for an eligibility worker to process NACF and CFAP continuing cases is \$13.11 on a monthly basis.
- Based on benefit cost expenditures in calendar year 2013, these NACF households are estimated to have an average CalFresh benefit amount of \$452.09 (assuming 3.0 persons per household) through October 2013, decreasing to \$431.52 beginning November 1, 2013, as a result of the expiration of ARRA enhanced benefits.
- The impact to CFAP is approximately one percent of the CalFresh impact.

METHODOLOGY:

- Intake costs are determined by multiplying the number of applicants by the intake cost per applicant of \$51.00.
- Monthly administrative costs associated with processing mid-period changes are calculated by multiplying the ongoing cases by 7.2 percent and by \$28.23.

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

School Lunch Program*

METHODOLOGY (CONTINUED):

- Quarterly administrative costs associated with processing quarterly reports are calculated by multiplying the new cumulative cases by \$13.11 on a monthly basis beginning October 1, 2013.
- The CFAP benefit costs are calculated by multiplying the caseload by the average CalFresh benefit cost and then by one percent.
- The CFAP administrative costs are calculated by multiplying the CalFresh administrative cost by one percent.

FUNDING:

The CFAP benefit and administrative costs are 100 percent GF. Administrative costs for the CalFresh program are funded 50 percent SNAP, 35 percent GF and 15 percent county funds.

CHANGE FROM GOVERNOR'S BUDGET:

There is no change to CalFresh and CFAP administration in FY 2013-14. The FY 2013-14 decrease in CFAP grants is due to the caseload increase already being captured in the trend and included in the CFAP premise.

The decrease to CalFresh administration, CFAP administration and CFAP benefits in FY 2014-15 is primarily due to the addition of new counties that will participate in the program and a decrease in participation rate among school districts in participating counties.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase in CFAP benefits is for costs in the newly participating counties. The decrease to CalFresh administration and CFAP administration is primarily due the new counties that will participate in the program having a smaller caseload than the original participating counties.

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

School Lunch Program*

EXPENDITURES:

(in 000s)

FY 2013-14

Item 101 – CFAP Benefits	Total	Federal	State	County	Reimb.
School Lunch Program	\$0	\$0	\$0	\$0	\$0
Item 141 – CalFresh Administration					
School Lunch Program	4,868	2,434	1,704	730	0
Item 141 – CFAP Administration					
School Lunch Program	49	0	49	0	0

FY 2014-15

Item 101 – CFAP Benefits	Total	Federal	State	County	Reimb.
School Lunch Program	\$783	\$0	\$783	\$0	\$0
Item 141 – CalFresh Administration					
School Lunch Program	3,692	1,846	1,292	554	0
Item 141 – CFAP Administration					
School Lunch Program	37	0	37	0	0

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

Electronic Theft of Benefits*

DESCRIPTION:

This premise reflects CalWORKs costs for reimbursing CalWORKs, CAPI, TCVAP and RCA recipients whose cash benefits were lost due to electronic theft (“skimming”). Previously, statute only protected recipients from loss of electronic benefits after an EBT card or personal identification number was reported lost or stolen.

IMPLEMENTATION DATE:

This premise implemented on January 1, 2013.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&IC section 10072 as amended by AB 2035 (Chapter 319, Statutes of 2012).
- The estimated cost of \$10,000 for FY 2013-14 and FY 2014-15 is based on the actual electronic benefit theft claims submitted by recipients between January 1, 2013, and February 28, 2014, to counties for reimbursement.

METHODOLOGY:

The FY 2013-14 and FY 2014-15 estimate is based on claims paid between January 1, 2013, and February 28, 2014.

FUNDING:

These costs are funded 100 percent GF and are not TANF/MOE-eligible.

CHANGE FROM GOVERNOR’S BUDGET:

There is no change in FY 2013-14. The FY 2014-15 decrease is because actual claims have not been not increasing at the rate previously estimated.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000s)

		<u>FY 2013-14</u>				
Item 101 – Other Assistance Payments	Total	Federal	State	County	Reimb.	
Electronic Theft of Benefits	\$10	\$0	\$10	\$0	\$0	
		<u>FY 2014-15</u>				
Item 101 – Other Assistance Payments	Total	Federal	State	County	Reimb.	
Electronic Theft of Benefits	\$10	\$0	\$10	\$0	\$0	

*Please refer to the first tab titled “[Acronyms](#)” for a full description of acronyms.

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SSI/SSP Basic Costs *

DESCRIPTION:

This premise reflects the basic costs for the SSI/SSP program. The SSI/SSP program is a cash assistance program for low-income aged, blind and disabled persons. The SSI portion, 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. California opted to supplement SSI payments, creating the SSP program. The SSA administers the SSI/SSP program at California's option.

The maximum amount of aid is dependent on whether one is aged, blind or disabled; living arrangement, marital status and whether or not the applicant is a minor.

KEY DATA/ASSUMPTIONS:

- The SSA will continue to administer the program under Title XVI of the Social Security Act.
- Title XVI section 1611 of the Social Security Act defines the amount of SSI benefits an individual may be eligible to receive. State law defines the amount of SSP benefits.
- The basic cost per case for SSI and SSP estimates is developed from actual federal and state expenditures reported on the State Data Exchange and SSA 8700 reports, as well as caseload and federal and state expenditures reported on SSP 107 reports.
- The Title XIX medical facility and SSP-only caseload remains stable with significantly lower average grants than SSI/SSP recipients.
- The SSI and SSP average grants based on actual data are as follows:

	<u>SSI</u>	<u>SSP</u>
Aged	\$345.12	\$158.79
Blind	\$442.00	\$203.72
Disabled	\$490.64	\$157.69

- The average monthly caseload is 1,298,738 in FY 2013-14 and 1,309,152 in FY 2014-15.

METHODOLOGY:

The SSI/SSP basic costs are estimated for five sub-groups: aged, blind, disabled, recipients in Title XIX medical facilities and those only receiving SSP. For each sub-group, SSI and/or SSP average grants are calculated based on historical data, and then multiplied by the projected caseload. The expenditures in each sub-group are summed to get total SSI and SSP expenditures.

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. Costs for each component are computed separately.

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

SSI/SSP Basic Costs *

CHANGE FROM GOVERNOR’S BUDGET:

Although the caseload projection is slightly higher, the decrease in FY 2013-14 and FY 2014-15 is due to lower average grants.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase reflects an increase in the caseload.

EXPENDITURES:

(in 000s)

		<u>FY 2013-14</u>			
Item 111 - SSI/SSP	Total	Federal	State	County	Reimb.
Basic Costs	\$9,493,147	\$7,019,375	\$2,473,772	\$0	\$0
		<u>FY 2014-15</u>			
Item 111 - SSI/SSP	Total	Federal	State	County	Reimb.
Basic Costs	\$9,574,167	\$7,080,298	\$2,493,869	\$0	\$0

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

SSI/SSP – Federal COLA Impact*

DESCRIPTION:

This premise reflects the impact of the federal COLA as applied to the SSI portion of the grant for SSI/SSP program recipients.

IMPLEMENTATION DATE:

- The 2014 federal COLA implemented on December 31, 2013.
- The 2015 federal COLA will implement on January 1, 2015.

KEY DATA/ASSUMPTIONS:

- Title XVI of the Social Security Act section 1617 authorizes the COLA for SSI recipients.
- Each year, the federal SSA releases a preliminary estimate of the COLA that will apply to the following year's SSI grants and, later in the year, releases the final COLA based on the CPI.
- The 2014 federal COLA with a CPI of 1.5 percent was passed through to recipients on January 1, 2014.
- An estimated 2015 federal COLA with a CPI of 0.5 percent will be passed through to recipients on January 1, 2015.
- The SSA establishes maximum grant amounts, which are referred to as payment standards, for the SSI program.

METHODOLOGY:

- New payment standards for SSI are implemented when there is a positive CPI.
- The updated caseload and average grants are then multiplied to determine changes in costs for the period applicable to the new standards.

FUNDING:

The SSI portion of the SSI/SSP program is funded with 100 percent federal Title XVI funds. The SSP portion of the SSI/SSP program is funded with 100 percent GF.

CHANGE FROM GOVERNOR'S BUDGET:

The FY 2013-14 and FY 2014-15 increases for 2014 federal COLA are due to higher caseload. The FY 2014-15 decrease for 2015 federal COLA is due to a lower CPI projection for 2015 (0.5% vs. prior 1.0%).

REASON FOR YEAR-TO-YEAR CHANGE:

The increase in the 2014 federal COLA is due to a full year impact. The 2015 federal COLA becomes effective in January 2015, and it will have six months impact in FY 2014-15.

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

SSI/SSP – Federal COLA Impact*

EXPENDITURES:

(in 000s)

FY 2013-14

Item 111 – SSI/SSP	Total	Federal	State	County	Reimb.
2014 Federal COLA (1.5 Percent CPI Final)	\$59,528	\$59,528	\$0	\$0	\$0
2015 Federal COLA (1.0 Percent CPI Estimated)	0	0	0	0	0

FY 2014-15

Item 111 – SSI/SSP	Total	Federal	State	County	Reimb.
2014 Federal COLA (1.5 Percent CPI Final)	\$119,918	\$119,918	\$0	\$0	\$0
2015 Federal COLA (1.0 Percent CPI Estimated)	21,435	21,435	0	0	0

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

SSP Administration *

DESCRIPTION:

The SSA formerly administered the 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 allowed additional service fees if the SSA provides services beyond the expected level, such as increasing or decreasing payment standards outside of the normal January 1st 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 (PL 105-33) amended existing federal statutes pertaining to administration fees for SSP payments. For each 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 CPI, or at a rate the Commissioner of Social Security determines is appropriate for the state.
- Effective October 1, 2013, the fee increased from \$11.12 to \$11.32 per payment based on a 1.8 percent increase as determined by SSA. Effective October 1, 2014, the fee will increase from \$11.32 to \$11.38 per payment based on a projected increase of 0.5 percent.
- Administrative costs associated with the California Veterans Cash Benefit program are included in this premise.
- Effective with the 2012-13 Governor's Budget, GF costs associated with the Non-Medical Out-Of-Home Care administration have been included in this premise. These funds are provided by the County Services Block Grant and were previously included in the County Services Block Grant premise.

METHODOLOGY:

- For SSP administration, the projected number of payments is based on the projected caseload plus the six-month moving average for other payments (including various items such as late payments and adjustment payments). The projected number of payments is then multiplied by the administrative fee.
- The California Veterans Cash Benefit program administration is estimated by multiplying the projected caseload by the administrative fee.
- The Non-Medical Out-Of-Home Care administration is estimated using average expenditures over the past three years.

FUNDING:

The administration costs are 100 percent GF.

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

SSP Administration *

CHANGE FROM GOVERNOR’S BUDGET:

The FY 2013-14 and FY 2014-15 decreases are due to decreases in other adjustment payments, which include late payments and adjustments.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase is due to an increase in caseload and an increase in the administration fee per case.

CASELOAD:

	FY 2013-14	FY 2014-15
Average SSP Monthly Recipients	1,298,738	1,309,152

EXPENDITURES:

(in 000s)

FY 2013-14					
	Total	Federal	State	County	Reimb.
Item 111 – SSI/SSP Administration					
SSP Administration	\$180,473	\$0	\$180,473	\$0	\$0

FY 2014-15					
	Total	Federal	State	County	Reimb.
Item 111 – SSI/SSP Administration					
SSP Administration	\$183,169	\$0	\$183,169	\$0	\$0

*Please refer to the first tab titled “[Acronyms](#)” for a full description of acronyms.

California Veterans Cash Benefit Program^{*}

DESCRIPTION:

This premise reflects the cost of providing benefits to World War II veterans who returned to the Republic of the Philippines and no longer have a place of residence in California, and were receiving SSP benefits on December 14, 1999. The California Veterans Cash Benefit payments are authorized under pursuant to W&IC section 12400.

IMPLEMENTATION DATE:

This premise implemented on July 19, 2000.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&IC section 12400.
- The grant costs associated with the implementation of AB 1978 are the equivalent of SSP benefits the veterans would receive under the SSI/SSP program.
- An average benefit payment of \$157.20 will be paid to eligible recipients.
- The SSA administers the California Veterans Cash Benefit program in conjunction with benefits under Title VIII of the federal Social Security Act.
- Administrative costs associated with the California Veterans Cash Benefit program are reflected in the SSP Administration premise.
- The average monthly number of participating veterans is 802 in FY 2013-14 and 630 in FY 2014-15.

METHODOLOGY:

The cost of the program is estimated by multiplying the number of participating veterans by the benefit payment amount.

FUNDING:

This program is funded with 100 percent GF.

CHANGE FROM GOVERNOR'S BUDGET:

The decrease in FY 2013-14 and FY 2014-15 is due to a lower projected caseload.

REASON FOR YEAR-TO-YEAR CHANGE:

The decrease reflects a lower average monthly caseload.

**Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.*

California Veterans Cash Benefit Program^{*}

EXPENDITURES:

(in 000s)

Item 111 - SSI/SSP	Total	FY 2013-14			Reimb.
		Federal	State	County	
California Veterans Cash Benefit Program	\$1,479	\$0	\$1,479	\$0	\$0

Item 111 - SSI/SSP	Total	FY 2014-15			Reimb.
		Federal	State	County	
California Veterans Cash Benefit Program	\$1,189	\$0	\$1,189	\$0	\$0

**Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.*

Cash Assistance Program for Immigrants (CAPI)*

DESCRIPTION:

This premise reflects the costs associated with providing benefits to aged, blind and disabled legal immigrants under the CAPI. The CAPI benefits are equivalent to the SSI/SSP program benefits, less \$10 per individual and \$20 per couple. This premise includes costs for both the grant and administrative costs.

The CAPI recipients in the base program include immigrants who entered the United States prior to August 22, 1996, and are not eligible for SSI/SSP benefits solely due to their immigration status as well as those who entered the United States on or after August 22, 1996, but meet special sponsor restrictions (have a sponsor who is disabled, deceased or abusive).

The extended CAPI recipients include immigrants who entered the United States 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:

- Authorizing statute: W&IC sections 18937-18944.
- The W&IC section 18940 established that the CAPI program is governed by the same federal and state regulations which govern the SSI/SSP program.
- The W&IC section 18941 established that benefits paid under CAPI are equivalent to benefits provided under the SSI/SSP program, except that the schedule is reduced by \$10 per individual and \$20 per couple per month.
- Although CAPI was originally due to sunset on July 1, 2000, AB 1111 (Chapter 147, Statutes of 1999) extended the base program indefinitely.
- The average monthly caseload for base and extended CAPI are as follows:

	<u>FY 2013-14</u>	<u>FY 2014-15</u>
Base CAPI	1,069	1,003
Extended CAPI	11,711	12,427

- The average calendar year grant for base and extended CAPI are as follows:

	<u>2014</u>	<u>2015</u>
Base CAPI	\$672.28	\$675.00
Extended CAPI	\$745.34	\$748.06

- The average grants for both base and extended CAPI cases are impacted by the federal COLAs.
- The average monthly administrative cost per case for FY 2013-14 and FY 2014-15 is \$78.81, based on actual expenditures for calendar year 2013.

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

Cash Assistance Program for Immigrants (CAPI)*

METHODOLOGY:

Base CAPI program costs are estimated by multiplying the projected monthly base CAPI 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 GOVERNOR'S BUDGET:

The decrease in total CAPI expenses in FY 2013-14 and FY 2014-15 is due to lower caseload projections and lower administrative cost per case. The Base CAPI increased in FY 2013-14 and FY 2014-15 due to higher than previously projected caseload, and the Extended CAPI decreased due to lower caseload and lower administrative costs per case.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase in total CAPI expenses reflects an increase in the caseload and higher average grant due to the 2014 and 2015 federal COLAs. The Base CAPI will decrease due to lower projected caseload, and the Extended CAPI will increase due to caseload growth and higher average grant.

EXPENDITURES:

(in 000s)

Item 111 – SSI/SSP	Total	Federal	FY 2013-14		
			State	County	Reimb.
CAPI Program	\$124,664	\$0	\$124,664	\$0	\$0
Base CAPI	9,602	0	9,606	0	0
Extended CAPI	115,062	0	115,062	0	0

EXPENDITURES (CONTINUED):

(in 000s)

Item 111 – SSI/SSP	Total	Federal	FY 2014-15		
			State	County	Reimb.
CAPI Program	\$132,162	\$0	\$132,162	\$0	\$0
Base CAPI	9,059	0	9,059	0	0
Extended CAPI	123,103	0	123,103	0	0

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

IHSS County MOE*

DESCRIPTION:

This premise establishes a county MOE level for the county share of IHSS service and administrative costs (including Public Authority Administration costs) in lieu of counties paying a fixed percentage share of each dollar expended. Total county service and administrative costs that exceed the county MOE will be shifted to GF. For 43 counties, the county MOE levels for both services and administration are based on county expenditures for FY 2011-12 plus adjustments for any county negotiated wage increases and the application of a 3.5 percent annual inflation factor starting July 1, 2014. For 15 selected small counties, the county MOE is based on either the FY 2011-12 county allocations or FY 2011-12 county expenditures, whichever is lower, plus adjustments for any county negotiated wage increases and the application of the 3.5 percent annual inflation factor.

IMPLEMENTATION DATE:

This premise implemented on July 1, 2012.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&IC section 12306.15 as amended by AB 1471 (Chapter 439, Statutes of 2012) and SB 1036 (Chapter 45, Statutes of 2012).
- The preliminary county MOE base was established in CFL No. 12/13-28 at \$912,775,249. The county MOE base includes savings due to CFCO. Final adjustments to the FY 2011-12 county MOE base will be made resulting in a county MOE base of \$925,783,339.
- For FY 2013-14, \$19,657,095 is added for annualized adjustments in counties with approved wage increases during FY 2012-13.
- For FY 2013-14, \$4,771,362 is added for adjustments in counties with approved wage increases during FY 2013-14 based on increases effective as of February 2014. These costs will be billed to the counties and will not be reflected in the county MOE base. The annualized cost of increases will be included in the county MOE base for the following FY.
- Per W&IC section 12306.15(c)(1), beginning July 1, 2014, the county MOE base will be increased by the annual 3.5 percent inflation factor.
- For FY 2014-15, the county MOE includes the final FY 2011-12 county MOE base, annualized adjustments for FY 2012-13 increases, annualized adjustments for FY 2013-14 increases of \$6,461,317 and a 3.5 percent inflation factor of \$33,316,561.

METHODOLOGY:

- The base county MOE level for IHSS services and administration was determined using FY 2011-12 actual county share expenditures. The base was established on the following sharing ratios:
 - For non-federal costs up to the maximum level of state participation of \$12.10 per hour in combined wages and health benefits, 65 percent GF and 35 percent county.
 - For federally eligible costs above \$12.10 per hour, 50 percent federal funds and 50 percent county funds.

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

IHSS County MOE*

METHODOLOGY (CONTINUED):

- For non-federally eligible costs above \$12.10 per hour, 100 percent county funds.
- County wage adjustments are calculated by multiplying the rate increase by the service hours for the months effective by the county share.
 - The county share for federally eligible hours in counties below the maximum level of state participation (\$12.10 per hour combined wages and health benefits) is 16.3 percent. This share is based on the county expenditures for FY 2011-12 after adjustments for CFCO savings.
 - The county share for residual (federally ineligible) hours in counties below the maximum level of state participation is 35 percent.
 - The county share for federally eligible hours in counties above the maximum level of state participation is 46.6 percent. This share is based on the county expenditures for FY 2011-12 after adjustments for CFCO savings.
 - The county share for residual (federally ineligible) hours in counties above the maximum level of state participation is 100 percent.
- For the FY following approved rate increases, the annualized cost of the adjustment will be added to the county MOE base.

FUNDING:

Funding for this premise is 100 percent county.

CHANGE FROM GOVERNOR’S BUDGET:

The county MOE decrease in FY 2013-14 and FY 2014-15 is due to the exclusion of non-locally negotiated health benefit rate changes and adjusting wages to base year hours, offset by approved wage increases in counties through February 2014.

REASON FOR YEAR-TO-YEAR CHANGE:

The county MOE increase in FY 2014-15 is due to the 3.5 percent inflation factor effective July 2014 and the annualized adjustment cost of approved county wage and health benefit increases in FY 2013-14.

EXPENDITURES:

(in 000s)

	<u>FY 2013-14</u>				
Item 111 - IHSS	Total	Federal	State	County	Reimb.
IHSS County MOE	\$0	\$0	-\$950,211	\$59,787	\$890,424
<u>FY 2014-15</u>					
Item 111 - IHSS	Total	Federal	State	County	Reimb.
IHSS County MOE	\$0	\$0	-\$985,218	\$61,880	\$923,338

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

IHSS Basic Costs^{*}

DESCRIPTION:

This premise reflects the basic service costs for the IHSS program. The IHSS program enables eligible individuals to receive in-home services that allow them 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 PA or have low incomes. Services include domestic and related services (e.g., housework, meal preparation, laundry, shopping); personal services; accompaniment to medical appointments; protective supervision for mentally-impaired recipients who may place themselves at risk for injury, hazard or accident; and paramedical services when directed by a physician.

There are four IHSS program components:

- PCSP - Provides federally funded personal care services to recipients who are eligible for Medi-Cal, have a chronic disabling condition and have an assessed need for services to remain safely in their own home.
- IPO - Provides federally funded services to recipients who have a chronic disabling condition and have an assessed need for services to remain safely in their own home. These recipients do not qualify for PCSP because services are provided by a spouse or parent of a minor child, the recipient receives advance pay or the recipient receives a restaurant meal allowance.
- Residual - Provides non-federally funded program services to recipients who are not eligible for Medi-Cal, but meet the SSI/SSP income standards, are 65 years or older, blind or disabled and have an assessed need for services to remain safely at home.
- CFCO - Provides federally funded services at an enhanced FMAP of 56 percent to those recipients who have a chronic disabling condition, have an assessed need for services in order to remain safely at home and are determined eligible for a nursing facility level of care.

There are three service delivery modes for IHSS: the IP mode, consisting of an IP hired by the recipient; the county contract mode, consisting of a county-contracted service provider who employs individuals to provide services to IHSS recipients and the welfare staff/homemaker mode, which utilizes county employees to provide services to recipients.

This premise also includes contract costs for York Risk Services Group who administers the workers' compensation insurance for providers under the IP mode. The DGS manages and supervises the contract and monitors high-cost cases (\$50,000 and over on a quarterly basis).

IMPLEMENTATION DATE:

This premise implemented on April 1, 1993.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&IC sections 12300-12314 and 14132.95.
- Average cases per month are projected to be 453,224 in FY 2013-14 and 463,939 in FY 2014-15. Federally eligible cases account for 98.9 percent of the total caseload and the remaining 1.1 percent are residual cases with no FFP.

**Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.*

IHSS Basic Costs*

KEY DATA/ASSUMPTIONS (CONTINUED):

- The average provider cost per hour in IP mode for FY 2013-14 is \$12.37 and for FY 2014-15 is \$12.36.
- The weighted average monthly hours per case are 91 in FY 2013-14 and FY 2014-15. (The IHSS reduction to service hours is accounted for within the Reduction to Service Hours premise).
- Based on the most recent data from 2013, the total share of cost paid by IHSS recipients in the IP mode of service is estimated at \$27.6 million in FY 2013-14 and FY 2014-15.
- The restaurant meal allowance monthly grant is \$62 per person and totals \$0.3 million in FY 2013-14 and FY 2014-15.
- Total workers' compensation cost, which includes the York Risk Services Group, DGS and SCO contracts, is assumed to be \$76.8 million in FY 2013-14 and FY 2014-15.
- The CFCO cases are included in this premise at the standard 50 percent FFP, and the additional federal funds are captured in the CFCO premise.
- All costs for recipients in the CCT Money Follows the Person Demonstration project are reflected in the CCT Money Follows the Person Rebalancing Demonstration premise.
- Under California Labor Code section 1182.12, the California minimum wage increases from \$8.00 per hour to \$9.00 per hour effective July 2014 followed by an increase to \$10.00 per hour effective January 2016. In FY 2014-15, 17 counties will be impacted by the July 2014 increase.
- Due to implementation of the IHSS county MOE, all non-federal IHSS provider wage costs will be GF. The impact of the minimum wage increase is included in this premise and also displayed as a non-add line.

METHODOLOGY:

The estimated IHSS basic services cost for IP mode is computed on a county specific basis by multiplying the casemonths by average hours per case (prior to the reduction to service hours) and provider cost per hour. The share of cost paid by IHSS recipients is subtracted from the statewide total, and then the restaurant meal allowance costs and workers' compensation costs are added. Estimated costs for county contract mode and welfare staff/homemaker mode are added to compute the total IHSS basic service cost for all modes.

FUNDING:

- Federal funding is provided by Title XIX of the Social Security Act, with the amount of FFP based on the FMAP of 50 percent for eligible cases. The federal share is reflected as a reimbursement, consistent with actual cash flow. Funding for non-federal costs is 100 percent GF due to the implementation of the IHSS county MOE. For more information on the IHSS county MOE, please refer to the IHSS County MOE premise.

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

IHSS Basic Costs*

CHANGE FROM GOVERNOR'S BUDGET:

The increase in FY 2013-14 and FY 2014-15 is due to increased caseload, increased average hours per case and approved county wage increases in 11 counties (refer to the auxiliary table "IHSS Wage, Tax, Benefit and Administrative Rates" for all rate changes in FY 2013-14).

REASON FOR YEAR-TO-YEAR CHANGE:

The increase in costs is due to a higher caseload and the impact of full year wage costs for counties who requested wage increases in FY 2013-14.

EXPENDITURES:

(in 000s)

FY 2013-14

Item 111 – IHSS Services	Total	Federal	State	County	Reimb.
IHSS Basic - Services	\$6,134,521	\$0	\$3,102,995	\$0	\$3,031,526
*Minimum Wage Impact	\$0	\$0	\$0	\$0	\$0

FY 2014-15

Item 111 – IHSS Services	Total	Federal	State	County	Reimb.
IHSS Basic - Services	\$6,273,941	\$0	\$3,173,457	\$0	\$3,100,484
*Minimum Wage Impact	\$5,374	\$0	\$2,716	\$0	\$2,658

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

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Reduction in Service Hours^{*}

DESCRIPTION:

This premise reflects the savings and administrative costs associated with reducing IHSS service hours for all recipients in accordance with the IHSS Settlement Agreement, filed March 28, 2013. This settlement resolves two class-action lawsuits: *Oster v. Lightbourne* and *Dominguez v. Schwarzenegger*. Premises previously associated with these lawsuits include the Cost Containment premise (*Oster I*), 20 Percent Trigger Reduction (*Oster II*) and Reduce Wages to \$9.50 and \$0.60 in Health Benefits (*Dominguez*).

Initially a 3.6 Percent Across-the-Board Reduction to IHSS service hours was implemented February 1, 2011, and sunset on June 30, 2013. As a settlement to the above lawsuits, an eight percent reduction to authorized service hours was implemented on July 1, 2013. This reduction will be lowered to seven percent effective July 1, 2014. Due to the 3.6 percent reduction to authorized hours from February 1, 2011, through June 30, 2013, this premise will reduce service hours by an additional 4.4 percent in FY 2013-14 and 3.4 percent in subsequent years.

IMPLEMENTATION DATE:

This premise implemented July 1, 2013.

KEY DATA/ASSUMPTIONS:

- Authorizing Statute: W&IC sections 12301.01 and 12301.02.
- There is an eight percent reduction to projected IHSS service hours in FY 2013-14 and a seven percent reduction in FY 2014-15.
- The net impact of the reduction to hours after appeals based on changes in circumstances will be 6.79 percent in FY 2013-14 and 6.47 percent in FY 2014-15.
- Monthly service hours prior to reductions are 41.2 million hours in FY 2013-14 and 42.2 million hours in FY 2014-15.
- The average provider cost per hour is \$12.37 in FY 2013-14 and \$12.36 in FY 2014-15.
- There are offsets for county administrative costs associated with appeals based on changes in recipient circumstances.
- The total cost for mailing notifications of the change in hours, in FY 2013-14 is one million.
- The social worker unit cost per hour is \$60.55.
- Social workers will need 164,294 hours in FY 2013-14 and 104,386 hours in FY 2014-15 on a one-time basis for the combined reassessments and follow-up activities as requested by the recipients impacted by the reduction.

METHODOLOGY:

The savings from services are calculated by multiplying the total hours by the net reduction by provider cost per hour. Administrative costs are calculated by multiplying the social worker cost by the amount of social worker time required to perform reassessments and follow-up activities.

**Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.*

Reduction in Service Hours*

FUNDING:

Savings from services are shared based on FFP eligibility criteria. Federal savings for cases eligible for CFCO funding will have FFP of 56 percent. All other cases will have FFP of 50 percent. Non-federal savings are 100 percent GF due to implementation of the IHSS county MOE. For more information on the IHSS county MOE, please refer to the IHSS County MOE premise.

CHANGE FROM GOVERNOR’S BUDGET:

The FY 2013-14 and FY 2014-15 increase in savings is due to a higher caseload and provider cost per hour. The FY 2013-14 and FY 2014-15 administrative cost increase is due to a higher caseload.

REASON FOR YEAR-TO-YEAR CHANGE:

The decrease in total savings and administrative costs is due to a lower impact as the reduction changes from eight percent to seven percent.

EXPENDITURES:

(in 000s)

		<u>FY 2013-14</u>			
Item 111 – IHSS Services	Total	Federal	State	County	Reimb.
Reduction in Service Hours	-\$415,518	\$0	-\$194,815	\$0	-\$220,703
Item 111 – IHSS Administration					
Reduction in Service Hours - Administration	10,948	0	5,494	0	5,454
		<u>FY 2014-15</u>			
Item 111 – IHSS Services	Total	Federal	State	County	Reimb.
Reduction in Service Hours	-\$405,035	\$0	-\$189,900	\$0	-\$215,135
Item 111 – IHSS Administration					
Reduction in Service Hours - Administration	6,321	0	3,173	0	3,148

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

IHSS Caseload Impact of the ACA^{*}

DESCRIPTION:

This premise reflects the costs associated with the IHSS program from an increase in the IHSS population as a result of implementing the Patient Protection and ACA, PL 111-148.

Effective January 2014, the ACA provides an enhanced FMAP rate for services to newly eligible individuals between 19 and 65 years of age whose household income does not exceed 138 percent of the federal poverty level. Due to the changes in Medi-Cal eligibility resulting from the ACA, newly eligible adults, some of which were previously covered under other programs such as the Low Income Health Program, are transitioning into Medi-Cal and seeking IHSS services.

The DHCS' ACA caseload projections for the optional expansion population include the newly eligible individuals expected to utilize IHSS services. These cases are eligible for an enhanced FMAP of 100 percent through June 2016.

Increases to the IHSS caseload for new recipients qualified under previous eligibility requirements are not accounted for in this premise. In addition to newly eligible individuals in the optional expansion, it is anticipated that unidentified Medi-Cal eligible individuals will apply for IHSS services due to outreach, advertisements and community activities to recruit the expansion population.

IMPLEMENTATION DATE:

This premise implemented April 2014.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: ABX1 1 (Chapter 3, First Extraordinary Session, Statutes of 2013) and SBX1 1 (Chapter 4, First Extraordinary Session, Statutes of 2013)
- Of the ACA optional expansion population, 2.5 percent will utilize the IHSS services. Based on DHCS' estimates of the optional expansion population, there will be an additional 19,487 newly eligible IHSS cases per month in FY 2013-14 and 32,787 per month in FY 2014-15.
- Upon Medi-Cal eligibility for the newly eligible group, a three-month delay is estimated for implementation of the IHSS services.
- Adults between 19 and 65 years of age use an average of 92 IHSS hours per case per month.
- The provider cost per hour is \$12.37 in FY 2013-14 and \$12.36 in FY 2014-15.
- The social worker unit cost is \$60.55 per hour.
- The standard social worker hours per case per year are 11.58 hours.
- The supportive IP cost per case is \$20.99 per case per year.
- The estimated costs related to provider orientation, provider background checks and provider enrollment forms are \$20 per case.

**Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.*

IHSS Caseload Impact of the ACA^{*}

METHODOLOGY:

Service costs are computed by multiplying the increase to IHSS caseload by the average hours per case and by the provider cost per hour on a monthly basis.

Administrative costs are calculated by multiplying the increase to IHSS caseload by the social worker hours per case per year and by the social worker unit cost. The Supportive IP cost is computed by multiplying the increased IHSS caseload by the Supportive IP cost per case per year. The costs related to provider orientation, provider background checks and provider enrollment forms are calculated by multiplying the cost per case per year and by the increased IHSS caseload.

FUNDING:

Federal funding is provided by Title XIX of the Social Security Act, based on FFP eligibility criteria. Service costs receive a FMAP of 100 percent for both FY 2013-14 and FY 2014-15. Administration costs receive a FMAP of 50 percent for eligible cases. The federal share is reflected as a reimbursement, consistent with actual cash flow. Funding for non-federal costs is 100 percent GF due to implementation of the IHSS county MOE. For more information on the IHSS county MOE, please refer to the IHSS County MOE premise.

CHANGE FROM GOVERNOR'S BUDGET:

This is a new premise.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase is due to a full year implementation in FY 2014-15.

EXPENDITURES:

(in 000s)

	<u>FY 2013-14</u>				
Item 111 – IHSS Services	Total	Federal	State	County	Reimb.
Caseload Impact of the ACA	\$66,530	\$0	\$0	\$0	\$66,530
Item 111 – IHSS Administration	Total	Federal	State	County	Reimb.
Caseload Impact of the ACA	14,471	0	7,264	0	7,207
	<u>FY 2014-15</u>				
Item 111 – IHSS Services	Total	Federal	State	County	Reimb.
Caseload Impact of the ACA	\$507,884	\$0	\$0	\$0	\$507,884
Item 111 – IHSS Administration	Total	Federal	State	County	Reimb.
Caseload Impact of the ACA	27,471	0	13,790	0	13,681

**Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.*

FLSA Regulations, Provider Backup System and Compliance*

DESCRIPTION:

This premise reflects the cost of compliance with the final federal pay regulations for direct care workers that impact IHSS provider overtime, payment for commute time between multiple recipients and wait time associated with medical accompaniment. In September 2013, the United States Department of Labor issued its Final Rule concerning domestic workers under the FLSA. The regulations will be effective January 2015 and contain several significant changes impacting the IHSS program, including: (1) more clearly defining the tasks that comprise “companionship services”; and (2) limiting exemptions for companionship services and live-in domestic service employees to the individual, family, or household using the services, and not third-party employers.

Under the Final Rule, the state, as a third-party employer, will no longer be able to claim the “companionship services” or “live-in domestic service employee” exemption under the federal minimum wage and overtime regulations. The state will be required to pay IHSS providers overtime under the FLSA. In addition, as the state is no longer able to claim minimum wage and overtime exemptions, the state is required to compensate providers for commute time between multiple recipients and wait time during medical accompaniment.

IMPLEMENTATION DATE:

This premise will implement January 2015.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: FLSA Department of Labor Wage and Hour Division 29 CFR Part 552.

FLSA Regulations and Provider Backup System

- A 40 hour workweek limitation will be implemented for IHSS providers. A new process will be developed to implement work week agreements for all recipients and providers, and a Provider Backup System will be established in each county.
- A notification will be mailed to current IHSS providers and recipients explaining the new policy and workweek agreement.
- The Provider Backup System will provide services to maintain the health and safety of recipients who meet specified requirements.
- The FY 2014-15 wage cost for providers in the Provider Backup System will be 25 percent higher than standard provider wages to compensate for the need to provide on call services on short notice. The premium wage (the wage exceeding regular wages) for FY 2014-15 will be \$3.09 per hour (based on regular wages of \$12.36 per hour).
- Labor law requires providers to be paid for any time worked, even if the provider has been instructed not to work. Providers working beyond work week limitations will be subject to disciplinary action, including termination. Unauthorized overtime during FY 2014-15 will cost \$6.18 per hour (overtime costs for time and a half based on regular wages of \$12.36 per hour).

*Please refer to the first tab titled “[Acronyms](#)” for a full description of acronyms.

FLSA Regulations, Provider Backup System and Compliance*

KEY DATA/ASSUMPTIONS (CONTINUED):

FLSA Compliance

- As the state is not eligible to claim the minimum wage and overtime exemptions, the state is required to comply with the provisions of FLSA including payment to providers for time spent commuting between recipients and waiting for recipients during medical accompaniment.
- Nineteen percent of providers serve multiple recipients. Providers will spend one hour per month commuting between recipients.
- Eighty-seven percent of recipients will have a provider accompany them to medical visits. Providers will spend three hours per month waiting for recipients to complete their appointments during medical accompaniment.

FLSA Administration Costs to Restrict Overtime

- Wage cost per hour is \$60.55 for social workers and \$16.80 for clerks.
- Fifteen minutes additional social worker time to respond to questions from ten percent of providers and recipients regarding the new overtime policy and workweek agreement.
- Fifteen minutes additional social worker time to review provider acknowledgement of new requirements and enter verification into CMIPS II.
- One hour additional social worker time to review workweek agreements for all recipients and 15 minutes for clerks to enter the agreements into CMIPS II.
- Thirty minutes additional social worker time to assist four percent of recipients with timesheet corrections and respond to questions regarding new timesheet formats.
- The cost of adding providers to the Public Authority registry and backup is \$34.50 per provider.
- Thirty minutes additional social worker time to review recipients' Provider Backup requests and coordinate services.
- Providers working more than 40 hours in a week on a first offense will require 30 minutes of social worker time to send out warning notices. Providers with questions related to these notices will require an additional 30 minutes of social worker time.¹
- Providers working more than 40 hours in a week on a second offense will be terminated as IHSS providers. An additional 15 minutes social worker time to answer questions from terminated providers.¹

¹ For the 2014-15 Governor's Budget, a clarification was included to reflect a 40 hour workweek. Revised statement can be found at:
<http://www.cdss.ca.gov/cdssweb/entres/localassistanceest/jan14/EstimateMethodologies.pdf#page=237>

FLSA Regulations, Provider Backup System and Compliance*

METHODOLOGY:

FLSA Regulations and Provider Backup System

- The estimated costs are calculated by adding the total costs associated with Provider Backup Services and unauthorized overtime.

FLSA Compliance

- Monthly costs for commute time are calculated by multiplying the number of providers serving multiple recipients by the cost per hour for one hour.
- Monthly costs for wait time during medical accompaniment are calculated by multiplying the number of recipients in need of medical accompaniment and the cost per hour for three hours.

FLSA Administration Costs to Restrict Overtime

- Administration costs are computed by adding the total costs associated with additional social worker and clerical activities related to workweek agreement, new timesheet format, Provider Backup System, unauthorized overtime and additional Public Authority activities.

FUNDING:

Federal funding is provided by Title XIX of the Social Security Act, based on FFP eligibility criteria. For cases eligible for CFCO funding, approved service costs receive a FMAP of 56 percent. All other costs receive a FMAP of 50 percent. The federal share is reflected as a reimbursement, consistent with actual cash flow. Provider Backup Services, overtime, and service costs for wait time during medical accompaniment are eligible for enhanced CFCO funding. Commute time and administrative costs are not eligible for CFCO funding.

Funding for all non-federal costs is 100 percent GF due to the IHSS county MOE. For more information on the IHSS county MOE, please refer to the IHSS County MOE premise.

CHANGE FROM GOVERNOR'S BUDGET:

There is no change in FY 2013-14. The decrease in FY 2014-15 is due to lower service cost for the Provider Backup System (based on premium wage cost as opposed to full wage cost), shifting system change costs to the CMIPS II premise and lower administration costs for timesheet corrections and Provider Backup System (assuming only half year implementation as opposed to full year implementation), offset by increases to caseload.

REASON FOR YEAR-TO-YEAR CHANGE:

This premise will implement January 2015.

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

FLSA Regulations, Provider Backup System and Compliance*

EXPENDITURES:

(in 000s)

FY 2013-14

Item 111 – IHSS Services	Total	Federal	State	County	Reimb.
FLSA Regulations and Provider Backup System	\$0	\$0	\$0	\$0	\$0
FLSA Compliance	0	0	0	0	0
Item 111 - IHSS Administration					
FLSA - Administration to Restrict Overtime	0	0	0	0	0

FY 2014-15

Item 111 – IHSS Services	Total	Federal	State	County	Reimb.
FLSA Regulations and Provider Backup System	\$14,008	\$0	\$6,449	\$0	\$7,559
FLSA Compliance	95,343	0	44,351	0	50,992
Item 111 - IHSS Administration					
FLSA - Administration to Restrict Overtime	52,431	0	26,321	0	26,110

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

Coordinated Care Initiative (CCI)*

DESCRIPTION:

This premise reflects the costs of providing services to IHSS recipients under the CCI. The CCI will be administered by the DHCS and is designed to improve care for beneficiaries eligible for both the state Medi-Cal program and the federal Medicare program. The CCI will assist IHSS recipients in accessing seamless, coordinated and quality care and help them find medical professionals, customer service and support groups. As a CCI benefit, IHSS will continue to be administered by the CDSS.

There are two major components of the CCI: Cal MediConnect and Managed Medi-Cal Long-Term Supports and Services. Under the Cal MediConnect plan, all of a beneficiary's services will be combined into a single health plan. Managed Medi-Cal Long-Term Supports and Services will require Medi-Cal beneficiaries (including those who have opted out of Cal MediConnect or were not eligible for Cal MediConnect) to join a Medi-Cal managed care plan to receive their benefits.

In accordance with implementation of CCI, Care Coordination Teams will be established to assist CCI recipients in developing and personalizing a care plan, better manage diverse care needs and ensure delivery of the right services at the right time and place. Enrollment in a Care Coordination Team is voluntary and may include the CCI recipient's primary care physician, nurses, IHSS social workers, IHSS providers and others, as appropriate.

IMPLEMENTATION DATE:

This premise implemented April 2014.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: SB 1008 (Chapter 33, Statutes of 2012) and SB 1036 (Chapter 45, Statutes of 2012).
- The CCI will implemented in eight pilot counties (Alameda, Los Angeles, Orange, Riverside, San Bernardino, San Diego, San Mateo and Santa Clara) on a phase-in basis beginning April 2014.
- The CDSS will continue to budget IHSS service and administrative costs as normal for those IHSS recipients covered under the CCI's Cal MediConnect plan.
- The DHCS will estimate and budget the costs of recipients in long-term care settings who will exit and receive IHSS in a home-based or community-based setting. These new cases will result in an increased caseload and cost to the IHSS program.
- On a cash flow basis, DHCS will send advance payments to CDSS to cover IHSS CCI payments for direct services provided to cover the initial cash outlay associated with making monthly payments to the IHSS service providers. The CDSS will invoice the counties for their share based on the IHSS county MOE and return the non-federal share to DHCS. This portion of the payments are displayed as a reimbursement in the "CCI Reimb. (State)" line of the Detail Tables. As DHCS' budget assumes IHSS program growth for new cases exiting long-term care settings, service cost for these cases are included in the "CCI Reimb. (State)" line. No additional service costs are anticipated, as reflected in the "CCI New Service Cost" line.

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

Coordinated Care Initiative (CCI)*

KEY DATA/ASSUMPTIONS (CONTINUED):

- This premise includes CFCO funding for eligible service costs.
- The social worker cost is \$60.55 per hour.
- The standard social worker hours are 11.58 hours per case per year.
- The supportive IP cost per case is \$20.99 per case per year.
- The estimated costs related to provider orientation, provider background checks and provider enrollment forms are \$20 per case.
- It is estimated that ten percent of CCI recipients will participate in the CCI Care Coordination Team. Care Coordination Teams will require one hour of social worker time per year for each participating recipient.

METHODOLOGY:

- The CCI service costs associated with IHSS are estimated by DHCS, using actual FY 2010-11 IHSS service expenditures along with other home-based and community-based services expenditures and a projected annual growth rate.
- The estimated CCI costs incorporate Cal MediConnect county capitation rates and assume a portion of each county specific rate is attributable to IHSS service costs.
- CCI New administration costs are calculated by multiplying the derived average monthly CCI caseload for the new CCI population by the standard social worker hours per case per year and by the social worker unit cost. The Supportive IP cost is computed by multiplying the average monthly new CCI caseload by the Supportive IP cost per case. The costs related to provider orientation, provider background checks and provider enrollment forms are calculated by multiplying the cost per case per year by the average monthly caseload for the new CCI population.
- CCI Care Coordination Team administrative costs are calculated by multiplying the annual CCI population assumed to participate in a Care Coordination Team by the social worker cost per hour and by one hour.

FUNDING:

- Federal funding is provided by Title XIX of the Social Security Act, with the amount of FFP based on the FMAP for eligible cases. For service costs, cases eligible for CFCO funding will have FFP of 56 percent and all other cases will have FFP of 50 percent. For administrative costs, FFP is based on the FMAP of 50 percent for eligible cases. The federal share is reflected as a reimbursement, consistent with actual cash flow.
- Funding for non-federal costs is 100 percent GF. The IHSS county MOE establishes fixed expenditures for each specific county. For more information on the IHSS county MOE, please refer to the IHSS County MOE premise.
- CCI service costs are included in the DHCS budget. The non-federal costs are displayed as a reimbursement.

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

Coordinated Care Initiative (CCI)*

CHANGE FROM GOVERNOR'S BUDGET:

- The decrease in "CCI New Service Cost" in FY 2013-14 and FY 2014-15 reflects incorporation of all IHSS service costs under "CCI Reimb. (State)" based on DHCS' estimate.
- The decrease in "CCI Reimb. (State)" in FY 2013-14 reflects a delayed implementation schedule in several counties. The increase in FY 2014-15 reflects DHCS' assumption of increased portion of capitation rates attributable to IHSS.
- There is no change in "CCI Administration Cost" in FY 2013-14. The increase in FY 2014-15 reflects a higher projected new CCI caseload.
- There is no change in "CCI Care Coordination Teams" in FY 2013-14. The increase in FY 2014-15 is due to the change of the phase-in implementation schedule and a higher CCI Care Coordination Teams caseload.

REASON FOR YEAR-TO-YEAR CHANGE:

- There is no change for "CCI New Service Cost." The increases in "CCI Reimb. (State)", "CCI New Administration Cost" and "CCI Care Coordination Teams" reflect higher costs as the CCI implements on a phase-in basis.

EXPENDITURES:

(in 000s)

		<u>FY 2013-14</u>				
Item 111 – IHSS Services	Total	Federal	State	County	Reimb.	
CCI New Services Cost	\$0	\$0	\$0	\$0	\$0	
CCI Reimb. (State)	19,237	0	0	0	19,237	
Item 111 – IHSS Administration						
CCI New Administration Cost	757	0	380	0	377	
CCI Care Coordination Teams	181	0	91	0	90	
		<u>FY 2014-15</u>				
Item 111 – IHSS Services	Total	Federal	State	County	Reimb.	
CCI New Services Cost	\$0	\$0	\$0	\$0	\$0	
CCI Reimb. (State)	1,206,125	0	0	0	1,206,125	
Item 111 – IHSS Administration						
CCI New Administration Cost	4,627	0	2,322	0	2,305	
CCI Care Coordination Teams	1,126	0	561	0	565	

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

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Federally Ineligible Providers *

DESCRIPTION:

This premise reflects the cost of a state/county funded program for IHSS providers who have criminal histories and have been found ineligible for federal Medicaid reimbursement, even though the recipients they serve are Medi-Cal eligible. The court in *Ellis/Beckwith v. Wagner and Maxwell-Jolly (Beckwith)* required the state to enroll all providers with previous criminal convictions unless the provider was convicted of one of the three crimes listed in W&IC section 12305.81, which includes fraud against a government health care or supportive services program, specified abuse of a child and specified abuse of an elder or dependent adult. The W&IC section 12305.87 was added pursuant to AB 1612 (Chapter 725, Statutes of 2010), which expands the list of convictions that can be used as a basis to exclude a provider from the program.

The W&IC section 12305.87 authorizes an IHSS recipient to waive the exclusionary convictions of an individual, as identified under that same section, and continue to receive services from the otherwise ineligible provider. The W&IC section 12305.87 also allows individuals excluded under that section to apply for a general exception to work as a provider and, if granted, be eligible to provide IHSS. However, these crimes and waiver/exception processes are not consistent with federal requirements for excluded Medicaid providers.

To ensure CDSS continues to receive federal reimbursement and to comply with the requirements of the *Beckwith* court order, a state/county funded program was established. This program allows enrollment of providers who have criminal conviction(s) that are not identified in W&IC sections 12305.81 and 12305.87 but warranted placement on the federal OIG list (requiring exclusion from Medicaid participation) and due to the court order, must be allowed to continue working for their Medi-Cal recipients. As these providers are ineligible to provide services to Medicaid-eligible recipients, this premise creates the necessary funding shift to assure no federal share is used in the compensation of service hours provided under these circumstances.

IMPLEMENTATION DATE:

This premise implemented on July 1, 2010, with a retroactive application to November 2009.

KEY DATA/ASSUMPTIONS:

- This estimate reflects the non-federal costs and federal savings adjustments associated with providers who are on the OIG list and Suspended and Ineligible Provider list. These providers are ineligible to receive compensation with a federal share for services provided.
- The estimate shifts the costs for 341 providers in FY 2013-14 and 348 providers in FY 2014-15 who provide services under an individual waiver or a general exception. Based on the ratio of providers to recipients in FY 2012-13, this will impact 409 cases in FY 2013-14 and 417 cases in FY 2014-15 with an average of 85 monthly hours per recipient after the mandated reduction to service hours.
- The average provider cost per hour is \$12.37 in FY 2013-14 and \$12.36 in FY 2014-15.

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

Federally Ineligible Providers *

METHODOLOGY:

Costs are computed by multiplying the number of recipients who are being served by a provider who receives an individual waiver or general exception by the average hours and the cost per hour.

FUNDING:

Funding for non-federal costs is 100 percent GF due to the implementation of the IHSS county MOE. For more information on the IHSS county MOE, please refer to the IHSS County MOE premise.

CHANGE FROM GOVERNOR’S BUDGET:

The FY 2013-14 and FY 2014-15 GF increase is due to an increase in the cost per hour.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase in costs shifted to the GF reflects a higher number of federally ineligible providers.

EXPENDITURES:

(in 000s)

	<u>FY 2013-14</u>				
Item 111 – IHSS Services	Total	Federal	State	County	Reimb.
Federally Ineligible Providers	\$0	\$0	\$2,579	\$0	-\$2,579

	<u>FY 2014-15</u>				
Item 111 – IHSS Services	Total	Federal	State	County	Reimb.
Federally Ineligible Providers	\$0	\$0	\$2,637	\$0	-\$2,637

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

Community First Choice Option (CFCO)*

DESCRIPTION:

The purpose of this premise is to separately display the enhanced FMAP associated with CFCO services. The enhanced FMAP increases federal funding, resulting in GF savings.

The CFCO is a Medi-Cal state plan benefit that provides home-based and community-based attendant services and support benefits to qualified IHSS recipients who meet the state's nursing facility eligibility standards. These services are eligible to receive an enhanced FMAP of 56 percent (six percent above the standard 50 percent FMAP associated with other IHSS services).

On August 31, 2012, the federal CMS approved state plan amendment 11-034 for CFCO, allowing the state to obtain increased federal funding for eligible PCSP and IPO program recipients. The federal CMS approved state plan amendment 13-007 effective July 1, 2013, updating eligibility language for compliance with the federal Social Security Act, section 1915(k)(1) and 42 CFR section 441.510.

IMPLEMENTATION DATE:

This premise implemented on August 31, 2012, retroactive to December 1, 2011.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&IC section 14132.956.
- The CFCO eligible IHSS program services receive federal funding at an enhanced FMAP of 56 percent (six percent above the standard 50 percent FMAP associated with IHSS services).
- The CFCO benefits include all services currently offered under the PCSP and IPO programs. Services under the Residual program are not eligible for federal funding.
- This premise assumes 41 percent of federally-eligible recipients will be eligible for CFCO due to the application of stricter nursing facility level of care eligibility criteria implemented by state plan amendment 13-007. The CFCO population includes recipients with high average monthly hours and the share of total service costs associated with this population is 62 percent.
- The impact of CFCO on CCI, Reduction in Service Hours and FLSA Regulations, Provider Backup System and Compliance are reflected in their own premises.

METHODOLOGY:

For 62 percent of the total PCSP and IPO service costs, an additional six percent FFP is applied, reducing GF costs.

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

Community First Choice Option (CFCO)*

FUNDING:

Federal funding is provided by Title XIX of the Social Security Act. The FMAP for CFCO eligible costs is 56 percent. The GF savings are based on the costs that meet the federal eligibility criteria. The IHSS county MOE establishes fixed expenditures for counties, which include savings on CFCO eligible costs. For more information on the IHSS county MOE, please refer to the IHSS County MOE premise.

CHANGE FROM GOVERNOR’S BUDGET:

The FY 2013-14 and FY 2014-15 increased savings is due to an increase in IHSS Basic Service Costs.

REASON FOR YEAR-TO-YEAR CHANGE:

The increased savings are due to an increase in IHSS Basic Service Costs.

EXPENDITURES:

(in 000s)

		<u>FY 2013-14</u>			
Item 111 – IHSS Services	Total	Federal	State	County	Reimb.
CFCO	\$0	\$0	-\$224,659	\$0	\$224,659
		 <u>FY 2014-15</u>			
Item 111 – IHSS Services	Total	Federal	State	County	Reimb.
CFCO	\$0	\$0	-\$229,785	\$0	\$229,785

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

CCT Money Follows the Person Rebalancing Demonstration*

DESCRIPTION:

This premise reflects the CDSS' receipt of an enhanced FMAP as a result of the CCT Money Follows the Person Rebalancing Demonstration, which is administered by the DHCS. This program provides an enhanced FMAP to CDSS via an interagency agreement with DHCS for eligible Medi-Cal beneficiaries who have transitioned out of long-term health care facilities into community or home living environments and are receiving IHSS.

IMPLEMENTATION DATE:

This premise implemented on July 1, 2011, with benefits retroactive to June 30, 2010.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Deficit Reduction Act of 2005 section 6071 (PL 109-171) and the Patient Protection and ACA section 2403 (PL 111-148).
- The enhanced FMAP is available for qualified services provided to CCT participants for 365 days after transition from a long-term health care facility.
- The CCT cases with an enhanced FMAP for CFCO receive a reduced enhancement for CCT FMAP. The amount of FFP is based on an enhanced FMAP of 69 percent for CFCO cases and 75 percent for all other cases.
- On average, each month 280 recipients (160 CFCO cases) in FY 2013-14 and 320 recipients (180 CFCO cases) in FY 2014-15 will transition from long-term health care facilities into IHSS.
- The average provider cost per hour is \$12.37 in FY 2013-14 and \$12.36 in FY 2014-15.
- The average monthly hours per recipient are 85.0 hours in FY 2013-14 after the impact of the reduction to service hours and 85.2 hours in FY 2014-15.

METHODOLOGY:

The cost of this premise is calculated by multiplying the number of CCT recipients by the cost of their average service hours.

FUNDING:

Federal funding is provided by Title XIX of the Social Security Act, the Deficit Reduction Act of 2005 and the Patient Protection and ACA with the amount of FFP based on the FMAP for eligible cases. The federal share is reflected as a reimbursement, consistent with actual cash flow. Funding for non-federal costs is 100 percent GF due to the implementation of the IHSS county MOE. For more information on the IHSS county MOE, please refer to the IHSS County MOE premise.

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

CCT Money Follows the Person Rebalancing Demonstration*

CHANGE FROM GOVERNOR’S BUDGET:

The FY 2013-14 and FY 2014-15 increase is due to a higher caseload transitioning into IHSS and higher provider cost per hour.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase is due to an increase in caseload transitioning into IHSS.

EXPENDITURES:

(in 000s)

		<u>FY 2013-14</u>				
Item 111 – IHSS Services	Total	Federal	State	County	Reimb.	
CCT Money Follows the Person	\$3,532	\$0	\$1,004	\$0	\$2,528	
		<u>FY 2014-15</u>				
Item 111 – IHSS Services	Total	Federal	State	County	Reimb.	
CCT Money Follows the Person	\$4,050	\$0	\$1,149	\$0	\$2,901	

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

Conlan^{*}

DESCRIPTION:

This premise reflects the costs associated with implementing a Medi-Cal rule that provides reimbursement for eligible IHSS personal care services rendered up to three months prior to applying for Medi-Cal and during the Medi-Cal eligibility determination period. Eligible recipients may also be reimbursed under this premise for excess share of cost paid after approval of eligibility. In *Conlan v. Bonta*, the San Francisco Superior Court ordered DHCS to ensure that Medi-Cal recipients entitled to reimbursement for covered services 90 days prior to the Medi-Cal application date are reimbursed promptly. The DHCS implementation plan to comply with *Conlan v. Bonta* is the subject of *Conlan v. Shewry*. Beginning in December 2006, DHCS sent notices to current and former Medi-Cal beneficiaries regarding the process to file a beneficiary reimbursement claim. The DHCS contracts with Affiliated Computer Services to process the reimbursement claims and forward them to CDSS APD.

IMPLEMENTATION DATE:

The court ordered a start date of November 16, 2006.

KEY DATA/ASSUMPTIONS:

- Implemented by ACL 07-11 (February 20, 2007) and ACL 07-32 (September 13, 2007).
- Approximately 52 claims for services rendered during the evaluation period or post-approval will be forwarded to APD each month in FY 2013-14 and 41 claims each month in FY 2014-15. This accounts for the assumption that current claims will be reduced with the implementation of a provider wage reimbursement process, reducing claims filed by recipients for reimbursement of excess share of cost paid.
- The average cost per claim is \$735.57.

METHODOLOGY:

The estimated cost is calculated by multiplying the number of claims by the average cost per claim.

FUNDING:

Funding for Conlan claims is 100 percent GF due to the implementation of the IHSS county MOE. For more information on the IHSS county MOE, please refer to the IHSS County MOE premise.

CHANGE FROM GOVERNOR'S BUDGET:

The decrease in FY 2013-14 is due to a lower number of claims offset by a higher average payout per claim. The decrease in FY 2014-15 is due to a lower number of claims offset by a higher average payout per claim and a reduction in cases from the implementation of a provider wage reimbursement process.

**Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.*

Conlan^{*}

REASON FOR YEAR-TO-YEAR CHANGE:

The decrease is due to a reduction in cases from the implementation of a provider wage reimbursement process.

EXPENDITURES:

(in 000s)

FY 2013-14

Item 111 – IHSS Services	Total	Federal	State	County	Reimb.
Conlan	\$460	\$0	\$460	\$0	\$0

FY 2014-15

Item 111 – IHSS Services	Total	Federal	State	County	Reimb.
Conlan	\$357	\$0	\$357	\$0	\$0

**Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.*

Waivers for Personal Care Services^{*}

DESCRIPTION:

This premise reflects the costs for personal care services that are provided above a recipient's assessed authorized hours under the IHSS program.

On January 1, 2007, the previous Nursing Facility Level A/B, Nursing Facility Subacute, and In-Home Medical Care Waivers were merged into two distinct home and community-based services waivers: the Nursing Facility/Acute Hospital Waiver and the In-Home Operations Waiver. All existing waiver participants were transitioned to one of the new waivers using specific level of care and cost neutrality criteria. The vast majority of existing participants were enrolled in the Nursing Facility/Acute Hospital Waiver.

Waivers for Personal Care Services has been redefined under these two waivers to include services that differ from those in the state plan which allow beneficiaries to remain at home. Although there is no longer a requirement that waiver consumers receive the maximum of 283 hours of IHSS prior to receiving Waivers for Personal Care Services, waiver consumers must first utilize authorized state plan IHSS hours prior to accessing this waiver service. These services will be provided by the counties' IHSS program providers and will be paid via an interagency agreement with DHCS, or will be provided by home health agencies and other qualified home and community-based services waiver provider types who will be paid via the Medi-Cal fiscal intermediary.

IMPLEMENTATION DATE:

This premise implemented on July 1, 2000.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&IC section 14132.97.
- On January 1, 2010, the federal CMS extended the In-Home Operations Waiver for a five-year period effective January 1, 2010, through December 31, 2014.
- The Nursing Facility/Acute Hospital Waiver was renewed on December 1, 2012, and has been extended through December 31, 2016.
- The FY 2013-14 and FY 2014-15 projected hours are as follows:

	<u>FY 2013-14</u>	<u>FY 2014-15</u>
<u>Nursing Facility/Acute Hospital Waiver</u>		
Nursing Facility Level A/B (intermediate/skilled)	1,893,649	2,011,879
Nursing Facility Subacute Level of Care	1,090,597	1,039,500
<u>In-Home Operations Waiver</u>		
Nursing Facility Level A/B (intermediate/skilled)	137,215	136,224
Nursing Facility Subacute Level of Care	27,893	28,912

**Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.*

Waivers for Personal Care Services^{*}

KEY DATA/ASSUMPTIONS (CONTINUED):

- The cost per hour is assumed at \$10.00.
- The costs under this premise are eligible to receive an enhanced FMAP of 56 percent under CFCO.

METHODOLOGY:

Costs are computed by multiplying the projected total waiver hours by the cost per hour for waiver costs.

FUNDING:

Federal funding is provided by Title XIX of the Social Security Act, with a FMAP of 56 percent in accordance with CFCO eligible funding. The non-federal share of the service costs is funded with 100 percent GF. The DHCS draws down GF and Title XIX reimbursement shares for this premise through its budget. The CDSS receives full reimbursement from DHCS.

CHANGE FROM GOVERNOR'S BUDGET:

The FY 2013-14 and FY 2014-15 increase is due to an increase in hours.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase is due to an increase in hours.

EXPENDITURES:

(in 000s)

		<u>FY 2013-14</u>				
Item 111 – IHSS Services	Total	Federal	State	County	Reimb.	
Waivers for Personal Care Services	\$31,494	\$0	\$0	\$0	\$31,494	
		<u>FY 2014-15</u>				
Item 111 – IHSS Services	Total	Federal	State	County	Reimb.	
Waivers for Personal Care Services	\$32,165	\$0	\$0	\$0	\$32,165	

**Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.*

Title XIX Reimbursement – IHSS/CWS/APS*

DESCRIPTION:

This premise summarizes the FFP associated with Title XIX eligible services as authorized under Title XIX of the federal Social Security Act (42 United States Code sections 1396, et. seq.) across all local assistance programs administered by CDSS. Certain IHSS assessment and eligibility activities and APS program activities are eligible to receive Title XIX funding. Certain health-related activities in CWS are also eligible to receive these funds. The CDSS coordinates with DHCS to establish claiming processes to draw down applicable FFP.

Title XIX reimbursements for IHSS services, administration and CMIPS are displayed in the CDSS tables in the reimbursement column on corresponding table lines. The CCI and Waivers for Personal Care Services also include GF reimbursements from DHCS.

Title XIX reimbursements for CWS and APS programs are displayed in CDSS tables in the reimbursement column on the corresponding table lines.

KEY DATA/ASSUMPTIONS:

IHSS

- Authorizing statute: W&IC sections 12300 through 12317.2.
- The CCI Reimbursement line does not include any Title XIX reimbursements. Reimbursements included on this line represent GF reimbursement for cost budgeted by DHCS.
- For Waivers for Personal Care Services, reimbursements include \$13,857,158 in GF reimbursement from DHCS in FY 2013-14 and \$14,152,665 in FY 2014-15. The remaining reimbursements, \$17,636,382 and \$18,012,483 respectively, are Title XIX.

CWS

- Authorizing statute: W&IC section 16500.
- A portion of the CWS program has been realigned and is included in the Realigned Programs premise; however, all CWS Title XIX eligible expenditures are displayed in this premise for reference.
- The non-realigned CWS premises with eligible Title XIX costs include the CWS/CMS M&O, CWS-NS Project and Katie A. Settlement Agreement Reporting Requirements premises. Please refer to the corresponding premises for additional information.

APS

- Authorizing statute: W&IC sections 15703 through 15705.40.
- The services portion of APS has been realigned and is included in the Realigned Programs premise; however, all Title XIX eligible expenditures are displayed in this premise for reference.

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

Title XIX Reimbursement – IHSS/CWS/APS*

FUNDING:

IHSS Services

The IHSS programs eligible for federal funding receive Title XIX reimbursement based on the FMAP of 56 percent for CFCO eligible services and 50 percent for all other services. The IHSS Basic Services line accounts for Title XIX reimbursements based on an FMAP of 50 percent for all federally eligible cases. The CFCO line represents the additional six percent Title XIX funding for eligible cases included in the IHSS Basic Services line. For CCT Money Follows the Person Rebalancing Demonstration cases, Title XIX reimbursement is based on the FMAP of 69 percent for CFCO cases and 75 percent for all other cases.

IHSS Administration

Federally eligible costs are based on a FMAP rate of 50 percent. The FFP is 49.8 percent for FY 2013-14 and FY 2014-15.

CMIPS

The CMIPS Legacy and CMIPS II systems are eligible to receive Title XIX reimbursement at the rate of 49.5 percent.

CWS

The CWS program costs receive Title XIX funding at the enhanced administrative rate of 75 percent for SPMP eligible costs and 50 percent for non-SPMP costs. A portion of the CWS funding has been realigned and is included in the Realigned Programs premise.

APS

The health-related activities in support of Medi-Cal eligible recipients are eligible to receive Title XIX reimbursement at the 50 percent rate. Eligible SPMP activities receive Title XIX reimbursement at the enhanced 75 percent rate. Estimated costs are based on actual expenditures. A portion of the APS funding has been realigned and is included in the Realigned Programs premise.

CHANGE FROM GOVERNOR'S BUDGET:

IHSS Services and Administration – The FY 2013-14 and FY 2014-15 increases reflect updated caseload and actual expenditures.

CMIPS – The FY 2013-14 decrease and FY 2014-15 increase reflect updated costs.

CWS – The FY 2013-14 decrease reflects the CWS-NS Project reduction due to the 19-month delay. The FY 2014-15 decrease reflects the delay of reimbursement authority for the Health Care Oversight for Children in FC contract, the reduction in CWS-NS Project due to the 19-month delay and decrease in actual expenditures, offset by an increase in caseloads and inclusion of the Katie A. Settlement Agreement Reporting Requirements premise.

APS – The increase in FY 2013-14 and FY 2014-15 reflects updated federal reimbursements expenditures.

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

Title XIX Reimbursement – IHSS/CWS/APS*

REASON FOR YEAR-TO-YEAR CHANGE:

IHSS Services and Administration – The increase reflects updated caseload and actual expenditures.

CMIPS – The decrease reflects CMIPS II's transition into M&O phase.

CWS – The increase reflects updated actual expenditures and the inclusion of the Katie A. Settlement Agreement Reporting Requirements premise.

APS – There is no change.

EXPENDITURES:

(in 000s)

<u>FY 2013-14</u>					
IHSS	Total	Federal	State	County	Reimb.
IHSS Services and Administration	\$3,343,989	\$0	\$0	\$0	\$3,343,989
CMIPS	53,077	0	0	0	53,077
Health Related Activities					
Item 151 – CWS Administration	121,521	0	0	0	121,521
Item 151 – APS Administration	94,357	0	0	0	94,357
<u>FY 2014-15</u>					
IHSS	Total	Federal	State	County	Reimb.
IHSS Services and Administration	\$3,961,011	\$0	\$0	\$0	\$3,961,011
CMIPS	40,471	0	0	0	40,471
Health Related Activities					
Item 151 – CWS Administration	125,787	0	0	0	125,787
Item 151 – APS Administration	94,357	0	0	0	94,357

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

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IHSS Basic – Administration *

DESCRIPTION:

This premise reflects the costs of administering the IHSS program through the PCSP, IPO, Residual and CFCO programs. 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 includes administrative costs for completion of the emergency contact and back-up form. The W&IC sections 12300 through 12314 and 14132.95 required DHCS to submit a Medicaid State Plan Amendment to the federal CMS to include a portion of the IHSS program as a covered service so that IHSS PCSP, IPO and CFCO would be eligible to receive federal funds.

IMPLEMENTATION DATE:

This premise implemented on April 1, 1993, with the implementation of a reduction by five percent pursuant to the Budget Act of 2008 on July 1, 2008.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&IC sections 12300 through 12314 and 14132.95.
- The social worker unit cost is \$60.55 per hour.
- The standard hours per case per year are 11.58 hours.
- The Supportive IP expenditures for FY 2013-14 are \$9.5 million total funds and \$9.7 million total funds for FY 2014-15.

METHODOLOGY:

The estimated cost is computed by multiplying the average monthly caseload by the standard hours per case per year and the social worker unit cost. The baseline Supportive IP cost from the 2007-08 Appropriation is adjusted to reflect the percent of caseload growth. The sum of those two components is reduced by the FY 2007-08 budget-balancing adjustment of \$15 million total funds.

FUNDING:

Federal funding is provided by Title XIX of the Social Security Act, with the amount of FFP based on the FMAP of 50 percent for eligible cases. The federal share is reflected as a reimbursement, consistent with actual cash flow. Funding for non-federal costs is 100 percent GF due to implementation of the IHSS county MOE. For more information on the IHSS county MOE, please refer to the IHSS County MOE premise.

CHANGE FROM GOVERNOR'S BUDGET:

The FY 2013-14 and FY 2014-15 increase reflects a higher average monthly caseload.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase reflects a higher average monthly caseload.

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

IHSS Basic – Administration*

EXPENDITURES:

(in 000s)

FY 2013-14

Item 111 – IHSS Administration	Total	Federal	State	County	Reimb.
IHSS Basic - Administration	\$312,305	\$0	\$156,777	\$0	\$155,528

FY 2014-15

Item 111 – IHSS Administration	Total	Federal	State	County	Reimb.
IHSS Basic - Administration	\$320,044	\$0	\$160,662	\$0	\$159,382

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

Quality Assurance and Contracts^{*}

DESCRIPTION:

The QA Initiative was mandated by W&IC sections 12305.7, 12305.71 and 12301.2. The intent of this initiative is to improve the quality of services, enhance program integrity and detect and prevent program fraud and abuse in the IHSS program. W&IC sections 12305.7, 12305.71 and 12301.2 mandate ongoing staff training for county IHSS workers and required CDSS to collaborate with DHCS on annual error rate studies and investigations of suspected fraud in the receipt or provision of services. This premise reflects the administrative costs of implementing the QA program and associated contract costs.

In addition, as CMIPS Legacy is being phased-out, interagency contracts with SCO and State Treasurer's Office regarding payroll issuance and reconciliation are added in this premise.

IMPLEMENTATION DATE:

This premise implemented on December 1, 2004.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&IC sections 12305.7, 12305.71 and 12301.2.
- Costs for an interagency agreement with the SCO (Contract # 11-2002) are included. The SCO, under contract with CDSS, issues payroll checks to IP mode providers on behalf of IHSS recipients. The SCO also issues replacement checks and handles checks returned as undeliverable.
- Costs for an interagency agreement with the State Treasurer's Office (Contract # 13-2009) are included. The State Treasurer's Office, under contract with CDSS, performs bank reconciliation of IHSS warrants and redeems all valid warrants issued for IHSS providers.
- The QA procedures result in improved assessments and reassessments after social workers receive training.

County Staff

- There are 220 county QA staffs or additional IHSS social workers working on the QA Initiative in FY 2013-14 and in FY 2014-15.
- The annual cost per social worker is \$129,083 in FY 2013-14 and FY 2014-15.
- Costs for the Social Worker Training Academy are included.
- Costs for an interagency agreement with CDPH regarding the sharing of death record information are included. This information will allow CDSS to assure benefits are paid properly by searching for and identifying fraudulent cases in which deceased recipients continue to exist as active recipients in IHSS CMIPS.
- Costs for the Consumer Satisfactory Survey contract have are included in FY 2014-15.

State-Level Training for Social Workers

- Ongoing training costs include curriculum development, classroom training and post-training evaluation.

**Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.*

Quality Assurance and Contracts^{*}

METHODOLOGY:

The total costs are calculated by multiplying the number of QA positions by the annual social worker cost and adding the costs of social worker training, associated contracts and interagency contracts with SCO and State Treasurer’s Office.

FUNDING:

Federal funding is provided by Title XIX of the Social Security Act, with the amount of FFP based on the FMAP of 50 percent for eligible cases. The federal share is reflected as a reimbursement, consistent with actual cash flow. Funding for non-federal costs is 100 percent GF due to the implementation of the IHSS county MOE. For more information on the IHSS county MOE, please refer to the IHSS County MOE premise.

CHANGE FROM GOVERNOR’S BUDGET:

The FY 2013-14 and FY 2014-15 increase reflects the shift of SCO and State Treasurer’s Office contract costs from CMIPS Legacy to this premise.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase reflects the new Consumer Satisfactory Survey and the increase of social workers’ training costs and SCO contract costs, slightly offset by decrease in CDPH contract costs.

EXPENDITURES:

(in 000s)

		<u>FY 2013-14</u>			
Item 111 – IHSS Administration	Total	Federal	State	County	Reimb.
QA and Contracts	\$40,371	\$0	\$20,266	\$0	\$20,105
		<u>FY 2014-15</u>			
Item 111 – IHSS Administration	Total	Federal	State	County	Reimb.
QA and Contracts	\$40,825	\$0	\$20,494	\$0	\$20,331

**Please refer to the first tab titled “[Acronyms](#)” for a full description of acronyms.*

Public Authority Administration*

DESCRIPTION:

This premise reflects Public Authority administrative costs for the IHSS PCSP, IPO, and non-Title XIX-eligible IHSS recipients in the Residual program. The W&IC section 12301 defines the make-up and functions of the Public Authorities. The Public Authorities are the employers of IHSS providers for purposes of collective bargaining over wages, hours and other terms of employment. The IHSS recipients, however, retain the right to hire, fire and supervise the work of any IHSS worker providing services to them. A county board of supervisors may elect to establish a Public Authority to provide for the delivery of IHSS. The Public Authorities are separate entities from the county in which they operate. Employees of Public Authorities shall not be employees of the county for any reason.

The Public Authorities shall, at a minimum, assist recipients in finding IHSS providers through the establishment of a registry, investigate the qualifications and background of potential providers, establish a referral system under which IHSS providers shall be referred to recipients, train providers and recipients and perform other functions related to the delivery of IHSS.

Each Public Authority's rate includes hourly costs for wages, employer taxes, benefits and administrative costs. The Public Authority must submit a rate approval request to the CDSS. Once CDSS approves the request, it is submitted to DHCS for final approval. After DHCS approves the rate, the Public Authority is notified of the new rate at which it can claim costs.

IMPLEMENTATION DATE:

This premise implemented on July 1, 1997.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&IC section 12301 and ABX4 1 (Chapter 1, Fourth Extraordinary Session, Statutes of 2009).
- The estimated non-federal shares are held to the Budget Act of 2012 for both FY 2013-14 and FY 2014-15. The federal share is computed based on the updated Title XIX Reimbursement rate.

METHODOLOGY:

The estimated cost is computed by dividing the non-federal shares which are held to FY 2011-12 Appropriation values by non-federal share ratio.

FUNDING:

Federal funding is provided by Title XIX of the Social Security Act, with the amount of FFP based on the FMAP of 50 percent for eligible cases. The federal share is reflected as a reimbursement, consistent with actual cash flow. Funding for non-federal costs is 100 percent GF due to implementation of the IHSS county MOE. For more information on the IHSS County MOE, please refer to the IHSS County MOE premise.

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

Public Authority Administration*

CHANGE FROM GOVERNOR’S BUDGET:

There is no change in FY 2013-14. The decrease in FY 2014-15 reflects the decrease of Title XIX sharing ratio.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000s)

FY 2013-14

Item 111 – IHSS Administration	Total	Federal	State	County	Reimb.
Public Authority Administration	\$27,121	\$0	\$13,615	\$0	\$13,506

FY 2014-15

Item 111 – IHSS Administration	Total	Federal	State	County	Reimb.
Public Authority Administration	\$27,121	\$0	\$13,615	\$0	\$13,506

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

Advisory Committees^{*}

DESCRIPTION:

This premise reflects the costs of establishing and operating IHSS advisory committees as required by W&IC sections 12300 through 12314.

The W&IC sections 12301.3, 12301.4 and 12302.25 eliminated the mandate that the state participate in IHSS advisory committees. The purpose of advisory committees are to submit recommendations to their respective county boards of supervisors on the preferred mode of IHSS service to be utilized in their counties.

IMPLEMENTATION DATE:

This premise implemented on July 1, 2000. The elimination of the mandate that the state participate in IHSS advisory committees implemented on July 1, 2011.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&IC sections 12300 through 12314.
- All counties have established and operate advisory committees in FY 2013-14 and FY 2014-15.
- The state will participate in \$3,000 GF for each of the 58 counties.

METHODOLOGY:

The estimated GF cost is computed by multiplying \$3,000 by the 58 counties. The total is calculated by dividing the GF amount by the GF percent-to-total.

FUNDING:

Federal funding is provided by Title XIX of the Social Security Act, with the amount of FFP based on the FMAP of 50 percent for eligible cases. Remaining costs are funded 100 percent GF. The federal share is reflected as a reimbursement, consistent with actual cash flow.

CHANGE FROM GOVERNOR'S BUDGET:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

**Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.*

Advisory Committees^{*}

EXPENDITURES:

(in 000s)

FY 2013-14

Item 111 – IHSS Administration	Total	Federal	State	County	Reimb.
Advisory Committees	\$347	\$0	\$174	\$0	\$173

FY 2014-15

Item 111 – IHSS Administration	Total	Federal	State	County	Reimb.
Advisory Committees	\$347	\$0	\$174	\$0	\$173

**Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.*

County Employer of Record*

DESCRIPTION:

This premise reflects the cost of administrative activities necessary for counties to act as the employer of record for IHSS providers. Counties may choose to act as the employer of record for IHSS IPs to achieve compliance with W&IC sections 12300 through 12314 and 14132.95.

The W&IC sections 12301 and 12302 require any county that is not in compliance with the mandates to act as the employer of record (within a specified timeframe) 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: W&IC sections 12300 through 12314 and 14132.95.
- Alpine and Tuolumne Counties will act as employer of record for both FY 2013-14 and FY 2014-15.

METHODOLOGY:

The estimated costs are the sum of the projected annual costs for each county.

FUNDING:

Federal funding is provided by Title XIX of the Social Security Act, with the amount of FFP based on the FMAP of 50 percent for eligible cases. The federal share is reflected as a reimbursement, consistent with actual cash flow. Funding for non-federal costs is 100 percent GF due to implementation of the IHSS county MOE. For more information on the IHSS county MOE, please refer to the IHSS County MOE premise.

CHANGE FROM GOVERNOR'S BUDGET:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

County Employer of Record*

EXPENDITURES:

(in 000s)

FY 2013-14

Item 111 – IHSS Administration	Total	Federal	State	County	Reimb.
County Employer of Record	\$361	\$0	\$181	\$0	\$180

FY 2014-15

Item 111 – IHSS Administration	Total	Federal	State	County	Reimb.
County Employer of Record	\$361	\$0	\$181	\$0	\$180

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

Program Integrity – Administrative Activities^{*}

DESCRIPTION:

This premise reflects the administrative costs of various program activities that form part of IHSS program integrity efforts. These program integrity measures enhance state and county efforts to prevent fraud, identify errors and overpayments, pursue collections and detect and refer suspected incidences of fraud in the IHSS program. Savings created by the following program integrity administrative activities are captured in the IHSS Basic services premise.

County DA/Activities:

This portion of the premise reflects the costs associated with fraud prevention, detection, referral and investigation and additional program integrity efforts to enhance the IHSS program. Before participating in this program, counties must receive annual approval from CDSS of their plans for using the funding to enhance IHSS integrity.

County Investigations:

This portion of the premise reflects the costs associated with 78 county program integrity positions that have the authority to monitor a recipient's receipt of services and to investigate fraud in the IHSS program pursuant to the protocols of the IHSS program integrity measures. Activities intended to protect program integrity include: unannounced home visits; the review, analysis and actions related to the review of Criminal Offender Record Information for provider enrollment; facilitation of orientations for new and existing providers and tracking and reporting fraud data. All coordinated activities to detect and prevent fraud by IHSS providers and recipients will be performed in accordance with federal and state laws and regulations.

Related Activities:

This portion of the premise reflects funding for mandatory orientation for all providers, reviewing and processing of Criminal Offender Record Information and Subsequent Arrest Notifications, handling appeals for ineligible providers, mailing to providers and other related activities.

Provider Exclusions:

This portion of the premise reflects the cost of reviewing and processing individual waivers and general exception requests from providers who have committed a violent or serious felony, as specified in Penal Code section 667.5, subdivision (c) and section 1192.7, subdivision (c). The W&IC sections 12301.6, 12305.86 and 12305.87 established that providers subject to criminal conviction exclusions who are either new applicants or applicants whose applications were denied on the basis of a conviction and for whom an appeal of that denial is pending may request an individual waiver or general exception. An approved individual waiver allows a provider to serve the recipient associated with the individual waiver; a general exception allows a provider to provide services for multiple recipients. The general exceptions are handled through CDSS' CCL Division.

IMPLEMENTATION DATE:

The activities included in this premise implemented on November 1, 2009, with the following exceptions: individual waivers and general exceptions to provider exclusions implemented February 1, 2011; program integrity training for social workers implemented in May 2011; direct mailings and unannounced home visits implemented in FY 2012-13.

**Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.*

Program Integrity – Administrative Activities^{*}

KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&IC sections 12301.22, 12301.24, 12301.25, 12301.6, 12305.71, 12305.82, 12305.86 and 12305.87.

County Investigations:

- Seventy-eight county investigators will be conducting program integrity activities at the social worker rate of \$129,083 per year.

Related Activities:

- The new providers that will participate in and require the review and processing of Criminal Offender Record Information is 133,841 providers in FY 2013-14 and 128,603 providers in FY 2014-15.
- The costs for developing and translating revised orientation DVD and translating provider orientation are \$133,000. The handout materials costs are \$0.40 per new provider and translation costs for the materials are \$0.70 per provider.
- The total funds that will be utilized at the state level to develop, translate and distribute a DVD and accompanying training materials is \$102,000 in FY 2013-14 and FY 2014-15.
- Twenty percent of the total impacted provider universe will have a Criminal Offender Record Information that will require ten minutes of social worker time for review. Of the 20 percent of providers, 2.6 percent will have a non-exemptible crime for which eight minutes of social worker time will be needed to generate a notice to the provider.
- Of the total impacted universe of providers, 4.1 percent will have a Subsequent Arrest Notification review that will require ten minutes of social worker time for review. Of the 4.1 percent of providers, 0.2 percent will have a non-exemptible crime for which eight minutes of social worker time will be needed to generate a notice to the provider.
- One hour of social worker time is needed for the review of 4.2 percent of the providers with non-exemptible crimes who will file an appeal.
- Other related activities have an annual cost of \$135,000 GF.
- The postage rate is \$0.47 per notice.
- Three hundred recipients will request individual waivers in FY 2013-14 and FY 2014-15 for providers who have exemptible crimes and that it will take 60 minutes for the counties to prepare and send notices and respond to questions for each individual waiver request.
- Five providers in FY 2013-14 and FY 2014-15 will have exemptible crimes and request a general exception. It will take five minutes for the counties to send Criminal Offender Record Information to CDSS for each of these providers.

**Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.*

Program Integrity – Administrative Activities^{*}

METHODOLOGY:

- The assumed number of county investigators is multiplied by the annual social worker rate.
- The estimated costs for related activities are computed by adding the total costs associated with mandatory orientations for providers, the review and processing of Criminal Offender Record Information and Subsequent Notification Arrests, provider appeals of terminations and other related activities.
- The estimated costs of processing individual waivers for provider exclusions are computed by multiplying the number of impacted providers by the cost of social worker time to respond to the requests and adding mailing costs. The estimated cost of processing general exceptions is computed by multiplying the number of impacted providers by the cost of social worker time to respond to the requests.

FUNDING:

Federal funding is provided by Title XIX of the Social Security Act, with the amount of FFP based on the FMAP of 50 percent for eligible cases. The federal share is reflected as a reimbursement, consistent with actual cash flow. Funding for non-federal costs is 100 percent GF due to implementation of the IHSS county MOE. For more information on the IHSS county MOE, please refer to the IHSS County MOE premise.

The IHSS county MOE base was established on the following ratios:

- The costs for reviewing and processing Criminal Offender Record Information, Subsequent Arrest Notifications and provider appeals of terminations have no county share with 50 percent federal funds and 50 percent GF.
- Other non-federal costs are 70 percent GF and 30 percent county funds.

The costs for processing provider exclusions are ineligible to receive FFP.

CHANGE FROM GOVERNOR’S BUDGET:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase is due to a higher provider count.

**Please refer to the first tab titled “[Acronyms](#)” for a full description of acronyms.*

Program Integrity – Administrative Activities^{*}

EXPENDITURES:

(in 000s)

FY 2013-14

Item 111 – IHSS Administration	Total	Federal	State	County	Reimb.
Program Integrity – Administrative Activities	\$39,549	\$0	\$19,863	\$0	\$19,686

FY 2014-15

Item 111 – IHSS Administration	Total	Federal	State	County	Reimb.
Program Integrity – Administrative Activities	\$39,610	\$0	\$19,892	\$0	\$19,718

**Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.*

Provider Enrollment Statement Form/Process^{*}

DESCRIPTION:

This premise reflects the costs associated with revising the IHSS Provider Enrollment Statement Form (Social Services Programs [SOC] 426) to bring it into compliance with the requirements of W&IC section 12305.81. The new compliance form indicates that a person shall not be eligible to provide or receive payment for providing supportive services for ten years following a conviction for, or incarceration following a conviction, for fraud against a government health care or supportive services program, abuse of a child ([Penal Code] 273a) or abuse of an elder or dependent adult (Penal Code section 368).

In accordance with the ruling of the Alameda County Superior Court in the *Beckwith v. Wagner* court case, which challenged the legality of the offenses originally identified as disqualifiers for provider eligibility, only the three aforementioned offenses could be used to prevent eligibility of a person as an IHSS provider.

IMPLEMENTATION DATE:

This premise implemented on November 1, 2009.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&IC section 12305.81.
- The new IHSS providers that will be enrolled are 133,841 in FY 2013-14 and 128,603 in FY 2014-15.
- The social worker unit cost is \$60.55 per hour.
- To comply with W&IC section 12305.81, the counties will have additional responsibilities for associated tasks, including:
 - Fifteen minutes to mail and verify forms, copy documents/identifications and schedule appointments for providers.
 - Ten minutes to resolve errors on forms, reschedule appointments and send reminders for appointments; this applies to 20 percent of providers.
 - Fifteen minutes to resolve issues for recipients when a particular provider is ineligible; this applies to 20 percent of recipients.
 - Five minutes to cross reference applicants with the ineligible provider list and place providers on the ineligible list; this applies to three percent of providers.

METHODOLOGY:

For each activity, the number of impacted providers or recipients is multiplied by the social worker rate of pay and the applicable time per activity.

^{*}Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

Provider Enrollment Statement Form/Process^{*}

FUNDING:

Federal funding is provided by Title XIX of the Social Security Act, with the amount of FFP based on the FMAP of 50 percent for eligible cases. The federal share is reflected as a reimbursement, consistent with actual cash flow. Funding for non-federal costs is 100 percent GF due to implementation of the IHSS county MOE. For more information on the IHSS County MOE, please refer to the IHSS County MOE premise.

CHANGE FROM GOVERNOR’S BUDGET:

The FY 2013-14 and FY 2014-15 increase is due to higher projections for recipients and newly enrolled providers.

REASON FOR YEAR-TO-YEAR CHANGE:

The decrease is due to a lower newly enrolled providers projection offset by an increase in the recipient projection.

EXPENDITURES:

(in 000s)

		<u>FY 2013-14</u>				
Item 111 – IHSS Administration	Total	Federal	State	County	Reimb.	
Provider Enrollment Statement Form/Process	\$3,689	\$0	\$1,852	\$0	\$1,837	
		<u>FY 2014-15</u>				
Item 111 – IHSS Administration	Total	Federal	State	County	Reimb.	
Provider Enrollment Statement Form/Process	\$3,630	\$0	\$1,822	\$0	\$1,808	

**Please refer to the first tab titled “[Acronyms](#)” for a full description of acronyms.*

Provider Wage Reimbursement*

DESCRIPTION:

This premise reflects the costs associated with managing incorrect share of cost deductions from IHSS provider wages. Currently, there is no process to directly pay providers when an incorrect share of cost deduction is made. The recipient can pay the provider for the erroneous deduction and file a claim for reimbursement using the Conlan II claim process. Due to financial hardship, some recipients are unable to front payments. The new process will allow providers to contact the county and request payment directly.

This new process will mitigate financial hardship for IHSS recipients and providers, assist in preventing disruption of IHSS services if the recipient cannot reimburse his/her provider and avoid potential legal action by IHSS providers and labor unions relating to payment of wages.

IMPLEMENTATION DATE:

This premise will implement on September 1, 2014.

KEY DATA/ASSUMPTIONS:

- For an average monthly caseload of 3,514 recipients with a share of cost, it is assumed that five percent of cases will be claimed to have incorrect deductions.
- Social workers will need one hour for activities associated with claim processing. These activities include confirmation of the correct share of cost between the MEDS and CMIPS systems, analyzing database information, completing the county form, assembling claim files and sending claim forms to CDSS APD for processing.
- The social worker unit cost is \$60.55 per hour.
- Approximately 14 providers receive provider wage reimbursement each month.
- The average payout per case is \$735.57 each year.

METHODOLOGY:

The estimated administrative cost is computed by multiplying the social worker cost for one hour by the number of incorrect deductions claims. The estimated wage reimbursement cost is computed by multiplying the average payout per case by the number of cases assumed to receive provider wage reimbursement each year.

FUNDING:

Funding for wage reimbursement cost is 100 percent GF due to the implementation of the IHSS county MOE. For more information on the IHSS county MOE, please refer to the IHSS County MOE premise.

Federal funding for administrative costs is provided by Title XIX of the Social Security Act, with the amount of FFP based on the FMAP of 50 percent for eligible cases. The federal share is reflected as a reimbursement, consistent with actual cash flow. Funding for non-federal costs is 100 percent GF due to implementation of the IHSS county MOE.

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

Provider Wage Reimbursement*

CHANGE FROM GOVERNOR’S BUDGET:

The FY 2013-14 decrease is due to the implementation date update. The FY 2014-15 decrease is due to the change of caseload and the implementation date update, offset by the provider wage reimbursement cost shifted from Conlan.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase is due to a change of implementation date.

EXPENDITURES:

(in 000s)

FY 2013-14

Item 111 – IHSS Administration	Total	Federal	State	County	Reimb.
Provider Wage Reimbursement	\$0	\$0	\$0	\$0	\$0

FY 2014-15

Item 111 – IHSS Administration	Total	Federal	State	County	Reimb.
Provider Wage Reimbursement	\$113	\$0	\$108	\$0	\$5

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

IHSS Plus Option (IPO) - Administration *

DESCRIPTION:

This premise reflects the costs for activities necessary to maintain compliance with Social Security Act section 1915(j) requirements. Implementation of IPO requires social workers to be trained in the concepts and methods of being support-brokers. The social workers must also complete risk management assessments for all IPO recipients to be able to identify, mitigate and assess risks. The IPO service costs are included under the IHSS Basic services premise.

IMPLEMENTATION DATE:

This premise implemented on July 1, 2010.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&IC section 14132.952.
- Fifteen minutes of social worker time is needed to complete the initial assessments or reassessments of the risk management process for 32,746 IPO recipients in FY 2013-14 and 33,520 in FY 2014-15.
- The social worker unit cost is \$60.55 per hour.

METHODOLOGY:

The cost for implementing the risk management process is determined by multiplying the amount of social worker time required by the total number of IHSS IPO recipients (current and new) and the social worker rate for each FY.

FUNDING:

Federal funding is provided by Title XIX of the Social Security Act, with the amount of FFP based on the FMAP of 50 percent for eligible cases. The federal share is reflected as a reimbursement, consistent with actual cash flow. Funding for non-federal costs is 100 percent GF due to implementation of the IHSS County MOE. For more information on the IHSS county MOE, please refer to the IHSS County MOE premise.

CHANGE FROM GOVERNOR'S BUDGET:

The FY 2013-14 and FY 2014-15 increase is due to an increase in IPO caseload.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase is due to an increase in IPO caseload.

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

IHSS Plus Option (IPO) - Administration *

EXPENDITURES:

(in 000s)

FY 2013-14

Item 111 – IHSS Administration	Total	Federal	State	County	Reimb.
IPO - Administration	\$496	\$0	\$248	\$0	\$248

FY 2014-15

Item 111 – IHSS Administration	Total	Federal	State	County	Reimb.
IPO - Administration	\$508	\$0	\$254	\$0	\$254

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

Case Management, Information and Payrolling System (CMIPS) Legacy*

DESCRIPTION:

This premise reflects the IHSS CMIPS M&O and programming costs needed to meet the reporting requirements of the IHSS Program. The CMIPS consists of the following three components:

Case Management

The CMIPS stores the case record of each individual recipient, which contains information on eligibility, needs assessment, share of cost (if appropriate) and all changes affecting a recipient's case. The CMIPS also generates NOAs and rate changes, allows for data exchanges with other welfare systems and is used to establish Medi-Cal eligibility. Unique Client Index Numbers facilitate the identification of common clients and the exchange of data with other systems. The Client Index Number transactions are processed through the OSI 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 payment warrants for services provided through IP mode and prepares all employer tax forms and reports. These reports are used for bookkeeping, accounting and tax preparation purposes on behalf of recipients, CWDs and the CDSS.

The SCO, under contract with CDSS, issues payroll checks to IP mode providers on behalf of IHSS recipients. The SCO also issues replacement checks and handles checks returned as undeliverable. The State Treasurer's Office, under contract with CDSS, performs bank reconciliation of IHSS warrants and redeems all valid warrants issued for IHSS providers.

As the new CMIPS II enters M&O phase, CMIPS Legacy service is projected to phase-out in 2015. To ensure funding availability, the contract costs for SCO and State Treasurer's Office have been shifted to the QA and Contracts premise.

IMPLEMENTATION DATE:

The ongoing costs portion of this premise was implemented on February 1, 1997.
The enhancements implemented on August 31, 2004.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&IC sections 12302.2, 12304.4 and 12317.
- The CMIPS contract is currently held by Hewlett Packard Enterprise Services, LLC, formerly known as Electronic Data Systems, LLC.
- The estimated Client Index Number transaction costs are based on the amount of time the CMIPS Legacy system accesses the State Client Index.

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

Case Management, Information and Payrolling System (CMIPS) Legacy*

KEY DATA/ASSUMPTIONS (CONTINUED):

- The Provider Direct Deposit cost assumes 25 percent provider participation.
- The FY 2013-14 and FY 2014-15 costs, separate from enhancement costs, are as follows:

	<u>FY 2013-14</u>	<u>FY 2014-15</u>
Hewlett Packard Enterprise Services, LLC	\$13,795,575	\$13,452,861
Client Index Number Transaction	8,307	8,307
Conlan	150,000	150,000
Direct Deposit Costs	2,100,000	2,200,000
Total Costs	\$16,053,882	\$15,811,168

- The FY 2013-14 includes \$3.0 million total funds (\$1.1 million GF) for enhancements required to implement the CFCO and CCI premises.
- The amount of FFP is based on the FMAP of 50 percent.

METHODOLOGY:

The estimate is computed by summing the total cost listed above and the additional enhancement costs for CFCO and CCI.

FUNDING:

Federal funding is provided by Title XIX of the Social Security Act, with the amount of FFP based on the FMAP of 50 percent for eligible cases. The federal share is reflected as a reimbursement. Funding for non-federal costs is 100 percent GF due to implementation of the IHSS county MOE. For more information on the IHSS county MOE, please refer to the IHSS County MOE premise.

CHANGE FROM GOVERNOR'S BUDGET:

The FY 2013-14 and FY 2014-15 decrease is due to the shift of contract costs for State Treasurer's Office and SCO to the QA and Contracts premise and the removal of the enhancement costs for CCI in FY 2014-15.

REASON FOR YEAR-TO-YEAR CHANGE:

The decrease is due to the reduction in enhancement costs, as the system is projected to phase-out in 2015.

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

Case Management, Information and Payrolling System (CMIPS) Legacy^{*}

EXPENDITURES:

(in 000s)

		<u>FY 2013-14</u>				
Item 111 – CMIPS	Total	Federal	State	County	Reimb.	
CMIPS Legacy	\$19,053	\$0	\$9,629	\$0	\$9,424	
		<u>FY 2014-15</u>				
Item 111 – CMIPS	Total	Federal	State	County	Reimb.	
CMIPS Legacy	\$15,812	\$0	\$7,991	\$0	\$7,821	

**Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.*

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Case Management, Information and Payrolling System (CMIPS) II*

DESCRIPTION:

This premise reflects the costs for contracting with the OSI for development, support and implementation of a new and enhanced IHSS CMIPS. This new system replaces the existing CMIPS Legacy with new technologies that provide system access for all IHSS county workers and a communication network between state and county IHSS offices. The CMIPS II launched in pilot counties in July 2012 and became active in all 58 counties in November 2013. The CMIPS II transitioned into the M&O phase effective January 2014.

IMPLEMENTATION DATE:

This premise implemented on April 1, 2008.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&IC section 12302.2.
- The CMIPS II funding for FY 2014-15 includes \$10 million to implement system enhancements for blind and visually impaired recipients.
- The CMIPS II FLSA funding for FY 2014-15 reflects \$7.5 million for system changes, which include activities related to maintaining workweek agreements; tracking provider hours; updating policies, instructions, provider timesheets; adding new activities such as wait time during medical accompaniment and provider training; and additional functions identified as necessary to implement the Provider Backup System or comply with federal regulations.

METHODOLOGY:

Costs are based on the CMIPS II Special Project Report Number 6, submitted in September 2013.

FUNDING:

- Federal funding is provided by Title XIX of the Social Security Act, with the amount of FFP based on the FMAP of 50 percent for eligible cases.
- The non-federal share is funded 100 percent GF.
- Costs associated with the Residual program are funded at 100 percent GF.

CHANGE FROM GOVERNOR'S BUDGET:

There is no change in FY 2013-14. In FY 2014-15, an additional \$10.0 million is included for system enhancement to accommodate blind and visually impaired recipients. In addition, \$7.5 million for the CMIPS II FLSA system changes budget is shifted from FLSA Regulations, Provider Backup System and Compliance line.

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

Case Management, Information and Payrolling System (CMIPS) II *

REASON FOR YEAR-TO-YEAR CHANGE:

The decrease is due to the project transition into the M&O phase.

EXPENDITURES:

(in 000s)

		<u>FY 2013-14</u>			
Item 111 – IHSS System Costs	Total	Federal	State	County	Reimb.
CMIPS II	\$88,126	\$0	\$44,499	\$0	\$43,627
CMIPS II FLSA system changes	0	0	0	0	0
		<u>FY 2014-15</u>			
Item 111 – IHSS System Costs	Total	Federal	State	County	Reimb.
CMIPS II	\$58,494	\$0	\$29,537	\$0	\$28,957
CMIPS II FLSA system changes	7,461	0	3,768	0	3,693
CDSS/OSI PARTNERSHIP	Total	CDSS	OSI		
FY 2013-14	\$88,126	\$16,200	\$71,926		
FY 2014-15	58,494	10,341	48,153		

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

CalFresh Administration*

DESCRIPTION:

This premise reflects administrative costs for NACF. Historically, the budget for county administration was based on counties' administrative budget requests made through a PCAB process, modified by a cost containment system consistent with W&IC section 14154. Beginning with FY 2001-02, the PCAB process was suspended and the last PCAB process, FY 2000-01, established the base from which future costs are determined. The base has been adjusted each successive subvention process for caseload changes and other factors.

This premise has been consolidated to include historical adjustments from the CalFresh Administration Reduction (PL 105-185) and the NACF Reduction. In addition, this premise includes updated assumptions for the following premise items: *Be Vu v. Mitchell* and SAR Mailing/Notifications. Detailed descriptions of these premises can be referenced in the 2012 May Revision, Estimate Methodologies.

KEY DATA/ASSUMPTIONS:

CalFresh Administration

- Authorizing statute: W&IC section 14154.
- The NACF administrative costs base for FY 2014-15 is \$1,494.7 million.
- The NACF caseload growth projection is 9.64 percent in FY 2014-15, resulting in an increase of \$142.8 million.
- Staff development costs for NACF are \$22.4 million for FY 2014-15, based on calendar year 2013 actual expenditures.
- The SAWS development and testing interface costs for NACF are approximately \$230,000.
- Contract costs for NACF are \$3.3 million.
- The Merced Automated Global Information Control system administrative costs for NACF are approximately \$97,000.
- Savings from legacy system data collection and quality control systems for NACF are \$3.9 million.
- The NACF Reduction is \$21.0 million. The CalFresh Administration Reduction shifts \$58.8 million in funding from federal to state funding.
- The FY 2013-14 funding includes \$21.1 million in one-time SNAP-Ed reimbursement. Any unspent balance up to this amount is available in FY 2014-15.

Be Vu v. Mitchell

- Authorizing statute: Federal SNAP Regulations Title 7, CFR sections 272.4 (b)(2)(i), (ii) and (iii).
- Implemented with the settlement agreement effective December 4, 2006, which requires that CalFresh forms be translated into additional languages.
- The final eight languages were not automated, resulting in additional staff time required for form translation.

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

CalFresh Administration*

KEY DATA/ASSUMPTIONS (CONTINUED):

- *Be Vu v. Mitchell* base funding is \$106,000 in FY 2013-14 and \$113,000 in FY 2014-15.
- The CalFresh caseload is assumed to increase by 9.64 percent in FY 2014-15.

SAR Mailing/Notifications

- A general notification will be provided to all CalFresh recipients by FY 2013-14 to inform them of changes relating to SAR.
- The cost of the mailers is estimated to be \$0.49 per recipient.

METHODOLOGY:

CalFresh Administration

- The NACF base funding is adjusted for caseload growth, staff development expenditures, SAWS development and integration, Merced Automated Global Information Control system costs, contract costs and legacy systems savings.
- The base funding is further adjusted for NACF Reduction, CalFresh Administration Reduction shift and the SNAP-Ed reimbursement.

Be Vu v. Mitchell

- Total costs associated with the manual completion of the translated forms are calculated by multiplying the base cost by the caseload increase and adding the growth to the base cost.

SAR Mailing/Notifications

- The costs of mailers are calculated as caseload multiplied by the number of mailings and the cost per mailer.

FUNDING:

The CalFresh Administration and *Be Vu v. Mitchell* costs are funded 49.5 percent SNAP, 36.5 percent GF and 14.0 percent county.

The SAR Mailing/Notification costs are funded 50.0 percent SNAP and 50.0 percent GF.

CHANGE FROM GOVERNOR'S BUDGET:

CalFresh Administration

There is no change in FY 2013-14, except for reimbursement, which decreased to reflect the updated actual amount available.

The FY 2014-15 increase is due to an increase in caseload growth and also reflects updated reimbursement amount available.

Be Vu v. Mitchell

There is no change in FY 2013-14. The FY 2014-15 increase is due to an increase in caseload growth.

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

CalFresh Administration***CHANGE FROM GOVERNOR'S BUDGET (CONTINUED):**SAR Mailing/Notifications

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:CalFresh Administration

The increase is primarily due to an increase in projected caseload.

Be Vu v. Mitchell

The increase is due to an increase in projected caseload.

SAR Mailing/Notifications

The decrease is due to the completion of mailings and notifications for SAR in FY 2013-14.

EXPENDITURES:

(in 000s)

FY 2013-14

Item 141 – CalFresh Administration	Total	Federal	State	County	Reimb.
CalFresh Administration	\$1,568,599	\$705,424	\$622,543	\$219,504	\$21,128
<i>Be Vu v. Mitchell</i> – CalFresh Administration	111	55	40	16	0
SAR Mailing/Notifications	116	58	58	0	0

FY 2014-15

Item 141 – CalFresh Administration	Total	Federal	State	County	Reimb.
CalFresh Administration	\$1,635,743	\$751,289	\$645,812	\$217,514	\$21,128
<i>Be Vu v. Mitchell</i> – CalFresh Administration	124	62	45	17	0
SAR Mailing/Notifications	0	0	0	0	0

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

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County MOE Requirement/County Match Waiver^{*}

DESCRIPTION:

This premise reflects the reduction in funding match for CalFresh administration costs as a result of the county match waiver. Historically, counties had been responsible for funding 15 percent of CalFresh administrative costs, including expenditures above the county MOE requirement. However, the unprecedented and unanticipated CalFresh caseload growth associated with the economic decline beginning in 2008 created substantial fiscal pressures on the counties. To provide fiscal relief, pursuant to W&IC section 18906.55, a county that meets its CalWORKs MOE requirement entirely through expenditures for the administration of the CalFresh program shall receive the full GF allocation, but will not need to pay the county's share of administrative costs above the CalWORKs MOE unless expenditures exceed the GF allocation. Counties are still required to meet the CalWORKs MOE requirements pursuant to W&IC section 15204.4, and failure to meet this required level of spending will result in a proportionate reduction of the funds provided under W&IC section 15204.2.

IMPLEMENTATION DATE:

This premise implemented on July 1, 2010, and is scheduled to sunset on June 30, 2014.

KEY DATA/ASSUMPTIONS:

- Authorizing Statute: W&IC section 18906.55.
- Counties that meet the CalWORKs MOE requirement entirely through CalFresh administrative costs may access the GF allocation, but will not be required to contribute a county share of cost for administrative costs beyond the MOE unless expenditures exceed the GF allocation.
- The historical methodology used for determining the CalFresh administration GF allocation need remains unchanged.
- The historical statewide county CalWORKs MOE requirement is \$140 million.
- The decrease in the county share of administrative costs as a result of the county match waiver results in a corresponding decrease in federal matching funds.
- For illustrative purposes, this premise reflects all counties fully utilizing the match waiver flexibility as a non-add budget line.

METHODOLOGY:

The decrease in county funds and federal matching funds for CalFresh administrative services is computed by taking the difference between what the counties would have been required to pay under the historical allocation methodology and how much the counties will pay if they fully utilize the MOE waiver.

FUNDING:

This premise assumes 50 percent SNAP and 50 percent county share.

**Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.*

County MOE Requirement/County Match Waiver*

CHANGE FROM GOVERNOR’S BUDGET:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

The waiver continues through FY 2013-14 only.

EXPENDITURES:

(in 000s)

FY 2013-14

Item 141 - CalFresh Administration	Total	Federal	State	County	Reimb.
**County MOE Requirement	-\$218,034	-\$109,017	\$0	-\$109,017	\$0

FY 2014-15

Item 141 - CalFresh Administration	Total	Federal	State	County	Reimb.
**County MOE Requirement	\$0	\$0	\$0	\$0	\$0

**Non-add line

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

CalFresh Employment and Training (E&T) Program*

DESCRIPTION:

This premise reflects costs for CalFresh E&T, which provides job search assistance, work experience and supportive services to eligible NACF recipients. This program was established under the Food Security Act of 1985 (PL 99-198). The E&T opportunities enable recipients to become self-sufficient and reduce their need for food benefits. Some participants are geographically excluded due to reasons such as sparse population, great distances and lack of transportation. Individual county plans are developed to specify the job services, training and supportive services available to participants. This program is optional for counties.

IMPLEMENTATION DATE:

This premise implemented on April 1, 1987.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&IC section 18926.5.
- There are 26 counties participating in the E&T program in FFY 2013 and FFY 2014.
- The total funding in California's CalFresh E&T plan is \$92,050,126 for FFY 2013 and \$101,176,067 in FFY 2014.
- The FY 2013-14 funding reflects one quarter of FFY 2013 and three quarters of FFY 2014.
- The FFY 2015 proposed funding is not available at this time; therefore, FY 2014-15 funding reflects CDSS' approved state plan for FFY 2014.
- The enhanced funding reflects the 100 percent federal grant amount of \$6,738,516 in FFY 2013 and \$7,289,733 in FFY 2014.
- The enhanced funding includes worker's compensation costs of \$403,934 in FFY 2013 and \$404,000 in FFY 2014.
- The enhanced funding also includes \$400,000 in annual state operations costs that are not displayed in the local assistance estimate.
- The normal funding reflects CalFresh E&T costs that exceed the amount payable by the 100 percent federal grant, also known as "overmatch" costs, of \$62,979,256 in FFY 2013 and \$69,999,574 in FFY 2014.
- Participant reimbursement funding reflects the transportation and ancillary costs of \$22,299,854 in FFY 2013 and \$22,854,260 in FFY 2014.
- Participant reimbursement funding also reflects dependent care costs of \$32,500 in both FFY 2013 and FFY 2014.

METHODOLOGY:

- The FY 2013-14 funding represents 25 percent of the total amount approved for FFY 2013 and 75 percent of the total amount approved for FFY 2014 after the costs for state operations are deducted.

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

CalFresh Employment and Training (E&T) Program *

METHODOLOGY (CONTINUED):

- FFY 2013: $\$92,050,126 - \$400,000 = \$91,650,126$
 $\$91,650,126 \div 4 = \$22,912,532$ per quarter
- FFY 2014: $\$101,176,067 - \$400,000 = \$100,776,067$
 $\$100,776,067 \div 4 = \$25,194,017$ per quarter
- FY 2013-14: $(\$22,912,532 \times 1) + (\$25,194,017 \times 3) = \$98,494,583$
- The FY 2014-15 estimates are based on the funding level for FFY 2014 less the state operations costs.
 - FFY 2014: $\$101,176,067 - \$400,000 = \$100,776,067$

FUNDING:

Enhanced Funding is 100 percent federal funds. Normal funding and participant reimbursement costs are shared 50 percent federal and 50 percent county.

CHANGE FROM GOVERNOR'S BUDGET:

The FY 2013-14 and FY 2014-15 increases are due to additional enhanced funding authorized by the Agricultural Act of 2014 (House Resolution 2642).

REASON FOR YEAR-TO-YEAR CHANGE:

The increase is due to additional enhanced funding authorized by the Agricultural Act of 2014 (House Resolution 2642) and estimated increases in the cost of job search and job club in specific counties.

EXPENDITURES:

(in 000s)

	<u>FY 2013-14</u>				
Item 141 – CalFresh Administration	Total	Federal	State	County	Reimb.
Enhanced Funding	\$6,752	\$6,752	\$0	\$0	\$0
Normal Funding	68,244	34,122	0	34,122	\$0
Participant Reimbursement	23,498	11,749	0	11,749	\$0

	<u>FY 2014-15</u>				
Item 141 – CalFresh Administration	Total	Federal	State	County	Reimb.
Enhanced Funding	\$6,890	\$6,890	\$0	\$0	\$0
Normal Funding	70,000	35,000	0	35,000	\$0
Participant Reimbursement	23,887	11,944	0	11,943	\$0

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

Outreach*

DESCRIPTION:

This premise reflects funding to carry out the CalFresh Outreach Plan. The goal of the CalFresh Outreach Plan is to increase program participation and awareness. The CDSS serves as the oversight agency and operates CalFresh outreach efforts through contracts with other state and local entities.

IMPLEMENTATION DATE:

The CalFresh Outreach Plan implemented on October 1, 2004.

KEY DATA/ASSUMPTIONS:

- Funding is based on a two-year plan approved by FNS.
- The approved federal funding for FFY 2014 is used to estimate the funding for FY 2013-14 and FY 2014-15.

METHODOLOGY:

- The FY 2013-14 estimate is based on approved funding for FFY 2014.
- It is assumed that the funding level for FY 2014-15 will be the same as the approved funding for FFY 2014.

FUNDING:

The outreach budget is 100 percent SNAP.

CHANGE FROM GOVERNOR’S BUDGET:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000s)

		<u>FY 2013-14</u>			
Item 141 – CalFresh Administration	Total	Federal	State	County	Reimb.
Outreach	\$13,300	\$13,300	\$0	\$0	\$0
		<u>FY 2014-15</u>			
Item 141 – CalFresh Administration	Total	Federal	State	County	Reimb.
Outreach	\$13,300	\$13,300	\$0	\$0	\$0

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

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Nutrition Education *

DESCRIPTION:

This premise consolidates funding for SNAP-Ed. The CDSS serves as a “pass-through” agency for some of these federal funds while retaining a portion of the annual funding for FFY 2014, which can be spent over a two-year period. Funding is provided to counties to administer nutrition education and physical activity promotion at the local level, targeting CalFresh as well as CalFresh-eligible populations in a variety of allowable ways.

CDPH/Nutrition Education and Obesity Prevention Branch

This portion of the premise reflects funding that CDSS passes through to CDPH/Nutrition Education and Obesity Prevention Branch. The CDPH/Nutrition Education and Obesity Prevention Branch is a statewide collaboration of public and non-profit agencies working together to promote healthy eating and physical activity among CalFresh participants and low-income Californians who are potentially eligible for CalFresh.

UC-CalFresh

This portion of the premise reflects funding that CDSS passes through to UC-CalFresh to provide nutrition education services to CalFresh recipients and low-income Californians who are potentially eligible for CalFresh. Services are primarily provided to schools where at least half the students receive free or reduced-priced meals and to low-income adults in classroom settings.

CDSS Nutrition Education Projects

This portion of the premise includes funding for several SNAP-Ed projects targeted at CalFresh participants and low-income Californians who are potentially eligible for CalFresh. In FY 2013-14 and FY 2014-15, those projects include the CWD Local Health Department Expansion for Community Nutrition Pilot, CalFresh Innovative Projects, Get Fresh and CDSS partnerships with CDA, Catholic Charities and CDFA.

IMPLEMENTATION DATE:

The CDPH/Nutrition Education and Obesity Prevention Branch implemented on October 1, 1996. The UC-CalFresh implemented on January 1, 1995. The CWD Local Health Department Expansion implemented on November 9, 2011. The Innovative Projects implemented on March 1, 2012. The CDFA project implemented in FFY 2013. The CDA partnership, Get Fresh and the partnership with Catholic Charities will implement in FFY 2014.

KEY DATA/ASSUMPTIONS:

- The federal funding approved by FNS for FFY 2014 and estimated for FFY 2015 is used to estimate the funding for FY 2013-14 and FY 2014-15, respectively.
- The FNS FFY 2014 SNAP-Ed allocation for California is \$136,029,753.
- In April 2014, the USDA released an estimated FFY 2015 SNAP-Ed allocation for California in the amount of \$126,863,102.

*Please refer to the first tab titled “[Acronyms](#)” for a full description of acronyms.

Nutrition Education ^{*}

KEY DATA/ASSUMPTIONS (CONTINUED):

- The FY 2013-14 funding for SNAP-Ed projects is as follows:
 - CDPH/Nutrition Education and Obesity Prevention Branch = \$111,603,301
 - UC-CalFresh = \$9,034,029
 - CDSS Nutrition Education Projects = \$15,392,423
- The FY 2014-15 funding for SNAP-Ed projects will be determined based on the federally approved FFY 2015 allocation.

METHODOLOGY:

The federal funding received is distributed to the three programs based on agreements between CDSS and the state and local entities.

FUNDING:

The funding is 100 percent SNAP.

CHANGE FROM GOVERNOR’S BUDGET:

There is no change in FY 2013-14. The FY 2014-15 decrease reflects the anticipated federal reduction in SNAP-Ed funds.

REASON FOR YEAR-TO-YEAR CHANGE:

The decrease reflects the anticipated federal reduction in SNAP-Ed funds in FFY 2015.

EXPENDITURES:

(in 000s)

		<u>FY 2013-14</u>			
Item 141 – CalFresh Administration	Total	Federal	State	County	Reimb.
Nutrition Education	\$136,030	\$136,030	\$0	\$0	\$0
		<u>FY 2014-15</u>			
Item 141 – CalFresh Administration	Total	Federal	State	County	Reimb.
Nutrition Education	\$126,863	\$126,863	\$0	\$0	\$0

**Please refer to the first tab titled “[Acronyms](#)” for a full description of acronyms.*

CalFresh ReFresh Modernization*

DESCRIPTION:

This premise reflects the implementation of various CalFresh ReFresh modernization proposals. The CDSS is planning for additional program simplification, removal of access barriers, reduction of administrative complexity and additional linkages with and coordination among other state assistance programs. Through this modernization effort, CDSS also intends to achieve stronger support for nutritious food choices and nutrition education and greater encouragement of program innovations.

CalFresh ReFresh consists of several different proposals, such as waiving interviews at recertification for elderly and disabled households and emailing notifications to applicant and recipient households.

IMPLEMENTATION DATE:

This premise implemented on July 1, 2012.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&IC sections 18513,18902, 18911(a) and 18925.
- This premise assumes that any costs resulting from CalFresh ReFresh modernization are offset by administrative savings and economic benefits to the state that may result from increased CalFresh participation.

Waive Interview at Recertification for Households in Which All Adults are Elderly or Disabled Without Earnings

- This policy implemented in August 2013.
- Based on FFY 2012 RADEP data, this premise assumes that 4.46 percent of NACF cases are senior (aged 60 or older) or disabled households with no earned income.
- The NACF caseload is estimated to be approximately 1,681,000 in FY 2013-14 and 1,843,000 in FY 2014-15.
- The cost of annual recertification is projected to be \$42.14 per case. Implementing the face-to-face waiver would reduce recertification time by approximately 18 minutes (\$18.46) for these cases.
- The impact to CFAP is approximately one percent of NACF administrative savings.

Electronic Notifications

- Based on cost estimates from the SAWS Consortia, automation costs associated with emailing notifications to CalFresh households will total \$2.43 million in FY 2013-14 and \$0.6 million in FY 2014-15.
- The FNS has approved waiver requests to issue electronic client notices and requests for information. These waivers will allow households to receive notices electronically through a secured automated electronic notification system.

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

CalFresh ReFresh Modernization*

METHODOLOGY:

- Electronic notifications will reduce postage costs and allow clients to review time-sensitive requests immediately with fewer security concerns.

Waive Interview at Recertification for Households in Which All Adults are Elderly or Disabled Without Earnings

- Savings attributed to waiving of interviews during recertification are calculated by multiplying the average monthly caseload by 4.46 percent and then by the savings of \$18.46 per case, resulting in cost savings of \$1.28 million in FY 2013-14 and \$1.53 million in FY 2014-15.

Electronic Notifications

- The cost for programming electronic mailing notifications to clients in FY 2013-14 is estimated to be \$2.43 million in FY 2013-14 and \$0.6 million in FY 2014-15 based on cost estimates from the SAWS Consortia.

FUNDING:

Waive Interview at Recertification for Households in Which All Adults are Elderly or Disabled Without Earnings

The CalFresh savings ratio for administrative savings associated with waiving interviews for seniors and the disabled is 50 percent SNAP, 35 percent GF and 15 percent county.

The CFAP funding is 100 percent GF.

Electronic Notifications

The funding for automation is 50 percent SNAP, 35 percent GF and 15 percent county.

CHANGE FROM GOVERNOR'S BUDGET:

Waive Interview at Recertification for Households in Which All Adults are Elderly or Disabled Without Earnings

There is no change in FY 2013-14. The increase in FY 2014-15 is due to an increase in caseload.

Electronic Notifications

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

Waive Interview at Recertification for Households in Which All Adults are Elderly or Disabled Without Earnings

The increase is due to increased caseload and a full year of savings.

Electronic Notifications

The decrease is due to less funding being needed to complete changes in FY 2014-15.

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

CalFresh ReFresh Modernization*

EXPENDITURES:

(in 000s)

FY 2013-14

Item 141 – County Administration	Total	Federal	State	County	Reimb.
CalFresh ReFresh Modernization	-\$1,258	-\$623	-\$448	-\$187	\$0
CalFresh ReFresh Modernization Automation	2,432	1,216	851	365	0

FY 2014-15

Item 141 – County Administration	Total	Federal	State	County	Reimb.
CalFresh ReFresh Modernization	-\$1,533	-\$759	-\$546	-\$228	\$0
CalFresh ReFresh Modernization Automation	600	300	210	90	0

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

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County Expense Claim Reporting Information System *

DESCRIPTION:

This premise reflects the replacement of the existing CEC and CA-800 County Assistance Claim databases into one system. The existing CEC and CA-800 County Assistance Claim and their supporting business processes have gone beyond their functional capacity and present a significant risk of system failure. The new CECRIS will improve data access, analysis and the accuracy of administrative and assistance expenditure data for all 58 counties in California. Automating these processes will also ensure that all costs are reimbursed in accordance with federal cost allocation requirements in order to maintain federal funding.

IMPLEMENTATION DATE:

This premise implemented on February 14, 2012.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&IC 10604.
- The development of CECRIS began in FY 2011-12 and will be completed in FY 2017-18.
- There has been a five-month delay in the procurement phase of the project.
- The total amount of projected funds needed to develop the new system is \$417,000 in FY 2013-14 and \$453,000 in FY 2014-15.
- The funded project activities include an Interagency Agreement with OSI, contracted services for procurement support, organizational change management, software purchase/license, DGS procurement facilitation fees and independent validation and verification.
- The new system will benefit most of the programs administered by CDSS and a subset of the Medi-Cal Program costs that are claimed through the CEC.

METHODOLOGY:

The costs in this premise reflect the approved CECRIS Special Project Report, changes to the contracted services for procurement support and the projected cost of the Business Change Management contract.

FUNDING:

The CECRIS funding comes from various sources, determined by the sharing ratios of the benefitting programs. Federal funds include the standard shares of SNAP, Title IV-E and Refugee Resettlement Program funding. Medi-Cal costs are eligible for Title XIX federal funding, which is disbursed through DHCS' budget. Based on the cost allocation plan, the federal share of the CalWORKs program is funded entirely by the TANF program block grant. The non-federal funding is 100 percent GF. The SAWS-related TANF funds are identified in the TANF detail table in the "Additional TANF/MOE Expenditures in CDSS" section.

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

County Expense Claim Reporting Information System*

CHANGE FROM GOVERNOR’S BUDGET:

The FY 2013-14 increase is due to an increase in procurement support vendor hours.
The FY 2014-15 decrease is due to a schedule delay resulting in prime vendor contract costs shifting from FY 2014-15 to FY 2015-16.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase is primarily due to the projected costs for a new Business Change Management contract.

EXPENDITURES:

(in 000s)

	<u>FY 2013-14</u>				
Item 141 – Automation	Total	Federal	State	County	Reimb.
CECRIS	\$417	\$217	\$179	\$0	\$21

	<u>FY 2014-15</u>				
Item 141 – Automation	Total	Federal	State	County	Reimb.
CECRIS	\$453	\$236	\$194	\$0	\$23

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

CalWORKs SB 1041 Automation *

DESCRIPTION:

This premise reflects the implementation of policy changes reflected in SB 1041 (Chapter 47, Statutes of 2012). SB 1041 redesigns the CalWORKs program by creating a WTW 24-Month Time Clock with the possibility of grant extensions, restoring the \$225 EID, implementing annual reporting for a subset of the CalWORKs caseload and change reporting for a subset of the CalFresh caseload and creating a new CalWORKs exemption for a parent or caretaker relative personally providing care to a child from birth through 23 months of age.

IMPLEMENTATION DATE:

This premise implemented in FY 2012-13 and it is projected that automation changes will be completed in FY 2014-15.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: SB 1041.
- This premise reflects automation costs only.
- The program changes affected by SB 1041 are displayed separately within their own premise documents. See the following premises for specific key data and assumptions:
 - WTW Services/Reengagement
 - CalWORKs Employment Services
 - EID Restoration
 - AR/CO

METHODOLOGY:

Funding required for the SB 1041 changes is based on cost estimates from the CalWIN, C-IV and the LEADER system (the SAWS Consortia).

FUNDING:

Automation attributed to CalWORKs changes is 100 percent TANF funds.

CHANGE FROM GOVERNOR'S BUDGET:

The decrease in FY 2013-14 and increase in FY 2014-15 is due to a shift of approximately \$800,000 from FY 2013-14 to FY 2014-15 based on clarification regarding the 24-month clock and a prioritization of automation changes in the second half of calendar year 2014.

REASON FOR YEAR-TO-YEAR CHANGE:

The majority of automation changes will be completed in FY 2013-14.

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

CalWORKs SB 1041 Automation *

EXPENDITURES:

(in 000s)

FY 2013-14

Item 141 – Automation	Total	Federal	State	County	Reimb.
CalWORKs SB 1041 Automation	\$5,012	\$5,012	\$0	\$0	\$0

FY 2014-15

Item 141 – Automation	Total	Federal	State	County	Reimb.
CalWORKs SB 1041 Automation	\$1,260	\$1,260	\$0	\$0	\$0

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

SAWS/CalHEERS Interface Development^{*}

DESCRIPTION:

This premise reflects costs for modifications to the SAWS Consortia systems to establish interfaces between CalHEERS and SAWS. These interfaces are necessary as SAWS is the system of record for case management purposes for all cases determined to be eligible for modified adjusted gross income Medi-Cal as a result of implementation of the Patient Protection and ACA, PL 111-148. In 2010, California enacted a law establishing a health benefit exchange under the ACA, which authorized the development of CalHEERS. The approved CalHEERS design requires that modifications be made to SAWS to accommodate successful implementation of the ACA.

IMPLEMENTATION DATE:

Modifications to the SAWS Consortia systems began in FY 2012-13.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Government Code sections 100502 and 100503 and 42 USC section 18031.
- This estimate reflects D&I and M&O costs.
- The FY 2014-15 costs include Express Lane automation that will make CalFresh individuals Medi-Cal eligible without the need to conduct a separate modified adjusted gross income determination for the first twelve months.
- The FY 2014-15 costs include enhancements between CalHEERS and SAWS that will incorporate more real-time functionality and screening capabilities that are necessary to streamline counties' processing of multi-benefit program applications.

METHODOLOGY:

Costs are based on the September 2013 CalHEERS Implementation Advance Planning Document Update and subsequent updates from the Consortia.

FUNDING:

For D&I and M&O, eighty-two percent of the costs are funded by the federal government via Exchange Establishment Grants for the planning and implementation activities necessary to develop and implement the California Health Benefit Exchange's CalHEERS system (100 percent federal funds). Seventeen percent of the costs are Title XIX eligible (90 percent federal funds and 10 percent GF during D&I and 75 percent federal funds and 25 percent GF during M&O). The remaining one percent is Title XXI eligible (65 percent federal funds and 35 percent GF). With the exception of the GF portion of Title XIX, which is budgeted at CDSS, the remaining funds will be reimbursed to CDSS by the Health Benefit Exchange.

Costs for the additional D&I and Medi-Cal Enhancements are eligible for an enhanced FFP funding. This FFP funding provides Medicaid (known as Medi-Cal in California) technology investments, including eligibility systems, a 90 percent federal/ten percent GF match for D&I work.

**Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.*

SAWS/CalHEERS Interface Development*

CHANGE FROM GOVERNOR'S BUDGET:

The decrease in costs for FY 2013-14 are due to a delay that shifts costs to FY 2014-15. The increase in costs for FY 2014-15 reflect increased D&I cost due to the addition of Express Lane automation as well as enhancements and application processing.

REASON FOR YEAR-TO-YEAR CHANGE:

The decrease in costs in FY 2014-15 is due to the majority of D&I activities taking place in FY 2013-14.

EXPENDITURES:

(in 000s)

	<u>FY 2013-14</u>				
Item 141 - Automation	Total	Federal	State	County	Reimb.
SAWS/CalHEERS Interface Development	\$46,143	\$0	\$1,230	\$0	\$44,913
	<u>FY 2014-15</u>				
Item 141 - Automation	Total	Federal	State	County	Reimb.
SAWS/CalHEERS Interface Development	\$22,697	\$0	\$2,231	\$0	\$20,466
CDSS/OSI PARTNERSHIP	Total	CDSS	OSI		
FY 2013-14	\$46,143	\$46,143	\$0		
FY 2014-15	\$22,697	\$22,697	\$0		

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

SAWS Customer Service Centers Expansion*

DESCRIPTION:

This premise reflects costs for expansion of Consortia/county customer service centers under the three SAWS Consortia to provide increased services for Medi-Cal eligibility and enrollment. These expansions will leverage the current county call center infrastructure to interface with Covered California/CalHEERS centralized customer service centers to fulfill requirements of the Patient Protection and ACA, PL 111-148, including accepting the warm transfer of potentially Medi-Cal-eligible clients from Covered California to the Consortia/counties. The OSI provides state-level project management for SAWS. Costs for staff planning, implementation and training activities will be provided through DHCS.

IMPLEMENTATION DATE:

This premise implemented in June 2013.

KEY DATA/ASSUMPTIONS:

- Funding for the Consortia's support of the Covered California centralized service center model is not included in the California Health Benefit Exchange/CalHEERS Implementation Advanced Planning Document.
- The scope of the expansion will consist of D&I and M&O.

METHODOLOGY:

Costs reflect expansion costs of Consortia/county customer service centers for all three SAWS Consortia and their counties.

FUNDING:

Funding for the expansion costs is 90 percent federal and 10 percent GF during D&I and 75 percent federal and 25 percent GF during M&O.

CHANGE FROM GOVERNOR'S BUDGET:

The FY 2013-14 decrease is a result of a shift in funding from FY 2013-14 to FY 2014-15 due to a delay in the implementation schedule.

REASON FOR YEAR-TO-YEAR CHANGE:

The decrease is due to costs being transitioned to the SAWS project budgets after initial six months of M&O.

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

SAWS Customer Service Centers Expansion^{*}

EXPENDITURES:

(in 000s)

FY 2013-14

Item 141 - Automation Projects	Total	Federal	State	County	Reimb.
SAWS Customer Service Centers	\$31,525	\$0	3,943	\$0	\$27,582

FY 2014-15

Item 141 - Automation Projects	Total	Federal	State	County	Reimb.
SAWS Customer Service Centers	\$9,636	\$0	\$1,341	\$0	\$8,295

CDSS/OSI PARTNERSHIP	Total	CDSS	OSI
FY 2013-14	\$31,525	\$31,525	\$0
FY 2014-15	\$9,636	\$9,636	\$0

**Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.*

Income Eligibility Verification System (IEVS) Automation*

DESCRIPTION:

This premise reflects costs to research off-the-shelf systems that could be used for enhancements to IEVS, which is used to verify eligibility for individuals receiving aid and reduce the incidence of fraud in CalWORKs and CalFresh. The former paper-intensive process required significant time to manually review reports, resulting in high administrative workload. The enhancements fully automate the match process used by CWDs to identify potential changes in eligibility for benefits and addresses the administrative burden and confidentiality concerns with the current IEVS match process. The IEVS automation enhances current processes, reduces the time needed to review reports and reduces the risk of incurring larger overpayments. Security risks are also reduced as a result of the automation. Additionally, the automation enables CDSS to collect and analyze data to establish performance measurements to help evaluate the effectiveness of the IEVS processes.

IMPLEMENTATION DATE:

This premise implemented in FY 2013-14.

KEY DATA/ASSUMPTIONS:

- The upfront planning of the IEVS enhancements is \$50,000 in both FY 2013-14 and FY 2014-15.
- The CDSS plans to circulate a request for information to research the vendor community for off-the-shelf systems that may be useful for the IEVS enhancements.
- The IEVS project is a current IT Capital Plan item with a previously approved IT Capital Plan concept.
- The IT system changes and associated costs necessary for the IEVS enhancements are identified through a gap analysis comparing the as-is and to-be functionalities.

METHODOLOGY:

The placeholder amount of \$50,000 is included for FY 2013-14 and FY 2014-15.

FUNDING:

This program is funded 100 percent GF.

CHANGE FROM GOVERNOR'S BUDGET:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

Income Eligibility Verification System (IEVS) Automation*

EXPENDITURES:

(in 000s)

FY 2013-14

Item 141 – Automation	Total	Federal	State	County	Reimb.
IEVS Automation	\$50	\$0	\$50	\$0	\$0

FY 2014-15

Item 141 – Automation	Total	Federal	State	County	Reimb.
IEVS Automation	\$50	\$0	\$50	\$0	\$0

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

Statewide Automated Welfare System (SAWS) *

DESCRIPTION:

This premise reflects costs for SAWS Statewide Project Management and the SAWS Consortia projects. The Consortia includes LEADER, WCDS - CalWIN and C-IV, which are managed by OSI. The LEADER only supports the Los Angeles CWD; WCDS - CalWIN system supports 18 counties and C-IV system supports 39 counties.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&IC section 10823(a).

Statewide Project Management

- This premise implemented on July 1, 1995.

LEADER

- This premise implemented on July 1, 1994.
- The LEADER estimate reflects ongoing M&O costs.
- The county extended its contract in May 2007 to continue M&O services until the system designated to replace LEADER is implemented.
- A post-implementation evaluation report was approved in November 2006.

WCDS - CalWIN

- This premise implemented on July 1, 1997.
- The WCDS - CalWIN Consortium estimate reflects ongoing M&O costs.
- A post-implementation evaluation report was approved in August 2008.

C-IV

- This premise implemented on July 1, 1997.
- The C-IV estimate reflects ongoing M&O costs.
- A post-implementation evaluation report was approved in August 2008.

METHODOLOGY:

- Costs are based on the Implementation Advance Planning Document Update and subsequent baseline adjustments with following dates of submission:
 - Statewide Project Management: December 2001 (Revised May 2002);
 - LEADER: June 2005;
 - WCDS - CalWIN: December 2006 (Revised May 2007);
 - C-IV: June 2006 (Revised November 2006).

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

Statewide Automated Welfare System (SAWS)*

FUNDING:

Funding for Statewide Project Management and three consortia comes from various sources, determined by the sharing ratios of the benefitting programs. Federal funds include the standard shares of SNAP, Title IV-E and Refugee Resettlement Program funding. Medi-Cal costs are eligible for Title XIX federal funding, which is disbursed through DHCS' budget. Based on the cost allocation plan, the federal share of the CalWORKs program is funded entirely by the TANF Program Block Grant. The non-federal funding is GF and the county share of CalFresh, FC and General Assistance costs. The SAWS-related TANF funds are identified in the TANF Detail Table in the "Additional TANF/MOE Expenditures in CDSS" section.

CHANGE FROM GOVERNOR'S BUDGET:

Statewide Project Management

There is no change for FY 2013-14. The allocation of costs to benefitting programs has been updated, and there is no total fund change for FY 2014-15.

LEADER

There is no change in FY 2013-14. Although the total project cost increase in FY 2014-15 due to the addition of two circuits and network upgrade for six months related to CalHEERS M&O, CDSS' budget will decrease due to the allocation of more costs to the Medi-Cal program, which is included in DHCS' budget.

WCDS - CalWIN

There is no change in FY 2013-14. The FY 2014-15 increase is due to increased print costs related to CalHEERS.

C-IV

Although there is an increase to CalHEERS M&O, the overall project cost decreases in FY 2013-14 due to a decrease in LRS/C-IV joint development. The allocation of costs to benefitting programs has been updated, and there is no total fund change in FY 2014-15.

REASON FOR YEAR-TO-YEAR CHANGE:

Statewide Project Management

The increased cost is due to baseline adjustments (retirement and employee compensation).

LEADER

Although the overall project cost increases in FY 2014-15 due to the inclusion of the CalHEERS Interface M&O costs, there is a decrease to CDSS' budget. These are Medi-Cal program costs and the increase will be in DHCS' budget.

WCDS - CalWIN

The increased cost is due to costs for the transition of the existing M&O to a new selected vendor, increased print costs and the inclusion of CalHEERS Interface and ongoing customer service center costs into the WCDS M&O budget, which were previously included in the CalHEERS project budget.

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

Statewide Automated Welfare System (SAWS)*

REASON FOR YEAR-TO-YEAR CHANGE (CONTINUED):

C-IV

The increased cost is due to the inclusion of CalHEERS Interface and Covered California customer service center M&O costs into the project budget as well as the participation of C-IV in the LRS joint implementation and development effort, as outlined in ABX1 16 (Chapter 13, Statutes of 2011).

EXPENDITURES:

(in 000s)

	<u>FY 2013-14</u>				
Item 141 - Automation	Total	Federal	State	County	Reimb.
Statewide Project Management	\$6,774	\$2,249	\$3,007	\$0	\$1,518
LEADER	16,520	9,508	4,142	2,870	0
WCDS - CalWIN	88,762	28,295	33,985	6,498	19,984
C-IV	81,010	27,991	30,159	5,419	17,441
	<u>FY 2014-15</u>				
Item 141 - Automation	Total	Federal	State	County	Reimb.
Statewide Project Management	\$6,776	\$2,065	\$3,066	\$0	\$1,645
LEADER	15,830	9,017	4,086	2,727	0
WCDS – CalWIN	117,097	32,700	46,002	7,789	30,606
C-IV	91,097	25,420	33,109	5,237	27,331
CDSS/OSI PARTNERSHIP¹	Total	CDSS	OSI		
FY 2013-14	\$193,066	\$186,292	\$6,774		
FY 2014-15	230,800	224,024	6,776		

¹ The CDSS share reflects costs for the Consortia and the OSI share reflects Statewide Project Management costs.

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Welfare Data Tracking Implementation Project (WDTIP)*

DESCRIPTION:

This premise reflects costs for the SAWS WDTIP. The WDTIP provides counties with the automated functionality required to conform to statewide tracking of time-on-aid requirements mandated by statute. Project management for WDTIP is provided by OSI.

IMPLEMENTATION DATE:

This premise implemented on July 1, 1999.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&IC section 11454.5(b)(4).
- A Post Implementation Evaluation Report was approved in August 2008.

METHODOLOGY:

Costs are based on the January 2003 SAWS-WDTIP Implementation Advance Planning Document Update and subsequent baseline adjustments.

FUNDING:

The SAWS-WDTIP funding is 100 percent CalWORKs/ TANF Program Block Grant. The SAWS-related TANF funds are identified in the TANF detail table in the "Additional TANF/MOE Expenditures in CDSS" section.

CHANGE FROM GOVERNOR'S BUDGET:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

Welfare Data Tracking Implementation Project (WDTIP)*

EXPENDITURES:

(in 000s)

FY 2013-14

Item 141 – Automation WDTIP	Total	Federal	State	County	Reimb.
	\$3,853	\$3,853	\$0	\$0	\$0

FY 2014-15

Item 141 – Automation WDTIP	Total	Federal	State	County	Reimb.
	\$3,853	\$3,853	\$0	\$0	\$0

CDSS/OSI PARTNERSHIP	Total	CDSS	OSI
FY 2013-14	\$3,853	\$2,753	\$1,100
FY 2014-15	3,853	2,253	1,600

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

LEADER Replacement System (LRS)*

DESCRIPTION:

This premise reflects costs for the LRS project. The LEADER consortium is one of three consortia within the SAWS project and is comprised solely of Los Angeles County. The OSI provides state-level project management for SAWS. The LRS project currently includes planning and procurement activities for a system to replace LEADER.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&IC section 10823(a).
- This premise implemented as a separate LEADER premise on July 1, 2007.
- Planning activities for the LRS project began in July 2005.
- The evaluation and selection process concluded in July 2009.
- Contract negotiations concluded in May 2010.
- Contract execution and DD&I began in November 2012.

METHODOLOGY:

Costs are calculated based on the timeframes outlined in the February 2013 SAWS LRS Implementation Advance Planning Document Update/Special Project Report 6.

FUNDING:

The LRS funding comes from various sources, determined by the sharing ratios of the benefitting programs. Federal funds include the standard shares of the SNAP and Refugee Resettlement Program funding. Medi-Cal costs are eligible for Title XIX federal funding, which is disbursed through the DHCS budget. These costs are also eligible for an enhanced FMAP funding and cost allocation relief. This FFP funding provides Medicaid (known as Medi-Cal in California) technology investments, including eligibility systems, a 90 percent federal/ten percent GF match for DD&I work. In addition, federal guidance provides for cost allocation relief for other programs utilizing system functionality developed for Medi-Cal. Based on the cost allocation plan, the federal share of the CalWORKs program is funded entirely by the TANF Program Block Grant. The balance of the funding is GF and the county share of CalFresh, FC and General Assistance/General Relief costs. The SAWS-related TANF funds are identified in the TANF detail table in the "Additional TANF/MOE Expenditures in CDSS" section.

CHANGE FROM GOVERNOR'S BUDGET:

The allocation of costs to benefitting programs has been updated, and there is no change in FY 2013-14.

Although there is an increase for Organizational Change Management activities for county and consultant resources, it is offset by a shift in the deliverable payment schedule from FY 2014-15 to FY 2015-16, resulting in a net decrease in FY 2014-15.

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

LEADER Replacement System (LRS)*

REASON FOR YEAR-TO-YEAR CHANGE:

The increase is due to a higher level of DD&I activities as outlined in the February 2013 As-Needed SAWS LRS Implementation Advance Planning Document Update/Special Project Report 6.

EXPENDITURES:

(in 000s)

		<u>FY 2013-14</u>			
Item 141 - Automation	Total	Federal	State	County	Reimb.
LRS	\$86,952	\$29	\$9,279	\$4,259	\$73,385
		<u>FY 2014-15</u>			
Item 141 - Automation	Total	Federal	State	County	Reimb.
LRS	\$95,653	\$25	\$10,262	\$4,323	\$81,043
CDSS/OSI PARTNERSHIP	Total	CDSS	OSI		
FY 2013-14	\$86,952	\$86,124	\$828		
FY 2014-15	95,653	94,724	929		

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

Consortium IV (C-IV) Migration *

DESCRIPTION:

This premise reflects planning costs associated with C-IV Migration. The tasks associated with these costs may include, but are not limited to, identifying services required by each of the C-IV counties for successful migration to the LRS, defining and documenting all requirements for the services and conducting governance planning activities. The C-IV is one of three consortia within the SAWS project. The OSI provides state-level project management for SAWS.

Both the State Strategy for Eligibility Systems and Chapter 13, Statutes of 2011 (ABX1 16) dictate the migration of the 39 C-IV counties into one system jointly designed by the C-IV counties and Los Angeles County under the LRS contract. This migration will result in a new consortium to replace the LEADER and C-IV Consortia. Reducing the number of systems will decrease M&O costs, assist in standardizing the state's health and human services operations at the county level and reduce the complexity of the eligibility system configuration in California.

IMPLEMENTATION DATE:

This premise implemented in FY 2013-14.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&IC section 10823(a)(4).
- Costs are those associated with planning the migration effort.

METHODOLOGY:

Costs are based on state experience with previous planning efforts for similar projects, including the Interim SAWS migration project, which consolidated the 35 former interim SAWS counties into the C-IV system.

FUNDING:

The C-IV migration funding comes from various sources. Federal funds include the standard shares of the SNAP and Refugee Resettlement Program funding. Medi-Cal costs are eligible for Title XIX federal funding, which is disbursed through the DHCS budget. Based on the cost allocation plan, the federal share of the CalWORKs program is funded entirely by the TANF program block grant. The non-federal funding is GF. The SAWS-related TANF funds are identified in the TANF detail table in the "Additional TANF/MOE Expenditures in CDSS" section.

CHANGE FROM GOVERNOR'S BUDGET:

The FY 2013-14 decrease and FY 2014-15 increase is due to a shift of funding release from FY 2013-14 to FY 2014-15.

REASON FOR YEAR-TO-YEAR CHANGE:

The decrease is due to the revised migration planning activities for the LRS/C-IV Migration effort.

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

Consortium IV (C-IV) Migration ***EXPENDITURES:**

(in 000s)

	<u>FY 2013-14</u>				
Item 141- Automation	Total	Federal	State	County	Reimb.
C-IV Migration	\$868	\$309	\$328	\$60	\$171
	<u>FY 2014-15</u>				
Item 141- Automation	Total	Federal	State	County	Reimb.
C-IV Migration	\$478	\$157	\$186	\$31	\$104
CDSS/OSI PARTNERSHIP	Total	CDSS	OSI		
FY 2013-14	\$868	\$868	\$0		
FY 2014-15	\$478	\$478	\$0		

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

Statewide Fingerprint Imaging System (SFIS) Project*

DESCRIPTION:

This premise reflects the cost for the SFIS project. SB 1780 (Chapter 206, Statutes of 1996) requires applicants for and recipients of CalWORKs, CalFresh and CFAP benefits to be fingerprint imaged as a condition of eligibility. The 2011 Budget Act removed the fingerprinting requirement for CalFresh recipients and IHSS recipients.

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 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, 2000.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&IC section 10830.
- The OSI cost estimates reflected in this premise are based on the executed contract with the SFIS development contractor. Cost estimates are based on the following:
 - M&O vendor – The M&O vendor contract estimate is based on a structured monthly maintenance cost and operations costs for state and county-operated workstations. This cost includes: vendor project staff; help desk; fingerprint examiners; system operators; lease/maintenance costs for host computer(s) (i.e., central site); and software development and maintenance.
 - 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.
 - The GS \$Mart financing of both workstation and Central Site Hardware for a period of five years.

METHODOLOGY:

The estimated costs are based on the executed contract for ongoing M&O services.

FUNDING:

The M&O automation project costs are funded with federal grant funds for CalWORKs and county share for the General Assistance/General Relief costs. 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. The FFP for CalWORKs has been secured beginning in September 2009.

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

Statewide Fingerprint Imaging System (SFIS) Project*

CHANGE FROM GOVERNOR’S BUDGET:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

The change is due to the updated funding allocation.

EXPENDITURES:

(in 000s)

FY 2013-14

Item 141 - Automation Projects	Total	Federal	State	County	Reimb.
SFIS	\$12,053	\$10,652	\$0	\$1,401	\$0

FY 2014-15

Item 141 - Automation Projects	Total	Federal	State	County	Reimb.
SFIS	\$12,053	\$10,607	\$0	\$1,446	\$0

CDSS/OSI PARTNERSHIP	Total	CDSS	OSI
FY 2013-14	\$12,053	\$3,420	\$8,633
FY 2014-15	12,053	3,420	8,633

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

Electronic Benefit Transfer (EBT) Project^{*}

DESCRIPTION:

This premise reflects the cost for the EBT Project, which is responsible for the automated issuance, delivery, redemption, settlement and reconciliation of California's food and cash aid program benefits. The benefiting programs under the EBT Project include the CalWORKs Program, CalFresh, CFAP, RCA, LIHEAP/SUAS, CAPI and General Assistance/General Relief. The California EBT system provides recipients with electronic access to food and cash aid benefits through the use of magnetic-stripe cards at point-of-sale terminals and automated teller machines.

IMPLEMENTATION DATE:

This premise implemented in FY 2005-06.

KEY DATA/ASSUMPTIONS:

Authorizing statute: W&IC section 10069.

METHODOLOGY:

Cost projections are based on the November 2007 EBT Implementation Advance Planning Document and Amendment number 1 of the Xerox State & Local Solutions, Inc. contract, which was executed on May 19, 2010.

FUNDING:

The EBT Project is funded with federal SNAP and TANF program funds. Federal funds, GF and county funds are provided for CalFresh. 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 under the "Additional TANF/ MOE Expenditures in CDSS' section of the TANF detail table. The LIHEAP/SUAS funding is GF.

CHANGE FROM GOVERNOR'S BUDGET:

There is no change in FY 2013-14. The FY 2014-15 decrease is due to a smaller projected caseload for LIHEAP/SUAS.

REASON FOR YEAR-TO-YEAR CHANGE:

The decrease is primarily driven by a lower projected caseload for SUAS. The allocation of costs to benefiting programs has been updated.

**Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.*

Electronic Benefit Transfer (EBT) Project^{*}

EXPENDITURES:

(in 000s)

FY 2013-14

Item 141 – Automation Projects	Total	Federal	State	County	Reimb.
EBT Project	\$30,703	\$17,249	\$9,984	\$3,470	\$0

FY 2014-15

Item 141 – Automation Projects	Total	Federal	State	County	Reimb.
EBT Project	\$30,581	\$18,042	\$8,867	\$3,672	\$0

CDSS/OSI PARTNERSHIP	Total	CDSS	OSI
FY 2013-14	\$30,703	\$0	\$30,703
FY 2014-15	30,581	0	30,581

**Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.*

State Hearings Division Appeals Case Management System*

DESCRIPTION:

This premise reflects contract service costs for a new Appeals Case Management System to replace the current State Hearing System compilation of mainframe database and ad-hoc applications. A new Appeals Case Management System is essential to reduce processing errors, reduce case-processing time at the division and county levels and reduce state-paid penalties based upon the current State Hearings Division workload. The new system will also help mitigate the state-paid penalties of the caseload affected by the implementation of the ACA for untimely processing of appeal hearings.

IMPLEMENTATION DATE:

This premise will implement in FY 2014-15.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&IC section 10950.
- Costs consist of IT project contract services costs and personnel costs for six support staffs in OSI.
- IT project contract services costs include software license, software independent verification and validation services and other contract services.

METHODOLOGY:

Project contract costs are based on previous planning efforts for similar state and local system projects and results of a request for information conducted by CDSS in August 2013. Personnel costs include salary, benefit and overhead costs.

FUNDING:

The Appeals Case Management Systems funding comes from various resources determined by the sharing ratios of the benefiting programs. Federal funds include the standard shares of the CalWORKs TANF and CalFresh SNAP funding. Medi-Cal and IHSS costs are eligible for Title XIX federal funding, which is disbursed through the DHCS budget. The Appeals Case Management Systems-related TANF funds are identified in the TANF detail table in the "Additional TANF/MOE Expenditures in CDSS" section.

CHANGE FROM GOVERNOR'S BUDGET:

There is no change in FY 2013-14. The increase in FY 2014-15 is due to the transfer of six support staff positions from CDSS to OSI, which results in the funding shift from state operations to local assistance budget.

REASON FOR YEAR-TO-YEAR CHANGE:

This premise will implement in FY 2014-15.

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

State Hearings Division Appeals Case Management System*

EXPENDITURES:

(in 000s)

FY 2013-14

Item 141 – Automation Projects	Total	Federal	State	County	Reimb.
State Hearings Division Appeals Case Management Systems	\$0	\$0	\$0	\$0	\$0
* Appeals Case Management Systems - TANF	0	0	0	0	0

FY 2014-15

Item 141 – Automation Projects	Total	Federal	State	County	Reimb.
State Hearing Division Appeals Case Management Systems	\$3,833	\$913	\$1,707	\$0	\$1,213
* Appeals Case Management Systems - TANF	502	502	0	0	0

CDSS/OSI PARTNERSHIP	Total	CDSS	OSI
FY 2013-14	\$0	\$0	\$0
FY 2014-15	3,833	150	3,683

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

State Contracts County Reimbursement*

DESCRIPTION:

This premise reflects \$32.7 million LRF reimbursement authority for statewide contract costs, including the Private Agency Adoptions Reimbursement Program, the Chafee Post Secondary Education and Training Program and Health Care Oversight for Children in FC, among others. Prior to 2011 Realignment, CDSS managed several CWS contracts that had a statewide benefit. Under Realignment, the GF for these contracts shifted to LRF. Because these contracts have a statewide benefit, there was an agreement with counties that, for ease of the contracting process, CDSS would continue to administer and manage the contracts.

In order for CDSS to receive reimbursement from the counties for these contract costs, a Contract Special Account was created within the LRF Protective Services Subaccount to allow one county to establish a MOU with CDSS. Santa Clara County has agreed to be the designated county to receive the funds and reimburse CDSS.

IMPLEMENTATION DATE:

This premise implemented on July 1, 2012.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: SB 1020 (Chapter 40, Statutes of 2012) and Government Code section 30029.8.
- The Santa Clara County Social Services Agency is the designated county to receive up to the amount deposited in the Contract Special Account within the LRF Protective Services Subaccount.
- The CDSS' contract administration and oversight costs will be reimbursed with LRF funds by the Santa Clara County Social Services Agency.
- There is \$32,721,000 in reimbursement authority to provide for contract services and CDSS' administration and oversight costs in FY 2013-14 and FY 2014-15.

METHODOLOGY:

On a monthly basis, the SCO's deposits LRF in the Contract Special Account administered by the Santa Clara County Social Services Agency. The CDSS invoices the Santa Clara County Social Services Agency for the reimbursement of the contracted services funded under this account.

FUNDING:

The funding is 100 percent reimbursement from the Contract Special Account created within the LRF Protective Services Subaccount through the Santa Clara County Social Services Agency.

CHANGE FROM GOVERNOR'S BUDGET:

There is no change.

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

State Contracts County Reimbursement*

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000s)

FY 2013-14

Item 151 – CWS Administration	Total	Federal	State	County	Reimb.
State Contracts County Reimbursement	\$32,721	\$0	\$0	\$0	\$32,721

FY 2014-15

Item 151 – CWS Administration	Total	Federal	State	County	Reimb.
State Contracts County Reimbursement	\$32,721	\$0	\$0	\$0	\$32,721

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

CWS Consolidated Federal Grants^{*}

DESCRIPTION:

The purpose of this premise is to consolidate the following CWS federal grants: PSSF; PSSF Increased Funding for Caseworker Visits; Chafee ILP; and Chafee ETV. This was done in an effort to simplify the presentation and minimize workload.

These grants provide funding for services to support and preserve families, protect children, prevent child abuse and neglect, facilitate the transition of foster children to emancipated lifestyles and assist youth in the development of skills necessary to lead independent and productive lives.

The impact of the federal sequestration reduction is reflected in the Federal Sequestration Reduction premise.

IMPLEMENTATION DATE:

Each program within the CWS Consolidated Federal Grants has its own implementation date.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&IC sections 106909.3 and 16600 through 16604.5, PL 107-133 and Social Security Act section 477 as amended.
- The grants require matching funds, and the matching funds portion of this premise is included in the Realigned Programs premise.
- The PSSF grant amount is estimated to be \$30,860,095 for FY 2013-14 and FY 2014-15 after the federal sequestration reductions.
- The PSSF Increased Funding for Caseworker Visits grant amount is estimated to be \$1,950,650 for FY 2013-14 and FY 2014-15 after the federal sequestration reductions.
- The Chafee ILP grant amount is estimated to be \$18,193,913 for FY 2013-14 and \$18,101,906 for FY 2014-15.
- The Chafee ETV grant amount is estimated to be \$5,711,015 for FY 2013-14 and FY 2014-15 after the federal sequestration reductions.
- The State Operations costs utilizing PSSF funds for FY 2013-14 and FY 2014-15 are \$1,200,000, and the State Operations costs utilizing Chafee ILP funds are \$1,020,000 for FY 2013-14 and \$1,584,000 for FY 2014-15.

METHODOLOGY:

The premise reflects the federal grant awards less State Operations costs and the Chafee ETV and PSSF grant amounts prior to the federal sequestration reduction.

FUNDING:

These grants use in-kind funds from the LRF as match funds, therefore funding is reflected as 100 percent federal.

**Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.*

CWS Consolidated Federal Grants^{*}

CHANGE FROM GOVERNOR’S BUDGET:

The FY 2013-14 decrease reflects a technical adjustment to revert to the prior Chafee ILP grant amount. The FY 2014-15 decrease reflects the updated Chafee ILP grant amount and additional State Operations costs withheld from the Chafee ILP grant.

REASON FOR YEAR-TO-YEAR CHANGE:

The decrease reflects the updated Chafee ILP grant amount and additional State Operations costs withheld from the Chafee ILP grant.

EXPENDITURES (CONTINUED):

(in 000s)

		<u>FY 2013-14</u>			
Item 151 – CWS Administration	Total	Federal	State	County	Reimb.
CWS Consolidated Federal Grants	\$57,786	\$57,786	\$0	\$0	\$0
		<u>FY 2014-15</u>			
Item 151 – CWS Administration	Total	Federal	State	County	Reimb.
CWS Consolidated Federal Grants	\$57,502	\$57,502	\$0	\$0	\$0

**Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.*

California Partners for Permanency (CAPP)*

DESCRIPTION:

This premise reflects five grant awards over five years from the federal ACF for a cumulative total of \$14.5 million. The federal grants support the implementation of local demonstration projects that test the effectiveness of innovative intervention strategies to improve permanency outcomes of foster children in California, in particular African-American and Native-American youth who have been identified as having the most significant barriers to permanency. Projects funded by the grants will address site-specific issues in order to help children move from FC to permanency in less than three years.

Five grant awards are distributed to California, with a maximum annual per award amount of \$2.5 million for year one, and increasing up to \$3.0 million per year, for up to four additional years.

IMPLEMENTATION DATE:

This premise implemented on October 1, 2010.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Social Security Act section 426.
- Program and financial status reports are due 30 days after the end of the second and fourth quarters (six-month intervals) throughout the total approved project period.
- The participating counties are: Fresno, Humboldt, Los Angeles and Santa Clara.
- Ten replication counties may participate in early planning and development activities and implement during years four and five of the project. These counties include: Contra Costa, Napa, Monterey, Orange, Sacramento, San Bernardino, San Francisco, Santa Cruz, Solano and Yolo.
- The premise is based on FFY grant amounts. The FFY 2013 and FFY 2014 grant amounts are estimated to be \$3,000,000.
- The grants require a ten percent match, and the matching funds portion of this premise is included in the Realigned Programs premise.
- The FY 2013-14 and FY 2014-15 estimate includes projected carryover funds of \$750,000.
- The State Operations costs are estimated to be \$368,000 in FY 2013-14 and \$179,000 in FY 2014-15.

METHODOLOGY:

The total costs are calculated by summing the grant amount and the carryover funds, less the State Operations costs.

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

California Partners for Permanency (CAPP)*

FUNDING:

Federal funding is provided by Title IV-B of the Social Security Act. The grants require a ten percent match, which are in-kind match funds from a portion of the Realigned Programs premise. These grants use in-kind funds from the LRF as match funds, therefore funding is reflected as 100 percent federal.

CHANGE FROM GOVERNOR’S BUDGET:

The FY 2013-14 decrease reflects a reduction in the projected federal carryover funds. The FY 2014-15 decrease reflects a reduction in the projected federal carryover amount, offset by a smaller amount of State Operations costs withheld from the grant.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase reflects a smaller amount of State Operations costs withheld from the grant.

EXPENDITURES:

(in 000s)

		<u>FY 2013-14</u>			
Item 151 – CWS Administration	Total	Federal	State	County	Reimb.
CAPP	\$3,382	\$3,382	\$0	\$0	\$0
		<u>FY 2014-15</u>			
Item 151 – CWS Administration	Total	Federal	State	County	Reimb.
CAPP	\$3,571	\$3,571	\$0	\$0	\$0

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

Total Child Welfare Training Program^{*}

DESCRIPTION:

This premise reflects the costs of providing a statewide coordinated training program designed specifically to meet the needs of county child protective services social workers assigned to ER, FM, FR, PP and Adoption responsibilities.

The Total Child Welfare Training Program includes training for other public agencies, including county probation departments, who provide child welfare case management services.

The training 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, indicators of mental health needs, case management and the use of community resources. The implementation of regional training academies started in 1996.

IMPLEMENTATION DATE:

This premise implemented on July 1, 1988.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&IC sections 16200 through 16215.
- The percent of federally eligible costs in FY 2013-14 and FY 2014-15 is 66 percent for the 58-county estimate.
- In-kind match from university contributions is used to draw down a portion of the federal funds.
- Funding is based on contract amounts entered into by CDSS with the California Social Work Education Center, UC Berkeley and Judicial Resources and Technical Assistance, among others.
- For FY 2014-15, additional funding is provided for new training requirements such as new practice mandates, extensive curriculum modifications (including new delivery modalities) and support learning methodologies outlined in the *Katie A. v. Bonta* lawsuit settlement.

METHODOLOGY:

The estimate is based on contract costs.

FUNDING:

Federal funding is provided by Title IV-E of the Social Security Act, with the amount of FFP based on 75 percent for direct training and curriculum development, and 50 percent for administration costs associated with the training. Funding for non-federal costs is 100 percent GF, with the exception of various contracts which utilize in-kind match from university contributions.

**Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.*

Total Child Welfare Training Program^{*}

CHANGE FROM GOVERNOR’S BUDGET:

There is no change in FY 2013-14. The FY 2014-15 increase reflects the updated funding for the California Social Work Education Center training to comply with the *Katie A. v. Bonta* settlement, offset by updated contract amounts.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase reflects the updated funding for the California Social Work Education Center training to comply with the *Katie A. v. Bonta* settlement, offset by updated contract amounts.

EXPENDITURES:

(in 000s)

		<u>FY 2013-14</u>			
Item 151 – CWS Administration	Total	Federal	State	County	Reimb.
Total Child Welfare Training Program	\$22,674	\$13,785	\$8,889	\$0	\$0

		<u>FY 2014-15</u>			
Item 151 – CWS Administration	Total	Federal	State	County	Reimb.
Total Child Welfare Training Program	\$24,379	\$14,590	\$9,789	\$0	\$0

**Please refer to the first tab titled “[Acronyms](#)” for a full description of acronyms.*

Pass-Through Title IV-E*

DESCRIPTION:

This premise reflects the pass-through of federal Title IV-E funds for eligible probation administrative costs, social worker training, other public agencies' administrative costs, county counsel/court appointed special advocate training costs and foster and kinship care education costs.

The state received federal approval to pass-through Title IV-E administrative funds for county probation staff activities that are similar to the Title IV-E eligible tasks of county social services workers. The federal funds are passed through to the county probation departments for federally-eligible activities related to probation supervised cases in FC. Funds are also passed through for the Title IV-E eligible training of probation staff that complete case management activities on behalf of these children.

An agreement between CDSS, the Universities of California and the California State Universities was implemented for a statewide training program to increase the number of social workers employed in CWDs. This effort was initiated due to the shortage of professionals in public CWS, especially those holding a master's degree in social work. Currently, there are 20 schools of social work participating. The in-kind match is provided by the California State Universities.

The federal government allows Title IV-E reimbursement for administrative activities associated with pre-placement prevention. Under current CDSS regulations and specified conditions, counties may pass-through Title IV-E funds to other public agencies, such as education or mental health, which perform eligible administrative activities for children at risk of, or currently placed in FC. This pass-through provision does not apply to similar activities performed by private non-profit organizations.

The Administrative Office of the Courts coordinates and oversees training via a contract with statewide and local training providers who provide short-term training to enhance social worker, court appointed special advocates and county counsel's understanding of the judicial determination process and necessary court findings on behalf of children in FC.

Effective in FY 2005-06, the Foster Parent Training Fund was incorporated into the Community College Proposition 98 fund. Federal Title IV-E funds are accessed by using the Community College Proposition 98 funds as match for the purpose of reimbursing the CCC Chancellor's Office for providing education and training to foster parents and kinship care providers. Pursuant to W&IC section 16003, this program is conducted through community colleges in consultation with CDSS and key state foster and caregiver associations.

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

Pass-Through Title IV-E*

IMPLEMENTATION DATES:

Probation Administration	June 1991
Social Worker Training	FY 1992-93
Other Public Agency Administration	FY 2003-04
Social Worker/County Counsel and Court Appointed Special Advocate Training	FY 2005-06
Foster and Kinship Care Education Program ¹ (Community College Chancellor's Office)	FY 2005-06

KEY DATA/ASSUMPTIONS:

- Probation administration pass-through funds are based on FY 2012-13 actual expenditures of \$85,951,493 for FY 2013-14 and calendar year 2013 actual expenditures of \$81,827,173 for FY 2014-15 for the 56 non-Title IV-E Waiver counties.
- Social worker training contract costs are \$32,665,000 for FY 2013-14 and \$35,463,451 for FY 2014-15.
- Other public agencies' pass-through funds are based on FY 2012-13 actual expenditures of \$718,396 for FY 2013-14 and calendar year 2013 actual expenditures of \$1,026,045 for FY 2014-15.
- Administrative Office of the Courts contract for social worker, county counsel and court-appointed special advocate training is \$863,787 for FY 2013-14 and \$734,332 for FY 2014-15.
- Foster and Kinship Care Education Program pass-through funds are \$4,694,992 for FY 2013-14 and \$4,833,225 for FY 2014-15.
- The percent of federally eligible costs is 67 percent in FY 2013-14 and 68 percent in FY 2014-15 for the 56 non-Title IV-E Waiver counties estimates.

METHODOLOGY:

The total pass-through Title IV-E costs are calculated by summing the eligible probation administrative costs, social worker training, other public agencies' administrative costs, foster and kinship care education costs and Administrative Office of the Courts training contract costs.

FUNDING:

Federal funding is provided by Title IV-E of the Social Security Act.

¹ Incorporates the Foster Parent Training Fund (FY 1990-91) and the Foster Parent Training Program (FY 1998-99).

Pass-Through Title IV-E*

CHANGE FROM GOVERNOR’S BUDGET:

The FY 2013-14 decrease reflects updated actual other public agencies’ pass-through expenditures. The FY 2014-15 decrease reflects a decrease in actual probation and other public agencies’ expenditures, offset by the inclusion of the Extended FC expenditures.

REASON FOR YEAR-TO-YEAR CHANGE:

The decrease reflects updated actual expenditures, offset by the inclusion of the Extended FC expenditures.

EXPENDITURES:

(in 000s)

FY 2013-14

Item 151 – CWS Administration	Total	Federal	State	County	Reimb.
Pass-Through Title IV-E	\$124,894	\$124,894	\$0	\$0	\$0

FY 2014-15

Item 151 – CWS Administration	Total	Federal	State	County	Reimb.
Pass-Through Title IV-E	\$123,884	\$123,884	\$0	\$0	\$0

*Please refer to the first tab titled “[Acronyms](#)” for a full description of acronyms.

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CWS/CMS Ongoing M&O *

DESCRIPTION:

This premise reflects the costs related to the ongoing and administrative support of CWS/CMS. As mandated by W&IC section 16501.5, 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 ER, FM, FR, PP, Adoptions and FC reports mandated by sponsoring and funding agencies.

The 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 CWS; (3) necessary information and forms required to determine eligibility for the AFDC-FC Program; (4) tracking of all placement activities for children in FC and; (5) issuance of the appropriate NOA messages, court reports and service plans. State level project management for CWS/CMS is provided by OSI, who administers the projects under an interagency agreement with CDSS.

IMPLEMENTATION DATE:

This premise became effective FY 1995-96.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&IC section 16501.5.
- Costs represent ongoing M&O associated with support and oversight of CWS/CMS.
- Costs include the wide-area network and infrastructure hosting services provided by the state data center, OSI administrative support and vendor costs related to contracted application and technical architecture support services.

METHODOLOGY:

Cost adjustments are based on DOF's Budget Letters 13-17 and 13-18. Costs are also based on FY 2013-14 and FY 2014-15 Budget Change Proposal.

FUNDING:

The funding for this program comes from various sources, determined by the sharing ratios of the benefiting programs based on the CDSS' Operational Cost Allocation Plan approved by the DHHS, Division of Cost Allocation. Federal funds include Title IV-E, TANF and Title XIX. The remaining portion is funded with GF.

CHANGE FROM GOVERNOR'S BUDGET:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase reflects DOF's Budget Letters 13-17 and 13-18 baseline adjustments (retirement and employee compensation).

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

CWS/CMS Ongoing M&O ***EXPENDITURES:**

(in 000s)

FY 2013-14

Item 151 – CWS Administration	Total	Federal	State	County	Reimb.
CWS/CMS Ongoing M&O	\$78,468	\$39,225	\$34,747	\$0	\$4,496

FY 2014-15

Item 151 – CWS Administration	Total	Federal	State	County	Reimb.
CWS/CMS Ongoing M&O	\$79,891	\$39,919	\$35,394	\$0	\$4,578

CDSS/OSI PARTNERSHIP	Total	CDSS	OSI
FY 2013-14	\$78,468	\$32,673	\$45,795
FY 2014-15	79,891	32,673	47,218

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

CWS-New System Project*

DESCRIPTION:

This premise reflects the costs associated with the development and implementation of the CWS-NS Project which will replace the aging CWS/CMS. The project's Feasibility Study Report was approved on January 10, 2013, by the California Technology Agency and officially launched in July 2013.

IMPLEMENTATION DATE:

This premise implemented July 2013.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&IC section 16501.5.
- Costs presented are associated with the support and oversight of the CWS-NS Project.

METHODOLOGY:

Costs are based on the staffing, operating expenses and equipment and consultant services in support of the CWS-NS Project.

FUNDING:

The funding for this program comes from various sources, determined by the sharing ratios of the benefitting programs based on CDSS' Operational Cost Allocation Plan approved by the DHHS, Division of Cost Allocation. Federal funds include Title IV-E, TANF and Title XIX. The remaining portion is funded with GF.

CHANGE FROM GOVERNOR'S BUDGET:

The FY 2013-14 and the FY 2014-15 decreases reflect the cost revisions identified in Special Project Report 1 due to the deferment of costs.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase reflects the subsequent phase of the project.

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

CWS-New System Project*

EXPENDITURES:

(in 000s)

FY 2013-14

Item 151 – CWS Administration	Total	Federal	State	County	Reimb.
CWS-NS Project	\$6,669	\$3,381	\$2,906	\$0	\$382

FY 2014-15

Item 151 – CWS Administration	Total	Federal	State	County	Reimb.
CWS-NS Project	\$9,994	\$5,066	\$4,355	\$0	\$573

CDSS/OSI PARTNERSHIP	Total	CDSS	OSI
FY 2013-14	\$6,669	\$1,779	\$4,890
FY 2014-15	\$9,994	\$2,380	\$7,614

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

County Children's Trust Fund*

DESCRIPTION:

This premise reflects funding distributed to the counties from the Child Health and Safety Fund, pursuant to W&IC section 18285 for community child abuse prevention activities. Monies for this activity are generated through the Department of Motor Vehicles' "Have a Heart, Be a Star, Help our Kids" license plate program pursuant to Vehicle Code section 5072.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&IC section 18285.
- Up to 25 percent of the license plate monies may be used for child abuse prevention, and of that 25 percent, 90 percent (22.5 percent of the total plate revenue) is to be provided to the 58 County Children's Trust Funds for support of child abuse prevention services in the community.
- The total actual Child Health and Safety Fund license plate revenue was \$4,281,000 for FY 2011-12 and \$4,107,000 for FY 2012-13.

METHODOLOGY:

- Using actual revenues from FY 2011-12 as the estimate for FY 2013-14, 22.5 percent will be transferred to the counties for child abuse prevention activities.
- Using actual revenues from FY 2012-13 as the estimate for FY 2014-15, 22.5 percent will be transferred to the counties for child abuse prevention activities.

FUNDING:

Funding is reflective of 22.5 percent of the total license plate program (90 percent of the Child Health and Safety Fund), represented with 100 percent GF.

CHANGE FROM GOVERNOR'S BUDGET:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

The decrease reflects updated actual revenues.

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

County Children's Trust Fund*

EXPENDITURES:

(in 000s)

FY 2013-14

Item 151 – CWS Administration	Total	Federal	State	County	Reimb.
County Children's Trust Fund	\$963	\$0	\$963	\$0	\$0

FY 2014-15

Item 151 – CWS Administration	Total	Federal	State	County	Reimb.
County Children's Trust Fund	\$924	\$0	\$924	\$0	\$0

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

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 CWS Program Improvement Fund as established by W&IC section 16524. These funds are intended to enhance the state's ability to provide a comprehensive system of support that promotes positive outcomes for children and families.

IMPLEMENTATION DATE:

This premise implemented on July 1, 2005.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&IC section 16524.
- Donated funds are eligible for matching funds at the federal Title IV-E enhanced training rate of 75 percent.
- This estimate reflects costs for 58 counties.
- In FY 2013-14 and FY 2014-15, 66 percent of the costs are federally eligible.
- The amount of FFP is available at the training rate of 75 percent for administrative expenditures necessary for the proper and efficient administration of the Title IV-E state plan.

METHODOLOGY:

The expected donations total \$4.0 million GF each FY.

FUNDING:

Federal funding is provided by Title IV-E of the Social Security Act, with the amount of FFP based on the administration rate for those cases meeting eligibility criteria. Funding for the remaining federal and non-federal costs is 100 percent GF, payable from the CWS Program Improvement Fund.

CHANGE FROM GOVERNOR'S BUDGET:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

CWS Program Improvement Fund*

EXPENDITURES:

(in 000s)

FY 2013-14

Item 151 – CWS Administration	Total	Federal	State	County	Reimb.
CWS Program Improvement Fund	\$7,921	\$3,921	\$4,000	\$0	\$0

FY 2014-15

Item 151 – CWS Administration	Total	Federal	State	County	Reimb.
CWS Program Improvement Fund	\$7,921	\$3,921	\$4,000	\$0	\$0

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

Reports of Child Near Fatalities*

DESCRIPTION:

This premise reflects the costs associated with compiling and publishing reports on all child fatalities and near fatalities caused by suspected child abuse or neglect as required by federal CAPTA. This includes costs to bring California into compliance with new federally mandated child near fatality reporting and disclosure requirements to prevent the risk of entering into a corrective action plan with the federal government and avoid potential advocate litigation.

This premise is an expansion of a program that was included in 2011 Realignment per SB 1020 (Chapter 40, Statutes of 2012). For more information, please refer to the 2011 Realignment tab or to the Child Fatality and Near Fatality Peer Quality Case Reviews premise in the 2011 May Revision Binder. These new activities increase the costs incurred by the counties as a result of changes to federal statutes/regulations. Therefore, the non-federal share for all 58 counties is funded 50 percent GF and 50 percent county.

IMPLEMENTATION DATE:

The new activities associated with this premise will implement on January 1, 2015.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: CAPTA section 106(b)(2).
- The projected number of near fatalities is assumed to be 135 incidents statewide. The caseload is estimated at 89 cases for the 56 non-Title IV-E Waiver counties and 46 cases for the Title IV-E Waiver counties.
- The average additional social worker time to complete each near fatality report is assumed to be 64 hours.
- The social worker cost per hour is \$72.60.
- The percent of federally eligible costs in FY 2014-15 is 68 percent for the 56 non-Title IV-E Waiver counties.

METHODOLOGY:

The total cost of reporting child near fatalities is calculated by multiplying the projected number of cases by the additional social worker time to complete each report and then multiplied by the hourly social worker cost.

FUNDING:

Federal funding is provided by Title IV-E of the Social Security Act, with the amount of FFP based on the 50 percent administration rate for those cases meeting eligibility criteria. As a result of a new federal mandate, funding for the remaining non-federal costs for all 58 counties is 50 percent GF and 50 percent county.

For the Title IV-E Waiver counties, the GF and county share of funding is provided.

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

Reports of Child Near Fatalities*

CHANGE FROM GOVERNOR'S BUDGET:

There is no change in FY 2013-14. Funding for additional activities to meet the new federal child fatalities and near fatalities reporting requirements not captured in 2011 Realignment will implement in FY 2014-15.

REASON FOR YEAR-TO-YEAR CHANGE:

Funding for additional activities to meet the new federal child fatalities and near fatalities reporting requirements not captured in 2011 Realignment will implement in FY 2014-15.

EXPENDITURES:

(in 000s)

		<u>FY 2013-14</u>				
	Total	Federal	State	County	Reimb.	
Item 151 – CWS Administration						
Reports of Child Near Fatalities	\$0	\$0	\$0	\$0	\$0	
Item 153 – Title IV-E Project						
Reports of Child Near Fatalities	0	0	0	0	0	
		<u>FY 2014-15</u>				
	Total	Federal	State	County	Reimb.	
Item 151 – CWS Administration						
Reports of Child Near Fatalities	\$207	\$71	\$68	\$68	\$0	
Item 153 – Title IV-E Project						
Reports of Child Near Fatalities	74	0	37	37	0	

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

CWS Case Record Reviews*

DESCRIPTION:

This premise provides funding for the additional federally mandated activities for California Child and Family Service Reviews. In order to comply with federal ACF Children's Bureau memorandum 12-07, published on August 27, 2012, the case record reviews have been integrated into the California Child and Family Services Review system. The memorandum set forth requirements and components for a state Continuous Quality Improvement system, including the requirement for a state to have a method for conducting ongoing case reviews to measure the quality of casework provided by county child welfare agencies. California's existing quality assurance system does not contain this element.

Similar to the federal Child and Family Services Review process, the new child welfare case reviews will include an extensive online review process and in-depth interviews for individuals involved in the case plan for each case selected to undergo review. The reviews will include interviews with the children, parents, case workers, foster parents and service providers to examine both the quantitative and qualitative aspects of social service delivery and to ensure that social service requirements are being met. Each county child welfare and county probation agency will perform reviews on an ongoing basis, at least monthly for child welfare and at least quarterly for probation. The sample size must be representative of the entire continuum of CWS from the ER hotline to post permanency. Reviews are to be conducted by probation and child welfare county staff in the position of supervisor or its equivalent. The review findings are to be aggregated, analyzed and summarized for inclusion in the County Self-Assessment or System Improvement Plan.

This premise is an expansion of a program that was included in 2011 Realignment per SB 1020 (Chapter 40, Statutes of 2012). For more information, please refer to the 2011 Realignment tab or to the Federal Child and Family Services Review premise in the 2011 May Revision Binder. These new activities increase the costs incurred by the counties as a result of changes to federal statutes/regulations. Therefore, the non-federal share for all 58 counties is funded 50 percent GF and 50 percent county.

IMPLEMENTATION DATE:

The new activities associated with this premise will implement on July 1, 2014.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&IC section 10601.2.
- The FY 2014-15 projected CWS and probation caseload for the 56 non-Title IV-E Waiver counties is 74,008 cases and for the two Title IV-E Waiver counties is 49,634 cases.
- Counties with 100 cases or less will receive funding for 0.5 FTE (including those with zero projected cases).
- Counties with 101 to 500 cases will receive funding for 1.0 FTE.
- Counties with more than 500 cases will receive funding for 2.0 FTEs.
- In FY 2014-15, there will be 81.5 FTEs for the 56 non-Waiver counties and 4.0 FTEs for the Title IV-E Waiver counties.

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

CWS Case Record Reviews*

KEY DATA/ASSUMPTIONS (CONTINUED):

- The statewide annual unit cost is \$129,074 per FTE.
- The percent of federally eligible costs in FY 2014-15 is 68 percent for the 56 non-Title IV-E Waiver counties estimate.

METHODOLOGY:

The projected county-specific caseload is used to determine the FTE level for each county. The total cost of case record reviews is calculated by multiplying the number of FTEs for each county by the annual unit cost.

FUNDING:

Federal funding is provided by Title IV-E of the Social Security Act, with the amount of FFP based on the 50 percent administration rate for those cases meeting eligibility criteria. As a result of a new federal mandate, funding for the remaining non-federal costs for all 58 counties is 50 percent GF and 50 percent county.

For the Title IV-E Waiver counties, the GF and county share of funding is provided.

CHANGE FROM GOVERNOR'S BUDGET:

There is no change in FY 2013-14. Funding for additional activities to meet the new federal requirements and process for child welfare case record reviews not captured in 2011 Realignment will implement in FY 2014-15.

REASON FOR YEAR-TO-YEAR CHANGE:

Funding for additional activities to meet the new federal requirements and process for child welfare case record reviews not captured in 2011 Realignment will implement in FY 2014-15.

EXPENDITURES:

(in 000s)

	<u>FY 2013-14</u>				
Item 151 – CWS Administration	Total	Federal	State	County	Reimb.
CWS Case Record Reviews	\$0	\$0	\$0	\$0	\$0
Item 153 – Title IV-E Project					
CWS Case Record Reviews	0	0	0	0	0
	<u>FY 2014-15</u>				
Item 151 – CWS Administration	Total	Federal	State	County	Reimb.
CWS Case Record Reviews	\$10,519	\$3,577	\$3,471	\$3,471	\$0
Item 153 – Title IV-E Project					
CWS Case Record Reviews	356	0	178	178	0

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

Katie A. Settlement Agreement Reporting Requirements^{*}

DESCRIPTION:

This premise reflects the administrative costs to complete the Katie A. Semi-Annual Progress Report for reporting county activities and progress related to implementation of Intensive Care Coordination, Intensive Home-Based Services and Therapeutic FC for children and youth who meet the subclass criteria as defined in the *Katie A. v. Bonta* Settlement Agreement. Pursuant to the Katie A. Settlement Agreement, Implementation Plan and related court orders, and in coordination with DHCS, Intensive Care Coordination and Intensive Home-Based Services are specialty mental health services that must be provided to members of the subclass, when medically necessary, and delivered in a manner consistent with the Core Practice Model.

The purpose of the progress reports is to support successful statewide implementation of these services by identifying children who are members of the subclass and reporting on what is occurring in the counties with respect to the implementation of Intensive Care Coordination and Intensive Home-Based Services. More specifically, the progress reports identify the potential subclass members and the mental health services provided to those subclass members during the reporting period. For DHCS and CDSS, the progress reports are an important tool that assists the state in identifying barriers around implementation that may need further clarification and opportunities for improvement at the state and county level. It further supports the two departments with meeting the requirements as stipulated in the court settlement agreement.

IMPLEMENTATION DATE:

The premise will implement on July 1, 2014.

KEY DATA/ASSUMPTIONS:

- Progress reports are to be completed by counties semi-annually.
- Eighty hours of social worker time is needed to pull, compile and match data needed to complete each progress report.
- Fifteen hours of social worker time is needed to collaborate with county mental health departments to complete each progress report.
- The hourly cost of a social worker is \$72.60.
- This estimate reflects costs for 58 counties.

METHODOLOGY:

The total cost is calculated by multiplying the total hours by the hourly social worker cost by the number of counties by two times per year to get the annualized cost.

FUNDING:

The federal Title XIX reimbursement represents 50 percent of the total funds. The non-federal share is funded with 100 percent GF.

**Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.*

Katie A. Settlement Agreement Reporting Requirements^{*}

CHANGE FROM GOVERNOR’S BUDGET:

This new premise will implement in FY 2014-15.

REASON FOR YEAR-TO-YEAR CHANGE:

This is a new premise.

EXPENDITURES:

(in 000s)

		<u>FY 2013-14</u>				
Item 151 – CWS Administration	Total	Federal	State	County	Reimb.	
Katie A. Settlement Agreement Reporting Requirements	\$0	\$0	\$0	\$0	\$0	\$0
		<u>FY 2014-15</u>				
Item 151 – CWS Administration	Total	Federal	State	County	Reimb.	
Katie A. Settlement Agreement Reporting Requirements	\$800	\$0	\$400	\$0	\$400	

**Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.*

OCAP – 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 CAPTA grants consist of Title I (General Program) and Title II (CBCAP). Approximately 50 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 grant.

In FY 2006-07, CDSS received the Linkages grant. Linkages are a strategic effort involving nearly 30 counties in California to improve coordination between the CalWORKs and CWS programs. The CDSS, in collaboration with the Child and Family Policy Institute of California, enhances, expands and measures the impacts of Linkages. 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 also works towards increasing the number of counties co-locating services, supports counties in developing strategies to serve at least one identified underserved population and strengthens data collection practices and counties' use of data for continuous improvement of service delivery and systems integration.

The impact of the federal sequestration reduction is reflected in the Federal Sequestration Reduction premise.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&IC section 18958.
- Project funding is contingent upon continued receipt of federal grant awards.
- The CBCAP grant awards require matching funds. The matching funds portion of this estimate is included in the Realigned Programs premise.
- Through an interagency agreement between CDPH and CDSS, and a contract between CDSS and Rady Hospital, there is a pass-through of money from the Health Resources Services Administration through the state Maternal, Infant and Early Childhood Home Visiting Program to Rady Hospital for services. The total reimbursement to Rady Hospital is \$173,916 in FY 2013-14 and \$0 in FY 2014-15.
- For FY 2013-14, \$250,000 of the CAPTA funds is provided for the Linkages grant.

METHODOLOGY:

- For FY 2013-14 and FY 2014-15, the CAPTA federal grants average approximately \$3.0 million annually and have a limit of five years to fully expend the annual grant. This allows states flexibility in the use and support of multi-year projects.
- The funding for the Linkages grant expired on September 30, 2011, and funding is now provided with CAPTA funds for FY 2013-14.

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

State Children's Trust Fund Program^{*}

DESCRIPTION:

This premise reflects the revenue available for the State Children's Trust Fund in California, which provides funding for innovative child abuse and neglect prevention and intervention projects utilizing deposits generated from California birth certificate surcharges, state income tax designations and private donations. Project funding is awarded through proposals submitted to CDSS OCAP.

The State Children's Trust Fund is used to research, evaluate and disseminate information to the public, to establish 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.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&IC section 18969.
- The SCO accounts for deposits generated from California birth certificate surcharges, state income tax designations and private donations.

METHODOLOGY:

This premise reflects the current funding available for the State Children's Trust Fund, as provided by OCAP.

FUNDING:

These funds are 100 percent GF.

CHANGE FROM GOVERNOR'S BUDGET:

There is no change in FY 2013-14. The FY 2014-15 increase reflects the updated spending plan for public education and outreach contracts.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

**Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.*

State Children’s Trust Fund Program ^{*}

EXPENDITURES:

(in 000s)

FY 2013-14

Item 151 – Child Abuse Prevention Program Administration	Total	Federal	State	County	Reimb.
State Children’s Trust Fund Program	\$995	\$0	\$995	\$0	\$0

FY 2014-15

Item 151 – Child Abuse Prevention Program Administration	Total	Federal	State	County	Reimb.
State Children’s Trust Fund Program	\$995	\$0	\$995	\$0	\$0

**Please refer to the first tab titled “[Acronyms](#)” for a full description of acronyms.*

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 APS workers that will be owned by the state and shared with county APS agencies; present the training curriculum to all APS workers, which includes scheduling and arranging training in all regions of the state and producing all required training materials; and periodically update the curriculum and its content to reflect changes to APS laws, policies and practices and provide updated training to APS workers.

The purpose of the training is to educate county APS workers on the APS program standards, requirements and mandates. 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 in W&IC section 15600.
- The annual cost for ongoing training activities is estimated to be \$176,000.

METHODOLOGY:

The funding for this premise reflects the amount of the contract.

FUNDING:

The federal Title XIX reimbursement represents 50 percent of the total funds. The non-federal share is funded with 100 percent GF.

CHANGE FROM GOVERNOR'S BUDGET:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

**Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.*

APS Contract for Training Curriculum^{*}

EXPENDITURES:

(in 000s)

FY 2013-14

Item 151 – APS	Total	Federal	State	County	Reimb.
APS Contract for Training Curriculum	\$176	\$0	\$88	\$0	\$88

FY 2014-15

Item 151 – APS	Total	Federal	State	County	Reimb.
APS Contract for Training Curriculum	\$176	\$0	\$88	\$0	\$88

**Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.*

CCL – Foster Family Homes^{*}

DESCRIPTION:

This premise reflects the costs of providing basic funding for FFHs licensing and recruitment services. The California Community Care Facilities Act authorizes counties to provide FFHs licensing services. There are currently 39 counties providing FFH licensing and recruitment services. The FFHs in the remaining 19 counties are licensed by CDSS' CCL Division and are provided funds for the purpose of recruiting FFH providers.

Effective FY 2003-04, CDSS implemented a Target Visit 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.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Health and Safety Code sections 1500 through 1519.
- In addition to the annual required visits, a 30 percent random sample of the remaining facilities is subject to announced annual visits; however, counties are funded to conduct 100 percent annual visits.
- The workload standard used to determine FTEs for targeted visits is 120 cases a year per worker.
- The worker to supervisor ratio used to determine the total number of FTEs is 6.25:1.
- The annual statewide unit cost for a Licensing Program Analyst is held at the FY 2002-03 level of \$125,663.
- The projected caseload for FY 2013-14 is 6,942 and 6,567 for FY 2014-15.
- The recruitment-only amount is held at the FY 2005-06 funding level of \$877,764 total funds.
- In order to reflect an appropriate level of federal spending authority based on actual expenditures, additional Title IV-E funds are budgeted in FY 2013-14 for \$3,032,531 and \$3,073,434 for FY 2014-15.
- There is \$27,000 total funds in FY 2013-14 and FY 2014-15 included for the *Gresher v. Anderson* court case which requires notification to applicants of conviction information received and a summary of reasons for denial.
- The sharing ratio for FY 2013-14 is 35.03 percent federal funds and 64.97 percent GF based on actual expenditure data from calendar year 2012. The sharing ratio for FY 2014-15 is 33.43 percent federal funds and 66.57 percent GF based on actual expenditure data from calendar year 2013.

METHODOLOGY:

The estimate is developed by dividing the caseload by the workload standards to derive the number of non-supervisory FTEs. The FTEs are expanded to include supervisors at a ratio of 6.25:1 to determine the total number of FTEs. The total number of FTEs is then multiplied by the Licensing Program Analyst unit cost. The total estimate is derived by adding the recruitment-only allocation, additional federal spending authority and *Gresher v. Anderson* costs.

**Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.*

CCL – Foster Family Homes *

FUNDING:

Federal funding is provided by Title IV-E of the Social Security Act, with the amount of FFP based on the sharing ratios for those cases meeting eligibility criteria. Funding for the remaining federal and non-federal costs is 100 percent GF. Additional federal spending authority is included based on actual expenditures.

CHANGE FROM GOVERNOR’S BUDGET:

There is no change in FY 2013-14. The FY 2014-15 decrease reflects the updated caseload, offset by additional federal overmatch authority.

REASON FOR YEAR-TO-YEAR CHANGE:

The decrease reflects the updated caseload, offset by an increase in the additional federal overmatch authority.

EXPENDITURES:

(in 000s)

		<u>FY 2013-14</u>			
Item 151 – CCL Administration	Total	Federal	State	County	Reimb.
FFHs	\$12,370	\$6,366	\$6,004	\$0	\$0
		<u>FY 2014-15</u>			
Item 151 – CCL Administration	Total	Federal	State	County	Reimb.
FFHs	\$11,955	\$6,120	\$5,835	\$0	\$0

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

CCL – Family Child Care Homes*

DESCRIPTION:

This premise reflects the costs of providing basic funding to two counties for FCCH licensing services and processing serious incident reports. The FCCH program in the remaining 56 counties is licensed by CDSS' 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.

Effective FY 2003-04, CDSS implemented a Target Visit 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.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Health and Safety Code sections 1500 through 1519.
- In addition to the annual required visits, a 30 percent random sample of the remaining facilities is subject to annual unannounced visits; however, counties are funded to conduct 100 percent annual visits.
- Effective September 30, 2013, Sacramento County transferred the licensing function for FCCHs to CDSS.
- For FY 2013-14, the projected caseload is 1,825 including Sacramento County prior to shifting the licensing function to the state effective September 30, 2013. For 2014-15, the projected caseload is 52.
- The workload standard used to determine FTEs for targeted monitoring visits is 257 cases per Licensing Program Analyst worker.
- The worker to supervisor ratio used to determine FTEs is 6.25:1.
- The average statewide unit cost of a Licensing Program Analyst is held at the FY 2002-03 level of \$117,885.
- The Serious Incident Reporting cost has been updated for FY 2014-15 to reflect funding for the two counties in the amount of \$525 GF, to fulfill the reporting requirements for any injury, medical treatment, death, absence or unusual incident that threatens any child in the care of the licensee of a FCCH.
- The *Gresher v. Anderson* court case has been updated for FY 2014-15 to reflect funding for the two counties in the amount of \$460 GF, which requires notification to applicants of conviction information received and a summary of reasons for denial.

METHODOLOGY:

The estimate is developed by dividing the caseload by the workload standard to determine the number of non-supervisory FTEs. The FTEs are then expanded to include supervisors at a ratio of 6.25:1 to derive the total number of FTEs. The average statewide unit cost is then multiplied by the total FTEs. The total estimate is derived by adding the Serious Incident Reporting and *Gresher v. Anderson* costs to the FCCH basic costs.

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

CCL – Family Child Care Homes *

FUNDING:

The funding includes reimbursements from CDE (from the federal CCDF block grant) to cover a portion of the costs of conducting comprehensive site visits. The remaining costs are funded with 100 percent GF.

CHANGE FROM GOVERNOR’S BUDGET:

There is no change in FY 2013-14. The FY 2014-15 decrease reflects the updated Serious Incident Reporting and *Gresher v. Anderson* assumptions.

REASON FOR YEAR-TO-YEAR CHANGE:

The decrease reflects the updated projected number of licensed facilities and updated Serious Incident Reporting and *Gresher v. Anderson* assumptions.

EXPENDITURES:

(in 000s)

		<u>FY 2013-14</u>				
Item 151 – CCL Administration	Total	Federal	State	County	Reimb.	
FCCHs	\$296	\$0	\$207	\$0	\$89	
		<u>FY 2014-15</u>				
Item 151 – CCL Administration	Total	Federal	State	County	Reimb.	
FCCHs	\$30	\$0	\$17	\$0	\$13	

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

Adam Walsh Child Protection and Safety Act of 2006^{*}

DESCRIPTION:

This premise reflects the costs of the Adam Walsh Child Protection and Safety Act of 2006 (PL 109-248), which requires states to check child abuse and neglect registries in each state in which prospective foster or adoptive parents, relative caregivers or non-relative extended family members (as well as other adults in the home) have resided in for the preceding five years prior to approval for placement of a child. This premise also reflects the costs associated with responding to other states' requests for underlying information about child abuse and neglect reports in California. Family Code sections 7901.1 and 7906.5, Health and Safety Code section 1522.1 and Penal Code section 11170 brings California into conformity with this Act.

IMPLEMENTATION DATE:

This premise implemented on January 1, 2008.

KEY DATA/ASSUMPTIONS:

- Authorizing statutes: PL 109-248 and SB 703.
- The total number of facilities reviewed for becoming an FFH in FY 2013-14 is 1,229 and is based on new licensing activity for calendar year 2012. The total number of facilities reviewed for becoming an FFH in FY 2014-15 is 1,291 based on new licensing activity for calendar year 2013.
- An average of 2.5 persons in the home will require a child abuse and neglect registry check in another state.
- A total of 3,073 out-of-state registry checks will be performed in FY 2013-14 and 3,228 in FY 2014-15.
- Ten percent of those seeking home approval have resided in another state within the past five years and will require a child abuse and neglect registry check.
- Ten percent of those who have resided in another state within the past five years and have a child abuse and neglect registry check will have a history of child abuse and neglect.
- Licensing workers will spend one hour per registry check for those seeking home approvals without a hit for a history of child abuse and neglect. However, when information from other states indicates a history of child abuse and neglect, eight hours of licensing worker time will be required to investigate and review the facts of the case.
- The sharing ratio for FY 2013-14 is 35.03 percent federal funds and 64.97 percent GF based on actual expenditures from calendar year 2012.
- The sharing ratio for FY 2014-15 is 33.43 percent federal funds and 66.57 percent GF based on actual expenditures from calendar year 2013.
- The hourly cost of a licensing worker is \$70.68.

CWS and Adoptions

- The CWS and Adoptions programs portion of this estimate is included in the Realigned Programs premise.

**Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.*

Adam Walsh Child Protection and Safety Act of 2006*

METHODOLOGY:

The estimate is developed by multiplying the out-of-state registry checks performed by the percent seeking home approval who have resided in another state within the past five years, multiplied by the hours required to complete a home approval, multiplied by the hourly cost of a licensing worker.

FUNDING:

Federal funding is provided by Title IV-E of the Social Security Act. Funding for the remaining costs is 100 percent GF. The funding for the CWS and Adoptions programs portion of this estimate is included in the Realigned Programs premise.

CHANGE FROM GOVERNOR’S BUDGET:

There is no change in FY 2013-14. The increase in FY 2014-15 reflects an increase in the number of reviewed FFH facilities.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase reflects an increase in the number of reviewed FFH facilities.

EXPENDITURES:

(in 000s)

	<u>FY 2013-14</u>				
Item 151 – CCL Administration	Total	Federal	State	County	Reimb.
Adam Walsh Child Protection and Safety Act of 2006	\$37	\$13	\$24	\$0	\$0
	<u>FY 2014-15</u>				
Item 151 – CCL Administration	Total	Federal	State	County	Reimb.
Adam Walsh Child Protection and Safety Act of 2006	\$39	\$13	\$26	\$0	\$0

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

Resource Family Approval Program*

DESCRIPTION:

This premise reflects costs associated with W&IC section 16519, which requires CDSS, in consultation with stakeholders and interested parties, to implement a three-year program in up to five counties to establish a single, comprehensive Resource Family Approval process for FC and Adoptions. This single process replaces the existing separate processes for licensing FFHs, approving relatives and non-relative extended family members and approving adoptive families.

IMPLEMENTATION DATE:

This premise implemented in San Luis Obispo County on November 1, 2013, Kings County on January 15, 2014 and Santa Barbara County on March 1, 2014. The premise will implement in Santa Clara County no later than June 2014 and San Francisco County no later than August 2014

KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&IC sections 16519 and 16519.5.
- The five early implementation counties are: Kings, San Francisco, San Luis Obispo, Santa Barbara and Santa Clara.
- The number of hours necessary to perform home approvals for relative/non-relative extended family members and licensing has been increased to 24 hours, which is equivalent to the level of an adoption approval.
- Duplicative processes for approvals and background checks are eliminated, creating savings.
- Placements are more stable, eliminating secondary placements for FFH cases, creating savings.
- State administrative hearing reviews for licensing cases, denied and appealed, are replaced by less-costly county grievance reviews. It is assumed 20 percent of FFH denied cases will appeal, requiring eight hours of social worker time per grievance review.
- After the initial year of implementation, FFH cases will require three hours of social worker time to perform annual reassessments.
- Based on actual data from FY 2012-13, the number of CCL cases going through the home approval process for the five early implementation counties total 123, of which all 123 were approved and none were denied.
- The hourly cost of a licensing worker is \$70.68.
- The number of hours to perform a FFH home approval is 15.47 hours.

CWS and Adoptions

- The CWS and Adoptions programs portion of this estimate is included in the Realigned Programs premise.

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

Resource Family Approval Program*

METHODOLOGY:

Savings are calculated from the elimination of duplicative approval processes.

FUNDING:

Savings are shared based on actual FFH sharing ratios of the five early implementation counties. The sharing ratio for FY 2013-14 is 35.56 percent federal and 64.44 percent GF and for FY 2014-15 is 35.32 percent federal and 64.68 percent GF.

The funding for CWS and Adoptions programs portion of this estimate is included in the Realigned Programs premise.

CHANGE FROM GOVERNOR’S BUDGET:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase in CCL savings reflects a full year of implementation and an increase in caseload and expenditures.

EXPENDITURES:

(in 000s)

	<u>FY 2013-14</u>				
Item 151 – CCL Administration	Total	Federal	State	County	Reimb.
Resource Family Approval Program	-\$67	-\$24	-\$43	\$0	\$0
	<u>FY 2014-15</u>				
Item 151 – CCL Administration	Total	Federal	State	County	Reimb.
Resource Family Approval Program	-\$135	-\$48	-\$87	\$0	\$0

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

Fee-Exempt Live Scan^{*}

DESCRIPTION:

This premise reflects the costs for fingerprinting and search requirements associated with certain fee-exempt providers. The Health and Safety Code section 1522 was amended to add certain categories of licensed fee-exempt providers for FBI background checks.

This premise also includes the reimbursement cost for processing applications referred by CDE and licensed fee-exempt providers.

The CCL Division is responsible for processing the applications and contracting with DOJ and CCCRRN to process the fingerprint and index search file activities. Additionally, the CCL Division contracts with Sylvan/Indentix, a private vendor, for 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: W&IC section 11324.

METHODOLOGY:

Funding is suspended for FY 2013-14 and FY 2014-15.

FUNDING:

This premise is funded with 100 percent GF.

CHANGE FROM GOVERNOR'S BUDGET:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

**Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.*

Fee-Exempt Live Scan *

EXPENDITURES:

(in 000s)

FY 2013-14

Item 151 – CCL Administration	Total	Federal	State	County	Reimb.
Fee-Exempt Live Scan	\$0	\$0	\$0	\$0	\$0

FY 2014-15

Item 151 – CCL Administration	Total	Federal	State	County	Reimb.
Fee-Exempt Live Scan	\$0	\$0	\$0	\$0	\$0

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

Registered Sex Offender Check*

DESCRIPTION:

This premise reflects costs to minimize the risk of predictable and preventable harm to vulnerable children in out-of-home care by detecting the presence/residence of a registered sex offender in prospective and approved licensed facilities and prospective and approved relative/non-relative extended family member homes.

On an annual basis, CDSS' CCL Division compares transmitted DOJ registered sex offender files against the CWS/CMS placement information for county-licensed FFHs, FCCHs and county-approved relative and non-relative extended family member homes. The CWDs are responsible for investigating any address matches, with the exception of relatives and non-relative extended family member homes, for the 20 small counties, which are investigated by CDSS CCL Division.

The CWDs also check all prospective licensure applicants and relative/non-relative extended family member homes against the Megan's Law public website and investigate all address matches. When a match resulting from the annual or prospective check is verified, CWDs take appropriate action, which may include licensure and placement denial, removal of children, finding a new placement and/or grievance reviews for relatives/non-relative extended family members.

IMPLEMENTATION DATE:

This premise implemented on July 1, 2009.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: The annual Budget Act.
- The hourly cost of a FFH licensing worker is \$70.68. The hourly cost of a FCCH licensing worker is \$66.30.
- It will take a FFH licensing worker 14 hours and a FCCH licensing worker 10 hours for each administrative action.
- It will take a FFH licensing worker 20 hours and a FCCH licensing worker 12 hours to investigate each address match.
- The match rate for FY 2013-14 is 0.17 percent and for FY 2014-15 is 0.19 percent based on the most recent monthly FFH and FCCH registered sex offender summary reports.
- In FY 2013-14, 13 percent of the matches will require administrative action and in FY 2014-15, 19 percent of the matches will require administrative action.
- The FFH sharing ratio for FY 2013-14 is 35.03 percent federal funds and 64.97 percent GF based on actual expenditures for calendar year 2012.
- The FFH sharing ratio for FY 2014-15 is 33.43 percent federal funds and 66.57 percent GF based on actual expenditures for calendar year 2013.
- The CWS program portion of this premise is included in the Realigned Programs premise.

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

Registered Sex Offender Check *

KEY DATA/ASSUMPTIONS (CONTINUED):

Annual Check

- The FFH caseload is 6,942 in FY 2013-14 and 6,567 in FY 2014-15.
- The FCCH is tied to the allocation for FY 2013-14, which reflects Sacramento County returning the licensing function to the state. The FCCH caseload is 60 in FY 2014-15.

Application Check

- Approximately 2,080 FFH applications will be received in FY 2013-14 based on actual data from calendar year 2012. The FCCH is tied to the allocation in FY 2013-14, which reflects Sacramento County returning the licensing function to the state.
- Approximately 2,145 FFH and 15 FCCH applications will be received in FY 2014-15 based on actual data from calendar year 2013.
- It will take a licensing worker 20 minutes to check an address against the Megan's Law public website.

METHODOLOGY:

For annual checks, the caseload is multiplied by the match rate, multiplied by the total hours required per investigation, plus the number of administrative actions, multiplied by the number of hours per action and multiplied by the hourly cost of a FFH/FCCH licensing worker.

For applications received, the caseload is multiplied by the match rate, multiplied by the total hours required per investigation, plus the number of administrative actions, multiplied by the number of hours per action, plus the caseload multiplied by the time it will take to check an address against the Megan's Law public website and multiplied by the hourly cost of a FFH/FCCH licensing worker.

FUNDING:

Federal funding for a FFH is provided by Title IV-E of the Social Security Act, with the amount of FFP based on the sharing ratios for those cases meeting eligibility criteria. Funding for the remaining federal and non-federal FFH costs is 100 percent GF. The FCCH costs are 100 percent GF.

The funding for the CWS program portion of this premise is included in the Realigned Programs premise.

CHANGE FROM GOVERNOR'S BUDGET:

There is no change in FY 2013-14. The FY 2014-15 decrease reflects updated social worker hours, match rate and FCCH caseload, offset by an increase in FFH caseload and administrative action rate.

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

Registered Sex Offender Check*

REASON FOR YEAR-TO-YEAR CHANGE:

The decrease reflects a full year of Sacramento County returning the licensing function to the state and updated social worker hours, offset by an increase in the match rate, administrative action rate and FFH caseload.

EXPENDITURES:

(in 000s)

FY 2013-14

Item 151 – CCL Administration	Total	Federal	State	County	Reimb.
Registered Sex Offender Check	\$93	\$31	\$62	\$0	\$0

FY 2014-15

Item 151 – CCL Administration	Total	Federal	State	County	Reimb.
Registered Sex Offender Check	\$81	\$26	\$55	\$0	\$0

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

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Foster Care (FC) Burial*

DESCRIPTION:

This premise reflects the costs for the FC Burial program. The FC 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 who is receiving FC at the time of death.

KEY DATA/ASSUMPTIONS:

Authorizing statute: W&IC section 11212.

METHODOLOGY:

The estimated costs for FY 2013-14 and FY 2014-15 are held at the FY 1999-00 GF expenditure level of \$186,000.

FUNDING:

The FC Burial program is funded with 100 percent GF.

CHANGE FROM GOVERNOR’S BUDGET:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000s)

		<u>FY 2013-14</u>				
Item 151 - Special Programs Services	Total	Federal	State	County	Reimb.	
FC Burial	\$186	\$0	\$186	\$0	\$0	
		<u>FY 2014-15</u>				
Item 151 - Special Programs Services	Total	Federal	State	County	Reimb.	
FC Burial	\$186	\$0	\$186	\$0	\$0	

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

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Assistance Dog Special Allowance Program^{*}

DESCRIPTION:

This premise reflects the costs associated with providing a monthly dog food allowance to recipients of federal Social Security Disability Insurance, SSI/SSP and IHSS program participants who have incomes at or below the FPL. Existing law provides that eligible individuals with guide, signal or service dogs are eligible to receive a dog food allowance of \$50 per month.

IMPLEMENTATION DATE:

This premise implemented on January 1, 2000.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&IC sections 12553 and 12554.
- Recipients will receive a monthly dog food allowance of \$50 per month.

METHODOLOGY:

- The FY 2013-14 and FY 2014-15 estimates are based on year-to-date actual costs and projected caseload growth or 2009 November Estimate level, whichever is higher. Based on projected cases, FY 2013-14 and FY 2014-15 estimates would be \$498,000 and \$502,000, which are lower than 2009 November Estimate number of \$554,000.

FUNDING:

This program is funded with 100 percent GF.

CHANGE FROM GOVERNOR'S BUDGET:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

**Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.*

Assistance Dog Special Allowance Program^{*}

EXPENDITURES:

(in 000s)

FY 2013-14

Item 151 – Special Programs Services	Total	Federal	State	County	Reimb.
Assistance Dog Special Allowance Program	\$554	\$0	\$554	\$0	\$0

FY 2014-15

Item 151 – Special Programs Services	Total	Federal	State	County	Reimb.
Assistance Dog Special Allowance Program	\$554	\$0	\$554	\$0	\$0

**Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.*

Access Assistance/Deaf Access Program^{*}

DESCRIPTION:

This premise reflects the costs associated with the Access Assistance/Deaf Access Program, which was established by AB 2980 (Chapter 1193, Statutes of 1980). Assistance under this program enables deaf and hearing-impaired persons to access needed social and community services, e.g., employment services, counseling, interpreting services, deafness education and advocacy. In addition, this premise reflects savings from reducing Access Assistance/Deaf Access Program costs by ten percent effective July 1, 2008.

The impact of the federal sequestration reduction is reflected in the Federal Sequestration Reduction premise.

IMPLEMENTATION DATE:

The Access Assistance/Deaf Access Program implemented in 1980. The ten percent reduction implemented July 1, 2008.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&IC section 10621.
- Currently, eight regional contractors provide services to individuals that are hard of hearing.
- Services will be provided to 164,446 deaf and hard of hearing Californians in FY 2013-14 and FY 2014-15.
- In FY 2013-14 and FY 2014-15, the program will be funded with \$3 million in Title XX funds, which offsets GF costs by that same amount. The Title XX funds are reflected in the Title XX premise.

METHODOLOGY:

Funding for both FY 2013-14 and FY 2014-15 is held to the amounts established through the Budget Act of 1999. The estimated savings also reflects a ten percent reduction consistent with FY 1998-99, which is applied to the Access Assistance/Deaf Access Program – Basic Costs table line and corresponding Title XX Funding table line.

FUNDING:

This program is funded with GF and Title XX funds. The Title XX block grant reduces the amount of GF in the program. Title XX funding appears on a separate line as an adjustment. The savings for this premise reflects a ten percent reduction to the GF and the Title XX block grant.

CHANGE FROM GOVERNOR'S BUDGET:

There is no change.

**Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.*

Access Assistance/Deaf Access Program*

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000s)

FY 2013-14

Item 151 – Special Programs Services	Total	Federal	State	County	Reimb.
Access Assistance/Deaf Access Program – Basic Costs	\$5,804	\$0	\$5,804	\$0	\$0
Access Assistance/Deaf Access Program – Reduce Services by Ten Percent	-581	-300	-281	0	0

FY 2014-15

Item 151 – Special Programs Services	Total	Federal	State	County	Reimb.
Access Assistance/Deaf Access Program – Basic Costs	\$5,804	\$0	\$5,804	\$0	\$0
Access Assistance/Deaf Access Program – Reduce Services by Ten Percent	-581	-300	-281	0	0

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

Title XX Funding*

DESCRIPTION:

This premise reflects the Title XX Social Services Block Grant awarded to the state as well as 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 FY 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.
5. Securing referral or admission for institutional care when other forms of care are not appropriate or providing services to individuals in institutions.

Through FY 1992-93, Title XX funds were used exclusively to fund the IHSS program. With the implementation of Title XIX PCSP in 1993, a portion of Title XX funds were shifted to other eligible programs. Those funds now support the following programs:

- Deaf Access Program (goals 1 and 2)
- FC services (goal 3)
- CWS (goals 3 and 4)

The impacts of the federal sequestration reductions are reflected in the Federal Sequestration Reduction premise.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&IC sections 13000 through 13008.
- State legislation permits Title XX funds to be used in FC and CWS to supplant the non-federal share.
- The FC and CWS programs portion of this estimate is included in the Realigned Programs premise.
- The Title XX Social Services Block Grant funding awarded to California is \$150.2 million for FFY 2012 and \$150.0 million for FFY 2013. The amount of TANF funds to be transferred to Title XX is \$365.8 million in FY 2013-14 and \$365.3 million in FY 2014-15.
- The FFY awards are adjusted to conform to FY funding needs.

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

Title XX Funding^{*}

METHODOLOGY:

- In the Deaf Access Program, \$3.0 million in Title XX Social Services Block Grant funds for both FY 2013-14 and FY 2014-15 will reduce the 100 percent GF share.
- In FY 2013-14 and FY 2014-15, \$20.0 million of TANF funds may be transferred to Title XX for child care: \$10.0 million for CDSS' Stage One Child Care program and \$10.0 million for CDE's child care programs, in order to broaden access to Child and Adult Care Food Program benefits for low-income children in proprietary child care centers. The FY 2013-14 and FY 2014-15 reflect additional TANF Title XX funds in the amount of \$153.6 million and \$153.1 million, respectively, to fund Stage One Child Care. Funds for Stage One Child Care total \$163.6 million in FY 2013-14 and \$163.1 million in FY 2014-15.

FUNDING:

The Title XX Social Services Block Grant is federal funding that does not require a state or county match. The funding for the FC and CWS programs portion of this estimate is included in the Realigned Programs premise. The TANF transfer to Title XX funding is federal funds converted from the TANF Block Grant to the Social Services Block Grant to be used as Title XX funds.

CHANGE FROM GOVERNOR'S BUDGET:

The FY 2013-14 increase in the local assistance portion of the Title XX Social Services Block Grant reflects the updated grant amount prior to the federal sequestration reduction. There is no change in FY 2014-15.

The FY 2013-14 and FY 2014-15 increase in the Title XX transfer from TANF in is due to a decrease in Tribal TANF funds. The FY 2013-14 increase in the amount of TANF transferred to Stage One Child Care through Title XX is due to decreased Tribal TANF costs.

REASON FOR YEAR-TO-YEAR CHANGE:

The decrease in the total Title XX Social Services Block Grant is due to a decrease in funds for DDS Regional Centers in FY 2014-15.

The decrease in the Title XX transfer from TANF and the amount of TANF transferred to Stage One Child Care through Title XX is due to increased Tribal TANF costs in FY 2014-15.

**Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.*

Title XX Funding***EXPENDITURES:**

(in 000s)

FY 2013-14

Total Title XX Funding	Federal Funds
Title XX Grant	\$150,217
TANF Transfer to Title XX	365,809
Title XX Grant	Federal Funds
Item 151 – CWS Grant Transfer to DDS	\$147,221
Item 151 – Deaf Access (Access Assistance/Deaf Access Program) Grant**	2,996
TANF Transfer to Title XX	Federal Funds
Item 101 – FC TANF Transfer**	\$30,303
Item 153 – Waiver TANF Transfer**	21,473
Item 151 – CWS TANF Transfer to DDS	77,157
Item 151 – CWS TANF Transfer**	39,160
Item 153 – Waiver TANF Transfer**	24,150
TANF Reconciliation – CalWORKs Child Care	163,566

FY 2014-15

Total Title XX Funding	Federal Funds
Title XX Grant	\$149,990
TANF Transfer to Title XX	365,348
Title XX Grant	Federal Funds
Item 151 – CWS Grant Transfer to DDS	\$146,994
Item 151 – Deaf Access (Access Assistance/Deaf Access Program) Grant**	2,996
TANF Transfer to Title XX	Federal Funds
Item 101 – FC TANF Transfer**	\$30,303
Item 153 – Waiver TANF Transfer**	21,473
Item 151 – CWS TANF Transfer to DDS	77,157
Item 151 – CWS TANF Transfer**	39,160
Item 153 – Waiver TANF Transfer**	24,150
TANF Reconciliation – CalWORKs Child Care	163,105

** Detail Table Line also includes a corresponding decrease in GF.

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

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CalWORKs Non-MOE*

DESCRIPTION:

This premise shifts the funding for CalWORKs cases with an unaided but federally work-eligible adult from MOE GF (GF counted toward the state's TANF MOE requirement) to non-MOE GF. These CalWORKs cases will be solely state-funded and will be removed from the TANF WPR calculation.

IMPLEMENTATION DATE:

This premise implemented for C-IV counties (approximately 27,000 cases) December 1, 2013. CalWIN and LEADER counties (approximately 57,000 cases) are scheduled to implement April 1, 2014.

KEY DATA/ASSUMPTIONS:

- Cases that will no longer be funded with MOE GF are AUs that include an unaided adult who is either:
 - an adult who has exceeded the CalWORKs 48-month time limit (Safety Net), or
 - a drug or fleeing felon.
- The felon caseload impacted by this premise is estimated at approximately 3,700 cases in December 2013 and approximately 11,600 in April 2014 through June 2014 and in FY 2014-15.
- The Safety Net caseload is projected to be approximately 23,200 cases in December 2013 and approximately 72,300 cases in April 2014 through June 2014. The Safety Net caseload is projected to be approximately 72,800 cases in FY 2014-15.
- The administrative cost is projected at \$64.17 per case per month in FY 2013-14 and \$64.32 per case per month in FY 2014-15 (including additional work verification costs).
- The standard grant costs for the Safety Net and drug and fleeing felon caseload is estimated at \$400.85 per case per month from December 2013 through February 2014 and \$424.70 per case per month in March 2014 through June 2014 and in FY 2014-15.
- Child support is fully passed through to families impacted by this policy change. Child support received by the families should be reported as unearned income based on the reasonable anticipation of the payments.
- The services costs are projected at approximately \$0.9 million in FY 2013-14 and \$2.4 million in FY 2014-15. Child care costs are estimated at \$0.5 million in FY 2013-14 and \$1.2 million in FY 2014-15. Both assumptions are consistent with the methodology for funding services and child care for Safety Net cases. For more information about the methodology for these estimates, see the CalWORKs Employment Services and/or CalWORKs Child Care – Stage One Services and Administration premises.

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

CalWORKs Non-MOE*

METHODOLOGY:

The estimated MOE shift is the sum of the monthly administrative and grant costs multiplied by the average monthly caseload and by the number of months of impact. Services and child care costs are equivalent to the costs budgeted for affected Safety Net cases within the specific premises listed in the Key Data/Assumptions section above.

FUNDING:

Assistance costs are funded with 97.5 percent non-MOE GF and 2.5 percent county funds not countable towards the state's MOE requirement. Administrative, services and child care costs are funded with 100 percent non-MOE GF.

CHANGE FROM GOVERNOR'S BUDGET:

The FY 2013-14 decrease in the funding shift from MOE to non-MOE is due to delayed implementation, resulting in the Safety Net and drug or fleeing felon cases continuing to be funded with MOE GF for more months than previously expected.

The FY 2014-15 decrease in the funding shift from MOE to non-MOE is primarily due to a decrease in the safety net caseload.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase in the funding shift from MOE to non-MOE is due to a full year of implementation.

EXPENDITURES:

(in 000s)

	<u>FY 2013-14</u>				
Non-TANF/MOE Eligible Expenditures	Total	Federal	State	County	Reimb.
CalWORKs Non-MOE	-\$175,305	\$0	-\$171,535	-\$3,770	\$0
	<u>FY 2014-15</u>				
Non-TANF/MOE Eligible Expenditures	Total	Federal	State	County	Reimb.
CalWORKs Non-MOE	-\$498,639	\$0	-\$487,889	-\$10,750	\$0

*Please refer to the first tab titled "[Acronyms](#)" for a full description of acronyms.

Cost-of-Doing-Business

DESCRIPTION:

This premise reflects the provision contained in W&IC section 10507 which requires CDSS to estimate the costs for county administration using a county-specific survey.

The statute requires CDSS to develop, in consultation with CWDA, a survey process to collect reasonable county specific cost data. Due to the implementation of 2011 Realignment, and in consultation with CWDA, the Cost-of-Doing-Business survey has been suspended and held to the 2011 May Revision figures.

IMPLEMENTATION DATE:

This premise implemented on July 1, 2007.

KEY DATA/ASSUMPTIONS:

Authorizing statute: W&IC section 10507.

METHODOLOGY:

- CDSS has suspended the survey process since FY 2012-13. In addition, the proposed funding for the FY 2014-15 CWS, FC Administration and Adoptions have been excluded due to 2011 Realignment.
- Proposed funding for FY 2014-15 IHSS Administration program has been excluded due to the implementation of the county MOE. Effective July 1, 2012, counties have a MOE requirement in lieu of paying a share of the non-federal costs for IHSS services and IHSS and Public Authority (PA) administration. Expenditures for these three components will be tracked against a total MOE level. County costs that exceed the total MOE level will be shifted to 100 percent GF.
- This premise reflects the estimated difference between the raw data as reported on the counties' Cost-of-Doing-Business survey in 2011 May Revision process and the proposed funding levels for FY 2014-15.

FUNDING:

Funding will vary depending on program area.

CHANGE FROM GOVERNOR'S BUDGET:

Cost-of-Doing-Business data is only displayed in the May Revision process. The FY 2014-15 estimated difference between the data as reported by the counties' cost-doing-business survey in 2011 May Revision and the proposed funding levels is inclusive of each program's associated premise.

Cost-of-Doing-Business

REASON FOR YEAR-TO-YEAR CHANGE:

The FY 2014-15 estimate is based on the data as reported in the cost-of-doing-business survey submitted by the counties in the 2011 May Revision process. Year-to-year changes are primarily due to the impact of changes in caseload and county staffing.

2011 May County Request vs. 2014 May Budget (Dollars in thousands)

<u>FY 2014-15</u>	<u>TOTAL</u>	<u>FEDERAL</u>	<u>STATE/ TANF</u>	<u>COUNTY</u>	<u>REIMB (Title XIX)</u>
CalWORKS-Admin	\$304,480	\$620,512	-\$316,032	\$0	\$0
CalWORKS-EmpSvcs	23,961	48,437	-24,476	0	0
CalFresh Admin	-1,049,883	-548,143	-366,513	-135,227	0
NET DIFFERENCE	-\$721,442	-\$548,143	-\$38,072	-\$135,227	\$0

Note: Costs reflect the statewide difference between the data as reported in the county surveys and the proposed funding levels.