

**DEPARTMENT OF SOCIAL SERVICES**

744 P Street, Sacramento, California 95814



May 11, 2001

ALL-COUNTY INFORMATION NOTICE NO: I-42-01

TO: ALL COUNTY WELFARE DIRECTORS  
ALL IHSS PROGRAM MANAGERS  
ALL COUNTY FISCAL OFFICERS  
ALL SPECIAL CIRCUMSTANCE COORDINATORS

**REASON FOR THIS TRANSMITTAL**

- State Law Change
- Federal Law or Regulation Change
- Court Order
- Clarification Requested by One or More Counties
- Initiated by CDSS

SUBJECT: FEBRUARY 2000 REPORT TO THE LEGISLATURE ON EXPENDITURES FOR THE SPECIAL CIRCUMSTANCES PROGRAM (SCP)

This All-County Information Notice transmits the report given to the Legislature regarding expenditure information for the Special Circumstances Program (SCP).

The report was mandated by Senate Bill 160 (Chapter 50, Statutes of 1999), the 1999 Budget Act. The Budget Act requested the California Department of Social Services to report to the appropriate fiscal and policy committees of the Legislature, by February 1, 2000, on the expenditure of funds in the SCP. The report includes information on the percentage of funds used for administrative purposes in each county, the types of assistance provided to individuals, and the effects of providing this assistance.

If you have any questions about this notice, please contact Rolonda Moen, of the Cash Assistance Programs Unit at (916) 229-4598.

Sincerely,

***Original Document Signed By  
Donna L. Mandelstam on 5/11/01***

DONNA L. MANDELSTAM  
Deputy Director  
Disability and Adult Programs Division

Attachment

**REPORT TO THE LEGISLATURE  
EXPENDITURE REPORT FOR THE  
SPECIAL CIRCUMSTANCES PROGRAM**



Prepared by  
**California Department of Social Services  
Disability and Adult Programs Division  
Adult Programs Branch**

**February 2000**

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# **EXPENDITURE REPORT FOR THE SPECIAL CIRCUMSTANCE PROGRAM**

## **REPORT MANDATE**

Senate Bill 160 (Chapter 50, Statutes of 1999) mandates this report. Senator Steve Peace, on the Budget and Fiscal Review Committee was the author of this bill.

In accordance with the 1999 Budget Act, effective July 1, 1999, the California Department of Social Services shall report to the appropriate fiscal and policy committees of the Legislature, on or before February 1, 2000, on the expenditure of funds in the Special Circumstances program. This report should include, at a minimum, information on the percentage of funds used for administrative purposes in each county, the types of assistance provided to individuals, and the effects of providing this assistance.

## **EXECUTIVE SUMMARY**

Senate Bill (SB) 160, (Peace), (Chapter 50, Statutes of 1999) mandated that the Department of Social Services (the Department) report on the expenditure of funds in the Special Circumstances Program (SCP). The report must include information on the percentage of funds used for administrative purposes in each county, the types of assistance provided to individuals, and the effects of providing the assistance.

### **BACKGROUND**

In 1974, Welfare and Institutions Code (WIC) Section 12550 established the SCP to provide special needs services to recipients of Supplemental Security Income/State Supplementary Payment (SSI/SSP) benefits. The SCP program provides these special need services to SSI/SSP, In-Home Supportive Services (IHSS) or Cash Assistance Program for Immigrants (CAPI) recipients. The program was suspended from July 1992 through June 1998.

The program was reinstated on July 1, 1998. Upon reinstatement, and under a court order (Thornton vs. Anderson), the Department notified approximately 1.4 million SSI/SSP and In-Home Supportive Services (IHSS) program recipients about the availability of SCP.

### **FUNDING AND ALLOCATION**

Of the \$8.3 million appropriated for Fiscal Year (FY) 1998/99, the counties were allocated \$2,819,854 for administration and \$5,006,183 for services, and costs projected for mailing to SSI/SSP and IHSS recipients were approximately \$401,000.

### **EXPENDITURES**

The total expenditure in FY 1998/99 was \$4,122,303, or 53 percent of the total appropriation. The counties spent \$2,456,915 on administration and \$1,665,388 on services. Of the total amount spent, 60 percent was used for administrative costs. The 1999/2000 Budget Act contains a one-time provision to roll over the unspent portion of the 1998/1999 appropriation for the provision of services only. Administrative expenditures varied among counties. Eight counties claimed no administrative costs and 15 counties claimed only administrative costs and no services costs. See Attachment I for specific county expenditures and percentages.

Counties attribute the majority of their unusually high administrative costs to start-up activities necessary to reinstate the program after it was suspended six years earlier. Counties have the ability to claim operating costs associated with start-up activities. However, this does not include developing and implementing

procedures such as, hiring and training new staff, establishing written county procedures and purchasing computer equipment. One (1) county did claim administrative costs for start-up activities for FY 1998/99. Counties report they expect to see a decrease in their administrative expenditures for FY 1999/00. Expenditure reports for the first quarter of FY 1999/00 show counties claimed \$844,375 for administrative and \$915,737 for services.

**CASELOAD AND SERVICES**

With the reinstatement of the program, the Department implemented a monthly caseload reporting system.

The following table provides a summary of the caseload and outcome data received from September 1998 through June 1999.

CATEGORY	NUMBER OF CASES
Applications Received	16,207
Applications Approved	5,520
Services Approved*	7,038
Prevented Institutionalization	240
Applications Denied	5,445
Applications Pending	5,139

\*Note: More than one service may be provided based on one application. See Table 2 in the body of the report for specific services provided. Some counties were unable to report in certain months due to startup delays.

The most frequently provided service was Housing and Essential Appliance Repairs, with Moving Expenses and Supplemental Repairs constituting the second most frequently provided service. Counties advise that a large number of their clients are individuals whose special needs are not met by other social service programs. Counties advise that a large number of their clients are individuals who are living in unsafe and unhealthy housing situations who do not qualify to receive assistance from other social service programs. The reinstatement of SCP has allowed them to improve the condition of their living circumstances.

## **PROGRAM SIMPLIFICATION**

The Department has convened a County work group to review the current application form and to identify other changes needed to minimize the administrative cost of the program. This work group has met three times since October 1999. Although it was thought that much of the administrative time spent at the local level was related to the application form, counties indicate the form is not a major issue. The group is gathering data about local procedures, administrative activities, and simplifying the SCP application in order to identify options for simplification of the program administration.

## **REPORT DISCUSSION**

### **BACKGROUND**

In 1974, Welfare and Institutions Code (WIC) Section 12550 established the SCP to provide special needs to recipients of Supplemental Security Income/State Supplementary Payment (SSI/SSP). The program was suspended from July 1992 through June 1998.

The program was reinstated on July 1, 1998. Upon reinstatement, and under a court order (Thornton vs. Anderson), the Department notified approximately 1.4 million SSI/SSP and In-Home Supportive Services (IHSS) program recipients about the availability of SCP. The SSI/SSP and IHSS population has increased substantially since the program's suspension in 1992.

This program is supervised by the State and administered by counties to provide vendor and cash benefits to SSI/SSP, IHSS and Cash Assistance Program for Immigrants (CAPI) recipients who have an unanticipated need for goods or services because of physical infirmities or other conditions peculiar, on a nonrecurring basis, to the individual's situation. Services provided by SCP include replacement of essential household furniture and equipment or clothing when lost, damaged or destroyed by a catastrophe, necessary moving expenses, required housing repairs, and unmet shelter needs.

### **FUNDING AND ALLOCATION**

Prior to the suspension of the SCP (FY 1992/93) the appropriation totaled \$2,704,000 for administration and services costs. When the program was reinstated in 1998, \$8.3 million was appropriated for the program. This was calculated by applying inflation costs and caseload growth to the \$2,704,000.

The allocation was developed by applying a percent-to-total to the counties total caseload of authorized IHSS cases for the most recent twelve-month average, and the total SSI/SSP population for the most recent twelve-month average.

Each county was guaranteed a minimum of \$500 for administration and \$1,000 for services. This was consistent with the allocation methodology used in the past. The methodology for future allocations will be coordinated with counties via County Welfare Directors Association (CWDA). Counties were permitted to utilize their administrative allocation for services once their services allocation was exhausted. However, counties were not allowed to use their services allocation for administration. See Attachment II for the county allocations.

For FY 1999/00, the Budget Bill allows the movement of unspent administrative and services funds from FY 1998/99 to 1999/00 for the purpose of providing services. These "roll-over" funds may not be spent for administration. The

Department as agreed with CWDA has allocated these funds in the same manner as the original appropriation.

## **EXPENDITURES**

Of the \$8.3 million appropriated to the program for FY 1998/99, the counties were allocated \$2,819,854 for administration and \$5,006,183 for services. A total of \$7,826,037. The cost for mailing notifications to SSI/SSP and IHSS recipients was approximately \$401,000.

The counties spent a total of \$4,122,303, or 53 percent of the total appropriation. Of that amount \$2,456,915 was spent on administration and \$1,665,388 was spent on services. See Attachment I for a county-specific breakdown of expenditures.

Counties reported that they spent the majority of their administrative funding on staff development, operating costs, startup costs, support staff salaries and benefits, and caseworker salaries. The counties also reported there was a delay in processing the SCP applications because of the time associated with startup activities, which caused a delay in approving payments to the clients.

County regional representatives reported that specific factors for the high start-up costs included:

- Hiring and training new employees.
- Establishing written county procedures.
- Purchasing computer equipment.
- Creating data collection systems.
- Establishing office space.
- Implementing 800 telephone lines.
- Establishing voice mail information systems.
- Responding to numerous ongoing telephone inquiries about interpretation of the notices mailed to the recipients.

Counties have the ability to claim operating costs associated with start-up activities. However, this does not include all of the items identified in the aforementioned list. One (1) county did claim administrative costs for start-up activities for FY 1998/99. Counties report they expect to see a decrease in their administrative expenditures for FY 1999/00. Expenditure reports for the first quarter of FY 1999/00 show counties claimed \$844,375 for administrative and \$915,737 for services.

In CDSS' review of FY 1998/99 statewide expenditures for the Special Circumstances Program, it has come to our attention that claiming instructions for services costs may need to be clarified. Counties who contract out for services may be reporting all (vendor/grant payments and the related

administrative costs) as administrative. This distorts the level of administrative costs which may further explain the unusually high level of administrative costs. CDSS will issue clarifying instructions as soon as possible.

**CASELOAD AND SERVICES**

The Department requires all counties to report caseload data on a monthly basis. A statewide tracking form titled Monthly Caseload Movement Statistical Report (SC-12) was developed to gather this information.

This report is designed to track the number of cases approved/denied by recipient categories for IHSS, SSI/SSP and CAPI recipients. The report also gathers data on specific approved services, such as housing repairs, essential appliances, moving expenses, payments to prevent foreclosure, and tracks the number of approved applicants kept out of institutions due to the implementation of SCP. Counties report on services such as moving expenses, purchase of refrigerators and other essential appliances, roofing repairs and replacements and other home modifications.

Table 1 provides a summary of the data reported September 1998 through June 1999:

Table 1

CATEGORY	NUMBER OF CASES
Applications Received	16,207
Applications Approved	5,520
Services Approved*	7,038
Prevented Institutionalization	240
Applications Denied	5,445
Applications Pending	5,139

**\*Note: More than one service may be provided based on one application. Some counties were unable to report in certain months due to startup delays.**

Table 2 provides a summary of the authorized services for September 1998 through June 1999.

Table 2

<b>CATEGORY</b>	<b>APPROVED SERVICES</b>
Catastrophe (Household furniture/equipment)	392
Repairs (Housing/Essential Appliances)	3,857
Moving Expense	938
Supplemental Moving Expense	253
Supplemental Repair (Housing/Essential Appliances)	901
Securing Rental Housing	378
Home Purchase	8
Home Modification	289
Payment to Prevent Foreclosure	22
<b>Total Approved Services</b>	<b>7,038</b>

### **PROGRAM SIMPLIFICATION**

The Department has convened a County work group to review the current application form and to identify other changes needed to minimize the administrative cost of the program. This work group has met three times between October 1999 and December 1999. Although it was thought that much of the administrative time spent at the local level was related to the application form, counties indicate the form is not a major issue.

The group continues to meet and is gathering data about local procedures, administrative activities and making decisions on simplifying the SCP application in order to identify options for simplification of the program administration.

## Special Circumstances Program Fiscal Year 1998/99

Attachment 1

County Name	Services Expenditures	Admin. Expenditures	Total Services and Admin. Expenditures	% of Admin. Costs
ALAMEDA	0	118,976	118,976	100%
ALPINE	0	0	0	0%
AMADOR	1,645	3,477	5,122	68%
BLUTE	0	2,875	2,875	100%
CALAVERAS	5,008	1,494	6,502	23%
COLUSA	502	1,203	1,705	71%
CONTRA COSTA	198,432	73,089	271,521	27%
DEL NORTE	0	8,033	8,033	100%
EL DORADO	7,934	13,619	21,553	63%
FRESNO	62,888	43,384	106,270	41%
GLENN	600	7,013	7,613	92%
HUMBOLDT	27,163	12,783	39,946	32%
IMPERIAL	0	14,910	14,910	100%
INYO	443	1,144	1,587	72%
KERN	400	78,396	78,796	98%
KINGS	8,138	1,607	9,745	18%
LAKE	10,915	0	10,915	0%
LASSEN	1,868	230	2,099	11%
LOS ANGELES	701,956	675,084	1,377,020	48%
MADERA	0	3,958	3,958	100%
MARIN	0	20,131	20,131	100%
MARIPOSA	1,474	783	2,237	34%
MENDOCINO	12,374	26,126	38,500	68%
MERCED	20,681	8,459	29,140	28%
MODOC	0	0	0	0%
MONO	0	916	916	100%
MONTEREY	0	120,657	120,657	100%
NAPA	4,955	9,503	14,458	68%
NEVADA	5,744	4,086	9,829	42%
ORANGE	25,675	43,798	69,471	63%
PLACER	0	8,309	8,309	100%
PLUMAS	1,457	0	1,457	0%
RIVERSIDE	0	105,308	105,308	100%
SACRAMENTO	109,600	73,539	183,139	40%
SAN BENITO	1,344	0	1,344	0%
SAN BERNARDINO	77,784	131,215	208,999	63%
SAN DIEGO	0	258,714	258,714	100%
SAN FRANCISCO	42,184	48,843	89,007	53%
SAN JOAQUIN	88,843	54,048	143,891	38%
SAN LUIS OBISPO	0	38,934	38,934	100%
SAN MATEO	54,999	32,789	87,788	37%
SANTA BARBARA	2,375	20,502	22,877	90%
SANTA CLARA	55,820	102,632	158,552	85%
SANTA CRUZ	26,093	820	26,913	3%
SHASTA	0	0	0	0%
SIERRA	300	0	300	0%
SISKIYOU	9,047	3,378	12,425	27%
SOLANO	0	41,488	41,488	100%
SONOMA	0	48,381	48,381	100%
STANISLAUS	48,860	52,457	102,317	51%
SUTTER	2,315	6,162	8,477	73%
TEHAMA	5,282	10,901	15,883	67%
TRINITY	2,480	2,185	4,645	47%
TULARE	0	70,651	70,651	100%
TUOLUMNE	8,187	12,503	18,690	67%
VENTURA	11,200	30,859	41,859	73%
YOLO	15,415	0	15,415	0%
YUBA	2,929	8,148	11,075	74%
STATEWIDE TOTAL	\$1,865,388	\$2,458,915	4,122,303	80%

## SPECIAL CIRCUMSTANCES 1998/99 ALLOCATION

ATTACHMENT II

State General Fund

COUNTY	Administrative Allocation	Services (Benefits) Allocation
ALAMEDA	\$125,848	\$223,407
ALPINE	\$500	\$1,000
AMADOR	\$1,389	\$2,467
BUTTE	\$23,578	\$41,857
CALAVERAS	\$2,821	\$5,008
COLUSA	\$1,339	\$2,377
CONTRA COSTA	\$56,990	\$101,169
DEL NORTE	\$3,977	\$7,059
EL DORADO	\$6,420	\$11,397
FRESNO	\$99,510	\$176,652
GLENN	\$2,655	\$4,713
HUMBOLDT	\$15,326	\$27,207
IMPERIAL	\$22,082	\$39,200
INYO	\$1,330	\$2,362
KERN	\$62,897	\$111,656
KINGS	\$10,524	\$18,682
LAKE	\$9,715	\$17,246
LASSEN	\$2,370	\$4,208
LOS ANGELES	\$975,503	\$1,731,727
MADERA	\$11,223	\$19,923
MARIN	\$9,729	\$17,271
MARIPOSA	\$896	\$1,591
MENDOCINO	\$10,597	\$18,812
MERCED	\$22,660	\$40,226
MODOC	\$970	\$1,721
MONO	\$500	\$1,000
MONTEREY	\$23,319	\$41,396
NAPA	\$5,589	\$9,921
NEVADA	\$4,673	\$8,295
ORANGE	\$128,249	\$227,670
PLACER	\$10,693	\$18,982
PLUMAS	\$1,832	\$3,252
RIVERSIDE	\$100,711	\$178,784
SACRAMENTO	\$124,253	\$220,575
SAN BENITO	\$2,243	\$3,983
SAN BERNARDINO	\$128,694	\$228,460
SAN DIEGO	\$197,654	\$350,878
SAN FRANCISCO	\$125,391	\$222,597
SAN JOAQUIN	\$60,609	\$107,593
SAN LUIS OBISPO	\$13,176	\$23,390
SAN MATEO	\$34,291	\$60,874
SANTA BARBARA	\$23,277	\$41,321
SANTA CLARA	\$98,194	\$174,316
SANTA CRUZ	\$15,149	\$26,892
SHASTA	\$20,154	\$35,778
SIERRA	\$500	\$1,000
SISKIYOU	\$5,487	\$9,741
SOLANO	\$26,509	\$47,060
SONOMA	\$26,594	\$47,210
STANISLAUS	\$46,052	\$81,752
SUTTER	\$6,987	\$12,403
TEHAMA	\$6,601	\$11,717
TRINITY	\$1,530	\$2,717
TULARE	\$41,393	\$73,482
TUOLUMNE	\$3,653	\$6,484
VENTURA	\$34,209	\$60,729
YOLO	\$11,538	\$20,483
YUBA	\$9,301	\$16,510
<b>TOTAL</b>	<b>\$2,819,854</b>	<b>\$5,006,183</b>