

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, CA 95814
(916) 445-1862



January 27, 1981

ALL-COUNTY INFORMATION NOTICE I- 8-81

TO: ALL COUNTY WELFARE DIRECTORS

SUBJECT: PREMISES, NOVEMBER 1980 SUBVENTION ESTIMATES

REFERENCE:

The attached "Premises, November 1980 Subvention Estimates, 1980-81 and 1981-82", represent the assumptions used to develop the Department of Social Services estimates of county welfare program expenditures for the 1981-82 Governor's Budget which was released January 10, 1981. These premises reflect the Department's best information as of November 1980 concerning effective dates, regulations, legislation and other assumptions. In general, changes which occurred after November 1, 1980, are not reflected in the assumptions. One example of this is the premise concerning Angus v. Woods, item E.8.e., in which we assumed new overpayment recoupment regulations would be in place by November 3, 1980. Regulations were not implemented November 3, and are, at this time, not expected to be implemented before April 1981. Since our estimates were completed by November 1, 1980, they reflect a November 3, 1980, implementation date for the Angus v. Woods regulations. A new premise on this issue and others which may have changed will be developed and used in preparing our May 1981 estimates for Fiscal Year 1980-81 and 1981-82.

Any questions regarding the attached premises should be directed to Robert Garcia, Chief, Estimates Branch, at (916) 445-1862.

Sincerely,


CLAUDE E. FINN
Deputy Director
Administration Division

Atch.

cc: CWDA

GEN 654a (7/78)

Premises
November 1980 Subvention Estimates
1980-81 and 1981-82

A. Centralized Delivery System

Chapter 282, Statutes of 1979 (AB 8), requires the Department to implement in all counties by July 1, 1984, a centralized delivery system for AFDC (FG, U, and BHI), Food Stamps, Medi-Cal eligibility, Aid for the Adoption of Children, Special Adult programs, and to the extent feasible, Social Services and Child Support Enforcement programs.

There will be no fiscal impact at the county level in 1980-81 and in 1981-82.

B. Cost-of-Living Adjustments for Administrative Costs

1980-81

With the exception of Item 312 and parts of 313 of the Budget Act, the cost-of-living increase for county administrative costs is estimated to be 10.09 percent. This includes increases to salaries, employee benefits, nonpersonal services, and merit salary adjustments.

1981-82

No cost-of-living increase was included.

C. County Forms Funding

Effective July 1, 1981, the provision of some welfare forms to the counties free of charge will be discontinued. Thereafter, counties will be charged for normal printing costs. The current funding of these forms is through the Department of Social Services' support budget. In 1981-82, these costs will show up within the administrative costs of the individual programs affected.

D. Refugee Programs

1. Indochinese

a. Refugee Act of 1980

With passage of the Refugee Act of 1980 (PL 96-212) we assume that effective April 1, 1981, Indochinese refugees in the United States three years or less will continue to be eligible for 100 percent federal funding. This applies to refugees receiving assistance through the AFDC, Refugee Cash Assistance and SSI/SSP programs. Beginning April 1, 1981, AFDC and SSI/SSP recipients who have been in the United States over three years

will be reimbursed at the normal sharing ratio. Refugee Cash Assistance recipients who have been in the United States over three years will be transferred, if qualified, to General Relief or nonfederal AFDC and be reimbursed at the normal sharing ratio; those not qualified for General Relief or nonfederal AFDC will be ineligible for assistance.

b. Caseload Growth

The United States admission quota for FFY 80 and FFY 81 is 168,000. We assume that equal numbers will be admitted in FFY 82.

We have estimated an increase in cash assistance and food stamp caseloads due to the anticipated steady rate of U.S. admissions.

2. Cuban

a. Refugee Act of 1980

With passage of the Refugee Act of 1980, the cost of Cuban refugees who entered the United States before October 1, 1978, will be reimbursed at the phase-out percentage of 75 percent of the nonfederal share for FFY 80, 60 percent for FFY 81 and 45 percent for FFY 82. This applies to refugees receiving assistance through the General Relief and AFDC programs. The state has the option to be reimbursed by applying the phase-out percentage to either the estimated costs or the base year 1977 adjusted expenditures as provided by DHSS. The base year expenditure option was chosen because it results in 100 percent federal reimbursement of costs for this group.

Cuban refugees who entered the United States on or after October 1, 1978, will continue to receive 100 percent federal funding until April 1, 1981. Thereafter, only those refugees who have been in the country three years or less will be eligible for full federal funding. Those in the country over three years will be reimbursed at the normal sharing ratio.

b. Caseload Growth

The United States admission quota for Cuban refugees in FFY 80 is 16,000. We assume equal numbers will be admitted as refugees in FFY 81 and FFY 82.

c. Cuban/Haitian Entrants (Status Pending)

Approximately 115,000 Cubans entered the United States between April 21 and June 19, 1980. They received the alien classification of Cuban/Haitian Entrant (Status Pending). It is assumed that this group will participate in public assistance programs for which they qualify and will receive the normal share of federal financial participation. Although legislation is proposed to grant this group full refugee status no assumption is made that this will occur.

d. Unaccompanied Cuban/Haitian Minors

Approximately 500 unaccompanied minors entered the United States between April 21 and June 19, 1980. Although they are a sub-classification of Cuban/Haitian Entrant (Status Pending), they are entitled to 100 percent federally funded assistance, rather than the normal share granted to other Cuban/Haitian Entrants.

e. Applicants for Asylum

Cubans entering the United States after June 19, 1980 who are not given "refugee" status, are considered "applicants for asylum". They are eligible for food stamps and social services only. We assume that the approximate 6,000 who have entered the U.S. will remain in the country after their 60-day temporary admission status has expired. We also assume that the Immigration and Naturalization Service will not grant this group refugee status and that the group will continue to be eligible for food stamps and social services only.

3. Other Refugees

The United States admission quota for refugees other than Indochinese and Cuban is 44,200 in FFY 80. We assume equal numbers will be admitted in FFY 81 and FFY 82. Beginning October 1, 1980, this group of refugees will fall under the provisions of the Refugee Act of 1980. They will receive 100 percent federal funding until April 1, 1981. Thereafter, those in the country over three years will receive normal shares of federal financial participation; those in the country three years or less will continue to receive full federal funding until their three-year time limit is up.

E. AFDC Maintenance Payments and Administrative Costs - Section 32.5 and Item 313

1. Cost-of-Living Adjustments

a. AFDC-FG and U Payment and Need Standards

Welfare and Institutions Code Section 11453 provides that AFDC Maximum Aid Payment (MAP) and Minimum Basic Standards of Adequate Care (MBSAC) be adjusted annually to reflect any increases or decreases in the cost of living. Based on the Consumer Price Index (CPI), the July 1, 1980 adjustment reflected a 15.48 percent increase over 1979-80 levels. As a result of Chapter 511, Statutes of 1980 (AB 2982) effective January 1, 1981, MAP and MBSAC levels will be reduced to amounts equivalent to a 13.0 percent increase over 1979-80 levels. AB 2982 also provided that beginning July 1, 1981, cost-of-living adjustments will be based on the California Necessities Index (CNI). However, it is assumed that state statutes will be modified to suspend the use of the CNI as the cost-of-living adjustment factor for 1981-82. A 4.75 percent increase is expected to be given in lieu of the CNI adjustment.

b. AFDC-Foster Care Rates

Welfare and Institutions Code Section 11407(b) allows for state participation in foster care rate increases up to the percentage increase given to AFDC-FG and U recipients. This provision is in effect only until a payment system is implemented in accordance with Section 11406(c) of the Code. In 1980-81, the maximum percent increase for foster care rates is 15.48 percent. A statewide standard payment system for 1981-82 has not been identified in time for inclusion in the November 1980 subvention estimates. Therefore, we are assuming that foster care rates will increase by no more than the 4.75 percent assumed to be given to AFDC-FG and U recipients.

2. Child Support Enforcement Program

a. Collections

Absent parent support payments are used to offset AFDC maintenance payment expenditures. Recoupment sharing ratios will be as follows:

July 1980 - September 1980

	<u>FG & U</u>	<u>Fed FC</u>	<u>Nonfed FC</u>
Total	1.0000	1.0000	1.0000
Federal	.4900	.5000	.0000
State	.4549	.4750	.9500
County	.0551	.0250	.0500

October 1980 - June 1981

	<u>FG</u>	<u>U</u>	<u>Fed FC</u>	<u>Nonfed FC</u>
Total	1.0000	1.0000	1.0000	1.0000
Federal	.4998	.4251	.5000	.0000
State	.4462	.5128	.4750	.9500
County	.0540	.0621	.0250	.0500

July 1981 - June 1982 (Estimated)

	<u>FG</u>	<u>U</u>	<u>Fed FC</u>	<u>Nonfed FC</u>
Total	1.0000	1.0000	1.0000	1.0000
Federal	.4997	.4038	.5000	.0000
State	.4463	.5318	.4750	.9500
County	.0540	.0644	.0250	.0500

b. Child Support Incentive Payments

In addition to their relative share of child support collections, the counties receive an incentive payment from the federal

government and the State equal to a percentage of money recouped. The federal incentive rate is 15 percent. In the first six months of 1980-81, the state incentive rate is also 15 percent, resulting in a total rate of 30 percent. Thereafter, the state rate returns to the pre-AB 8 level of 12.75 percent resulting in a total rate of 27.75 percent.

c. Child Support Administration

The administrative cost of child support enforcement under Title IV-D is estimated separately from Title IV-A administration. IV-D administrative costs for both AFDC and non-AFDC collections are 75 percent federally funded and 25 percent county funded.

d. PL 96-265 (HR 3236) FFP for Certain Court Costs

Effective July 1, 1980, states are allowed to include certain child support-related court costs in excess of costs expended in calendar year 1978 as part of the 75 percent federal reimbursement of Title IV-D administrative costs. Allowable costs include those for administrative and support personnel, however, expenditures for judges or individuals making judicial determinations are excluded. There are no General Fund costs associated with this bill.

e. State Income Tax Refund Intercept Project

In 1979-80, the Department implemented an automated statewide income tax refund intercept system in conjunction with the Franchise Tax Board. This system to increase collections of court ordered child support arrearages for AFDC cases will continue to be identified separately through 1981-82.

In addition to the interception of child support arrearages, beginning with the income tax refunds for the 1981 taxable year, the Department will intercept payments to AFDC cases with outstanding court-ordered recoveries of overpayments. However, at this time, we have no data to estimate the impact of this.

3. Minimum Wage Increase

PL 95-151, signed November 1, 1977, increased the federal minimum wage to \$2.90 per hour on January 1, 1979, to \$3.10 per hour on January 1, 1980, and a further increase to \$3.35 on January 1, 1981. Increases in the minimum wage reduce the grant cost of working AFDC recipients whose earnings are at the minimum wage level.

4. Federal Extended Duration (FED-ED) Unemployment Benefits

Effective July 20, 1980 an additional 13 weeks of unemployment benefits beyond the normal 26 weeks will be paid. These FED-ED benefits are paid whenever the national jobless rate for people covered by unemployment insurance (UI) exceeds 4.5 percent. EDD

projects that FED-ED benefits will be paid through December 1981. Additional UI benefits paid result in greater income and less dependency on AFDC.

5. RSDHI Increases (Retirement, Survivors, Disability and Health Insurance)

A 14.3 percent increase in RSDHI benefits was given July 1, 1980. A further increase of 12.3 percent will be given July 1, 1981. These increases in unearned income result in lower grant payments to AFDC recipients who have such income.

6. 80 Percent Supplementation Budgeting System

As a result of federal regulations, state regulations were implemented on August 1, 1979, which changed the prior-month budgeting system and supplementation policy. If a recipient's grant and net income received in a month is less than 80 percent of the Maximum Aid Payment (MAP) for that month, a supplemental payment would be issued so that the sum of the grant, net income, liquid resources and the supplement would equal 80 percent of the MAP. With the passage of Chapter 1312, Statutes of 1980 (AB 3340) which permits any state budgeting system permitted under federal law, it is assumed that this supplementation system will remain in effect through 1980-81.

7. Twenty-Five Day Retrospective Budgeting System

Effective July 1, 1981, a 25-day retrospective budgeting system as allowed under federal regulations will be implemented. Under this system payments will be made within 25 days after the end of the budget month. Supplemental payments are not required to be made under this budgeting system.

8. Court Cases

a. Youakim v. Miller

As a result of this U.S. Supreme Court case, the Department of Social Services was compelled to expand the eligibility requirements of the AFDC-Foster Care program. Effective February 1, 1980, children placed in the homes of nonlegally liable relatives who meet federal eligibility criteria for foster care may receive payments.

b. Westcott v. Califano

On June 25, 1979, the Supreme Court ruled that benefits must be provided to families with an unemployed mother on the same terms and in the same amounts as benefits are paid under Section 407 of the Social Security Act to families with an unemployed father. By removing the gender distinctions of that section, additional families are eligible for AFDC grants. Department regulations were issued on April 1, 1980.

The Department intends to submit regulations which will require work registration of nonfederal unemployed mothers on the same basis as unemployed fathers. These regulations are assumed to be effective March 1, 1981. This should have a negligible impact.

c. Northcoast Coalition v. Woods

The court has issued a preliminary injunction prohibiting the Department from counting as income, contributions from an unrelated adult male (UAM) to the family where the UAM has designated the contribution as meeting his share of household expenses and not available for use by the AFDC family. Beginning with the December 1980 payments, AFDC grants will increase due to this decrease in countable income.

d. Vaessen v. Woods

In response to a preliminary injunction, the Department cannot treat income tax refunds and earned income tax credits for the taxable year 1979 as income in the month received but rather as a resource. Since these refunds and credits have already been received in calendar year 1980 and treated as income, affected AFDC grants must be adjusted retroactively. The treatment of tax refunds and credits for the taxable year 1980 and thereafter has yet to be resolved.

e. Angus v. Woods

A court order received August 26, 1980 required the Department to have in place by November 3, 1980 revised regulations regarding hardship criteria when recouping overpayments as a result of recipient willful misrepresentation of facts. Department regulations effective November 3, 1980 will allow a consideration for housing and utility costs on a case-by-case basis when determining hardship. This change will result in less recoupment in some cases. We are unable to estimate the impact on recoupments but we have included the additional administrative costs.

9. State-Only Unemployed Parent Program Change

It is assumed that state statutes will be modified to limit the state-only unemployed parent program to families in which neither parent is employed full time, and neither parent qualifies as an unemployed parent under federal standards. The effective date of this change is expected to be July 1, 1981.

10. Federal Compliance Issues

The following state policies have been determined to be out of compliance with federal regulations.

a. Passing Grade Requirement

The State may no longer require that an 18-20 year-old student in an institution of higher education have passing grades in order to be eligible as a dependent child. These regulations, ORD 979-69 are assumed to be effective July 1, 1981.

b. Aiding Needy Married Children

State policy currently restricts a married child from inclusion as a dependent child. Federal regulations do not make such restrictions. State regulations are anticipated to be effective July 1, 1981. We estimate that this premise will have a negligible cost impact.

11. Chapter 1170, Statutes of 1979 (AB 381 - Boatwright) Welfare Reform Act of 1979

a. Overpayment Recoupment

ORD 1179-83 extended the recoupment period of willful overpayments from one year to two years and modified the definition of willful overpayments. These regulations were effective January 1, 1980.

b. Stepparent Support Responsibility

ORD 1279-86 modified the required stepparent support responsibility. The stepparent will be responsible for support of the spouse's children. Half of the stepparent's income, after exempting mandatory deductions, work-related expenses and prior child support obligations is considered unconditionally available for the support of stepchildren living in the home. These regulations were effective January 1, 1980.

Revisions to the stepparent regulations above were made effective July 1, 1980. These follow-up regulations, as a result of public hearing testimony, will allow a consideration for the needs of the stepparent and his/her children who are in the household but not in the FBU.

12. Modification to the AFDC-Foster Care Claiming System

HHS (formerly HEW) has taken an exception to the method by which the federal share of BHI grant payments was claimed. A direct charge method whereby grant payments to federally eligible children are separate from expenditures in nonfederal cases has been implemented. Previously, grants to federally and nonfederally eligible children were lumped together on the aid claim and the federal share was determined via a formula using an average cost per case concept. The Department has implemented these claiming modifications effective July 1, 1980.

13. Federal Regulations on Retrospective Budgeting Systems and Monthly Notices

Federal regulations were issued on budgeting systems and required monthly notices. As a result of these regulations, the current state "break-in-aid" policy and the treatment of income received in the month of application will be modified. Also, reminder notices must be sent prior to the issuance of an adverse action notice for not returning a CA 7. These regulations are assumed to be implemented April 1, 1981.

14. Residence Requirements

Federal regulations were issued effective October 15, 1979, which require the state to modify a condition of eligibility regarding the establishment of residence. The condition that the applicant must have no present intention of leaving the state will be removed. We estimate that these regulations, to be effective December 1, 1980, will have a negligible cost impact.

15. Impact of Food Stamp Amendments of 1980 on AFDC Administration

PL 96-249, recently signed by President Carter, contains major revisions to the Food Stamp Program. Implementation of the following revisions in California began on September 1, 1980 and is expected to have a negligible impact on AFDC.

- a. Excluding energy assistance payments from income.
- b. Vehicle exclusion for disabled household members.
- c. Restriction of student participation.
- d. Reduction in assets limitations.

16. Federal Regulations - Eligibility and Nonservice Staff Development

Due to federal regulations effective September 2, 1980, some costs of income maintenance staff previously claimed as administrative costs can now be claimed as staff development costs. Counties will receive enhanced federal financial participation for these costs. At this time, we are unable to estimate the fiscal impact of this.

17. Chapter 1166, Statutes of 1980 - Foster Care (AB 2749)

This bill repeals the provisions in the Code with respect to the Aid to Families with Dependent Children-Boarding Homes and Institutions (AFDC-BHI) program and replaces it with AFDC-Foster Care (AFDC-FC). The new provisions specify the responsibilities of the Department and sets forth the criteria for eligibility under this program.

18. Chapter 1340, Statutes of 1980 - Peace Officer Status (SB 1447)

This legislation designates as peace officers welfare fraud or child support investigators or inspectors who are regularly employed and paid as such by a county. This will result in additional salary and training requirements of current investigators.

19. Exempting Educational Loans and Grants as a Recoupment Resource

Regulations are expected to be filed effective July 1, 1981 which will exempt educational loans and grants from consideration as an available resource for overpayment recoupment purposes. We have estimated this premise to have a negligible cost impact.

F. SSI/SSP Maintenance Payments - Item 310

1. Budget Act Provisions

The Budget Act provides funding for increases in SSI/SSP payment standards based on a 15.48 percent CPI change for the first six months and a 13 percent increase above the 1979-80 levels for the balance of the year. Also included is language that provides for transfer of a portion of these funds for state administration of the Energy Assistance program and food stamps for SSI/SSP recipients.

2. Payment Standards

1980-81

In conformance with Welfare and Institutions Code Section 12201 as amended by Chapter 348, Statutes of 1976 (AB 2601), and Section 12205, added to the Code by that bill, the increase in payment standards is based on 15.48 percent CPI change for the period July 1, 1980 through December 31, 1980.

Effective January 1, 1981 payment standards will be those specified in Section 12200 as amended by Chapter 511 of the Statutes of 1980 (AB 2982). These standards are 13 percent above the 1979-80 benefit levels. As a result, the Aged/Disabled Independent Individual payment standard will be reduced from \$420 to \$402.

1981-82

AB 2982 amends Section 12201 to provide for an annual cost-of-living increase based on the year-to-year change in the California Necessities Index (CNI). However, it is assumed that legislation will be enacted to suspend the automatic cost-of-living provisions of Section 12201 and funds will be included in the budget to provide a 4.75 percent increase in the total benefit level.

3. Increases in SSI Payments and Unearned Income

Under provisions of Section 1617 of Title XVI of the Social Security Act recipients of SSI benefits receive a cost-of-living adjustment based on the same cost-of-living percentage applicable to RSDHI benefits.

The effect of increases in unearned income such as RSDHI, Railroad Retirement and Veteran's Benefits was considered in making estimates of grants. For the purpose of the estimates, we assumed that all sources of unearned income will increase by the same percentage that RSDHI benefits increase.

1980-81

Effective June 1980, benefits increased by an automatic cost-of-living adjustment of 14.30 percent. This increase was based on the percentage change of the U.S. Consumer Price Index from the January - March 1979 quarter (207.0) to the January - March 1980 quarter (236.6).

1981-82

Effective June 1981, benefits will be increased by an estimated 12.3 percent. This is based on the change between the U.S. Consumer Price Index for the January - March 1980 quarter (236.6) and the estimated U.S. Consumer Price Index for the January - March 1981 quarter (265.8). The estimated CPI is provided by the Department of Finance.

4. NOHC Benefits for Disabled Minors (ORD 1179-77 and AB 2149)

Effective September 29, 1979, regulations contained in ORD 1179-77 provided for payment of the nonmedical out-of-home care benefit level to disabled minors living with a nonrelative guardian in a certified out-of-home care facility. AB 2149 amended Section 12201.5 of the Welfare and Institutions Code effective July 1, 1980 to include these provisions. The impact of this change was included in the basic cost for 1980-81 and 1981-82.

5. Substantial Gainful Activity (SGA) HR 3236 (PL 96-265)

Section 201 of this bill provides for the payment of SSI benefits to certain disabled recipients who have demonstrated the ability to engage in substantial gainful activity (SGA) despite the existence of a severe impairment. It is assumed the state will supplement these SGA cases and the resulting cost increase has been included in the estimate.

This bill also contains other sections dealing with the SSI/SSP program such as treatment of income and resources, claimants' rights and alien eligibility. However, because the cost impact of these sections is considered minimal or there is insufficient data available, the impact of these sections is not included in the estimates.

6. Quality Control Monitoring

Quality control monitoring of SSI/SSP will be expanded to 100 percent of the federal Quality Assurance (QA) sample to provide an adequate safeguard of SSP funds administered by the Social Security Administration. SSA has agreed to weigh state findings on a portion

of the federal QA sample through a regression formula and it is expected that when the regulations on the use of this regression formula are issued, they shall be retroactive effective October 1980. Therefore, the expanded QC monitoring program will be terminated 90 days after the closure of the federal data base for the period in which regression is implemented.

7. Administration of Energy Assistance Program

The Budget Act includes language for the transfer of funds from Item 310 to Item 311.1 for the cost of administering the federal low-income energy assistance program. An amount of \$790,116 has been transferred to Item 3.11.1 for this purpose.

G. Food Stamp Administration - Part of Item 313

1. Issuance Agent Contract Fees

Effective June 1, 1980, the United States Postal Service increased their rate per transaction to issue food stamps from \$1.10 to \$1.42. It is assumed that this rate will continue at the current level through 1981-82.

2. Food Stamp Reform of 1977

The final two phases of regulations which implement this law include provisions for points and hours of issuance and certification, performance reporting and changes in administrative and fiscal requirements. State regulations have been issued or are in process in the following areas.

- a. Points and hours of certification of issuance regulations were effective January 11, 1980, and require service to be provided within a 30-mile radius of most households and at specific hours depending on the number of households. Some additional service is anticipated to ensure compliance.
- b. Regulations for Performance Report System and Management Evaluation have been evaluated. It is expected these regulations will have a negligible impact on county administrative expenditure.
- c. Regulations which set forth procedures to be followed in the event of a food stamp benefit reduction, suspension or cancellation have been developed and evaluated. No assumptions have been made as to the possibility of one or more of these actions occurring.
- d. Amendments implementing federal mandates regarding Social Security enumeration, fraud disqualification and recovery, and rounding procedures have been evaluated. It is assumed that these amendments will be implemented on January 1, 1981. These amendments are expected to have some minor cost impact on the counties in 1981-82.

- e. Federal regulations (effective July 1, 1980) provide for certain blind or disabled recipients of Title II (OASDI) benefits who reside in eligible group living arrangements to participate in the Food Stamp Program. State regulations are being developed to implement these provisions; however, the impact is expected to be negligible.

3. Food Stamp Amendments of 1980

PL 96-249, recently signed by President Carter, contains major revisions to the Food Stamp Program. Implementation of the revisions will commence on September 1, 1980. Following is a partial list of revisions which may impact the current year budget.

- . Restriction of student participation - effective September 1, 1980.
- . Reduction in assets limitations - effective October 1, 1980.
- . Vehicle exclusion for disabled household members - effective October 1, 1980.
- . Excluding energy assistance payments from income - effective October 1, 1980.

Other revisions are anticipated to be issued as federal regulations during the budget year; however, no estimate of the impact of these revisions is currently possible.

H. Adult Aid Special Programs and County Administrative Expenses - Item 311 311.1 and 313.

1. Special Circumstances Cost-of-Living

1980-81

The Budget Act provides funding for a nine percent cost-of-living increase. This is based on the cost-of-living increase for county administration.

1981-82

No cost-of-living increase was included.

2. Cuban General Relief

1980-81

The grant costs for this program are increased by 13.49 percent to reflect anticipated county cost-of-living changes.

1981-82

No cost-of-living increase was included.

3. Indochinese, Cuban and Other Cash Assistance

1980-81

The grant costs for these programs are increased by 15.48 and 13.0 percent to correspond with AFDC adjustments.

1981-82

No cost-of-living increase was included.

4. Energy Assistance Program

Item 311.1 of the Budget Act provides \$131,800,000 in federal grant funds for the low income energy assistance program. In addition, \$790,116 has been transferred from Item 310 for the state cost of administering this program. As this program is now the responsibility of the Office of Economic Opportunity, the funds for state administration are available for transfer to that office.

5. AFDC-BHI Burial Expenses

The cost of reimbursing foster parents for funeral expenses for BHI children is included in Item 311.

6. Emergency Payments

It was assumed that legislation will be enacted to discontinue this program in 1981-82.

I. Social Services (Item 312)

1. Facilities Evaluation (CCL)

a. Cost-of-Living

For 1980-81: A composite 9.00 percent cost-of-living has been used for current year estimates.

For 1981-82: No cost-of-living increase was included.

b. Basic Contract Cost

Except for the floor amount described in the item covering small county contracts, the basic costs for 1980-81 were estimated utilizing the 75/150 workload standard. For 1981-82 the basic costs were estimated utilizing the new workload standards produced by Management Analysis.

c. Small Counties' Contracts Amount

The \$10,000 floor limit for contracts with smaller counties' licensing agencies, which was approved for 1980-81, will be continued for 1981-82.

d. AB 1368 - Family Day Care Regulations (ORD 287-7)

These regulations implement the provisions of Chapter 1063, Statutes of 1979 (AB 1368) which provided for the adoption of a 30-day limit for processing of an application for a family day care license. They were effective June 3, 1980, with full-year costs estimated for 1980-81 and 1981-82.

e. Community Care Licensing, General Provisions (ORD 679-39 R-2)

This regulation change implements provisions of Chapter 951, Statutes of 1978 (AB 3166). This package adopts regulation requirements for approving applications for renewal of licenses or special permits for residential facilities (except for foster homes) when satisfactory evidence is presented of substantial compliance with pertinent statutory provisions. It also regulates suspension of licenses and repeals provisions of law related to suspension and revocation of licenses. These regulations were effective October 1, 1980.

f. Foster Family Home Licensing Requirements (ORD 679-41 R-2)

This regulation change implements provisions of Assembly Bill 3166, Chapter 951, Statutes of 1978. This package adopts regulation requirements for approving applications for renewal of licenses or special permits for foster family homes when satisfactory evidence is presented of substantial compliance with pertinent statutory provisions. It also adds requirements and repeals provisions related to the Department's involvement in the suspension of licenses. These regulations were effective October 1, 1980.

g. Facilities for the Elderly (ORD 680-41)

This regulation change implements provisions of Chapter 288 Statutes of 1978 (AB 2650). The regulations establish facilities specifically for the elderly and are assumed to be effective April 1, 1981.

h. Family Day Care Licensing

Beginning with Fiscal Year 1981-82 Family Day Care Licensing will no longer be included in the Community Care Licensing Program. Adjustments in the 1981-82 basic costs and 1980-81 cost-of-living items reflect the elimination of this regulatory function.

2. In-Home Supportive Services (IHSS)

a. Statutory Cost-of-Living

Per W&I Code Sections 12303.5 and 12304, adjustments to the maximum aid payments for severely impaired and nonseverely impaired IHSS recipients are made July first of each year.

Effective July 1, 1980, recipients were given a 15.48 percent increase. Pursuant to Chapter 511, Statutes of 1980 (AB 2982), IHSS Statutory Maximums would be adjusted on July 1, 1981 by the change in the California Necessities Index. However, the statutory COL increase for 1981-82 will be adjusted according to Administration policy currently reflected at 4.75 percent. This cost-of-living increase directly impacts only those clients who are currently at the maximum.

b. Provider Cost-of-Living (1980-81)

This is an adjustment for the inflationary change in basic operating expenses of provider services offered by county welfare staff. This increase is the result of merit salary adjustments and employee benefits that are given to an IHSS provider and is not related to the Statutory Maximum for recipient grants.

No provider cost-of-living estimate for 1981-82 has been included in the November 1980 estimates.

c. Minimum Wage Increase

Public Law 95-151, signed November 1, 1977, increased the federal minimum wage to \$3.10 per hour on January 1, 1980 and \$3.35 per hour on January 1, 1981. Presently there is no provision for a minimum wage increase January 1, 1982.

d. Provider Benefits, Chapter 463, Statutes of 1978 (AB 3028)

This bill includes, within the coverage of the workers' compensation law, individual providers who perform domestic services comprising in-home supportive services; that is, those providers serving recipients where the state or county makes direct payment to the recipient or to a provider chosen by the recipient. To carry out these duties, a payrolling contract was awarded and implemented December 26, 1979.

e. IRAP - IHSS

This item has been moved to Refugee Resettlement Services (see Item 5).

f. Restaurant Meal Allowance

Pursuant to Chapter 511, Statutes of 1980 (AB 2982), the monthly restaurant meal allowance for eligible IHSS recipients is scheduled to decrease from \$44 to \$43 on January 1, 1981. Accordingly, an adjustment will be made to reflect this decrease. For 1981-82 the \$43 allowance will be adjusted according to the Administration policy related to statutory cost-of-living adjustments; (currently adjusted to \$45 pursuant to a 4.75 percent statutory cost-of-living increase for SSI/SSP).

3. Other County Social Services (OCSS)

a. Cost-of-Living

For 1980-81: A composite 9.00 percent cost-of-living has been used for current year estimates.

For 1981-82: No cost-of-living increase was included.

b. Funding Limitation

There continues to be a funding limitation for Title XX Social Services Programs. The annual limitations are reflected in the estimates of total expenditures for 1980-81 and 1981-82.

c. 24-Hour Response System

Other County Social Services (OCSS) includes funds for the 24-hour response system. For 1980-81 funding includes \$2,929,319 of Federal Title XX monies; \$5,000,000 State General Fund augmentation, and \$2,643,107 in county matching funds. The same funding level is assumed for 1981-82, pending the 1981-82 cost-of-living decision. Funding will be adjusted to reflect the cost-of-living increases.

d. IRAP-OCSS

This item has been moved to Refugee Resettlement Services (see Item 5).

4. Child Welfare Services

SDSS receives federal Title IV-B funds which are allocated to counties for child welfare services. This item is exclusive of Child Protective Services provided under Title XX.

5. Refugee Resettlement Services

Social Services are provided with 100 percent federal funds to refugees who qualify under the Federal Refugee Act of 1980 (PL 96-212). The delivery system includes services provided by either County Welfare Departments or local agencies under contract with DSS.

For 1980-81, contract services may be provided to Indochinese refugees only; however, county welfare departments are authorized to provide 100 percent federally funded social services to both Indochinese and non-Indochinese refugees during 1980-81. In 1981-82, both CWDs and contract agencies may provide social services to non-Indochinese refugees as well as Indochinese.

6. Work Incentive Program (WIN)

a. WIN Funding

Funding for the WIN Supportive Service costs (SAU) is 90 percent Federal and 10 percent county. However, under provisions of AB 8, WIN Child Care was bought out by the State, resulting in a funding of 90 percent federal, 10 percent state for WIN Child Care.

b. Long Beach Project

The WIN estimate includes funds to provide child care for the Long Beach Employment Opportunities Pilot Program (EOPP) - a demonstration project of National Welfare Reform for the Work and Training Opportunities Act of 1979. A total of \$200,000 in federal funds will be available in 1980-81 for this project, with the same funding level assumed for 1981-82. The State has the responsibility to provide the 10 percent matching WIN child care funds.

c. Special Project - WIN Reporting

Additional federal funding is being requested for the purpose of funding the development of an automated system for WIN reporting.

7. Adoptions

a. Cost-of-Living

For 1980-81: A composite 9.00 percent cost-of-living has been used for current year estimates.

For 1981-82: No cost-of-living increase was included.

b. Private Agency Reimbursement (Chapter 489, Statutes of 1979, AB 296)

The Welfare and Institutions Code (Sections 16150 and 16120.1) provides for reimbursement to be made to private adoption agencies for hard-to-place children. This bill increased the maximum allowable reimbursement rate from \$1,000 to \$1,500 under Section 16150 and from a \$1,500 to \$2,000 under Section 16120.1. The rate increases have been in effect since January 1980.

c. Indian Child Welfare Act

These regulations implement the federal Child Welfare Act of 1978 and state statutes. The regulations are intended to prevent unwarranted removal of Indian children from their homes, establish standards which preserve familial or cultural ties in placing an Indian child in a foster or adoptive home, and require adoption agencies to gather certain information to

ensure that the Indian adoptee can establish eligibility for available services and benefits. The regulations were effective December 26, 1980 with full year costs estimated for 1980-81 and 1981-82.

8. State-Administered Services

a. Office of Family Planning

This is a contract with the Department of Health Services to provide family planning services to eligible Title XX recipients. The contract amount is \$4,444,444 for 1980-81 at 90 percent federal, 10 percent state funding. The same funding level is assumed for 1981-82.

b. Child Development Services

SDSS is required under SB 99 to contract with the State Department of Education (SDE) for child development services. Child day care services are delivered by public and private providers who have subcontracted with SDOE. The contract amount is \$62,685,256 for 1980-81, which includes \$52,013,942 of federal monies and \$10,671,314 in state matching funds. The contract is terminated following 1980-81 under buy-out provisions for Child Day Care.

c. Maternity Care (W&I Code, Section 16151)

The Welfare and Institutions Code provides for a continuing General Fund appropriation of \$2.4 million each fiscal year for maternity home care for unwed pregnant minors. The estimates for 1980-81 and 1981-82 are based, however, on actual and anticipated contract amounts not to exceed the \$2.4 million.

d. Local Rape Victim Counseling (Chapter 1312, Statutes of 1978 - SB 1714)

The Budget Act of 1980 appropriates \$207,638 from the General Fund to the State Department of Social Services for disbursement to current or new rape victim counseling centers meeting specific criteria. Pursuant to the provisions of SB 862, these funds will be transferred to the Office of Criminal Justice Planning.

e. Access Assistance for the Deaf (Chapter 1193, Statutes of 1980 - AB 2980)

This item is the continuation of the 1980-81 demonstration program for the deaf. Pursuant to AB 2980, contracts will be awarded for the provision of access assistance to local service agencies. Funding estimates for 1981-82 are based on current 1980-81 contract maximums.

9. Demonstration Programs

a. Family Protection Act of 1976 (SB 30)

This four-year demonstration project in San Mateo and Shasta counties provides additional social services for the purpose of reducing out-of-home placements, providing more permanent and stable placements, and reducing the cost of child protective services. This project (in its last year) is budgeted at \$2,000,000 for 1980-81. Funding will be shared 95 percent state, five percent county under AB 8 buy-out provisions, instead of the previous 66-2/3 percent state, 33-1/3 percent county sharing, as set forth in SB 30.

b. Pruger Project

The Pruger Project is a 100 percent state-funded project for the purpose of standardizing intake procedures in the IHSS Program. The project is in its final year with no funding provided for 1981-82.

c. Multi-Service Senior Centers (AB 998)

This is an agency staffed project to which DSS contributes (through contract). For 1980-81, funding is provided from DSS in the amount of \$1,060,803. In 1981-82, \$432,837 will be provided by DSS for this project.

d. Prevention of Separation of Families at Risk

This project is one of seven awarded nationally to develop services to "families at risk" with the primary goal of substantially reducing the placement of children away from their parents. Federal funding ends September 30, 1980. The state match is provided as in-kind match.

e. Office of Child Abuse Prevention

Beginning December 31, 1979, three pilot projects were established with funding provided through the federal Child Abuse and Neglect Prevention Program. Federal funds of \$269,093 are available for local projects during 1980-81, with the same funding level assumed for 1981-82.

f. Service for the Deaf and Hearing Impaired (AB 2980)

The Budget Act of 1980 appropriated \$1,682,729 for implementing provisions of AB 2980. This appropriation was included under Demonstration Programs for 1980-81, but moved to State Administered Services for 1981-81 (renamed Access Assistance for the Deaf).

J. Domestic Violence (Item 312.1)

The Budget Act of 1980 appropriated \$152,000 to SDSS for transfer to continue six domestic violence programs. The funds appropriated by this item are considered to be a loan repayable from locally generated revenues.

K. Social Services Training Staff Development (Item 312.2)

The cost of state-administered contracts with various educational institutions for the training of county social services staff is combined with the cost of training programs administered by individual counties and continues at \$12,435,667 for 1980-81 with the same level assumed for 1981-82.

L. Grants and Administration - Local Mandated Costs - Item 314

Funding of any increased level of existing services mandated on local entities by legislation or executive regulation will be reflected in these items.

1. Executive Mandated Costs

- a. AFDC Employment-Related Equipment
- b. AFDC Treatment of Loans
- c. AFDC EDD-ES Registration
- d. AFDC Exempting Educational Loans and Grants as a Recoupment Resource
- e. IHSS Regulations (ORD 1078-35)

2. Legislative Mandated Costs

a. Chapter 348, Statutes of 1976 (AB 2601)

The county share of the increased payment standard mandated by AB 2601 will be funded by the State and is included under this budget item; counties, however, will be liable for their share of the cost-of-living adjustments computed on the increase.

b. Chapter 1340, Statutes of 1980 - Peace Officer Status (SB 1447)

This legislation designates as peace officers welfare fraud or child support investigators or inspectors who are regularly employed and paid as such by the county. This will result in additional salary and training requirements of current investigators.

c. Chapter 1229, Statutes of 1980 - Foster Care Inventory (AB 3070)

A statewide foster care inventory is scheduled for completion by March 31, 1981, as the first phase of the statewide information system. Appropriation of \$250,000 was provided under AB 3070 to fund the statewide inventory.