

**DEPARTMENT OF SOCIAL SERVICES**

744 P Street, Sacramento, CA 95814



April 7, 1997

ALL-COUNTY INFORMATION NOTICE I-23-97

## REASON FOR THIS TRANSMITTAL

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

TO: ALL COUNTY WELFARE DIRECTORS

SUBJECT: AID TO FAMILIES WITH DEPENDENT CHILDREN (AFDC) EXEMPT CASELOAD DATA REPORT - CLARIFICATION LETTER

REFERENCE: ACL 96-13, ACL 96-28, ACIN I-26-96, CFL 96/97-37

ALL-COUNTY FISCAL LETTER 96/97-37 implemented monthly reporting on the AFDC Exempt Caseload (AFDC Exempt Caseload Monthly Data Report - ABCD 832). This report requires counties to provide on a monthly basis, by category, the number of AFDC FG/U cases, adults and children exempted from the 4.5, 1.3, 2.7 and 2.3 percent reductions in the Monthly Aid Payment (MAP). This report became effective on January 1, 1997, with the first report due to the California Department of Social Services (CDSS) no later than February 20, 1997, and subsequent reports due on the 20th of the month following the report month. Information regarding the Exempt Caseload is needed by the Governor and Legislature in order to aid the decision making process in the areas of current budgeting and welfare program design.

This report requests new data elements that may require computer reprogramming for counties. This letter clarifies the need for this data and provides answers to questions/issues raised by several counties.

The reasons for this new report are twofold:

1. Budgeting: The California Department of Social Services (CDSS) in FY 96/97 budgeted \$101 million in grant costs and \$23.8 million in administrative cost for those cases exempted from the MAP reductions. A major portion of these budgeted expenditures is for cases exempted as mandated by the federal Department of Health and Human Services. These budgeted expenditures were based upon AFDC Characteristics survey data. However, for future budgeting and allocation development, the actual number of exempted cases and persons are needed to accurately project state and county costs and to develop trends.

The Department realizes that this function will require additional funding to comply with the new reporting requirements and budgeted substantial State and federal dollars for the administrative costs of those cases exempt from the MAP reductions. In fiscal year 1996/97, \$16.7 million was allocated to cover the administrative costs for those cases exempted from the MAP reductions. Of that amount, \$8.695 million is targeted for the cost of county computer reprogramming and the production of required monthly reports. The Governor's Budget proposes to increase the total to \$23.8 million and, if passed, county allocations will be augmented accordingly.

2. Welfare Reform: In August, President Clinton signed federal Welfare Reform legislation. This legislation has specific requirements regarding teen parents, child only cases, cases with able bodied adults, work participation, eligibility time limits, etc. Since CDSS and the counties are in the process of redesigning the welfare system in California, data on the groups exempted from the MAP reductions is critical information for the design of the new welfare system. Consequently, implementation of the new TANF program increases the need for close cooperation between the State and the counties.

While we recognize the need for a county funding match to comply with these requirements, our analysis of the need for this information is critical to the Department's budget, and policy development efforts cannot be understated.

This letter addresses questions and issues raised by counties since the process of designing the reporting system began last year. Following are questions and answers addressing county concerns:

- Q.1. Why is the Department not collecting (via the ABCD 832 report) data on expenditures for Exempt cases?
  - A.1. Current survey information will continue to be utilized to determine the average cost per exempted case. Determining the expenditure for these cases would cost counties additional reprogramming time and related expenditures.
- Q.2. Why can't the needed data be obtained via a survey (i.e., client profile study, Quality Control Information System, etc.)?
  - A.2. Most statistically valid surveys are "point-in-time" in nature and do not provide enough on-going data from which accurate trends can be developed, including seasonality and major fluctuations. In addition, most surveys take a considerable amount of time to complete. Due to the relatively immediate need for Exempt caseload data, surveys are not viable at this time.
- Q.3. Why does CDSS need the Exempt caseload data broken out in such detail as required on the ABCD 832 report?

- A.3. The exempt caseload is a combination of diverse categories. The establishment of the number of cases and persons in each category is critical in the development of the statewide *AFDC* budget. In addition, this data is needed for compliance with federal work participation requirements and eligibility time limits in the TANF program.
- Q.4. When calculating case/person counts, which cases are included? Cases in open, grant status; cases in grant status, in receipt of aid; cases in grant status, but suspended; cases in pending status; cases receiving zero grants, or less than \$10; persons added during the month; persons added to cases with grants of zero or less than \$10; and persons added to suspended cases?
- A.4. CDSS is interested in collecting data for cases/persons where a grant was paid. Accordingly, we do not require reporting of cases or persons in suspense or zero grant status (including less than \$10 cases) as neither of these types of cases are included in the statewide budget calculation.
- Q.5. Example: Though the budget for February 1997 was determined retrospectively from December 1996, properly using the Nonexempt MAP, the only caretaker becomes a recipient of IHSS in February, and the case becomes prospectively Exempt. Should this case be counted as Exempt or Nonexempt for the February report?
- A.5. Assuming that the case is an ongoing case in retrospective budgeting, you would report cases as Exempt or Nonexempt based on the payment month status, even though this status is determined using budget month circumstances. The status is reflected in the payment month when the first month of the new status is the corresponding budget month.

In this situation, the first month of the new status is February (the first month of IHSS receipt). The corresponding payment month is April. The first Exempt grant to be paid is for April. The case would be reported as Exempt for the April report, with the corresponding person count. The case is properly reported as Nonexempt for the month of February.

If you have any questions related to the ABCD 832 report, please contact Levy J. St. Mary of the Information Services Bureau at (916) 653-5170. Any questions regarding allocations should be directed to the County Cost Analysis Bureau at (916) 657-3806.

  
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