DEPARTMENT OF SOCIAL SERVICES
744 P Street, Sacramento, CA 95814

November 20, 1998

COUNTY FISCAL LETTER (CFL) NO. 98/99-54

TO: COUNTY WELFARE DIRECTORS
COUNTY FISCAL OFFICERS
COUNTY AUDITOR CONTROLLERS
COUNTY PROBATION OFFICERS
COUNTY DISTRICT ATTORNEYS

SUBJECT: POLICY AND REPORTING INSTRUCTIONS FOR CALIFORNIA WORK OPPORTUNITY AND RESPONSIBILITY TO KIDS (CALWORKS) PERFORMANCE AND FRAUD INCENTIVES

Reference: County Fiscal Letter No. 98/99-36 and All County Information Notice (ACIN) I-58-98

The purpose of this County Fiscal Letter (CFL) is to provide counties with information and policy regarding the CalWORKs performance incentives, the source and allowable use of the funds, and fiscal reporting instructions for incentive earnings and expenditures. This CFL also provides information for reporting expenditures paid with fraud incentives.

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❑ ***PERFORMANCE INCENTIVES***

Chapter 270, Statutes of 1997, Welfare and Institutions Code 10544.1, established performance incentives to counties to move CalWORKs recipients to employment. The statute provides for counties to receive 75 percent of the state share of savings including federal TANF funds, as a result of the following outcomes:

- Recipients exiting the program due to employment that has lasted a minimum of six months;
- Increased earnings by recipients due to employment; and
- Diversion of applicants from the program for six months in addition to the number of months equivalent to the diversion payment.

In addition to these outcomes, counties may also receive incentives from the remaining 25 percent of the state and federal share of savings as a result of performing in a manner worthy of recognition.

I. Policy and Methodology for Determining Grant Savings

As stipulated in the statute, the Department in consultation with counties and the Legislative Steering Committee established the following policy for determining counties' grant savings associated with program performance:

A. *75 Percent Pool of Grant Savings*

1. Exits Due to Employment

(a) An incentive payment will be made to those counties achieving case exits due to employment that exceed the number of exits in the base and who remain off aid for subsequent six months beyond exit. The individual county base will be the average number of cases exiting aid due to employment and remaining off aid for six months during fiscal years 1994-95, 1995-96, and 1996-97. (See Attachment 1, Column L, for county base.) The incentive payment will be the grant savings achieved for months one through six.

(1) A county that is disadvantaged by the three-year average base, which resulted in a caseload decrease that is above the statewide caseload median, as determined by the Department, may select an alternate single base year. (See Attachment 1, Column H, for the median. A county above the statewide median may select a base year from Columns I through K.)

(b) Counties that have cases exceeding the base and continuing to stay off aid will be paid an incentive for months seven through twelve for each month remaining off aid continually due to employment.

The grant savings will be calculated using the individual county's prior SFY monthly average grant amount. (See Attachment 2.) Counties will receive 75 percent of these savings.

2. Increased Earnings

All counties will receive incentive payments for cases with earnings due to employment that result in a reduction of the case grant level.

The grant savings will be the difference of the monthly grant amount and the actual reduced grant paid as a result of employment earnings for that month. Counties will receive 75 percent of the grant savings. (See Attachment 3.)

3. Diversion

Counties will receive incentive payments for individuals determined eligible for the Diversion Program that stayed off aid for six months in addition to the number of months equivalent to the diversion payment. (See Attachment 4.)

The value of the Diversion incentive payments will be six months of the county's prior SFY monthly average grant. (See Attachment 2.) This value is effective January 1998 through June 1999. CDSS, in conjunction with the County Welfare

Directors Association, shall determine the value of the incentive payment to be used in subsequent fiscal years. Counties will receive 75 percent of the grant savings.

B. 25 Percent Pool of Grant Savings

The Department, in consultation with counties, provided clarifying legislative language that resulted in the following amendment to WIC Section 10544.1(c):

> *"The department shall allocate the remaining 25 percent of the state share of savings resulting from the outcomes specified in subdivision (a) to counties that ~~have not realized savings due to those outcomes but~~ have performed in a manner worthy of recognition based on standards developed by the department in consultation with the counties."*

As a result of this amendment, the 25 Percent Pool of incentive funds will be distributed as follows:

1. Base Year Disadvantage

A portion of the 25 Percent Pool will be reserved for counties that are disadvantaged by the three-year average base period used in the exits due to employment calculation. Counties that are above the statewide median caseload decline shall have the option to choose a single base year from fiscal years 1994-95, 1995-96, or 1996-97. (See Attachment 1, Column H.)

2. Below Median Earned Incentive

(a) Once all data is available for a fiscal year on the actual grant savings that result in earned incentive payments, each county's incentives earned per case will be calculated. Counties below the statewide median earned incentives per case will qualify for the 25 Percent Pool. When determined qualified, counties may submit to the Department a description of the barriers they face in program performance and the steps taken to remediate the barriers. The Department will certify the county's description and the county will be eligible to receive funds, to the extent available, from the 25 Percent Pool that would bring them up to the statewide median earned incentives per case. More information regarding this process will be provided at a later date.

(b) If sufficient funds are not available to bring all qualified counties up to the statewide median incentives per case, each county would receive a proportionate share of available funds as determined by the Department.

(c) If there are funds remaining after all eligible counties have received the statewide median incentives per case, any remaining funds will be distributed to all counties on a "percent-to-total" basis for all incentive payments.

3. Effective Date of Methodology

This methodology will be implemented for two years (through SFY 1999/2000) and may be reviewed after that time.

II. Incentive Funding Source and Rollover Provision

The incentive funds are federal TANF block grant funds and state general fund (SGF) dollars. Counties were informed in CFL No. 98/99-36, dated September 21, 1998, that they would receive a lump sum credit towards the projected grant savings based on the performance outcomes described within the 75 percent share of savings pool. The funding source for the lump sum credit has been identified as 100 percent SGF to be countable towards the State's TANF maintenance of effort (MOE). The remainder of the incentive funds budgeted for January 1998 through June 1999 have been identified as TANF funds. (Please reference Section III, Allowable Use of Incentive Funds, for guidance of acceptable expenditures.)

Funds that are not expended may be retained by the county for expenditure in subsequent fiscal years and used for only the purposes as stipulated in Section III, Allowable Use of Incentive Funds.

III. Allowable Use of Incentive Funds

Pursuant to WIC Section 10544.1(d):

> *"The funds allocated to counties pursuant to subdivisions (a) and (b) that are federal Temporary Assistance for Needy Families block grant funds, shall be used only for purposes for which these federal funds may be used. The funds that are state general fund dollars shall be expended for purposes directly connected to the CalWORKs program and countable towards the state maintenance of effort level required by federal law, unless the Director of Finance determines that all or part of the funds are not needed in that fiscal year to meet the required maintenance of effort."*

Therefore, incentive funds that are allocated to counties that are SGF dollars shall be expended for CalWORKs program purposes and countable towards the state MOE level required by federal law unless the State determines that all or part of the funds are not necessary in the fiscal year to meet the required MOE. For SFY 1998/99, the State has determined that the SGF dollars are required to meet the federal MOE requirements. The funds that are federal TANF block grant funds may be expended only for purposes for which these funds may be used as prescribed in the federal statute.

In addition to the following criteria, the principles and guidelines included in the Office of Management and Budget (OMB) Circular A-87 must be followed for all

expenditures of SGF and TANF incentive dollars (e.g., federal rules restrict the use of TANF and state MOE funds for the purchase or construction of facilities or buildings).

A. State General Fund

The SGF incentive dollars may be spent on existing CalWORKs programs providing benefits to CalWORKs recipients. Other expenditures made on behalf of CalWORKs ***"eligible families"*** that count towards the State's TANF MOE requirement and are an allowable use of SGF incentive dollars include the following:

- cash assistance;
- child care assistance;
- educational activities designed to increase self-sufficiency and directed at assisting members of needy families and not available to the general public;
- expenditures which can be reasonably calculated to accomplish the goals of the TANF legislation (refer to the goals of the TANF program listed below under *Federal TANF Funds);* and
- expenditures that were historically allowable under AFDC [including Emergency Assistance (EA)] and Job Opportunity and Basic Skills Training Program (Greater Avenues for Independence Program) programs immediately in effect prior to TANF enactment (e.g., SGF incentive dollars may be used for EA-Child Welfare Services (CWS) expenditures for like services as the program in effect on August 21, 1996).

Limitations on Use of SGF Incentive Dollars

- Except for information technology and computerization needed for tracking or monitoring, no more than 15 percent of the total SGF incentive allocation may be used for administrative purposes. (The State has defined administrative costs to be general "administrative" costs including budgets, accounting, personnel, etc., and related overhead [operating costs], and excluding eligibility determination, case management, and related overhead costs. This definition is subject to change upon release of the final TANF regulations.)
- May not be used to match federal fund sources for other programs (i.e., cannot be used to match Title IV-E, Title XIX, or any other federal fund source).
- May not be used to supplant county share of CalWORKs assistance payments or county MOE associated with the CalWORKs single allocation.

B. Federal TANF Funds

Federal TANF fund incentive dollars may be spent on existing CalWORKs programs providing benefits to CalWORKs recipients. Other expenditures which can be reasonably calculated to accomplish the goal of the TANF program, including providing low income households with assistance in meeting home heating and cooling costs are an allowable use of TANF incentive dollars.

The goal of the TANF program is to:

- provide assistance to needy families so that children may be cared for in their own homes or in the home of a relative;
- end the dependence of needy parents on government benefits by promoting job preparation, work, and marriage;
- prevent and reduce the incidence of out-of-wedlock pregnancies and establish annual numerical goals for preventing and reducing the incidence of these pregnancies; and
- encourage the formation and maintenance of two-parent families.

TANF funds may also be spent in any manner that the State was authorized to use Title IV-A or Title IV-F funds in effect on September 30, 1995 (e.g., federal TANF incentive dollars may be used to fund EA-Probation expenditures for like services as the program in effect on September 30, 1995).

1. Limitation on Use of TANF Funds

Due to the prohibitions identified in the federal statute regarding use of TANF funds, the following limitations are applicable to TANF incentive funds:

- No more than 15 percent of the TANF funds may be used for administrative purposes. *Exception:* information technology and computerization needed for tracking or monitoring required by or under TANF are not subject to the 15 percent administrative cap.
- No assistance to a family unless the family includes a pregnant individual; or a minor child who resides with a custodial parent or other adult caretaker relative.
- No assistance to a family if the family includes an adult who has received assistance under any state program funded with TANF for 60 months.
- No assistance for families not assigning certain support rights to the state.
- No assistance for teenage parents who do not attend high school or other equivalent training program.
- No assistance for teenage parents not living in adult-supervised settings. *Exception*: Provide or assist the individual in locating a second chance home, maternity home, or other appropriate adult supervised supportive living arrangement.
- No medical services. *Exception:* Does not include pre-pregnancy family planning services.
- No assistance to an individual for 10 years found to have fraudulently misrepresented residence to obtain assistance in two or more states.
- No assistance to any individual who is a drug felon or fleeing felon or probation or parole violator.

- No assistance for minor children who are absent from the home for a significant period.
- No assistance to non-qualified aliens and restricted assistance to qualified aliens as defined in ACL 98-65, dated August 14, 1998.
- May not be used to match federal fund sources for other programs (i.e., cannot be used to match Title IV-E, Title XIX, or any other federal fund source).
- May not be used to supplant county share of CalWORKs assistance payments or county MOE associated with the CalWORKs single allocation.

[Note: The TANF legislation did not provide a definition of the costs that are applicable towards the 15 percent administrative cap. Therefore, the State has defined administrative costs associated with the CalWORKs program to be general "administrative" costs that cannot be captured directly to eligible programs, including budgets, accounting, personnel, etc., and related overhead (operating costs) and excluding eligibility determination case management, and related overhead costs. This definition, although consistent with the definition of administrative costs applicable to the Child Care and Development Block grant (CCDBG), is subject to change upon release of the final TANF regulations that may include fraud administrative activities.]

2. *Other Considerations*

- *Definition of Assistance:* The federal Department of Health and Human Services (DHHS), has defined "assistance" as every form of support provided to families under TANF except for the following: (1) services that have no direct monetary value to an individual family and that do not involve implicit and explicit income support, such as counseling, case management, peer support, and employment services that do not involve subsidies or other forms of income support and (2) one-time, short term assistance. The preamble of the proposed federal regulations clarifies that **child care** and **wage subsidies** are included in the definition of assistance. Furthermore, the federal government has identified that certain **transportation costs** (e.g., transit passes, etc.) meet the definition of "assistance" and would also subject the individual to the time limit.

- Any TANF funded **assistance** triggers the federal 60 month time limit, work participation, child support assignment, and data reporting requirements.

IV. Reporting Incentives Earned and Reconciliation Process

A. Reporting Instructions

1. Exits Due to Employment

Counties are not required to report cases that exit the CalWORKs program due to employment. The Department will determine the number of cases over the county's base by using information from the State's Medi-Cal Eligibility Data System (MEDS) and the Employment Development Department. The incentive for these cases will be calculated with the number of cases exceeding the base multiplied by the prior SFY monthly average county grant amount. (See Attachment 2.)

Counties that are above the statewide caseload median and choose to select an alternate single base year shall submit a written request to the following CDSS organization no later than January 15, 1999:

Data Analysis and Publications Branch
744 P Street, MS 12-84
Sacramento, CA 95814
Attention: Tom Burke

2. Employment Earnings and Diversion

Counties shall submit the attached report form CW 801, Summary Report of Performance Incentives for Grant Reductions Due to Employment Earnings and Diversion for CalWORKs each month. (See Attachment 5.) The Department shall receive this report no later than the 20th of the following month for the report month. Separate reports shall be submitted for Family Group (FG) and Unemployed (U) cases. The following are instructions for calculating the grant savings for this report:

(a) Grant Reduction Due to Employment Earnings: Counties shall report all cases that have a grant reduction due to employment earnings. Cases with subsidized wages in the employment earnings should not be included. Attachment 3, CW 801.1, Earned Employment Income Incentive Summary, is the calculation for the grant savings. This support document shall be used each month and retained in the county as backup to the CW 801.

(b) Diversion: Counties shall report only the cases that have remained off aid six months after the diversion period. To support the report of diversion grant savings, Attachment 4, CW 801.2, Diversion Grant Savings Summary, shall be used each month to calculate the incentive for qualified cases and retained in the county as backup to the CW 801.

Prior to submitting the CW 801, counties should verify with MEDS or the Statewide Automated Welfare System (SAWS) Information System (SIS) that the individuals within the case who participated in the Diversion Program did not receive a cash assistance grant in another county within the diversion incentive time period (i.e., a two parent case that neither individual received aid in another county). To calculate the amount of the grant savings for each case, the county shall multiply the county's prior SFY monthly average grant by six months (i.e., January 1998 through June 1998 incentives use 1996/97 county average grant; July 1998 through June 1999 incentives use 1997/98 county average grant; and apply FG or U average grant amount appropriately). (See Attachment 2.)

B. Reconciliation Process for Lump Sum Credit

As stated in the CFL No. 98/99-36, each county has received a lump sum credit based on conservative projected grant savings a county would earn from January 1998 through December 1998. This lump sum credit is 50 percent of the SFY 1998/99 budgeted incentive funds.

To ensure that counties receive the most accurate accounting of their incentive earnings, counties shall submit the CW 801 no later than April 1999 to report their grant savings associated with employment earnings and diversion for the months of January 1998 through December 1998. When the reports are received by the Department, a debit equal to the reported grant savings will be applied to the county's lump sum credit account. As the credit account is diminished to zero, the county, thereafter, will receive a payment for the reported grant savings each month. These additional payments will be identified as TANF funds at the time of release of the payment to the county.

If a county has a credit remaining after April 1999, the amount will be subject to recovery by the Department.

The CW 801, CW 801.1, and CW 801.2 forms are available only in camera-ready copy. To obtain a copy, please contact:

California Department of Social Services
Forms Management Unit
744 P Street, M.S. 7-182
Sacramento, CA 95814
Telephone Number: (916) 657-1907

V. 25 Percent Incentive Pool

The determination of counties that qualify for the 25 percent incentive pool will occur after September 1999. A future CFL will provide further information and instructions for fund distribution.

VI. Instructions for Reporting Expenditures

For purposes of federal reporting, counties shall report the expenditure of these incentive funds on the County Expense Claim (CEC) along with an addendum page to be submitted with the CEC. (See Attachment 6.)

A. State General Fund

As stated previously in Section III of this CFL, the expenditures of earned SGF performance incentive funds can only be utilized for CalWORKs eligible activities. To accomplish the reporting of total expenditures as required by the County Welfare Department (CWD) Cost Allocation Plan, expenditures will be recorded to the existing program codes and on the addendum page. Expenditures reported to the "Other" category on the addendum page should be explained in the description box or on an attachment to the addendum page.

The DFA 327.5 series funding pages of the CEC have been revised to the DFA 327.5(1) and the DFA 327.5(2). The DFA 327.5(1) will report adjustments and will also accommodate the reporting of the expenditures of both performance and fraud incentive funds. The DFA 327.5(2) series will be the program funding pages that are now on the DFA 327.5 series.

The following is an example for reporting eligible incentive expenditures on the CEC:

> The CWD makes the decision that Program 623, WTW Post-Assessment: Vocational Education would be a more effective program with additional financing and they will utilize incentive funds to increase their efforts. The CWD would record all program expenditures as usual to Program 623. On the CalWORKs DFA 327.5B(1), to the appropriate performance and fraud incentive column, the CWD would input for Program 623 the amount of the expenditures that are funded with incentive dollars. The CWD could input the total expenditures for Program 623 or portions of the expenditures as expended from incentive funds. Once the incentive columns are completed, that figure will be deducted from Total Program Costs to arrive at Total Funded Program Costs on the DFA 327.5B(2).

B. Federal TANF Funds

TANF performance incentive funded expenditures made on behalf of the CalWORKs eligibles should be reported in the same manner as prescribed for SGF MOE funded expenditures described in Section VI.A. TANF incentive funds used for non-CalWORKs purposes must be expended consistent with federal requirements as described in Section III.B. TANF expenditures that meet the federal requirements but do not fit into an existing program category shall be reported to extraneous on the CEC. CWDs will then report the extraneous expenditure of TANF incentive funds to the appropriate category on the addendum page.

Since all expenditures of federal funds must be reported to the DHHS, Administration of Children and Families (ACF), the addendum page has been developed for the counties to report all expenditures of incentive funds. The CWD will record the expenditure to the appropriate category on the addendum page, i.e., work activities.

VII. Data Reporting

The CDSS has been reviewing reporting requirements and management information needs relative to CalWORKs. Information will be provided regarding reporting requirements on a flow basis via the All County Letter process.

❑ *FRAUD INCENTIVES*

Chapter 270, Statutes of 1997, Welfare and Institutions Code Section 11486(j), provides that counties receive 25 percent of the state savings resulting from the detection of fraud. The funding sources of the fraud incentives are Federal TANF and SGF that is not countable towards the State TANF MOE.

Fraud incentives will be determined and issued to the counties through the CA 812 process. The SGF portion may be utilized at the discretion of the county. In addition to uses permitted under Section III.B.1 of this CFL, the TANF funds may be used to promote program integrity (identification of overpayments, fraud, and collection of overpayments). These expenditures should be reported to the appropriate category on the CEC addendum page (Attachment 6).

Fraud incentive payments will be determined based on annual collections reported on the CA 812 and certified by each county's director to be accurate. Refer to ACIN I-58-98, dated October 14, 1998, for additional information.

I. Instructions for Reporting Expenditures

For federal reporting purposes, the instructions for expenditure reporting of fraud TANF incentive funds are the same as the performance incentive fiscal reporting. (Please reference Section VI.B of this CFL.)

II. Data Reporting

Counties should reference ACIN I-58-98 for the data reporting requirements for fraud incentives.

If you have any questions regarding the information or instructions in this CFL, please contact the following:

Subject	CDSS Organization	Telephone Number
Distribution of Lump Sum Credit	Contracts and Financial Analysis Bureau	(916) 657-3806
Performance Incentives Policy and Methodology	Fiscal Policy Bureau	(916) 657-3440
Allowable Use of Incentive Funds	Fiscal Policy Bureau	(916) 657-3440
Grant Savings Reporting Requirements	Fiscal Policy Bureau	(916) 657-3440
Incentive Payments and Reconciliation Processes	Financial Services Bureau	(916) 657-3390
Fiscal Expenditure Reporting of Performance and Fraud Incentives	Fiscal Policy Bureau	(916) 657-3440
Data Reporting Requirements for TANF	Data Analysis and Publications Branch	(916) 653-3850
Expenditure Reporting for Fraud Incentives	Fiscal Policy Bureau	(916) 657-3440
Data Reporting Requirements for Fraud Incentives	Fraud Bureau	(916) 445-0031

Original Document Signed By
Jarvio A. Grevious on 11/20/98

JARVIO A. GREVIOUS
Deputy Director
Administration Division

Attachments
c: CWDA
CSAC

ATTACHMENT 1

CalWORKs Performance Incentives
Base Year Case Exits

11/13/98

		A	B	C	D	E	H	I	J	K	L
		Average Monthly Cash Grant Cases /1				Ratio of Decline		Exits with EDD Earnings /2			
	County	1993-94	1994-95	1995-96	1996-97	Total	Average /3	1994-95	1995-96	1996-97	Average
1	Santa Clara	31,660	31,500	29,309	24,981	-6,680	-7.03%	5,807	6,685	6,490	6,327
2	San Mateo	6,422	6,840	6,369	5,242	-1,180	-6.12%	1,112	1,481	1,494	1,362
3	San Francisco	13,091	12,784	12,138	10,712	-2,379	-6.06%	1,829	1,903	2,295	2,009
4	Napa	1,594	1,618	1,508	1,336	-258	-5.40%	371	385	419	392
5	Marin	1,777	1,772	1,658	1,534	-243	-4.56%	302	319	350	324
6	Glenn	823	860	772	713	-110	-4.44%	157	170	177	168
7	Placer	3,090	3,159	2,965	2,687	-403	-4.35%	710	735	762	736
8	Orange	40,153	40,841	39,368	35,012	-5,141	-4.27%	6,642	6,758	8,147	7,182
9	Humboldt	4,195	4,182	4,030	3,676	-518	-4.12%	675	679	706	687
10	Alameda	37,058	37,574	36,158	32,709	-4,349	-3.91%	4,571	5,719	5,878	5,389
11	Fresno	36,049	36,042	34,733	32,118	-3,931	-3.64%	4,694	5,853	6,048	5,532
12	Nevada	1,182	1,239	1,236	1,059	-122	-3.45%	262	322	356	313
13	San Diego	66,870	68,077	65,473	60,091	-6,779	-3.38%	9,443	10,607	11,844	10,631
14	Santa Cruz	3,867	4,057	3,874	3,482	-385	-3.32%	756	949	949	885
15	Contra Costa	16,791	16,990	16,541	15,303	-1,488	-2.95%	2,433	2,819	3,148	2,800
16	Sonoma	6,507	6,926	6,646	6,009	-499	-2.55%	1,208	1,447	1,536	1,397
17	Trinity	432	428	419	400	-32	-2.49%	71	76	83	77
18	San Bernardino	62,955	64,370	62,529	58,349	-4,606	-2.44%	9,160	9,582	11,005	9,916
19	Ventura	10,122	10,542	10,271	9,444	-678	-2.23%	2,033	2,263	2,485	2,260
20	Monterey	7,948	8,395	8,146	7,450	-498	-2.09%	1,583	1,977	2,184	1,915
21	Sutter	1,955	2,047	1,973	1,838	-117	-2.00%	387	461	477	442
22	Tulare	17,128	17,512	17,113	16,146	-982	-1.91%	2,713	3,000	3,367	3,027
23	Alpine	36	37	44	34	-2	-1.86%	7	4	10	7
24	Yolo	4,220	4,281	4,170	3,986	-234	-1.85%	724	807	895	809
25	Santa Barbara	6,391	6,733	6,515	6,048	-344	-1.79%	1,317	1,431	1,453	1,400
26	Siskiyou	1,640	1,724	1,653	1,558	-81	-1.65%	265	280	348	298
27	Mendocino	2,776	2,943	2,871	2,642	-134	-1.61%	486	595	615	565
28	Sierra	57	47	51	54	-3	-1.57%	16	11	13	13
29	Los Angeles	308,661	315,462	310,573	294,502	-14,158	-1.53%	30,024	32,407	37,900	33,444
30	San Joaquin	21,753	22,080	22,057	20,826	-927	-1.42%	3,156	3,344	4,066	3,522
31	El Dorado	1,965	2,131	2,087	1,885	-79	-1.35%	406	458	525	463
32	Tehama	1,848	1,905	1,900	1,783	-65	-1.17%	339	422	491	417
33	Sacramento	45,464	46,396	45,862	44,033	-1,431	-1.05%	6,673	7,059	7,816	7,183
34	Mono	104	110	99	102	-3	-0.91%	22	22	29	24
35	Merced	10,044	10,356	10,403	9,784	-260	-0.86%	1,643	1,804	2,138	1,862
36	San Benito	919	946	931	899	-19	-0.70%	218	242	279	246
37	Butte	7,025	7,203	7,294	6,880	-145	-0.69%	1,143	1,177	1,374	1,231
38	Amador	396	436	414	388	-8	-0.68%	106	111	89	102
39	Inyo	413	427	440	406	-8	-0.60%	87	100	120	102
40	Lake	2,391	2,423	2,500	2,348	-43	-0.59%	403	422	488	438
41	Yuba	3,045	3,228	3,280	2,992	-53	-0.58%	398	541	730	556
42	Colusa	367	429	400	362	-5	-0.48%	114	123	115	117
43	Lassen	846	949	891	837	-9	-0.36%	148	177	193	173
44	Stanislaus	15,044	15,938	15,773	14,932	-113	-0.25%	2,637	2,818	3,397	2,951
45	Marioposa	366	395	387	367	1	0.06%	94	83	89	89
46	Calaveras	861	923	903	863	2	0.08%	176	196	187	186
47	Imperial	6,258	6,441	6,635	6,281	23	0.12%	941	871	1,064	959
48	Kings	3,747	3,783	3,834	3,775	27	0.24%	708	764	887	786
49	Riverside	34,780	36,742	37,156	35,182	402	0.39%	5,557	6,096	7,413	6,355
50	Solano	8,200	8,662	8,776	8,516	316	1.28%	1,232	1,459	1,718	1,470
51	Tuolumne	1,160	1,252	1,277	1,208	48	1.38%	230	256	297	261
52	San Luis Obispo	3,118	3,417	3,448	3,248	130	1.39%	651	694	743	696
53	Del Norte	1,091	1,170	1,158	1,138	47	1.44%	184	189	221	198
54	Shasta	5,551	5,739	6,013	5,964	413	2.48%	976	1,002	1,245	1,074
55	Madera	3,667	3,849	4,123	3,978	311	2.83%	657	712	822	730
56	Kern	21,797	23,880	24,818	23,718	1,921	2.94%	3,098	3,759	4,725	3,861
57	Modoc	346	389	395	381	35	3.38%	83	68	76	76
58	Plumas	364	431	455	426	62	5.70%	96	111	119	109

1/ Based on County 237 Reports for All Cash Grant Cases from FY's 1993/94, 1994/95, 1995/96 and 1996/97.

2/ Based on data file match with MEDs and EDD. The average in column L is the base for exits until otherwise requested by a county that is above the statewide median.

3/ The shaded area represents the percentages that are above the statewide median.

ATTACHMENT 2

TABLE 1

TANF AVERAGE MONTHLY PAYMENTS
FISCAL YEARS

	FY 96/97		FY 97/98	
All Counties	FG	U	FG	U
Alameda	$452.25	$668.75	$427.45	$629.23
Alpine	$380.25	$484.03	$301.61	$521.58
Amador	$343.62	$554.33	$309.70	$542.26
Butte	$423.54	$616.64	$369.12	$554.08
Calaveras	$371.16	$524.76	$325.95	$505.38
Colusa	$369.15	$465.00	$321.00	$427.65
Contra Costa	$424.87	$597.94	$381.33	$551.93
Del Norte	$430.32	$619.06	$362.68	$547.92
El Dorado	$309.53	$515.37	$221.49	$460.57
Fresno	$441.02	$605.23	$383.33	$534.12
Glenn	$420.67	$650.79	$381.90	$588.79
Humboldt	$400.10	$610.80	$372.44	$574.46
Imperial	$376.26	$514.77	$400.91	$468.40
Inyo	$369.11	$482.36	$303.54	$409.99
Kern	$430.39	$529.74	$380.90	$471.87
Kings	$410.78	$510.08	$348.75	$461.27
Lake	$415.08	$552.24	$353.97	$488.85
Lassen	$421.41	$565.69	$390.75	$539.97
Los Angeles	$494.50	$589.03	$459.39	$543.15
Madera	$405.20	$504.89	$356.18	$452.08
Marin	$373.38	$519.82	$335.76	$480.81
Mariposa	$389.91	$524.64	$328.36	$485.65
Mendocino	$399.81	$543.85	$358.93	$488.75
Merced	$422.52	$594.02	$360.77	$532.03
Modoc	$407.43	$421.00	$367.18	$407.94
Mono	$445.81	$581.19	$381.33	$483.34
Monterey	$402.08	$514.92	$354.65	$459.77
Napa	$350.81	$527.18	$279.23	$506.36
Nevada	$337.86	$449.93	$256.45	$381.73
Orange	$409.21	$558.51	$347.37	$479.31
Placer	$366.37	$554.99	$310.79	$479.73
Plumas	$385.42	$521.97	$318.65	$427.23
Riverside	$468.70	$580.29	$399.45	$514.61
Sacramento	$459.76	$672.30	$410.17	$601.70
San Benito	$336.20	$472.30	$269.50	$443.92
San Bernardino	$479.57	$595.57	$431.06	$531.28
San Diego	$446.98	$567.37	$386.31	$518.02
San Francisco	$405.63	$616.58	$381.21	$578.27
San Joaquin	$461.50	$629.77	$412.16	$557.63
San Luis Obispo	$396.84	$557.62	$350.95	$486.67
San Mateo	$404.77	$473.59	$350.88	$412.05
Santa Barbara	$389.72	$506.88	$345.74	$462.17
Santa Clara	$397.38	$589.02	$330.63	$512.98
Santa Cruz	$397.56	$509.64	$338.58	$462.26
Shasta	$399.38	$556.91	$352.66	$507.75
Sierra	$313.69	$525.41	$337.82	$484.33
Siskiyou	$404.15	$540.97	$322.49	$489.37
Solano	$437.51	$620.94	$388.79	$574.49
Sonoma	$356.06	$542.12	$300.57	$483.16
Stanislaus	$415.87	$574.59	$366.74	$515.63
Sutter	$386.20	$540.55	$338.35	$452.44
Tehama	$407.17	$545.83	$337.01	$511.11
Trinity	$401.15	$568.67	$344.38	$475.80
Tulare	$423.05	$524.13	$371.47	$471.22
Tuolumne	$361.38	$535.56	$319.87	$506.48
Ventura	$385.79	$478.14	$356.24	$444.85
Yolo	$407.22	$580.76	$351.77	$524.01
Yuba	$467.42	$482.48	$414.93	$590.82
Statewide	**$455.80**	**$585.32**	**$410.91**	**$531.35**

(Source: CA 237)

STATE OF CALIFORNIA - HEALTH AND WELFARE AGENCY

NOV 16 1998

CALIFORNIA DEPARTMENT OF SOCIAL SERVICES

CALIFORNIA WORK OPPORTUNITY AND RESPONSIBILITY TO KIDS (CalWORKs)
EARNED EMPLOYMENT INCOME INCENTIVE SUMMARY

(INSTRUCTIONS ON REVERSE SIDE OF FORM)

MONTH/YEAR: NOVEMBER 1998

COUNTY NAME: Yuba

☒ FAMILY GROUP (FG) ☐ UNEMPLOYED (U)

A. Case or I.D. Number	B. Case Name	C. Disability-bases Unearned Income (DUI) and Earned Employment Income (EI) Cases Only		D. Gross Earned Employment Income Cases Only	E. Incentive Earning (Grant Reduction)	
		Gross DUI	Gross EI		FFP Eligible Cases	State Only Cases
A1234	Smith, J.	$ 300	$ 400	$ 0	$275	$ 0
B5678	Hernandez, T.	0	0	1025	0	400
C9000	JONES, S.	0	0	525	150	0
				TOTAL (FFP AND STATE ONLY COLS.)	$ 425	$ 400
				TOTAL INCENTIVE EARNINGS	$ 825	

SAMPLE

ATTACHMENT 3

CW 801.1 (10/98)

INSTRUCTIONS FOR USE OF THE FORM CW 801.1

General Instructions:This summary should only reflect the cases which qualify for performance incentives due to grant reduction for the month reported. Cases with subsidized employment wages and cases discontinued because of increased earnings should not be included. Counties should retain this summary. DO NOT SUBMIT WITH CW 801.

1. Enter month/year and county name.

2. **Column A** - Enter the case or county identification number. Cases that qualify for performance incentives must have a grant reduction due to earnings (i.e., cases with disability unearned income greater than $225 and earned employment income or cases with disability unearned income less than $225 and earned employment income which combined are greater than $225 or cases with earned employment income greater that $225.) All appropriate disregards (i.e., $225 disregard, and 50% disregard of the remaining earned income) should be applied to the income and the result is a grant reduction due to the net earned income. Reference ACL 98-45 dated July 1, 1998, Grant Structure and Aid Payment Regulation.

3. **Column B** - Enter case name.

4. **Column C** - Enter the gross income amount for cases that have both disability-based unearned income and employment income.

5. **Column D** - Enter the gross income amount for cases that have employment income only.

6. **Column E** - Enter the grant reduction amount for the incentive earning. For FFP, enter the total grant reduction amount of cases that have federal participation. For State Only, enter the total grant reduction amount for cases that are non federally eligible.

7. Total the FFP and State Only[1] columns within Column E and enter the amounts on the CW 801, Lines 2B and Line 4B, respectively.

8. Total the Incentive Earnings by adding the FFP and State Only Incentive Earnings (Column E). Enter this amount on the CW 801 Line 1.

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(1) State Only cases are legal immigrant cases funded with state and county funds.
(2) For incentive earnings of mixed legal immigrant cases, the incentives should be proportionately reported as state and federal funds.

STATE OF CALIFORNIA - HEALTH AND WELFARE AGENCY

CALIFORNIA DEPARTMENT OF SOCIAL SERVICES

NOV 16 1998

MONTH/YEAR: NOVEMBER 1998

COUNTY: Yuba

CALIFORNIA WORK OPPORTUNITY AND RESPONSIBILITY TO KIDS (CalWORKs)
DIVERSION GRANT SAVINGS SUMMARY

(INSTRUCTIONS ON REVERSE SIDE OF FORM)

☐ FAMILY GROUP (FG) ☐ UNEMPLOYED (U)

A. CASE OR I.D. NUMBER	B. NAME OF AIDED ADULT INDIVIDUALS IN CASE	C. SOCIAL SECURITY NUMBER	D. DIVERSION MONTH/YEAR	E. DIVERSION AMOUNT	F. MAP AMOUNT	G. NUMBER OF MONTHS OFF AID	H. INCENTIVE	
							FFP ELIGIBLE CASES	STATE ONLY CASES
D8901	Franklin, Q.	123455566	05-98	$ 2375	$ 532	10	$2542	$ 0
D8901	Franklin, T	999001111	—	—	—	—	—	—

Example of Diversion Incentive Calculation (Reference CFL Section IV.A.2 and Attachment 2 for average grant):

1 Month (June 1998) times $467.42 (SFY 1996/97 Yuba County Average FG Grant) plus
5 Months (July-Nov. 1998) times $414.93 (SFY 1997/98 Yuba County Average FG Grant) = $2,542 Incentive Earnings

TOTAL (FFP AND STATE ONLY COLS.)	$2542	$ 0
TOTAL INCENTIVE EARNINGS	$ 2542	

ATTACHMENT 4

CW 801.2 (11/98)

INSTRUCTIONS FOR USE OF THE FORM CW 801.2

General Instructions: This summary should only reflect the cases that qualify for the performance incentives due to Diversion. Counties shall retain this summary. DO NOT SUBMIT WITH CW 801.

1. Enter month/year and county name and check FG or U box.

2. **Column A** - Enter the case or identification number assigned to the Diversion case.

3. **Column B** - Enter the name(s) of the adult aided individual(s) who participated in the case for the Diversion Program.

4. **Column C** - Enter Social Security Number(s) for each adult aided individual(s) who participated in the case for the Diversion Program. The county should verify through MEDS or SIS whether or not any of the individuals are receiving cash grant within the diversion incentive period

5. **Column D** - Enter the month and year when the diversion payment was issued.

6. **Column E** - Enter the total diversion amount issued to the case. If the total diversion payment was issued in several payments or a mixture of services and cash assistance, enter the total non-cash value and/or cash assistance provided.

7. **Column F** - Enter the Maximum Aid Payment (MAP) amount for the AU at the time of the application.

8. **Column G** - Enter the total number of months off aid to qualify for incentive payment. To calculate the months for each case, begin with and include the Diversion Month (Column D), divide the Diversion Amount (Column E) by the MAP (Column F), then add the required six months off aid after the diversion period. (Diversion Period plus six months.)

9. **Column H** - Enter the amount of the incentive payment for each case by multiplying the appropriate county's prior fiscal year average FG or U grant times six (the required number of months off aid after the diversion period). For FFP, enter the total incentive payment for cases that have federal participation. For State only, enter the total incentive payment for cases that are non-federally eligible.[2]

10. Total the FFP and State Only column within Column H and enter the amounts on the CW 801, lines 8B and 10B, respectively.

11. Enter the total of Column H in Line 7B of the Form CW 801.

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[1] If client reapplies for a subsequent diversion and has not remained off aid for six months plus the diversion period, the month in which the most recent diversion occurred should be used to qualify this case for performance incentives and calculating the grant savings.

[2] (1) State Only cases are legal immigrant cases funded with state and county funds only.

(2) For incentive earnings of mixed legal immigrant cases, the incentives should be proportionately reported as state and federal funds.

STATE OF CALIFORNIA - HEALTH AND WELFARE AGENCY

NOV 16 1998

CALIFORNIA DEPARTMENT OF SOCIAL SERVICES

ATTACHMENT 5

SUMMARY REPORT OF PERFORMANCE INCENTIVES FOR GRANT REDUCTIONS DUE TO EMPLOYMENT EARNINGS AND DIVERSION FOR THE CALIFORNIA WORK OPPORTUNITY AND RESPONSIBILITIES TO KIDS (CalWORKs)

(Instructions on Reverse Side of Form)

COUNTY	DATE (MONTH, YEAR)
Yuba	NOVEMBER 1998
CONTACT PERSON	TELEPHONE
	( )

☒ Family Group (FG) ☐ Unemployed (U)

GRANT REDUCTIONS DUE TO EMPLOYMENT EARNINGS		
A. Number of Cases	B. AMOUNTS	
3	825	1. Total Savings
2	425	2. Cases with FFP
	(11)	3. County Share of Savings (Line 2B x .025)
1	400	4. State Only Cases
	(20)	5. County Share of Savings (Line 4B x .05)
	794	**6. TOTAL EMPLOYMENT EARNINGS INCENTIVE [(Line 1B - (Line 3B + Line 5B)]**

DIVERSION		
Number of Cases	AMOUNTS	
1	2542	7. Total Savings
1	2542	8. Cases with FFP
	(64)	9. County Share (Line 8B x .025)
0	0	10. State Only Cases
	(0)	11. County Share of Savings (Line 10B x .05)
	2478	**12. TOTAL DIVERSION INCENTIVE [Line 7B - (Line 9B + 11B)]**

SAMPLE

13. GRAND TOTALS

A. Total Incentive Value (6B + 12B)	B. 75% Incentive Pool (13A x .75)	C. 25% Incentive Pool (13A x .25)
3272	2454	818

Certification and Signatures

I hereby certify, under penalty of perjury, that I am the official responsible for the administration of California Work Opportunity And Responsibility To Kids (CalWORKs) in and for aforesaid county; that I have not violated any of the provisions of Section 1090 to 1096, inclusive, of the Government Code; that the amounts reported herein are in accordance with all provisions of the Welfare and Institutions Code and the rules and regulations of the Department of Social Services.

SIGNATURE OF COUNTY WELFARE DIRECTOR	DATE	SIGNATURE OF COUNTY AUDITOR OR CONTROLLER	DATE

INSTRUCTIONS FOR USE OF FORM CW 801 (INCENTIVES)(FG AND U)

(Submit Report to : CDSS, Financial Services Bureau, County Assistance Payment Unit, 744 P Street, M.S. 13-72, Sacramento, CA 95814)

GENERAL INFORMATION

1. Enter county name, and month and year of report in space provided.
2. Enter name and telephone number of county staff person to be contacted if there are any questions regarding this report.
3. Check the appropriate Family Group (FG) or Unemployed (U) box.
4. All amounts on this form may be rounded to the nearest dollar.

GRANT REDUCTIONS DUE TO EMPLOYMENT EARNINGS

5. Line 1A: Enter the total number of cases that had a grant reduction as a result of earnings due to employment.
6. Line 1B: Enter the total incentive earnings as computed on the county's Earned Employment Income Incentive Summary (CW 801.1).
7. Line 2A: From the total number of cases in Line 1A, enter the number of cases that included Federal Financial Participation (FFP) funds.
8. Line 2B: Enter the total amount of savings that included FFP from CW 801.1.
9. Line 3B: Enter the amount of county share of savings for cases with FFP (Line 2B times .025 county share).
10. Line 4A: From the total number of cases in Line 1A, enter the number of cases that were non-federally funded (i.e., legal immigrant) and had a grant reduction due to employment earnings. [1]
11. Line 4B: Enter the total amount, both state and county share of funds, for the non-federally funded cases that resulted in incentive earnings from CW 801.1.
12. Line 5B: Enter the amount of county share of savings for state only cases (Line 4B times .05 county share).
13. Line 6B: Compute and enter the total employment earnings incentive amount [Line 1B minus (Line 3B plus Line 5B)]

SAMPLE

DIVERSION

14. Line 7A: Enter the total number of cases that have stayed off aid for six months in addition to the the diversion period.
15. Line 7B: Enter the total incentive earnings as computed on the County's Diversion Grant Savings Summary (CW 801.2).
16. Line 8A: From the total number of cases in Line 7A, enter the number of cases that included FFP funds.
17. Line 8B: Enter the total amount of savings that include FFP from CW 801.2.
18. Line 9B: Enter the amount of county share for cases with FFP (Line 8B times .025 county share).
19. Line 10A: From the total number of cases in Line 7A, enter the number of non-federally funded (i.e., legal immigrant) cases and have stayed off aid for six months in addition to the diversion period. [1]
20. Line 10B: Enter the total amount, both state and county share of funds for non-federally funded diversion cases that result in incentive earnings from CW 801.2.
21. Line 11B: Enter the of savings for state only cases (Line 10B times .05 county share).
22. Line 11B: Compute and enter with the total diversion incentive amount [Line 7B minus (Line 9B plus Line 11B.)]

COMPUTE GRAND TOTAL FOR DISTRIBUTION OF INCENTIVE POOLS

23. Line 13A: Enter the total of the incentive earnings – Add Lines 6B and 12B.
24. Line 13B: Complete with 75 percent of the amount of the total incentive earnings - Multiply Line 13A times .75.
25. Line 13C: Complete with 25 percent of the amount of the total incentive earnings - Multiply LIne 13A times .25.

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[1] For incentive earnings of mixed legal immigrant cases, the incentive should be proportionately reported as state and federal funds.

County Expense Claim Addendum

INCENTIVE FUNDS EXPENDITURE

Expenditure Category	Performance Incentive		Fraud Incentive
	TANF	*State General Fund*	
1. CASH AND WORK BASED ASSISTANCE	$	$	$
2. WORK ACTIVITIES	$	$	$
3. CHILD CARE	$	$	$
4. ADMINSTRATION	$	$	$
5. INFORMATION SYSTEMS & TECHNOLOGY	$	$	$
6. TRANSITIONAL SERVICES: FOR EMPLOYED	$	$	$
7. OTHER EXPENDITURES*	$	$	$
8. TOTAL EXPENDITURES	$	$	$

*Describe below or attach a description of activities funded with expenditures reported to the "Other" category.

DESCRIPTION OF "OTHER EXPENDITURES"

ATTACHMENT 6

County Expense Claim Addendum

INSTRUCTIONS FOR INCENTIVE FUNDS EXPENDITURE FORM

Submit this form with the County Expense Claim (CEC) quarterly.

For federal reporting purposes counties must identify their incentive expenditures reported on the CEC to the appropriate category on the Incentive Funds Expenditure form. Definitions of the Expenditure Categories follow:

Line 1. **Cash and Work Based Assistance**
Includes eligible cash assistance payments associated with CalWORKs.

Line 2. **Work Activities**
Includes eligible employment services and welfare-to-work costs, excluding "administration" (Line 4) and child care (Line 3). Costs include work-related training and employment services, including related supportive services (excluding child care).

Line 3. **Child Care**
Includes eligible non-administrative child care expenditures including those costs associated with efforts to secure and pay for child care slots for eligible participants.

Line 4. **Administration**
Includes general "administrative" costs that cannot be captured directly to eligible programs, including budgets, accounting, personnel, etc., and related overhead (operating) costs associated with these activities.

Line 5. **Information Systems and Technology**
Includes electronic data processing (EDP) costs for systems development and maintenance associated with eligible programs.

Line 6. **Transitional Services: for Employed**
Includes transitional services provided to former CalWORKs participants as they become employed and transition off of cash grant status. Such services include transportation, ancillary services, personal counseling, and substance abuse and/or mental health treatment, to the extent that such services are not medical in nature.

Line 7. **Other Expenditures**
Includes all other eligible program costs, such as eligibility processes, fraud prevention, quality control, and other program services, etc., and related overhead (operating costs), all other qualifying expenditures for programs which serve eligible individuals not previously identified within items 1 through 6. "Other Expenditures" must be described in the box provided on the front-side of this form or on an attachment to this form.