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General Fund Maintenance of Effort Adjustment

DESCRIPTION:

This premise reflects the State expenditures necessary to meet the State's maintenance of effort (MOE) level. Under the Temporary Assistance for Needy Families (TANF) Program, the states are required to meet MOE funding levels. California's MOE level is approximately $2.9 billion, which is equal to 80 percent of California's Federal Fiscal Year (FFY) 1994 expenditures. For State Fiscal Years (SFYs) 2003-04 and 2004-05, an adjustment has been added, which reflects the fact that California met the federal work participation rate for the California Work Opportunity and Responsibility to Kids (CalWORKs) Program in FFYs 2000 and 2001. When the State meets this rate, the MOE level falls from 80 percent to 75 percent. Therefore, with the Work Participation Rate MOE Adjustment, the MOE level is $2.7 billion.

After the MOE adjustment is applied, any remaining excess TANF block grant funds can either be carried forward to the next state fiscal year or transferred to the Child Care and Development Block Grant or Title XX.

IMPLEMENTATION DATE:

This premise implemented on October 1, 1996.

METHODOLOGY

To determine the State General Fund (GF) MOE adjustment, projected state and county expenditures countable toward the MOE are compared to the State's MOE level. This determines the amount of expenditures necessary to meet the State's MOE level.

The specific methodology used to determine the GF MOE adjustment involves identifying those projected California Department of Social Services' (CDSS) local assistance expenditures that are TANF-eligible and calculating their costs by total federal, state, county, and reimbursement funds. Projected federal TANF expenditures for CDSS State support are then added to the federal funds amount. Other state department or county expenditures for TANF eligibles, which meet the MOE requirements, are also added to the CDSS state and county TANF costs. This total is then compared to the State's MOE level. The amount of projected expenditures above or below the MOE level is shifted to or from federal TANF funds. The GF MOE adjustment does not change the total funding available.

Both the current year and budget year projections include projected GF expenditures within other state departments that are assumed countable toward fulfilling the TANF MOE requirement. Separate premise descriptions for each of these items are provided in the "Estimate Methodologies" section of this binder.

FUNDING:

The GF MOE adjustment transfers costs to meet the State's MOE level. The transfer is offset by a corresponding reverse adjustment to federal TANF funds. There is no change in the total funds available.

General Fund Maintenance of Effort Adjustment

CHANGE FROM THE APPROPRIATION:

Countable MOE expenditures within CDSS have been updated to reflect any new premises, as well as adjustments for premises in which only a portion of the total expenditures is countable. In addition, countable expenditures within other state departments have been updated to reflect changes in their proposed budget levels or the portion of total cost countable toward the TANF MOE. For specific explanations of these changes, please refer to the specific premise descriptions for each of these items.

REASON FOR YEAR-TO-YEAR CHANGE:

The adjustment amount has been updated based upon projected expenditures and new premise items for SFY 2004-05.

EXPENDITURES:

(in 000's)

	2003-04	2004-05
	Grant	Grant
Total	$0	$0
Federal	-941,834	-1,087,118
State	941,834	1,087,118
County	0	0
Reimbursements	0	0

Two-Parent Program

DESCRIPTION:

The Two-Parent Program reflects the funding shift from Temporary Assistance for Needy Families (TANF) to State General Fund (GF). The Two-Parent Program is a separately funded state program for two-parent families in the California Work Opportunity and Responsibility to Kids (CalWORKs) Program. With the implementation of this program, federal TANF funds are not used to provide CalWORKs cash assistance or welfare-to-work (WTW) services, including child care and work support services, to two-parent assistance units (AUs) who meet the definition of a two-parent family. A two-parent family is defined as an AU that includes two aided nondisabled, natural or adoptive parents of the same aided or Supplemental Security Income/State Supplementary Payment minor child (living in the home), unless both parents are aided minors and neither is the head-of-household. The eligibility and work participation requirements for two-parent families will remain unchanged from the CalWORKs Program.

IMPLEMENTATION DATE:

This premise implemented on October 1, 1999.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 10553.
- Within the existing CalWORKs Program areas of grants, services, administration and child care, a portion of the cost or savings for each premise item impacted by the Two-Parent Program will be charged to the State-Only Two-Parent Program. A separate auxiliary table reflects the individual premise items impacted by the Two-Parent Program.
- The grant ratio for two-parent families was developed based on the actual grant costs for Fiscal Year (FY) 2002-03. The administrative ratios are based on the current year (CY) and budget year (BY) All Other Families and Two-Parent caseload projections.
- For Stage One Child Care, the two-parent ratio in CY is nine percent based on expenditure data from calendar year 2002, and five percent in BY based on expenditure data from FY 2002-03.
- For Employment Services, the ratio for two-parents participating in WTW activities is five percent and is based on expenditure data for FY 2002-03.
- The ratio for two-parents participating in the CalWORKs Mental Health and Substance Abuse programs is 15 percent and is based on WTW 25 and WTW 25A caseload data for calendar year 2002.

METHODOLOGY:

For each premise item impacted by the Two-Parent Program, the total cost/savings was multiplied by the appropriate ratio for two-parent families. The two-parent families' share from all of the premises were added together to determine the total. Refer to the auxiliary table for the "Two-Parent Program" for more detailed information.

Two-Parent Program

FUNDING:

The Two-Parent Program funding for administration and services cost is 100 percent GF. Funding for Two-Parent Program grants are 97.5 percent GF and 2.5 percent county. Child Care cost for the Two-Parent Program is 100 percent.

CHANGE FROM THE APPROPRIATION:

This premise has been updated with the most recent data.

REASON FOR YEAR-TO-YEAR CHANGE:

The decrease in expenditures in the BY reflects the full year impact of premise items (Five Percent Grant Reduction, Welfare Reform/Work Participation and Prospective Budgeting) that result in savings to the CalWORKs Program.

CASELOAD:

	2003-04	2004-05
Average Monthly Caseload	46,160	46,436

EXPENDITURES:

(in 000's)

	2003-04		2004-05	
	State	County	State	County
Total	$510,409	$8,059	$441,695	$7,591
Grants	322,316	8,059	278,858	7,591
Administration	64,734	0	52,814	0
Services	68,703	0	71,414	0
Child Care	54,656	0	38,609	0

CalWORKs – Basic Grants

DESCRIPTION:

This premise reflects the basic costs of providing cash aid to eligible families. Basic costs have been adjusted to reflect the annual cost-of-living adjustment (COLA) for Social Security (OASDI) benefits. The OASDI COLA increases the benefit level, reducing grant costs. The basic costs have also been adjusted for the impact of specific premises that are in the trend caseload but are also shown as separate premises. These premises include: "Cal Learn Bonuses," "Cal Learn Sanctioned Grants," "Recent Noncitizen Entrants," "Child Support Assurance," and "Tribal TANF," that are already in the trend. These adjustments are necessary in order to avoid counting the impact twice. This premise also includes an adjustment for Proposition L, which will raise the minimum wage level for people working in San Francisco County to $7.75 effective January 2005, and then to $8.50 in January 2006.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 11450.
- For Fiscal Year (FY) 2003-04, a total of 13,245,912 All Other Families (AF) personmonths and 2,405,870 Two-Parent (TP) personmonths are anticipated. For FY 2004-05, 13,290,862 AF personmonths and 2,419,565 TP personmonths are projected.
- Adjustments are made for the estimated costs of current premises which are already included in the base period. These premises include: "Cal Learn Bonuses," "Cal Learn Sanctioned Grants," "Recent Noncitizen Entrants," "Child Support Assurance." Also, an adjustment is made for the costs associated with new tribes establishing Tribal TANF programs.
- Costs are included for the Diversion Program. The average monthly diversion caseload is estimated at 118 with an average cost per case of $1,177 based on the most recent CalWORKs Cash Grant Caseload Movement Reports (CA 237) and CalWORKs Expenditure Reports (CA 800D).
- The AF cost per person is $202.70 and the TP cost per person is $136.04 for the current year. These costs are based on actual costs per person claimed by counties for FY 2002-03.
- The AF cost per person is projected to be $203.20 and the TP cost per person is projected to be $136.04 for the budget year.
- AF and TP basic costs are adjusted for the OASDI COLA. The Consumer Price Index (CPI) COLAs are 2.1 percent effective January 1, 2004, and 1.8 percent effective January 1, 2005.
- The OASDI COLA adjustment reflects the impact of the projected CPI COLAs on the average Social Security Benefits received by CalWORKs cases, resulting in a FY 2003-04 reduction of $457,714 and a FY 2004-05 reduction of $1,929,213.
- Cases that have reached the 60-month TANF Time Limit represent 10.18 percent of the AF cases.
- Proposition L, the minimum wage increase for San Francisco County, will result in approximately $415,000 in grant savings in FY 2004-05 due to nearly 1,400 recipients having additional earnings.

CalWORKs – Basic Grants

METHODOLOGY:

- The personmonths are multiplied by the cost per person to determine AF and TP basic costs.
- Diversion costs are calculated by multiplying the average monthly caseload by the cost per case, and the annual Diversion costs are added to the basic grant costs.
- AF and TP basic costs are reduced for the OASDI COLA.
- The total AF and TP basic costs are reduced by the amounts of the costs for "Cal Learn Bonuses," "Cal Learn Sanctioned Grants," "Recent Noncitizen Entrants," "Child Support Assurance," and new tribes establishing Tribal TANF programs, to reflect the basic grant costs.

DATA COMPARISON CHART:

FY 2003-04	AF	TP
Projected Personmonths	13,245,912	2,405,870
Projected Casemonths	5,256,354	553,917
Persons Per Case	2.52	4.34

FY 2004-05	AF	TP
Projected Personmonths	13,290,862	2,419,565
Projected Casemonths	5,272,903	557,233
Persons Per Case	2.52	4.34

FUNDING:

The funding is 86.52 percent federal/TANF, 10.98 percent State General Fund (GF) and 2.5 percent county for both the current year (CY) and budget year (BY). The state share reflects the GF cost for the State-Only Two-Parent Program that implemented October 1, 1999. The State-Only Two-Parent Program is countable toward the State's maintenance of effort.

In the first six months of the CY the TANF timed-out cases (10.18 percent of the AF cases) are funded with MOE dollars. For the remaining six months of the CY and the entire BY, the TANF timed-out cases are funded with TANF dollars.

CHANGE FROM THE APPROPRIATION:

The caseload, cost per person, and persons per case have been updated using the most current available data. There was a shift in the TANF/MOE funding in the current year of nearly $133.0 million due to the 60-month TANF Time Limit cases.

REASON FOR YEAR-TO-YEAR CHANGE:

The overall caseload and CalWORKs persons are projected to increase by 0.4 percent in FY 2004-05. The BY also includes the $415,000 savings as a result of Proposition L (San Francisco County minimum wage increase).

CalWORKs – Basic Grants

CASELOAD:

	2003-04	2004-05
Average Monthly Caseload	479,231	480,919
Average Monthly Persons	1,304,315	1,309,202

EXPENDITURES:

(in 000's)

	2003-04 Grant	2004-05 Grant
Total	$2,962,316	$2,971,628
Federal	2,430,027	2,571,052
State	458,231	326,285
County	74,058	74,291
Reimbursements	0	0

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Five Percent MAP Reduction

DESCRIPTION:

This premise reflects the grant savings to the California Work Opportunity and Responsibility to Kids (CalWORKs) Program as a result of a 5.00 percent reduction to the CalWORKs Maximum Aid Payment (MAP) levels, and administrative savings associated with cases becoming ineligible as the result of the MAP level changes.

IMPLEMENTATION DATE:

This premise will implement on April 1, 2004.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 11450 will require an amendment to implement this premise.
- The MAP levels for non-exempt and exempt Assistance Units (AUs) will be reduced by 5.00 percent effective April 1, 2004. The reduced MAP levels will be used to calculate the grant amount for CalWORKs recipients.
- Depending on the amount of grant each CalWORKs case currently receives, the actual percentage of reduction would be different. Based on Federal Fiscal Year (FFY) 2002 CalWORKs Characteristic Survey (Q-5) Data, the 5.00 percent MAP reduction would equate to an average grant decrease of 5.79 percent.
- The MAP reduction impacts on the following CalWORKs premises: CalWORKs - Basic Grants; Cal Learn Bonuses and Sanctions; 60-Month CalWORKs Time Limit (Safety Net); Exemptions for 16 and 17-Year Olds; Unemployment Insurance Benefits Impact; Senior Parent Deeming; Prospective Budgeting; Recent Noncitizens Entrants; and Kin-GAP CalWORKs Savings.
- Based on FFY 2002 Q-5 data, approximately 1.3 percent of the CalWORKs cases will lose eligibility due to their net nonexempt income exceeding the revised MAP level.
- The average administrative saving per month for not processing a CalWORKs case is $42.75, and for processing a quarterly report is $57.57. The impact of implementing a Prospective Budgeting/Quarterly Reporting system has been taken into account in calculating the administrative savings.

METHODOLOGY:

- The grant savings associated with this premise was calculated by multiplying the percentage reduction of the CalWORKs average grant (5.79 percent) by the sum of the affected premises for both the current year (effective April 2004) and the budget year.
- The savings is shared using the same ratio as the CalWORKs Basic grants costs (86.52 percent federal, 10.98 percent State General Fund (GF), and 2.5 percent county).
- The administrative savings from caseload reduction is calculated by multiplying the number of cases impacted by the average monthly/quarterly cost per case.

Five Percent MAP Reduction

FUNDING:

The funding for CalWORKs grants is shared 86.52 percent TANF, 10.98 percent GF and 2.5 percent county. The funding for CalWORKs administration is shared 90.26 percent TANF, 9.74 percent GF.

CHANGE FROM THE APPROPRIATION:

This is a new premise.

REASON FOR YEAR-TO-YEAR CHANGE:

The budget year reflects a full year of savings. There were no administrative savings in the current year as the funding for FY 2003-04 county administrative budgets has been allocated.

EXPENDITURES:

(in 000's)

Item 101 –

CalWORKs (TANF) Grant Savings	2003-04	2004-05
	Grant	Grant
Total	-$45,288	-$181,155
Federal	-39,183	-156,735
State	-4,973	-19,891
County	-1,132	-4,529
Reimbursements	0	0

Item 101 –

CalWORKs (TANF) Administrative Savings	2003-04	2004-05
	Admin.	Admin.
Total	$0	-$1,395
Federal	0	-1,256
State	0	-139
County	0	0
Reimbursements	0	0

Welfare Reform / Work Participation

DESCRIPTION:

This premise reflects the projected impact to the California Work Opportunity and Responsibility to Kids (CalWORKs) Program resulting from the Welfare Reform Proposal. This proposal will strengthen the work focus of the CalWORKs Program and maintain critical services for needy families by placing a greater emphasis on work participation and personal responsibility. The major components of the proposal include: 1) reducing the Maximum Aid Payment (MAP) by 25 percent for non-working Safety Net families; 2) reducing the MAP by 25 percent for cases containing non-complying individuals in a sanction status for two months or longer; 3) require applicant job search as a condition of eligibility; and, 4) require all nonexempt adults to work or participate in other work-directed services/activities 20 hours per week within 60 days of the receipt of aid and participate 12-15 hours per week in other activities necessary to obtain employment. It is anticipated that this proposal will result in an increase in the number of CalWORKs recipients working and therefore will result in CalWORKs grant savings partially offset by increased childcare costs.

Under current law, adult CalWORKs recipients whose 60-month time limits have expired will be removed from the assistance unit (AU) and the case shall move into the Safety Net. The first component of this proposal would reduce the MAP by 25 percent for Safety Net cases with non-working adults.

Under current statute, individuals who do not comply with CalWORKs requirements are sanctioned. The current sanction policy reflects removal of the adult from the Assistance Unit (AU) until the individual complies with the CalWORKs requirements. The second component of this proposal would reduce the MAP by 25 percent for cases in a sanction status for two months or longer.

Current law requires recipients to participate in certain Welfare-to-Work (WtW) activities within an 18/24 month period. An individual's 18/24 month time clock begins with the signing of the WtW plan, which occurs after job search when a recipient does not find work. Current statute allows the 18-month period to be extended for six months. The current law allows recipients to participate in a variety of activities that will lead to employment; however, participation in these activities does not first require having a minimum participation requirement in more work-focused activities. The third and fourth components of this proposal would eliminate the 18/24 month time limit and instead require applicant job search as a condition of eligibility, and would require all nonexempt adults to participate 20 hours per week in a work-related activity within 60 days.

IMPLEMENTATION DATE:

This premise will implement on October 1, 2004.

KEY DATA/ASSUMPTIONS:

- In order to implement this proposal, statutory changes are required to the Welfare and Institution Code(s) governing the CalWORKs Program.
- The impact of the five percent CalWORKs MAP reduction is reflected in each component of the Welfare Reform proposal.
- This premise includes $2,500,000 in one-time automation reprogramming costs which is located under Item 141 – County Administration.

Welfare Reform / Work Participation

KEY DATA/ASSUMPTIONS (Continued):

Reducing MAP Level by 25 Percent for Non-Working Safety Net Cases

- Under current law, adult CalWORKs recipients whose 60-month time limits have expired will be removed from the AU and the case shall move into the Safety Net.
- The percentage of non-working Safety Net cases is 49.30 percent.
- The average monthly projected Safety Net caseload for the budget year (BY) is 47,917 cases (23,624 non-working cases).
- The average 25 percent MAP reduction for non-working Safety Net cases is $135 per case.

Reducing the MAP Levels by 25 Percent for Cases in Sanction Status Two Months or Longer

- The monthly average cases in sanction status in the BY is 10.55 percent of the total CalWORKs caseload, or 50,738 cases. The caseload is comprised of 89 percent All Family (AF) cases and 11 percent Two-Parent (TP) cases.
- Based on Welfare Data Tracking Implementation Project (WDTIP) data, this premise assumes that 78 percent of these cases, or 39,576 cases, are in the second month or longer of sanction status.
- This premise assumes that 75 percent of the cases in sanction status, or 29,682 cases, are not working.
- Based on information from the "Good Cause Establishment, Compliance, and Curing of Sanctions: CalWORKs Welfare-to-Work Program" report presented to the Legislature in May 2001, an average of 45 percent of the sanctioned caseload "cures." This premise assumes an additional 45 percent of the non-working cases will cure their sanction due to the more stringent sanction policy, which is approximately 13,350 cases per month.
- It is assumed that 26,219 cases in sanction status will receive the 25 percent MAP reduction.
- The average 25 percent MAP reduction for sanctioned cases is $154 per case.
- The average grant increase for cases that cure is $146.30 for All Families (AF) cases and $230.17 for Two Parents (TP) cases as a result of reinstating the adult to the AU.
- It is assumed that 30 percent of these cases that cure will utilize CalWORKs Child Care, or approximately 4,000 cases.
- Based on CA 237 data, it is assumed that there are 1.9 children per case requiring child care.
- The Stage One Child Care payment per child is $634.28 (*refer to the Stage One Child Care premise for more details on this assumption*).

Requiring Nonexempt Adults to Participate in 20+ hours of Direct Work Activity per Week

- The impact on CalWORKs grant or child care costs will not be realized until January 2005.
- The projected BY CalWORKS caseload is comprised of 286,648 cases with an adult (Safety Net and Child Only cases were excluded).
- Based on WTW 25 data from FY 2002-03, there are 117,529 cases with an adult that are not participating in Welfare to Work activities due to "good cause," exemption, or sanction status.

Welfare Reform / Work Participation

KEY DATA/ASSUMPTIONS (continued):

- Based on an average monthly applicant ratio of 3.69 percent, 21,155 cases in any month have been on CalWORKs less than 60 days.
- The average monthly CalWORKs cases impacted by this proposal is 147,964.
- Based on the CalWORKs Characteristics Survey for FFY 2002, this premise assumes that 50 percent of the cases, or 73,982 cases, are currently working and 50 percent of the cases, or 73,982 cases, are not currently working.
- Based on Q5 and EDD Wage Match Data, of the cases that are currently working, 30.98 percent (22,920 cases) are assumed to be working 20 or more hours per week, and 69.02 percent (51,062 cases) are assumed to be working less than 20 hours per week.
- It is assumed that the cases not currently working the full 20 hours per week will increase their weekly hours on average 10 hours per week to meet the new requirement. The average grant savings per case is $145 per month, assuming individuals are paid at minimum wage and 50 percent of the income is disregarded in the grant calculation.
- Of the cases not currently working , it is assumed that 50 percent (36,991 cases) will meet the 20 hours per week work requirement, resulting in $178 average monthly grant savings per case
- The remaining 50 percent (36,991 cases) of the cases not currently working will not meet the 20 hours per week work requirement. Fifty percent (18,496 cases) will satisfy the 20 hours per week requirement without earnings, and 50 percent (18,496 cases) will not meet the 20 hours per week requirement and will therefore be subject to sanction status.
- Based on information from the "Good Cause Establishment, Compliance, and Curing of Sanctions: CalWORKs Welfare-to-Work Program" report presented to the Legislature in May 2001, an average of 45 percent of the sanctioned caseload "cures." It is assumed that an additional 45 percent of the cases currently not working and facing sanction status will cure, which is approximately 8,323 cases.
- Of the 8,323 cases that will cure, these cases will be subject to at least one month of sanction before curing, resulting in an average monthly sanction penalty of $134; after curing the average monthly grant savings will be $178.
- It is assumed that 30 percent of the non-working cases that obtain employment (45,314 x 30 percent) will utilize CalWORKs Child Care, at a monthly average cost per case of $1,205.
- This premise assumes that the remaining 55 percent (10,173 cases) of the cases not currently working will be sanctioned for non-compliance with the 20 hour per week work requirement and will be subject to the additional 25 percent MAP reduction.
- The average MAP reduction for cases in sanction status is $134 per case for the first month of sanction; beginning in the second month, the 25 percent MAP reduction will further decrease the grant by an average of $154 per case.
- Five percent of the average monthly adult applicants (529 cases) will be deterred due to the more stringent work requirements. The average monthly CalWORKs grant savings associated with these cases is $506.

Welfare Reform / Work Participation

METHODOLOGY:

The following methodology was used for the various components to calculate the costs/savings for this premise:

Reducing MAP Level by 25 Percent for Non-Working Safety Net Cases

- The non-working Safety Net cases were multiplied by the average MAP reduction to calculate the average monthly savings for this component of the Welfare Reform proposal (23,624 x $135 = $3.19 million).
- The average monthly savings was multiplied by nine months to calculate the budget year savings ($3.19 million x 9 months = $28.7 million in savings).

Reducing the MAP Levels by 25 Percent for Cases in Sanction Status Two Months or Longer

- The non-working cases in sanction status was multiplied by the percentage of sanction cases that will cure (29,682 x 0.45 = 13,357 cases that will cure).
- The sanction cases that will cure was multiplied by the AF and TP ratios to determine the number of AF and TP cases (13,357 x 0.89 = 12,213 AF cases; 13,357 x 0.11 = 1,144 TP cases).
- The AF and TP cases that will cure were multiplied by the appropriate average grant increase as a result of the case cure (12,213 x $146.30 = $1,786,720 for AF; 1,144 x $230.17 = $263,330 for TP).
- The AF and TP costs were added together and then multiplied by nine months to determine the budget year costs for sanction cases that cure (($1,786,720 + $263,330) x 9 = $18,450,450 costs for sanction status cases that cure).
- The sanction cases that will cure were subtracted from the number of cases in the second month or longer of sanction status to determine the number of cases that will receive the 25 percent MAP reduction (39,756 – 13,357 = 26,219 cases).
- The sanction cases that will receive the 25 percent MAP reduction was multiplied by the average reduction amount and then by nine months to determine the total budget year savings (26,219 x $154 x 9 = $36.3 million in savings).

- Stage One Child Care costs were derived by first multiplying the number of cases that will cure by the percentage that will utilize CalWORKs child care (13,357 x 0.30 = 4,007 cases). These cases were then multiplied by the average number of children per case, the average Stage One Child Care payment per child, and then by nine months (4,007 cases x 1.9 children per case x $634.28 payment per child x 9 months).

Welfare Reform / Work Participation

METHODOLOGY (continued):

Requiring Nonexempt Adults to Participate in 20 + hours Direct Work Activity per Week

- The number of non-exempt adult cases currently working less than 20 hours per week is multiplied by the average grant savings per case of $145 and by the number of impacted months in the budget year (51,062 cases $145 x 6).
- The number of cases not currently working but assumed to meet the 20 hour requirement within the 60-day requirement was multiplied by the average grant savings of $178 and the number of impacted months in the budget year (36,991 cases x $178 x 6).
- The number of cases not currently working, but assumed to meet the 20 hour requirement after at least one month of sanction (8,323) is multiplied by the average monthly sanction penalty of $134 before curing the sanction and average monthly grant savings of $178 after curing the sanction.
- The number of cases not currently working and not expected to comply with the 20 hour requirement (10,173) are multiplied by the sanction penalty amount of $134 for the first month of sanction and the increase sanction penalty amount of $288 for the remainder of the months in the budget year.
- The average monthly number of deterred applicants (529) are cumulated for the number of impacted months in the budget year and multiplied by an average monthly grant savings of $506.
- The number of cases not currently working but are expected to obtain employment and meet the 20 hour requirement (45,314) are multiplied by the child care utilization rate of 30 percent, the average Stage One Child Care cost per case of ($634.28), the number of children per case (1.9), and the number of impacted months in the budget year to determine the increase to child care.

FUNDING:

The funding for the CalWORKs Program is shared 86.52 percent federal/TANF, 10.98 percent State General Fund (GF) and 2.5 percent county. The State share reflects the GF cost for the State-Only Two-Parent Program that implemented October 1, 1999. The State-Only Two-Parent Program is countable toward the State's maintenance of effort.

CHANGE FROM THE APPROPRIATION:

This is a new premise.

REASON FOR YEAR-TO-YEAR CHANGE:

This is a new premise, effective October 2004.

Welfare Reform / Work Participation

EXPENDITURES:

(in 000's)

101 – CalWORKs Basic Grants	2003-04	2004-05
Total	$0	-$167,046
Federal	0	-119,696
State	0	-43,174
County	0	-4,176
Reimbursement	0	0

101 – CalWORKs Stage One Child Care	2003-04	2004-05
Total	$0	$133,972
Federal	0	118,834
State	0	15,138
County	0	0
Reimbursement	0	0

141 – County Admin. Automation	2003-04	2004-05
Total	$0	$2,500
Federal	0	2,500
State	0	0
County	0	0
Reimbursement	0	0

Welfare Reform / Work Participation

EXPENDITURES (continued):

(in 000's)

NET TOTAL	2003-04	2004-05
Total	$0	-$30,574
Federal	0	1,638
State	0	-28,036
County	0	-4,176
Reimbursement	0	0

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Maximum Aid Payment – June 2003 COLA

DESCRIPTION:

This premise reflects the cost of adding a cost-of-living adjustment (COLA) to the maximum aid payment (MAP) for several California Work Opportunity and Responsibility to Kids (CalWORKs) Assistance Payments premises. These premises include CalWORKs Basic Grants, 60-month Time Limits, Exemptions for 16 and 17 year-olds, Unemployment Insurance Benefits Impact, Senior Parent Deeming, Prospective Budgeting, Kinship Guardian Assistance Program savings, and the Rosales court case.

The COLA is based on the changes determined by the Department of Finance in the California Necessities Index (CNI), which is the weighted average changes for food, clothing, fuel, utilities, rent and transportation for low-income consumers. In accordance with Welfare and Institutions Code (W&IC) section 11453, beginning with Fiscal Year (FY) 2000-01 through FY 2003-04, the effective date of the COLA is October 1 of each year. However, in October 2002 the COLA was suspended and then consequently later passed in June 2003.

IMPLEMENTATION DATE:

This premise implemented on June 1, 2003.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&IC section 11453.
- The 3.74 percent COLA for FY 2002-03 was delayed from October 2002 to June 2003.
- Federal Fiscal Year 2002 Q5 Survey data was used to determine the average All Other Families (AF) and Two Parent Families (TP) grants before and after the 3.74 percent COLA increase.
- The average increase in the AF basic grant due to the June 2003 COLA is $22.66 (4.3 percent); the average increase in the TP basic grant is $30.68 (5.3 percent). These ratio increases were also applied to all of the other affected premises.

METHODOLOGY:

A June 2003 percent increase for AF and TP average grants due to the June 2003 COLA was determined by dividing the value of the COLA increase by the value of the average grant prior to the June 2003 COLA. This percent was then multiplied by the June 2003 through June 2004 basic persons costs for AF and TP in the current year (the June 2003 month was retroactively included because of the late approval of the COLA), and the July 2004 through June 2005 basic persons costs for AF and TP in the budget year. The result was the COLA impact on the basic AF and TP persons costs. These AF and TP costs were then totaled. The impact to other affected premises was determined by a similar calculation.

FUNDING:

The State General Fund (GF) share reflects the cost of the State-Only Two-Parent Program, which implemented October 1, 1999. The funding is shared 86.52 percent TANF, 10.98 percent GF and 2.5 percent county. The State-Only Two-Parent Program is countable toward the State's maintenance of effort.

Maximum Aid Payment – June 2003 COLA

CHANGE FROM THE APPROPRIATION:

The estimate was updated using the most recent actual data.

REASON FOR YEAR-TO-YEAR CHANGE:

The current year reflects the impact of the COLA for 13 months (June 2003 – June 2004). The budget year reflects only 12 months of the impact (July 2004 – June 2005).

EXPENDITURES:

(in 000's)

	2003-04	2004-05
	Grant	Grant
Total	$142,104	$135,107
Federal	118,667	109,644
State	19,884	22,085
County	3,553	3,378
Reimbursements	0	0

Maximum Aid Payment – July 2004 COLA

DESCRIPTION:

This premise reflects the cost of adding a cost-of-living adjustment (COLA) to the maximum aid payment (MAP). The COLA is based on the changes determined by the Department of Finance in the California Necessities Index (CNI), which is the weighted average changes for food, clothing, fuel, utilities, rent and transportation for low-income consumers. In accordance with Welfare and Institutions Code (W&IC) section 11453, beginning with Fiscal Year (FY) 2000-01 through FY 2003-04, the effective date of the COLA is October 1 of each year. For FY 2004-05, the effective date of the COLA is July 1.

IMPLEMENTATION DATE:

This premise will not be implemented..

KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&IC section 11453.
- The COLA to be given on July 1, 2004, has been suspended.

METHODOLOGY:

No costs were budgeted for this premise due to the decision to suspend the COLA.

FUNDING:

There is no funding for this premise due to the decision to suspend the COLA.

CHANGE FROM THE APPROPRIATION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

Maximum Aid Payment – July 2004 COLA

EXPENDITURES:

(in 000's)

	2003-04 Grant	2004-05 Grant
Total	$0	$0
Federal	0	0
State	0	0
County	0	0
Reimbursements	0	0

AFDC Collections

DESCRIPTION:

This premise reflects the federal share of Aid to Families with Dependent Children (AFDC) overpayments that occurred before October 1, 1996. The United States Department of Health and Human Services issued Program Instruction (PI) TANF-ACF-PI-2000-2 on September 1, 2000, clarifying current federal policy and requirements regarding overpayment recovery and reimbursement of the federal share. AFDC overpayments collected will increase the Temporary Assistance for Needy Families (TANF) expenditures by the amount recognized.

IMPLEMENTATION DATE:

This premise implemented on July 1, 2001.

KEY DATA/ASSUMPTIONS:

- The California Department of Social Services conducted a nine-county survey of overpayment collections received in October 1997, 1998, 1999, and 2000. For each year, a sample of cases recouped by grant reduction to the recipient's assistance payment (active cases), and a sample of cases recouped by cash collections under a lump sum or periodic repayment plan (closed cases) were reviewed in the counties.
- The overpayment collections were identified based on the occurring date. AFDC overpayment collections represent overpayments that occurred before October 1, 1996, and TANF overpayment collections represent those that occurred after October 1, 1996. AFDC overpayment collections represented 71.43 percent of grant reductions and 87.14 percent of cash collections in the October 1997 sample. By October 2000, AFDC overpayment collections decreased to 27 percent of grant reductions and 51.5 percent of cash collections.
- The percent of AFDC and TANF overpayment collections was weighted by the percent of grant reductions and cash collections. Beginning with the October 1999 sample, a year-to-year percent decrease change of AFDC grant reductions and cash collections was calculated to project the current year (CY) and budget year (BY) percentages.
- For the October 2000 sample, AFDC grant reductions resulted in 16.6 percent of the total overpayment collections, and AFDC cash collections represent 19.9 percent. The estimate assumes that AFDC grant reductions will represent 7.6 percent of total overpayment collections, and AFDC cash collections represent 5.5 percent in the CY, and 5.1 percent and 3.6 percent, respectively, in the BY.
- The estimated total overpayment collections are $78.0 million in the CY and $81.7 million in the BY.
- As identified by the Office of Inspector General (OIG) auditors, the federal share of AFDC collections from November 1996 through June 2002 for San Diego County is $5.3 million.

AFDC Collections

METHODOLOGY:

- The total amount of overpayment collections projected in the CY is multiplied by the AFDC percentages of grant reductions and cash collections ($78.0 million x 7.6 percent, and $78.0 million x 5.5 percent).
- The federal share for the CY is 50 percent of the total amount of AFDC collections ($10.2 million x 50 percent).
- The total amount of overpayment collections projected in the BY is multiplied by the AFDC percentages of grant reductions and cash collections ($81.7 million x 5.1 percent, and $81.7 million x 3.6 percent).
- The federal share for the BY is 50 percent of the total amount of AFDC collections ($7.1 million x 50 percent).

FUNDING:

The funding for this premise is 100 percent TANF.

CHANGE FROM THE APPROPRIATION:

The grant reductions and cash collections ratios have been revised based on actual collection data reported. The CY includes the federal share of AFDC collections, as identified by OIG auditors, for San Diego County from November 1996 through June 2002.

REASON FOR YEAR-TO-YEAR CHANGE:

The federal share of AFDC collections for San Diego County from November 1996 through June 2002 is eliminated. The share of prior October 1996 AFDC overpayments to the overall collections will continue to decline.

EXPENDITURES:

(in 000's)

	2003-04	2004-05
	Grant	Grant
Total	$10,452	$3,565
Federal	10,452	3,565
State	0	0
County	0	0
Reimbursements	0	0

Tribal TANF

DESCRIPTION:

This premise reflects the State General Fund (GF) cost to operate Tribal Temporary Assistance for Needy Families (TANF) Programs in California. Assembly Bill 1542 (Chapter 270, Statutes of 1997) allowed GF to be provided for tribes to administer a Tribal TANF Program. The Department has established a memorandum of understanding with the California Tribal TANF Partnership (CTTP) that represents the tribal members in Glenn, Lassen, Napa, Plumas, Solano, Sutter, and Yuba counties; North Fork Rancheria (NFR) that represents the tribal members in Madera, Mariposa, and Merced; Owens Valley Career Development Center (OVCDC) that represents the tribal members in Inyo County, Kern County, Tulare County, and Tule Reservation; the Southern California Tribal Chairman Association (SCTCA) that represents tribal members in Santa Barbara and San Diego counties; the Torres-Martinez Tribal TANF (TMTT) that represents tribal members in Los Angeles and Riverside counties; and the Washoe Tribe of Nevada and California (WTNC) that represents tribal members in Alpine, El Dorado, and Sacramento counties. The Department is continuing to work with the Hoopa Valley Tribe consortium to determine their Tribal Family Assistance Grant.

Federal welfare reform legislation allows for each Indian tribe that has an approved Tribal Family Assistance Plan to receive a Tribal Family Assistance Grant based on Federal Fiscal Year (FFY) 1994 actual expenditures. The administrative authority to operate a TANF Program is transferred to the tribes, together with federal and state funding based on FFY 1994 levels. Transferred funds include monies to meet grant costs and administrative costs related to cash aid and Welfare-to-Work (WTW) services. GF costs are based on the estimated participation rates of reimbursement for the counties, during FFY 1994, in which the tribal organizations are located.

IMPLEMENTATION DATE:

- This premise implemented on March 1, 1998.
- The TMTT service area expansion in nine additional cities in Riverside County implemented in April 2002.
- The Soboba Band of Luiseno Indians (Soboba) left the TMTT consortium in July 2003 resulting in these cases to be served by Riverside County. Soboba implemented their Tribal TANF program in the City of Riverside effective July 2003.
- This estimate assumes the CTTP tribes in Amador, Butte, Colusa, Del Norte, Humboldt, Lake, Mendocino Modoc, Siskiyou, Sonoma, Tehama, Trinity and Yolo; the WTNC tribes in Alameda, Contra Costa, Marin, Nevada, Placer, San Francisco, San Mateo, Santa Clara counties; and the OVCDC tribes in Fresno and Kings counties implemented in December 2003.
- The TMTT tribes in Orange and San Bernardino counties and the Hoopa Valley Tribes in Humboldt Indian Reservations are expected to implement in January 2004.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 10553.2(d).
- TANF transferred directly to the tribes and the state participation rates for FFY 1994 are estimated based on the following:

Tribal TANF

KEY DATA/ASSUMPTIONS: (continued):

- The average monthly cash aid cost of $211.34 per person is based on the average cash aid expenditure amount per person for FFY 1994;
- The average monthly number of cash aid cases is 19,087 in the current and budget years and is based on FFY 1994 data and information supplied by the tribes;
- The average persons per case is 2.9;
- The average monthly number of persons receiving WTW services is 1,837 in the current and budget years and is based on FFY 1994 data and information supplied by the tribes;
- The average monthly WTW services cost per person is $206.36;
- The average monthly administrative cost per case is $50.73;
- The Department is currently negotiating the Tribal Family Assistance Grant with the Hoopa Valley Tribe; and
- After the second year of implementation, the GF provided to the Tribes will be based on the current level of cases served. The estimate also includes a ten percent reserve to accommodate potential caseload increases.

METHODOLOGY:

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

- The administrative costs were derived by multiplying the average number of cases that contribute to the administrative costs per month by the average monthly administrative cost per case.
- The average monthly WTW services cost was derived by dividing the Greater Avenues for Independence (GAIN) Program expenditures for FFY 1994 (less child care) by the number of active GAIN participants.
- The WTW services costs were derived by multiplying the number of average persons served per month by the monthly service cost per person.
- The grant costs were derived by multiplying the average number of persons per case by the number of cases to determine the total number of persons. The total number of persons was then multiplied by the cash aid cost per person.

FUNDING:

The GF amount will be counted toward the State's maintenance of effort (MOE) requirement. The GF share of grant costs is 47.5 percent. The GF share of administrative and WTW services costs is based on the applicable state percentage that was reimbursed during FFY 1994 in those counties in which the tribal organizations are located. The counties are not funding their normal 2.5 percent share of grant costs or their MOE share of the costs. The direct distribution of TANF funds to the tribal organizations reduces both the TANF block grant available to the State and the State's MOE requirement. The State's MOE has been reduced in the same proportion as the reduction in the block grant.

Tribal TANF

CHANGE FROM THE APPROPRIATION:

The increase in the current year is due to updated implementation dates and cases used in determining Tribal Family Assistance Grants.

REASON FOR YEAR-TO-YEAR CHANGE:

As a result of budgetary pressures and other demands on the available GF, the budget year costs were reduced by $30.5 million based on the funding provided to the Tribes on the current level of cases served.

EXPENDITURES:

(in 000's)

	2003-04			2004-05		
	Grant	County Admin.	WTW Services	Grant	County Admin.	WTW Services
Total	$52,194	$3,446	$1,445	$39,051	$2,573	$884
Federal [1]	0	0	0	0	0	0
State	52,194	3,446	1,445	39,051	2,573	884
County	0	0	0	0	0	0
Reimbursements	0	0	0	0	0	0

[1] The federal share of the above costs was deducted from the TANF block grant to show the transfer of funds to the tribal organizations, a total of $61.3 million in FY 2003-04 and $78.4 million in FY 2004-05.

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Exemptions for 16 and 17-Year Olds (SB 1264)

DESCRIPTION:

This premise reflects the increased grant costs to the California Work Opportunity and Responsibility to Kids (CalWORKs) Program associated with the implementation of Senate Bill (SB) 1264 (Chapter 439, Statutes of 2002). SB 1264 amended Section 11320.3 of the Welfare and Institutions Code (W&IC) to expand the scope of exemptions from the welfare-to-work requirements to include a person who is 16 or 17 years of age who has obtained a high school diploma or its equivalent and is enrolled or is planning to enroll in a post-secondary education, vocational, or technical school training program. These children would have previously been sanctioned due to not meeting work participation requirements.

IMPLEMENTATION DATE:

This premise implemented in January 2004.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&IC section 11320.3
- Based on CalWORKs Federal Fiscal Years 2001 and 2002 Characteristics Survey data, an average of 0.15 percent of the CalWORKs cases have a 17-year old child who has graduated from high school, and very few cases have a 16-year old child who has graduated from high school.
- Based on CalWORKs Welfare-to-Work Monthly Activity Reports (WTW 25) from July to December 2002, 11.44 percent of CalWORKs cases are sanctioned due to not meeting work participation requirements.
- Based on the California Department of Education's enrollment/graduation data from the 2000-01 academic year, 35.58 percent of the high school graduates had completed required collegiate preparatory courses for the University of California and California State University campuses. This percentage was used to determine how many high school graduates were planning to continue in post-secondary education.
- Based on CalWORKs WTW 25, 23 percent of the high school graduates are participating in vocational education.
- Based on CalWORKs FFY 2002 Characteristics Survey data, the average grant per person among those cases with 16 and 17-year old children is $141.87.

METHODOLOGY:

- The CalWORKs Basic November 2003 trend caseload projection is multiplied by 0.15 percent to determine the number of 16 and 17-year olds who have graduated high school (average monthly cases: 485,845 x 0.15 percent = 737 cases in the budget year).
- The number of 16 and 17-year old graduates is then multiplied by the current CalWORKs sanction rate of 11.44 percent to determine the number of graduated 16 and 17-year olds who are currently sanctioned due to not meeting work participation requirements (737 cases x 11.44 percent = 84).

Exemptions for 16 and 17-Year Olds (SB 1264)

METHODOLOGY (continued):

- The total percentage of 16 and 17-year olds who are enrolled or are planning to enroll in post-secondary education and other training programs equals the sum of the percentage of high school graduates eligible for California universities and the percentage of high school graduates participating in vocational education (35.58 percent + 23 percent = 58.58 percent).
- The number of 16 and 17-year olds who will be exempted by SB 1264 is determined by multiplying the number currently being sanctioned by the total percentage who are enrolled or are planning to enroll in post secondary education and other training programs (84 cases x 58.58 percent = 49 cases).
- The annual fiscal impact of implementing SB 1264 is calculated by multiplying the annual number of exempted 16 and 17-year olds by the average cost per person (e.g., for the budget year, 49 x 12 x $141.87 = $83,420).

FUNDING:

The funding is 86.52 percent TANF, 10.98 percent State General Fund and 2.5 percent county.

CHANGE FROM THE APPROPRIATION:

This premise has been reduced from the Budget Act of 2003 Appropriation level due to the delay in implementation from January 1, 2003, to January 1, 2004.

REASON FOR YEAR-TO-YEAR CHANGE:

The budget year represents a full-year implementation of this change.

EXPENDITURES:

(in 000's)

	2003-04 Grant	2004-05 Grant
Total	$42	$84
Federal	36	73
State	5	9
County	1	2
Reimbursements	0	0

Unemployment Insurance (UI) Benefits Impact

DESCRIPTION:

This premise reflects the savings to the California Work Opportunity and Responsibility to Kids (CalWORKs) Program as a result of the rate increases in weekly Unemployment Insurance (UI) benefits and the temporary 13-week extension for eligible CalWORKs recipients and potential CalWORKs applicants claiming UI benefits.

Senate Bill (SB) 40 (Chapter 409, Statutes of 2001) provided the first increase in unemployment insurance benefits in California since 1989. SB 40 increased the maximum weekly benefits from $230 to $330 for new claims filed with a beginning date of January 6, 2002 and provided three additional increases to the maximum weekly benefits ($370 effective January 5, 2003; $410 effective January 4, 2004; and $450 effective January 3, 2005).

On March 9, 2002, the federal "Job Creation and Worker Assistance Act of 2002" was signed into law and provides for temporary extended unemployment compensation. This Act allows unemployed workers who have exhausted their regular unemployment insurance benefits to file for an extension of up to 13 weeks of benefits. The original effective period of this extension was from March 10, 2002, to December 31, 2002, and was referred to as Temporary Extended Unemployment Compensation (TEUC). On January 8, 2003, Congress passed legislation to extend the effective period to May 25, 2003 (last date for a claim to begin). Then, on May 28, 2003, Congress again passed an extension to the TEUC Program through December 28, 2003. To be eligible for this extension of UI benefits the claimant must have exhausted all rights to regular compensation on or after March 15, 2001, and have no rights to regular compensation or extended compensation or any other state unemployment compensation law or to compensation under any other federal law.

IMPLEMENTATION DATE:

This premise implemented on January 6, 2002.

KEY DATA/ASSUMPTIONS:

- Based on the match of the Medi-Cal Eligibility Determination System (MEDS)/Employment Development Department (EDD) UI benefit data with the Federal Fiscal Year (FFY) 2001 CalWORKs Characteristics Survey data, 4.07 percent of CalWORKs cases receive UI benefits.
- The November 2003 CalWORKs trend caseload is used to project the number of CalWORKs cases receiving UI benefits.
- UI benefits are considered as unearned income in CalWORKs eligibility determination and will be deducted from the recipient's grant on a dollar to dollar basis. UI benefit increases for CalWORKs recipients result in savings to the CalWORKs Program.
- MEDS/EDD UI benefit data showed that those cases that received UI benefits have on average $491.90 UI benefits per case per month.
- The maximum weekly UI benefit amount increase effective January 5, 2003, increased CalWORKs recipients' monthly UI benefits by $59.62 on average bringing the average UI benefits per case per month to $551.52.

Unemployment Insurance (UI) Benefits Impact

KEY DATA/ASSUMPTIONS (continued):

- The maximum weekly UI benefit amount increase effective January 4, 2004, will increase CalWORKs recipients' monthly UI benefits by another $59.62 on average bringing the average UI benefits per case per month to $611.15.
- The maximum weekly UI benefit amount increase effective January 3, 2005, will increase CalWORKs recipients' monthly UI benefits by another $59.62 on average bringing the average UI benefits per case per month to $670.77.
- The impacts of UI benefit changes before January 1, 2004, are assumed to be in the CalWORKs basic expenditure trends.
- The UI benefit increases effective in January 2004 will have an effect on CalWORKs grants beginning in March 2004 due to retrospective budgeting.
- Based on MEDS/EDD UI benefit data, 8.76 percent of those CalWORKs cases receiving UI benefits are eligible for TEUC, or the 13-week extension. This 13-week extension was available through the end of December 2003 due to the recent extension by Congress in May 2003.
- Based on MEDS/EDD UI benefit data, it is estimated the number cases will be delayed entering CalWORKs due to the first 13-week extension of UI benefits equals to 0.08 percent of the CalWORKs cases.
- Based on CalWORKs expenditure claims and actual caseload reported on CA 800 and CA 237 for Calendar Year 2002, the CalWORKs average grant per case is $513.95.

METHODOLOGY:

- The November 2003 CalWORKs caseload projection is multiplied by 4.07 percent to determine the number of cases claiming UI benefits (average monthly caseload during the impacted period: CY 479,231 x 4.07 percent = 19,482 cases; BY 480,919 x 4.07 percent = 19,550 cases).
- The impact of the January 2004 UI benefit increase in the CY equals 19,482 cases multiplied by the net increase of UI benefits $59.62, and then the number of impacted months (19,482 x $59.62 x 4).
- The cumulative impact of the January 2004 and January 2005 UI benefit increases in the BY equals 19,550 cases multiplied by the total increase of UI benefits $119.25 ($59.62 for January 2004 and $59.62 for January 2005), and then the number of impacted months ((19,550 cases x $59.62 x 6 months) + (19,550 cases x $119.25 x 6 months)).
- The ratio of eligible CalWORKs UI claimants for the 13-week temporary extension (8.76 percent) is applied to the CalWORKs recipients with UI benefits to determine the eligible caseload (8.76 percent x 19,482 = 1,706).
- The impact of the 13-week extension during the effected period of July 2003 to March 2004 is calculated by multiplying the monthly impacted caseload by the amount of the monthly UI benefit those eligible claimants received [(1,706 cases x $551.52 x 6 months) + 1,706 x $611.14 x 3 months)]. The TEUC is scheduled to expire in April 2004, and therefore, there is no impact in the BY.

Unemployment Insurance (UI) Benefits Impact

METHODOLOGY (continued):

- The ratio of CalWORKs cases expected to be delayed in entering the program due to the extension of their UI benefits (TEUC) is applied to the CalWORKs trend caseload and then cumulated for three months to determine the impacted caseload. After the 13 weeks has expired, the case is assumed in the caseload trend.

- The fiscal impact of delaying cases entering CalWORKs resulting from the most recent UI benefits extension are calculated by multiplying the cumulated caseload by the current CalWORKs average monthly grant amount of $513.95 for CalWORKs recipients, and then by the number of months impacted (e.g., for CY, 1,164 cases x $513.95 x 3). There is no BY impact because this program will end in April 2004.

FUNDING:

The grant savings are shared 86.52 percent Temporary Assistance for Needy Families, 10.98 percent state and 2.5 percent county.

CHANGE FROM THE APPROPRIATION:

This premise is updated based on most recent CalWORKs caseload projections.

REASON FOR YEAR-TO-YEAR CHANGE:

Although the TEUC will end in April 2004, the increase in the BY is the result of the January 2005 UIB increase.

EXPENDITURES:

(in 000's)

	2003-04	2004-05
	Grant	Grant
Total	-$13,358	-$21,009
Federal	-11,557	-18,176
State	-1,467	-2,307
County	-334	-526
Reimbursements	0	0

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Senior Parent Deeming

DESCRIPTION:

This premise reflects the grant and administrative savings to the California Work Opportunity and Responsibility to Kids (CalWORKs) Program as the result of reinstating the senior parent deeming rule. Pursuant to Assembly Bill (AB) 444 (Chapter 1022, Statutes of 2002), Welfare and Institutions Code (W&IC) section 11254, subdivision (c) and (d) have been eliminated. Under the Teen Pregnancy Disincentive policy enacted by AB 908 (Chapter 307, Statutes of 1995), a minor parent is generally required to live with her parent(s) (referred to as "senior parents") in order to receive cash assistance. In the past, senior parents could apply for and receive aid on behalf of the grandchild establishing a “child-only” case, even if the senior parents’ income would otherwise make the family ineligible for assistance. As a result of this change, a senior parent's income must be "deemed" to the grandchild, meaning that the grandparent's income will be considered to be available for the support of the grandchild, and therefore counted for the purpose of determining eligibility of the grandchild for cash assistance. This change would render some non-needy child-only cases ineligible for cash assistance.

IMPLEMENTATION DATE:

This premise implemented on October 1, 2002.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&IC section 11254.
- Based on the ACF-202 TANF Caseload Reduction Report, the ratio of senior parent deeming cases to the All Other Families (AF) cases is 0.58 percent.
- The November 2003 CalWORKs caseload projection for AF cases is used to calculate the cases that would be impacted by this change.
- Based on the November 2003 CalWORKs caseload projection, the average monthly AF caseload is 438,030 for the current year (CY) and 439,409 for the budget year (BY).
- The maximum aid payment (MAP) for an assistance unit of one prior to any cost of living adjustment (COLA) is $336 for both the CY and BY.
- The monthly administrative cost to process a continuing CalWORKs case is $42.75 per case. The quarterly administrative cost to process a continuing CalWORKs case is $57.57 per case. The impact of the Quarterly Reporting/Prospective Budgeting (QR/PB) change is reflected in this premise based on the ratio of implemented months.

METHODOLOGY:

- The monthly caseload impacted by this change is calculated by multiplying the November 2003 CalWORKs monthly AF caseload projection by 0.58 percent (average monthly AF caseload CY: 438,030 and BY: 439,409). The average number of impacted cases per month is 2,541 for the CY and 2,549 for the BY.

Senior Parent Deeming

METHODOLOGY (continued):

- The annual grant savings for implementing the senior parent deeming rule are calculated by multiplying the annual number of cases by the MAP for an assistance unit of one.
- The annual administrative savings are calculated by multiplying the annual number of cases by the appropriate monthly administrative cost per case or quarterly administrative cost per case. Beginning in June 2004, the QR/PB is expected to be fully implemented in the counties.

FUNDING:

The grant savings are shared 97.5 percent TANF, and 2.5 percent county. The administrative savings are 100 percent TANF

CHANGE FROM THE APPROPRIATION:

This premise has been updated to reflect revised caseload projections and QR/PB implementation schedule.

REASON FOR YEAR-TO-YEAR CHANGE:

The grant savings reflect increased caseload projections. The administrative savings were held to the Budget Act of 2003 Appropriation level in the CY while the BY reflects the full implementation of the QR/PB premise.

EXPENDITURES:

(in 000's)

ITEM 101 –

CalWORKs (TANF) Program Costs	2003-04	2004-05
	Grant	Grant
Total	-$10,640	-$10,975
Federal	-10,374	-10,701
State	0	0
County	-266	-274
Reimbursements	0	0

Senior Parent Deeming

EXPENDITURES (continued):

(in 000's)

ITEM 101 –

CalWORKs (TANF) Administrative Costs	2003-04 Admin	2004-05 Admin
Total	-$944	-$587
Federal	-944	-587
State	0	0
County	0	0
Reimbursements	0	0

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Prospective Budgeting

DESCRIPTION:

This premise reflects the administrative savings, grant/coupon costs, one-time training costs, and reprogramming costs associated with implementing a quarterly reporting system using prospective budgeting in determining benefits based on projected income over a three-month period for the California Work Opportunity and Responsibility to Kids (CalWORKs), Food Stamps (FS), California Food Assistance Program (CFAP), and Refugee Cash Assistance (RCA) programs.

Assembly Bill (AB) 444 (Chapter 1022, Statutes of 2002) requires the replacement of the current monthly reporting/retrospective budgeting system with a quarterly reporting/prospective budgeting (QR/PB) system for the CalWORKs Program. This bill also requires the State to adopt the QR/PB system in the Food Stamp (FS) Program to the extent permitted by federal law, regulations, waivers, and directives, and considering cost-effectiveness, compatibility between the two programs, and food stamp errors. The Code of Federal Regulations (7 CFR) section 273.21 requires states to determine food stamp eligibility using either a prospective or retrospective budgeting methodology consistent with the State's Temporary Assistance for Needed Families (TANF) Program unless a waiver is granted by the United States Department of Agriculture (USDA) Food and Nutrition Services (FNS).

Under the QR/PB system, recipients' eligibility and benefits for a three-month period will be based on information provided on the Quarterly Eligibility Report Form (QR 7) and will be determined using prospective budgeting and income averaging rules. Recipients will have mandatory recipient mid-quarter reporting requirements during the quarter. All CalWORKs recipients with earnings are required to report income that exceeds the Income Reporting Threshold (IRT), which is the greater of the CalWORKs eligibility limit or 130 percent of the Federal Poverty Level (FPL) for the family size; drug felony convictions; fleeing felon status; parole/probation violations; and address changes. Food Stamp recipients will only be required to report address changes in mid-quarter. Certain nonassistance FS (NAFS) recipients will also be required to report changes in work hours that could affect eligibility. Recipients have the option to report changes that would result in increased grant/coupon benefits when they occur. To determine whether the change results in increased benefits mid-quarter, currently reported income and reasonably expected income for the rest of the quarter will be averaged for the current and the remaining months and subsequent benefits are adjusted accordingly.

Households that are currently not required to submit monthly reports may have their benefits determined on either a prospective or retrospective basis at the State agency's option, unless specifically excluded from retrospective budgeting.

IMPLEMENTATION DATE:

This premise began implementation on November 1, 2003, and will become fully implemented by June 30, 2004.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: 7 CFR section 273.21(b), and Welfare and Institutions Code sections 11265.1-11265.3 and 11450.1-11450.3.
- The Department has received USDA-FNS waiver approval to implement QR/PB for the FS Program.
- Counties have varied implementation months from November 2003 through June 2004.

Prospective Budgeting

KEY DATA/ASSUMPTIONS (continued):

- The current year (CY) costs and savings are based on the following implementation dates and casemonths:

Implementation Month	CalWORKs Casemonths	NAFS Casemonths	RCA Casemonths	CFAP Casemonths
NOV 2003	158,726	146,817	18	4,409
JAN 2004	148,735	129,047	43	41
FEB 2004	38,200	51,586	75	1,747
MAR 2004	59,929	72,102	106	941
APR 2004	346,198	298,877	186	1,050
MAY 2004	165,853	146,817	205	12,098
JUN 2004	214,862	151,805	443	197

- The budget year (BY) costs and savings are based on 5,771,028 CalWORKs casemonths; 4,809,218 NAFS casemonths; 5,611 RCA casemonths; and, 92,584 CFAP casemonths.
- The November 2003 trend caseloads for CalWORKs, NAFS, CFAP and the RCA programs are used to project the number of cases that will be impacted by prospective budgeting and quarterly reporting each month.
- The Fiscal Year (FY) 2002-03 CalWORKs actual caseload ratio for each county is applied to the November 2003 statewide CalWORKs caseload projections to estimate county specific monthly caseload.
- The FY 2002-03 caseload ratio for each county is applied to the November 2003 NAFS/CFAP caseload projections to estimate county specific monthly caseload for each consortium.
- It is assumed that 10.75 percent of the total NAFS/CFAP cases are currently subject to nonmonthly/change reporting based on the Federal Fiscal Year (FFY) 2002 Food Stamp Characteristics Survey. The NAFS casemonths are reduced to 889,868 (131,034 in November 2003; 115,174 in January 2004; 46,041 in February 2004; 64,351 in March 2004; 266,748 in April 2004; 131,034 in May 2004; and 135,486 in June 2004) in FY 2003-04 and 4,292,227 in FY 2004-05 to reflect the reduction of these cases and the CFAP administration/coupon casemonths are reduced to 18,281 (3,935 in November 2003; 37 in January 2004; 1,559 in February 2004; 840 in March 2004; 937 in April 2004; 10,797 in May 2004; and 176 in June 2004) in FY 2003-04 and 82,631 in FY 2004-05.
- The monthly administrative cost to process a CalWORKs/RCA continuing case is estimated at $42.75. It is assumed that it will cost $57.57 to process a quarterly report for CalWORKs/RCA. The monthly administrative cost to process a NAFS/CFAP continuing case is $25.01. It is assumed that it will cost $33.69 to process a NAFS/CFAP continuing case on a quarterly basis.
- It is assumed that it will cost $28.23 to process a change in a case during mid-quarter months for NAFS and CFAP, and $28.08 for CalWORKs and RCA.

Prospective Budgeting

KEY DATA/ASSUMPTIONS (continued):

- It is assumed that only one-third (33 percent) of the total CalWORKs, NAFS, CFAP, and RCA cases will report each month under the prospective budgeting/quarterly reporting framework. The remaining two-thirds (67 percent) of the cases will only report outside their normal quarterly report month in certain circumstances.
- The administrative savings from eliminating the processing of monthly reports for CalWORKs, NAFS, CFAP and RCA programs is assumed to be phased in over a six-month period to allow counties to transition to the new system. It is assumed that the counties realize 17 percent of the potential monthly savings in the month of implementation, with a continual 17 percent increase until 100 percent of the potential monthly savings are achieved in the sixth month after implementation.
- Based on the CalWORKs Report on Reasons for Discontinuances of Cash Grant, (CA 253 CW) for FY 2002-03, 8.73 percent of the CalWORKs cases are discontinued each month, and 12.51 percent of the cases are discontinued due to income exceeding CalWORKs eligibility limits. Under QR/PB some of these cases will experience a delay in being discontinued until their quarterly report month.
- CalWORKs recipients with unearned income only will be exempt from mid-quarter reporting when their income exceeds the IRT. This group of recipients accounts for 0.06 percent of the CalWORKs caseload. It is assumed that 50 percent of these cases will receive one month of additional benefits and 50 percent will receive two months of additional benefits before being discontinued when their quarterly report is filed.
- The CalWORKs eligibility limit for all assistance unit (AU) sizes is below 130 percent FPL (or the IRT) with the exception of the two-person AU. It is assumed that all two-person AUs with earnings exceeding CalWORKs eligibility limits will be required to report during nonreport months. The two-person AUs represent 31.0 percent of the CalWORKs caseload based on data from the CalWORKs Characteristics Survey for FFY 2002.
- Due to the difference in income level between the CalWORKs eligibility limit and the IRT, it is assumed that 41.87 percent of the CalWORKs cases currently discontinued, excluding two-person cases, will not be required to report during mid-quarter months due to their income being under 130 percent of the FPL based on FFY 2002 CalWORKs Characteristics Survey and FFY 2002 Employment Development Department (EDD) wage data. It is assumed that 50 percent of these cases will receive one month of additional benefits and 50 percent will receive two months of additional benefits before being discontinued when their quarterly report is filed.
- The number of CalWORKs cases required to report income exceeding the IRT during mid-quarter months is estimated at 0.49 percent of the total caseload implemented.
- Based on data from the Fraud Investigation Activity Report (DPA 266) FY 2002-03, fraud cases account for 2.88 percent of total CalWORKs cases. The percentage is applied to the cases required to report when income exceeds eligibility limit or IRT during mid-quarter months to estimate the number of cases that will not report income changes during a nonreport month resulting in overpayment. Fifty percent of the cases will result in an overpayment for one month and 50 percent of the cases will result in a two-month overpayment. Based on fraud overpayment collection experience, it is assumed that 50 percent of the overpayments will be recovered after a six-month period.

Prospective Budgeting

KEY DATA/ASSUMPTIONS (continued):

- Based on EDD wage data, the average CalWORKs case receives a grant of $163.00 in FYs 2003-04 and 2004-05; the average CFAP household receives a benefit of $47.13 in FY 2003-04, and $48.63 in FY 2004-05 just prior to becoming ineligible due to excess income.
- Based on Refugee Services Program Services Participation and Outcomes Report (RS 50) data, 1.17 percent of the current RCA cases are terminated due to employment, and 0.46 percent of the cases have their grant reduced due to employment.
- Based on the most recent actual RCA expenditures, the average grant per case for RCA is $299.14 in the CY, and $307.61 in the BY. The average grant for RCA cases just prior to exiting the program is estimated at $94.87.
- Based on CalWORKs FFY 2001 Characteristics Survey data, 31.71 percent of CalWORKs cases have earnings. Based on FFY 2001 EDD wage data, among those cases with earnings, 33.84 percent experience a reduction in earnings from quarter to quarter. Based on county survey data regarding Reduced Income Supplemental Payments (RISPs) application, it is estimated that 26 percent of the CalWORKs, and 10 percent of NAFS and CFAP cases with decreased earnings will report the decrease during the non-quarterly report months, which represents 2.72 percent of the total caseload.
- Based on the Food Stamp Program Monthly Caseload Movement Statistical Report (DFA 296) for FY 2002-03, 15.42 percent of CFAP cases are discontinued each month. It is estimated that 12.51 percent of the cases are discontinued due to income exceeding eligibility limits. It is assumed that 41.9 percent of these cases will not be discontinued until their quarterly report month; therefore, resulting in 50 percent of the cases receiving one month of additional benefits and 50 percent receiving two months of additional benefits.
- Under QR/PB, CalWORKs recipients will receive a grant adjustment equal to 100 percent of the grant increase associated with reported decrease in income. Under monthly reporting rules, recipients may receive supplemental payments equal to 80 percent of the grant increase. The average CalWORKs grant impact for cases that would report decreased income in non-quarterly report months is estimated at $115.53.
- CFAP cases will receive a 100 percent supplemental payment equal to the increase; under monthly reporting these cases do not receive a supplemental payment. The average CFAP benefit impact for cases that would report decreased income in non-quarterly report months is $54.06.
- The costs and savings under the QR/PB framework are compared to the monthly reporting and retrospective budgeting framework. Assuming one-third of the income increases occur in each month, the result is one month of costs, one month of savings and one month of no cost or savings to CalWORKs or CFAP programs. The net impact is zero in those cases with increased income of all ranges not reporting.
- Based on county survey data, 2.83 percent of the caseload will report change of address and 1.64 percent will report a change in household composition or shelter costs that will result in increased benefits during non-quarterly report months.

Prospective Budgeting

KEY DATA/ASSUMPTIONS (continued):

- Based on the CA 253 Reports for FY 2002-03, 0.60 percent of CalWORKs and CFAP monthly cases would become ineligible for the following reasons: no eligible child (0.51 percent), excess resources (0.05 percent) or no deprivation (0.04 percent). It is assumed that 50 percent of these cases will continue to receive one additional full month of the grant and 50 percent will continue to receive two additional months of the full grant before being discontinued.
- Able-Bodied Adults Without Dependents (ABAWDS) are required to report during the quarter when they are not meeting the work requirement. Based on the Stat 46, FSET Program Quarterly ABAWDs Statistical and Expenditure Report for FY 2002-03, 0.35 percent of the monthly NAFS/CFAP caseload for non-waiver counties (872,236 in FY 2003-04 and 4,117,267 in FY 2004-05) experience a reduction in work hours causing them to become ineligible for the FSP.
- Based on data from the CA 253 Reports for FY 2002-03 and the FS Program Monthly Caseload Movement Statistical Report (DFA 296) for FY 2002-03, 4.73 percent of CalWORKs cases and 7.91 percent of CFAP cases are discontinued monthly for not submitting a Monthly Eligibility Report (CW 7).
- Based on the CA 237 Reports for FY 2002-03, 17.99 percent of CalWORKs cases and 17.99 percent of CFAP cases that were discontinued will be restored within a month. It is assumed that 50 percent of these cases will continue to receive one additional full month of grant/benefit and 50 percent will continue to receive two additional full months of full grant/benefit before being discontinued.
- The average CalWORKs grant per case is $513.95 based on the CA 800 CalWORKs expenditure reports for FY 2002-03. The average CFAP benefits per case is $110.84 based on DFA 256 Reports from April 2003 through July 2003.
- The current cost for mailing a monthly report form to a recipient is $0.75. It is assumed that the cost for mailing the quarterly report will be $0.75 per household/case.
- It is assumed that 8,207 CalWORKs Eligibility Worker (EW) full-time equivalents (FTEs) and 3,170 NAFS/CFAP EW FTEs will need 12 hours of one-time training for the QR/PB system in FY 2003-04 based on $57.57 per hour for CalWORKs and $58.27 per hour for NAFS/CFAP.
- It is assumed that it will cost $23.6 million ($10.4 million for CalWORKs, and $13.2 million for FS) in FY 2003-04 to reprogram existing systems to implement QR/PB based on information from the Health and Human Services Data Center. These costs are shared between CalWORKs and FS based on FY 2001-02 person counts of the programs.

METHODOLOGY

- The total CalWORKs, NAFS, CFAP and RCA prospective budgeting administrative costs are calculated by adding the administrative costs to process: quarterly reports; mid-quarter changes due to income exceeding the IRT; reduced earnings resulting in increased benefits; address changes; other changes resulting in increased benefits; mid-quarter changes resulting in ABAWDs not meeting work requirement; mailing costs; one-time staff training costs; and reprogramming system costs.

Prospective Budgeting

METHODOLOGY (continued):

- The CalWORKs, NAFS, CFAP and RCA administrative savings from not processing monthly reports are calculated by multiplying the monthly cost to process a continuing case by the total casemonths of those currently required to report on a monthly basis (e.g., for NAFS: $25.01 x 889,868). These savings are phased in over six months to allow counties to transition to the new system.
- The CalWORKs, NAFS, CFAP and RCA administrative costs to process quarterly reports are calculated by multiplying the quarterly cost to process a continuing case by the adjusted casemonths of those required to report on a quarterly basis (e.g., for NAFS: $33.69 x 889,868 x 33 percent).
- The CalWORKs administrative cost to process a change resulting in income exceeding the IRT is calculated by multiplying the cost per case to process mid-quarter reports by the associated casemonths of those required to report (e.g., for CalWORKs – January implementation: $28.08 x 766).
- The CalWORKs, NAFS and CFAP administrative costs to process a change resulting in reduced earnings are calculated by multiplying the number of cases that would report their reduced earnings outside the quarterly reporting months by the cost per case (e.g., for NAFS: (889,868 x 2.72 percent x $28.23).
- The CalWORKs, NAFS, and CFAP administrative costs to process a change of address during non-quarterly report months are calculated by multiplying the number of cases that would report the changes outside the quarterly reporting months by the cost per case (e.g., for NAFS: 889,868 x 2.83 percent x $28.23).
- The CalWORKs, NAFS, and CFAP administrative costs to process a change in household composition or shelter costs that will result in increased benefits are calculated by multiplying the number of cases that would report the changes outside the quarterly reporting months by the cost per case (e.g., for NAFS: 889,868 x 1.64 percent x $28.23).
- The administrative cost to process discontinuances for ABAWDs not meeting the work requirement is calculated by multiplying the number of cases that would report outside the quarterly report month and are not exempted from the ABAWD waivers by the cost per case (e.g., for NAFS: 872,236 x 0.35 percent x $28.23).
- The CalWORKs, NAFS, CFAP and RCA administrative cost to mail quarterly reports is calculated by multiplying the number of cases that will report quarterly by the mailing cost (e.g., for NAFS: (889,868 x 33 percent) x $0.75).
- The CalWORKs, NAFS, CFAP and RCA administrative savings due to not mailing monthly reports is calculated by multiplying the number of cases reporting monthly by the mailing cost (e.g., for NAFS: 889,868 x $0.75). To allow for counties to transition to the new system, no mailing savings are assumed for the first three months of implementation.
- CalWORKs grant costs for not discontinuing cases with income over the CalWORKs eligibility limit but under the IRT are calculated by multiplying the impacted casemonths by the average grant per case accounting for the assumption that 50 percent receive one month of additional grant and 50 percent receive two months of additional grant (e.g., for CalWORKs – January implementation: ($163.00 x 295 x 50 percent) + ($163.00 x 295 x 50 percent x 2)).

Prospective Budgeting

METHODOLOGY (continued):

- CFAP coupon costs for not discontinuing cases with income over the eligibility limit are calculated by multiplying the impacted casemonths by the average grant per case accounting for the assumption that 50 percent receive one month of additional grant and 50 percent receive two months of additional grant (e.g., for CFAP: ($47.13 x 70 x 50 percent) + ($47.13 x 70 x 50 percent x 2)).
- CalWORKs grant costs for those cases exempt from reporting when their income exceeds the IRT because they have unearned income only, are calculated by multiplying the impacted casemonths by the associated average grant per case, accounting for the assumption that 50 percent receive one month of additional grant and 50 percent receive two months of additional grant (e.g., for CalWORKs – January implementation: ($163.00 x 60 x 50 percent) + ($163.00 x 60 x 50 percent x 2)).
- Overpayments for those cases that will not report income exceeding the IRT are calculated by multiplying the average grant per case by the impacted casemonths of those that will not report, accounting for the assumption that 50 percent receive one month of additional grant and 50 percent receive two months of additional grant, and 50 percent of the overpayments will be recovered after a six-month period (e.g., for CalWORKs – January implementation: ($163.00 x 21 x 50 percent) + ($163.00 x 21 x 50 percent x 2)).
- CalWORKs grant costs for increasing the benefits of those cases reporting a decrease in income during mid-quarter months are calculated by multiplying the impacted casemonths by the average grant increase of $115.53 (e.g., for CalWORKs – January implementation: ($115.53 x 4,041 x 50 percent) + ($115.53 x 4,041 x 50 percent x 2)).
- CFAP coupon costs for those cases reporting a decrease in income during mid-quarter months are calculated by multiplying the impacted casemonths by the average coupon increase (e.g., for CFAP: ($54.06 x 497) + ($54.06 x 497 x 50 percent).
- CalWORKs grant and CFAP coupon costs for not processing CW 7 noncompliance cases monthly are calculated by multiplying the average grant/coupon per case by the impacted casemonths, accounting for the assumption that 50 percent receive one month of additional grant and 50 percent receive two months of additional grant (e.g., for CalWORKs – January implementation: (($513.95 x 3,848 x 50 percent) + ($513.95 x 3,848 x 50 percent x 2)).
- CalWORKs grant and CFAP coupon costs for not discontinuing ineligible cases (for reasons of no eligible child, etc.) until the quarterly report month are calculated by multiplying the average grant/coupon per case by the impacted casemonths, accounting for the assumption that 50 percent receive one month of additional grant and 50 percent receive two months of additional grant (e.g., for CalWORKs – January implementation: (($513.95 x 589 x 50 percent) + ($513.95 x 589 x 50 percent x 2)).
- RCA grant costs for not adjusting cases with increased earnings until the quarterly report month are calculated by multiplying the impacted casemonths by the average reduction in grant of $94.87 (RCA statewide: 44 x $94.87).
- The one-time EW training is calculated by multiplying the EW FTE by 12 hours of an EW salary (e.g., NAFS/CFAP 3,170 x (12 x $58.27)).
- The total administrative cost to reprogram computer systems is $23.6 million ($10.4 million for CalWORKs, and $13.2 million for NAFS/CFAP) in FY 2003-04.

Prospective Budgeting

FUNDING:

The funding for CalWORKs grant is 86.52 percent TANF, 10.98 percent State General Fund (GF) and 2.5 percent county. Funding for CalWORKs Administration is 90.3 percent TANF and 9.7 percent GF. The FS sharing ratio is 50 percent federal, 35 percent state, and 15 percent county funds. CFAP costs are 100 percent GF. RCA costs are funded 100 percent federal funds.

CHANGE FROM THE APPROPRIATION:

This premise has been updated for more recent actual data and an updated implementation schedule.

REASON FOR YEAR-TO-YEAR CHANGE:

The BY increase to CalWORKs and CFAP grant costs represents statewide implementation of QR/PB according to various schedules. The BY increased savings to CalWORKs, FS, and CFAP Administration is due to full-year implementation.

EXPENDITURES:

(in 000's)

ITEM 101 – CalWORKs Grant/ Administration	2003-04		2004-05	
	Grant	Admin.	Grant	Admin.
Total	$32,057	$22,582	$163,355	-$102,235
Federal	27,736	20,383	141,335	-92,278
State	3,520	2,199	17,936	-9,957
County	801	0	4,084	0
Reimbursements	0	0	0	0

Prospective Budgeting

EXPENDITURES (continued):

(in 000's)

ITEM 141 – Food Stamp Administration	2003-04	2004-05
	Admin.	Admin.
Total	$18,487	-$41,618
Federal	9,243	-20,809
State	7,268	-14,566
County	1,976	-6,243
Reimbursements	0	0

ITEM 101 – CFAP/ ITEM 141- CFAP Administration	2003-04		2004-05	
	Grant	Admin.	Grant	Admin.
Total	$181	$81	$824	-$862
Federal	0	0	0	0
State	181	81	824	-862
County	0	0	0	0
Reimbursements	0	0	0	0

ITEM 101 – RCA / ITEM 141-RCA Administration	2003-04		2004-05	
	Grant	Admin.	Grant	Admin.
Total	$2	-$16	$4	-$32
Federal	2	-16	4	-32
State	0	0	0	0
County	0	0	0	0
Reimbursements	0	0	0	0

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Recent Noncitizen Entrants

DESCRIPTION:

This premise reflects the cost of continuing to aid Recent Noncitizen Entrants. The federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA), Public Law 104-193, excluded most legal immigrants entering the United States (U.S.) after the date of enactment (August 22, 1996). These recent entrants to the United States are barred from receiving benefits from the Temporary Assistance for Needy Families (TANF) Program for the first five years they are in the country. PRWORA does provide exceptions for certain noncitizens:

1. Refugees, asylees, or those granted withholding of deportation for their first five years in the U.S.;
2. Veterans, current military personnel, spouses and dependents; and,
3. Cuban-Haitian noncitizens: Cuban-Haitian entrants are eligible for Refugee Assistance and Refugee Education Assistance.

The California Work Opportunity and Responsibility to Kids (CalWORKs) Program continued aid to certain groups of noncitizens that became ineligible with the implementation of PRWORA. These include: (1) Parolees; (2) Conditional Entrants; (3) Legal Permanent Residents; (4) Permanently Residing in the United States Under Color of Law; and, (5) Battered Noncitizens.

IMPLEMENTATION DATE:

This premise implemented in September 1996.

KEY DATA/ASSUMPTIONS:

- Based on September 2002 through December 2002 data reported on the Summary Report of Assistance Expenditures for CalWORKs – Legal Immigrants (CA 800 M and CA 800L) the monthly caseload for recent noncitizen entrants is 5,234 and the average grant per case is $578.55.
- The total Recent Noncitizen Entrants cases is projected by applying the CalWORKs trend forecast to December 2002 actual caseload. The CalWORKs caseload is projected to decrease in the current year (CY) and budget year (BY).
- Adjusting for the CalWORKs trend, the estimated monthly caseload for Fiscal Year (FY) 2003-04 and FY 2004-05 is 5,187. Effective April 1, 2004, the total caseload will be capped. No new cases will be granted benefits unless an existing Recent Noncitizen recipient's benefits are discontinued.
- The administrative costs for recent noncitizen entrants claimed by counties were $10,436,577 during Calendar Year 2002.
- For services, the costs in FY 2003-04 and FY 2004-05 reflect 2.0 percent of the CalWORKs Services Basic cost. Refer to that premise for more detailed information regarding services. The percentage is based upon actual expenditures from January 2002 to December 2002.
- For CalWORKs Child Care, the total costs for FY 2003-04 and FY 2004-05 is 1.0 percent of the CalWORKs Stage One Child Care cost. Refer to that premise for more detailed information regarding child care. The percentage is based upon actual expenditures from Calendar Year 2002.

Recent Noncitizen Entrants

KEY DATA/ASSUMPTIONS (continued):

- For Cal Learn, the costs in FY 2003-04 and FY 2004-05 reflect 1.5 percent of the Cal Learn cost. Refer to that premise for more detailed information regarding Cal Learn. The percentage is based upon actual expenditures from January 2002 to December 2002.
- Effective April 1, 2004, the total program caseload will be capped. No new cases will be granted benefits unless an existing recipient's benefits are discontinued.
- Effective October 2004, the funding for Recent Noncitizen Entrants will be reduced five percent below the FY 2004-05 projected level, and the funds will be provided to the counties in a block grant with other immigrant programs.

METHODOLOGY:

- The grant costs were calculated by multiplying the projected monthly caseload by the average grant per case.
- The administrative costs were calculated based on actual expenditures adjusted for projected caseload growth/decline and for those recipients who are eligible for TANF funding.
- The CalWORKs Child Care costs are a shift of 1.0 percent of the total estimated cost to Recent Noncitizen Entrants.
- The Cal Learn costs are a shift of 1.5 percent of the total estimated cost to Recent Noncitizen Entrants.
- The services costs are a shift of 2.0 percent of the total estimated cost for CalWORKs Services Basic to Recent Noncitizen Entrants.

FUNDING:

The grant costs are funded with 95 percent State General Fund (GF) and 5 percent county funds. The administrative costs, employment services and child care are 100 percent GF. Child Care is 100 percent GF. The total funding is countable toward the State's TANF maintenance of effort requirement.

CHANGE FROM THE APPROPRIATION:

The Child Care costs have been revised to reflect updated data.

REASON FOR YEAR-TO-YEAR CHANGE:

The Recent Noncitizen Entrants costs decrease is due to a reduction in child care costs and a five percent reduction in overall program funds effective October 1, 2004. Program funding is being reduced as a result of budgetary pressures and other demands on the available GF.

Recent Noncitizen Entrants

CASELOAD:

	2003-04	2004-05
Average Monthly Caseload	5,187	5,187

EXPENDITURES:

(in 000's)

ITEM 101 - CalWORKs Assistance Payments	2003-04		2004-05	
	Grant	County Admin.	Grant	County Admin.
Total	$36,087	$9,809	$34,734	$9,441
Federal	0	0	0	0
State	34,283	9,809	32,997	9,441
County	1,804	0	1,737	0
Reimbursements	0	0	0	0

ITEM 101 - CalWORKs Services	2003-04	2004-05
	County Admin.	County Admin.
Total	$15,064	$14,499
Federal	0	0
State	15,064	14,499
County	0	0
Reimbursements	0	0

Recent Noncitizen Entrants

EXPENDITURES (continued):

(in 000's)

ITEM 101 -	2003-04	2004-05
CalWORKs Stage One Child Care [1]	Services/ Administration	Services/ Administration
Total	$5,853	$4,637
Federal	0	0
State	5,853	4,637
County	0	0
Reimbursements	0	0

ITEM 101 -	2003-04	2004-05
Cal Learn Services [1]	Services/ Administration	Services/ Administration
Total	$374	$360
Federal	0	0
State	374	360
County	0	0
Reimbursements	0	0

[1]- The CalWORKs Stage One Child Care and Cal Learn Services expenditures are combined in the Recent Noncitizen Entrants Services/Administration premise item.

Child Support Assurance Demonstration Project

DESCRIPTION:

This premise reflects the grant costs associated with the Child Support Assurance (CSA) demonstration project. The California Work Opportunity and Responsibility to Kids (CalWORKs) legislation, Assembly Bill (AB) 1542 (Chapter 270, Statutes of 1997) directed the California Department of Social Services (CDSS) to conduct a demonstration project to test methods of CSA as alternatives to CalWORKs grants. CSA provides employed low-income custodial parents a guaranteed child support payment in lieu of a grant under the CalWORKs Program. In addition, counties may provide supportive services such as child care, substance abuse and mental health counseling. If these services are provided, the costs for these services are to be paid from the counties' single allocation. AB 472 (Chapter 803, Statutes of 1999) specified that no funding streams will be utilized to pay for the CSA payments if those funding streams would cause the participants to be subject to the time limitations of CalWORKs recipients. The CDSS has selected San Francisco County to test two methods of CSA.

IMPLEMENTATION DATE:

This premise will implement January 1, 2005.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 15200 and 18241-18247.
- There will be a delay in the implementation of the San Francisco County project until January 2005.
- The average monthly CSA payment for the San Francisco project is $466.
- It is anticipated that the San Francisco project will implement in January 2005 with an initial caseload of 15 CSA participants. The caseload is expected to increase by 25 cases per month reaching 140 participating by June 2005.

METHODOLOGY:

The monthly number of cases is multiplied by the value of the CSA payment.

FUNDING:

These expenditures are funded with 100 percent State General Fund and are countable toward the State's maintenance of effort.

CHANGE FROM THE APPROPRIATION:

The estimate was updated to reflect the delay in implementation for the San Francisco County project.

Child Support Assurance Demonstration Project

REASON FOR YEAR-TO-YEAR CHANGE:

The budget year net impact reflects San Francisco County implementing in January 2005.

CASELOAD:

	2003-04	2004-05
Average Monthly Caseload	0	39

EXPENDITURES:

(in 000's)

	2003-04	2004-05
	Grant	Grant
Total	$0	$217
Federal	0	0
State	0	217
County	0	0
Reimbursements	0	0

Child Care Overpayment Recovery

DESCRIPTION:

This premise reflects savings to the CalWORKs Program as a result of Child Care overpayment collections for non-fraudulent client caused and administrative errors for Stage One Child Care cases. Currently, counties do not have the authority to collect child care overpayments as an offset to other benefits. A change in the statute would allow counties to recover child care overpayments due to client caused and administrative errors.

IMPLEMENTATION DATE:

This premise is anticipated to implement on October 1, 2004.

KEY DATA/ASSUMPTIONS:

- This premise will require a statute change.
- Based on an extrapolation of Alameda County and San Diego County data, there are 602 monthly statewide cases in the Stage One and Stage Two Child Care Programs that have fraudulent overpayments requiring investigation. This group represents 79 percent of the investigated caseload. The total cases investigated including Stage Three and Alternate Payment Providers is 762.
- Based on experience from the CalWORKs and Food Stamp Programs, fraudulent overpayments requiring an investigation represent 40 percent of all client-caused overpayments. Therefore, 60 percent of the cases (1,143) with a client caused overpayment are not investigated.
- Based on the 482 Quarterly Management Report, 20 percent of all cases with overpayments are due to administrative error. The total cases with an administrative error overpayment is 476.
- The average overpayment is assumed to be $1,000. It is assumed that 60 percent of the overpayment will be collected via CalWORKs Grant Reductions over a 13 month period [($1,000 x 60 percent) ÷ 13 = $46 monthly].
- Stage One represents 34 percent of all child care payments.
- This proposal will provide the counties a 12.5 percent incentive for “client-caused” and “provider-caused” child care overpayments collected by a county. The incentive will be paid based on prior year collections. Therefore, the budget year does not include the incentive.

METHODOLOGY:

The savings for non-investigated client caused and administrative errors are calculated by multiplying the average monthly cases with an overpayment by the average monthly collection amount. The overpayment savings are multiplied by the Stage One percentage.

FUNDING:

The funding is 89.02 percent TANF and 10.98 percent State General Fund.

Child Care Overpayment Recovery

CHANGE FROM THE APPROPRIATION:

This is a new premise.

REASON FOR YEAR-TO-YEAR CHANGE:

This is a new premise.

EXPENDITURES:

(in 000's)

	2003-04	2004-05
Total	$0	-$914
Federal	0	-814
State	0	-100
County	0	0
Reimbursement	0	0

Employment Training Fund

DESCRIPTION:

This premise reflects the Employment Training Fund (ETF) amount used to offset the cost of providing employment services to recipients of the California Work Opportunity and Responsibility to Kids (CalWORKs) Program.

ETF funds are derived from employer contributions and administered by the Employment Development Department. The ETF funds meet the federal criteria to be counted toward Temporary Assistance for Needy Families Program maintenance of effort (MOE) requirements.

IMPLEMENTATION DATE:

This premise was originally implemented on July 11, 1994. No funding was appropriated for Fiscal Year (FY) 1997-98 through FY 1998-99. The premise was re-implemented on July 1, 1999.

KEY DATA/ASSUMPTIONS:

It is assumed that $56.4 million will be available in both FYs 2003-04 and 2004-05 from the ETF.

METHODOLOGY:

Once the total cost of providing CalWORKs employment services is calculated, the cost is reduced by the amount of the ETF appropriated to the California Department of Social Services by the Legislature.

FUNDING:

This premise is funded with ETF funds, which are MOE countable.

CHANGE FROM THE APPROPRIATION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000's)

	2003-04	2004-05
	County Admin.	County Admin.
Total	-$56,432	-$56,432
Federal	0	0
State	-56,432	-56,432
County	0	0
Reimbursements	0	0

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California Work Opportunity and Responsibility to Kids (CalWORKs) Program Basic

DESCRIPTION:

This premise reflects the cost of providing employment and training services to Temporary Assistance for Needy Families (TANF) Program households. As a result of Public Law 104-193, the federal welfare reform legislation establishing the TANF Program, all adults receiving TANF funds must work as soon as determined ready, or after being aided for 24 months. Assembly Bill (AB) 1542 (Chapter 270, Statutes of 1997) mandates the implementation of the California Work Opportunity and Responsibility to Kids (CalWORKs) Program. The employment services provided to CalWORKs recipients include a wide variety of activities designed to assist the recipient in obtaining and retaining employment.

IMPLEMENTATION DATE:

This premise implemented on January 1, 1998.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 15204.3(a), amended by AB 1111 (Chapter 147, Statutes of 1999).
- The staff development costs are based on the most current actual expenditures.
- No cost-of-doing-business adjustment was granted because of lower revenues and other demands on the available State General Fund (GF).
- TANF Timed-Out cases (10.18% of All Other Family cases) will be funded with MOE eligible funds up until December 2003.

METHODOLOGY:

- The Fiscal Year (FY) 2003-04 estimate is adjusted to reflect funding shift changes due to updated percentage changes to Two-Parent State Only cases and TANF Timed-Out cases (six months only), and updated Tribal TANF savings.
- The FY 2004-05 estimate has been adjusted for a caseload decline, changes in the Recent Noncitizen Entrants' percentage, updated staff development expenditures, and savings to reflect additional tribes included in Tribal TANF.

FUNDING:

The State share (5.78 percent for FY 2003-04 and for FY 2004-05) reflects the cost for the State-Only Two-Parent Program which was implemented October 1, 1999. The State-Only Two-Parent Program and the TANF Timed-Out (six months only) caseload cost are countable toward the State's maintenance of effort requirement. The federal TANF share reflects the cost for all other families receiving employment services.

CHANGE FROM THE APPROPRIATION:

The FY 2003-04 estimate was adjusted to reflect changes in the State-Only Two-Parent Program shift, adjusted for TANF Timed-Out cases through December 2003, and updated Tribal TANF savings.

California Work Opportunity and Responsibility to Kids (CalWORKs) Program Basic

REASON FOR YEAR-TO-YEAR CHANGE:

The adjustment is due to caseload revisions, changes in the Recent Noncitizen Entrants' percentage, updated staff development actual expenditures, and savings for Tribal TANF.

EXPENDITURES:

(in 000's)	2003-04	2004-05
	County Admin.	County Admin.
Total	$741,100	$721,676
Federal	676,047	693,766
State	65,053	27,910
County	0	0
Reimbursements	0	0

Single Allocation Adjustment

DESCRIPTION:

This premise reflects an adjustment to the California Work Opportunity and Responsibility to Kids (CalWORKs) Single Allocation for Fiscal Years (FY) 2003-04 and 2004-05. Section 15204.3 of the Welfare and Institutions Code (W&IC) is amended to include provisions for this adjustment.

IMPLEMENTATION DATE:

This premise implemented on July 1, 2002.

KEY DATA/ASSUMPTIONS:

Authorizing statute: W&IC section 15204.3.

METHODOLOGY:

For FY's 2003-04 and 2004-05 the funding was based on the available Temporary Assistance for Needy Families (TANF) funds for the CalWORKs Program.

FUNDING:

The State share (5.78 percent) reflects the cost for the State-Only Two-Parent Program that implemented October 1, 1999. The State-Only Two-Parent Program is countable toward the State's maintenance of effort requirement. The federal TANF share reflects the administrative costs for the CalWORKs Program.

CHANGE FROM THE APPROPRIATION:

The change in State General Fund expenditures reflects the updated percent change for the State-Only Two-Parent Program.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change. The funding was based on the available TANF funds for the CalWORKs Program.

EXPENDITURES:

(in 000's)

	2003-04	2004-05
Total	$191,892	$191,892
Federal	180,801	180,801
State	11,091	11,091
County	0	0
Reimbursements	0	0

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60-Month CalWORKs Time Limit

DESCRIPTION:

This premise reflects the net savings to the federal Temporary Assistance for Needy Families (TANF) and state funded programs for those individuals in the California Work Opportunity and Responsibility to Kids (CalWORKs) Program who have reached their 60-month CalWORKs time limit. Assembly Bill (AB) 1542 (Chapter 270, Statutes of 1997) mandated the implementation of the CalWORKs Program. The CalWORKs Program provides that individuals may receive CalWORKs assistance funds for a lifetime maximum of 60 months, unless that individual is exempt due to any of the following: 60 years of age or older; disabled; a nonparent caretaker relative; they have lived in Indian Country or an Alaskan native village where the unemployment rate was 50 percent or higher; or they are incapable of maintaining employment or participating in welfare-to-work activities, as determined by the county, based on the assessment of the individual and the individual has a history of participation and full cooperation in welfare-to-work activities. CalWORKs 60-month time limit exemptions are also allowed for any month in which cash aid is fully reimbursed as a result of child support collections, whether collected in that month or any subsequent month, and for any "overpayment month" that is fully repaid by grant reduction or other means.

In accordance with Welfare and Institutions Code (W&IC) section 11320.15, a participant that has received aid for a total of 60 months shall be removed from the assistance unit (AU) for the purpose of calculating of aid. However, the legislation allows counties to provide job retention services to former recipients for up to 12 months after leaving aid. In addition, former recipients that are working or participating in an approved Welfare-To-Work activity after leaving aid are eligible for up to two years of transitional child care. The net savings displayed in this premise are the result of the "Savings" for cases with an adult that are no longer eligible for assistance and services, and the cost of the "Safety Net" for continued assistance and services for child only cases and adults eligible for transitional services.

IMPLEMENTATION DATE:

This premise implemented on January 1, 2003.

KEY DATA/ASSUMPTIONS:

- Authorizing Statute: W&IC sections 11320.15, 11450.13 and 11454.5.
- Individuals began reaching their CalWORKs 60-month time limit in January 2003.
- For Fiscal Year (FY) 2003-04 and FY 2004-05, the data source used to determine the impacted caseload was the Welfare Data Tracking Implementation Project (WDTIP). Monthly WDTIP data extracts of participant time clocks were used to estimate the monthly caseload.
- An attrition rate of 2.29 percent per month was applied to control for cases that leave aid before they reach their time limits.
- The WDTIP caseload projections were adjusted to account for underreporting of exemptions due to child support payments collected. This causes an additional 37.2 percent of monthly caseload to be exempt in the current year (CY) and 21.8 percent to be exempt in the budget year (BY). Exemptions due to overpaid months repaid and living in Indian Country are reflected in WDTIP, and therefore, require no further adjustment.

60-Month CalWORKs Time Limit

KEY DATA/ASSUMPTIONS (continued):

- The WDTIP caseload projections were adjusted under the assumption that counties who have not converted to the WDTIP system will have rates of exemption equal to the converted counties.
- In FY 2003-04, a total of 380,376 casemonths, which represents 6.5 percent of the total CalWORKs casemonths and 9.7 percent of CalWORKs cases with an adult, will be subject to the CalWORKs 60-month time limit. In FY 2004-05, a total of 636,071 casemonths, which represents 10.9 percent of the total CalWORKs casemonths and 16.2 percent of CalWORKs cases with an adult, will be subject to the CalWORKs 60-month time limit.
- The cases reaching the CalWORKs 60-month time limit in the CY and BY are 78.82 percent for All Families (AF) cases (one-parent cases) and 21.18 percent for two-parent cases.
- The cases that reach the time limit and are working will receive transitional child care and one year of job retention services. The average monthly number of adults with earned income that will receive job retention services is 19,443 which is based on Calendar Year 2003 projections.
- The monthly cost of providing job retention services is $100 per adult based on the cases reported on the WTW 25/25A Reports and the County Expense Claim for job retention services from July 2002 to June 2003.
- In FY 2002-03, of the children receiving CalWORKs Child Care, 45 percent in Stage Two were on aid. This is based on CDE projected data from FY 2002-03 for Stage Two.
- The Stage One child care cases hitting the CalWORKs 60-month time limit in the current year was held to the Budget Act of 2003 Appropriation level; the budget year is 16.20 percent.
- For Stage One FY 2002-03 and FY 2003-04 a statewide county survey determined 83 percent of Stage One caseload are working or receiving vocational education and will have a continuing need for child care.
- In the CY and BY, 50 percent of the Stage One safety net cases would have a continuing need in Stage One and the other 50 percent would transition to Stage Two.
- For Stage Two in FY 2003-04, a statewide county survey determined 99 percent of the Stage Two caseload are working or receiving vocational education and will have a continuing need for child care. It was determined that 100 percent of the Stage Two safety net cases would remain in Stage Two.
- The average grant for a Safety Net case is $385 based on the most recent actual data reported on the CA 800 and the CA 237.
- The average grant prior to reaching the time limits for a one-parent AU is $517.
- The average grant prior to reaching the time limits for a two-parent AU is $626.
- Statutory language requires that the Safety Net Grant shall equal the Maximum Aid Payment, adjusted to reflect the removal of the adult or adults from the AU and further adjusted by the net nonexempt income of the adult or adults removed from the AU.
- Based on WDTIP data, 90.4 percent of cases reaching the 60-month time limit will be eligible for the Safety Net. In FY 2003-04, 343,860 casemonths and in FY 2004-05 575,008 casemonths will be eligible for the Safety Net.

60-Month CalWORKs Time Limit

KEY DATA/ASSUMPTIONS (continued):

- Administrative costs for the Safety Net cases are assumed to remain at the same level as before removal of the adult(s).
- Administrative savings are assumed for cases not eligible for the Safety Net.

METHODOLOGY:

- The Grant Savings associated with cases reaching the time limit is based on the average grant prior to cases reaching the time limit.
- The CalWORKs grant savings for one-parent cases hitting the time limit is calculated by multiplying the total 60-month casemonths by the one-parent percentage (380,376 x 78.82 percent = 299,796). The average grant is multiplied by the one-parent casemonths (299,796 x $517). The grant savings for two-parent cases is calculated using the same methodology applying the applicable ratio and grant for the two-parents cases.
- The Safety Net caseload is calculated by multiplying the total casemonths reaching the time limit by the percentage eligible for the Safety Net (380,376 x 90.4 percent = 343,860) by the one-parent percentage (343,860 x 78.82 percent = 271,016). The average Safety Net cost is multiplied by the respective casemonths (e.g., one-parent– 271,016 x $385). The Safety Net grant costs for one-parent and two-parent cases is calculated using the same methodology applying the applicable grants.
- The savings for Employment Services was determined by applying a projected cost per case times the cases hitting the time limit. The updated cost per case reflects total employment services expenditures through December 2002 less expenditures for pre-assessment, vocational education and job club divided by the WtW 25 Calendar Year 2002 unduplicated count less appraisal, assessment, job search and vocational education caseload.
- The cost of the Safety Net for Employment Services was determined by multiplying the annual cases which is the number of adults with earned income, by the average statewide cost per case for these services.
- The shift in administrative costs from CalWORKs to the Safety Net was calculated by applying the percentage of 60-month time limit casemonths to the total CalWORKs administration costs associated with ongoing CalWORKs case activities; however, as a result of, in some cases, not being eligible for the Safety Net, there is a net administrative savings.
- The savings for Stage One and Stage Two Child Care was determined by applying the ratio of the children that are on aid and the ratio for cases with adults hitting the time limit to the CalWORKs Stage One and Stage Two Child Care estimates. The total savings for FY 2003-04 and FY 2004-05 are $247.4 million and $116.0 million, respectively.
- The cost of the Safety Net for Stage One and Stage Two Child Care was determined by applying the ratio of the children that are on aid and the ratio for those who are working participants to the CalWORKs Stage One and Stage Two Child Care estimates. The total cost for FY 2003-04 and FY 2004-05 is $193.9 million and $103.9 million, respectively.

60-Month CalWORKs Time Limit

FUNDING:

The "Savings" for employment services and administration is 21 percent State General Fund/maintenance of effort (GF/MOE) and 79 percent TANF. The "Safety Net" for employment services and administration is 100 percent GF/MOE. The "Savings" for CalWORKs Grants is shared 77 percent TANF, 20.5 percent GF, and 2.5 percent county funds. The "Safety Net" for CalWORKs Grants is shared 97.5 percent GF and 2.5 percent county funds.

CHANGE FROM THE APPROPRIATION:

This premise has been revised to reflect updated caseload and expenditure data.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase in the budget year reflects the cumulative increase of people hitting the time limit.

CASELOAD:

	2003-04	2004-05
Average Monthly Persons	31,698	53,006

EXPENDITURES:

(in 000's)

ITEM 101 - CalWORKs Assistance Payments	2003-04		2004-05	
	Grant	County Admin.	Grant	County Admin.
Total	-$80,839	-$2,353	-$135,875	-$2,063
Federal	-163,853	-33,951	-274,694	-46,611
State	85,035	31,598	142,216	44,548
County	-2,021	0	-3,397	0
Reimbursements	0	0	0	0

60-Month CalWORKs Time Limit

EXPENDITURES (continued):

(in 000's)

ITEM 101 -	2003-04	2004-05
CalWORKs Services	Services	Services
Total	-$21,459	-$60,201
Federal	-34,374	-76,685
State	12,915	16,484
County	0	0
Reimbursements	0	0

ITEM 101 -	2003-04	2004-05
CalWORKs Stage One Child Care [1]	Services/Admin.	Services/Admin.
Total	-$51,523	-$40,013
Federal	-1,623	-53,351
State	-49,900	13,338
County	0	0
Reimbursements	0	0

[1] - In addition to the savings reflected in this premise there is a net savings of $2.0 million in Stage Two Child Care in the current year and a net cost of $28.0 million in the budget year. Refer to the "CalWORKs Child Care fund Transfer to CDE for Stage Two as CCDBG" premise for more information regarding the impact of time limits in Stage Two.

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Substance Abuse Services

DESCRIPTION:

This premise reflects the cost to provide for the treatment of substance abuse for California Work Opportunity and Responsibility to Kids (CalWORKs) Program Welfare To Work participants. Assembly Bill (AB) 1542 (Chapter 270, Statutes of 1997) mandated the implementation of the CalWORKs Program. In addition, it mandates, to the extent that funding is available, that counties provide for the treatment of substance abuse that may limit or impair a participant's ability to make the transition from welfare to work or retain employment over a long period of time. The county welfare department and the county alcohol and drug departments are required to collaborate to ensure an effective system is available to provide evaluations and substance abuse treatment.

Additionally for FY 2003-04 only, this premise provides transitional services to low income women requiring alcohol and other drug treatment services.

IMPLEMENTATION DATE:

This premise implemented on January 1, 1998.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 11322.6.
- In Fiscal Year (FY) 2003-04, the projected average monthly caseload is 2,270 cases per month. This is based on an 18-month linear regression and projection through June 2002, and multiplying the June 2002 cases by 12 months.
- The cost per case is $1,790 based on Calendar Year 2001 caseload and expenditures data.
- The cost of the Indian Health Clinics Program in FY 2003-04 $2,706,000.
- The cost of the Low-Income Women's Program in FY 2003-04 is $2,000,000.

METHODOLOGY:

- The projected average monthly caseload was multiplied by the projected cost per case.
- The funding in FY 2003-04 is being held at the Budget Act of 2002 Appropriation level.
- For FY 2003-04, $2,706,000 has been redirected to the "Mental Health/Substance Abuse Services for Indian Health Clinics" premise.
- For FY 2003-04, $2.0 million for the Low-Income Women's Program was added to the basic cost of the program

Substance Abuse Services

FUNDING:

The funding for this premise is 100 percent State General Fund (GF). These are counted toward the Temporary Assistance for Needy Families maintenance of effort (MOE) requirement, except for the Low-Income Women's Program which is not MOE countable. The Low-Income Women's Program is funded with Federal TANF Funds transferred to Title XX. See the "Title XX" premise for more information on Title XX funding.

CHANGE FROM THE APPROPRIATION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

The Low-Income Women's Program is being eliminated as a result of budgetary pressures and other competing demands.

EXPENDITURES:

(in 000's)

	2003-04	2004-05
	County Admin.	County Admin.
Total	$48,429	$46,429
Federal	2,000	0
State	46,429	46,429
County	0	0
Reimbursements	0	0

Mental Health Services

DESCRIPTION:

This premise provides for the treatment of mental or emotional difficulties for California Work Opportunity and Responsibility to Kids (CalWORKs) Program Welfare to Work participants. Assembly Bill (AB) 1542 (Chapter 270, Statutes of 1997) mandated the implementation of the CalWORKs Program. In addition, it mandates, to the extent that funding is available, that counties provide for the treatment of mental or emotional difficulties that may limit or impair a participant's ability to make the transition from welfare to work or retain employment over a long period of time.

Available mental health services must include assessment, case management, and treatment and rehabilitation services. Effective Fiscal Year (FY) 2002-03, these funds will be included in the CalWORKs county block grant.

IMPLEMENTATION DATE:

This premise implemented on January 1, 1998.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: AB 1542.
- In FY 2003-04 and FY 2004-05, funding is being held at the Budget Act of 2003 Appropriation level.
- In FY 2003-04, the projected average monthly caseload is 10,426 cases per month. This is based on an 18-month linear regression and projection through June 2002, and multiplying the June 2002 cases by 12 months.
- The cost per case is $572 based on the Calendar Year 2001 caseload and expenditures.

METHODOLOGY:

- The projected caseload is multiplied by the projected cost per case.

FUNDING:

The funding for this premise is 100 percent State General Fund (GF) and is countable toward the Temporary Assistance for Needy Families maintenance of effort requirement.

Mental Health Services

CHANGE FROM THE APPROPRIATION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000's)

	2003-04	2004-05
	County Admin.	County Admin.
Total	$71,515	$71,515
Federal	0	0
State	71,515	71,515
County	0	0
Reimbursements	0	0

Mental Health/Substance Abuse Services for Indian Health Clinics

DESCRIPTION:

This premise reflects the cost to provide mental health and/or substance abuse services to Native Americans by providing a clinician in each of the 36 Indian health clinics. Services provided are necessary to obtain or retain employment, or to participate in county or Tribal Temporary Assistance to Needy Families (TANF) welfare-to-work (WTW) activities.

The services may include: (a) outreach and identification of individuals who are receiving, or may be eligible for, California's Work Opportunity and Responsibility to Kids (CalWORKs) Program assistance; (b) screening of individuals for substance abuse or mental health issues; (c) ensuring that individuals have transportation to the county welfare department (CWD) to apply for CalWORKs and/or to participate in WTW activities; (d) accompanying individuals to evaluation for mental health and/or substance abuse services; (e) providing individual or group services, or making referrals to more intensive treatment services offered by the CWD; and, (f) facilitating the integration of individuals into the CalWORKs WTW Program.

IMPLEMENTATION DATE:

Twenty-seven clinics implemented this program on FY 2001-02. Nine additional clinics implemented in FY 2002-03.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 11322.6.
- The estimate assumes an annual salary of $63,000 for clinicians at the Indian Health Clinics.
- The estimate assumes a maintenance and operation cost of $375 per van per month.
- The estimate assumes that there will be four Regional Collaborative Meetings in the current year.
- The Department of Alcohol and Drug Programs (DADP) provides administrative support to accommodate the services and additional duties. The total cost for the support is $235,178 and is transferred to DADP through an interagency agreement.

METHODOLOGY:

- For the current year, the estimate reflects the following methodology:
  - The annual salary of $63,000 per clinician was multiplied by 36 clinics.
  - On-going maintenance and operation of each van at $375 per month for the 32 vehicles.
  - A total of $58,600 was added for Regional Collaborative Meetings; and,
  - A Total of $235,178 for an interagency agreement with DAPD was added for administrative support.
  - For FY 2003-04, $2,706,000 has been redirected from the "Substance Abuse Services" premise.
- The budget year assumes no funding for this program.

Mental Health/Substance Abuse Services for Indian Health Clinics

FUNDING:

The transportation funding is 100 percent TANF. The direct services including the DADP support cost is 100 percent State General Fund, which is countable toward the TANF maintenance of effort requirement. The funds will be distributed through an interagency agreement with the DADP for allocation to the Indian health clinics.

CHANGE FROM THE APPROPRIATION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

The funding is being eliminated as a result of budgetary pressures and other competing demands.

EXPENDITURES:

(in 000's)

	2003-04	2004-05
Total	$2,706	$0
Federal	203	0
State	2,503	0
County	0	0
Reimbursements	0	0

County Performance Incentives

DESCRIPTION:

This premise reflects the costs to provide fiscal incentive payments to counties for case exits due to employment, grant reductions due to earnings, and the diversion of applicants, as specified by the California Work Opportunity and Responsibility to Kids (CalWORKs) legislation, Assembly Bill (AB) 1542 (Chapter 270, Statutes of 1997), and AB 2876 (Chapter 108, Statutes of 2000). The counties would receive an annual performance incentive allocation starting from Fiscal Year (FY) 1997-98, subject to the amounts appropriated in the annual Budget Act. The Department began advancing incentive payments to the counties, as they were earned, but prior to their expenditure. The incentive allocations to counties were to be used for specific purposes for either the federal Temporary Assistance for Needy Families (TANF) Program or the CalWORKs Program.

In 2001, the federal Department of Health and Human Services advised the Department that the advancement of performance incentives was inconsistent with the federal Cash Management Improvement Act regulations, and that the unexpended funds must be recouped for redistribution. By June 30, 2002, the Department had recouped the unspent performance incentive funds from the counties in accordance with the federal Cash Management Improvement Act. In view of the pressures to California's TANF block grant in FY 2002-03 and beyond, the Department used part of the recoupment to fund the CalWORKs Program in FY 2002-03. The remainder of the recouped funding will be allocated to the counties in FY 2003-04.

IMPLEMENTATION DATE:

This premise implemented on January 1, 1998.

KEY DATA/ASSUMPTIONS:

- Authorizing Statute: Welfare and Institutions Code section 10544.1.
- The balance of unexpended county performance incentives allocated in the 2003 Budget Act is $135.1 million. These funds will be reappropriated from FY 2002-03 to the current year.
- No performance incentives will be paid to counties in FY 2004-05.

METHODOLOGY:

The balance of unexpended county performance incentives allocated in the 2003 Budget Act is $135.1 million. These funds will be reappropriated from FY 2002-03 to the current year.

FUNDING:

This premise will be funded with the TANF block grant funds.

County Performance Incentives

CHANGE FROM THE APPROPRIATION:

The balance of unexpended funds from FY 2002-03 is reappropriated to the current year.

REASON FOR YEAR-TO-YEAR CHANGE:

No County Performance Incentives will be provided in the budget year.

EXPENDITURES:

(in 000's)

	2003-04 Grant [1]	2004-05 Grant
Total	$135,141	$0
Federal	135,141	0
State	0	0
County	0	0
Reimbursements	0	0

[1] – The current year amount is unspent funding which has been reappropriated from the prior year, and is a non-add item in the Detail Tables.

Effect of EDD Wagner-Peyser Reimbursement

DESCRIPTION:

This premise reflects the amount of the Wagner-Peyser funds provided by the State Employment Development Department (EDD) to offset the California Work Opportunity and Responsibility to Kids (CalWORKs) Program. As required in Assembly Bill 2580 (Chapter 1025, Statutes of 1985), 50 percent of the available federal Wagner-Peyser funds are directed to provide for job services required for CalWORKs Program activities.

IMPLEMENTATION DATE:

This is an ongoing premise, based on an annual appropriation.

METHODOLOGY:

Funding amounts are identified and provided by EDD.

FUNDING:

EDD receives the federal funds for this program and transfers a portion to the California Department of Social Services (CDSS) as a funding source for the CalWORKs Program. The availability of these federal funds reduces CDSS' cost of the CalWORKs Program.

CHANGE FROM THE APPROPRIATION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000's)

	2003-04	2004-05
	County Admin.	County Admin.
Total	$2,735	$2,735
Federal	0	0
State	0	0
County	0	0
Reimbursements	2,735	2,735

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Welfare-to-Work Overlap

DESCRIPTION:

This premise reflects the federal Temporary Assistance for Needy Families (TANF) and State General Fund (GF) savings for the California Work Opportunity and Responsibility to Kids (CalWORKs) Program as a result of the funding overlap for employment services provided through the Welfare-to-Work (WtW) federal grant. The federal Balanced Budget Act of 1997, Public Law 105-33, authorizes the U. S. Department of Labor (DOL) to provide WtW grants to states and local communities to create additional job opportunities for the hardest to employ recipients of TANF Program benefits. The federal statute generally defines the "hard to employ" as recipients on welfare more than 30 months who are the most difficult to serve because of lack of education, substance abuse problems, or poor work history. The job creation activities include wage subsidies, on-the-job training, job placement, noncustodial parents' services and post-employment services.

In Federal Fiscal Year 1999, the federal government expanded the WtW Grant criteria to increase the list of eligible activities, add new participant eligibility categories (e.g. noncustodial parents and former foster care children), and to remove the more restrictive eligibility criteria. These changes became effective July 1, 2000, for the WtW match funds.

The Employment Development Department (EDD) is the single state agency responsible for receipt of the WtW grant. EDD submitted its state plan to DOL in March 1998, and upon the plan's approval by DOL, EDD had 30 days to allocate 85 percent of the federal funds on a formula basis to the 52 private industry councils to train and place welfare clients in jobs. The remaining 15 percent was retained for use in other WtW projects.

California received a total of $367 million of federal WtW formula grant funds from DOL ($190 million in the first year and $177 million in the second year) for employment services. These grants are required to be matched on a 2:1, federal:state, basis. Use of funds within the CalWORKs Program as a match is permitted as long as the match is expended on eligible recipients under the WtW definitions.

IMPLEMENTATION DATE:

This premise implemented on July 1, 1998.

KEY DATA/ASSUMPTIONS:

- For Fiscal Year (FY) 2003-04, EDD provided expenditure projections of $27 million of WtW federal 85 percent formula grant funds designated for local assistance.
- For FY 2003-04, EDD provided caseload data through December 2002 that was used to determine a ratio 70 percent of CalWORKs recipients to total WtW federal grant recipients for individual Local Workforce Investment Areas.

METHODOLOGY:

- For FY 2003-04, EDD's projected statewide expenditures were multiplied by 70 percent to determine the WtW federal grant funds that will be expended for CalWORKs participants.
- The two-parent expenditure ratio of five percent was applied to the overlap amounts to determine the State portion of the overlap for FY 2003-04.

Welfare-to-Work Overlap

FUNDING:

In FY 2003-04, the State General Fund (GF) share reflects savings for the State-Only Two-Parent Program, which is countable toward the State's maintenance of effort requirement, and the federal TANF share reflects the cost for all other families receiving employment services.

CHANGE FROM THE APPROPRIATION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

The federal WtW funds must be spent in FY 2003-04; therefore no savings will be available in FY 2004-05.

EXPENDITURES:

(in 000's)

	2003-04	2004-05
	County Admin.	County Admin.
Total	-$19,184	0
Federal	-18,225	0
State	-959	0
County	0	0
Reimbursements	0	0

Welfare-to-Work Match Overlap

DESCRIPTION:

This premise reflects the savings to the State General Fund (GF) and the federal Temporary Assistance for Needy Families (TANF) fund for the California Work Opportunity and Responsibility to Kids (CalWORKs) Program, as a result of the funding overlap for employment services provided through the GF match to the Welfare-to-Work (WtW) federal grant. The federal Balanced Budget Act of 1997, Public Law 105-33, authorizes the U. S. Department of Labor (DOL) to provide WtW grants to states and local communities to create additional job opportunities for the hardest to employ recipients of TANF Program benefits. The federal statute generally defines the "hard to employ" as recipients on welfare more than 30 months who are the most difficult to serve because of lack of education, substance abuse problems, or poor work history. The job creation activities include wage subsidies, on-the-job training, job placement, noncustodial parents' services and post-employment services.

In Federal Fiscal Year 1999, the federal government expanded the WtW grant criteria to increase the list of eligible activities, add new participant eligibility categories (e.g. noncustodial parents and former foster care children), and to remove the more restrictive eligibility criteria. These changes became effective July 1, 2000, for the WtW match funds.

The Employment Development Department (EDD) is the single state agency responsible for receipt of the WtW grant. EDD submitted its state plan to DOL in March 1998, and upon the plan's approval by DOL, EDD had 30 days to allocate 85 percent of the federal funds on a formula basis to the 52 private industry councils to train and place welfare clients in jobs. The remaining 15 percent was retained for use in other WtW projects.

California received a total of $367 million of federal WtW formula grant funds from DOL ($190 million in the first year and $177 million in the second year) for employment services. These grants are required to be matched on a 2:1, federal:state, basis. Use of funds within the CalWORKs Program as a match is permitted as long as the match is expended on eligible recipients under the WtW definitions.

IMPLEMENTATION DATE:

This premise implemented on July 1, 1999.

KEY DATA/ASSUMPTIONS:

- For FY 2003-04, the state WtW match expenditures for CalWORKs will be $70.9 million.
- For FY 2003-04, 100 percent of the projected statewide match will be expended for CalWORKs participants.

METHODOLOGY:

- For FY 2003-04, 100 percent of the projected statewide match will be counted as overlap savings.
- The two-parent expenditure ratio of five percent for FY 2003-04 was applied to the overlap amount to determine the state portion of the overlap.

Welfare-to-Work Match Overlap

FUNDING:

The GF share reflects the savings for the State-Only Two-Parent Program, which is countable toward the State's maintenance of effort requirement and the remaining federal TANF share reflects the cost for all other families receiving employment services.

CHANGE FROM THE APPROPRIATION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

The state WtW funds must be spent in FY 2003-04; therefore no savings will be available in FY 2004-05.

EXPENDITURES:

(in 000's)

	2003-04	2004-05
	County Admin.	County Admin.
Total	-$70,877	0
Federal	-67,333	0
State	-3,544	0
County	0	0
Reimbursements	0	0

TANF Pass-Through for State Agencies

DESCRIPTION:

This premise reflects the cost to provide Temporary Assistance for Needy Families (TANF) Program block grant funds to other state agencies that provide employment and educational services to California Work Opportunity and Responsibility to Kids (CalWORKs) Welfare To Work (WTW) Program participants.

These state agencies are the California Community Colleges (CCC), the California Department of Education (CDE), the California Department of Health Services (DHS), and California Department of Child Support Services (DCSS).

The Chancellor's Office of the California Community Colleges (COCCC) pass-through is for the purpose of reimbursing COCCC for the federal share of costs of educational services provided to participants of the WTW Program. The California Department of Education (CDE) pass-through is for the purpose of reimbursing CDE for the federal share of costs of average daily attendance (ADA) hours, including CalWORKs WTW hours, that exceed each school district's cap. The DCSS pass-through is for the evaluation of the Child Support Assurance Demonstration Project for San Francisco.

IMPLEMENTATION DATE:

This premise implemented on July 1, 1992. Beginning in Fiscal Year (FY) 1997-98, these contracts were funded under TANF rather than with Title IV-F funds.

KEY DATA/ASSUMPTIONS:

The contracted amounts of TANF funds provided to other agencies are:

	FY 2003-04		FY 2004-05
CCC -	$ 8.39 million	CCC -	$ 8.39 million
CDE -	$ 9.98 million	CDE -	$ 9.98 million
DHS -	$20.00 million	DHS -	$ 0.00 million
DCSS -	$ 0.00 million	DCSS -	$ 0.32 million

METHODOLOGY:

The CDSS entered into interagency agreements that specify the amounts of TANF funds to be transferred from CDSS to the contracting departments.

FUNDING:

The CCC and CDE pass-through are funded with 89 percent TANF and 11 percent State General Fund (GF). The remaining contracts are funded with 100 percent TANF.

TANF Pass-Through for State Agencies

CHANGE FROM THE APPROPRIATION:

The amount was decreased to reflect the removal of the Child Development Policy Advisory Committee funding and a delay in pass-through to DCSS.

REASON FOR YEAR-TO-YEAR CHANGE:

The decrease in budget year is the result of the discontinuance of the pass-through to DHS.

EXPENDITURES:

(in 000's)

	2003-04	2004-05
	County Admin.	County Admin.
Total	$38,374	$18,695
Federal	36,353	16,674
State	2,021	2,021
County	0	0
Reimbursements	0	0

Employment Retention and Advancement Services Grant

DESCRIPTION:

This premise provides the counties of Los Angeles (LA) and Riverside with budget authority to access funds from the federal Employment Retention and Advancement Services (ERAS) grant. The California Department of Social Services applied for the ERAS grant on behalf of these counties. These grant funds will be used primarily for county personnel to travel to and from Washington, D.C. The funds may also be used for salaries, wages, and benefits.

IMPLEMENTATION DATE:

This premise implemented on July 1, 1998.

KEY DATA/ASSUMPTIONS:

- In Fiscal Years (FYs) 2003-04 and 2004-05, LA and Riverside counties will be in the evaluation phase of their programs.
- Counties in the evaluation phase will receive $100,000 annually for five years.

FUNDING:

The evaluation phase is 100 percent federally funded.

CHANGE FROM THE APPROPRIATION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000's)

	2003-04 County Admin.	2004-05 County Admin.
Total	$200	$200
Federal	200	200
State	0	0
County	0	0
Reimbursement	0	0

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Cal Learn

DESCRIPTION:

This premise reflects the cost of providing intensive case management, supportive services, and fiscal incentives and disincentives to eligible teen recipients who are pregnant or parenting and participating in the Cal Learn Program. The Cal Learn Program was authorized by Senate Bill (SB) 35 (Chapter 69, Statutes of 1993) and SB 1078 (Chapter 1252, Statutes of 1993). Assembly Bill 2772 (Chapter 902, Statutes of 1998) changed the status of the Cal Learn Program from a five-year federal demonstration project to a permanent program.

The program provides services to encourage teen parents to stay in high school or an equivalent program and earn a diploma. Case management activities must meet the standards and scope of the Adolescent Family Life Program. Those standards include case management activities such as arrangement and management of supportive services, development and review of the report card schedule, exemption and deferral recommendations, and recommendations for bonuses and sanctions.

This premise includes the identification of cases, initial informing notices, and referrals to orientation. Also included is the administrative time to process the supportive services payment and the county mandated activities performed by the county welfare department. Those required activities include the final determination of deferrals, exemptions, bonuses and sanctions, good cause determinations and activities associated with fair hearings.

Effective March 31, 1999, the federal waivers for the Cal Learn Program expired. Without the waiver authority, the sanctioned Cal Learn teen parents are not Temporary Assistance for Needy Families (TANF) Program-eligible. This sanctioned caseload is funded with State General Fund (GF).

IMPLEMENTATION DATE:

This premise implemented on April 1, 1994.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 11331.7.
- In Fiscal Years (FYs) 2003-04 and 2004-05, the cost of the Cal Learn Program used the following key data/assumptions:
  - The estimate assumes that 8,424 of the CalWORKs Program caseload are pregnant or parenting teens in the Cal Learn Program. This caseload is based on applying a linear regression to the actual Cal Learn caseload as reported for July 2001 through December 2002 on the monthly Stat 45 Reports and projected through June 2004. The Cal Learn Recent Noncitizen Entrants grant costs are displayed in a separate premise.
  - The sanctioned caseload of 367 represents 4.36 percent of the projected Cal Learn caseload. This is based on the actual sanctioned caseload compared to the total Cal Learn caseload as reported on the monthly Stat 45 Reports from January through December 2002.
  - The case management cost was calculated at $2,194 per case per year for all activities performed by the case manager. The rate is based on actual FY 2001-02 case management expenditures divided by the total Cal Learn caseload.
  - The hourly eligibility worker (EW) cost is $57.57.

Cal Learn

KEY DATA/ASSUMPTIONS (continued):

- The incentives are a $100 bonus per report card period for satisfactory progress and a $500 bonus upon graduation. The disincentive is a $100 sanction per report card period for failure to submit a report card or to make adequate progress.
- The sanctioned grant cost is $448 per month. These rates are based on the Maximum Aid Payment for an Assistance Unit with two people minus the $100 sanction.
- The estimate assumes that 16.5 percent of the total Cal Learn caseload will utilize transportation services at a cost of $34.03 per month per participant. The utilization rate is based on the January through December 2002 caseload as reported on the Stat 45 Reports. The cost is based on the January through December 2002 county transportation expenditure claims.
- The estimate assumes that 2.7 percent of the total Cal Learn caseload will utilize ancillary services at a cost of $54.08 per month per participant. The utilization rate is based on the January through December 2002 caseload as reported on the Stat 45 Reports. The cost is based on the January through December 2002 county ancillary expenditure claims.
- The estimate assumes that the Cal Learn participants' success rate for the $100 bonus is 5.5 percent, the rate for the $500 bonus is 1.1 percent, and the rate for the $100 sanction is 6.8 percent. The rates are based on the actual January through December 2002 caseload as reported on the Stat 45 Reports.
- The State-only caseload of 367 represents 4.36 percent of the projected Cal Learn caseload. This is based on the actual State-only caseload compared to the total Cal Learn caseload as reported on the monthly Stat 45 Reports from January through December 2002.
- The recent noncitizen entrants caseload of 126 represents 1.5 percent of the projected Cal Learn caseload. This is based on the actual recent noncitizen entrants caseload compared to the total Cal Learn caseload as reported on the monthly Stat 45 Reports from January through December 2002.
- Subsidized child care is available for Cal Learn participants attending high school. Please refer to the "CalWORKs Child Care - Stage One Services and Administration" premise for the assumptions and methodology used to develop the estimate.

METHODOLOGY:

- For FYs 2003-04 and 2004-05, the case management cost was multiplied by the projected Cal Learn caseload for each fiscal year to determine the annual cost.
- The EW cost per hour was multiplied by the average monthly Cal Learn caseload, and then multiplied by 12 months to determine the annual county administration cost.
- The transportation cost per case was multiplied by the transportation utilization rate of the average monthly Cal Learn caseload, and then multiplied by 12 months to determine the annual cost in the current year and budget year.
- The ancillary service cost per case was multiplied by the ancillary utilization rate of the average monthly Cal Learn caseload, and then multiplied by 12 months to determine the annual cost in the current year and the budget year.

Cal Learn

METHODOLOGY (continued):

- The bonuses and sanctioned grant percentages and costs per case were each multiplied by the total caseload.
- The State-only (sanctioned) rate was multiplied by the total caseload.
- The recent noncitizen caseload rate was multiplied by the total caseload.

FUNDING:

Cal Learn costs are 100 percent TANF, except for the grants and services for the sanctioned caseload, which is 100 percent GF and is countable toward the TANF maintenance of effort requirement.

CHANGE FROM THE APPROPRIATION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

CASELOAD:

	2003-04	2004-05
Average Monthly Caseload	8,424	8,424

EXPENDITURES [1]:

(in 000's)

	2003-04		2004-05	
	Services	Bonuses and Sanctioned Grants	Services	Bonuses and Sanctioned Grants
Total	$25,192	$4,175	$25,178	$4,175
Federal	23,728	1,095	23,728	1,095
State	1,464	3,080	1,450	3,080
County	0	0	0	0
Reimbursements	0	0	0	0

[1] - The recent noncitizen entrants costs are a subset of these expenditures and are displayed in the "Recent Noncitizen Entrants" premise.

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Youth Development Services Project

DESCRIPTION:

This premise reflects funding provided for the California Alliance of Boys and Girls Clubs to expand the implementation of a youth prevention program called the Skills Mastery and Resistance Training Program (SMART Moves). Authorized by the Budget Act of 2002, the purpose of the SMART Moves Program is to prevent child and youth delinquency (i.e., substance abuse, criminal activities, and early sexual behavior) by increasing awareness about the consequences of such behaviors and by fostering protective factors through leadership training, skills building, and effective communication training.

IMPLEMENTATION DATE:

This premise implemented on July 1, 2001.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: The Budget Act of 2003.
- A total of $1.5 million will be distributed to approximately 100 local community-based organizations in the current year.

METHODOLOGY:

A total of $1.5 million will be available to fund the project in Fiscal Year (FY) 2003-04.

FUNDING:

The project is funded with 100 percent Temporary Assistance for Needy Families funds.

CHANGE FROM THE APPROPRIATION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

The funding is being eliminated as a result of budgetary pressures and other competing demands.

EXPENDITURES:

(in 000's)

CalWORKs Services	2003-04	2004-05
	Services	Services
Total	$1,500	$0
Federal	1,500	0
State	0	0
County	0	0
Reimbursement	0	0

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TANF/CalWORKs Administrative Costs – Basic

DESCRIPTION:

This premise reflects the administrative costs for the Temporary Assistance for Needy Families (TANF)/California Work Opportunity and Responsibility for Kids (CalWORKs) Program. Basic administrative costs reflect county welfare department (CWD) budget requests as modified by a cost containment system consistent with Welfare and Institutions Code (W&IC) section 14154. Effective with Fiscal Year (FY) 1994-95, the budget for county administration is based on the CWDs' anticipated actual expenditures. The projection of actual expenditures is described as basic costs.

IMPLEMENTATION DATE:

This premise is an annual appropriation.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&IC section 14154.
- The staff development costs are based on the most current actual expenditures.
- No cost-of-doing-business adjustment was provided because of lower revenues and other demands on the available State General Fund (GF).

METHODOLOGY:

- The FY 2003-04 estimate is adjusted to reflect funding changes due to updated Two-Parent State-Only percentage and updated Tribal TANF savings. The increase is related to the cost for the Statewide Automated Welfare System (SAWS) Development and Testing Interface.
- The FY 2004-05 estimate has been adjusted for updated staff development expenditures, updated savings associated with Tribal TANF and the cost for the SAWS Development and Testing Interface.

FUNDING:

The State share (10.14 percent for FY 2003-04 and FY 2003-04) reflects the cost for the State-Only Two-Parent Program that implemented October 1, 1999. The State-Only Two-Parent Program is countable toward the State's maintenance of effort requirement. The federal TANF share reflects the administrative costs for the CalWORKs Program.

Note: W&IC section 15204.4 requires an MOE from the counties based on expenditures during FY 1996-97. Please reference the "County MOE Adjustment" premise.

TANF/CalWORKs Administrative Costs – Basic

CHANGE FROM THE APPROPRIATION:

The increase is related to the cost for the SAWS Development and Testing Interface.

REASON FOR YEAR-TO-YEAR CHANGE:

The FY 2004-05 estimate was adjusted to reflect updated staff development expenditures, updated Tribal TANF savings and costs related to the SAWS Development and Testing Interface.

EXPENDITURES:

(in 000's)

	2003-04	2004-05
	County Admin.	County Admin.
Total	$645,104	$645,150
Federal	578,430	578,472
State	66,674	66,678
County	0	0
Reimbursements	0	0

Fraud Recovery Incentives

DESCRIPTION:

This premise reflects the incentive payments made annually to counties for the detection of fraud. Assembly Bill (AB) 1542 (Chapter 270, Statutes of 1997) provided that each county shall receive 25 percent of the actual share of savings, including federal funds under the Temporary Assistance for Needy Families (TANF) Program block grant, resulting from the detection of fraud. This statute, amended by AB 444 (Chapter 1022, Statutes of 2002), now provides that each county shall receive 12.5 percent of the actual amount of aid repaid or recovered by a county resulting from the detection of fraud. These savings/recoveries have been defined as the amounts collected on client-caused (non-administrative error) overpayments. County incentives paid with TANF monies must be used for purposes prescribed under the federal Personal Responsibility and Work Opportunity Act of 1996 (Public Law 104-193).

IMPLEMENTATION DATE:

This premise implemented on January 1, 1998.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 11486(j).
- The Fraud Bureau estimates that client-caused overpayments represent 82 percent of all collections.
- The total overpayment collections were $76.1 million for Fiscal Year (FY) 2002-03.
- The total overpayment collections statewide is estimated at $78.0 million for FY 2003-04.
- Based on the amount of overpayment collections, incentive payments are made annually to the counties in arrears.
- Effective in FY 2002-03, state funds were eliminated from this premise due to lower revenues and other demands on the available State General Fund.
- Effective with the passage of AB 444, the counties receive 12.5 percent of the savings due to client-caused overpayments.
- Overpayments are assumed to be funded 97.5 percent TANF/MOE and 2.5 percent county.

METHODOLOGY:

The county incentive payment is the product of the total collections multiplied by the TANF share of collections (97.5 percent), multiplied by the percentage of client-caused errors (82 percent), and multiplied by the county incentive (12.5 percent).

FUNDING:

The costs are 100 percent TANF.

CHANGE FROM THE APPROPRIATION:

The estimate was updated using the most recent actual data.

Fraud Recovery Incentives

REASON FOR YEAR-TO-YEAR CHANGE:

The budget year reflects an increase in projected overpayment collections.

EXPENDITURES:

(in 000's)

	2003-04	2004-05
ITEM 101 – TANF	County Admin.	County Admin.
Total	$7,603	$7,800
Federal	7,603	7,800
State	0	0
County	0	0
Reimbursements	0	0

TANF and NAFS Programs – PA to NA Fund Shift

DESCRIPTION:

This premise reflects an allocation of costs to Food Stamp (FS) administration for FS recipients receiving California Work Opportunity and Responsibility to Kids (CalWORKs) benefits. Eligibility and ongoing costs for FS recipients that receive CalWORKs are charged as CalWORKs administrative costs. The federal share of administrative costs for food stamp activities for Temporary Assistance for Needy Families Program cases is funded by the United States Department of Agriculture, Food and Nutrition Service (USDA-FNS).

The Department of Health and Human Services Division of Cost Allocation directed the California Department of Social Services to distribute costs for the eligibility determination activity among the benefiting programs. The methodology develops ratios based upon CalWORKs and Public Assistance Food Stamp (PAFS) caseload and administrative expenditure data to determine the portion of the Eligibility, Case Management, and Program Integrity activity costs in CalWORKs that benefit the FS Program. The PAFS allocation for common intake costs is also included in the cost shift.

IMPLEMENTATION DATE:

This premise implemented in March of 1984.

KEY DATA/ASSUMPTIONS:

- The current year was held to the Appropriation level.
- The eligibility worker intake administrative costs are divided equally among CalWORKs, PAFS and Medi-Cal. The PAFS share of the common intake costs is $35.5 million in Fiscal Year (FY) 2003-04 and $35.1 million in FY 2004-05.
- County worker costs for Eligibility, Case Management and Program Integrity activities are claimed to Programs Codes (PC) 614, 663, and 618, respectively, on the county expense claim.
- The ratio of administrative costs for PCs 614, 663 and 618 to the total administrative costs was held to the Appropriation level of 0.6572 in the current and is 0.6517 in the budget year based on the July 2002 through June 2003 expenditures.
- The ratio of PAFS to the CalWORKs caseload was held to the Appropriation level of 0.6627 in the current and is 0.6528 in the budget year based on the average ratio for the July 2002 through June 2003 period.
- Based on data reported on the county administrative expense claims, the total CalWORKs administrative cost for FY 2002-03 was $718,382,047.

METHODOLOGY:

The CalWORKs continuing case costs based on actual expenditures adjusted for premise items was multiplied by 0.6517 in budget year to determine the value of the PAFS/CalWORKs shared administrative costs. The shared administrative costs were multiplied by 0.6528 in budget year and the result was divided in half (50 percent CalWORKs and 50 percent PAFS) to determine the PAFS share. The PAFS share of the common intake costs was then added to determine the total fund shift.

TANF and NAFS Programs – PA to NA Fund Shift

FUNDING:

Non-Assistance FS costs are shared 50 percent federal funds (USDA-FNS), 35 percent State General Fund, and 15 percent county. The CalWORKs costs shifted are 100 percent TANF funds.

CHANGE FROM THE APPROPRIATION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

The budget year costs were updated for actuals. The decrease in funds shifting from CalWORKs Administration to Food Stamps Administration is due to the impact of the Prospective Budgeting premise.

EXPENDITURES:

(in 000's)

ITEM 101 – TANF	2003-04 County Admin.	2004-05 County Admin.
Total	-$176,099	-$163,579
Federal	-176,099	-163,579
State	0	0
County	0	0
Reimbursements	0	0

ITEM 141 – Food Stamps	2003-04 County Admin.	2004-05 County Admin.
Total	$176,099	$163,579
Federal	88,050	81,790
State	61,635	57,252
County	26,414	24,537
Reimbursements	0	0

CalWORKs Administrative Cap Adjustment

DESCRIPTION:

This premise reflects an adjustment to ensure that California does not exceed the required 15 percent administrative cap on expenditures. Public Law 104-193, which created the Temporary Assistance for Needy Families (TANF) Program, specifies that a 15 percent cap be placed on the administrative expenditures charged to the available TANF grant and counted towards the State's maintenance of effort (MOE) requirement. Final federal regulations for the TANF Program, effective October 1, 1999, define administrative costs subject to the 15 percent cap much broader than the State's previous interpretation of the federal legislation. This may subject the State to a penalty for misuse of TANF funds and reduce allowable MOE expenditures.

IMPLEMENTATION DATE:

This premise implemented on October 1, 1999.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: 45 Code of Federal Regulations sections 263.0 and 263.13.
- The administrative cap is applied on a statewide basis rather than county specific.
- Activities considered administrative include eligibility determinations, administrative costs incurred by contractors, automation costs not related to tracking and monitoring of TANF requirements, and costs of fraud and abuse units.

METHODOLOGY:

- The Fiscal Year's 2003-04 and 2004-05 estimates have been held at the Budget Act of 2003 Appropriation level.

FUNDING:

The administrative cap adjustment consists of a shift from federal funds to the State General Fund.

CHANGE FROM THE APPROPRIATION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

CalWORKs Administrative Cap Adjustment

EXPENDITURES:

(in 000's)

	2003-04 County Admin.	2004-05 County Admin.
Total	$0	$0
Federal	-72,500	-72,500
State	72,500	72,500
County	0	0
Reimbursements	0	0

Jail Reporting System

DESCRIPTION:

The Jail Reporting System (JRS) reflects the grant savings and administrative costs associated with denying aid to individuals who are no longer eligible due to being incarcerated for over 30 days in a city, county, or city and county-operated jail. Senate Bill 1556 (Chapter 205, Statutes of 1996) required the reporting of incarcerated individuals to federal, state and local agencies that administer public benefits for which incarceration affects eligibility. The California Department of Social Services (CDSS) is required to provide reimbursement for each unduplicated name to the local agency that provides the names of individuals incarcerated over 30 days.

IMPLEMENTATION DATE:

The JRS implemented on July 1, 1997.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code commencing with section 10985.
- The current year (CY) cost associated with payment to the jailers was held to the Budget Act of 2003 Appropriation level.
- The JRS will be discontinued at the end of the CY because it was determined to not be cost effective. An alternate system will be used to ensure assistance is not being provided to incarcerated individuals.

METHODOLOGY:

- The CY cost associated with payment to the jailers was held to the Budget Act of 2003 Appropriation level.

FUNDING:

The cost for payment of names is 100 percent State General Fund.

CHANGE FROM THE APPROPRIATION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

JRS was determined to not be a cost effective system and will be discontinued at the end of the CY. An alternate system will be used to ensure assistance is not being provided to incarcerated individuals.

Jail Reporting System

EXPENDITURES:

(in 000's)

ITEM 101 – TANF	2003-04	2004-05
	County Admin.	County Admin.
Total	$60	$0
Federal	0	0
State	60	0
County	0	0
Reimbursements	0	0

ITEM 141 – Food Stamp Admin.	2003-04	2004-05
	County Admin.	County Admin.
Total	$48	$0
Federal	0	0
State	48	0
County	0	0
Reimbursements	0	0

Court Cases

DESCRIPTION:

This premise reflects settlement costs and attorney fees relating to the Temporary Assistance for Needy Families (TANF), Foster Care (FC), Food Stamp, and Adoption Assistance Programs (AAP). The costs result from the settlement of lawsuits related to local assistance in accordance with Budget Letter 98-22, and instructions from the Department of Finance.

KEY DATA/ASSUMPTIONS:

Item 101 – TANF Administration

- A total of $802,000 is budgeted in Fiscal Year (FY) 2003-04 for attorney fees associated with eight specific TANF cases expected to be resolved in the current year (CY).
- An additional $50,000 is budgeted in FY 2003-04 for the attorney fees associated with small court cases.
- A total of $100,000 is budgeted in FY 2004-05, for the attorney fees associated with small court cases expected to be resolved in the budget year (BY).

Item 141 – FC, AAP, and Food Stamp Administration

- A total of $383,000 is budgeted in FY 2003-04 for attorney fees and settlement costs associated with small court cases expected to be due in the CY.
- A total of $126,000 is budgeted in FY 2004-05, for the attorney fees associated with small court cases expected to be resolved in the BY.

METHODOLOGY:

Item 101 – TANF Administration

The estimate is based on projected attorney fees, settlement costs and miscellaneous writs to be paid in FYs 2003-04 and 2004-05.

Item 141 – FC, AAP, and Food Stamp Administration

The estimate is based on projected attorney fees, settlement costs and miscellaneous writs to be paid in FYs 2003-04 and 2004-05.

FUNDING:

Item 101 –TANF Administration

The funding is 100 percent TANF.

Item 141 – FC, AAP, and Food Stamp Administration

Attorney fees associated with federally-eligible cases are shared 50 percent federal and 50 percent State General Fund (GF). Attorney fees associated with nonfederally-eligible cases are funded 100 percent GF. Court settlement costs are shared at the same ratios as the respective programs (i.e. AAP and AFDC-FC).

Court Cases

CHANGE FROM THE APPROPRIATION:

This premise has been updated for actual expenditures.

REASON FOR YEAR-TO-YEAR CHANGE:

The FY 2003-04 attorney fees and costs do not recur in FY 2004-05.

EXPENDITURES:

(in 000's)

ITEM 101 – TANF Administration	2003-04 County Admin.	2004-05 County Admin.
Total	$852	$100
Federal	852	100
State	0	0
County	0	0
Reimbursements	0	0

ITEM 141 – FC, AAP, and Food Stamp Administration	2003-04 County Admin.	2004-05 County Admin.
Total	$383	$126
Federal	174	63
State	200	63
County	9	0
Reimbursements	0	0

Medi-Cal Services Eligibility / Common Costs

DESCRIPTION:

This premise reflects the savings associated with shifting eligibility costs from the California Work Opportunity and Responsibility to Kids (CalWORKs) Program to the Medi-Cal Program. The Medi-Cal Services Eligibility program was authorized by Welfare and Institutions Code section 14154 which mandates the California Department of Social Services to instruct counties to modify the eligibility determination process so that eligibility for Medi-Cal is determined prior to eligibility for the Temporary Assistance for Needy Families (TANF) Program.

IMPLEMENTATION DATE:

This premise implemented on July 1, 1998.

KEY DATA/ASSUMPTIONS:

The Department of Health and Human Services, Division of Cost Allocation, has indicated that the cost for eligibility determination activity should be distributed among the benefiting programs (CalWORKs, Food Stamps, and Medi-Cal). For Fiscal Year (FY) 2003-04, the methodology to determine the Common Cost had been revised to include the actual Medi-Cal share of the Common Cost in the calculation.

METHODOLOGY:

FY 2003-04

- The estimate was determined by using the projected Medi-Cal share of FY 2001-02 Initial Eligibility Determination expenditures, which resulted in savings to CalWORKs and a cost to Medi-Cal. This savings is compared to the actual FY 2001-02 CalWORKs administrative expenditures, and a ratio is calculated which represents the impact of the common cost to the CalWORKs Eligibility Program. This ratio was then applied to the FY 2003-04 anticipated CalWORKs county administrative cost.

FY 2004-05

- The estimate was determined by using the projected Medi-Cal share of FY 2002-03 Initial Eligibility Determination expenditures, which resulted in savings to CalWORKs and a cost to Medi-Cal. This savings is compared to the actual FY 2002-03 CalWORKs administrative expenditures, and a ratio is calculated which represents the impact of the common cost to the CalWORKs Eligibility Program. This ratio was then applied to the FY 2004-05 projected CalWORKs county administrative cost.

FUNDING:

The State General Fund (GF) share (10.14 percent for FY 2003-04 and for FY 2004-05) reflects the cost for the State-Only Two-Parent Program which was implemented October 1, 1999. The State-Only Two-Parent Program is countable toward the State's maintenance of effort requirement. The federal TANF share reflects the administrative costs for the Medi-Cal Services Eligibility.

CHANGE FROM THE APPROPRIATION:

There is no change.

Medi-Cal Services Eligibility / Common Costs

REASON FOR YEAR-TO-YEAR CHANGE:

The cost is updated to reflect the most current actual expenditures and is distributed among the benefiting programs (CalWORKs, Food Stamps, and Medi-Cal).

EXPENDITURES:

(in 000's)

	2003-04	2004-05
	County Admin.	County Admin.
Total	-$35,447	-$35,100
Federal	-31,937	-31,540
State	-3,510	-3,560
County	0	0
Reimbursements	0	0

Research and Evaluation

DESCRIPTION:

This premise reflects the costs to develop a research design to ensure a thorough evaluation of the direct and indirect effects of the California Work Opportunity and Responsibility to Kids (CalWORKs) Program. The research and evaluation was authorized by Welfare and Institutions Code (W&IC) sections 11520 through 11521.7. An independent evaluator or evaluators shall conduct the statewide evaluation. The outcomes derived from these evaluations will be provided through discrete reports issued at regular intervals and will include information regarding process, impacts, and analyses of the costs and benefits of the CalWORKs Program.

The California Department of Social Services will ensure that county demonstration projects and other innovative county approaches to CalWORKs Program implementation are rigorously evaluated and that the findings are reported to the Legislature in a timely fashion. The evaluation of a county-specific program shall be developed in conjunction with the county and other appropriate agencies responsible for the local program.

IMPLEMENTATION DATE:

This premise implemented on July 1, 1997.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&IC sections 11520 through 11521.7.
- Assembly Bill 1542 (Chapter 270, Statutes of 1997) mandated the evaluation of the statewide CalWORKs Program and county demonstration projects such as school attendance, monthly change reporting, etc.

METHODOLOGY:

The funding for FY's 2003-04 and 2004-05 has been held at the Budget Act of 2003 Appropriation level.

FUNDING:

The State share (11 percent) reflects the cost for the State-Only Two-Parent Program that implemented October 1, 1999. The State-Only Two-Parent Program is countable toward the State’s maintenance of effort requirement. The federal TANF share (89 percent) reflects the cost for all other research and evaluation projects.

Research and Evaluation

CHANGE FROM THE APPROPRIATION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000's)

	2003-04	2004-05
	County Admin.	County Admin.
Total	$6,572	$6,572
Federal	5,849	5,849
State	723	723
County	0	0
Reimbursements	0	0

County Maintenance of Effort Adjustment

DESCRIPTION:

This premise reflects the costs counties are required to expend from their general funds or from the social services account of the County Health and Welfare Trust Fund to support administration of programs providing services to needy families, and the administration of food stamps. Welfare and Institutions Code (W&IC) section 15204.4 authorized the county maintenance of effort (MOE).

IMPLEMENTATION DATE:

This premise implemented on July 1, 1997.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&IC section 15204.4.
- The individual county requirement for spending will be equal to that amount which was expended by the county for comparative activities during Fiscal Year (FY) 1996-97. Failure to meet this required level will result in a proportionate reduction in funds provided as part of the California Work Opportunity and Responsibility to Kids Program single allocation.
- The FY 1996-97 actual county expenditures are $140,540,757. This amount represents the county MOE requirement.

METHODOLOGY:

- This estimate is determined using actual county expenditure data from FY 1996-97 compared to the estimated cost in FYs 2003-04 and 2004-05. The programs inclusive for this expenditure data are as follows: Temporary Assistance for Needy Families; Non-Assistance Food Stamps; Greater Avenues for Independence (GAIN); Cal Learn, Health & Safety (for child care); Transitional Child Care Administration; and Non-GAIN Education & Training Program.
- The funds reflected in this premise are the total Statewide expenditures for FY 1996-97 minus the estimated county expenditures for the administration of the Food Stamp Program for FY's 2003-04 and 2004-05.

FUNDING:

This is a shift from federal to county funds.

CHANGE FROM THE APPROPRIATION:

The amount shifted changed in the current year due to changes in the county share of the Food Stamp (FS) Program.

REASON FOR YEAR-TO-YEAR CHANGE:

The amount shifted changed in the budget year due to changes in the county share of the FS Program.

County Maintenance of Effort Adjustment

EXPENDITURES:

(in 000's)

	2003-04	2004-05
	County Admin.	County Admin.
Total	$0	$0
Federal	-54,846	-62,232
State	0	0
County	54,846	62,232
Reimbursements	0	0

CalWORKs Child Care - Stage One Services and Administration

DESCRIPTION:

This premise reflects the cost for Stage One Child Care to the California Work Opportunity and Responsibility to Kids (CalWORKs) Program single-parent families who are newly working or beginning participation in a work activity while on aid, two-parent families who are participating in approved CalWORKs activities, former CalWORKs recipients who are unable to transfer to Stage Two or Three due to lack of available slots, and to eligible teen parents participating in the Cal Learn Program. Child care services are available to CalWORKs families with children under 13 years of age.

Assembly Bill 1542 (Chapter 270, Statutes of 1997) authorized CalWORKs Stage One Child Care. Child care services for Cal Learn participants were authorized by Senate Bill (SB) 35 (Chapter 69, Statutes of 1993) and SB 1078 (Chapter 1252, Statutes of 1993).

The CalWORKs Child Care Program is administered in three stages. Stage One is funded through the California Department of Social Services (CDSS). Stage Two is funded through California Department of Education (CDE). Stage Two serves individuals determined to be in a more stable situation, either working or participating in a work activity while on aid, and participants transitioning off aid due to increased employment. Stage Three is also funded through CDE and serves participants who have been off aid for two years and the working poor.

IMPLEMENTATION DATE:

This premise implemented on January 1, 1998.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 10553, 10554, and 11331.7.
- In Fiscal Year (FY) 2003-04, the cost of providing CalWORKs child care was held to the Budget Act of 2003 Appropriation level and used the following key data/assumptions:
  - The projected caseload is based on a regression analysis projection using actual caseload reported on the CW115 and CW115A reports;
  - The monthly cost of providing CalWORKs child care is $562 per child based on child care expenditures and caseload from Calendar Year 2002 reported on the county expense claims and the CW115 and CW115A reports;
  - The CalWORKs child care administrative ratio is ten percent, based on actual administrative expenditures compared to service expenditures from Calendar Year 2002;
  - Actual county expenditures for FY 2001-02 were used to estimate child care capacity building costs of $7.5 million;
  - The child care costs for the two-parent families separate state program is nine percent of the total Stage One based on expenditure data from Calendar Year 2002;
  - The monthly cost of Cal Learn Child Care per child of $275 per family is based on child care expenditures and caseload data from FY 2001-02 reported on the county expense claims, CW115, and CW115A reports;

CalWORKs Child Care - Stage One Services and Administration

KEY DATA/ASSUMPTIONS (continued):

- The Cal Learn child care administrative ratio of 34 percent is based on the actual administrative expenditures for FY 2001-02;
- The child care costs for the recent noncitizen entrants were based on actual expenditures from Calendar Year 2002. Those expenditures were approximately one percent of the total Stage One Child Care expenditures;
- A total of $20.0 million of Temporary Assistance for Needy Families (TANF) funds are transferred to Title XX for child care: $10 million for CDSS' Stage One Child Care Program and $10 million for CDE's child care programs, in order to broaden access to Child and Adult Care Food Program (CACFP) benefits for low-income children in proprietary child care centers.
- TANF timed-Out cases (10% of All Other Family cases) will be funded with MOE eligible funds until December 2003).

- In FY 2004-05, the cost of providing CalWORKs child care per child used the following key data/assumptions:
  - The projected monthly caseload was based on a regression analysis projection using actual caseload reported on the CW115 and CW 115A reports;
  - The monthly cost of CalWORKs child care is $576 per child based on child care expenditures and caseload from FY 2002-03 as reported on the county expense claims, the CW115 and CW115A reports, and a 2.77 percent increase based on the California Necessities Index (CNI);
  - The CalWORKs child care administrative ratio of ten percent is based on the actual administrative expenditures compared to service expenditures for FY 2002-03;
  - The child care costs for the two-parent families separate state program is five percent based on Stage One expenditures from FY 2002-03;
  - The monthly cost of Cal Learn Child Care is $258 per child based on child care expenditures and caseload utilizing child care from FY 2002-03 as reported on the county expense claims, CW115, and CW115A reports and the CNI adjustment of 2.77 percent;
  - The Cal Learn Child Care administrative ratio of 26 percent is based on the actual administrative expenditures for FY 2002-03;
  - In FY 2004-05, the child care costs for the recent noncitizen entrants were based on actual expenditures from FY 2002-03. Those expenditures were approximately one percent of the total Stage One Child Care expenditures; and,
  - In the budget year, it is assumed that the same $10 million TANF to Title XX transfer will occur for Stage One.

CalWORKs Child Care – Stage One Services and Administration

METHODOLOGY:

- The Stage One Child Care services costs are calculated by multiplying the caseload by the cost per child.
- The Stage One Child Care administrative costs are calculated by multiplying the services costs by the administrative ratio.
- The total Stage One Child Care costs are calculated by adding the services costs to the administrative and capacity building costs.
- The Stage One two-parent child care costs are calculated by multiplying the total Stage One child care costs by nine percent. Those funds are then shifted to State General Fund (GF).
- The Stage One estimate is reduced one percent in FY 2003-04 and FY 2004-05 for Recent Noncitizen Entrants. Refer to that premise description for more information.
- The Cal Learn estimate is reduced two percent in FY 2003-04 and FY 2004-05 for Recent Noncitizen Entrants. Refer to that premise description for more information.
- The Cal Learn Child Care services costs are calculated by multiplying the caseload by the cost per child.
- The Cal Learn Child Care administrative costs are calculated by multiplying the services costs by the administrative ratio. The Cal Learn Child Care cost is calculated by adding the services costs to the administrative costs.
- The State-Only Cal Learn Child Care costs are reduced ten percent and eight percent in FY 2003-04 and FY 2004-05, respectively, for the Sanctioned Cal Learn Caseload receiving Cal Learn Services.
- The total Stage One Child Care cost in FY 2003-04 is reduced by approximately $27.7 million and held in the Stage One/Stage Two Holdback. This amount is based on five percent of the total Stage One estimated need.
- The total Stage One Child Care cost in FY 2004-05 is reduced by approximately $20.8 million and held in the Stage One/Stage Two Holdback. This amount is based on five percent of the total Stage One estimated need.

FUNDING:

Stage One Child Care for single parents is funded with 100 percent TANF. Child Care for two-parent families is funded with 100 percent GF, which is countable toward the State's TANF maintenance of effort requirement.

CHANGE FROM THE APPROPRIATION:

There is no change.

CalWORKs Child Care – Stage One Services and Administration

REASON FOR YEAR-TO-YEAR CHANGE:

The decrease in the budget year is a net result of decreased caseload, increased administrative ratio, and an increased cost per case, with a 2.77 percent CNI increase.

CASELOAD:

	2003-04 Average Monthly Children	2004-05 Average Monthly Children
Adult Parent	81,582	65,299
Cal Learn	896	753

EXPENDITURES:

(in 000's)	2003-04		2004-05	
	Services	County Admin.	Services	County Admin.
Total	$522,242	$60,353	$430,457	$43,382
Federal	450,340	53,162	409,048	41,241
State	71,902	7,191	21,409	2,141
County	0	0	0	0
Reimbursements	0	0	0	0

Los Angeles Retroactive Payments

DESCRIPTION:

This premise reflects the savings associated with the discontinuance of retroactive child care payments in Los Angeles (LA) County provided by a new provider 30 days beyond the first day of services. Starting July 1, 2002, California Work Opportunity and Responsibility to Kids (CalWORKs) applicants and recipients receiving Stage One Child signed a notice acknowledging they have been informed of the availability of child care while they are working or participating in a Welfare to Work activity. Clients receive this notice at application and when a Welfare to Work plan is signed.

IMPLEMENTATION DATE:

This premise implemented on July 1, 2002.

KEY DATA/ASSUMPTIONS:

- The average monthly retroactive payments from Fiscal Year (FY) 2002-03 are $1,508.
- The average monthly dollars associated with these payments from FY 2002-03 are $656,128.
- The new state policy was implemented in July 2003 and took effect October 2003.

METHODOLOGY:

- For FY 2003-04, the estimated savings were held to the Budget Act of 2003 Appropriation level.
- Beginning July 2004, it is assumed that a monthly savings of $656,128 will continue through the budget year.

FUNDING:

The savings in this premise are reflected as 100 percent TANF.

CHANGE FROM THE APPROPRIATION:

There is no change

REASON FOR YEAR-TO-YEAR CHANGE:

The decreased savings in the budget year are the result of updated actual savings information for LA County.

Los Angeles Retroactive Payments

EXPENDITURES:

(in 000's)	2003-04	2004-05
Total	-$34,425	-$7,874
Federal	-34,425	-7,874
State	0	0
County	0	0
Reimbursements	0	0

Stage One Child Care Reforms

DESCRIPTION:

This premise reflects the savings associated with the reforms made to California's subsidized child care system. California Work Opportunity and Responsibility to Kids (CalWORKs) participants that are receiving CalWORKs Stage One and Stage Two child care will be affected by these reforms. These reforms include changes in Regional Market Rate (RMR) regulations, RMR Ceilings, Grandfathered Families, Age Eligibility, and Family Fees.

IMPLEMENTATION DATE:

This premise implemented on July 1, 2003.

KEY DATA/ASSUMPTIONS:

- New RMR regulations will be implemented that will lower the level at which providers can be reimbursed absent documentation that they serve unsubsidized families. Exempt providers will be limited to the 60th percentile and licensed providers will be limited to the 65th percentile of the RMR. Other changes include simplifying the RMR rate categories, providing statewide consistency on how child care providers are reimbursed under the RMR, prohibiting hourly rates for full-time care and providing the evening/weekend premium rate only to licensed providers.
- The reimbursement rates will change for providers that serve both subsidized and unsubsidized families from approximately the 93rd percentile to the 80th percentile of the RMR.
- Services will be eliminated for 13-year old children and families whose income is above 75 percent of the Statewide Median Income (SMI) and who receive child care services because they were grandfathered into the current system in 1998.
- Family fees for subsidized child care will begin when the family's income is at 40 percent of the SMI, increase on a sliding scale for higher incomes, and will be capped at 10 percent of family income per federal guidance.
- For Fiscal Year (FY) 2003-04 the savings to Stage One is $23.3 million as a result of the regulations and reimbursement rate changes.
- For FY 2003-04, the savings to Stage Two is $48.1 million as a result of the regulations and reimbursement rate changes, the elimination of the grandfathered families and 13-year olds, and the family fee increases. The savings is reflected in the "Transfer to CDE for Stage Two" premise.
- For FY 2004-05, the savings to Stage One is $33.4 million as a result of the regulations and reimbursement rate changes.
- For FY 2004-05, the savings to Stage Two is $62.5 million as a result of the regulations and reimbursement rate changes, the elimination of the grandfathered families and 13-year olds, and the family fee increases. The savings is reflected in the "Transfer to CDE for Stage Two" premise.

METHODOLOGY:

The estimated savings are based on statistical modeling techniques that incorporated the administration's reform proposals.

Stage One Child Care Reforms

FUNDING:

This premise reflects 100 percent TANF savings.

CHANGE FROM THE APPROPRIATION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

The budget year reflects a full year of savings.

EXPENDITURES:

(in 000's)

	2003-04	2004-05
Total	-$23,293	-$33,427
Federal	-23,293	-33,427
State	0	0
County	0	0
Reimbursements	0	0

New - Stage One Child Care Reforms

DESCRIPTION:

This premise reflects the savings associated with the reforms made to California's subsidized child care system. California Work Opportunity and Responsibility to Kids (CalWORKs) participants that are receiving CalWORKs Stage One and Stage Two child care will be affected by these reforms. These reforms include changes in age eligibility, income eligibility categories, regional market rate (RMR) ceilings, and family fees.

IMPLEMENTATION DATE:

This premise will implement on October 1, 2004.

KEY DATA/ASSUMPTIONS:

- Services will be eliminated for 11 and 12-year-old children.
- The implementation of a three-tiered income reimbursement structure that would compensate for residence in high cost counties. In tier one, a family of four with an income above approximately $35,000 annually in the highest cost counties of the Bay Area would lose its child care subsidy. These counties include Marin, San Francisco, San Mateo, and Santa Clara. In tier two, a family of four with an income above approximately $33,000 annually in the next highest cost counties would lose its child care subsidy. These counties include Alameda, Contra Costa, Los Angeles, Monterey, Napa, Orange, San Diego, San Luis Obispo, Santa Barbara, Santa Cruz, Solano, Sonoma, and Ventura. Tier three includes the remaining counties where a family of four with an income above approximately $31,000 annually would lose its child care subsidy.
- New RMR regulations will be implemented that will lower the level at which providers can be reimbursed. Exempt providers' reimbursement will be limited to the 40th percentile unless documentation in both health/safety training and child development education can be verified to raise the reimbursement limit to the 50th percentile. Not-in-market licensed providers' reimbursement will be limited to the 50th percentile unless documentation in both child developmental education and accreditation can be verified to raise the reimbursement limit to the 75th percentile. In-market providers will be lowered to the 75th percentile unless documentation in both child developmental education and accreditation can be verified.
- Family fees for subsidized child care will begin when the family's income exceeds the eligibility for CalWORKs cash aid. The fee level would be capped at the 10% level recommended by federal guidelines.
- For FY 2004-05, the savings to Stage One is $41.8 million as a result of the elimination of 11 and 12-year olds, income eligibility changes, reimbursement rate changes, and family fee increases.
- For FY 2004-05, the savings to Stage Two is $53.8 million as a result of the elimination of 11 and 12-year olds, income eligibility changes, reimbursement rate changes, and family fee increases.

METHODOLOGY:

The estimated savings are based on statistical modeling techniques that incorporated the administration's reform proposals.

New - Stage One Child Care Reforms

FUNDING:

This premise reflects 100 percent TANF savings.

CHANGE FROM THE APPROPRIATION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

This premise will implement on October 1, 2004.

EXPENDITURES:

(in 000's)

	2003-04	2004-05
Total	$0	-$41,800
Federal	0	-41,800
State	0	0
County	0	0
Reimbursements	0	0

State-Only Cal Learn Child Care

DESCRIPTION:

This premise reflects the costs of providing child care services to sanctioned teen parents participating in the Cal Learn Program. The Cal Learn Program, including child care services, was authorized by Senate Bill (SB) 35 (Chapter 69, Statutes of 1993) and SB 1078 (Chapter 1252, Statutes of 1993). Assembly Bill 2772 (Chapter 902, Statutes of 1998) changed the status of the Cal Learn Program from a five-year federal demonstration project to a permanent program.

Federal law (Public Law 104-193) prohibits the use of Temporary Assistance to Needy Families (TANF) funds to teen parents who do not participate in school or another approved activity. Cal Learn teen parents who do not attend school, do not turn in a report card or receive poor grades are subject to a $100 sanction. Because the Cal Learn Program operated under a five-year federal waiver as a California Work Pays Demonstration Project, the program was not affected by the federal rules. However, effective March 31, 1999, the federal waivers for the Cal Learn Program expired. In order to provide support services to sanctioned teens, the cost for the State-Only Cal Learn Child Care Program is funded with State General Fund (GF).

IMPLEMENTATION DATE:

This premise implemented on April 1, 1999.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 11331.7.
- The percentage of sanctioned teens for Fiscal Year (FY) 2003-04 is ten percent based on the State-Only Cal Learn Child Care expenditures from Calendar Year 2002 as reported on the county expense claims.
- The percentage of sanctioned teens for FY 2004-05 is eight percent based on the State-Only Cal Learn Child Care expenditures from FY 2002-03 as reported on the county expense claims.
- Refer to the “Stage One Services and Administration” premise for more information regarding the Cal Learn Child Care estimate.

METHODOLOGY:

The sanction rate was applied to the total Cal Learn Child Care cost to determine the State-Only Cal Learn Child Care need.

FUNDING:

This premise is funded with 100 percent GF and is countable toward the State’s maintenance of effort (MOE) under the TANF federal requirements.

CHANGE FROM THE APPROPRIATION:

The State-Only Cal Learn Child Care costs were updated to reflect the most recent expenditure data.

State-Only Cal Learn Child Care

REASON FOR YEAR-TO-YEAR CHANGE:

The decrease in the budget year is the net result of a decrease in caseload, a decrease in cost per child, a decrease in the administrative percentage, and a 2.77 percent cost-of-doing-business adjustment based on the California Necessities Index adjustment.

EXPENDITURES:

(in 000's)

	2003-04	2004-05
	County Admin.	County Admin.
Total	$396	$235
Federal	0	0
State	396	235
County	0	0
Reimbursements	0	0

Child Care – Trustline

DESCRIPTION:

This premise reflects the costs for providing a state-mandated registration program that includes fingerprinting of certain child care providers and applicants as well as searching the California Criminal History System and the California Child Abuse Central Index. The Trustline Program was authorized by Assembly Bill (AB) 2053 (Chapter 898, Statutes of 1994), AB 2560 (Chapter 1268, Statutes of 1994), and AB 1542 (Chapter 270, Statutes of 1997). Senate Bill (SB) 933 (Chapter 311, Statutes of 1998) mandated that a second set of fingerprints is required to search the records of the Federal Bureau of Investigation (FBI). In addition, SB 933 required fingerprint and search requirements to be funded for certain fee-exempt providers. AB 1659 (Chapter 881, Statutes of 1999) added certain categories of licensed fee-exempt providers for FBI background checks.

Trustline registration is required for child care providers in Stage One Child Care compensated by the California Work Opportunity and Responsibility to Kids (CalWORKs) Program. This premise also includes the reimbursement cost for processing applications referred by the California Department of Education (CDE) and licensed fee-exempt providers.

The Community Care Licensing Division (CCLD) is responsible for processing the applications pursuant to AB 753 (Chapter 843, Statutes of 1997). CCLD contracts with the Department of Justice (DOJ) and the California Child Care Resource and Referral Network to process the fingerprint and index search file activities. Additionally, CCLD contracts with Sylvan/Identix, a private vendor, for the Live Scan fingerprinting. The Live Scan fingerprint process is an electronic technology that transfers images of fingerprints and personal information to the DOJ in a matter of seconds.

IMPLEMENTATION DATE:

The initial program implementation was September 1, 1995. The implementation for the second set of fingerprints, as required by SB 933, was January 1, 1999.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 11324.
- Providers for CalWORKs participants who are currently licensed, or who are an aunt, uncle or grandparent of the child, are exempt from Trustline requirements. In addition, providers whose services are used less than 30 days are not required to register in Trustline.
- The Trustline applications for voluntary applicants are included in this premise because the California Department of Social Services (CDSS) is required to reimburse the DOJ for these costs. Payments from the voluntary applicants are reflected as State General Fund (GF) revenue.
- In Fiscal Years (FYs) 2003-04 and 2004-05, the cost of providing for the Trustline for CDSS, CDE, and voluntary applicants is based the following key data and assumptions:
- The projected number of Trustline applications in the current year (CY) and budget year (BY) for CDE, CDSS, and voluntary are 26,419 and 26,834, respectively. This is based on a 12 month regression analysis using the number of actual applications for Trustline fingerprinting from FY 2002-03.

Child Care – Trustline

KEY DATA ASSUMPTIONS (continued):

- The projected number of Trustline fingerprints in the CY and BY for CDE, CDSS, and voluntary for the DOJ contract are 28,085 and 25,255, respectively. This is based on a 12 month regression analysis using the number of actual applications for Trustline fingerprinting from FY 2002-03.
- The manual-to-automated fingerprinting ratio of 80:20 was based on historical data and applied to the voluntary caseload.
- FY 2003-04 the county administration cost per case is $142 based on actual county expenditures divided by the number of DOJ applications for January through December 2002.
- FY 2004-05 the county administration cost per case is $76 based on actual county expenditures divided by the number of DOJ applications for FY 2002-03.
- The fees for the contracted services are as follows:

	FY 2003-04	FY 2004-05
DOJ Fingerprinting/criminal history file [1]	$32	$32
DOJ Cardscan Fee [1]	$10	$10
DOJ Child Abuse Index Check [1]	$24	$24
CCR&R Agency	$25	$25
Sylvan/Identix Live Scan	$16	$16
CDSS Administrative Costs [2]	$18	$18

[1] - The $10 Cardscan Fee is not charged for the cases utilizing Live Scan. The voluntary applicants utilizing Live Scan are required to reimburse CDSS for the DOJ costs.

[2] - The voluntary applicants are charged the $18 CDSS administrative costs to process applications utilizing manual fingerprinting and Live Scan.

METHODOLOGY:

- The cost of each contract was calculated by multiplying the projected number of Trustline applications by the cost per activity.
- The county administration cost was calculated by multiplying the projected number of CDSS Trustline applications by the county administration cost per case.
- The total contract amounts are as follows:

	FY 2003-04	FY 2004-05
DOJ	$2,079,851	$2,093,719
CCR&R Agency	$ 703,375	$ 723,950
Sylvan/Identix Live Scan	$ 381,160	$ 500,792
CDSS Administrative Costs	$ 30,888	$ 38,232

Child Care – Trustline

FUNDING:

The State share reflects the percent of two-parent families utilizing child care. The State-Only Two-Parent Program is countable toward the State's maintenance of effort requirement. The federal Temporary Assistance for Needy Families Program share reflects the cost for all other families.

CHANGE FROM THE APPROPRIATION:

The increase from appropriation reflects updated contract costs for the current year.

REASON FOR YEAR-TO-YEAR CHANGE:

The BY decrease reflects updated application and invoice data through June 2003.

CASELOAD:

	2003-04	2004-05
Average Monthly CDSS Trustline Caseload	1,293	1,245
Average Monthly CDE Trustline Caseload	908	992
Average Monthly Voluntary Trustline Caseload	143	177

EXPENDITURES:

(in 000's)

	2003-04	2004-05
	County Admin.	County Admin.
Total	$5,750	$4,492
Federal	4,237	3,010
State	350	288
County	0	0
Reimbursements	1,163	1,194

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Self-Certification

DESCRIPTION:

This premise reflects the administrative costs associated with assuring that license-exempt child care providers self-certify that they meet the minimum health and safety standards required by Assembly Bill (AB) 2053 (Chapter 898, Statutes of 1994), AB 2560 (Chapter 1268, Statutes of 1994), and AB 1542 (Chapter 270, Statutes of 1997). Effective October 1, 1998, license-exempt providers must also meet the following minimum standards: the prevention and control of infectious diseases, building and physical premises standards, and minimum health and safety training appropriate to the provider setting. License-exempt child care providers who are aunts, uncles, and grandparents are excluded from these requirements.

IMPLEMENTATION DATE:

This premise implemented on October 1, 1996.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 11324.
- In Fiscal Year (FY) 2003-04 the projected cost of self-certification is based on the following key data and assumptions:
  - The projected number of Trustline applications (17,992) for the California Department of Social Services (CDSS) is based on a linear trend projection using the number of applications for Trustline fingerprinting from March 2002 through February 2003; and,
  - The statewide cost of self-certification ($99) is based on Calendar Year 2002 actual county expenditures divided by total Trustline applications processed from January to December 2002.
- In FY 2004-05 the projected cost of self-certification is based on the following key data and assumptions:
  - The projected number of Trustline applications (14,935) for CDSS using a 12 month linear trend projection using the number of applications for Trustline fingerprinting from FY 2002-03.
  - The statewide cost of self-certification ($83) is based on FY 2002-03 actual county expenditures divided by total Trustline applications processed from FY 2002-03.

METHODOLOGY:

The administrative costs for notification of new recipients were developed utilizing the average statewide cost of self-certification multiplied by the total number of Trustline fingerprinting applications.

FUNDING:

The State share reflects the percentage of two-parent families utilizing child care. The State-Only Two-Parent Program is countable toward the State's maintenance of effort requirement. The federal Temporary Assistance for Needy Families Program share reflects the cost for all other families.

Self-Certification

CHANGE FROM THE APPROPRIATION:

The costs have been updated to reflect updated projected caseload and expenditure data.

REASON FOR YEAR-TO-YEAR CHANGE:

The reason for the decrease in budget year is a decrease in caseload and cost per case.

CASELOAD:

	2003-04	2004-05
Average Annual Caseload	17,992	14,935

EXPENDITURES:

(in 000's)

	2003-04	2004-05
	County Admin.	County Admin.
Total	$1,781	$1,239
Federal	1,683	1,171
State	98	68
County	0	0
Reimbursements	0	0

CalWORKs Child Care Fund
Transfer to CDE for Stage Two as CCDBG

DESCRIPTION:

This premise reflects the amount of Temporary Assistance for Needy Families (TANF) Program funds transferred to the Child Care and Development block grant (CCDBG) for Stage Two. The transfer of TANF funds is authorized by the annual Budget Act. The California Work Opportunity and Responsibility to Kids (CalWORKs) Child Care Program is authorized by Assembly Bill 1542 (Chapter 270, Statutes of 1997).

The CalWORKs Child Care Program is administered in two stages. Stage One is funded through the California Department of Social Services (CDSS). Stage Two is funded through the California Department of Education (CDE) and serves individuals determined to be in a more stable situation, either working or participating in a work activity while on aid, and participants transitioning off aid due to increased employment.

IMPLEMENTATION DATE:

This premise implemented on July 1, 1998.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 10553 and 10554.
- The transfer of TANF funds to the CCDBG funds will be completed by CDSS and will represent an increase to the total amount of CCDBG funds available for CalWORKs Child Care.
- The projected caseload for Fiscal Year (FY) 2003-04 and 2004-05 was based on a regression analysis projection based on actual caseload reported to CDE.
- In FY 2003-04, the monthly cost per child for Stage Two Child Care is $466 and was based on child care expenditures and caseload reported to CDE for Calendar Year 2002.
- In FY 2004-05, the monthly cost per child for Stage Two Child Care is $487 and was based on FY 2002-03 expenditures and caseload, multiplied by a 2.77 percent increase based on the California Necessities Index.
- The Stage Two Child Care cost for FY 2003-04 and FY 2004-05 was reduced by approximately $33.9 and $31.0 million, respectively, based on five percent of the total Stage Two estimated need.
- The administrative ratio is 20 percent for FY 2003-04 and FY 2004-05. The ratio is the comparison between administrative expenditures and service costs from FY 2002-03.
- The annual family fee offset of 1.0 percent for FY 2003-04 and FY 2004-05 is based on the ratio of family fees and expenditures reported to CDE from FY 2002-03.

CalWORKs Child Care Fund
Transfer to CDE for Stage Two as CCDBG

KEY DATA/ASSUMPTIONS (continued):

- In FY 2003-04 the estimated need for Stage Two was reduced by $2.0 million in savings associated with CalWORKs participants reaching the CalWORKs 60-month time limit. Refer to the "60-Month CalWORKs Time Limit" premise description for more detailed information.

- In FY 2004-05 the estimated need for Stage Two was increased by $28.0 million associated with CalWORKs participants reaching the CalWORKs 60-month time limit. Refer to the "60-Month CalWORKs Time Limit" premise description for more detailed information.

- In FY 2003-04 and FY 2004-05 the estimated need for Stage Two was decreased by $48.0 million and $80.0 million, respectively, for the savings due to child care reforms. Refer to the "Child Care Reform Savings" premise for more information.

- In FY 2004-05 the estimated need for Stage Two was decreased by $53.8 million for the savings due to the new child care reforms. Refer to the "New Child Care Reform Savings" premise for more information.
- The total Stage Two estimated need is $680.9 million in FY 2003-04, and $652.1 million in FY 2004-05. This funding would serve 102,512 children in FY 2003-04, and 93,887 children in FY 2004-05.
- CDE funds available for Stage Two Child Care are $77.0 million in FY 2003-04 and $170.7 million in FY 2004-05.
- The current year Budget Act provides that a total of $20.0 million of TANF funds may be transferred to Title XX for child care: $10 million for Stage One Child Care and $10 million for Stage Two Child Care programs in order to broaden access to Child and Adult Care Food Program benefits for low-income children in proprietary child care centers. Department of Finance approval is required before the transfers can be made. In the budget year, it is assumed that the same transfers will occur.

METHODOLOGY:

- The services cost was calculated by multiplying the caseload by the cost per case.
- The administrative cost was calculated by multiplying the services cost by the administrative ratio.
- The family fee was calculated by multiplying the services and administrative costs by one percent.
- The total Stage Two Child Care cost was calculated by adding the services cost to the administrative cost and subtracting the family fees.
- The total Stage Two Child Care cost in FY 2003-04 was reduced by $33.9 million or five percent for the Stage One/Stage Two Holdback and $2.0 million for the CalWORKs 60-month savings. Refer to the "60-month CalWORKs Time Limit" premise description for more information.

CalWORKs Child Care Fund
Transfer to CDE for Stage Two as CCDBG

METHODOLOGY (continued):

- The total Stage Two Child Care cost in FY 2004-05 was reduced by $31.0 million or five percent for the Stage One/Stage Two Holdback and increased by $28.0 million for the CalWORKs 60-month savings. Refer to the "60-month CalWORKs Time Limit" premise description for more information.
- The transfer of TANF funds to CCDBG was calculated by subtracting CDE's available CCDBG and Proposition 98 funding from the net Stage Two Child Care cost.

FUNDING:

Funds are 100 percent TANF transferred to the CCDBG.

CHANGE FROM THE APPROPRIATION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

The BY reflects a net decrease as a result of an 8.4 percent decrease in caseload, an increase in cost per child, updates to the CalWORKs 60-month time limit, and additional CDE funds for State Two.

EXPENDITURES:

(in 000's)	2003-04	2004-05
	Grant	Grant
Total	$524,928	$349,608
Federal	524,928	349,608
State	0	0
County	0	0
Reimbursements	0	0

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Child Care
Stage One/Two Holdback

DESCRIPTION:

This premise reflects the amount of Temporary Assistance for Needy Families (TANF) Program funds established in reserve to be used for Stage One and/or Stage Two California Work Opportunity and Responsibility to Kids (CalWORKs) Program child care. The reserve of TANF funds is authorized by the annual Budget Act. The CalWORKs Child Care Program was authorized by Assembly Bill 1542 (Chapter 270, Statutes of 1997).

The CalWORKs Child Care Program is administered in three stages. Stage One is funded through the California Department of Social Services. Stage Two is funded through the California Department of Education (CDE) and serves individuals that the county welfare departments determine to be in a more stable situation, either working or participating in a work activity while on aid, and participants transitioning off aid due to increased employment. Stage Three is also funded through CDE and serves participants that have been off aid for two years and the working poor.

IMPLEMENTATION DATE:

This premise implemented on July 1, 1998.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 10553 and 10554.
- In Fiscal Year (FY) 2003-04, the total Stage One Child Care need is $553.5 million and the total Stage Two Child Care need is $679.0 million.
- In Fiscal Year (FY) 2004-05, the total Stage One Child Care need is $415.4 million and the total Stage Two Child Care need is $617.5 million.
- A total of five percent from Stage One and Stage Two will be held in the reserve.

METHODOLOGY:

- In FY 2003-04, five percent of Stage One ($27.7 million) and Stage Two ($33.9 million) are summed for a total holdback. No funding is reserved above the need in this premise.
- In FY 2004-05, five percent of Stage One ($20.8 million) and Stage Two ($30.9 million) are summed for a total holdback. No funding is reserved above the need in this premise.

FUNDING:

Funds are 100 percent TANF. TANF funds will be transferred from the reserve as needed for Stage One Child Care. TANF funds will be transferred from the reserve to the Child Care and Development Block Grant as needed for Stage Two Child Care.

CHANGE FROM THE APPROPRIATION:

There is no change.

Child Care
Stage One/Two Holdback

REASON FOR YEAR-TO-YEAR CHANGE:

The budget year increase reflects a decreased need in the Stage One and Stage Two Child Care costs.

EXPENDITURES:

(in 000's)	2003-04	2004-05
	Grant	Grant
Total	$61,627	$51,645
Federal	61,627	51,645
State	0	0
County	0	0
Reimbursements	0	0

Juvenile Assessment/Treatment Facilities

DESCRIPTION:

This premise reflects the costs associated with benefits and services provided for children in county juvenile assessment and residential treatment facilities. These payments are authorized under the Comprehensive Youth Services Act (CYSA) (Chapter 270, Statutes of 1997).

The Emergency Assistance (EA) Program provided federal funding for benefits and services granted to children and families in emergency situations, with eligibility restricted to a single episode in any 12-month period. Phase I of the EA Program was the implementation of a probation component, providing funds for nonfederal foster care on behalf of wards and county juvenile assessment and residential treatment facilities. Federal Action Transmittal ACF-AT-95-9 prohibited the use of EA funds for children removed due to delinquent behavior as of January 1996, eliminating the probation component. However, the implementation of the Temporary Assistance for Needy Families (TANF) block grant allows for the provision of funds for children in county juvenile assessment and residential treatment facilities. Funding for this premise will sunset on October 31, 2004.

IMPLEMENTATION DATE:

This premise implemented in Fiscal Year 1997-98.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 18220 through 18226.
- Probation placement and administrative funds are based on actual expenditures for Federal Fiscal Year (FFY) 1995. The funding level is not subject to increase based on additional claiming or caseload changes.
- Administrative expenditures are limited to 15 percent of total grant costs.

METHODOLOGY:

Probation and administrative costs are level funded and based upon actual expenditures for FFY 1995.

FUNDING:

Funding is 100 percent TANF block grant funds.

CHANGE FROM THE APPROPRIATION:

There is no change in the current year.

REASON FOR YEAR-TO-YEAR CHANGE:

The authorizing statute for this premise sunsets on October 31, 2004.

Juvenile Assessment/Treatment Facilities

EXPENDITURES:

(in 000's)

	2003-04	2004-05
	Grant	Grant
Total	$168,713	$56,238
Federal	168,713	56,238
State	0	0
County	0	0
Reimbursements	0	0

Temporary Assistance for Needy Families (TANF) for Probation Camps

DESCRIPTION:

The Budget Act of 1997 provided that $32.7 million in support of juvenile camps, forestry camps and ranches, formerly funded with State General Fund (GF) through the California Youth Authority (CYA), be transferred to the California Department of Social Services for funding of probation placements in such facilities. These funds may be used for the costs of shelter care on behalf of children whose behavior results in removal from the home and supervision by the probation department. Funding for this premise will sunset on October 31, 2004.

IMPLEMENTATION DATE:

This premise implemented on July 1, 1997.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 18222 and 18223.
- The TANF funding level for this premise is consistent with the GF appropriation formerly contained within the CYA budget (Item 5460-101-001) in support of the operation of county camps and ranches during Fiscal Year 1996-97. The funding level is not subject to increase based on additional claiming or caseload changes.

FUNDING:

Funding is 100 percent TANF block grant funds.

CHANGE FROM THE APPROPRIATION:

There is no change in the current year.

REASON FOR YEAR-TO-YEAR CHANGE:

The authorizing statute for this premise sunsets on October 31, 2004.

EXPENDITURES:

(in 000's)	2003-04	2004-05
	Grant	Grant
Total	$32,700	$10,900
Federal	32,700	10,900
State	0	0
County	0	0
Reimbursements	0	0

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Kinship Guardianship Assistance Payment Program

DESCRIPTION:

This premise reflects the costs and savings associated with the Kinship Guardianship Assistance Payment (Kin-GAP) Program. The Kin-GAP Program is authorized by Senate Bill (SB) 1901 (Chapter 1055, Statutes of 1998) and modified by Assembly Bill (AB) 1111 (Chapter 147, Statutes of 1999).

The Kin-GAP Program is intended to enhance family preservation and stability by recognizing that many foster children are in long-term, stable placements with relatives and that these placements are the permanent plan for the child. Accordingly, a dependent child who has been living with a relative for at least twelve months may receive a subsidy if the relative assumes guardianship and the dependency is dismissed. Once dependency is dismissed, there is no need for continued governmental intervention in the family life through ongoing, scheduled court and social services supervision of the placement.

Kin-GAP rates are equal to 100 percent of the basic foster care rate for children placed in a licensed or approved home as specified at subdivisions (a) to (d), of Welfare and Institutions Code (W&IC) section 11461. In addition, when a child is living with a minor parent for whom a Kin-GAP payment is made, the payment shall include an amount for the care and supervision of the child. AB 1111 changed the effective date of the Kin-GAP Program to January 1, 2000.

IMPLEMENTATION DATE:

This premise implemented on January 1, 2000.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&IC sections 11360 through 11375.
- The Kin-GAP rate equals 100 percent of the basic foster care rate for children placed in a licensed or approved foster family home, as specified in statute.
- Based on actual cases reported on the CA 800 KG (federal) and CA 800 KG (nonfederal), Summary Report of Expenditures for the Kin-GAP Program, the caseload was 12,833 as of June 2003.
- Based on the most recent 12 months of actual data from the CA 237 KG report, 94 percent of Kin-GAP cases will shift from the AFDC-Foster Care (AFDC-FC) Program and 6 percent will shift from the California Work Opportunity and Responsibility to Kids (CalWORKs) Program.
- A State-Only Kin-GAP Program is available for those cases that are not eligible for CalWORKs but would be eligible for the Kin-GAP Program. Based on the caseload reported on the CA 800 KG, nonfederal cases represent an insignificant percentage of the total caseload.
- The average Kin-GAP grant payments are based on the most recent 12 months of actual expenditures and cases reported on the CA 800 KG ending June 2003. The average federal Kin-GAP grant payment is $486.66 and the average nonfederal Kin-GAP grant payment is $531.32.
- Effective January 1, 2002, the Temporary Assistance to Needy Families (TANF) portion of the Kin-GAP rate was standardized at $323 in order to simplify the county claiming process. As of June 1, 2003, the TANF portion of the rate increased to $337. The rate is estimated to decrease to $317 on April 1, 2004, due to a five percent reduction in the CalWORKs Maximum Aid Payment (MAP) levels.

Kinship Guardianship Assistance Payment Program

KEY DATA/ASSUMPTIONS (continued):

- FC grant savings for Fiscal Year (FY) 2003-04 and FY 2004-05 are based on the average Kin-GAP grant payment of $486.78 (combined federal and state-only grants). CalWORKs grant savings are based on the standardized monthly rate of $323.00.
- Child Welfare Services (CWS) administrative savings of $319 per permanent placement case each month will be realized as a result of cases exiting the AFDC-FC and CalWORKs programs. In addition, eligibility worker savings of $57.12 per case per month will be realized as a result of cases exiting the FC Program.
- CalWORKs administrative savings of $42.75 per case per month will be realized as a result of cases exiting the CalWORKs Program.
- It is assumed that AFDC-FC and CalWORKs savings will only be realized on the new cases that exit these programs and enter the Kin-GAP Program after June 2003. The savings from cases exiting prior to July 2003 are reflected in AFDC-FC and CalWORKs caseload trends and basic expenditures. The savings to the CWS Program reflect the savings for cases exiting after April 2003. The savings for cases exiting prior to May 2003 are reflected in the CWS caseload trend and basic expenditures.
- Based on actual expenditures in FY 2002-03, the cost of ongoing county KinGAP administrative functions is $26.50 per case per month.
- State and county expenditures associated with all cases are considered to be eligible for the State's TANF maintenance of effort requirement
- This estimate assumes no Title IV-E funding.

METHODOLOGY:

- To estimate the cost of the Kin-GAP Program, the total number of projected casemonths is multiplied by the average Kin-GAP rate. Kin-GAP administrative costs are calculated by multiplying the projected casemonths by the monthly administrative cost per case.
- To estimate the FC Program savings, the projected number of casemonths avoided due to cases exiting the FC Program is multiplied by the average foster care grant. CWS administrative savings are calculated by applying the permanent placement cost per case to total casemonths avoided due to cases exiting from the AFDC-FC and CalWORKs programs. FC administrative savings are calculated by applying the eligibility worker cost per case to total casemonths avoided by those cases shifting from the AFDC-FC Program.
- To estimate the CalWORKs Program savings, the projected number of casemonths avoided due to cases exiting the CalWORKs Program is multiplied by the average CalWORKs grant. CalWORKs administrative savings are calculated by multiplying the number of casemonths avoided by the CalWORKs continuing cost per case.

Kinship Guardianship Assistance Payment Program

FUNDING:

The Kin-GAP rate shall be paid utilizing the applicable regional per-child CalWORKs grant from federal funds received as part of the TANF block grant. The balance of Kin-GAP is paid with 50 percent state and 50 percent county funds. For State-Only Kin-GAP cases, grant and administrative costs are shared 50 percent state and 50 percent county. The grant savings in the CalWORKs Program are 97.5 percent TANF and 2.5 percent county. The CalWORKs administrative savings are 100 percent TANF. FC Program, FC Administration and CWS Administrative savings are shared at the same ratios as in their respective programs.

CHANGE FROM THE APPROPRIATION:

The current year decrease in total costs reflects less caseload growth than estimated for the Appropriation. The decrease in FY 2003-04 savings to CalWORKs and AFDC-FC also reflects updated caseloads.

REASON FOR YEAR-TO-YEAR CHANGE:

The budget year increase reflects continued growth in the Kin-GAP Program. In addition, the five percent reduction in the CalWORKs MAP results in an increase to the State and county share of costs.

CASELOAD:

	2003-04	2004-05
Average Monthly Caseload	13,393	14,495

EXPENDITURES:

(in 000's)

ITEM 101 – Kin-GAP Basic Costs	2003-04 Grant	2004-05 Grant
Total	$78,236	$84,673
Federal	53,232	55,035
State	12,502	14,819
County	12,502	14,819
Reimbursements	0	0

Kinship Guardianship Assistance Payment Program

EXPENDITURES (continued):

(in 000's)

ITEM 101 – Kin-GAP Administration	2003-04 County Admin.	2004-05 County Admin.
Total	$7,074	$7,646
Federal	7,060	7,632
State	7	7
County	7	7
Reimbursements	0	0

ITEM 101 – CalWORKs Savings	2003-04 Grant	2004-05 Grant
Total	-$130	-$387
Federal	-127	-377
State	0	0
County	-3	-10
Reimbursements	0	0

ITEM 101 – Foster Care Savings	2003-04 Grant	2004-05 Grant
Total	-$3,076	-$9,126
Federal	-960	-2,848
State	-846	-2,511
County	-1,270	-3,767
Reimbursements	0	0

ITEM 101 – CalWORKs Admin Savings	2003-04 County Admin.	2004-05 County Admin.
Total	-$146	-$51
Federal	-146	-51
State	0	0
County	0	0
Reimbursements	0	0

Kinship Guardianship Assistance Payment Program

EXPENDITURES (continued):

(in 000's)

ITEM 141 – Foster Care Admin Savings	2003-04 County Admin.	2004-05 County Admin.
Total	-$2,594	-$1,071
Federal	-1,297	-536
State	-908	-214
County	-389	-321
Reimbursements	0	0

ITEM 151 – CWS Admin Savings	2003-04 County Admin.	2004-05 County Admin.
Total	-$21,354	-$8,291
Federal	-10,677	-4,145
State	-7,474	-2,902
County	-3,203	-1,244
Reimbursements	0	0

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Title IV-E Child Support Collections

DESCRIPTION:

This premise reflects the estimated federal share of Foster Care (FC) child support collections that reduces the federal Title IV-E share of FC expenditures by the California Department of Social Services (CDSS).

The California Department of Child Support Services (DCSS) is responsible for reimbursing CDSS with the federal share of FC collections as reported to the federal government.

IMPLEMENTATION DATE:

This premise implemented on July 1, 2000.

KEY DATA/ASSUMPTIONS:

- It is assumed that 7.34 percent of the total assistance child support distributed collections are FC collections and 56.35 percent of the FC share of collections are federally-eligible and 55 percent are current FC collections. This is based on updated actual collection data reported on the DCSS CS34, Monthly Report of Collections and Distributions, and CS35 Assistance Related Distribution/ Disbursement Summary reports for Fiscal Year (FY) 2002-03. Effective October 1, 2003, former FC child support collections are included in this estimate.
- The level of federal financial participation (FFP) is based on the following Federal Medical Assistance Percentage (FMAP) rates:

Effective Dates	Rates
October 1, 2002	50.00%
October 1, 2003	50.00%
October 1, 2004	50.00%

METHODOLOGY:

The federal participation rate and FMAP are applied to the FC share of collections. For the first quarter of FY 2003-04, the Title IV-E share of collections is multiplied by the ratio of current FC collections to all FC collections received in a year. The remaining three quarters of current year and FY 2004-05 reflect both current and former FC child support collections.

FUNDING:

The FC child support collections reduce the Title IV-E share of FC expenditures. The funding is shown as a revenue transfer in the DCSS' budget and as an expenditure reduction in the CDSS' budget under FC Net Payments.

Title IV-E Child Support Collections

CHANGE FROM THE APPROPRIATION:

The slight increase in current year reflects updated collections.

REASON FOR YEAR-TO-YEAR CHANGE:

The budget year increase reflects additional FC collections.

EXPENDITURES:

(in 000's)

	2003-04 Grant	2004-05 Grant
Total	-$11,863	-$13,613
Federal	-11,863	-13,613
State	0	0
County	0	0
Reimbursements	0	0

Foster Family Home – Basic Costs

DESCRIPTION:

This premise reflects expenditures associated with children eligible for foster care payments who are placed in foster family homes (FFHs).

The federal Aid to Families with Dependent Children-Foster Care (AFDC-FC) Program provides funds for out-of-home care on behalf of otherwise eligible children removed from the custody of a parent or guardian as a result of a judicial order with requisite findings or a voluntary placement agreement. The State AFDC-FC Program also provides out-of-home care on behalf of otherwise eligible children, including those who are residing with a nonrelated legal guardian, relinquished for the purposes of adoption, or placed pursuant to the Indian Child Welfare Act.

FFHs provide 24-hour care and supervision in a family environment for children who cannot live in their own home. The FFHs have a capacity of six or less and are either homes licensed by state or county community care licensing agencies or are approved homes of relatives or nonrelated legal guardians. FFH reimbursement rates are based on the age of the child in placement and range from $425 to $597 per month. A specialized care increment may be paid to a family home in addition to the basic rate on behalf of an AFDC-FC child requiring specialized care because of health and/or behavioral problems. A clothing allowance may also be paid in addition to the basic rate on behalf of an AFDC-FC eligible child.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 11461.
- The caseload presumed to be eligible for federal and nonfederal FC Program benefits is based on a six month period, ending June 2003, as reported by the counties on the FC Caseload Movement and Expenditures Report (CA 237 FC). Federal cases are projected to account for 76.19 percent of total FFH placements, which is a decrease from the projection for the Appropriation of 76.5 percent.
- Federal and nonfederal average grant computations utilized caseload and expenditure data reported by the counties on the CA 237 FC during an 11 month period ending May 2003. The projected federal grant is $682.00, and the nonfederal grant is $787.61.
- The percentage of federally-eligible expenditures is based on actual county expenditure data.
- The level of federal financial participation (FFP) is based on the following Federal Medical Assistance Percentage (FMAP) rates:

Effective Dates	Rates
October 1, 2002	50.00%
October 1, 2003	50.00%
October 1, 2004	50.00%

METHODOLOGY:

FFH basic costs are the product of projected federal and nonfederal casemonths and average grant, as identified above.

Foster Family Home – Basic Costs

FUNDING:

Federal funding is provided by Title IV-E of the Social Security Act, with the amount of FFP based on the FMAP for those cases meeting eligibility criteria. Funding for the nonfederal program and the nonfederal share of federal program costs is 40 percent State General Fund and 60 percent county.

CHANGE FROM THE APPROPRIATION:

The current year decrease reflects a lower caseload and average grant than projected for the Appropriation.

REASON FOR YEAR-TO-YEAR CHANGE:

The budget year increase reflects continuing caseload growth.

CASELOAD:

	2003-04	2004-05
Average Monthly Caseload	45,262	45,523
Federal Caseload	34,483	34,682
Nonfederal Caseload	10,779	10,841

EXPENDITURES:

(in 000's)	2003-04	2004-05
FFH-Basic Costs	Grant	Grant
Total	$384,080	$386,304
Federal	119,860	120,554
State	105,688	106,300
County	158,532	159,450
Reimbursements	0	0

	2003-04	2004-05
FFH-Federal	Grant	Grant
Total	$282,208	$283,842
Federal	119,860	120,554
State	64,939	65,315
County	97,409	97,973
Reimbursements	0	0

Foster Family Home – Basic Costs

EXPENDITURES (continued):

(in 000's)	2003-04	2004-05
FFH-Nonfederal	Grant	Grant
Total	$101,872	$102,462
Federal	0	0
State	40,749	40,985
County	61,123	61,477
Reimbursements	0	0

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Group Home – Basic Costs

DESCRIPTION:

This premise reflects the costs associated with children eligible for foster care payments who are placed in group homes (GHs).

The federal Aid to Families with Dependent Children-Foster Care (AFDC-FC) Program provides funds for out-of-home care on behalf of otherwise eligible children removed from the custody of a parent or guardian as a result of a judicial order with requisite findings or a voluntary placement agreement. The State AFDC-FC Program also provides out-of-home care on behalf of otherwise eligible children, including those who are residing with a nonrelated legal guardian, relinquished for the purposes of adoption, or placed pursuant to the Indian Child Welfare Act.

GHs are private, nonprofit, nondetention facilities that provide services in a group setting to children in need of care and supervision. GHs are the most restrictive out-of-home placement alternative for children in foster care, providing an option for children with significant emotional or behavioral problems who would otherwise require more restrictive environments. GH programs are reimbursed based on classification levels within a standardized schedule of rates. The reimbursement for rate classification levels (RCL) 1 through 14 ranges from $1,454 to $6,371 per month.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 11462.
- The caseload presumed to be eligible for federal and nonfederal FC Program benefits is based on a six month period, ending June 2003, as reported by the counties on the FC Caseload Movement and Expenditures Report (CA 237 FC). Federal cases are projected to account for 62.4 percent of total GH placements, which is a slight decrease from the projection for the Appropriation of 63.7 percent.
- Federal and nonfederal average grant computations utilized caseload and expenditure data reported by the counties on the CA 237 FC during the most recent 11-month period ending May 2003. The projected federal grant is $4,945.62 and the nonfederal grant is $5,553.54.
- The percentage of federally-eligible expenditures is based on actual county expenditure data.
- The level of federal financial participation (FFP) is based on the following Federal Medical Assistance Percentage (FMAP) rates:

Effective Dates	Rates
October 1, 2002	50.00%
October 1, 2003	50.00%
October 1, 2004	50.00%

METHODOLOGY:

Basic costs are the product of federal and nonfederal casemonths and average grant, as identified above. Federal, State and county sharing ratios are based on county expenditure data.

FUNDING:

Federal funding is provided by Title IV-E of the Social Security Act, with the amount of FFP based on the FMAP for those cases meeting eligibility criteria. Funding for the nonfederal program and the nonfederal share of federal program costs is 40 percent State General Fund and 60 percent county.

Group Home – Basic Costs

CHANGE FROM THE APPROPRIATION:

The small decline in current year is the net result of a higher caseload and lower grant than projected for the Appropriation.

REASON FOR YEAR-TO-YEAR CHANGE:

The budget year increase reflects anticipated caseload growth.

CASELOAD:

	2003-04	2004-05
Average Monthly Caseload	11,977	12,506
Federal Caseload	7,473	7,803
Nonfederal Caseload	4,504	4,703

EXPENDITURES:

(in 000's)	2003-04	2004-05
GH – Basic Costs	Grant	Grant
Total	$743,618	$776,485
Federal	188,361	196,688
State	222,103	231,919
County	333,154	347,878
Reimbursements	0	0
GH – Federal		
Total	$443,493	$463,098
Federal	188,361	196,688
State	102,053	106,564
County	153,079	159,846
Reimbursements	0	0
GH – Nonfederal		
Total	$300,125	313,387
Federal	0	0
State	120,050	125,355
County	180,075	188,032
Reimbursements	0	0

Foster Family Agency – Basic Costs

DESCRIPTION:

This premise reflects the costs associated with children eligible for foster care payments who are placed with foster family agencies (FFAs).

The federal Aid to Families with Dependent Children-Foster Care (AFDC-FC) Program provides funds for out-of-home care on behalf of otherwise eligible children removed from the custody of a parent or guardian as a result of a judicial order with requisite findings or a voluntary placement agreement. The State AFDC-FC Program also provides out-of-home care on behalf of otherwise eligible children, including those who are residing with a nonrelated legal guardian, relinquished for the purposes of adoption, or placed pursuant to the Indian Child Welfare Act.

FFAs are nonprofit agencies licensed to recruit, certify, train and support foster parents for children needing placement. FFAs primarily serve children who would otherwise require group home care. FFA treatment rates are established by using a basic rate similar to the foster family home rate plus a set increment for the special needs of the child, an increment for social work activities, and a percentage for administration, recruitment and training. Treatment rates are based on the age of the child in placement and range from $1,589 to $1,844 per month. Reimbursement rates for FFAs participating in the Intensive Treatment Foster Care Program are based on the level of services provided to the child and range from $2,985 to $4,476. A clothing allowance may also be paid in addition to the FFA rate for an AFDC-FC-eligible child.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 11463 and 18358.3.
- The caseload presumed to be eligible for federal and nonfederal FC Program benefits are based on a six-month period ending June 2003, as reported by the counties on the FC Caseload Movement and Expenditures Report (CA 237 FC). Federal cases are projected to account for 84 percent of total FFA placements, a slight increase from the projection for the Appropriation of 83.6 percent.
- Federal and nonfederal average grants are based on caseload and expenditure data reported by the counties on the CA 237 FC during the most recent 11-month period ending May 2003. The projected federal grant is $1,750.54, and the nonfederal grant is $1,781.61.
- Approximately 90 children statewide receive services from FFAs participating in the Intensive Treatment Foster Care Program.
- The percentage of federally-eligible expenditures is based on actual county expenditure data.
- The level of federal financial participation (FFP) is based on the following Federal Medical Assistance Percentage (FMAP) rates:

Effective Dates	Rates
October 1, 2002	50.00%
October 1, 2003	50.00%
October 1, 2004	50.00%

METHODOLOGY:

Basic costs are the product of federal and nonfederal casemonths and average grant, as identified above. Federal, State and county sharing ratios are based on county expenditures data.

Foster Family Agency – Basic Costs

FUNDING:

Federal funding is provided by Title IV-E of the Social Security Act, with the amount of FFP based on the FMAP for those cases meeting eligibility criteria. Funding for the nonfederal program and the nonfederal share of federal program costs is 40 percent State General Fund and 60 percent county.

CHANGE FROM THE APPROPRIATION:

The current year decrease reflects lower caseload growth and slightly lower grants than projected for the Appropriation.

REASON FOR YEAR-TO-YEAR CHANGE:

The budget year increase reflects anticipated caseload growth.

CASELOAD:

	2003-04	2004-05
Average Monthly Caseload	19,526	20,667
Federal Caseload	16,404	17,362
Nonfederal Caseload	3,122	3,305

EXPENDITURES:

(in 000's)	2003-04	2004-05
FFA – Basic Costs		
Total	$411,331	$435,355
Federal	146,352	154,898
State	105,992	112,183
County	158,987	168,274
Reimbursements	0	0
FFA – Federal		
Total	$344,583	$364,704
Federal	146,352	154,898
State	79,293	83,922
County	118,938	125,884
Reimbursements	0	0
FFA – Nonfederal		
Total	$66,748	$70,651
Federal	0	0
State	26,699	28,261
County	40,049	42,390
Reimbursements	0	0

Seriously Emotionally Disturbed Children – Basic Costs

DESCRIPTION:

This premise reflects the out-of-home board and care costs associated with children placed in accordance with the Seriously Emotionally Disturbed (SED) Program. Assembly Bill (AB) 3632 (Chapter 1747, Statutes of 1984) and AB 882 (Chapter 1274, Statutes of 1985) authorized the SED Program as a separate out-of-home care component. Eligible participants are children designated as SED by the California Department of Education (CDE).

Senate Bill 485 (Chapter 722, Statutes of 1992) modified the program by eliminating any California Department of Social Services participation in funding "for profit" facilities, shifting responsibility for the cost of children in those facilities to the CDE and local education agencies.

Payments may be made on behalf of SED children placed in privately operated residential facilities licensed in accordance with the Community Care Facilities Act, and shall be based on foster care rates established in accordance with Welfare and Institutions Code (W&IC) sections 11460 to 11467, inclusive. Most SED children are placed in group home psychiatric peer group Rate Classification Levels 12 through 14; however, some children are placed in foster family homes or foster family agencies. As there is no court adjudication, these children are eligible only for nonfederal foster care program benefits.

IMPLEMENTATION DATE:

This premise implemented on July 1, 1987.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&IC sections 18350-18356.
- Casemonths are based on trend caseload projections.
- Average grants are based on actual expenditure and caseload data for the most recent six months ending in June 2003. The projected average grant for Los Angeles County is $5,106.17. The projected average grant for the remaining counties is $6,273.48.

METHODOLOGY:

SED costs are the product of projected casemonths and the computed average grant. Program costs are the aggregate of separate projections for Los Angeles County and the remaining 57 counties.

FUNDING:

SED costs are shared 40 percent State General Fund and 60 percent county funds.

CHANGE FROM THE APPROPRIATION:

The current year estimate reflects a slight increase in the overall average grant and a slight decline in caseload. The net funding change results in a nominal decrease from the Appropriation.

Seriously Emotionally Disturbed Children – Basic Costs

REASON FOR YEAR-TO-YEAR CHANGE:

The budget year estimate reflects adjustments for caseload growth.

CASELOAD:

	2003-04	2004-05
Average Monthly Caseload	1,447	1,519

EXPENDITURES:

(in 000's)

	2003-04	2004-05
	Grant	Grant
Total	$102,056	$107,129
Federal	0	0
State	40,822	42,852
County	61,234	64,277
Reimbursements	0	0

Supplemental Clothing Allowance

DESCRIPTION:

This premise reflects expenditures associated with an augmentation of $100 per child to the existing clothing allowance program for children placed in foster family homes (FFHs) or certified family homes of foster family agencies (FFAs).

Currently, counties have the authority to provide a clothing allowance, in addition to the basic foster care rate paid on behalf of eligible foster children. This premise reflects an augmentation to the current program funding level, allowing for an annual supplemental clothing allowance of $100 per child with no county share of costs.

Counties that currently have clothing allowance expenditures are expected to maintain their current level of funding in the program. The additional state and federally funded clothing allowance is intended to supplement not supplant current spending levels.

IMPLEMENTATION DATE:

This premise implemented on July 1, 2000.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 11461(f)(4) and 11463(g).
- The statewide annual supplemental clothing allowance will be $100 per child.
- All FFH and FFA placements are eligible for the clothing allowance. The average monthly projected caseload is 64,787 for Fiscal Year (FY) 2003-04, and 66,190 for FY 2004-05.
- All cases shifting to the Kin-GAP Program are presumed to receive the clothing allowance prior to exiting foster care.
- The level of federal financial participation (FFP) is based on the following Federal Medical Assistance Percentage (FMAP) rates:

Effective Dates	Rates
October 1, 2002	50.00%
October 1, 2003	50.00%
October 1, 2004	50.00%

METHODOLOGY:

Expenditures for the statewide supplemental clothing allowance are a product of the projected cases and the $100 allowance.

Supplemental Clothing Allowance

FUNDING:

Federal funding is provided by Title IV-E of the Social Security Act for those cases meeting eligibility criteria, with the amount of FFP based on the FMAP rate. Funding for the nonfederal share of federal program costs and for those cases not meeting federal eligibility criteria is 100 percent State General Fund.

CHANGE FROM THE APPROPRIATION:

The current year estimate reflects a decline in the FFH and FFA caseloads.

REASON FOR YEAR-TO-YEAR CHANGE:

The budget year estimate reflects a projected increase in caseload.

EXPENDITURES:

(in 000's)	2003-04	2004-05
	Grant	Grant
Total	$6,479	$6,619
Federal	2,544	2,602
State	3,935	4,017
County	0	0
Reimbursements	0	0

Foster Care Reforms

DESCRIPTION:

This premise reflects anticipated budget year savings from Foster Care reforms. A broad variety of options will be considered to better promote both program goals and operational efficiencies. The reform initiative will focus on strategies to reduce program costs while increasing permanence and improving outcomes for children and families. The reform initiative will also consider the use of performance-based contracts with foster family agencies and group homes. These placement contracts have proved successful elsewhere by incentivizing both family reunification and adoption within specified timelines and requiring that State and federal outcome measures be met as a condition of payment. Exact savings and a detailed implementation strategy must still be developed, but it is anticipated that the reform proposal will achieve General Fund savings of approximately $20 million in 2004-05.

IMPLEMENTATION DATE:

The estimate assumes savings will be realized in Fiscal Year (FY) 2004-05.

KEY DATA/ASSUMPTIONS:

- Foster Care reforms will be implemented and savings realized in FY 2004-05.
- The level of federal financial participation (FFP) is based on the following Federal Medical Assistance Percentage (FMAP) rates:

Effective Dates	Rates
October 1, 2002	50.00%
October 1, 2003	50.00%
October 1, 2004	50.00%

METHODOLOGY:

The estimate assumes General Fund savings of $20 million in Fiscal Year (FY) 2004-05.

FUNDING:

Federal funding is provided by Title IV-E of the Social Security Act for those cases meeting eligibility criteria, with the amount of FFP based on the FMAP rate. Funding for the nonfederal share of federal program costs and for those cases not meeting federal eligibility criteria is 100 percent State General Fund.

CHANGE FROM THE APPROPRIATION:

This is a new premise.

Foster Care Reforms

REASON FOR YEAR-TO-YEAR CHANGE:

This is a new premise.

EXPENDITURES:

(in 000's)	2003-04	2004-05
	Grant	Grant
Total	$0	-$72,162
Federal	0	-21,582
State	0	-20,000
County	0	-30,580
Reimbursements	0	0

Title IV-E Reduction

DESCRIPTION:

This premise reflects the anticipated current year State General Fund (GF) cost of a partial federal deferral of Title IV-E Foster Care (FC) claims. In the prior year, the federal Department of Health and Human Services reduced the California Department of Social Service's (CDSS) claims and advance requests for the four quarters starting March 2002 and ending December 2002 because of concerns that some relative FC providers were not approved in accordance with federal Adoptions and Safe Families Act (ASFA) requirements. Effective October 1, 2000, federal rules require that approved relative and licensed nonrelative FC homes meet the same health and safety standards. GF was used to make up for the reductions in federal funding for the period through December 31, 2002. Counties not in compliance with ASFA requirements by that date are accountable for related costs.

KEY DATA/ASSUMPTIONS:

- Because all counties were required to be in compliance with ASFA rules by December 31, 2002, any deferral of federal funds for the period after that date will result in increased county costs.
- It is assumed that only the March 2003 quarter will have costs associated with federal reductions in the CY.
- There were 337 cases found to be out of compliance with ASFA in the March 2003 Quarter review. The counties will be responsible for paying the federal share of cost for those cases ($115,000).

METHODOLOGY:

The deferred amount is the product of cases found out of compliance in the month of review and the federal share of cost for each case.

FUNDING:

This premise is funded with 100 percent County Funds.

CHANGE FROM THE APPROPRIATION:

The change reflects the impact of the deferral letter from federal authorities.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no anticipated deferral for the BY.

Title IV-E Reduction

EXPENDITURES:

(in 000's)	2003-04	2004-05
Total	$0	$0
Federal	-115	0
State	0	0
County	115	0
Reimbursements	0	0

Rosales v. Thompson

DESCRIPTION:

This premise reflects the costs and savings associated with implementing the Ninth Circuit (federal) Court of Appeals decision of March 3, 2003, in Rosales v. Thompson, 321 F 3d 835 (9th CIR. [CAL]). In Rosales v. Thompson, the Court of Appeals upheld an earlier State court decision that re-interpreted federal statute so as to broaden eligibility and extend federal Title IV-E Foster Care (FC) benefits to thousands of relatives caring for foster children who were previously eligible only for California Work Opportunity and Responsibility to Kids (CalWORKs) benefits at significantly lower rates. The net effect will be increased federal, State and local FC costs. Temporary Assistance for Needy Families (TANF) savings will also result as children shift from CalWORKs to FC benefits.

IMPLEMENTATION DATE:

This premise implemented on April 1, 2003.

KEY DATA/ASSUMPTIONS:

- There was an average of 8,853 dependent children with relatives receiving CalWORKs benefits each day in the period from April 1 through June 30, 2003. This represents the average monthly caseload of dependent foster children supported by CalWORKs benefits.
- Program assumes that approximately half of these CalWORKs cases will be eligible for and shift to the FC payment program as a result of Rosales v. Thompson implementation.
- The FC grant to be paid Rosales v. Thompson-eligible families is assumed to be the projected average (federal) Foster Family Home payment.
- Each case shifting to the FC benefit program is assumed to be eligible for a Supplemental Clothing Allowance.
- The estimate assumes federal financial participation (FFP) in all effected cases.
- The increase in total State General Fund (GF) costs for Foster Family Homes results in a corresponding increase in the Child Welfare Services (CWS) and Specialized Care Incentives Assistance Program (SCIAP).
- All dependent children with relative providers receiving CalWORKs benefits will require a Rosales v. Thompson eligibility determination for FC benefits. This determination is estimated to take one hour at $57.11 per hour.
- Eligible cases are assumed to shift from CalWORKs to FC benefits effective December 1, 2003, and therefore will begin incurring FC administration costs at that time. Based on Fiscal Year (FY) 2002-03 data, the average AFDC-FC administrative cost per FC case is $32.61 per month.
- There are approximately 2,300 zero parent cases in CalWORKs which will be impacted by this court case. Within these cases, there are over 4,400 children who will be impacted. There are both CalWORKs grant and administrative savings associated with these cases; the grant savings will be calculated retroactive to April 2003.
- In the budget year (BY), administrative savings are calculated with a quarterly savings ($57.57) because each county will have implemented Prospective Budgeting by June 2004. There is no current year (CY) impact to the CalWORKs administration because the county dollars have already been allocated.

Rosales v. Thompson

KEY DATA/ASSUMPTIONS (continued):

- The CalWORKs average grant monthly savings for the CY is $245.61 per child based on FY 2002-03 CalWORKs actual expenditures (CA 800) and caseload (CA 237) reports.

METHODOLOGY:

Item 101 – CalWORKs

- CalWORKs grant savings are calculated by multiplying the number of impacted children by the amount of the average grant per child. For the CY, the total grant savings is $16.2 million, and in the BY, this total is $13.6 million.

Item 101 – Foster Care

- The FC grant costs are the product of total casemonths and the average grant, plus the cost of supplemental clothing allowances. The CY is based on a 15-month period beginning in April 2003. The BY is based on the 12 month fiscal year.

Item 101 – CalWORKs Administration

- The CalWORKs administrative savings for the BY is calculated by dividing the impacted cases by three and then multiplying by the QR cost per case of $57.57. There were no administrative savings in the CY for CalWORKs as the funding for FY 2003-04 county administrative budgets has been allocated.

Item 141 – County Administration

- The CY FC administrative costs are the product of cases with dependent children receiving CalWORKs benefits and the cost of a one-hour eligibility determination added to the product of applicable casemonths, beginning December 1, 2003, and the average monthly FC administrative cost. The BY FC administrative costs are the product of casemonths and the average monthly FC administrative cost.

Item 151 – Social Services Program

- The funding for SCIAP is equal to five percent of the GF costs for Foster Family Homes and is reflected as part of the CWS Basic cost.

FUNDING:

Item 101 – CalWORKs

- CalWORKs grant payments for the child-only cases are funded with 97.5 percent TANF, and 2.5 percent county. CalWORKs administrative costs for these cases are funded with 100 percent TANF.

Item 101 – Foster Care

- Federal funding for FC assistance payments is provided by Title IV-E of the Social Security Act, with the amount of FFP based on the Federal Medical Assistance Percentage for those cases meeting the eligibility criteria. Funding for the non-federal program and the non-federal share of federal program costs is 40 percent GF and 60 percent county funds.

Rosales v. Thompson

FUNDING (continued):

Item 141 – County Administration

- Foster Care Administrative costs are shared 50 percent federal, 35 state and 15 percent county.

Item 151 – Social Services Program

- Funding is 100 percent GF.

CHANGE FROM THE APPROPRIATION:

This is a new premise.

REASON FOR YEAR-TO-YEAR CHANGE:

The CY reflects 15 months of costs and the BY reflects 12 months. There were no administrative savings in the CY for CalWORKs as the funding for FY 2003-04 county administrative budgets has been allocated.

EXPENDITURES:

(in 000's)	2003-04	2004-05
Item 101 – Foster Care Grants	Grant	Grant
Total	$45,741	$36,684
Federal	22,871	18,342
State	9,284	7,473
County	13,586	10,869
Reimbursements	0	0

	2003-04	2004-05
Item 141 - Foster Care Admin.	Admin.	Admin.
Total	$1,516	$1,732
Federal	758	866
State	303	346
County	455	520
Reimbursements	0	0

Rosales v. Thompson

EXPENDITURES (continued):

(in 000's)

	2003-04	2004-05
Item 101 – CalWORKs Grants	Grant	Grant
Total	-$16,218	-$13,573
Federal	-15,813	-13,234
State	0	0
County	-405	-339
Reimbursements	0	0

	2003-04	2004-05
Item 101 – CalWORKs Admin.	Admin.	Admin.
Total	$0	-$527
Federal	0	-527
State	0	0
County	0	0
Reimbursements	0	0

	2003-04	2004-05
Item 151 - Social Services Program	CWS/SCIAP	CWS/SCIAP
Total	$453	$363
Federal	0	0
State	453	363
County	0	0
Reimbursements	0	0

Promoting Safe and Stable Families Savings

DESCRIPTION:

This premise reflects the savings associated with the Foster Care (FC) Program as the result of the incremental increase in the Promoting Safe and Stable Families (PSSF) grant — formerly the Federal Family Preservation and Support Program.

The Omnibus Budget Reconciliation Act of 1993 established a capped entitlement program under Title IV-B to provide funding for community-based family support and preservation services. By providing preservation services, it is expected that some children in out-of-home care will spend less time in placement resulting in savings to the FC Program.

IMPLEMENTATION DATE:

This premise implemented on July 1, 1994.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 16600 through 16604.5.
- Savings are reflected for the annual incremental grant increase to the PSSF Program.
- The incremental grant increases are $6,262,721 for Fiscal Year (FY) 2003-04 and $998,977 for FY 2004-05.
- Effective FY 2001-02, based on federal requirements, a minimum of 20 percent of PSSF funds must be spent on each of the four components of the program (Family Preservation Services, Family Support Services, Adoption Promotion and Support, and Time-Limited Family Reunification).
- It is assumed that 50 percent of the cases receiving preservation services will avoid nine months of foster care resulting in a savings to grant costs.

METHODOLOGY:

For FY 2003-04, the updated PSSF grant increased by $6,262,721. Of this amount, a minimum of 20 percent is available for the preservation component ($6,262,721 x 0.20). The average cost per case was divided into the amount available for preservation services to calculate average cases ($1,252,544 ÷ 3,718). The number of cases receiving preservation services was divided in half to calculate the number of successful cases (337 ÷ 12), and then converted into casemonths (1,008 total casemonths).

The overall average monthly FC grant was multiplied by the total number of casemonths ($1,656 x 1,008) to reach the total savings of $1,669,833 for the FC Program. The appropriate sharing ratios were applied to the total to determine each shared amount.

For Federal Fiscal Year (FFY) 2004, the federal grant letter has not yet been received. However, it is estimated that the grant amount will be no less than last year's grant of $59,879,199.

For FY 2004-05, the amount available for preservation is $199,795 ($998,977 x .20). The average cost per case was divided into the amount available for preservation services to determine average cases ($199,795 ÷ $3,718). The number of cases receiving preservation services was divided in half to calculate the number of successful cases (53 cases ÷ 2), and then converted into casemonths (144 casemonths).

Promoting Safe and Stable Families Savings

METHODOLOGY (continued):

The overall average FC grant was multiplied by the total number of casemonths ($1,692 x 144) to determine the total savings of $ 243,648 for the FC Program. The appropriate sharing ratios were applied to the total to determine each shared amount.

FUNDING:

The amount of federal financial participation is based on the Federal Medical Assistance Percentage, which remains at 50.00 percent. The federally-eligible percentage of cases is based on projected caseload developed from historical data. The nonfederal costs are shared 40 percent State General Fund and 60 percent county.

CHANGE FROM THE APPROPRIATION:

The change reflects the revised federal grant amount for FFY 2003.

REASON FOR YEAR-TO-YEAR CHANGE:

The change reflects a lower incremental grant increase in the budget year.

EXPENDITURES:

(in 000's)

	2003-04	2004-05
	County Admin.	County Admin.
Total	-$1,670	-$244
Federal	-715	-104
State	-382	-56
County	-573	-84
Reimbursements	0	0

Supportive Transitional Emancipation Program

DESCRIPTION:

This premise reflects the cost to provide financial support to emancipating foster youth up to age 21 if participating in an educational or training program or any activity consistent with their "transitional independent living plan." These payments are authorized by Assembly Bill (AB) 427 (Chapter 125, Statutes of 2001) which added section 11403.1 to the Welfare and Institutions Code (W&IC). This premise also reflects the administrative costs for updating the Transitional Independent Living Plan (TILP) and determining the eligibility of applicants for the Supportive Transitional Emancipation Program (STEP).

IMPLEMENTATION DATE:

This premise implemented on January 1, 2002, but no counties have implemented the program.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&IC section 11403.1
- There are no counties planning to participate in the program at this time.
- Trailer bill language will limit participation in this program subject to the availability of funds in the current Budget Act.

METHODOLOGY:

There are no counties planning to participate in the program at this time.

FUNDING:

There are no counties planning to participate in the program at this time.

CHANGE FROM THE APPROPRIATION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

Supportive Transitional Emancipation Program

EXPENDITURES:

(in 000's)

101 – Assistance Payments – STEP	2003-04	2004-05
	Grant	Grant
Total	$0	$0
Federal	0	0
State	0	0
County	0	0
Reimbursements	0	0

Item 141 – STEP Eligibility	2003-04	2004-05
	County Admin.	County Admin.
Total	$0	$0
Federal	0	0
State	0	0
County	0	0
Reimbursements	0	0

Item 151 – STEP Plan Activity	2003-04	2004-05
	County Admin.	County Admin.
Total	$0	$0
Federal	0	0
State	0	0
County	0	0
Reimbursements	0	0

Emergency Assistance Program

DESCRIPTION:

This premise reflects the costs associated with the Emergency Assistance (EA) Foster Care (FC) and General Assistance (GA) Programs, which provide funding for benefits and services granted to children and families in emergency situations. Eligibility is restricted to one episode in any 12-month period. The EA-FC Welfare Program provides support payments for dependents and voluntary FC placements not otherwise eligible for federal Title IV-E benefits. The "Child Welfare Services-Emergency Assistance" premise discusses additional program components. The "Juvenile Assessment/Treatment Facilities" premise discusses the use of Temporary Assistance for Needy Families (TANF) block grant funding for the EA-Probation population.

Public Law (P.L.) 104-193 eliminated Title IV-A funding for the EA Program but permitted use of TANF dollars for EA funding. Although P.L. 104-193 allowed TANF funding for this portion of the EA Program, the Budget Act of 1997 replaced the TANF funding with State General Fund (GF). Based on interpretation of the final TANF regulations, effective October 1, 1999, EA GF expenditures are not countable towards the TANF maintenance of effort requirement, and effective October 1, 1999, the GF was replaced with TANF funding.

The EA-GA Program provides funding for undocumented aliens and other cases that did not qualify for federal or state FC, and continues to be funded even though the probation component expired on January 1, 1996. Only those "qualified aliens" who entered the country before August 22, 1996, are eligible for TANF-funded services.

IMPLEMENTATION DATE:

The EA-FC Welfare Program became effective September 1, 1993.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 10101.
- Based on actual expenditure and caseload data for Fiscal Year (FY) 2002-03, the projected average grant for EA-FC cases is $1,501.86, and the projected average grant for EA-GA cases is $1,863.40.
- EA casemonths are projected using a 12-month linear trend forecast based on actual caseload data. EA-FC and EA-GA caseloads are projected separately.
- EA administrative costs were adjusted for projected caseload growth.
- Foster children receiving EA benefits are eligible to receive the $100 supplemental clothing allowance.

METHODOLOGY:

- **Item 101** – EA-FC costs are the product of projected casemonths and the computed average grant, plus the cost of the supplemental clothing allowance for each case.
- **Item 141** - Costs for administrative activities performed by county welfare department staff are based upon actual expenditures, adjusted for caseload growth in both FYs 2003-04 and 2004-05. Administrative costs also include $35,000 for reimbursements to the California Department of Health Services for data processing activities associated with the Assistance to Children in Emergency system, which enables tracking of EA cases currently receiving assistance.

Emergency Assistance Program

FUNDING:

EA funding, although eliminated by P.L. 104-193, was used in the TANF block grant calculation and, therefore, is part of the TANF funding schedule.

Effective October 1, 1999, the EA-FC component is funded 70 percent TANF, 30 percent county; the EA-GA component is funded 50 percent TANF, 50 percent county; and, the EA administrative costs are funded 85 percent TANF and 15 percent county.

The supplemental clothing allowance component is funded 100 percent with TANF.

CHANGE FROM THE APPROPRIATION:

The current year decrease in EA grant costs reflects a decline in caseload. The EA administrative costs reflect updated actual claims.

REASON FOR YEAR-TO-YEAR CHANGE:

The budget year increase in EA costs reflects caseload growth.

CASELOAD:

	2003-04	2004-05
Average Monthly Caseload	3,719	3,866

EXPENDITURES:

(in 000's)

ITEMS 101 & 141 -	2003-04		2004-05	
EA – FC Welfare	Grant	County Admin.	Grant	County Admin.
Total	$67,122	$6,593	$69,780	$6,852
Federal	46,878	5,609	48,739	5,829
State	0	0	0	0
County	20,244	984	21,041	1,023
Reimbursements	0	0	0	0

Adoption Assistance Program – Basic Costs

DESCRIPTION:

This premise reflects the basic cost of providing financial support to families adopting a child with special needs under the Adoption Assistance Program (AAP).

Children eligible for AAP benefits have one of the following characteristics that are barriers to adoption: mental, physical, medical or emotional handicap; ethnic background, race, color, or language; over three years of age; member of a sibling group to be adopted by one family; or adverse parental background (e.g., drug addiction, mental illness). To be eligible to receive federal benefits, the child shall have been otherwise eligible to receive aid under the federal Aid to Families with Dependent Children-Foster Care Program. The amount of the AAP payment is based on the child's needs and the prospective family's circumstances, with eligibility reassessed every two years. Pursuant to Assembly Bill 390 (Chapter 547, Statutes of 2000), the statewide median income guideline shall not be used for negotiations between the prospective adoptive family and the adoption agency to determine the amount of the payment to be received.

The AAP benefit shall not exceed the age-related, foster family home care rate for which the child would otherwise be eligible. The AAP payment may include the value of a specialized care increment that would have been paid on behalf of a child due to health and/or behavioral problems. Payments may continue until the child attains the age of 18 unless a mental or physical handicap warrants the continuation of assistance until the child reaches the age of 21.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 16115 through 16123.
- Cases presumed to be eligible for the federal AAP make up 87.3 percent of the total AAP payment caseload, based on data from January 2003 through June 2003 as reported on the AD 800 claim forms.
- Caseload and expenditure data extracted from the AD 800 provide the basis for caseload and average grant projections.
- The federal and nonfederal average grants are $699.16 and $755.60, respectively, for Fiscal Year (FY) 2003-04, based on a 12-month linear trend analysis. The FY 2004-05 federal and nonfederal average grants are also based on a linear analysis and total $704.09 and $755.75, respectively.
- The percentage of federally-eligible expenditures is based on actual county expenditure data.
- The level of federal financial participation (FFP) is based on the following Federal Medical Assistance Percentage (FMAP) rates:

Effective Dates	Rates
October 1, 2002	50.00%
October 1, 2003	50.00%
October 1, 2004	50.00%

Adoption Assistance Program – Basic Costs

METHODOLOGY:

AAP basic costs are the product of projected federal and nonfederal casemonths and the respective average grant, as identified above.

FUNDING:

Federal funding is provided by Title IV-E of the Social Security Act for those cases meeting eligibility criteria, with the amount of FFP based on the FMAP rate. Federal case costs ineligible for FFP and the costs of the nonfederal program are shared 75 percent State General Fund and 25 percent county.

CHANGE FROM THE APPROPRIATION:

The current year decrease is the net effect of greater caseload growth and a lower cost per case than estimated for the Appropriation.

REASON FOR YEAR-TO-YEAR CHANGE:

The budget year increase reflects continuing caseload growth and a slight increase in the cost per case.

CASELOAD:

	2003-04	2004-05
Average Monthly Caseload	61,245	67,647

EXPENDITURES:

(in 000's)

	2003-04	2004-05
	Grant	Grant
Total	$519,130	$576,894
Federal	221,558	246,445
State	223,179	247,837
County	74,393	82,612
Reimbursements	0	0

Refugee Cash Assistance – Basic Costs

DESCRIPTION:

This premise reflects the costs for the Refugee Cash Assistance (RCA) Program. The RCA Program provides cash grants to refugees during their first eight months in the United States (U.S.) if they are not otherwise eligible for other categorical welfare programs.

KEY DATA/ASSUMPTIONS:

- Section 1522 of Title 8 of the United States Code (U.S.C.) authorizes the federal government to provide grants to the states to assist refugees who resettle in the U.S.
- Sections 13275 through 13282 of the Welfare and Institutions Code authorize the Department to administer the funds provided under Title 8 of the U.S.C. It also provides the Department authority to allocate the federal funds to the counties.
- The average grant cost for RCA recipients in Fiscal Year 2003-04 is $299.14, based on actual data through May 2003, and adjusted for a 3.74 percent cost-of-living adjustment (COLA) effective June 1, 2003.
- The average monthly caseload for FYs 2003-04 and 2004-05 is estimated at 1,325 and 1,403 cases, respectively.

METHODOLOGY:

The RCA average grant is multiplied by the estimated caseload to arrive at total RCA costs for each fiscal year.

FUNDING:

The program is 100 percent federally funded with the Cash, Medical and Administration Grant through the Office of Refugee Resettlement.

CHANGE FROM THE APPROPRIATION:

The current year costs have decreased due to a lower average monthly caseload and average grant than previously estimated.

REASON FOR YEAR-TO-YEAR CHANGE:

The total costs increase in FY 2004-05 is due to a higher average monthly caseload.

Refugee Cash Assistance – Basic Costs

EXPENDITURES:

(in 000's)

	2003-04	2004-05
	Grant	Grant
Total	$4,756	$5,181
Federal	4,756	5,181
State	0	0
County	0	0
Reimbursements	0	0

Emergency Food Assistance Program Fund

DESCRIPTION:

This premise reflects expenditures from contributions designated on state income tax returns for the Emergency Food Assistance Program (EFAP). Assembly Bill 2366 (Chapter 818, Statutes of 1998) established an EFAP fund which, upon appropriation by the Legislature, is allocated to the State Franchise Tax Board (FTB) and State Controller's Office for reimbursement for their costs associated with administering the fund. The balance of the fund is directed to the California Department of Social Services for allocation to the EFAP.

IMPLEMENTATION DATE:

This premise implemented on July 1, 2000.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Revenue and Taxation Code sections 18851 through 18855.
- The current year estimate reflects the estimated amount of contributions to be made to the EFAP fund in the 2003 state income tax year of $382,000, estimated interest of $11,000, and additional contributions of $51,045 from the 2002 state income tax year.
- The budget year estimate reflects the estimated amount of contributions to be made to the EFAP fund in the 2004 state income tax year of $382,075 and estimated interest of $11,000.
- The estimated annual administrative costs for the FTB are $7,045 in the current year and $6,075 in the budget year.
- These funds are provided to supplement, and not supplant, existing program funds.

METHODOLOGY:

The current and budget years reflect the estimated amount of contributions to the EFAP in the state income tax year, plus accrued interest, less the annual administrative costs for the FTB, plus additional contributions from the 2002 state income tax year.

FUNDING:

The costs are 100 percent from the EFAP fund.

CHANGE FROM THE APPROPRIATION:

This premise was updated to reflect actual expenditures.

Emergency Food Assistance Program Fund

REASON FOR YEAR-TO-YEAR CHANGE:

The budget year reflects a decrease in the estimated contributions to be made in state income tax year 2004.

EXPENDITURES:

(in 000's)

	2003-04 Grant	2004-05 Grant
Total	$437	$387
Federal	0	0
State	437	387
County	0	0
Reimbursements	0	0

California Food Assistance Program

DESCRIPTION:

This premise reflects the coupon and administrative costs associated with the California Food Assistance Program (CFAP) for eligible noncitizens. The Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Public Law (P.L.) 104-193, provided that legal noncitizens who entered the United States (U.S.) on or after August 22, 1996, were ineligible for federal food stamp benefits unless they were exempt under certain refugee categories. Federal food stamp benefits for the ineligible legal noncitizens were terminated in August 1997. The CFAP serves legal noncitizens over 18 and under 65 years of age, who were legally in the U.S. prior to August 22, 1996, and met all federal food stamp eligibility criteria except for their immigration status, and legal noncitizens who entered the country on or after August 22, 1996, and are otherwise eligible. California purchases food stamp coupons from the Food and Nutrition Service (FNS) to provide to recipients of CFAP.

The Food Stamp Reauthorization Act of 2002 (H.R. 2646 Farm Bill) restored federal food stamp eligibility to legal noncitizens who are disabled, effective October 2002, legal noncitizens who have been in the U.S. for five years or more, effective April 2003, and all legal noncitizen children, effective October 2003.

IMPLEMENTATION DATE:

This premise originally implemented on September 1, 1997.

The H.R. 2646 Farm Bill implemented on October 1, 2002.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 18930.
- It is assumed that the trend in the total number of CFAP recipients resembles the monthly fluctuations in the California Work Opportunity and Responsibility to Kids (CalWORKs) and Non-Assistance Food Stamp (NAFS) trend forecasts.
- The total number of CFAP recipients is projected by applying the CalWORKs and NAFS trend forecast to August 2003 actual recipients.
- This premise reflects the CFAP caseload and costs prior to the implementation of the H.R. 2646 Farm Bill provisions.
- The average monthly number of CFAP recipients is 91,509 in Fiscal Year (FY) 2003-04, and 94,480 in FY 2004-05. Effective April 1, 2004, the total program caseload will be capped resulting in a savings of $146,000. No new cases will be granted benefits unless an existing CFAP recipient's benefits are discontinued.
- Based on actual data reported from the counties for September 2002 through August 2003, the average coupon value per person is $69.68.
- Consistent with the Federal Food Stamp Program, effective October 2003, a 4.59 percent cost of living adjustment is applied to the average coupon value per person. The average coupon cost per person increases to $72.88.
- The average monthly administrative cost per person is $25.01.
- The coupon-processing fee charged by FNS is $6,132 per $1 million in coupons. The processing fee for electronic benefit transfer (EBT) counties is $314 per $1 million.

California Food Assistance Program

KEY DATA/ASSUMPTIONS (continued):

- The EBT counties will represent 99.97 percent of the allotment costs by the end of FY 2003-04.
- The ratio between public assistance (PA) and nonassistance (NA) is 33.29 percent PA and 66.71 percent NA in FY 2003-04 and 32.03 percent PA and 67.97 percent NA in FY 2004-05. The ratios are projected based on the actual number of recipients reported from counties through August 2003.
- The PA costs are considered eligible expenditures for the State's maintenance of effort (MOE) requirement. The NA costs are not considered MOE eligible.
- Effective October 2004, the funding for CFAP will be reduced five percent below the projected FY 2004-05 level, and the funds will be provided to the counties in a block grant with other immigrant programs. The five percent reduction reflects a savings of $473,000.
- The savings to CFAP associated with the implementation of the provisions contained in the Food Stamp Reauthorization Act of 2002 are included in the separate "H.R. 2646 Farm Bill" premise.

METHODOLOGY

- The coupon costs are calculated by multiplying the average coupon value per person by the projected monthly number of recipients. The coupon-processing fees and EBT processing fees are included in the annual coupon costs.
- Administrative costs are calculated by multiplying the average administrative cost per person by the projected monthly number of recipients.

FUNDING:

The expenditures are State General Fund only. The PA portion of the costs is eligible to be counted towards the MOE requirement.

CHANGE FROM THE APPROPRIATION:

This premise has been revised to reflect updated caseload and expenditure data.

REASON FOR YEAR-TO-YEAR CHANGE:

The net increase in the budget year reflects caseload growth, the impact of the program cap effective April 2004, and savings due to efficiencies resulting from including the CFAP in a single block grant, along with other programs for immigrants, to be provided to counties effective October 2004.

California Food Assistance Program

CASELOAD:

	2003-04	2004-05
Average Monthly Number of Recipients	91,509	94,480

EXPENDITURES:

(in 000's)

	2003-04		2004-05	
	Coupon	County Admin.	Coupon	County Admin.
Total	$79,811	$27,463	$82,192	$28,298
Federal	0	0	0	0
State	79,811	27,463	82,192	28,298
County	0	0	0	0
Reimbursement	0	0	0	0

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H.R. 2646 Farm Bill

DESCRIPTION:

This premise reflects the impact to the California Food Assistance Program (CFAP) and Federal Food Stamp Administration associated with the implementation of the mandatory provisions contained in the Food Stamp Reauthorization Act of 2002 (H.R. 2646 Farm Bill). The Farm Security and Rural Investment Act of 2002 (Public Law 107-171) contains the Food Stamp Reauthorization Act of 2002 which legislates mandatory changes to the Food Stamp Act of 1977. Pursuant H.R. 2646 Farm Bill, effective October 2002, all disabled legal noncitizens became eligible for the Federal Food Stamp Program; effective April 2003, all legal noncitizens who have lived in the United States (U.S.) five years or more became eligible for the Federal Food Stamp Program; and, effective October 2003, all legal noncitizen children became eligible for the Federal Food Stamp Program. H.R. 2646 Farm Bill also includes the following mandatory changes: effective October 2002, an increase in the resource limit for households with a disabled or elderly member from $2,000 to $3,000 and restructure of the Standard Deduction from one amount for all households to 8.31 percent of the household's net income limit.

IMPLEMENTATION DATE:

This premise implemented on October 1, 2002.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 10553, 10554, and 18904; 7 Code of Federal Regulations section 273.
- Effective October 2002, the federal government reinstated eligibility to the Federal Food Stamp Program for all legal noncitizens who are disabled.
- Effective April 2003, the federal government reinstated eligibility to the Federal Food Stamp Program for legal noncitizens who have lived in the U.S. five years or more.
- Effective October 2003, the federal government reinstated eligibility to the Federal Food Stamp Program for all legal noncitizen children.
- Based on FFY 2003 Q5 data, approximately 62 percent of the legal noncitizens who entered the country on or after August 22, 1996 are children.
- This estimate allows for a six month transition period to achieve the full impact of restoring federal eligibility for noncitizen children. Effective October 2003, 16.67 percent of the legal noncitizen children will shift to the Federal Food Stamp Program each month for six months.
- Based on actual data reported from the counties from April 2003 through August 2003, the average coupon value per person after implementation of the Farm Bill provisions is $74.65.
- It is assumed that it will cost $1.3 million in Fiscal Year (FY) 2003-04 to reprogram existing systems for implementation of the mandatory provisions contained in the H.R. 2646 Farm Bill.

H.R. 2646 Farm Bill

KEY DATA/ASSUMPTIONS (continued):

- The average monthly projected CFAP caseload is 63,576 for July 2003 through September 2003, 74,697 for October 2003 through March 2004, and 83,221 for April 2004 through June 2004.
- The average monthly projected CFAP caseload for July 2004 through June 2005 is 84,249.
- In FY 2003-04, 89.1 percent of CFAP recipients will be shifting to the Federal Food Stamp Program.
- The average monthly administrative cost per person is $25.01.
- Prior to December 19, 1997, the federal rules required a noncitizen to deem a sponsor's income for three years; after December 19, 1997, a noncitizen is required to deem a sponsor's income indefinitely.
- Approximately 0.16 percent of CFAP cases shifting to the Federal Food Stamp Program will be assessed to decide whether a sponsor's income should determine federal eligibility. The administrative costs include one hour for an eligibility worker to process these cases into a federal food stamp case.
- The fiscal impact associated with the revised resource limit for households with a disabled or elderly member from $2,000 to $3,000 and the restructure of the Standard Deduction is minimal and is not reflected in the budget.
- The ratio between public assistance (PA) and nonassistance (NA) is 33.29 percent PA and 66.71 percent NA in FY 2003-04, and 32.03 percent PA and 67.97 percent NA in FY 2004-05. The ratios are projected based on the actual number of recipients reported from counties through August 2003.
- The PA costs are considered eligible expenditures for the State's maintenance of effort (MOE) requirement. The NA costs are not considered MOE-eligible.

METHODOLOGY:

- The number of noncitizen children shifting to federal eligibility are calculated by multiplying the percentage of CFAP recipient children by the average monthly caseload from October 2003 to June 2004, minus the disabled recipients previously shifted to federal eligibility and the recipients that have been in the U.S. for five years or more previously shifted to federal eligibility.
- The coupon costs are calculated by multiplying the average coupon value per person by the projected monthly number of recipients. The coupon-processing fees and electronic benefit transfer processing fees are included in the annual coupon costs.
- Administrative costs that will be shifted from CFAP to Federal Food Stamps are calculated by multiplying the average monthly administrative cost per person by the projected monthly number of recipients shifting to the Federal Food Stamp Program.
- Administrative costs to assess whether a sponsor's income should determine federal eligibility is approximately $34,000 in FY 2003-04 and 2004-05.

H.R. 2646 Farm Bill

FUNDING:

The CFAP expenditures are State General Fund only. The PA portion of the costs is eligible to be counted towards the TANF MOE requirement. The Food Stamp administrative cost sharing ratio is 50 percent federal, 35 percent state, and 15 percent county funds. The automation reprogramming funds are shared the same as the consortia funding.

CHANGE FROM THE APPROPRIATION:

This premise has been revised to reflect updated caseload and expenditure data. The decrease in current year administrative costs reflects a six month phase-in of legal noncitizen children shifting to the Federal Food Stamp Program.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase in budget year reflects the full year impact of legal noncitizen children shifting to the Federal Food Stamp Program.

CASELOAD:

	2003-04	2004-05
The following CFAP caseload will be shifting to federal eligibility.	July through September- 63,576 October through March – 74,697 April through June – 83,221	84,249

The change in caseload reflects the phase-in implementation of the Farm Bill H.R. 2646.

H.R. 2646 Farm Bill

EXPENDITURES:

(in 000's)

CFAP Program Costs	2003-04		2004-05	
	Grant	County Admin.	Grant	County Admin.
Total	-$63,599	-$22,223	-$73,069	-$25,285
Federal	0	0	0	0
State	-63,599	-22,223	-73,069	-25,285
County	0	0	0	0
Reimbursement	0	0	0	0

FS Program Costs	2003-04	2004-05
	County Admin.	County Admin.
Total	$23,516	$25,319
Federal	11,758	12,660
State	8,318	8,854
County	3,440	3,805
Reimbursements	0	0

Transitional Benefits

DESCRIPTION:

Assembly Bill (AB) 1752 (Chapter 225, Statutes of 2003) establishes a Transitional Food Stamp Benefit (TFS) Program for households terminating their participation in the CalWORKs Program. To the maximum extent allowable by federal law, each household terminating from CalWORKs shall receive TFS for a period of five months. Benefits shall be in an amount equal to the allotment received in the month prior to the discontinuance from CalWORKs, adjusted for the loss of the CalWORKs grant. AB 231 (Chapter 743, Statutes of 2003) amended the language in AB 1752 making TFS less restrictive.

IMPLEMENTATION DATE:

The statutory changes would have become effective January 1, 2004. However, the Administration's Mid-Year Spending Reduction Proposals reflects the repeal of the AB 231 provisions.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 18901.6.
- The ongoing nonassistance food stamp (NAFS) caseload would increase due to additional recipients becoming eligible as a result of TFS, resulting in increased administrative costs.
- The provisions of this bill will also increase California Food Assistance Program (CFAP) coupon and administration costs.
- The Administration's Mid-Year Spending Reduction Proposals reflects the repeal of the AB 231 provisions, and therefore, no funding is included in the current year (CY) or budget year (BY).

METHODOLOGY:

The Administration's Mid-Year Spending Reduction Proposals reflects the repeal of the AB 231 provisions, and therefore, no funding is included in the CY or BY.

FUNDING:

The Administration's Mid-Year Spending Reduction Proposals reflects the repeal of the AB 231 provisions, and therefore, no funding is included in the CY or BY.

CHANGE FROM THE APPROPRIATION:

The Administration's Mid-Year Spending Reduction Proposals reflects the repeal of the AB 231 provisions, and therefore, no funding is included in the CY or BY.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

Transitional Benefits

EXPENDITURES:

(in 000's)

	2003-04		2004-05	
	Coupons	County Admin.	Coupons	County Admin.
Total	$0	$0	$0	$0
Federal	0	0	0	0
State	0	0	0	0
County	0	0	0	0
Reimbursement	0	0	0	0

Vehicle Exclusion/Face-to-Face Interviews (AB 321)

DESCRIPTION:

Assembly Bill (AB) 231 (Chapter 743, Statutes of 2003) contains the following provisions: 1) allows for the exemption of all motor vehicles from consideration when determining eligibility for the Food Stamp (FS) Program; 2) delinks the California Work and Responsibility to Kids (CalWORKs) Program and the FS Program rules in regard to treatment of motor vehicles which are currently aligned with food stamp rules and establishes statutory authority for treatment of motor vehicles for the CalWORKs Program; and, 3) requires counties to screen applicants for the need for an exemption from the FS Program face-to-face interview. The statute also makes technical changes to the Transitional Food Stamp Benefit Program.

IMPLEMENTATION DATE:

This premise was not implemented.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 11155 and 18901.9-10.
- The nonassistance food stamp (NAFS) caseload will increase due to additional recipients becoming eligible as a result of the vehicle exclusion provision of AB 231 resulting in increased administration costs.
- The provisions of this bill will also increase California Food Assistance Program (CFAP) coupon and administration costs.
- The Administration's Mid-Year Spending Reduction Proposals reflects the repeal of the AB 231 provisions, and therefore, no funding is included in the current year or budget year.

METHODOLOGY

The Administration's Mid-Year Spending Reduction Proposals reflects the repeal of the AB 231 provisions, and therefore, no funding is included in the current year or budget year.

FUNDING:

The Administration's Mid-Year Spending Reduction Proposals reflects the repeal of the AB 231 provisions, and therefore, no funding is included in the current year or budget year.

CHANGE FROM THE APPROPRIATION:

AB 231 was not considered in the Budget Act of 2003 Appropriation as the bill was passed after the 2003 Budget Bill.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

Vehicle Exclusion/Face-to-Face Interviews (AB 321)

EXPENDITURES:

(in 000's)

	2003-04	2004-05
141 – County Admin	County Admin.	County Admin.
Total	$0	$0
Federal	0	0
State	0	0
County	0	0
Reimbursement	0	0

	2003-04	2004-05
101 – CFAP	Coupon	Coupon
Total	$0	$0
Federal	0	0
State	0	0
County	0	0
Reimbursement	0	0

California Work Opportunity and Responsibility to Kids (CalWORKs) Services – Welfare-to-Work Match

DESCRIPTION:

This premise reflects the State General Fund (GF) amount required as a match for the federal Welfare-to-Work (WtW) grants. These WtW match funds are designated for allocation to the counties to supplement the CalWORKs employment services activities. The federal Balanced Budget Act of 1997 (Public Law 105-33) authorizes the United State Department of Labor (DOL) to provide WtW grants to states and local communities to create additional job opportunities for the hardest to employ recipients of Temporary Assistance for Needy Families (TANF) Program benefits. The federal statute generally defines the "hard to employ" as recipients on welfare more than 30 months who are the most difficult to serve because of lack of education, substance abuse problems, or poor work history. The job creation activities include wage subsidies, on-the-job training, job placement, noncustodial parents' services and post-employment services.

In Federal Fiscal Year 1999, the federal government expanded the WtW Grant criteria to increase the list of eligible activities, add new participant eligibility categories (e.g. noncustodial parents and former foster care children), and to remove the more restrictive eligibility criteria. These changes became effective July 1, 2000, for the WtW Match funds.

The Employment Development Department (EDD) is the single state agency responsible for receipt of the WtW grant. EDD submitted its state plan to the DOL in March 1998, and upon the plan's approval by the DOL, EDD had 30 days to allocate 85 percent of the federal funds on a formula basis to the 52 private industry councils to train and place welfare clients in jobs. The remaining 15 percent was retained for use in other WtW projects.

California received a total of $367 million of federal WtW formula grant funds from the DOL ($190 million in the first year and $177 million in the second year) for employment services. These grants are required to be matched on a 2:1, federal:state, basis. Use of funds within the CalWORKs Program as a match is permitted as long as the match is expended on eligible recipients under the WtW definitions.

IMPLEMENTATION DATE:

This premise implemented on July 1, 1998.

KEY DATA/ASSUMPTIONS:

- The total required GF match is $183.8 million.
- A total of $116.0 million has been appropriated through Fiscal Year (FY) 2003-04.
- It is anticipated that approximately $3.6 million will carryover from FY 2001-02 and be reappropriated into FY 2003-04.

METHODOLOGY:

In FY 2003-04, the WtW Match represents the final dollar amount that must be spent by year-end.

California Work Opportunity and Responsibility to Kids (CalWORKs) Services – Welfare-to-Work Match

FUNDING:

The match is 100 percent GF. This WtW match cannot be applied toward the State's TANF maintenance of effort requirement.

CHANGE FROM THE APPROPRIATION:

The change in the reappropriated funds reflects the update in actual expenditures.

REASON FOR YEAR-TO-YEAR CHANGE:

The WtW Match ends in FY 2003-04.

EXPENDITURES:

(in 000's)

Match Funds:

	2003-04 County Admin.	2004-05 County Admin.
Total	$67,761	$0
Federal	0	0
State	67,761	0
County	0	0
Reimbursement	0	0

Reappropriation Funds: [1]

	2003-04 County Admin.	2004-05 County Admin.
Total	$3,629	$0
Federal	0	0
State	3,629	0
County	0	0
Reimbursement	0	0

[1] – This is a non-add item.

SSI/SSP – Basic Costs

DESCRIPTION:

This premise reflects the basic costs for the Supplemental Security Income/State Supplementary Payment (SSI/SSP) Program. The SSI Program, authorized by Title XVI of the Social Security Act, replaced the prior federal/state matching grant program of adult assistance to the aged, blind, and disabled in January 1974. The SSI/SSP Program is a cash assistance program for low-income aged, blind, and disabled persons. California opted to supplement the SSI payments, creating the SSP Program. The Social Security Administration (SSA) administers the SSI/SSP Program at California's option.

The maximum amount of aid is dependent on the following factors:

- Whether one is aged, blind, or disabled;
- The living arrangement;
- Marital status; and,
- Minor status.

As a result of the various factors determining the maximum amount of aid, there are 19 different payment standards in the SSI/SSP Program.

KEY DATA/ASSUMPTIONS:

- The SSA will continue to administer the program under Title XVI of the Social Security Act.
- Section 1611 of Title XVI defines the amount of SSI benefits an individual may be eligible to receive.
- Section 12200 of the Welfare and Institutions Code defines the maximum payment standard available under each living arrangement.
- The basic costs per case for SSI and SSP estimates are developed from actual state and federal expenditures reported on the State Data Exchange (SDX) and SSA 8700 reports. The SSI and SSP average basic grants, based on actual data through June 2003, are as follows:

	SSI	SSP
Aged	$276.95	$207.71
Blind	337.71	259.07
Disabled	371.46	208.49

METHODOLOGY:

The SSI/SSP basic costs are computed for each aged, blind, and disabled component, then summed to produce total basic costs. Both the SSI and SSP basic average grants were adjusted to exclude the effects of payments to recipients residing in medical facilities. The adjusted average grants were multiplied by the estimated caseloads to arrive at an adjusted basic cost. Estimated expenditures for recipients in medical facilities were then added to total basic costs.

SSI/SSP – Basic Costs

FUNDING:

The SSI portion of the program is funded with 100 percent federal Title XVI funds, and the SSP portion is funded with 100 percent State General Fund. Costs for each component are computed separately.

CHANGE FROM THE APPROPRIATION:

The estimate has increased due to a higher average monthly caseload and average grant than previously estimated.

REASON FOR YEAR-TO-YEAR CHANGE:

The expenditures increase in the budget year due to caseload growth of approximately two percent.

CASELOAD:

	2003-04	2004-05
Average Monthly Persons	1,153,305	1,177,670

EXPENDITURES:

(in 000's)

	2003-04	2004-05
	Grant	Grant
Total	$7,542,517	$7,703,076
Federal	4,679,250	4,781,903
State	2,863,267	2,921,173
County	0	0
Reimbursements	0	0

Advance Billing Penalty for SSP

DESCRIPTION:

This premise reflects the penalty to be imposed by the Social Security Administration (SSA) for late payment of State Supplementary Payment (SSP) reimbursements for the July 2004 period due to a change in federal billing procedures that requires prospective rather than retroactive payment from states. The SSA changed their billing procedures effective October 1, 2001, (under Public Laws 106-170 and 106-554), to require SSP reimbursement payments a month in advance.

KEY DATA/ASSUMPTIONS:

- SSP qualified as a federally mandated program which enabled the SSP payment for July 2003 to be paid timely by the Controller's Office, thereby avoiding any penalty costs for Fiscal Year (FY) 2003-04.
- The Department anticipates no penalty in FY 2004-05, as payment for July 2004 is expected to be made timely in June 2004.

METHODOLOGY:

No penalty was calculated due to timely payment of SSP.

FUNDING:

The penalty is funded with 100 percent State General Fund.

CHANGE FROM THE APPROPRIATION:

No penalty was assessed in FY 2003-04 due to the timely payment of SSP by the Controller's Office.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change. The budget year assumes timely payment of SSP for July 2004.

EXPENDITURES:

(in 000's)

	2003-04	2004-05
	Grant	Grant
Total	$0	$0
Federal	0	0
State	0	0
County	0	0
Reimbursements	0	0

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SSI/SSP – June 2003 COLA

DESCRIPTION:

This premise reflects the impact of a 3.74 percent cost-of-living adjustment (COLA) provided to Supplemental Security Income/State Supplementary Payment (SSI/SSP) Program recipients effective June 1, 2003. The total payment an individual receives increased by the California Necessities Index (CNI) of 3.74 percent for 2003.

IMPLEMENTATION DATE:

Due to the delayed passage of the 2003 Budget Bill, the COLA was not implemented on June 1, 2003. Retroactive payments covering the months of June through September were sent to SSI/SSP recipients in September 2003.

KEY DATA/ASSUMPTIONS:

- Section 12201 of the Welfare and Institutions Code authorizes the COLA for SSP recipients.
- The CNI is 3.74 percent for 2003.
- Reprogramming fees and mailing costs for retroactive payments associated with the June 2003 COLA are included in the "SSP Administration" premise.

METHODOLOGY:

- The SSP average grants increase as a result of the COLA. The CNI is applied to the total 2002 payment standard and then rounded to the nearest dollar for the new total payment standard. The 2003 SSI payment standard is subtracted from the new total payment standard; the result is the new SSP payment standard.
- The new payment standards are used in a statistical model to determine a change to the basic SSI/SSP average grant due to the COLA. The change in average grant is multiplied by the caseload and the result is the change to the SSI/SSP Program for the June 2003 COLA.

FUNDING:

The SSP portion of the SSI/SSP payment is funded with 100 percent GF.

CHANGE FROM THE APPROPRIATION:

The increase reflects the inclusion of the June 2003 month in the current fiscal year.

REASON FOR YEAR-TO-YEAR CHANGE:

The decrease in the budget year reflects only twelve months of grant costs.

SSI/SSP – June 2003 COLA

EXPENDITURES:

(in 000's):

	2003-04 Grant	2004-05 Grant
Total	$305,257	$288,098
Federal	0	0
State	305,257	288,098
County	0	0
Reimbursements	0	0

SSI/SSP – January 2004 COLA

DESCRIPTION:

This premise reflects the impact of a cost-of-living adjustment (COLA) given to Supplemental Security Income/State Supplementary Payment (SSI/SSP) Program recipients effective January 1, 2004. Due to lower revenues and other demands on the available General Fund (GF), the estimated California Necessities Index (CNI) COLA of 3.46 percent for 2004 is being suspended. The SSI Consumer Price Index (CPI) COLA of 2.1 percent will be passed along to recipients in January, resulting in an increase in the SSI portion of the grant payment. Effective January 1, 2004, unearned income, generally Title II Social Security benefits, increases by the CPI.

IMPLEMENTATION DATE:

This premise implemented on January 1, 2004.

KEY DATA/ASSUMPTIONS:

- Section 1617 of Title XVI of the Social Security Act authorizes the COLA for SSI recipients.
- Section 12201 of the Welfare and Institutions Code authorizes the COLA for SSP recipients.
- The CPI is 2.1 percent for 2004.

METHODOLOGY:

- The SSI and SSP average grants change as a result of the COLA. The CPI is applied to the 2003 SSI payment standards and the result is the new SSI payment standards. The new SSI payment standards are added to the June 2003 SSP payment standards; the result is the new total SSI/SSP payment standards.
- The new payment standards are used in a statistical model to determine a change to the basic SSI/SSP average grant due to the COLAs. The change in average grant is multiplied by the caseload and the result is the change to the SSI/SSP Program for the January 2004 COLA.

FUNDING:

The SSI portion of the program is funded with 100 percent federal Title XVI funds, and the SSP portion is funded with 100 percent GF. Each component is costed separately.

CHANGE FROM THE APPROPRIATION:

The estimate has increased slightly due to a higher average monthly caseload.

REASON FOR YEAR-TO-YEAR CHANGE:

The estimate increases in budget year to reflect the full-year impact of the COLA.

SSI/SSP – January 2004 COLA

EXPENDITURES:

(in 000's):

	2003-04 Grant	2004-05 Grant
Total	$54,714	$111,210
Federal	54,497	110,768
State	217	442
County	0	0
Reimbursements	0	0

SSI/SSP – January 2005 COLA

DESCRIPTION:

This premise reflects the impact of not passing through the federal cost-of-living adjustment (COLA) to Supplemental Security Income/State Supplementary Payment (SSI/SSP) Program recipients effective January 1, 2005. The State COLA based on the California Necessities Index (CNI) estimated to be 2.77 percent for January 2005, is also being suspended. The total SSI/SSP payment standards will not change on January 1, 2005. The SSI grant will increase by the Consumer Price Index (CPI), which is estimated at 1.8 percent for 2005, and the SSP grant will decrease by the amount of the SSI increase. Categories exempted from the reduction are non-medical out-of-home care (NMOHC), restaurant meal allowance (RMA), and Title XIX medical facilities. This premise reflects the State General Fund (GF) savings associated with the reduction in SSP.

IMPLEMENTATION DATE:

This premise implements on January 1, 2005.

KEY DATA/ASSUMPTIONS:

- Section 1617 of Title XVI of the Social Security Act authorizes the COLA for SSI recipients.
- Section 12201 of the Welfare and Institutions Code authorizes the COLA for SSP recipients.
- The State COLA based on the CNI, estimated at 2.77 percent for 2005, is suspended.
- The CPI is estimated at 1.8 percent for 2005.
- The NMOHC, RMA, and Title XIX payment standard categories for individuals and couples will be exempted from the reduction.

METHODOLOGY:

- The SSI average grants increase as a result of the CPI COLA. The CPI is applied to the 2004 SSI payment standard and the result is the new SSI payment standard. The new SSI payment standard is subtracted from the 2004 total payment standard; the result is the reduced SSP payment standard.
- The new payment standards are used in a statistical model to determine a change to the basic SSI/SSP average grant due to the COLAs. The change in average grant is multiplied by the caseload and the result is the change to the SSI/SSP Program for the January 2005 COLA.

FUNDING:

The SSI portion of the program is funded with 100 percent federal Title XVI funds, and the SSP portion is funded with 100 percent GF. Each component is costed separately.

CHANGE FROM THE APPROPRIATION:

This is a new premise.

SSI/SSP – January 2005 COLA

REASON FOR YEAR-TO-YEAR CHANGE:

The COLA is effective in the budget year only. The COLA is not being passed through as a result of budgetary pressures and other demands on the available GF.

EXPENDITURES:

(in 000's):

	2003-04	2004-05
	Grant	Grant
Total	$0	-$17,285
Federal	0	45,185
State	0	-62,470
County	0	0
Reimbursements	0	0

SSI/SSP – SSP Administration

DESCRIPTION:

The Social Security Administration (SSA) formerly administered the Supplemental Security Income/ State Supplementary Payment (SSI/SSP) Program benefit payments without charge to the states. The Omnibus Budget Reconciliation Act of 1993 shifted costs for administration of SSP to the State, effective October 1, 1993. It also provided for additional service fees to be charged if SSA provides services beyond the expected level, such as payment standard reductions or increases made on other than the normal January 1 schedule.

IMPLEMENTATION DATE:

This premise implemented on October 1, 1993.

KEY DATA/ASSUMPTIONS:

- The SSA will continue to administer this program under Title XVI of the Social Security Act.
- The federal Balanced Budget Act of 1997 (Public Law 105-33) amended existing federal statutes pertaining to the administration fees for SSP payments. For each federal fiscal year (FFY) from 1998 through 2002, administration fees increased from an initial $5.00 per payment to $8.50 per payment in FFY 2002. Increases after FFY 2002 are based on the Consumer Price Index (CPI).
- Effective October 1, 2003, the fee increased from $8.59 to $8.77, based on a 2.1 percent increase in the CPI from June of the current year compared to June of the previous year. The increase in the CPI from 2003 to 2004 is estimated to be 2.3 percent.
- The Fiscal Year 2003-04 estimate includes $10.8 million for fees charged by SSA for reprogramming and mailing costs associated with retroactive payment to SSI/SSP recipients for the June 2003 cost-of-living adjustment (COLA).

METHODOLOGY:

The projected number of payments is based on the projected caseload plus the six-month moving average of the difference between the actual caseload and the number of payments. The projected number of payments is then multiplied by the respective cost per payment.

FUNDING:

The administration costs consist of 100 percent State General Fund.

CHANGE FROM THE APPROPRIATION:

The current year estimate has increased due to a higher average monthly caseload and fee per payment than previously estimated.

SSI/SSP – SSP Administration

REASON FOR YEAR-TO-YEAR CHANGE:

Expenditures decrease due to the absence of the $10.8 million fee charged by SSA for reprogramming and mailing costs associated with retroactive payment to SSI/SSP recipients for the June 2003 COLA.

CASELOAD:

	2003-04	2004-05
Average Monthly Payments	1,173,375	1,197,522

EXPENDITURES:

(in 000's)

	2003-04	2004-05
	Grant	Grant
Total	$133,706	$128,189
Federal	0	0
State	133,706	128,189
County	0	0
Reimbursements	0	0

Special Disability Workload Impact

DESCRIPTION:

This premise reflects the impact of the approval of 120 positions (45.6 new, 74.4 vacant) in the Disability and Adult Programs Division (DAPD) that will complete Special Disability Workload (SDW) claims. A General Fund (GF) savings will be realized for those SDW cases that are eligible for Title II benefits. The additional benefit will result in a reduction in State Supplementary Payment (SSP) grant costs for SDW cases entitled to Title II benefits.

IMPLEMENTATION DATE:

This premise will implement on January 1, 2004.

KEY DATA/ASSUMPTIONS:

- The Social Security Administration (SSA) is scheduled to send 9,346 SDW cases annually to the DAPD for three years.
- SSA projects 95 percent, or 8,879 of the SDW cases will be eligible for Title II benefits.
- The average SSP grant for a disabled individual is $208.49. The average SSI grant for a disabled individual is $371.46.
- Based on a characteristic survey of SSI/SSP recipients prepared by the Research and Development Division, February 2002, the average Title II benefit received by SSI/SSP recipients was $463. The average benefit amount was increased by 1.4 percent to $469.48 to reflect the January 2003 cost-of-living increase.
- GF savings will not be realized until January 2004.

METHODOLOGY:

- The average SSI grant is subtracted from the average Title II benefit for SSI/SSP recipients to arrive at the amount the SSP grant will be reduced ($469.48 - $371.46 = $98.02).
- The number of SDW cases projected to be eligible for Title II benefits is multiplied by the average SSP grant reduction and then annualized (8,879 x $98.02 x 12 = $10,443,835).

FUNDING:

The savings is 100 percent GF.

CHANGE FROM THE APPROPRIATION:

This is a new premise.

REASON FOR YEAR-TO-YEAR CHANGE:

The budget year estimate reflects a full year of implementation.

Special Disability Workload Impact

EXPENDITURES:

(in 000's)	2003-04	2004-05
	Grant	Grant
Total	-$5,222	-$10,444
Federal	0	0
State	-5,222	-10,444
County	0	0
Reimbursements	0	0

California Veterans Cash Benefit Program

DESCRIPTION:

This premise reflects the cost of providing benefits at the same level as State Supplementary Payment (SSP) benefits to certain veterans of World War II who 1) return to the Republic of the Philippines and no longer have a place of residence in the state; and 2) were receiving SSP benefits on December 14, 1999. The California Veterans Cash Benefit (CVCB) payments are authorized under Assembly Bill 1978 (Chapter 143, Statutes of 2000).

IMPLEMENTATION DATE:

This premise implemented on July 19, 2000.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 12400.
- The grant costs associated with the implementation of this bill are the equivalent of SSP benefits the veterans would receive under the SSI/SSP Program.
- An average benefit payment of $241.91 will be paid to eligible recipients in current year.
- The Social Security Administration (SSA) administers the CVCB Program in conjunction with benefits under Title VIII of the federal Social Security Act.
- SSA charges a monthly administrative fee equivalent to the SSP administrative fee per payment, currently at $8.59. The ongoing administrative fee increased to $8.77 on October 1, 2003.
- The average monthly number of participating veterans is 1,796 in Fiscal Year (FY) 2003-04.
- The CVCB Program will be eliminated effective April 1, 2004.

METHODOLOGY:

The cost of the program is estimated by multiplying the number of participating veterans by the benefit and administrative costs per case.

FUNDING:

This program is funded 100 percent with General Fund (GF).

CHANGE FROM THE APPROPRIATION:

The program is being eliminated effective April 1, 2004, as a result of budgetary pressures and other demands on the available GF.

REASON FOR YEAR-TO-YEAR CHANGE:

No funds are budgeted due to the elimination of the program in the current year.

California Veterans Cash Benefit Program

EXPENDITURES:

(in 000's)

CVCB Costs	2003-04 Grant/ Administration	2004-05 Grant/ Administration
Total	$4,049	$0
Federal	0	0
State	$4,049	0
County	0	0
Reimbursements	0	0

Cash Assistance Program for Immigrants (CAPI)

DESCRIPTION:

This premise reflects the costs to implement the CAPI Program. The CAPI Program provides benefits to aged, blind, and disabled legal immigrants who successfully complete an application process. The benefits received are equivalent to those benefits that these immigrants would have received if they were eligible for the Supplemental Security Income and/or State Supplemental Payment (SSI/SSP) Program, less $10 per individual and $20 per couple. This premise includes costs for both the grant and administrative costs necessary for implementation.

CAPI recipients in the base program include the following immigrants: 1) those who entered the United States (U.S.) prior to August 22, 1996, and are not eligible for SSI/SSP benefits solely due to their immigration status; and 2) those who entered the U.S. on or after August 22, 1996, but meet special sponsor restrictions (have a sponsor who is disabled, deceased, or abusive). The extended CAPI caseload includes immigrants who entered the U.S. on or after August 22, 1996, who do not have a sponsor or have a sponsor who does not meet the sponsor restrictions of the base program.

IMPLEMENTATION DATE:

This premise implemented on October 1, 1998.

KEY DATA/ASSUMPTIONS:

- Chapter 10.3 of the Welfare and Institutions Code (W&IC) gives the California Department of Social Services the authority to administer the CAPI Program.
- Section 18940 of the W&IC states that the CAPI Program will be governed by the same federal and state regulations which govern the SSI/SSP Program.
- Section 18941 of the W&IC authorizes benefits paid under CAPI to be equivalent to benefits provided under the SSI/SSP Program, except that the schedule for individuals and couples shall be reduced $10 per individual and $20 per couple per month.
- Although CAPI was originally due to sunset on July 1, 2000, Assembly Bill (AB) 1111 (Chapter 147, Statutes of 1999) extended the base program indefinitely.
- AB 1111 also created time-limited CAPI eligibility from October 1, 1999, through September 30, 2000, for immigrants who entered the country on or after August 22, 1996. This bill established a five-year deeming period for these cases. AB 2876 extended time-limited CAPI for one more year through September 30, 2001. AB 429 (Chapter 111, Statutes of 2001) eliminated the sunset date for the time-limited ("extended") program altogether, and lengthened the deeming period to ten years.
- The average monthly number of total CAPI cases will be 8,599 in Fiscal Year (FY) 2003-04, and 8,645 in FY 2004-05. Effective April 1, 2004, the total program caseload will be capped at 8,645. No new cases will be granted benefits unless an existing CAPI recipient's benefits are discontinued.
- The average monthly grant is $626.21 for the Base CAPI cases, based on actual expenditures through June 2003. The average grant is adjusted for federal and state cost-of-living adjustments (COLAs) to mirror the changes in the SSI/SSP payment standards.

Cash Assistance Program for Immigrants (CAPI)

KEY DATA/ASSUMPTIONS (continued):

- The average monthly grant is $798.32 for the Extended CAPI cases, based on actual expenditures through June 2003. The average grant is adjusted for federal and state COLAs to mirror the changes in the SSI/SSP payment standards.
- The average monthly administrative cost per case for FY 2003-04 of $109.17 is based on actual expenditures through June 2003. For FY 2004-05, the average administrative cost per case will remain unchanged.
- Effective October 2004, the funding for CAPI will be reduced five percent below the projected 2004-05 level, and the funds will be provided to the counties in a block grant with other immigrant programs.

METHODOLOGY:

- Base CAPI program costs are estimated by multiplying the projected monthly caseload by the Base CAPI average grant and administrative cost per case. Extended CAPI costs are estimated by multiplying the Extended CAPI caseload by the Extended CAPI average grant and administrative cost per case. Base CAPI and extended CAPI costs are then added to determine total CAPI Program costs.
- Effective April, 1, 2004, the total CAPI caseload will be capped at 8,645 recipients. As the Base CAPI caseload declines, the Extended caseload will be allowed to increase up to, but not more than, the level of the Base decrease.
- Effective October 1, 2004, total CAPI funding is reduced five percent below the forecasted FY 2004-05 level.

FUNDING:

The program is funded with 100 percent GF.

CHANGE FROM THE APPROPRIATION:

The current year estimate has decreased due to a lower average monthly caseload and average grant, as well as a cap on the caseload set at the April 2004 level.

REASON FOR YEAR-TO-YEAR CHANGE:

CAPI costs decrease due to a combination of factors including the caseload cap implemented effective April 1, 2004 and savings due to efficiencies resulting from including the CAPI in a single block grant, along with other programs for immigrants, to be provided to counties effective October 1, 2004. Program funding is being reduced as a result of budgetary pressures and other demands on the available GF.

EXPENDITURES:

(in 000's)	2003-04	2004-05
Total CAPI	Grant	Grant
Total	$82,280	$80,817
Federal	0	0
State	82,280	80,817
County	0	0
Reimbursements	0	0

Cash Assistance Program for Immigrants (CAPI)

EXPENDITURES (continued):

(in 000's)	2003-04	2004-05
Base CAPI	Grant	Grant
Total	$51,618	$47,741
Federal	0	0
State	51,618	47,741
County	0	0
Reimbursements	0	0

(in 000's)	2003-04	2004-05
Extended CAPI	Grant	Grant
Total	$30,662	$33,076
Federal	0	0
State	30,662	33,076
County	0	0
Reimbursements	0	0

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Additional TANF/MOE Expenditures in CDSS SSP MOE Eligible

DESCRIPTION:

This premise reflects the State Supplementary Payment (SSP) expenditures countable towards the State Temporary Assistance for Needy Families (TANF) Program maintenance of effort (MOE). More specifically, the increase in SSP expenditures for disabled SSP children in California Work Opportunity and Responsibility to Kids (CalWORKs) families since the inception of the TANF Program is considered countable as MOE.

Public Law (P.L.) 104-193, the federal welfare reform legislation, established the TANF Program and a TANF block grant to replace the Aid to Families with Dependent Children (AFDC) Program. States must meet an 80 percent MOE to receive their full block grant allocation. The MOE is reduced to 75 percent for states that meet the work participation rate requirement. For California, the amount of the MOE is based on state and county expenditures in Federal Fiscal Year (FFY) 1994. The State has consistently met its work participation agreement, therefore the MOE level is lowered from $2.9 billion (80 percent) to $2.7 billion, which constitutes 75 percent of the 1994 level.

The State may count both local and state expenditures made by CDSS or other departments on behalf of TANF/CalWORKs-eligible families toward the MOE. If these expenditures would have been authorized and allowable under the former AFDC, JOBS, Emergency Assistance or Child Care for AFDC recipients, At-Risk Child Care or Transitional Child Care programs in FFY 1995, the entire expenditures may count toward the MOE. However, if such expenditures were not previously authorized and allowable, countable expenditures are limited to the amount by which allowable current year expenditures exceed the total State program expenditures in FFY 1995. State expenditures that are used as a match to draw down other federal funding are generally not countable toward the TANF MOE.

IMPLEMENTATION DATE:

This premise implemented on January 1, 2003.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: 45 Code of Federal Regulations section 263.2.
- The average number of SSP children living in a CalWORKs household for April through June 2003 was 11,234, or 16.1 percent of total SSP children living with relatives (Research and Development Division ad hoc report).
- SSP expenditures for SSP children living with relatives were $52.8 million in 1995. SSP expenditures for the same population were $99.2 million in Fiscal Year (FY) 2002-03.
- The SSP payment standard for disabled children will remain at $115 for FY 2003-04, due to the suspension of the 2004 State COLA. The SSP payment standard will decrease on January 1, 2005, to $105 due to the no-pass of the 1.8 percent federal COLA.
- The projected expenditures for SSP children living in a CalWORKs household for FYs 2003-04 and 2004-05 will be $19.1 and $18.6 million, respectively.

Additional TANF/MOE Expenditures in CDSS SSP MOE Eligible

METHODOLOGY:

- The percentage of SSP children living in a CalWORKs household (16.1 percent) is multiplied by total expenditures ($52.8 million) for SSP children living with relatives in 1995 to arrive at expenditures for SSP children living in a CalWORKs household of $8.5 million.
- The expenditures for FYs 2003-04 and 2004-05 are forecasted based on the increase or decrease in the SSP payment standard from year to year. In FY 2003-04, the SSP payment standard will increase by 17.3 percent over the FY 2002-03 payment standard level. FY 2002-03 SSP expenditures of $99.2 million are increased by the annual growth percentage to arrive at the estimated expenditures for each fiscal year. For FY 2004-05, the SSP payment standard will decrease by 4.3 percent.
- The percentage of SSP children living in a CalWORKs household (16.1 percent) is multiplied by the estimated SSP expenditures for each fiscal year to arrive at expenditures attributable to SSP children living in a CalWORKs household. For FYs 2003-04 and 2004-05, SSP expenditures for this population are estimated at $19.1 and $18.6 million, respectively.
- For FY 2003-04, the amount by which allowable current year expenditures exceed the total State program expenditures in 1995 is $10.6 million ($19.1 - $8.5 million).
- For FY 2004-05, the amount by which allowable SSP expenditures will exceed the total State program expenditures in 1995 is $10.1 million ($18.6 - $8.5 million).

FUNDING:

The SSP expenditures are funded with 100 percent State General Fund.

CHANGE FROM THE APPROPRIATION:

Due to a slightly lower percentage of SSP children living with relatives in a CalWORKs household than previously estimated, as well as a lower average grant for disabled children, the level of countable SSP expenditures has decreased in FY 2003-04.

REASON FOR YEAR-TO-YEAR CHANGE:

The level of MOE-eligible expenditures decreases due to a decrease in the SSP payment standards.

Additional TANF/MOE Expenditures in CDSS SSP MOE Eligible

EXPENDITURES:

(in 000's)

	2003-04	2004-05
	Grant	Grant
Total	$10,575	$10,130
Federal	0	0
State	10,575	10,130
County	0	0
Reimbursements	0	0

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Federal Fiscal Relief Funding

DESCRIPTION:

This premise reflects the federal fiscal relief provided under the Jobs and Growth Tax Relief Reconciliation Act of 2003, which provides additional funding in the form of flexible grants to states. These funds are to be used to provide essential government services or cover the costs to the State of complying with federal mandates. In the current year, a portion of these funds will be used to reduce General Fund (GF) costs in the Supplemental Security Income/State Supplementary Payment (SSI/SSP) and In-Home Supportive Services (IHSS) programs.

IMPLEMENTATION DATE:

This premise will implement in Fiscal Year (FY) 2003-04.

KEY DATA/ASSUMPTIONS:

- H.R. 2, Title IV, section 401, authorizes the use of federal funds to provide temporary fiscal relief to states.
- For SSI/SSP, $238.1 million in federal funds will be used to offset GF costs.
- For IHSS, $61.4 million in federal funds will be used to offset GF costs in the Residual Program.
- Funding will be provided in FY 2003-04.

METHODOLOGY:

Expenditures for the SSI/SSP and IHSS Residual programs were estimated for the months of September and October 2003 to determine the amount of federal funds to use in lieu of GF.

FUNDING:

The funding for this premise is 100 percent federal funds.

CHANGE FROM THE APPROPRIATION:

This is a new premise.

REASON FOR YEAR-TO-YEAR CHANGE:

Funding is only provided in the current year.

EXPENDITURES:

(in 000's)	2003-04	2004-05
SSI/SSP	Grant	Grant
Total	$0	$0
Federal	238,123	0
State	-238,123	0
County	0	0
Reimbursements	0	0

Federal Fiscal Relief Funding

EXPENDITURES (continued):

(in 000's)	2003-04	2004-05
IHSS	Grant	Grant
Total	$0	$0
Federal	61,389	0
State	-61,389	0
County	0	0
Reimbursements	0	0

Personal Care Services Program/Residual IHSS Basic Costs

DESCRIPTION:

This premise reflects the basic costs for the In-Home Supportive Services (IHSS) Program. Assembly Bill 1773 (Chapter 939, Statutes of 1992) required the California Department of Health Services to submit a Medicaid state plan amendment to the federal Health Care Financing Administration to include a portion of the IHSS Program as a Title XIX eligible service. This portion of the IHSS Program is known as the Personal Care Services Program (PCSP). The other portion of the IHSS Program is the Residual Program.

The IHSS Program enables eligible individuals to remain safely in their own homes as an alternative to out-of-home care. Eligible recipients are aged, blind or disabled individuals who receive public assistance or have low incomes.

Assembly Bill 925 (Chapter 1088, statutes of 2002) allows recipients to utilize authorized personal care services in locations outside of the home, including their place of employment, as authorized by the director. Services and service hours remain limited to those authorized for the recipient in their own home.

The following services are PCSP-eligible services:

- Domestic services such as meal preparation, laundry, shopping, and errands;
- Non-medical personal care services;
- Assistance while traveling to medical appointments or to other sources of supportive services;
- Teaching and demonstration directed at reducing the need for supportive services; and,
- Certain paramedical services ordered by a physician.

The Residual Program provides services to recipients who are not eligible for PCSP. The Residual Program cases include the following:

- Cases requiring protective supervision tasks;
- Cases with domestic services only;
- Cases with spousal providers;
- Cases with parents providing services to their own minor children;
- Cases with recipients receiving advance pay; and,
- Cases with recipients receiving a restaurant meal allowance (RMA). The RMA is provided to those who need to purchase meals or help with meal preparation and cleanup.

The IHSS services are provided in any of three service delivery modes. These service modes are the individual provider (IP) mode, the county contract (CC) mode, and the welfare staff (WS) mode. The WS mode is also referred to as the county homemaker mode. The IP mode consists of an individual, hired by the recipient, who provides services to the recipient. The CC mode provides for IHSS services to be performed by a service provider under contract with the individual counties. The contractor employs the individuals who provide the services to the recipient. The WS mode utilizes county employees to provide services for recipients.

The State Compensation Insurance Fund (SCIF), under contract, administers the workers' compensation insurance for the IPs providing services for IHSS recipients.

Personal Care Services Program/Residual IHSS Basic Costs

DESCRIPTION (continued):

The Department of General Services (DGS), under contract, acts as agent for the Department in the management and supervision of SCIF. DGS also monitors high cost cases ($50,000 and over in paid costs) on a quarterly basis.

The IHSS Case Management Information and Payrolling System authorizes payments and provides the Department and the counties with information regarding wages, taxes, hours per case, cost per hour, PCSP and Residual Program caseload and funding ratios, share of cost (SOC), RMA, and the number of providers in the IP mode. Please see the "IHSS Case Management Information and Payrolling System (CMIPS)" premise for more information.

IMPLEMENTATION DATE:

The PCSP implemented on April 1, 1993.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 12300-12314 and 14132.95.
- The projected caseload percentages for the PCSP and Residual Program are 79.13 percent and 20.87 percent, respectively, based on the average caseloads for July 2002 through January 2003.
- The IP mode of service is assumed to be 97.69 percent for PCSP and 95.54 percent for Residual cases. The CC and WS modes of service account for the remaining cases.
- The IP mode average monthly hours per case is assumed to be 82.4 hours for PCSP and 78.3 hours for the Residual Program.
- The IP wage rate is based on the individual county wage rates.
- The PCSP CC mode average monthly hours per case is assumed to be 50.5 hours at a cost per hour of $15.81. The WS average monthly hours per case is assumed to be 11.3 hours at a cost per hour of $14.93.
- The Residual CC mode average monthly hours per case is assumed to be 19.9 hours at a cost per hour of $15.81. The Residual WS average monthly hours per case is assumed to be 10.9 hours at a cost per hour of $14.93.
- The payroll tax rate associated with the IP wages is assumed at ten percent.
- Based on actuals for July 2002 through June 2003, the average recipient PCSP Program SOC is assumed to be $303 per case in the current and budget year in the IP mode of service. The average recipient Residual program SOC is assumed to be $210 and $220 per case in the IP mode and CC/WS modes of service, respectively.

Personal Care Services Program/Residual IHSS Basic Costs

KEY DATA/ASSUMPTIONS (continued):

- In the PCSP program, the average monthly SOC caseload is assumed to be 5,364 in the current year, and 5,821in the budget year.
- In the Residual Program, the average monthly SOC caseload is assumed to be 2,772 in the current year, and 3,008 in the budget year.
- The RMA cost per case is $62.
- The RMA cost is estimated to be $803,341 for current year and $871,681 in the budget year.
- The SCIF contract cost is assumed to be $45.4 million for the current year and the budget year.
- The DGS contract cost is set at $120,000 for both the current and budget year.

METHODOLOGY:

- The estimated PCSP basic cost is computed by multiplying the casemonths times the average hours per case times the cost per hour, plus the associated payroll taxes, minus the SOC. In addition, the PCSP caseload percentage of the SCIF and DGS contract costs are added.
- The estimated Residual basic cost is computed by multiplying the casemonths times the average hours per case times the cost per hour, plus associated payroll taxes, minus the SOC. In addition, the Residual Program caseload percentage of the SCIF and DGS contract costs and RMA are added.

FUNDING:

- In the PCSP, the Title XIX federal sharing ratio is based on the following Federal Medical Assistance Percentage rates:

Effective Dates	Rates
April 1, 2003	54.35%
October 1, 2003	52.95%
July 1, 2004	50.00%

- The nonfederal share is split 65 percent state and 35 percent county. The county share of costs is reflected as a reimbursement, consistent with actual cash flow.

Personal Care Services Program/Residual IHSS Basic Costs

FUNDING (continued):

- In the Residual Program, the State share is 65 percent of the total, and the county share is 35 percent. The county share of costs is reflected as a reimbursement, consistent with actual cash flow.

CHANGE FROM THE APPROPRIATION:

The estimated costs previously shown in the Public Authority (Wages and Benefits) premise and the Contract Mode Augmentation premise are now reflected in Basic. The actual wage rate for the IP mode is now used in the calculation of Basic costs instead of the minimum wage. The estimate for the CC mode and the WS mode are now based on actual expenditures and projected caseload.

REASON FOR YEAR-TO-YEAR CHANGE:

The budget year increase reflects caseload growth.

CASELOAD:

	2003-04	2004-05
Average Monthly PCSP Caseload	262,069	284,363
Average Monthly Residual Program Caseload	69,115	74,995

EXPENDITURES:

(in 000's)

PCSP	2003-04	2004-05
	Grant	Grant
Total	$2.417,193	$2,622,314
Federal	0	0
State	725,311	842,336
County	0	0
Reimbursements	1,691,882	1,779,978

Personal Care Services Program/Residual IHSS Basic Costs

EXPENDITURES (continued):

(in 000's)

Residual Program	2003-04	2004-05
	Grant	Grant
Total	$596,047	$643,251
Federal	0	0
State	383,308	413,665
County	0	0
Reimbursements	212,739	229,586

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Case Management Information and Payrolling System (CMIPS) and Associated Costs

DESCRIPTION:

This premise reflects the costs associated with the operation and maintenance of the In-Home Supportive Services (IHSS) Case Management Information and Payrolling System (CMIPS). The CMIPS consists of the following three components:

Case Management

The CMIPS stores the case record of each individual recipient. The case record of each recipient contains information on eligibility; needs assessment; share of cost, if appropriate; and all changes affecting the recipient's case. The CMIPS also generates notices of action, cost-of-living adjustments, and rate changes. The CMIPS further allows for data exchanges with other welfare systems and is used to establish Medi-Cal eligibility. Unique Client Index Numbers (CINs) facilitate the identification of common clients and the exchange of data with other systems. Ongoing CIN transactions are processed through the Health and Human Services Data Center server.

Management Information

The CMIPS provides periodic management reports that include fiscal and statistical data on a case-by-case, worker-by-worker, office-by-office, county-by-county, and statewide basis.

Payrolling System

The CMIPS provides for the authorization and issuance of warrants for payments for services provided by the individual provider mode and prepares all employer tax forms and reports. These reports are utilized for bookkeeping, accounting and tax preparation purposes on behalf of recipients, county welfare departments and the California Department of Social Services (CDSS).

The State Controller's Office (SCO), under contract with CDSS, issues payroll checks to the individual providers on behalf of IHSS recipients. The SCO also issues replacement checks and handles checks returned as undeliverable.

The State Treasurer's Office (STO), under contract with CDSS, performs bank reconciliation of IHSS warrants, and redeems all valid warrants issued for IHSS providers.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 12302.2.
- The CMIPS contract is currently held by Electronic Data Systems (EDS).
- The SCO and STO contracts are assumed held at the FY2003-04 level.

Case Management Information and Payrolling System (CMIPS) and Associated Costs

KEY DATA/ASSUMPTIONS (continued):

- The estimated CIN transaction costs are based on a projection of the number of transactions and a cost of 0.7 cents per transaction.

	2003-04	2004-05
EDS	$8,344,414	$ 8,516,023
STO	553,855	553,855
SCO	3,573,250	3,573,250
CIN	7,316	7,837
Transaction Fee Total Costs	$12,478,835	$12,650,965

METHODOLOGY:

The estimate is computed by summing the EDS, STO, SCO and CIN data and transaction fee costs. The total cost is split between the Personal Care Services Program (PCSP) and the Residual Program based on percentages to total caseload.

FUNDING:

- In the PCSP Program, the federal Title XIX reimbursement represents 53.3 percent in the current year and 50 percent in the budget year. The nonfederal share is split 70 percent state and 30 percent county.
- In the Residual Program, the state share is 70 percent of the total, and the county share is 30 percent.

CHANGE FROM THE APPROPRIATION:

The decrease in the current year reflects the difference between the estimate for the EDS contract and the actual contract amount.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase in the budget year is due to an increase in the EDS contract in the second year and a slight increase in the cost associated with the CIN enhancement.

Case Management Information and Payrolling System (CMIPS) and Associated Costs

EXPENDITURES:

(in 000's)

PCSP	2003-04	2004-05
	Grant	Grant
Total	$9,875	$10,011
Federal	0	0
State	3,228	3,504
County	1,384	1,502
Reimbursements	5,263	5,005

Residual Program	2003-04	2004-05
	Grant	Grant
Total	$2,605	$2,641
Federal	0	0
State	1,823	1,849
County	782	792
Reimbursements	0	0

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Case Management Information and Payrolling System (CMIPS) Contract Procurement

DESCRIPTION:

This premise reflects the costs for contracting with the State of California Health and Human Services Data Center (HHSDC) to re-evaluate the CMIPS re-procurement strategy. The Administration proposes that this system be migrated to the California Medicaid Management Information System, administered by the Department of Health Services, which would result in a higher federal financial participation and savings to the State.

IMPLEMENTATION DATE:

This premise implemented on April 1, 2000.

KEY DATA/ASSUMPTIONS:

Authorizing statute: Welfare and Institutions Code section 12302.2.

METHODOLOGY:

The estimated costs are detailed in the June 2001 (Revised August 2003) CMIPS Planning Advance Planning Document Update.

FUNDING:

- In the Personal Care Services Program (PCSP), the Title XIX federal sharing ratio is based on the following Federal Medical Assistance Percentage rates:

Effective Dates	Rates
April 1, 2003	54.35%
October 1, 2003	52.95%
July 1, 2004	50.00%

- The nonfederal share is funded 100 percent State General Fund (GF).
- In the Residual Program, the funding is 100 percent GF.

CHANGE FROM THE APPROPRIATION:

The current year budget reflects an updated allocation of costs between the benefiting programs in FY 2003-04.

Case Management Information and Payrolling System (CMIPS) Contract Procurement

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000's)

PCSP	2003-04	2004-05
	County Admin.	County Admin.
Total	$1,242	$1,242
Federal	0	0
State	621	621
County	0	0
Reimbursements	621	621

Residual Program	2003-04	2004-05
	County Admin.	County Admin.
Total	$432	$432
Federal	0	0
State	432	432
County	0	0
Reimbursements	0	0

CDSS/HHSDC PARTNERSHIP:

(in 000's)	2003-04	2004-05
Total	$1,674	$1,674
CDSS	74	0
HHSDC	1,600	1,674

Income Eligible Shift (Share of Cost (SOC) Buyout)

DESCRIPTION:

This premise reflects the cost for the State to buy down the In-Home Supportive Services (IHSS) income-eligible recipient's SOC from the SSI/SSP SOC level to the Medi-Cal SOC level so that these recipients can receive services under the Personal Care Services Program (PCSP). Assembly Bill 2779 (Chapter 329, Statutes of 1998) allowed recipients who would otherwise be ineligible for PCSP because of their income to receive PCSP services in this way.

IHSS cases are considered eligible for PCSP funds with the following exceptions: domestic services only cases, protective supervision tasks, spousal providers, parent providers of minor children, advance pay recipients, and recipients covered by third party insurance. Recipients in these circumstances receive services under the Residual Program.

IMPLEMENTATION DATE:

This premise implemented on April 1, 1999.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 12305.1 and 14132.95.
- The payment of the SOC buyout owed to the federal government is being delayed.

METHODOLOGY:

Payment of the SOC buyout owed to the federal government will be delayed.

FUNDING:

The SOC buyout is funded with 100 percent State General Fund.

CHANGE FROM THE APPROPRIATION:

The estimate reflects delayed payment of the SOC buyout owed to the federal government.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

Income Eligible Shift (Share of Cost (SOC) Buyout)

CASELOAD:

	2003-04	2004-05
Average Monthly Caseload	5,364	5,821

EXPENDITURES:

(in 000's)

PCSP	2003-04	2004-05
	Grant	Grant
Total	$0	$0
Federal	0	0
State	0	0
County	0	0
Reimbursements	0	0

Public Authority Services (Wages and Benefits)

DESCRIPTION:

This premise reflects the costs of participating in increased Public Authority (PA) wages and benefits pursuant to Welfare and Institutions Code (W&IC) Section 12306.1. This statute provides that the State will share in up to a $1.00 increase in each of several years if the Department of Finance determines that specific revenue targets will be met. For Fiscal Year (FY) 2003-04, the State participates in PA provider wages up to $9.50 and individual health benefits up to $0.60 per hour; but there was no increase over FY 2002-03, and no increase in wage or benefit levels is anticipated for FY 2004-05. For subsequent years, the State will participate in total wages and individual health benefits up to $12.10 per hour, not to exceed a $1.00 per hour increase in any fiscal year, provided that the May Revise forecast of State General Fund (GF) revenue exceeds by at least five percent the most current estimate of revenues, excluding transfers.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&IC sections 12301.6 and 12306.1.
- In the current year, the State participates in wages and health benefits up to $9.50 and $0.60 per hour, respectively.
- In the budget year, it is assumed that the State will not participate in wages and health benefits above $9.50 and $0.60 per hour, respectively.

METHODOLOGY:

The estimated cost is computed by multiplying the case months by the average hours per case and the increase in wages and benefits pursuant to W&IC Section 12306.1.

FUNDING:

Since this premise reflects only the costs of the increases in the state participation rate, costs are 100 percent GF.

CHANGE FROM THE APPROPRIATION:

This premise has been revised to reflect only increased PA wage and benefit costs associated with W&IC Section 12306.1. Costs for PA wages and benefits up to the FY 2002-03 maximum are included in the IHSS Basic Cost estimate.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

Public Authority Services (Wages and Benefits)

EXPENDITURES:

(in 000's)

PCSP	2003-04	2004-05
	Grant	Grant
Total	$0	$0
Federal	0	0
State	0	0
County	0	0
Reimbursements	0	0

Residual Program	2003-04	2004-05
	Grant	Grant
Total	$0	$0
Federal	0	0
State	0	0
County	0	0
Reimbursements	0	0

Public Authority Administration

DESCRIPTION:

This premise reflects the Public Authority (PA) administrative costs. Senate Bill 1780 (Chapter 206, Statutes of 1996) defined the make-up and functions of PAs. A county board of supervisors may elect to establish a PA to provide for the delivery of In-Home Supportive Services (IHSS). PAs are separate entities from the county in which they operate. Employees of the PA shall not be employees of the county for any reason. PAs are the employer of IHSS providers for the purposes of collective bargaining over wages, hours, and other terms of employment. However, IHSS recipients retain the right to hire, fire, and supervise the work of any IHSS worker providing services to them.

A PA shall provide, but is not limited to, the following functions:

- The provision of assistance to recipients in finding IHSS providers through the establishment of a registry;
- The investigation of the qualifications and background of potential providers;
- The establishment of a referral system under which IHSS providers shall be referred to recipients;
- The provision of training for providers and recipients; and,
- Other functions related to the delivery of IHSS.

The PA rate includes the hourly costs for wages, employer taxes, benefits, and administrative costs. The PA rate cannot exceed 200 percent of the current minimum wage in order to qualify for federal financial participation. The PA must submit a rate approval request to the California Department of Social Services (CDSS). Once CDSS approves the request, it is submitted to the California Department of Health Services (CDHS) for final approval. After CDHS approves the rate, the PA can claim its costs.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 12301.6.
- This estimate assumes the following administrative rates as of June 30, 2003:

Counties	Effective Dates	Admin Rate
Alameda	02-01-03	$0.12
Amador	07-01-03	$0.83
Butte	09-01-02	0.15
Calaveras	03-01-03	1.35
Colusa	04-01-03	1.05
Contra Costa	10-01-02	0.18
Del Norte	04-01-03	0.62
El Dorado	02-01-03	0.77
Fresno	07-01-02	0.08
	09-01-03	0.07

Public Authority Administration

KEY DATA/ASSUMPTIONS (continued):

Counties	Effective Dates	Admin Rate
Glenn	03-01-03	0.78
Humboldt	01-01-03	0.24
Imperial	11-01-03	0.04
Inyo	05-01-03	1.13
Kern	01-01-03	0.12
Kings	07-01-03	0.26
Lake	02-01-03	0.08
Los Angeles	11-01-02	0.05
Madera	01-01-03	0.37
Marin	07-01-02	0.52
Mendocino	08-01-02	0.46
Merced	12-01-02	0.24
Modoc	05-01-03	0.91
Mono	05-01-03	1.33
Monterey	04-01-03	0.21
Napa	07-01-03	0.69
	12-01-03	0.62
Nevada	05-01-03	0.67
Orange	10-01-02	0.20
	09-01-03	0.12
Placer	12-01-02	0.40
Plumas	05-01-03	0.67
Riverside	10-01-02	0.30
Sacramento	10-01-02	0.12
San Bernardino	03-01-03	0.18
San Diego	03-01-03	0.14
San Francisco	07-01-03	0.13

Public Authority Administration

KEY DATA/ASSUMPTIONS (continued):

Counties	Effective Dates	Admin Rate
San Joaquin	08-01-02	0.27
	08-01-03	0.15
	10-01-03	0.14
San Luis Obispo	10-01-02	0.40
San Mateo	10-01-02	0.21
Santa Barbara	07-01-02	0.43
Santa Clara	07-01-02	0.20
Santa Cruz	12-01-02	0.59
	12-01-03	0.55
Shasta	12-01-02	0.23
	10-10-03	0.19
Sierra	05-01-03	0.67
Siskiyou	01-01-03	0.46
Solano	01-01-03	0.23
Sonoma	10-01-02	0.32
Sutter	06-01-03	0.43
Tehama	02-01-03	0.37
Trinity	01-01-03	0.82
Tulare	07-01-03	0.18
Ventura	01-01-03	0.47
Yolo	05-01-03	0.81
	09-01-03	0.71
Yuba	04-01-03	0.30

METHODOLOGY:

The estimated cost is computed by multiplying the casemonths by the average hours per case by the administrative hourly rates for each PA.

Public Authority Administration

FUNDING:

- In the Personal Care Services Program (PCSP), the Title XIX federal sharing ratio is based on the following Federal Medical Assistance Percentage rates:

Effective Dates	Rates
April 1, 2003	54.35%
October 1, 2003	52.95%
July 1, 2004	50.00%

- The nonfederal share is split 65 percent state and 35 percent county.
- In the Residual Program, the State share is 65 percent of the total, and the county share is 35 percent.

CHANGE FROM THE APPROPRIATION:

The current estimate has been updated to incorporate the most current PA administrative rate information.

REASON FOR YEAR-TO-YEAR CHANGE:

The budget year increase reflects caseload growth and the full-year cost of administrative activities for the new PAs.

EXPENDITURES:

(in 000's)

PCSP	2003-04	2004-05
	Grant	Grant
Total	$34,123	$36,820
Federal	0	0
State	10,360	11,967
County	0	0
Reimbursements	23,763	24,853

Public Authority Administration

EXPENDITURES (continued):

(in 000's)

Residual Program	2003-04	2004-05
	Grant	Grant
Total	$9,313	$9,862
Federal	0	0
State	6,053	6,410
County	0	0
Reimbursements	3,260	3,452

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PCSP Three Month Retroactive Benefits

DESCRIPTION:

This premise reflects the costs associated with implementing a Medi-Cal rule that provides reimbursement for eligible In Home Supportive Services (IHSS) Personal Care Services rendered up to three months prior to application. This rule is related to the expansion of the Personal Care Services Program (PCSP) to individuals eligible for the Aged, Blind and Disabled - Medically Needy Program and the Aged and Disabled - Federal Poverty Level Program. In addition, costs associated with the IHSS worker activity related to reviewing cases will be included.

IMPLEMENTATION DATE:

This premise will implement on April 1, 2004.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Budget Act of 2004.
- Authorizing regulation: California Code of Regulations, Title 22, Section 50197.
- Based on the number of approvals in FY 2002-03, 1.89 percent of PCSP cases each month will be new applicants.
- Based on Medi-Cal data from April 2003, it was assumed that 46.54 percent of all applicants would be eligible for at least one month of retroactive benefits.
- It was assumed that on average the applicants would receive 1.5 months of retroactive benefits.
- Processing of the retroactive payments is assumed to require 1.5 additional hours.

METHODOLOGY:

The number of cases to receive retroactive benefits was derived using the percentage of new cases and the percentage of Medi-Cal cases that receive retroactive benefits.

Estimated costs for benefits were based on the number of retroactive cases, the average monthly cost per case for PCSP cases and the assumption that each case would receive 1.5 months of retroactive benefits.

Estimated costs for administration were based on the estimated number of cases, a cost per hour of $60.55 and the assumption that each case eligible for retroactive benefits would require 1.5 hours of additional time.

FUNDING:

- In the PCSP, the Title XIX federal sharing ratio is based on the following Federal Medical Assistance Percentage rates:

	Rates
April 1, 2003	54.35%
October 1, 2003	52.95%
July 1, 2004	50.00%

PCSP Three Month Retroactive Benefits

FUNDING (continued):

- The nonfederal share is split 65 percent state and 35 percent county. The county share is reflected as a reimbursement, consistent with actual cash flow.
- The state and county sharing ratios for administrative costs are 70 percent and 30 percent, respectively, of the nonfederal share.
- The Title XIX reimbursement for administration is 50 percent.

CHANGE FROM THE APPROPRIATION:

This is a new premise.

REASON FOR YEAR-TO-YEAR CHANGE:

The budget year estimated costs reflect a full year of payments.

CASELOAD:

	2003-04	2004-05
Average Monthly Caseload	2,362	2,697

EXPENDITURES:

(in 000's)

PCSP	2003-04	2004-05
	Grant	Grant
Total	$8,192	$36,104
Federal	0	0
State	2,487	11,734
County	0	0
Reimbursements	5,705	24,370

	2003-04	2004-05
	Admin.	Admin.
Total	$644	$2,709
Federal	0	0
State	209	880
County	113	474
Reimbursements	322	1,355

Waiver Personal Care Services

DESCRIPTION:

This premise, formerly called Extended Personal Care Services [Assembly Bill (AB) 668], reflects the costs for Personal Care Services that are provided above a recipient's assessed limit in the In-Home Supportive Services/Personal Care Services Program (IHSS/PCSP).

AB 668 (Chapter 896, Statutes of 1998) provided for additional hours on behalf of eligible PCSP recipients if they needed more than the 283 monthly hours allowed under IHSS and qualified for the Medi-Cal Skilled Nursing Facility Level of Care (SNFLOC) home and community based services waiver program. The SNFLOC waiver program was approved by the Health Care Financing Administration effective July 1, 1999.

The Centers for Medicare and Medicaid Services (CMS) has since renewed the nursing facility waiver, which now includes A and B levels of care (NF A/B). Approval has also been received for a new waiver for adult and pediatric subacute (NF Subacute) levels of care. "Waiver Personal Care Services" has been redefined in these two waivers to include services that differ from those in the state plan and which allow beneficiaries to remain at home. Although there will no longer be a requirement that waiver consumers receive the maximum of 283 hours of State Plan Personal Care Services (SPPCS) prior to receiving waiver personal care services, waiver consumers must be receiving some SPPCS. Waiver personal care services will be one option on a menu of services that waiver participants may choose from, to the extent that waiver cost neutrality is assured. These services will be provided through the counties' IHSS programs and will be paid via an interagency agreement with the California Department of Social Services, or will be provided by home health agencies.

IMPLEMENTATION DATE:

This premise implemented on July 1, 2000.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 14132.97.
- The NF A/B average monthly caseload is assumed to be 159 in the current year, and 267 in the budget year. The NF Subacute average monthly caseload is assumed to be 77 in the current year, and 125 in the budget year.
- The NF A/B average monthly hours of service per case are 197 in the current year, and 200 in the budget year. The NF Subacute average monthly hours of service per case are 329 in the current year, and 330 in the budget year.
- The cost per hour is assumed at $8.78

METHODOLOGY:

The estimated cost is computed by multiplying the caseload by the average hours per case by the cost per hour by twelve months.

Waiver Personal Care Services

FUNDING:

The Title XIX federal sharing ratio is based on the following Federal Medical Assistance Percentage rates:

Effective Dates	Rates
April 1, 2003	54.35%
October 1, 2003	52.95%
July 1, 2004	50.00%

The nonfederal share of the service costs is reimbursed 100 percent by the Department of Health Services.

CHANGE FROM THE APPROPRIATION:

The current estimate reflects an increase in projected caseload, a decrease in service hours, and a slight increase in the cost per hour.

REASON FOR YEAR-TO-YEAR CHANGE:

The budget year increase reflects caseload growth and an increase in the projected hours of service.

EXPENDITURES:

(in 000's)

PCSP	2003-04	2004-05
	Grant	Grant
Total	$5,978	$9,962
Federal	0	0
State	0	0
County	0	0
Reimbursements	5,978	9,962

Eliminate Employer Mandates

DESCRIPTION:

This premise reflects the savings from eliminating State mandates and State funding for In Home Supportive Services (IHSS) employers of record in each county.

Senate Bill 1780 (Chapter 206, Statutes of 1996) established the role of Public Authorities (PAs) which act as the employer of IHSS providers for the purpose of collective bargaining over wages, hours and other terms of employment. In 1999, Assembly Bill 1682 (Chapter 90, Statute of 1999) required counties to establish a PA or another employer of record by January 2003, and to establish advisory committees for this purpose. Statutory changes will be made to eliminate these provisions as of October 1, 2004.

IMPLEMENTATION DATE:

This premise will be implemented on October 1, 2004.

KEY DATA/ASSUMPTIONS:

- Statutory changes will be made prior to the elimination of the program.
- State funding for PAs, other county employers of record, and the advisory committees will be eliminated as of October 1, 2004.
- It was assumed that 90 percent of administrative activities performed by PAs and their attendant costs would shift to county administration.

METHODOLOGY:

- Savings in the IHSS Personal Care Services Program (PCSP) reflect the elimination of PA administration costs.
- In IHSS administration, the net costs reflect the savings due to eliminating the county employer of record and advisory committee costs equal to $4.1 million ($1.9 million State General Fund) and a cost of $31.8 million ($11.1 million State General Fund) for the transfer of duties from PAs to the counties.

FUNDING:

- The Title XIX reimbursement rate is 50 percent.
- In PCSP, the nonfederal share is split 65 percent state and 35 percent county. The county share of costs is reflected as a reimbursement, consistent with actual cash flow.
- In administration, the State and county sharing ratios are 70 percent and 30 percent, respectively, of the nonfederal share.

CHANGE FROM THE APPROPRIATION:

This is a new premise.

Eliminate Employer Mandates

REASON FOR YEAR-TO-YEAR CHANGE:

This is a new premise.

EXPENDITURES:

(in 000's)

PCSP	2003-04	2004-05
Total	$0	-$35,356
Federal	0	0
State	0	-11,491
County	0	0
Reimbursements	0	-23,865

Administration	2003-04	2004-05
Total	$0	$27,758
Federal	0	0
State	0	9,283
County	0	4,502
Reimbursements	0	13,973

Reduce State Participation in Wages

DESCRIPTION:

This premise reflects the savings from reducing the State's participation in the costs of In Home Supportive Services (IHSS) wages and benefits to the minimum wage, currently $6.75 per hour.

Under current law, IHSS/Personal Care Services Program (PCSP) providers may organize and collectively bargain for wages and individual health benefits on a county-by-county basis. In the current year, State law provides that the State will share in up to $10.10 per hour for IHSS provider wages and health benefits in the 55 counties that have an IHSS Public Authority (PA) or Non-Profit Consortium (NPC). In subsequent years, if statutorily specified State revenue triggers are met, this amount can grow in two $1.00 annual increments to a $12.10 maximum. For the three small counties that have neither a PA nor NPC, the law provides for the State to share in the cost of wages only up to the State minimum wage plus 5.31% ($7.11/hr) with no State share in health benefits. These provisions of current law will be repealed and the State will only share in the costs of wages at the minimal wage. The reduction will occur on October 1, 2004 when possible, but will be delayed in some counties until the expiration of existing collective bargaining agreements.

IMPLEMENTATION DATE:

This premise will be implemented on October 1, 2004.

KEY DATA/ASSUMPTIONS:

- Statutory changes will be made prior to the reduction in the state share of costs.
- The State minimum wage is currently $6.75 per hour.
- Implementation of the reduction will be delayed in six counties to allow for the expiration of exiting collective bargaining agreements.
- It was assumed that implementation could begin on October 1, 2004 in the remaining counties.

METHODOLOGY:

- Savings are based on the difference between the current wage and benefits in each county and the minimum wage.
- The statewide savings reflect the estimated caseload and hours in each county and each county's implementation date.

Reduce State Participation in Wages

FUNDING:

- In the PCSP, the Title XIX federal sharing ratio is based on the following Federal Medical Assistance Percentage rates:

	Rates
April 1, 2003	54.35%
October 1, 2003	52.95%
July 1, 2004	50.00%

- The nonfederal share is split 65 percent state and 35 percent county. The county share of costs is reflected as a reimbursement, consistent with actual cash flow.

CHANGE FROM THE APPROPRIATION:

This is a new premise.

REASON FOR YEAR-TO-YEAR CHANGE:

This is a new premise.

EXPENDITURES:

(in 000's)

PCSP	2003-04 Grant	2004-05 Grant
Total	$0	-$301,639
Federal	0	0
State	0	-98,033
County	0	0
Reimbursements	0	-203,606

Necessary Domestic Services

DESCRIPTION:

This premise reflects the savings from eliminating coverage for domestic and related services when recipients reside with other family members and the need for these services is met in common with other household members.

Current In-Home Supportive Services (IHSS)/Personal Care Services Program (PCSP) regulations provide that when a need for IHSS/PCSP domestic services is assessed and a recipient lives in a shared living arrangement, the living area in the house is to be divided into areas used solely by the recipient, areas used in common with others, and areas not used by the recipient. The recipient's service need is assessed based on the recipient's individual need if the room is used solely by the recipient and for common living areas the need is prorated to all the housemates. When the need for "domestic and related services" (floor sweeping, dusting, storing food, meal preparation, meal clean up, laundry, food, and shopping and errands, etc.) is met in common with other housemates, the need is prorated to all housemates with the recipient's need being his/her prorated share. Current regulations allow exemptions to the requirement to prorate "related services" if the need is met individually for any reason.

Legislation will be enacted to eliminate IHSS/PCSP coverage for domestic and related services for recipients who reside with able family members when the need for these services is met in common with other household members and to allow exceptions as noted. Instructions to counties will be issued governing when exceptions can be granted and instructing county staff to review cases to determine whether the case circumstances allow for the payment of domestic and related services for recipients residing with family members.

IMPLEMENTATION DATE:

This premise will be implemented on October 1, 2004.

KEY DATA/ASSUMPTIONS:

- Statutory changes will be made prior to the elimination of coverage for the domestic and related services in shared living situations.
- Based on October 2003 data, 139,000 cases had authorized hours for domestic and related services when another person lived in the household. The cost was $33.2 million.
- CDSS staff assumed that at least 65 percent of these recipients lived with other family members.
- It was assumed that the number of exemptions would be limited and would not lower the percentage of impacted cases below 65 percent.
- The reduction in authorized hours would be made at the time of the annual assessment.
- It was assumed that 1/12 of the cases would be assessed each month.

METHODOLOGY:

- When fully implemented, monthly savings are estimated to equal 65 percent of $33.2 million for a total of $21.6 million per month.
- The savings were phased in based on the number of cases assessed each month (7,531).

Necessary Domestic Services

FUNDING:

- In the PCSP, the Title XIX federal sharing ratio is based on the following Federal Medical Assistance Percentage rates:

Effective Dates	Rates
April 1, 2003	54.35%
October 1, 2003	52.95%
July 1, 2004	50.00%

- The nonfederal share is split 65 percent state and 35 percent county. The county share of costs is reflected as a reimbursement, consistent with actual cash flow.

CHANGE FROM THE APPROPRIATION:

This is a new premise.

REASON FOR YEAR-TO-YEAR CHANGE:

This is a new premise.

EXPENDITURES:

(in 000's)

PCSP	2003-04	2004-05
Total	$0	-$80,917
Federal	0	0
State	0	-26,298
County	0	0
Reimbursements	0	-54,619

Eliminate the Residual Program

DESCRIPTION:

This premise reflects the savings from eliminating the In-Home Supportive Services Residual Program. The current Residual Program pays for services which are not eligible for Title XIX reimbursement. In some cases, the type of service (e.g. protective supervision) is not eligible or the services are ineligible because payment was made directly to the recipient. In other cases, the costs are not eligible for federal reimbursement because the services are being provided by the recipient's spouse or the parent of a minor child. Many of the cases with an ineligible provider will be eligible for services under the Personal Care Services Program (PCSP) if a different provider is chosen. Statutory changes will be made to eliminate the program as of April 1, 2004.

IMPLEMENTATION DATE:

This premise will be implemented on April 1, 2004.

KEY DATA/ASSUMPTIONS:

- Statutory changes will be made prior to the elimination of the program.
- It was assumed that cases with an ineligible provider would change providers in order to receive services under PCSP.
- Based on information from September 2001, 24 percent of Residual cases were paid in the Residual Program because the provider was ineligible for payments under PCSP.
- It was also assumed this caseload accounts for 24 percent of expenditures.
- No reduction in the Public Authority administration costs or the Case Management Information and Payrolling System (CMIPS) contract and associated costs were assumed; but all of the cost would be paid under PCSP.
- No reduction in IHSS administration costs was assumed because of the workload associated with eliminating the program and determining potential eligibility for PCSP.

METHODOLOGY:

- Savings in the Residual program reflect the elimination of the program as of April 1, 2004.
- Increased costs in the PCSP program reflect the shift of 24 percent of Residual Program wages and benefits to PCSP and the shift of the portion of Public Authority and CMIPS costs which had been reflected in the Residual Program to PCSP.

FUNDING:

- In the PCSP, the Title XIX federal sharing ratio is based on the following Federal Medical Assistance Percentage rates:

Eliminate the Residual Program

FUNDING (continued):

	Rates
April 1, 2003	54.35%
October 1, 2003	52.95%
July 1, 2004	50.00%

- The nonfederal share is split 65 percent state and 35 percent county. The county share of costs is reflected as a reimbursement, consistent with actual cash flow.
- In the Residual Program, the State share is 65 percent of the total, and the county share is 35 percent. The county share of costs is reflected as a reimbursement, consistent with actual cash flow.

CHANGE FROM THE APPROPRIATION:

This is a new premise.

REASON FOR YEAR-TO-YEAR CHANGE:

The budget year reflects a full year of savings.

EXPENDITURES:

(in 000's)

PCSP	2003-04	2004-05
	Grant	Grant
Total	$38,979	$170,771
Federal	0	0
State	11,954	56,513
County	0	0
Reimbursements	27,025	114,258

Residual	2003-04	2004-05
	Grant	Grant
Total	-$155,037	-$656,186
Federal	0	0
State	-100,773	-422,356
County	0	-792
Reimbursements	-54,264	-233,038

Tyler v. Anderson Settlement and Implementation

DESCRIPTION:

This premise reflects court settlement and implementation costs associated with the Tyler v. Anderson lawsuit. The Tyler v. Anderson lawsuit was the result of misinterpreting the range-of-motion services coverage under the In-Home Supportive Services (IHSS) Program. As a result, some counties authorized range-of-motion services, while other counties did not. Range of motion became a covered service with the implementation of the Personal Care Services Program (PCSP) in 1993. The plaintiffs who were denied those services sued for retroactive payment. The lawsuit was settled on January 22, 1999.

KEY DATA/ASSUMPTIONS:

- The retroactive payments are for Fiscal Years (FYs) 1990-91, 1991-92, and 1992-93.
- The range-of-motion services were classified as either rubbing-of-skin services or paramedical services.
- The minimum wage in effect during the period covered by Tyler v. Anderson was $4.25 per hour.
- This estimate uses a tax-to-wages ratio of 9.79 percent.
- The initial estimate assumed that 482,000 notices would be mailed out to potentially eligible claimants. This represents the number of recipients who received IHSS and the number of IHSS service providers for FYs 1990-91, 1991-92, and 1992-93.
- The current and budget year cost estimates include costs associated with re-mailing 73,438 notices which were returned as undeliverable during the initial mailing.
- The current year also includes costs for re-opening of certain cases as agreed to with the plaintiffs attorneys. These claims include claims which were received after the initial deadline for the first mailing, claims which were denied based on information from third parties in which the recipient was not given an opportunity to respond, claims which were incorrectly paid a lesser amount, claims in which there may have been insufficient information from the doctor and claims in which the recipient may have been confused about certain questions on the form.
- The administration costs associated with this premise are included in the “IHSS Court Cases” premise.

METHODOLOGY:

Re-mailing

- Based on the number of potential claimants re-notified (73,438), the number of claims received as of August 2003 and the percentage of previous claims which were paid, the estimated number of claims to be paid is 338.
- The average payment is assumed to equal the average payment on claims paid to date ($4,575)
- The estimated payments will be $1,546,350. Since claims can be filed until June 2004, it is assumed that $400,000 will be paid in budget year.

Tyler v. Anderson Settlement and Implementation

METHODOLOGY (continued):

Claims to be reopened

- Based on a review of the claims which were denied and payment information on paid claims, the agreement to reopen claims will result in 905 payments at a costs of $1,291,300

FUNDING:

Costs associated with this premise are funded with 100 percent State General Fund.

CHANGE FROM THE APPROPRIATION:

The estimate of costs has increased due to more current information.

REASON FOR YEAR-TO-YEAR CHANGE:

The budget year costs reflect only the payment of claims that will be received too late to process in the current year.

EXPENDITURES:

(in 000's)

	2003-04	2004-05
Total	$2,438	$400
Federal	0	0
State	2,438	400
County	0	0
Reimbursements	0	0

Title XX Funding

DESCRIPTION:

This premise reflects the Title XX social services block grant awarded to the State as well as the Temporary Assistance for Needy Families (TANF) funds that are transferred to Title XX. This funding is provided under Title XX of the federal Social Security Act as amended by the federal Omnibus Budget Reconciliation Act of 1981. Federal funding for social services has been given to states under Title XX since October 1981. In order to qualify for these funds, a state must prepare an expenditure plan prior to the start of the state fiscal year, that is consistent with the five Title XX goals:

1. Achieving or maintaining economic self-support to prevent, reduce, or eliminate dependency;
2. Achieving or maintaining self-sufficiency, including reduction or prevention of dependency;
3. Preventing or remedying neglect, abuse or exploitation of children or adults unable to protect their own interests, or preserving, rehabilitating or reuniting families;
4. Preventing or reducing inappropriate institutional care by providing for community-based care, home-based care, or other forms of less intensive care; and,
5. Securing referral or admission for institutional care when other forms of care are not appropriate, or providing services to individuals in institutions.

Through State Fiscal Year (SFY) 1992-93, Title XX funds were used exclusively to fund the In-Home Supportive Services (IHSS) Program. With the implementation of the Title XIX Personal Care Services Program in 1993, a portion of the Title XX funds was shifted to other eligible programs. Those funds now support the following programs:

- IHSS Residual Program (goals 3 and 4);
- Foster Care services (goal 3);
- Child Welfare Services (CWS) (goals 3 and 4);
- Deaf Access Program (goals 1 and 2); and,
- Community Care Licensing (CCL) (goals 3 and 4).

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 13000 through 13008.
- State legislation permits Title XX funds to be used in the IHSS Residual Program and CWS to supplant the State share without affecting county funds.
- It is assumed that State statute will be amended to permit Title XX funds to be used in Foster Care to supplant the State share without affecting county funds.
- The Title XX funding awarded to California was $204.8 million for Federal Fiscal Year (FFY) 2003, $205.9 million for FFY 2004, and is estimated to be $205.9 million for FFY 2005. An additional $100.1 million in TANF grant dollars will be transferred to Title XX in SFY 2003-04, and $194.5 million in SFY 2004-05.
- The FFY awards are adjusted to conform to SFY funding needs.

Title XX Funding

METHODOLOGY:

- In SFY 2004-05, $56.0 million in TANF grant dollars will be transferred into the Title XX Block Grant to fund services for children in group homes.
- In SFY 2003-04, $41.1 million in TANF grant dollars will be transferred into the Title XX Block Grant to fund IHSS Residual services for children. TANF funds will not be transferred in the budget year because the Residual Program will be eliminated.
- In SFY 2003-04, $147.9 million in Title XX funds are being shifted to the Department of Developmental Services (DDS) for CWS. In addition, $37.0 million in TANF funds are being transferred to Title XX to supplant a portion of the State share of CWS eligible expenditures in the California Department of Social Services (CDSS). For SFY 2004-05, $147.9 million in Title XX funds are being shifted to DDS. In addition, $118.5 million in TANF funds are being transferred to Title XX for the following purposes: $52.5 million to supplant the State share of CWS eligible expenditures, $18 million to fund the CWS Redesign/Program Improvement Plan (PIP) and $48.0 million to be added to the Title XX funds shifted to DDS.
- In the Deaf Access Program, $3.2 million Title XX funds will reduce State General Fund (GF) in an otherwise 100 percent GF program.
- In CCL, $2.0 million Title XX funds will be used for non-Title IV-E claimable costs.
- In State Support, $52.1 million Title XX funds will be used in CCL.
- In the current year, $2 million in TANF grant dollars will be transferred into the Title XX Block Grant for the Low Income Women's Program in California Work Opportunity and Responsibility to Kids (CalWORKs) Substance Abuse Services. The Low Income Women's Program serves low income and homeless addicted women. The program provides case management, outpatient counseling, employment services, and other transitional services to women with income at or below 200 percent of the federal poverty level.
- In the current year and budget year, $20.0 million of TANF funds may be transferred to Title XX for child care: $10 million for CDSS' Stage One Child Care program and $10 million for the California Department of Education's (CDE) child care programs in order to broaden access to Child and Adult Care Food Program (CACFP) benefits for low-income children in proprietary child care centers.

FUNDING:

Title XX is a federal block grant that does not require a state or county match.

CHANGE FROM THE APPROPRIATION:

The current year reflects an increase in the TANF transfer to Title XX.

REASON FOR YEAR-TO-YEAR CHANGE:

The budget year growth reflects an increase in the TANF transfer to Title XX.

Title XX Funding

EXPENDITURES:

(in 000's)

	2003-04 Grant	2004-05 Grant
Total Title XX	**$305,398**	**$399,798**
Title XX Grant	205,263	205,263
TANF Transfer In	100,135	194,535
Foster Care (Item 101)	$0	$0
Foster Care (Transfer from TANF)		
Federal	0	56,000
State	0	-56,000
IHSS (Item 111)	$0	$0
IHSS (Transfer from TANF)		
Federal	41,100	0
State	-41,100	0
CWS (Item 151)	$147,903	$213,903
CWS (Title XX Transfer to DDS)	$147,903	$147,903
Federal	147,903	147,903
State	0	0
CWS (Transfer from TANF)		
For Transfer to DDS		
Federal	0	48,000
State	0	0
For CWS		
Federal	37,035	52,535
State	-37,035	-52,535

Title XX Funding

	2003-04 Grant	2004-05 Grant
For PIP		
Federal	0	18,000
State	0	0
Deaf Access (Item 151)		
	$0	$0
Federal	3,200	3,200
State	-3,200	-3,200
CCL (Item 151)	$0	$0
Federal	2,019	2,019
State	-2,019	-2,019
CCL (State Support)	$0	$0
Federal	52,141	52,141
State	-52,141	-52,141
CalWORKs Child Care (Transfer from TANF) [1]		
	$20,000	$20,000
Federal	20,000	20,000
State	0	0
CalWORKs Substance Abuse (Transfer from TANF)	$2,000	$0
Federal	2,000	0
State	0	0

[1] - TANF transfer to Title XX is contingent upon DOF's approval.

Title XIX Reimbursement – In-Home Supportive Services/CSBG/Child Welfare Services

DESCRIPTION:

This premise reflects the level of reimbursement associated with Title XIX eligible services. Federal financial participation (FFP) is authorized under Title XIX of the federal Social Security Act (42 U.S.C., section 1396, et. seq.). Certain In-Home Supportive Services (IHSS) and assessment and eligibility activities, and certain county services block grant (CSBG) activities, including adult protective services (APS), are eligible for Title XIX federal funding. Additionally, certain health-related (HR) activities in the Child Welfare Services (CWS) Program are eligible for these funds.

The California Department of Social Services has coordinated with the Department of Health Services to establish the necessary claiming processes to identify the applicable FFP.

KEY DATA/ASSUMPTIONS:

IHSS

- Authorizing statute: Welfare and Institutions Code (W&IC) sections 12300 through 12314.
- The IHSS Personal Care Services Program (PCSP) is eligible for Title XIX funding at the Federal Medical Assistance Percentage (FMAP).

CWS

- Authorizing statute: W&IC section 16500.

CSBG/APS

- Authorizing statute: W&IC sections 13004 through 13007 (CSBG) and sections 15703 through 15705.40 (APS).

METHODOLOGY:

IHSS PCSP

- The Title XIX federal sharing ratio is based on the FMAP rate of 54.35 percent effective April 1, 2003, the FMAP rate of 52.95 percent effective October 1, 2003, and the FMAP rate of 50.00 percent effective July 1, 2004.

IHSS Administration

- HR activities in support of Medi-Cal eligible recipients are eligible for Title XIX reimbursement at 50 percent. Activities performed by skilled professional medical personnel or related staff are eligible for Title XIX reimbursement at an enhanced rate of 75 percent.

CWS

- For Fiscal Year (FY) 2003-04, the Title XIX reimbursement of $36.2 million was calculated using individual county usage rates developed from FY 2001-02 actual expenditures. For FY 2004-05, the Title XIX reimbursement of $42.8 million was calculated using individual county usage rates developed from FY 2002-03 actual expenditures.

Title XIX Reimbursement – In-Home Supportive Services/CSBG/Child Welfare Services

METHODOLOGY (continued):

CSBG/APS

- HR activities in support of Medi-Cal eligible recipients are eligible for Title XIX reimbursement at 50 percent. Activities performed by skilled professional medical personnel or related staff are eligible for Title XIX reimbursement at an enhanced rate of 75 percent.

CHANGE FROM THE APPROPRIATION:

The estimate has been updated to reflect current data.

REASON FOR YEAR-TO-YEAR CHANGE:

The change is due to an increase in Title XIX eligible Health Related expenditures and a reduction in IHSS Services expenditures due to proposed program reductions.

EXPENDITURES:

(in 000's)	2003-04	2004-05
	Grant	Grant
Title XIX Total	**$1,537,877**	**$1,461,944**
Total PCSP	**$1,340,330**	**$1,233,707**
IHSS Services	1,340,330	1.233,707
Total Health-Related	**$197,547**	**$228,237**
IHSS Administration	118,354	143,138
CWS	36,261	42,806
CSBG	10,960	10,321
APS	31,972	31,972

In-Home Supportive Services Administration – Basic Costs

DESCRIPTION:

This premise reflects the costs of county welfare departments for administering the In-Home Supportive Services (IHSS) Program. Assembly Bill 1773 (Chapter 939, Statutes of 1992) required the California Department of Health Services to submit a Medicaid state plan amendment to the federal Health Care Financing Administration to include a portion of the IHSS Program as a covered service. The IHSS Program provides in-home services to the aged, blind and disabled to help individuals maintain an independent living arrangement and to avoid institutionalization.

IMPLEMENTATION DATE:

The Title XIX eligible Personal Care Services Program was implemented in April of 1993.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 12300 through 12314 and 14132.95.
- The social worker (SW) unit cost is held at $60.55 per hour in the current and budget years.
- The standard hours per case are 11.5 hours.
- The SIP expenditures are assumed to increase with caseload growth. The estimated caseload growth is 9.3 percent in the budget year.
- The estimated Title XIX reimbursement percentage is 48.59 percent, based on actual expenditure information as reported on the county administrative expense claim for Fiscal Year (FY) 2002-03.

METHODOLOGY:

The estimated cost is computed by multiplying the caseload times the standard hours per case times the SW unit cost, plus the estimated Supported Individual Provider (SIP) costs.

FUNDING:

- The State and county sharing ratios are 70 percent and 30 percent, respectively, of the nonfederal share.
- The Title XIX reimbursements are as follows:
  - (a) Costs incurred from activities to help Medi-Cal eligible adults are eligible for Title XIX reimbursements at either 75 percent or 50 percent, depending on the type of service provider; and,
  - (b) Costs incurred from non-health related activities are not eligible for Title XIX reimbursements.

In-Home Supportive Services Administration – Basic Costs

CHANGE FROM THE APPROPRIATION:

The change reflects a revised caseload projection.

REASON FOR YEAR-TO-YEAR CHANGE:

The budget year increase reflects caseload growth.

CASELOAD:

	2003-04	2004-05
Average Monthly Caseload	331,184	359,358

EXPENDITURES:

(in 000's)

	2003-04	2004-05
	County Admin.	County Admin.
Total	$237,514	$257,719
Federal	0	0
State	85,481	92,753
County	36,625	39,740
Reimbursements	115,408	125,226

County Employer of Record (AB 2235)

DESCRIPTION:

This premise reflects the cost of administrative activities necessary for counties to act as the employer of record for In-Home Supportive Service (IHSS) providers. Counties may choose to act as the employer of record for IHSS individual providers to achieve compliance with Assembly Bill (AB) 1682.

AB 2235 (Chapter 1135, Statutes of 2002) further requires any county, not in compliance with the mandates of AB 1682 within a specified timeframe, to act as the employer of record for collective bargaining purposes. To comply, counties had to provide documentation, no later than January 15, 2003, in support of compliance, or detailed information in support of delayed compliance by March 31, 2003. Counties that did not provide required documentation, or meet the delayed compliance deadline, automatically defaulted to act as the employer of record.

IMPLEMENTATION DATE:

This premise implemented on January 1, 2003.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 12300 through 12314 and 14132.95.
- The estimate assumes that seven counties will act as the employer of record in the current year, and six counties will act as the employer of record in the budget year.
- This estimate assumes that Alpine, Lassen, Mariposa, San Benito, Stansilaus and Tuolomne counties will act as employer of record for both the current year and the budget year. Imperial County will act as the employer of record until October 2003 at which time the county will implement a Public Authority.
- The estimated Title XIX reimbursement percentage is 48.59 percent based on actual expenditure information as reported on the county administrative expense claim for Fiscal Year (FY) 2002-03.

METHODOLOGY:

- The current year estimated cost is the sum of the projected annual costs for six counties and the estimated costs for Imperial County for four months.
- The budget year estimated cost is the sum of the projected annual costs for each county.

FUNDING:

The State and county sharing ratios are 70 percent and 30 percent, respectively, of the nonfederal share.

CHANGE FROM THE APPROPRIATION:

The list of counties acting as the employer of record has been updated.

County Employer of Record (AB 2235)

REASON FOR YEAR-TO-YEAR CHANGE:

Imperial County shifted to the Public Authority mode of service in November 2003.

EXPENDITURES:

(in 000's)

	2003-04 Grant	2004-05 Grant
Total	$2,428	$2,346
Federal	0	0
State	874	844
County	374	362
Reimbursements	1,180	1,140

In-Home Supportive Services (IHSS) Program Court Cases

DESCRIPTION:

This premise reflects the cost of court settlements and attorney fees relating to the IHSS Program. The costs result from settlement of lawsuits pertaining to local assistance in accordance with Budget Letter 98-22 and instructions from the Department of Finance.

KEY DATA/ASSUMPTIONS:

Tyler v. Anderson

- The Tyler v. Anderson lawsuit was the result of misinterpreted instructions regarding coverage of range-of-motion services under the IHSS Program. As a result, some recipients were authorized range-of-motion services while others were not. Range-of-motion became a covered service with the implementation of the Personal Care Services Program in 1993. The plaintiffs who were denied those services sued for retroactive payment. The lawsuit was settled on January 22, 1999.
- The estimated cost for modifying the Case Management Information and Payrolling System (CMIPS) and final closeout activities associated with the Tyler v. Anderson lawsuit is $150,000 for the current year (CY).

Other Court Cases

- The estimate for settlement costs and attorney fees relating to other court cases is based in part on actual payments for cases in the CY, and the Legal Division's projection of costs that will be paid before the end of the budget year (BY).

METHODOLOGY:

- The CY estimate of cost is the sum of the CMIPS modification costs, known settlement costs and attorney fees and $40,000 for other court cases. The costs for other related court cases represent anticipated settlement costs and attorney fees. These are state-only costs.
- The BY estimate of cost reflects anticipated settlements and attorney fees relating to the IHSS Program. These are state-only costs.

FUNDING:

The CMIPS modification costs are funded using the state and county administrative sharing ratio of 70 percent and 30 percent, respectively. IHSS costs for case settlement and attorney fees are funded with 100 percent State General Fund.

CHANGE FROM THE APPROPRIATION:

The CY increase reflects greater costs than projected for appropriation.

In-Home Supportive Services (IHSS) Program Court Cases

REASON FOR YEAR-TO-YEAR CHANGE:

The decrease reflects lower settlement costs and attorney fees projected for the BY.

EXPENDITURES:

(in 000's)

	2003-04	2004-05
	County Admin.	County Admin.
Total	$275	$40
Federal	0	0
State	275	40
County	0	0
Reimbursements	0	0

In-Home Supportive Services - Advisory Committees

DESCRIPTION:

This premise reflects the cost for counties to establish and operate In-Home Supportive Services (IHSS) advisory committees as required by Assembly Bill (AB) 1682 (Chapter 90, Statutes of 1999). AB 1682 mandated that counties act as or establish an employer-of-record for IHSS providers on or before January 1, 2003, and establish advisory committees for this purpose. The advisory committees must be established before implementation of the employer-of-record mandate and must submit recommendations to the Board of Supervisors on the preferred mode of IHSS service to be utilized in the county.

IMPLEMENTATION DATE:

This premise implemented July 1, 2000.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 12300 through 12314.
- The estimate assumes the average annual cost for advisory committees is $53,000 per county.
- The estimate assumes that all counties have established and will operate advisory committees in the current and budget years.
- The estimated Title XIX reimbursement percentage is 47.00 percent in the current and budget year, based on actual expenditure information as reported on the county administrative expense claims for Fiscal Year 2002-03.

METHODOLOGY:

The estimated cost is computed by multiplying the average annual cost per county times the number of counties estimated to establish and operate advisory committees.

FUNDING:

The federal Title XIX reimbursement represents 47.00 percent of the total funding in the current and budget years. The remaining nonfederal share is funded with 100-percent State General Fund.

CHANGE FROM THE APPROPRIATION:

San Diego County is now eligible to receive reimbursement of their advisory committee costs.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

In-Home Supportive Services - Advisory Committees

EXPENDITURES:

(in 000's)

	2003-04 Grant	2004-05 Grant
Total	$3,072	$3,072
Federal	0	0
State	1,628	1,628
County	0	0
Reimbursements	1,444	1,444

Foster Care & NAFS Administrative Costs – Basic

DESCRIPTION:

This premise reflects the administrative costs and staff development costs for the Foster Care (FC) and Non-Assistance Food Stamps (NAFS) programs. Basic administrative costs reflect county welfare department (CWD) budget requests as modified by a cost containment system pursuant to Welfare and Institutions Code (W&IC) section 14154. The FC administrative costs include the county administration for the Adoption Assistance Program (AAP). County eligibility workers are required to perform administrative functions related to AAP. Specifically, verification of linkage to the Temporary Assistance for Needy Families (TANF) Program (formerly Aid to Families with Dependent Children Program) is required for all new AAP cases to establish federal or nonfederal eligibility. Linkage is based on the child's situation at the time of removal from the natural home. The child must meet the general eligibility requirements for TANF and qualify as either a federal or state-only foster care case. Recertification is also required on a biennial basis.

IMPLEMENTATION DATE:

This premise is an annual appropriation.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&IC section 14154.
- Effective October 2002, via the H.R. 2646 Farm Bill, the federal government reinstated food stamp eligibility to noncitizens who have been in the United States for five years or more. The California Food Assistance Program (CFAP) funding associated with the Farm Bill are now identified separately and are no longer included in NAFS Basic.
- The estimates for NAFS and FC administrative costs were not adjusted for the cost of doing business because of lower revenues and other demands on the available State General Fund (GF).

METHODOLOGY:

FY 2003-04

- The NAFS estimate is adjusted for a caseload increase of 2.6 percent from the appropriation and an increase due to the Statewide Automated Welfare System (SAWS) Development and Testing Interface.
- The FC estimate has increased by $5,000 from the appropriation. This increase is due to an increase in contract funding.

FY 2004-05

- The FC estimate is adjusted for the projected caseload increase of 1.2 percent, a decrease in staff development expenditures, an increase in contract costs, and costs related to the SAWS Development and Testing Interface.
- Staff development for NAFS and FC is based on the most current actual expenditures.
- The AAP estimate is based on the most current actual expenditures.

Foster Care & NAFS Administrative Costs – Basic

- The NAFS estimate is adjusted for the projected caseload increase of 4.8 percent and an increase in costs for the SAWS Development and Testing Interface. NAFS Basic GF costs is reduced by $400,000 to fund contracted services necessary to appeal FFY 2002 Food Stamp sanction liability.

FUNDING:

FC & NAFS costs are shared 50 percent federal, 35 percent state, and 15 percent county.

Note: W&IC section 15204.4 requires a maintenance of effort (MOE) from the counties based on expenditures during FY 1996-97, which include the administration of food stamps. Please reference the "County MOE Adjustment" premise.

CHANGE FROM THE APPROPRIATION:

In FY 2003-04, the NAFS and FC estimates were updated for caseload growth. For FC, the estimate has increased by $5,000 from the appropriation. This increase is due to an increase in contract funding. For NAFS, an increase is due to the SAWS Development and Testing Interface.

REASON FOR YEAR-TO-YEAR CHANGE:

For NAFS, the change in GF expenditures for the budget year reflects an update in caseload growth, actual Staff Development expenditures and an increase in costs for the SAWS Development and Testing Interface. NAFS Basic GF costs were reduced by $400,000 to fund contracted services necessary to appeal the FFY 2002 Food Stamp sanction liability. For FC, the change also includes an increase in expenditures for the AAP and an increase in contract costs.

EXPENDITURES:

(in 000's)

Foster Care	2003-04	2004-05
	County Admin.	County Admin.
Total	$99,060	$100,438
Federal	49,751	50,425
State	35,711	36,258
County	13,598	13,755
Reimbursements	0	0

Foster Care & NAFS Administrative Costs – Basic

EXPENDITURES (Continued):

(in 000's)

NAFS	2003-04	2004-05
	County Admin.	County Admin.
Total	$424,638	$444,541
Federal	212,634	222,807
State	160,208	167,439
County	51,796	54,295
Reimbursements	0	0

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Financial Audits

DESCRIPTION:

This premise reflects the costs associated with providing financial assistance to group homes (GH) and foster family agencies (FFA) for the conduct of triennial financial audits. These payments are authorized under Senate Bill 933 (Chapter 311, Statutes of 1998).

In order to receive a foster care rate, all GH and FFA programs that provide treatment services are required to have a financial audit conducted on an annual or triennial basis. FFA treatment providers and GHs with a licensed capacity of 12 or less, that receive less than $300,000 in federal funds are eligible for partial reimbursement of the costs of triennial financial audits. Federal law also requires FFA and GH providers with federal expenditures over $300,000 to conduct an annual audit under Office of Management and Budget Circular A-133 (OMB A-133) requirements. An OMB A-133 audit requires a financial review conducted under government auditing standards, a review of internal accounting controls and program compliance, and a review of allowable activities and costs specific to the Title IV-E Foster Care Program.

IMPLEMENTATION DATE:

This premise became effective in Fiscal Year (FY) 2000-01. The change to audits being conducted on a triennial basis became effective FY 2002-03.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 11466.21.
- An eligible provider may receive up to $2,500 reimbursement for audit costs, or one-half of the costs, whichever is less.
- The Department shall review and determine that the financial audit report meets specified requirements prior to approval of reimbursement.
- Effective FY 2002-03, audit requirements for facilities with a licensed capacity of 12 or less that receive less than $300,000 federal funds per year were changed to a triennial basis.
- Claims for reimbursement are projected to be 157 for FY 2003-04 and 130 for FY 2004-05.
- Based on actual claims, the average reimbursement for a financial audit is $1,755.
- Facilities with a capacity of 12 or less that receive $300,000 or more in federal funds per year are still required under OMB A-133 to conduct annual audits but are not eligible for reimbursement.

METHODOLOGY:

The costs of providing financial assistance for the conduct of audits in FY 2004-05 is calculated by multiplying the number of eligible claims by the average reimbursement rate.

Financial Audits

FUNDING:

Reimbursements of financial audit claims are funded 100 percent State General Fund.

CHANGE FROM THE APPROPRIATION:

The FY 2003-04 estimate reflects revisions to the average cost per audit and an increase in the number of audits.

REASON FOR YEAR-TO-YEAR CHANGE:

The FY 2004-05 estimate reflects a slight reduction in the projected number of audits.

EXPENDITURES:

(in 000's)	2003-04	2004-05
	County Admin.	County Admin.
Total	$276	$228
Federal	0	0
State	276	228
County	0	0
Reimbursements	0	0

Food Stamp Administrative Reduction

DESCRIPTION:

This premise reflects the reduction in federal reimbursement of California's food stamp administrative costs based on amounts charged to the former Aid to Families with Dependent Children (AFDC) Program that could have been allocated to the Food Stamps and Medi-Cal programs for common administrative costs. Section 501 of the Agriculture Research, Extension, and Education Reform Act of 1998 (Public Law (P.L.) 105-185) required states to determine such common administrative costs during the State's Temporary Assistance for Needy Families (TANF) Program base year, Federal Fiscal Year (FFY) 1995.

The TANF block grant, which replaced the AFDC Program, is based on the historical spending levels of the former program. With the elimination of the AFDC Program and the approval of revised public assistance cost allocation plans, the federal Office of Management and Budgets (OMB) cost principles applicable to the states (OMB Circular A-87) required that common costs be allocated to all benefiting programs. Consequently, California had to determine the amount of common costs attributable to eligibility determinations charged to AFDC that could have been allocated to the Food Stamp (FS) Program. In order to assist in this process, the federal Department of Health and Human Services (DHHS) issued a guide entitled, "Implementation of Cost Allocation Determinations under the Agriculture Research, Extension and Education Reform Act." This guide provided direction to the states in determining their AFDC total base year administrative expenditures. California reviewed the base year's cost allocation methodology and the administrative costs charged to the AFDC Program. The California Department of Social Services used a primary program cost allocation methodology rather than a benefiting program cost allocation methodology for the county administrative costs during the TANF block grant base year, FFY 1995. As a result, California received federal approval of its proposed reduction amount on January 15, 1999.

The amount attributable to food stamps is to be deducted from food stamps administrative claims. The provisions of P.L. 105-185 stipulate that states may not use TANF funds to pay for this reduction, nor does it provide for a decrease in the maintenance of effort expenditures under TANF.

IMPLEMENTATION DATE:

This premise implemented on October 1, 1998.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: P.L. 105-185, section 501.
- Based on a review of quarterly federal financial reports submitted to DHHS during FFY 1995, the total federal share of common administrative expenditures was $280,097,927.
- Non-AFDC Program administrative costs and discrete AFDC costs, as defined in the guide, were identified in quarterly federal financial reports. These costs, as well as other allowable adjustments stipulated in the guide, totaled $59,412,705 and were deducted from the total federal share of common administrative expenditures.
- California's AFDC total base year administrative expenditure is $220,685,222.

Food Stamp Administrative Reduction

METHODOLOGY:

- California elected to use the optional formula described in the guide to determine the amount of the FS administrative reimbursement reduction. The optional formula is to multiply the AFDC total base year administrative expenditure by 80 percent and divide by three (for the three benefiting programs of AFDC, FS, and Medi-Cal).
- California's FS administrative reimbursement reduction is $58,849,393 ($220,685,222 x 0.80 ÷ 3).
- Assuming that the TANF block grant will be reauthorized at the same level, California will continue to reflect the reduction to the FS administrative claims.

FUNDING:

The cost is funded with 100 percent State General Fund.

CHANGE FROM THE APPROPRIATION:

There is no change

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000's)

	2003-04	2004-05
	County Admin.	County Admin.
Total	$0	$0
Federal	-58,849	-58,849
State	58,849	58,849
County	0	0
Reimbursements	0	0

Food Stamp Sanction Settlement – FFY 2001

DESCRIPTION:

This premise reflects costs associated with a sanction imposed on the State by the United States Department of Agriculture (USDA) due to county quality control (QC) error rates being above the national average. California's overpayment error rate was 12.64 percent and its underpayment rate was 4.73 percent resulting in a combined food stamp error rate of 17.37 percent for Federal Fiscal Year (FFY) 2001. The national average combined error rate for FFY 2001 was 8.66 percent. Since California's combined error rate exceeded the national performance measure; California is subject to an unadjusted liability of $138,956,123. The USDA Food and Nutrition Service (FNS) adjusted the liability amount to $115,755,306 in order to account for the high proportion of earners and immigrants in California's caseload. The USDA FNS further adjusted the liability to $114,305,661 due to a formula error.

IMPLEMENTATION DATE:

The settlement of the FFY 2001 liability is still being negotiated.

KEY DATA/ASSUMPTIONS:

- The federal food stamp sanction is imposed pursuant to Title 7, Code of Federal Regulations, section 275.23.
- The Department is currently appealing the amount of the FFY 2001 Food Stamp Sanction liability with FNS.
- Settlement and payment of the Food Stamp Sanction are anticipated to be delayed due to the appeal process.
- Unexpended funds from the prior year have been reappropriated in the current year.

METHODOLOGY:

Funds are included for contract services to appeal the sanction and to pursue error rate reduction activities.

FUNDING:

The contract services are funded 100 percent with State General Fund.

CHANGE FROM THE APPROPRIATION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

No funds are budgeted for the budget year as settlement agreements are still pending.

Food Stamp Sanction Settlement

EXPENDITURES:

(in 000's)

	2003-04 County Admin.	2004-05 County Admin.
Total	$0	$0
Federal	0	0
State	0	0
County	0	0
Reimbursements	0	0

Reappropriation Funds:[1]	2003-04 County Admin.	2004-05 County Admin.
Total	$838	$0
Federal	0	0
State	838	0
County	0	0
Reimbursements	0	0

[1]This is a non-add item.

Food Stamp Sanction Settlement – FFY 2002

DESCRIPTION:

This premise reflects costs associated with a sanction imposed on the State by the United States Department of Agriculture (USDA) due to county quality control (QC) error rates being above the national average. California's overpayment error rate was 10.15 percent and its underpayment rate was 4.69 percent resulting in a combined food stamp error rate of 14.84 percent for Federal Fiscal Year (FFY) 2002. The national average combined error rate for FFY 2002 was 8.26 percent. Since California's combined error rate exceeded the national performance measure; California is subject to an unadjusted liability of $88,888,311. The USDA Food and Nutrition Service (FNS) adjusted the liability amount to $62,556,295 in order to account for the high proportion of earners and immigrants in California's caseload.

IMPLEMENTATION DATE:

The settlement of the FFY 2002 liability is still being negotiated.

KEY DATA/ASSUMPTIONS:

- The federal food stamp sanction is imposed pursuant to Title 7, Code of Federal Regulations, section 275.23.
- The Department is currently planning to appeal the amount of the FFY 2002 Food Stamp Sanction liability with FNS.
- Settlement and payment of the Food Stamp Sanction are anticipated to be delayed due to the appeal process.

METHODOLOGY:

The funds in the budget year are included for contract services to appeal the sanction.

FUNDING:

The contract services are funded 100 percent with State General Fund.

CHANGE FROM THE APPROPRIATION:

This is a new premise.

REASON FOR YEAR-TO-YEAR CHANGE:

No funds are budgeted in the current year as settlement agreements are still pending. Funds in the budget year are included for contract services to appeal the sanction

Food Stamp Sanction Settlement – FFY 2002

EXPENDITURES:

(in 000's)

	2003-04	2004-05
	County Admin.	County Admin.
Total	$0	$400
Federal	0	0
State	0	400
County	0	0
Reimbursements	0	0

Food Stamp Employment and Training Program

DESCRIPTION:

This premise reflects the costs for the Food Stamp Employment and Training (FSET) Program, which provides job search assistance, work experience and supportive services to eligible Non-Assistance Food Stamp Program recipients. This program was established under the Food Security Act of 1985 (Public Law (P.L.) 99-198). Employment and training opportunities enable recipients to become self-sufficient and reduce their need for food stamps. Some participants are geographically excluded due to reasons such as sparse population, great distances and lack of transportation. Individual county plans are developed that specify the job services, training and supportive services available to participants.

The United States Department of Agriculture Food and Nutrition Service (USDA-FNS) provides unmatched federal employment and training funding each year. The Food Stamp Reauthorization Act of 2002 (Public Law 107-171), signed into law on May 13, 2002, and effective October 1, 2002, made significant changes to the FSET Program. The changes include freezing the base unmatched federal funds at the federal fiscal year (FFY) 2002 level through FFY 2007, adding certain criteria for a second component of unmatched federal funds each year from FFY 2002 through FFY 2007, eliminating a maintenance of effort requirement retroactive to October 1, 2001, rescinding carry-over of unmatched federal funds from years prior to FFY 2002 (unless states have already obligated the funds prior to the date of enactment), and changing the federal formula for allocating FSET funds to states. In addition, the legislation eliminated a $175 and $30 limit for offered and filled slots, a $25 limit on participant reimbursement for transportation and ancillary costs and an 80/20 spending requirement for Able Bodied Adult Without Dependents (ABAWDs) in qualifying FSET activities.

IMPLEMENTATION DATE:

This premise implemented on April 1, 1987.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 18901.
- There are 26 counties participating in the FSET Program.
- The State Fiscal Year (SFY) 2003-04 costs for this program were based on local assistance costs identified in the approved FSET Program state plan for FFY 2003 and proposed FSET Program state plan for FFY 2004.
- The SFY 2004-05 costs for this program were based on the local assistance costs identified in the proposed FSET Program state plan for FFY 2004.

METHODOLOGY:

- SFY 2003-04 represents 25 percent of the total amount of the approved FFY 2003 FSET Program state plan and 75 percent of the total amount in the proposed FFY 2004 FSET Program state plan.
- SFY 2004-05 represents 100 percent of the amount in the proposed FFY 2004 FSET Program state plan.

Food Stamp Employment and Training Program

FUNDING:

The costs in excess of the enhanced funding cap and for participant reimbursement are shared 50 percent federal and 50 percent county.[1]

2003-04: (in 000's)	**Total**	**Federal**	**State (cap)**	**County**
Enhanced Funds (100 percent)	$10,701	$10,701	$0	$0
Normal Funds [1]	$50,542	$25,271	$0	$25,271
Participant Reimbursement	$6,824	$3,412	$0	$3,412
Total	$68,067	$39,384	$0	$28,683

2004-05: (in 000's)	**Total**	**Federal**	**State (cap)**	**County**
Enhanced Funds (100 percent)	$12,031	$12,031	$0	$0
Normal Funds [1]	$49,212	$24,606	$0	$24,606
Participant Reimbursement	$6,824	$3,412	$0	$3,412
Total	$68,067	$40,049	$0	$28,018

[1] - Normal funds are used once costs exceed the enhanced funding cap and participant reimbursement costs.

CHANGE FROM THE APPROPRIATION:

The costs were updated to reflect federally approved funding levels.

REASON FOR YEAR-TO-YEAR CHANGE:

The costs were updated to reflect federally approved and proposed funding levels.

EXPENDITURES:

(in 000's)

	2003-04 County Admin.	2004-05 County Admin.
Total	$68,067	$68,067
Federal	39,384	40,049
State	0	0
County	28,683	28,018
Reimbursements	0	0

California Nutrition Promotion Network

DESCRIPTION:

This premise reflects the amount of federal matching funds that the California Department of Social Services (CDSS) passes through to the Department of Health Services (DHS). The California Nutrition Promotion Network is a statewide marketing campaign to promote healthy eating and physical activity among food stamp recipients. The Network is a collaborative effort among DHS, CDSS, California Department of Education, University of California Cooperative Extension, and private agencies. The California Nutrition Promotion Network partners with faith communities, local health departments, parks and recreation departments, and school districts. DHS is the lead agency administering the project. CDSS serves as the pass-through agency for the matching federal funds.

IMPLEMENTATION DATE:

This premise implemented on October 1, 1996.

KEY DATA/ASSUMPTIONS:

- The budget approved by the Food and Nutrition Service (FNS) for Federal Fiscal Year (FFY) 2003 of $66,180,669 was used to estimate funding for the current year (CY).
- The proposed budget for FFY 2004 of $82,953,418 was used to estimate funding for the budget year (BY).

METHODOLOGY:

- The CY estimate is based on the approved funding for FFY 2003.
- The BY estimate is based on the proposed funding for FFY 2004.

FUNDING:

The pass-through consists of 100 percent FNS federal funds.

CHANGE FROM THE APPROPRIATION:

This premise was updated to reflect the federal approved funding amount.

REASON FOR YEAR-TO-YEAR CHANGE:

This premise reflects an update to the proposed budget for FFY 2004.

California Nutrition Promotion Network

EXPENDITURES:

(in 000's)

	2003-04	2004-05
	County Admin.	County Admin.
Total	$66,181	$82,953
Federal	66,181	82,953
State	0	0
County	0	0
Reimbursements	0	0

Food Stamp Nutrition Education Plan

DESCRIPTION:

This premise reflects the amount of federal matching funds that the California Department of Social Services (CDSS) passes through to the University of California Cooperative Extension (UCCE). Food stamp applicants and recipients will be provided nutrition education services in 41 counties by local university county extension offices. California's Food Stamp Nutrition Education Plan is a cooperative effort between CDSS and UCCE. CDSS serves as the pass-through agency for the matching federal funds.

IMPLEMENTATION DATE:

This premise implemented on January 1, 1995.

KEY DATA/ASSUMPTIONS:

- The budget approved by the Food and Nutrition Service (FNS) for Federal Fiscal Year (FFY) 2003 of $4,058,314 was used to estimate funding for the current year (CY).
- The proposed budget for FFY 2004 of $4,289,093 was used to estimate funding for the budget year (BY).

METHODOLOGY:

- The CY estimate is based on the approved funding for FFY 2003.
- The BY estimate is based on the proposed funding for FFY 2004.

FUNDING:

The pass-through consists of 100 percent FNS federal funds.

CHANGE FROM THE APPROPRIATION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

This premise reflects an update to the proposed budget for FFY 2004.

Food Stamp Nutrition Education Plan

EXPENDITURES:

(in 000's)

	2003-04	2004-05
	County Admin.	County Admin.
Total	$4,058	$4,289
Federal	4,058	4,289
State	0	0
County	0	0
Reimbursements	0	0

Electronic Benefit Transfer Wireless Point-of-Sale Devices for Farmers' Markets

DESCRIPTION:

This premise originally reflected the costs associated with Point-Of-Sale (POS) devices for farmers' markets using Electronic Benefit Transfer (EBT). The costs include monthly fees and transaction fees for merchants at farmers' markets and produce stands to participate in the statewide EBT system via wireless POS devices.

Pursuant to Title 7 Code of Federal Regulations (CFR) section 274.12(h)(1), all retailers must be given the opportunity to participate in the EBT system. However, it has become clear that the merchants at farmers' markets and produce stands are not able redeem food stamp benefits under the EBT system because they are not equipped for debit transactions. The one-time cost for the POS devices and activation fees are included in the EBT automation project premise.

IMPLEMENTATION DATE:

Implementation of EBT-POS devices for farmers' markets began in some counties in October 2002.

KEY DATA/ASSUMPTIONS:

The costs associated with this premise are reflected in the EBT Project premise effective this subvention.

METHODOLOGY:

The costs associated with this premise are reflected in the EBT Project premise effective this subvention.

FUNDING:

These costs are shared 50 percent federal (FNS) and 50 percent State General Fund.

CHANGE FROM THE APPROPRIATION:

This premise is reflected in EBT Project premise.

REASON FOR YEAR-TO-YEAR CHANGE:

This premise is reflected in EBT Project premise.

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Electronic Benefit Transfer Wireless Point-of-Sale Devices for Farmers' Markets

EXPENDITURES:

(in 000's)	2003-04	2004-05
ITEM 141 – Food Stamp Administration		
	County Admin.	County Admin.
Total	$0	$0
Federal	0	0
State	0	0
County	0	0
Reimbursements	0	0

Electronic Benefit Transfer Administrative Impact

DESCRIPTION:

This premise reflects the net impact to county administrative costs associated with eliminating the current Food Stamp (FS) delivery system and California Work Opportunity and Responsibility to Kids (CalWORKs) warrant issuance and delivery, and implementing new activities for the Statewide Electronic Benefit Transfer (EBT) Project. Public Law 104-193, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, mandated an EBT system for food stamps by October 2002.

Assembly Bill (AB) 1542 (Chapter 270, Statutes of 1997) established the authority for a statewide EBT system to issue food stamp benefits and, at county option, the issuance of cash benefits. At this time, 45 counties are scheduled to use EBT for delivery of CalWORKs benefits in Fiscal Year (FY) 2004-05. EBT uses debit card technology and retailer point-of-sale terminals to automate benefit authorization, delivery, redemption and financial settlement. This system eliminates the need for food stamp coupons statewide and CalWORKs warrants in some counties. EBT also increases the assurance that benefit dollars are used appropriately and provides effective ways to reduce and prevent fraud and abuse. For the recipient, EBT increases security and safety while reducing the stigma associated with receiving public assistance.

IMPLEMENTATION DATE:

This premise implemented August 1, 2002.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 10077 and 7 Code of Federal Regulations 274.12.
- The Department has received a federal waiver to extend the October 2002 deadline for statewide EBT implementation.
- Although San Bernardino and San Diego counties have previously implemented automated food stamp issuance systems, they will be conforming to the statewide EBT system by March 2005.
- The net administrative savings for FY 2003-04 was held to the Budget Act of 2003 Appropriation level.
- The Calendar Year 2002 CalWORKs actual caseload ratio for each county is applied to the November 2003 statewide CalWORKs caseload projections to estimate each county's monthly and annual caseload for FY 2004-05.
- The Calendar Year 2002-03 food stamp caseload ratio for each county is applied to the November 2003 statewide food stamp caseload projections to estimate each county's monthly and annual caseload for FY 2004-05.
- Based on county survey data, on average 5.54 percent of the CalWORKs cases will remain in the Direct Deposit system. Specific percentages from counties participating in Direct Deposit are used to adjust each county's EBT caseload. For counties that did not provide survey data, the average percentage was applied.
- Based on available county data, it is estimated that one percent of the CalWORKs cases will be exempt from participating in EBT.

Electronic Benefits Transfer Administrative Impact

KEY DATA/ASSUMPTIONS (continued):

- Based on the most recent EBT implementation schedule, 45 counties will implement EBT for CalWORKs (40 counties will implement by the end of FY 2003-04, with five more counties implementing in FY 2004-05); and all 58 counties will implement EBT for FS (51 counties will implement EBT by the end of FY 2003-04, and all 58 counties by FY 2004-05).
- The projected casemonths impacted by EBT in FY 2004-05 are 4,466,402 for CalWORKs; 8,021,767 for FS; and 109,591 for CFAP.
- The elimination of printing and issuance of current CalWORKs benefit warrants results in a $1.69 monthly savings per case.
- The elimination of Direct Service Delivery for food stamp coupon issuance results in an average monthly savings per case of $1.77 in FY 2004-05.
- The elimination of the Food Stamp Automated Issuance and Recording (FAIR) system and the Food Stamp On-line Issuance System (FSOLIS) in Alameda, Fresno, Los Angeles, Merced, Sacramento, San Francisco, Santa Clara, Solano, Tulare, and Ventura counties and the automated food stamp issuance system in San Bernardino and San Diego counties result in an average monthly savings per case of $2.22 based on expenditure data from county expense claims from July 2002 through June 2003. For FY 2004-05, the projected casemonths impacted are 4,945,445 for FS, and 70,327 for CFAP. It is assumed that counties will experience a one-month delay in the savings associated with the elimination of these systems.
- It is assumed that 1.36 percent of the average monthly CalWORKs caseload and 1.9 percent of the average monthly food stamp caseload would have required the processing of an affidavit of no-receipt prior to the implementation of EBT.
- It is assumed that implementation of EBT will eliminate the need for processing affidavit of non-receipt for lost or stolen coupons or warrants for ongoing CalWORKs cases in FY 2004-05. Some costs are still assumed for processing affidavit of non-receipts for new EBT cases (3.69 percent for CalWORKs and 8.03 percent for food stamps).
- Based on county experience it requires 30 minutes of eligibility worker (EW) time for FS and 60 minutes of EW time for CalWORKs and 20 minutes of clerical time to process an affidavit of non-receipt resulting in a $34.14 cost per case for FS and $62.57 for CalWORKs in FY 2004-05.
- Most eligibility workers (EWs) will have received system access prior to FY 2004-05. However, based on budget year implementation schedules, there will be an additional 974 Ews for CalWORKs and 397 EWs for FS/CFAP who will need access to the EBT system in FY 2004-05.
- It is assumed that the annual EW turnover would be 20 percent in FY 2004-05 (1,365 EWs for CalWORKs, and 352 EWs for FS/CFAP).
- It is assumed that it would take 15 minutes of an Associate Information Systems Analyst (AISA) time ($7.45 per 15 minutes) to provide EBT system access and assistance.
- The United States Department of Agriculture (USDA) Food and Nutrition Services (FNS) requires specific daily settlement, reconciliation, and reporting activities for EBT. It is assumed that each county will need on average one full-time equivalent (FTE) staff person at a monthly salary rate of $4,653.00 to perform these new Food Stamp activities statewide.

Electronic Benefits Transfer Administrative Impact

KEY DATA/ASSUMPTIONS (continued):

- Pursuant to State regulations, CalWORKs and FS/CFAP recipients shall be eligible for a fair hearing process to dispute EBT system errors. The recipient will have 90 calendar days from the date of the notice of adjustment to request a fair hearing.
- It is assumed that there would be 1,357 cases (450 for CalWORKs and 907 for FS/CFAP) in FY 2004-05 resulting in EBT system errors. It is assumed that it would take one hour of an EWs time to process the CalWORKs/FS/CFAP benefit adjustment claims ($57.57 for CalWORKs and $58.27 per hour for FS/CFAP).
- It is assumed that 50 percent of all new CalWORKs and Food Stamp cases will require 15 minutes of training on how to access benefits with the EBT card. The number of estimated cases requiring training in FY 2004-05 are 82,405 for CalWORKs; 202,150 for FS; and, 10,074 for CFAP. The EW cost for the 15 minutes of training is $14.39 per CalWORKs case and $14.57 per Food Stamps case.
- It is assumed that new county staff will required five additional training hours associated with EBT, $57.57 for CalWORKs and $58.27 per hour for FS/CFAP.
- It is assumed that 2,640,000 EBT pamphlets and posters will be needed for new clients in FY 2004-05.
- The CFAP savings estimate is based on applicable assumptions as used for CalWORKs and FS.

METHODOLOGY:

- The administrative impact to the CalWORKs, FS, and CFAP programs is a net result of the total savings resulting from the elimination of obsolete activities and total costs associated with new activities for the EBT Program.
- The net savings for FS/CFAP is the sum of the savings from elimination of the direct service delivery and FAIR/FSOLIS systems and elimination of affidavit of non-receipt; the costs for the new daily, settlement, reconciliation, and reporting activity; EBT security; EBT benefit adjustment claim process; and training costs for new staff and new clients.
- The net savings for the CalWORKs Program is the sum of the net savings from eliminating the issuance of CalWORKs warrants and eliminating the affidavit of non-receipt for existing cases, the cost for EBT benefit adjustment claims, the cost for EBT security activity, and training costs for new staff and new clients.
- The total savings resulting from the elimination of the food stamp direct service delivery system is calculated by multiplying the savings per case by the number of affected months (e.g., for FS: $1.77 x 8,021,767 for FY 2004-05).
- The total savings resulting from the elimination of the FAIR and FSOLIS systems is calculated by multiplying the savings per case by the number of affected casemonths (e.g., for FS: $2.22 x 4,945,445 for FY 2004-05).
- The total savings from eliminating the issuance of CalWORKs warrants is calculated by multiplying the savings per case by the number of affected casemonths (e.g., $1.69 x 4,466,402 for FY 2004-05).
- The cost for processing EBT benefit adjustment claims as a result of EBT system errors are calculated by multiplying the number of adjustment claims during the year and one hour of EW cost (e.g., for CalWORKs: 450 x $57.57 for FY 2004-05).

Electronic Benefits Transfer Administrative Impact

METHODOLOGY (continued):

- The total costs of the new food stamp daily settlement, reconciliation, and reporting activity is calculated by multiplying the number of full-time equivalents by the EWs monthly salary by the number of affected casemonths (e.g., for FS: .84 x $4,653.00 x 652 for FY 2004-05).
- The total costs of the new EBT security activity is calculated by multiplying the number of affected EWs (including turnover) by one quarter of the AISAs hourly salary (e.g., for FS: 749 (397 + 352) x $7.45 for FY 2004-05).
- The savings associated with the eliminating the processing of affidavit of non-receipts was calculated by multiplying each county's impacted casemonths by the percentage of cases requiring processing of an affidavit of non-receipts prior to implementation of EBT (e.g., for CalWORKs: 1.36 percent). The percentage of new cases (e.g., for CalWORKs: 3.69 percent) was then subtracted from these cases and the total was multiplied by the amount of administrative cost (e.g., for CalWORKs: $62.75) to determine the total savings.
- The staff training is calculated by multiplying the number of EW turnover by five hours of the EWs salary (e.g., for FS: 564 x $291.35 for FY 2004-05).
- The client training is calculated by multiplying the average number of new applicant cases by one quarter or the EWs salary (e.g., for FS: 202,150 x $14.57 for FY 2004-05).
- The printing cost for 2,640,000 EBT pamphlets and posters is $139,000 ($103,500 for Food Stamps and $35,500 for CalWORKs).
- The CFAP savings are included in the food stamp estimate.

FUNDING:

Funding for CalWORKs Administration is 90.3 percent TANF and 9.7 percent State General Fund (GF). The Federal Food Stamp sharing ratio is 50 percent federal, 35 percent state, and 15 percent county funds. CFAP savings are 100 percent GF. The sharing ratios for the EBT printing costs are 50 percent federal and 50 percent state for FS and 100 percent TANF for CalWORKs.

CHANGE FROM THE APPROPRIATION:

There is no change. This premise is being held at the Budget Act of 2003 Appropriation level.

REASON FOR YEAR-TO-YEAR CHANGE:

The BY reflects increased savings resulting from additional counties implementing EBT.

Electronic Benefits Transfer Administrative Impact

EXPENDITURES:

(in 000's)

ITEM 101 – CalWORKs Administration	2003-04 County Admin.	2004-05 County Admin.
Total	-$3,464	-$9,560
Federal	-3,121	-8,629
State	-343	-931
County	0	0
Reimbursements	0	0

ITEM 141 – Food Stamp Administration	2003-04 County Admin.	2004-05 County Admin.
Total	-$6,838	-$22,341
Federal	-3,372	-11,034
State	-2,439	-7981
County	-1,027	-3,326
Reimbursements	0	0

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Refugee Cash Assistance – Administration

DESCRIPTION:

This premise reflects the costs necessary to perform the administrative functions of the Refugee Cash Assistance (RCA) Program. The RCA Program provides cash grants to refugees during their first eight months in the United States (U.S.) if they are not otherwise eligible for the standard categorical welfare programs. The RCA administrative costs include salaries and benefits of eligibility workers and first line supervisors who determine eligibility and provide ongoing case management for the RCA Program. Also included are allocated overhead and direct costs.

IMPLEMENTATION DATE:

This premise implemented on March 17, 1980.

KEY DATA/ASSUMPTIONS:

- Section 1522 of Title 8 of the United States Code (U.S.C.) authorizes the federal government to provide grants to the states to assist refugees who resettle in the U.S.
- Sections 13275 through 13282 of the Welfare and Institutions Code authorize the Department to administer the funds provided under Title 8 of the U.S.C. It also provides the Department authority to allocate the federal funds to the counties.
- From June 2002 to June 2003, the average administrative monthly cost per RCA case was $108.90.
- The average monthly caseload is 1,325 for Fiscal Year (FY) 2003-04. The average monthly caseload is projected at 1,403 for FY 2004-05.

METHODOLOGY:

The average cost per case for RCA administration is multiplied by the estimated caseload for each fiscal year to arrive at the total cost.

FUNDING:

This program is 100 percent federally funded with the Cash, Medical and Administration Grant through the Office of Refugee Resettlement.

CHANGE FROM THE APPROPRIATION:

The FY 2003-04 estimate has decreased due to a lower average monthly caseload than previously estimated.

REASON FOR YEAR-TO-YEAR CHANGE:

The total costs increase is due to a projected caseload increase in FY 2004-05.

Refugee Cash Assistance – Administration

EXPENDITURES:

(in 000's)

	2003-04	2004-05
	County Admin.	County Admin.
Total	$1,732	$1,834
Federal	1,732	1,834
State	0	0
County	0	0
Reimbursements	0	0

Statewide Automated Welfare System Interface with Existing Systems

DESCRIPTION:

This premise reflects costs for consultant services to complete changes to the State Hearing System to allow for interface with the California Work Opportunity and Responsibility to Kids Information Network. This interface is necessary because the State Hearing System contains critical information needed for the eligibility determination function. Although state system program staff will play a critical role in the system changes, consultant staff will complete actual development.

IMPLEMENTATION DATE:

The premise implemented January 5, 2004.

KEY DATA/ASSUMPTIONS:

The cost assumptions are based on the experience of the Health and Human Services Data Center in the development of similar interfaces.

METHODOLOGY:

The Fiscal Year (FY) 2003-04 estimate is being held at the appropriation level.

FUNDING:

The SAWS Interface funding is a combination of federal and State General Fund. Federal funds include Title XIX reimbursement and Temporary Assistance for Needy Families. The funding split is derived from the State Hearings Division cost allocation plan.

CHANGE FROM THE APPROPRIATION:

The implementation date for this premise was delayed from October 1, 2003 until January 5, 2004. However, there is no impact to the amount of funding for FY 2003-04.

REASON FOR YEAR-TO-YEAR CHANGE:

No funds have been budgeted in FY 2004-05 as these are one-time costs for the current year.

Statewide Automated Welfare System Interface with Existing Systems

EXPENDITURES:

(in 000's)

	2003-04	2004-05
	County Admin.	County Admin.
Total	$225	$0
Federal	79	0
State	92	0
County	0	0
Reimbursements	54	0

Merced Automated Global Information Control (MAGIC)

DESCRIPTION:

This premise reflects funding for county personnel and vendor maintenance and operation costs. The automated eligibility system developed in Merced County was the Merced Automated Global Information Control (MAGIC) system. MAGIC is only used in Merced County.

IMPLEMENTATION DATE:

This premise implemented on October 1, 1998.

KEY DATA/ASSUMPTIONS:

- Authorizing Statue: Welfare and Institutions Code (W&IC) section 10823.5.
- This estimate is based on the advance planning document update from November 1993 and updated caseload data.
- Merced County shall pay the county share of MAGIC application maintenance costs based on its percentage share of the total caseload for the consortium approved for Merced County.

METHODOLOGY:

- The FY 2003-04 estimate for MAGIC costs was adjusted by caseload growth 2.6 percent for Food Stamps Administration.
- The FY 2004-05 estimate for MAGIC cost was adjusted by caseload growth of 4.8 percent for Food Stamps Administration and 1.2 percent for Foster Care Administration.

FUNDING:

The MAGIC funding is a combination of various sources. Federal funds include the normal share of Temporary Assistance for Needy Families (TANF), Title IV-E, United States Department of Agriculture/Food and Nutrition Service and Refugee Resettlement Programs. The project is also eligible for Title XIX federal funding budgeted by the Department of Health Services. Based on the cost allocation plan for the project, the federal share of the California Work Opportunity and Responsibility to Kids Program is 100 percent TANF-eligible. Project-related TANF funds are identified in total within the "Additional TANF/MOE Expenditures in CDSS" section in the TANF section of each Detail Table.

Note: W&IC section 15204.4 requires a maintenance of effort (MOE) from the counties based on expenditures during FY 1996-97, which included the administration of food stamps. Please reference the "County MOE Adjustment" premise description.

Merced Automated Global Information Control (MAGIC)

CHANGE FROM THE APPROPRIATION:

The current year increase is due to caseload growth for Food Stamps Administration.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase in total funds for FY 2004-05 is due to caseload growth.

EXPENDITURES:

(in 000's)

	2003-04	2004-05
	County Admin.	County Admin.
Total	$7,019	$7,126
Federal	5,683	5,737
State	897	934
County	439	455
Reimbursements	0	0

SAWS Statewide Project Management

DESCRIPTION:

This premise reflects costs for the Statewide Automated Welfare System (SAWS) Statewide Project Management. This activity is performed by the Health and Human Services Data Center (HHSDC) in accordance with Welfare and Institutions Code (W&IC) 10823(a), which requires HHSDC to implement SAWS. The HHSDC provides statewide project management for the four SAWS consortia and the Welfare Data Tracking Implementation Project.

The HHSDC provides state-level project management, including securing project approvals and funding, procuring and managing Independent Verification and Validation consultant services and other contract services, monitoring consortia implementation and ongoing operations, reviewing and approving selected consortia deliverables, applying early issue identification and resolution methods, managing risk, managing stakeholder involvement, and approving and tracking expenditures. Consortia are responsible for defining county-level system requirements, and for the competitive procurement of system hardware and software development, implementation support, and maintenance and operations of the consortia systems.

IMPLEMENTATION DATE:

This premise implemented on July 1, 1995.

KEY DATA/ASSUMPTIONS:

Authorizing statute: W&IC Section 10823.

METHODOLOGY:

The costs are based on the December 2001 (Revised May 2002) SAWS Statewide Project Management Implementation Advance Planning Document Update.

FUNDING:

The Statewide Project Management funding comes from various sources. Federal funds include the normal share of Food Stamp, Title IV-E and Refugee Resettlement Programs funding. The project is eligible for Title XIX federal funding, which is budgeted by the Department of Health Services. The Temporary Assistance for Needy Families (TANF) Program block grant is the funding source for TANF eligible costs. The balance of the funding is State General Fund. Based on the cost allocation plan for the project, the federal share of the California Work Opportunity and Responsibility to Kids Program is 100 percent TANF eligible. Project-related TANF funds are identified in total within the “Additional TANF/MOE Expenditures in CDSS” in the TANF section of each Detail Table.

CHANGE FROM THE APPROPRIATION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

SAWS Statewide Project Management

EXPENDITURES:

(in 000's)

	2003-04	2004-05
	County Admin.	County Admin.
Total	$6,054	$6,054
Federal	2,150	2,150
State	2,437	2,437
County	0	0
Reimbursements	1,467	1,467

CDSS/HHSDC PARTNERSHIP:

(in 000's)

	2003-04	2004-05
Total	6,054	6,054
CDSS	0	0
HHSDC	6,054	6,054

Welfare Data Tracking Implementation Project (WDTIP)

DESCRIPTION:

This premise reflects costs for the Statewide Automated Welfare System (SAWS) - Welfare Data Tracking Implementation Project (WDTIP). Project management for WDTIP is provided by the Health and Human Services Data Center. WDTIP provides counties with the automated functionality required to conform to statewide tracking of time-on-aid requirements mandated by welfare reform in Chapter 270, Statutes of 1997 (AB 1542).

IMPLEMENTATION DATE:

This premise implemented on July 1, 1999.

KEY DATA/ASSUMPTIONS:

Authorizing statute: Welfare and Institutions Code section 11454.5(b)(4).

METHODOLOGY:

The costs are based on the June 2002 (Revised January 2003) SAWS-WDTIP Implementation Advance Planning Document Update.

FUNDING:

The SAWS-WDTIP funding is 100 percent California Work Opportunity and Responsibility to Kids (CalWORKs)/Temporary Assistance for Needy Families (TANF). Based on the cost allocation plan for the project, the federal share of the CalWORKs Program is 100 percent TANF eligible. Project-related TANF funds are identified in total within the "Additional TANF/MOE Expenditures in CDSS" section in the TANF section of each Detail Table.

CHANGE FROM THE APPROPRIATION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

The decrease in Fiscal Year (FY) 2004/05 reflects the planned completion of data conversion activities for the Los Angeles Eligibility, Automated Determination, Evaluation and Reporting (LEADER) system in FY 2003/04.

Welfare Data Tracking Implementation Project (WDTIP)

EXPENDITURES:

(in 000's)

	2003-04	2004-05
	County Admin.	County Admin.
Total	$7,123	$3,831
Federal	7,123	3,831
State	0	0
County	0	0
Reimbursements	0	0

CDSS/HHSDC PARTNERSHIP:

(in 000's)

	2003-04	2004-05
Total	$7,123	$3,831
CDSS	2,989	0
HHSDC	4,134	3,831

Interim Statewide Automated Welfare System (ISAWS)

DESCRIPTION:

This premise reflects the costs for the Interim Statewide Automated Welfare System (ISAWS) Consortium, one of four consortia within the Statewide Automated Welfare System (SAWS) Project. State level project management for SAWS is provided by the Health and Human Services Data Center (HHSDC). In addition, HHSDC provides computing, application maintenance and operational support services for the ISAWS Consortium. The Consortium is comprised of 35 counties.

IMPLEMENTATION DATE:

This premise implemented on July 1, 1994.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code Section 10823.
- The ISAWS estimate reflects ongoing maintenance and operations (M&O) costs.

METHODOLOGY:

Costs are based on the June 2002 (Revised January 2003) SAWS-ISAWS Consortium Implementation Advance Planning Document Update, as modified by a recent application maintenance procurement.

FUNDING:

ISAWS funding comes from various sources. Federal funds include the normal shares of Food Stamp, Title IV-E and Refugee Resettlement Programs funding. Also, the project is eligible for Title XIX federal funding, which is budgeted by the Department of Health Services. The Temporary Assistance for Needy Families (TANF) program block grant is the funding source for TANF-eligible costs. The balance of the funding is State General Fund (GF) and the county share of Food Stamp and Title IV-E costs. Based on the cost allocation plan for the project, the federal share of the California Work Opportunity and Responsibility to Kids Program is 100 percent TANF-eligible. Project-related TANF funds are identified in total within the "Additional TANF/MOE Expenditures in CDSS" section in the TANF section of each Detail Table.

CHANGE FROM THE APPROPRIATION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

The net decrease for FY 2004-05 is primarily the result of savings for the new application maintenance contract. The savings are partially offset by increased hardware and software maintenance costs.

Interim Statewide Automated Welfare System (ISAWS)

EXPENDITURES:

(in 000's)

	2003-04	2004-05
	County Admin.	County Admin.
Total	$37,026	$36,272
Federal	13,694	13,415
State	13,546	13,270
County	0	0
Reimbursements	9,786	9,587

CDSS/HHSDC PARTNERSHIP:

(in 000's)

	2003-04	2004-05
Total	$37,026	$36,272
CDSS	149	149
HHSDC	36,877	36,123

Los Angeles Eligibility, Automated Determination, Evaluation and Reporting (LEADER)

DESCRIPTION:

This premise reflects the costs for the Los Angeles Eligibility, Automated Determination, Evaluation and Reporting (LEADER) Consortium, one of four consortia within the Statewide Automated Welfare System (SAWS) Project. The Health and Human Services Data Center provides state level project management for SAWS. The LEADER Consortium includes only Los Angeles County.

IMPLEMENTATION DATE:

This premise implemented on July 1, 1994.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 10823.
- The LEADER estimate reflects ongoing maintenance and operations costs.
- The county will extend its maintenance and operations (M&O) contract for 24 months, beginning in May 2005.

METHODOLOGY:

The costs are based on the June 2003 SAWS-LEADER Implementation Advance Planning Document Update, as modified by a budget reduction proposal.

FUNDING:

The LEADER funding comes from various sources. Federal funds include the normal shares of Food Stamp and Refugee Resettlement Programs funding. Also, the project is eligible for Title XIX federal funding, which is included in the Department of Health Services budget. The Temporary Assistance for Needy Families (TANF) Program block grant is the funding source for TANF-eligible costs. The balance of the funding is State General Fund (GF) and the county share of Food Stamp and General Relief costs. Based on the cost allocation plan for the project, the federal share of the California Work Opportunity and Responsibility to Kids Program is 100 percent TANF eligible. Project-related TANF funds are identified in total within the "Additional TANF/MOE Expenditures in CDSS" section in the TANF section of each Detail Table.

CHANGE FROM THE APPROPRIATION:

The Fiscal Year (FY) 2003-04 decrease reflects updated network and processing costs for data required for electronic benefit transfer.

REASON FOR YEAR-TO-YEAR CHANGE:

The FY 2004-05 increase is associated with extending ongoing M&O costs through June 2005 and initiating procurement activities for a new M&O contract. The increase is partially offset by the elimination of costs for printing and supplies.

Los Angeles Eligibility, Automated Determination, Evaluation and Reporting (LEADER)

EXPENDITURES:

(in 000's)

	2003-04	2004-05
	County Admin.	County Admin.
Total	$14,070	$15,605
Federal	9,202	10,205
State	3,083	3,420
County	1,785	1,980
Reimbursements		

CDSS/HHSDC PARTNERSHIP:

(in 000's)

	2003-04	2004-05
Total	$14,070	$15,605
CDSS	14,070	$15,605
HHSDC	0	0

Welfare Client Data System (WCDS)

DESCRIPTION:

This premise reflects costs for the Welfare Client Data System (WCDS) Consortium, one of the four consortia within the Statewide Automated Welfare System (SAWS) Project. The Health and Human Services Data Center provides state level project management for SAWS. The WCDS Consortium is comprised of 18 counties.

IMPLEMENTATION DATE:

This premise implemented on July 1, 1997.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code Section 10823.
- Implementation activities began in February 2000.
- Implementation activities are scheduled to be completed in Fiscal Year (FY) 2006/07.

METHODOLOGY:

The costs are based on the June 2003 SAWS-WCDS Consortium Implementation Advance Planning Document Update, as modified by a budget reduction proposal.

FUNDING:

The WCDS funding comes from various sources. Federal funds include the normal shares of Food Stamp and Refugee Resettlement Programs funding. Also, the project is eligible for Title XIX federal funding, which is budgeted by the Department of Health Services. The Temporary Assistance for Needy Families (TANF) Program block grant is the funding source for TANF-eligible costs. The balance of the funding is State General Fund (GF), the county share of General Assistance/General Relief costs, and the county share of application development costs. Based on the cost allocation plan for the project, the federal share of the California Work Opportunity and Responsibility to Kids Program is 100 percent TANF-eligible. Project-related TANF funds are identified in total within the "Additional TANF/MOE Expenditures in CDSS" section in the TANF section of each Detail Table.

CHANGE FROM THE APPROPRIATION:

There is a decrease in FY 2003/04 due to pilot implementation being shifted from FY 2003/04 to FY 2004/05.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase in FY 2004/05 reflects implementation of the pilot counties plus three additional counties.

Welfare Client Data System (WCDS)

EXPENDITURES:

(in 000's)

	2003-04	2004-05
	County Admin.	County Admin.
Total	$83,436	$91,613
Federal	44,171	47,317
State	25,177	28,326
County	3,913	4,044
Reimbursements	10,175	11,926

CDSS/HHSDC PARTNERSHIP:

(in 000's)

	2003-04	2004-05
Total	$83,436	$91,613
CDSS	83,436	91,613
HHSDC	0	0

Consortium IV (C-IV)

DESCRIPTION:

This premise reflects the costs for Consortium IV (C-IV), one of four consortia within the Statewide Automated Welfare System (SAWS) Project. The Health and Human Services Data Center provides state level project management for SAWS. Consortium IV is comprised of four counties.

IMPLEMENTATION DATE:

This premise implemented on July 1, 1997.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code Section 10823.
- Implementation activities began March 1, 2001.
- Implementation activities are scheduled to be completed in Fiscal Year (FY) 2004/05.

METHODOLOGY:

The costs are based on the June 2003 SAWS-C-IV Implementation Advance Planning Document Update.

FUNDING:

The C-IV funding comes from various sources. Federal funds include the normal shares of Food Stamp, Title IV-E and Refugee Resettlement Programs funding. The project is eligible for Title XIX federal funding, which is budgeted by the Department of Health Services. The Temporary Assistance for Needy Families (TANF) Program block grant is the funding source for TANF-eligible costs. The balance of the funding is State General Fund and the county share of application development costs. Based on the cost allocation plan for the project, the federal share of the California Work Opportunity and Responsibility to Kids Program is 100 percent TANF-eligible. Project-related TANF funds are identified in total within the "Additional TANF/MOE Expenditures in CDSS" section in the TANF section of each Detail Table.

CHANGE FROM THE APPROPRIATION:

There is a decrease in FY 2003/04 due to a reduction in hardware costs.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase in costs in FY 2004/05 reflects the implementation in the last two counties and initiation of the maintenance and operations phase.

Consortium IV (C-IV)

EXPENDITURES:

(in 000's)

	2003-04	2004-05
Total	$53,735	$89,731
Federal	33,418	49,699
State	13,974	26,792
County	0	0
Reimbursements	6,343	13,240

CDSS/HHSDC PARTNERSHIP:

(in 000's)	2003-04	2004-05
Total	$53,735	$89,731
CDSS	53,735	89,731
HHSDC	0	0

Statewide Fingerprint Imaging System (SFIS)

DESCRIPTION:

This premise reflects the cost for the Statewide Fingerprint Imaging System (SFIS). Senate Bill 1780 (Chapter 206, Statutes of 1996) required applicants for, and recipients of California Work Opportunity and Responsibility to Kids (CalWORKs), Non-Assistance Food Stamp (NAFS), and California Food Assistance Program benefits to be fingerprint imaged as a condition of eligibility.

The following persons must provide fingerprint images and a photo image: (1) each parent and/or caretaker relative of an aided or applicant child when living in the home of the child; (2) each parent and/or caretaker relative receiving or applying for aid on the basis of an unaided excluded child; (3) each aided or applicant adult; and, (4) the aided or applicant pregnant woman in an assistance unit (AU) consisting of the woman only. Failure to provide the required images will result in ineligibility for the entire AU.

IMPLEMENTATION DATE:

The first phase of counties began implementation on March 14, 2000. The statewide implementation of the SFIS was completed on December 7, 2001.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 10830.
- The Health and Human Services Data Center (HHSDC) cost estimates reflected in this premise are based on the new negotiated contract with the SFIS development contractor that was a result of the second procurement effort (RFP HWDC-8001). Cost estimates are based on the following:
  - Development and implementation vendor – The development and implementation vendor contract estimate is based on a structured monthly lease and maintenance cost for state and county-operated workstations and a "per transaction" cost. The "per transaction" cost includes: vendor project staff; help desk when the system is operational; fingerprint examiners; system operators; lease/maintenance costs for host computer(s) (i.e., central site); software development and maintenance; and user training classes.
  - Independent verification and validation vendor – Independent verification and validation staff will be utilized to assure the state that the development and implementation vendor is providing the promised product at the lowest cost, and to reduce any risk factors during the development and implementation phases of the project.
  - Change control – Change control is necessary since there are always items not addressed in the RFP, which require changes in the program(s). These can be legislative, interface, capacity or workload changes that affect the new system.
  - Site preparation – Site preparation will also be a vendor cost. The site preparation estimate includes implementation team staff and associated travel.

METHODOLOGY:

The cost estimates are based on the negotiated contract with the SFIS development contractor and the September 1999 contract start date as reported in the October 2003 Special Project Report.

Statewide Fingerprint Imaging System (SFIS)

FUNDING:

The automation project costs are funded with State General Fund (GF) for the CalWORKs and Food Stamps programs and county share of General Assistance/General Relief costs. Project-related TANF funds are identified in total within the "Additional TANF/MOE Expenditures in CDSS" section in the TANF section of each Detail Table.

CHANGE FROM THE APPROPRIATION:

The SFIS is re-engineering its Wide Area Network (WAN) to reflect its current network traffic and new technology resulting in current year and budget year savings. Some of this savings (below the line) produced by this re-engineering will be redirected (above the line) to provide the funding needed for the required consultants, with the remaining savings being made available for other uses

REASON FOR YEAR-TO-YEAR CHANGE:

The SFIS needs to shift spending authority from the HHSDC Cannery (below the line) to project spending authority, to fund consultants to perform Quality Assurance (QA) and Project Management (PM) functions, including Training, Project Management Office and application support, that are required for the continued success of the project and to meet reporting requirements.

EXPENDITURES:

(in 000's)

	2003-04	2004-05
	County Admin.	County Admin.
Total	$8,471	$8,520
Federal	0	0
State	8,220	8,268
County	251	252
Reimbursements	0	0

CDSS/HHSDC PARTNERSHIP:

(in 000's)

	2003-04	2004-05
Total	$8,471	$8,520
CDSS	0	0
HHSDC	8,471	8,520

Statewide Electronic Benefit Transfer (EBT) Project

DESCRIPTION:

This premise reflects the costs associated with implementation activities and ongoing operations for the Statewide Electronic Benefit Transfer (EBT) Project. Public Law 104-193, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, mandates an EBT system for food stamps by October 2002.

In accordance with Welfare and Institutions Code (W&IC) section 10069.5, the EBT system project management was transferred to the Health and Human Services Data Center (HHSDC). Assembly Bill 2779 (Chapter 329, Statutes of 1998), that adopted Section 10075.5 of the W&IC, states: "The State shall be responsible for procuring and contracting for a single statewide electronic benefits transfer system." The language goes on to state that HHSDC shall be the project manager of the system and shall be responsible for system planning, procurement, development, implementation, operation, and all other activities that are consistent with a state-managed project and a statewide system.

The State Legislature requires a system for food stamps and allows counties the option of including cash benefits. EBT uses debit card technology and retailer point-of-sale terminals to automate benefit authorization, delivery, redemption and financial settlement. This system eliminates the need for food stamp coupons. EBT also increases the assurance benefit dollars are used appropriately and provides effective ways to reduce and prevent fraud and abuse. For the recipient, EBT increases security and safety while reducing the stigma associated with receiving public assistance.

IMPLEMENTATION DATE:

This premise implemented in Fiscal Year (FY) 1997-98.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&IC section 10069.
- Implementation activities began in July 2001.
- County operations began in July 2002 with the two-county pilot.
- Statewide conversion is scheduled for completion by September 2004.

METHODOLOGY:

The EBT planning costs are detailed in the January 2001 EBT Planning Advance Planning Document Update. Implementation costs, ongoing operations costs, and county rollout schedule are detailed in the April 2001 Implementation Advance Planning Document, the July 2002 Implementation Advance Planning Document Update (IAPDU) and the July 2003 IAPDU.

Statewide Electronic Benefit Transfer (EBT) Project

FUNDING:

The EBT funding comes from the Food Stamp Program (FSP) and Temporary Assistance for Needy Families (TANF) Program. Federal funds and State General Fund are provided for the FSP. The TANF Program block grant is the funding source for TANF-eligible costs. Based on the cost allocation plan for the project, the federal share of the California Work Opportunity and Responsibility to Kids Program is 100 percent TANF- eligible. Project-related TANF funds are identified in total within the "Additional TANF/MOE Expenditures in CDSS" section in the TANF section of each Detail Table.

CHANGE FROM THE APPROPRIATION:

A net decrease in current year reflects an updated allocation of costs to benefiting programs for FY 2003-04 resulting from revised caseload projections. In addition, this premise reflects the reversal of the proposed 2003-04 State and Local Realignment included in the prior subvention.

REASON FOR YEAR-TO-YEAR CHANGE:

The decrease in FY 2004-05 reflects an updated allocation of costs to the benefiting programs resulting from revised caseload projections. In addition, this premise reflects the reversal of the proposed 2003-04 State and Local Realignment.

EXPENDITURES:

(in 000's)	2003-04	2004-05
	County Admin.	County Admin.
Total	$63,282	$57,854
Federal	41,049	38,331
State	19,063	13,986
County	3,170	5,537
Reimbursements	0	0

CDSS/HHSDC PARTNERSHIP:

(in 000's)	2003-04	2004-05
Total	$63,282	$57,854
CDSS	8,842	1,902
HHSDC	54,440	55,952

Child Welfare Services – Basic Costs

DESCRIPTION:

This premise reflects the costs incurred by county welfare departments (CWDs) in the administration of each component of the Child Welfare Services (CWS) Program as established through the Welfare and Institutions Code (W&IC) section 16500. W&IC section 11461(e)(4)(B) provides additional funding to counties as incentives and assistance specifically for the Aid to Families with Dependent Children/Foster Care Specialized Care Program. These funds will be used to cover the purchase of nonrecurring items on an as needed basis, the purchase of services not available through other fund sources, and the development of a respite care program or purchase of respite care services.

In recognition of the funding and staffing need identified by the workload study authorized by Senate Bill (SB) 2030 (Chapter 785, Statutes of 1998), the estimate reflects funding to allow counties to maintain the level of social workers funded in the prior year.

Emergency Response (ER) Component

ER services consist of a response system providing in-person response, when required, to reports of child abuse, neglect, or exploitation for the purpose of investigation and to determine the necessity for providing initial intake services and crisis intervention to maintain the child safely in his or her own home or to protect the safety of the child.

Emergency Response Assessment (ERA) Component

ERA is the initial intake service provided in response to reported allegations of child abuse, neglect or exploitation that is determined, based upon an evaluation of risk, to be inappropriate for an in-person investigation.

Family Maintenance (FM) Component

FM is designed to provide time-limited protective services to prevent or remedy neglect, abuse or exploitation for the purpose of preventing separation of children from their families. CWDs are responsible for determining the specific service needs of the child and family aimed at sustaining the child in the home.

Family Reunification (FR) Component

FR is designed to provide time-limited services while the child is in temporary foster care to prevent or remedy neglect, abuse or exploitation when the child cannot safely remain at home. CWDs are responsible for determining the specific service needs of the child and/or family aimed at reunifying the child with the family.

Permanent Placement (PP) Component

PP is designed to provide an alternative permanent family structure for children who because of abuse, neglect or exploitation cannot safely remain at home and who are unlikely to ever return home. The CWDs are responsible for determining the appropriate permanent goal for the child and facilitating the implementation of that goal. These goals are defined as guardianship, adoption or long-term placement.

Child Welfare Services – Basic Costs

KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&IC sections 16500 and 11461(e)(4)(B).
- The workload standard was adopted by the Department in conjunction with the County Welfare Directors' Association in 1984. These standards are 15.8 for ER, 35.0 for FM, 27.0 for FR, 54.0 for PP and 320.0 for ERA.
- The statewide annual cost of a social worker (SW) ($129,074) was based on the estimated cost of providing services, to include total staff costs, support costs, and electronic data processing costs, provided in the Fiscal Year (FY) 2001-02 proposed county administrative budgets.
- All counties are now reporting caseload data on the CWS/Case Management System (CMS). Caseload projections were developed for each individual county using data from the period of November 2000 through April 2003.
- Additional funds are provided in recognition of the funding and staffing need identified by the workload study authorized by SB 2030. Costs are calculated in order to continue each county's SW full-time equivalent (FTE) level funded in the prior year.

METHODOLOGY:

FY 2003-04

- The current year estimate is being held to the Budget Act of 2003 Appropriation level with an adjustment to the Specialized Care Incentives and Assistance Program estimate based on increased costs to the Foster Family Home estimate as a result of the Rosales v. Thompson court case.

FY 2004-05

- The estimate is derived by applying the workload standards to the individual county caseload projections and expanding for a 7:1 supervisory ratio. Additional FTEs are included in order to continue each county's prior year FTE level.
- The annual cost of a SW in each county is applied to the total number of FTEs in each county to derive staff costs.
- Direct costs are projected from FY 2002-03 actual expenditures and statewide average caseload growth from FY 2002-03 to FY 2004-05. Total direct costs, excluding county-operated emergency shelter care, are $93.7 million for the 58 counties. The projected county-operated emergency shelter care (ESC) costs are $61.2 million for those counties with county-operated emergency shelters based on actual expenditures from FY 2002-03.
- Once the total CWS basic costs are derived, costs for the Emergency Assistance (EA) Program are subtracted and are displayed separately under the "EA Program" premise. The EA Program costs are determined based on the FY 2003-04 funding level and caseload growth.

Child Welfare Services – Basic Costs

FUNDING:

The federal share of costs is a combination of Titles IV-B, IV-E, XIX and XX funds. The Title IV-B funds are limited by the capped federal allocation.

The estimated Title IV-B funds available in local assistance for FY 2004-05 are $31.9 million. These funds have a 75-percent federal match rate.

The Title IV-E amount reflects the actual experience from FY 2002-03 that 37.0 percent of the expenditures will be eligible for Title IV-E funding.

The Title XIX amount for FY 2004-05 is calculated using individual county usage rates based on FY 2002-03 expenditure data which reflect that 4.4 percent of the expenditures will be eligible for Title XIX funding. These costs are reflected as a reimbursement.

Nonfederal costs are shared at 70 percent State General Fund (GF) and 30 percent county.

After the GF amount is calculated, federal Title XX funds transferred from the Temporary Assistance for Needy Families block grant are used in lieu of GF. The amount of Title XX-eligible costs is calculated based on the nonmatching GF portion of FR and PP expenditures. For FY 2003-04, the Title XX-eligible amount is $37.0 million. The Title XX-eligible amount for FY 2004-05 is $52.5 million.

CHANGE FROM THE APPROPRIATION:

The Specialized Care Incentives and Assistance Program estimate has increased due to the increase in the Foster Family Home estimate as a result of the Rosales v. Thompson court case.

REASON FOR YEAR-TO-YEAR CHANGE:

The FY 2004-05 estimate has been updated for caseload and actual expenditures. The amount subtracted for the EA Program has slightly increased. Direct costs and county-operated ESC costs have decreased and sharing ratios have shifted based on actual expenditures.

CASELOAD:

(Average Monthly)

	2003-04	2004-05
Emergency Response	47,465	48,429
Emergency Response Assessment	15,517	15,627
Family Maintenance	25,793	25,275
Family Reunification	24,185	24,178
Permanent Placement	63,217	62,691

Child Welfare Services – Basic Costs

EXPENDITURES:

(in 000's)

Total Basic	2003-04 County Admin.	2004-05 County Admin.
Total	$978,379	$964,431
Federal	427,258	418,683
State	376,471	363,419
County	138,704	140,117
Reimbursements	35,946	42,212

Weighted Costs by Component:

	2003-04		2004-05	
	TOTAL FUNDS	GENERAL FUND	TOTAL FUNDS	GENERAL FUND
Emergency Response	$501,909	$212,129	$501,670	$216,368
Emergency Response Assessment	8,101	3,424	7,993	3,447
Family Maintenance	123,123	52,037	118,193	50,976
Family Reunification	149,655	47,197	146,563	40,335
Permanent Placement	195,591	61,684	190,012	52,293
	$978,379	$376,471	$964,431	$363,419

Reconciliation of Federal Funds:

	2003-04	2004-05
Title IV-B	$31,953	$31,948
Title IV-E	358,270	334,199
Title XIX	35,565	42,110
Title XX	37,035	52,535
Total Federal Funding	$462,823	$460,792

Specialized Care:

	2003-04	2004-05
Total	$5,871	$5,677
Federal	0	0
State	5,871	5,677
County	0	0

Child Welfare Services Redesign/ Program Improvement Plan

DESCRIPTION:

This premise reflects the provision of federal funds for programs that facilitate the implementation of the Child Welfare Services (CWS) Redesign and promote the State's ability to comply with the terms of the Program Improvement Plan. The provision of federal Title XX funds will target three areas: 1) staff costs for accelerated implementation in 18 counties of evidence-based practices as recommended in the CWS Redesign in partnership with philanthropic organizations. These practices will implement the use of safety assessment tools, neighborhood-based foster care (Family-to-Family) and engagement of communities and families in the intake process (Differential Response); 2) recruitment of foster and adoptive parents for children who are from ethnic and racial groups that are over-represented in the foster care population; and, 3) allow social workers to attend mandated CWS training by providing additional resources to maintain their cases while they attend training.

IMPLEMENTATION DATE:

This premise will implement July 1, 2004.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: The Budget Act of 2004.
- $18 million in federal Title XX funds will be used as follows:
- $9 million will be used to begin implementation of the CWS Redesign in 18 counties;
- $3 million will be used for the recruitment of foster and adoptive parents; and,
- $6 million will be used for additional staff resources that will allow social workers to attend training.

METHODOLOGY:

The amount of funding reflects the anticipated need in the budget year for these programs.

FUNDING:

The funding is 100 percent Title XX funds transferred from the Temporary Assistance for Need Families block grant.

CHANGE FROM THE APPROPRIATION:

This is a new premise.

REASON FOR YEAR-TO-YEAR CHANGE:

This is a new premise.

Child Welfare Services Redesign/ Program Improvement Plan

EXPENDITURES:

(in 000's)

	2003-04	2004-05
	County Admin.	County Admin.
Total	$0	$18,000
Federal	0	18,000
State	0	0
County	0	0
Reimbursements	0	0

Augmentation to Child Welfare Services

DESCRIPTION:

This premise reflects the cost to provide an augmentation to the Child Welfare Services (CWS) Program. These funds shall be expressly targeted for services provided through the Emergency Response, Family Maintenance, Family Reunification and Permanent Placement components of CWS, and shall not be used to supplant existing CWS funds. Funds will be available to counties contingent upon individual counties: 1) matching their CWS Basic State General Fund (GF) allocation; and, 2) fully utilizing the CWS/Case Management System. There is no county match required for these funds.

IMPLEMENTATION DATE:

This premise, formerly known as "Emergency Workload Relief," implemented on July 1, 1998.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Assembly Bill (AB) 1656 (Chapter 324, Statutes of 1998) and AB 1740 (Chapter 52, Statutes of 2000).
- AB 1656 authorized $40.0 million in GF.
- AB 1740 authorized an additional $34.3 million in GF.
- The GF Appropriation has been reduced by $17,150,000 due to lower revenues and other demands on the available GF.

METHODOLOGY:

AB 1656 and AB 1740 designated the GF amount, however, due to lower revenues and other demands on the available GF, the GF Appropriation has been reduced by $17,150,000.

FUNDING:

After applying the foster care federal discount rates of 75 percent for FY 2003-04 and 76 percent for FY 2004-05, federally-eligible costs are shared 50 percent federal Title IV-E and 50 percent nonfederal. Nonfederal costs are 100 percent GF.

CHANGE FROM THE APPROPRIATION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

The foster care federal discount rate increased from 75 to 76 percent.

Augmentation to Child Welfare Services

EXPENDITURES:

(in 000's)

	2003-04	2004-05
	County Admin.	County Admin.
Total	$91,440	$92,178
Federal	34,290	35,028
State	57,150	57,150
County	0	0
Reimbursements	0	0

Child Welfare Services/Case Management System – System Support Staff

DESCRIPTION:

This premise reflects the cost for county administrative staff needed to support the Child Welfare Services/Case Management System which was implemented as a result of Senate Bill 370 (Chapter 1294, Statutes of 1989). These staff are needed for the ongoing operations of the system.

IMPLEMENTATION DATE:

There was a staggered implementation based on individual county start dates beginning in Fiscal Year (FY) 1996-97.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 16501.5.
- Staffing is based on a staff-to-workstation ratio of 1:50 for all counties.
- For each FY, the electronic data processing (EDP) average monthly salaries were based on each county's proposed county administrative budget for FY 2001-02. If a county did not have an EDP salary, the county's administrative salary was used.
- There are 15,509 budgeted users for FYs 2003-04 and 2004-05.

METHODOLOGY:

Full-time equivalent (FTE) system support staff are calculated by applying the staff-to-workstation ratio to the total number of workstations in each individual county. These FTEs are funded at each county's individual EDP/administrative salary.

FUNDING:

For each FY, the federal share is 50 percent from Statewide Automation Child Welfare Information System funds. The nonfederal share is split 70 percent State General Fund and 30 percent county.

CHANGE FROM THE APPROPRIATION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

The slight decrease is due to the redistribution of workstations among the counties based on updated actuals.

Child Welfare Services/Case Management System – System Support Staff

EXPENDITURES:

(in 000's)

	2003-04 County Admin.	2004-05 County Admin.
Total	$25,332	$25,162
Federal	12,666	12,581
State	9,450	8,807
County	3,216	3,774
Reimbursements	0	0

Child Welfare Services – Emergency Assistance Program (TANF & Title IV-E)

DESCRIPTION:

These premises reflect the costs associated with the Child Welfare Services (CWS) Emergency Assistance (EA) Program funded through federal Temporary Assistance for Needy Families (TANF) and Title IV-E funds.

In 1993, the Department implemented a statewide EA Program under Title IV-A of the Social Security Act for county welfare departments which provides funding for emergency shelter care to children determined to be at risk due to abuse, neglect, abandonment, or exploitation.

In 1994, the Department implemented crisis resolution and emergency response (ER) as the child welfare services components of emergency assistance. Crisis resolution provides services to families aimed at resolving family crises without removing the child from the home or by allowing the child to be returned to the family with the provision of supporting services to ensure child safety. Under EA/ER, funds will be available for emergency response activities such as receiving and assessing referrals, investigating emergency allegations, and gathering and evaluating relevant information.

EA case management is defined as an array of activities directed to a specific child. These activities include, but are not limited to, developing a case or service plan for a child, working with foster or adoptive parents to prepare them to receive a child, case and administrative reviews, case conferences, or permanency planning meetings.

Public Law (P.L.) 104-193 eliminated Title IV-A funding for the EA Program but permitted use of TANF dollars for EA funding. Although P.L. 104-193 allowed TANF funding, the Budget Act of 1997 replaced the TANF funding with State General Fund (GF). Based on interpretation of the final TANF regulations, effective October 1, 1999, EA GF expenditures are not countable towards the TANF maintenance of effort requirement, therefore, the GF was replaced with TANF funding.

For each fiscal year, EA case management activities are funded with Title IV-E funds in order to free-up TANF dollars that can be used in lieu of GF, resulting in a net GF savings.

IMPLEMENTATION DATE:

Emergency Shelter Care - This component implemented on September 1, 1993.

Crisis Resolution - This component implemented on August 1, 1994.

Emergency Response - This component implemented on August 1, 1994.

Case Management - This component implemented on October 1, 1995.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 15204.25.
- For Fiscal Year (FY) 2004-05, statewide average caseload growth is projected at less than 1 percent.

METHODOLOGY:

The FY 2003-04 estimate is being held at the Budget Act of 2003 Appropriation level. The FY 2004-05 estimate is based on the FY 2003-04 estimate and increased by the individual county caseload growth.

Child Welfare Services – Emergency Assistance Program (TANF & Title IV-E)

FUNDING:

EA funding, although eliminated by P.L. 104-193, was used in the TANF block grant calculation and is, therefore, part of the TANF funding schedule.

The sharing ratio for EA eligible shelter care cases under 30 days, emergency response, and crisis resolution is 85 percent TANF and 15 percent county. For shelter care EA eligible cases over 30 days, the ratio is 50 percent TANF and 50 percent county. These funds are reflected in the "Emergency Assistance TANF" line.

EA case management activities are funded 50 percent Title IV-E after the federal foster care discount rates of 75 percent for FY 2003-04 and 76 percent for FY 2004-05 are applied. Nonfederal costs are shared 70 percent GF and 30 percent county. These funds are reflected in the "Emergency Assistance Title IV-E" line.

CHANGE FROM THE APPROPRIATION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

The FY 2004-05 estimates have increased for caseload growth, and the foster care federal discount rate increased from 75 to 76 percent.

EXPENDITURES:

(in 000's)

	2003-04	2004-05	2003-04	2004-05
	EA TANF		**EA Title IV-E**	
Total	$167,406	$167,439	$83,865	$83,866
Federal	137,674	137,702	31,449	31,450
State	0	0	39,836	39,836
County	29,732	29,737	12,580	12,580
Reimbursements	0	0	0	0

State Family Preservation

DESCRIPTION:

This premise reflects the authorization for the permanent transfer of funds from foster care to child welfare services for counties that had a family preservation program in operation at least three years. In accordance with Assembly Bill 2365 (Chapter 71, Statutes of 1992), the three-year requirement can be met by a county using time periods in which the county funded and operated an approved plan for family preservation. The amount of funds to be permanently transferred cannot exceed 70 percent of the highest annual amount spent for family preservation. All counties participating in this program have opted to permanently transfer and the incentive/penalty provisions under current law will no longer be applicable.

IMPLEMENTATION DATE:

This premise implemented in Fiscal Year (FY) 1993-94.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 16500.5 through 16500.7.
- The state share of funds reflected in this estimate is 70 percent of the highest annual amount expended for family preservation services by 15 counties (Alameda, Contra Costa, Humboldt, Los Angeles, Mendocino, Napa, Placer, Riverside, Sacramento, San Diego, San Luis Obispo, Santa Clara, Santa Cruz, Solano, and Stanislaus).

METHODOLOGY:

For FYs 2003-04 and 2004-05, the amounts are being held at the Budget Act of 2003 Appropriation level.

FUNDING:

The federal, nonfederal, and federal Title XIX reimbursement costs were determined by actual usage rates based on FY 2001-02 expenditure data.

CHANGE FROM THE APPROPRIATION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

State Family Preservation

EXPENDITURES:

(in 000's)

	2003-04	2004-05
	County Admin.	County Admin.
Total	$36,649	$36,649
Federal	4,325	4,325
State	22,136	22,136
County	9,492	9,492
Reimbursements	696	696

Promoting Safe and Stable Families (PSSF)

DESCRIPTION:

This premise reflects the amount of the federal grant to provide community-based, family-centered services to focus on supporting and preserving families, protecting children and preventing child abuse and neglect. The Omnibus Budget Reconciliation Act of 1993 established a new, capped entitlement program under Title IV-B.

IMPLEMENTATION DATE:

This premise implemented on October 1, 1993.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 16600 through 16604.5.
- The federal Title IV-B funds cannot be used to supplant existing state or local spending.
- Effective Fiscal Year (FY) 2001-02, based on federal requirements, a minimum of 20 percent of PSSF funds must be spent on each of the four components of the program (Family Preservation Services, Family Support Services, Adoption Promotion and Support, and Time-Limited Family Reunification).
- A 25 percent match from state or county funds is required. This match is made available through existing State Family Preservation Program funds.

METHODOLOGY:

The federal funds for this program were converted from a Federal Fiscal Year (FFY) to a State Fiscal Year.

FUNDING:

This premise reflects federal grant funds to be used over a two-year period.

CHANGE FROM THE APPROPRIATION:

The change reflects a decrease in the actual grant amount for FFY 2003.

REASON FOR YEAR-TO-YEAR CHANGE:

Additional grant funds are available in the budget year to help implement components of the Child Welfare Services Redesign and Program Improvement Plan.

Promoting Safe and Stable Families

EXPENDITURES:

(in 000's)

	2003-04	2004-05
	County Admin.	County Admin.
Total	$57,680	$61,679
Federal	57,680	61,679
State	0	0
County	0	0
Reimbursements	0	0

Independent Living Program

DESCRIPTION:

This premise reflects the amount of the federal grant for the Independent Living Program (ILP). The Omnibus Budget Reconciliation Act of 1993 permanently authorized this program, which offers training to foster care adolescents and emancipated youth enabling them to be independent when their foster care terminates. County welfare departments provide or arrange for the provision of services that facilitate the transition of foster children to emancipated lifestyles.

Federal statute, H.R.3443, the Chafee Foster Care Independence Program (CFCIP) Act of 1999 (Public Law 106-169), amended Section 477 of the Social Security Act providing more flexibility in funding of ILP services. CFCIP authorized the expansion of this program to serve foster care youth ages 16 to 21. In addition, counties were given the discretion to provide ILP services to youth ages 14 and 15 when it was determined that these youth would most likely remain in foster care until emancipation. Counties are authorized to use up to 30 percent of their grant to provide housing assistance for emancipated foster youth and aftercare services to former foster youth ages 18 to 21.

IMPLEMENTATION DATE:

This premise implemented on January 1, 1988.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 10609.3.
- Funding is based on the federal grant awards for ILP.
- The grant amount for Federal Fiscal Year (FFY) 2002 is $26,987,207.
- The grant amount for FFY 2003 is $26,242,256.
- The grant amount for FFY 2004 is $26,105,639.

METHODOLOGY:

- For State Fiscal Year (SFY) 2003-04, the federal funding amount is obtained by converting the federal grant from a FFY to a SFY [one quarter of the FFY 2002 grant ($6,746,802) and three quarters of the FFY 2003 grant (3 x $6,560,564)], less $1,019,784 for state operations costs.
- For SFY 2004-05, the federal funding amount is obtained by converting the federal grant from a FFY to a SFY [one quarter of the FFY 2003 grant ($6,560,564) and three quarters of the FFY 2004 grant (3 x $6,526,410)], less $1,019,784 for state operations costs.

FUNDING:

This premise is funded 100 percent with a federal grant award. The matching funds are provided through the “Extended ILP” premise and social worker expenditures within foster care group home assistance payments.

Independent Living Program

CHANGE FROM THE APPROPRIATION:

There has been a decrease in the updated federal grant amount.

REASON FOR YEAR-TO-YEAR CHANGE:

There is a decrease in the federal grant.

EXPENDITURES:

(in 000's)

	2003-04 County Admin.	2004-05 County Admin.
Total	$25,408	$25,120
Federal	25,408	25,120
State	0	0
County	0	0
Reimbursements	0	0

Extended Independent Living Program

DESCRIPTION:

This premise reflects the State General Fund (GF) portion of the Independent Living Program (ILP), which provides training for eligible foster care adolescents aged 16 to 21 years old, enabling them to be independent when their foster care terminates. Senate Bill 933 (Chapter 311, Statutes of 1998) implemented the GF portion to extend ILP services to 100 percent of the eligible foster care adolescent population, up to the age of 21 years. County welfare departments provide or arrange for the provision of services that facilitate the transition of foster children to emancipated lifestyles.

In addition, counties are given the discretion to provide ILP services to youth ages 14 and 15, when it is determined that these youth would most likely remain in foster care until emancipated. Counties are authorized to use up to 30 percent of their allocation to provide housing assistance for emancipated foster youth and aftercare service to former foster youth ages 18 to 21.

IMPLEMENTATION DATE:

This premise implemented in September 1998.

KEY DATA/ASSUMPTIONS:

Authorizing statute: Welfare and Institutions Code section 10609.3.

METHODOLOGY:

Funding for both the current and budget years is being held at the Budget Act of 2003 Appropriation level.

FUNDING:

This premise is funded 100 percent GF.

CHANGE FROM THE APPROPRIATION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

Extended Independent Living Program

EXPENDITURES:

(in 000's)

	2003-04	2004-05
	County Admin.	County Admin.
Total	$15,152	$15,152
Federal	0	0
State	15,152	15,152
County	0	0
Reimbursements	0	0

Chafee Post Secondary Education & Training Vouchers

DESCRIPTION:

This premise reflects the amount of the federal grant for the Chafee Post Secondary Education and Training Vouchers. This funding is provided under the Educational and Training Vouchers (ETV) Program under the Chafee Foster Care Independence Program (CFCIP) - Amendment to Child and Family Services Plan.

The Foster Care Independence Act of 1999, Public Law 107-133, amended Section 477 of the Social Security Act to provide states with flexible funding that will enable them to design and conduct education and training voucher programs for youth who age out of foster care. This will assist youth in developing skills necessary to lead independent and productive lives. The purpose of this program is to make available vouchers of up to $5,000 per year per youth for education and training, including post secondary training and education, to eligible youth who have aged out of foster care.

Several categories of individuals may be eligible to receive vouchers under this program: (1) youth otherwise eligible for services under the State CFCIP program; (2) youth adopted from foster care after attaining age 16; and (3) youth participating in the voucher program on their 21st birthday, until they turn 23 years old, as long as they are enrolled in a post secondary education or training program and are making satisfactory progress toward completion of that program.

IMPLEMENTATION DATE:

This premise implemented on October 1, 2003.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: The Foster Care Independence Act of 1999, Public Law 107-133, Section 477 of the Social Security Act, as amended.
- Funding is based on the federal grant awards for ETV.
- The grant amount for Federal Fiscal Year (FFY) 2003 is $8,378,491, which includes a reallotment of $395,168.
- A 20 percent match of the total cost is required. The match may be cash or in-kind contributions.
- Congress has appropriated funding for the current year only.
- Future funding will be appropriated on an annual basis pending congressional authorization.

METHODOLOGY:

This premise reflects federal grant funds to be used through September 30, 2004.

FUNDING:

This premise is funded 100 percent with a federal grant award using Title IV-E funds.

Chafee Post Secondary Education & Training Vouchers

CHANGE FROM THE APPROPRIATION:

This is a new premise.

REASON FOR YEAR-TO-YEAR CHANGE:

This is a one-time grant award; funding is appropriated on an annual basis pending congressional authorization.

EXPENDITURES:

(in 000's)

	2003-04	2004-05
	County Admin.	County Admin.
Total	$8,378	$0
Federal	8,378	0
State	0	0
County	0	0
Reimbursements	0	0

Emancipated Foster Youth Stipends

DESCRIPTION:

This premise reflects the costs to provide special needs stipends for emancipating foster youth. This program will provide assistance to emancipating foster youth in finding affordable housing, text books for college or vocational training, employment searches, emergency personal needs, and bus vouchers. County welfare departments will provide for the provision of these services.

IMPLEMENTATION DATE:

This premise implemented on July 1, 2000.

KEY DATA/ASSUMPTIONS:

Authorizing statute: The Budget Act of 2001.

METHODOLOGY:

The Budget Bill designated the State General Fund (GF) amount.

FUNDING:

This program is funded 100 percent GF.

CHANGE FROM THE APPROPRIATION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000's)

	2003-04 County Admin.	2004-05 County Admin.
Total	$3,602	$3,602
Federal	0	0
State	3,602	3,602
County	0	0
Reimbursements	0	0

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Recruitment and Retention of Social Workers

DESCRIPTION:

This premise reflects the cost to fund a contract with Cooperative Personnel Services/Merit System Services to help recruit and retain social workers in 30 small counties. Due to the continued difficulties of hiring and retaining social workers, Merit System Services will work with counties to implement and provide on-going recruitment efforts and career development plans to increase and retain the number of social workers in the smaller counties.

IMPLEMENTATION DATE:

This premise implemented on July 1, 2001.

KEY DATA/ASSUMPTIONS:

The recruitment and career development plans were designed during Fiscal Year (FY) 2000-01.

METHODOLOGY:

The funding for this premise reflects the amount of the contract with Merit System Services.

FUNDING:

This premise is eligible for federal Title IV-E funding. After the foster care federal discount rate of 75 percent for FY 2003-04 and 76 percent for FY 2004-05 is applied, costs are shared 50 percent federal and 50 percent State General Fund (GF). Nonfederally-eligible costs are funded with 100 percent GF.

CHANGE FROM THE APPROPRIATION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

The foster care federal discount rate has increased from 75 percent to 76 percent.

EXPENDITURES:

(in 000's)	2003-04 County Admin.	2004-05 County Admin.
Total	$269	$269
Federal	101	102
State	168	167
County	0	0
Reimbursements	0	0

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Child Welfare Training Program

DESCRIPTION:

This premise reflects the costs for providing a statewide coordinated training program designed specifically to meet the needs of county child protective services social workers assigned to emergency response, family maintenance, family reunification, permanent placement, and adoptions responsibilities. The training program was established by Senate Bill (SB) 834 (Chapter 1310, Statutes of 1987), and extended permanently by SB 1125 (Chapter 1203, Statutes of 1991).

The Child Welfare Training Program includes training for other agencies under contract with county welfare departments to provide child welfare services. The program also includes crisis intervention, investigative techniques, rules of evidence, indicators of abuse and neglect, assessment criteria, intervention strategies, family-based services, legal requirements of child protection, case management, and the use of community resources.

This premise also includes funding for the structured decision-making (SDM) model developed by the National Council on Crime and Delinquency, the Department, and seven pilot counties. Currently, there are 15 counties participating in the SDM model.

IMPLEMENTATION DATE:

This premise implemented on July 1, 1988.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 16200 through 16215.
- The implementation of regional training academies started in 1996.
- Funding is based on contract amounts entered into by the Department.

METHODOLOGY:

The estimate for both Fiscal Years (FYs) 2003-04 and 2004-05 are based on contract costs.

FUNDING:

After the foster care federal discount rate of 76 percent is applied, federally-eligible costs are shared at 75 percent federal and 25 percent state, with the exception of various contracts which will use 100 percent federal Title IV-E funds. Nonfederally-eligible costs are funded with 100 percent State General Fund (GF).

CHANGE FROM THE APPROPRIATION:

The foster care federal discount rate increased from 75 percent to 76 percent.

Child Welfare Training Program

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000's)

	2003-04	2004-05
	County Admin.	County Admin.
Total	$13,205	$13,205
Federal	8,920	8,920
State	4,285	4,285
County	0	0
Reimbursements	0	0

Substance Abuse/HIV Infant Program

DESCRIPTION:

This premise reflects the costs for the recruitment, special training, and respite care of specially recruited and trained foster family providers caring for children with medical problems related to drug or alcohol exposure or to Acquired Immune Deficiency Syndrome (AIDS). Originally established as a demonstration project by Senate Bill (SB) 1173 (Chapter 1385, Statutes of 1989) and Assembly Bill (AB) 2268 (Chapter 1437, Statutes of 1989), the program was extended by SB 1050 (Chapter 296, Statutes of 1993) and made into a permanent program in 1997 by AB 67 (Chapter 606, Statutes of 1997). AB 2037 (Chapter 799, Statues of 2000) revised the age for children participating in this program from age three to age five for those counties that have participated in the program for at least three years.

IMPLEMENTATION DATE:

This premise implemented on July 1, 1989.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 16525.10 through 16525.30.
- The savings to the Foster Care Program resulting from diverting children from expensive out-of-home placements are reflected in the caseload and expenditure trends for foster care.
- This program is available to any county requesting participation pursuant to established procedures and to the extent funds are available. Currently, there are 11 counties that are participating in this program (Alameda, Butte, Contra Costa, Glenn, Monterey, Orange, San Diego, San Francisco, San Luis Obispo, Santa Cruz, and Shasta).

METHODOLOGY:

The total funding for this premise for both Fiscal Years (FYs) 2003-04 and 2004-05 is being held at the Budget Act of 2003 Appropriation level. The foster care federal discount rate was applied to the training and recruitment components.

FUNDING:

Respite care is funded 70 percent State General Fund (GF) and 30 percent county funds. The training and recruitment components are funded with 75 percent and 50 percent federal funds, respectively, after the foster care federal discount rate of 75 percent for FY 2003-04 and 76 percent for FY 2004-05 is applied. The nonfederal portion is funded 70 percent GF and 30 percent county funds.

CHANGE FROM THE APPROPRIATION:

There is no change.

Substance Abuse/HIV Infant Program

REASON FOR YEAR-TO-YEAR CHANGE:

The counties' spending plan reflects an increase in training for FY 2004-05. The foster care federal discount rate increased from 75 percent to 76 percent.

EXPENDITURES:

(in 000's)

	2003-04	2004-05
	County Admin.	County Admin.
Total	$5,974	$5,974
Federal	1,593	1,670
State	3,067	3,013
County	1,314	1,291
Reimbursements	0	0

Child Welfare Services – Pass-Through Title IV-E Costs

DESCRIPTION:

This premise reflects the pass-through of federal Title IV-E funds for probation costs, foster parent training, social work training and foundation grant match for training as described below.

IMPLEMENTATION DATE:

Probation Costs	June 1991	Foster Parent Training Fund	1990-91
Social Work Training	1992-1993	Foster Parent Training – Chancellor's Office	1998-99
		Match for Foundation Grants	2003-04

METHODOLOGY:

This premise includes the combined estimated expenditures for the following five Title IV-E pass-through costs:

- **Probation Costs** - The State applied for and received federal funding for certain functional areas of county probation staff activities that are similar to the Title IV-E eligible tasks of county social services workers. This federal funding source will be passed through to the counties for their federally-eligible activities related to the probation cases in the foster care caseload and the Title IV-E eligible training of probation and mental health staff who provide services to children.
- **Foster Parent Training Fund - Chancellor's Office - Foster and Kinship Care Education Program** - The Foster Parent Training Fund, transmitted from Foster Care reimbursement collections by the Department of Child Support Services, provides funding for foster parent training programs that are conducted in community colleges in consultation with the California State Foster Parents Association and the Department (Senate Bill (SB) 2003 (Chapter 1597, Statutes of 1984)). Since the end of Fiscal Year (FY) 1990-91, the Department of Health and Human Services has allowed Title IV-E funds to be claimed for foster parent training. The foster care federal discount rate is applied to these costs.
- **Foster Parent Training – Chancellor's Office** - The Title IV-E funds will be used to match the Community College Proposition 98 funds for the purpose of reimbursing the Chancellor's Office of the California Community Colleges for the federal share of costs in providing foster parent training. Assembly Bill (AB) 3062 (Chapter 1016, Statutes of 1996), AB 1127 (Chapter 216, Statutes of 1996), and SB 916 (Chapter 542, Statutes of 1997) initiated required training for foster parents to become eligible to care for children placed in foster care.
- **Social Worker Training** - An agreement between the Department, the University of California and the California State University was implemented for a statewide training program to increase the number of social workers employed in California county child welfare services. This effort was initiated due to the shortage of professionals in public child welfare services, especially those holding a master's degree in social work.

  Currently, there are 15 schools of social work participating, with an additional school of social work being added to the agreement in the current fiscal year. Financial aid is provided through the Title IV-E federal reimbursement program which covers operational costs to the participating institutions and grants to students.

Child Welfare Services – Pass-Through Title IV-E Costs

METHODOLOGY (continued):

- **Foundation Grant Match** - The Department will receive grant funding from various private and local community foundations in order to implement statewide programs such as the Program Improvement Plan (PIP) and the Child Welfare Services (CWS) Redesign. This premise reflects the federal Title IV-E matching funds for these community foundation grants.

FUNDING:

Costs represent 100 percent federal Title IV-E funds.

CHANGE FROM THE APPROPRIATION:

The current year reflects an increase in actual probation expenditures, an increase in the foster care federal discount rate from 75 percent to 76 percent, an increase in the State Proposition 98 funds for foster parent training, and funding for a new component, the Foundation Grant Match for Training.

REASON FOR YEAR-TO-YEAR CHANGE:

The budget year reflects an increase in the social worker training contract costs.

EXPENDITURES:

(in 000's)

Probation:	2003-04 County Admin.	2004-05 County Admin.
Total	$142,594	$142,594
Federal	142,594	142,594
State	0	0
County	0	0
Reimbursements	0	0

Social Worker Training:	2003-04 County Admin.	2004-05 County Admin.
Total	$21,643	$23,970
Federal	21,643	23,970
State	0	0
County	0	0
Reimbursements	0	0

Foster Parent Training Fund:	2003-04 County Admin.	2004-05 County Admin.
Total	$3,423	$3,423
Federal	3,423	3,423
State	0	0
County	0	0
Reimbursements	0	0

Foster Parent Training – Chancellor's Office:	2003-04 County Admin.	2004-05 County Admin.
Total	$2,325	$2,325
Federal	2,325	2,325
State	0	0
County	0	0
Reimbursements	0	0

Child Welfare Services – Pass-Through Title IV-E Costs

EXPENDITURES (continued):

(in 000's)

Foundation

Grant Match:	2003-04 County Admin.	2004-05 County Admin.
Total	$497	$497
Federal	497	497
State	0	0
County	0	0
Reimbursements	0	0

COMBINED TOTAL:	2003-04 County Admin.	2004-05 County Admin.
Total	$170,482	$172,809
Federal	170,482	172,809
State	0	0
County	0	0
Reimbursements	0	0

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Foster Parent Training and Recruitment

DESCRIPTION:

This premise reflects the costs for the enhanced statewide foster parent training and recruitment program. As part of the Foster Care Initiative, Assembly Bill 2129 (Chapter 1089, Statutes of 1993), the Department was required to develop and implement an expanded foster parent training program, and to provide specialized training for foster parents of children with special care needs. Expansion of recruitment activities for minority and sibling placements is also specifically emphasized.

IMPLEMENTATION DATE:

This premise implemented on January 1, 1994.

KEY DATA/ASSUMPTIONS:

Authorizing statute: Welfare and Institutions Code section 903.8.

METHODOLOGY:

Total funding for both the current and budget years is being held at the Budget Act of 2003 Appropriation level.

FUNDING:

This program is eligible for Title IV-E federal funding. After the foster care federal discount rate of 75 percent for Fiscal Year (FY) 2003-04 and 76 percent for FY 2004-05 is applied, costs are shared 75 percent federal and 25 percent nonfederal for the training costs, and 50 percent federal and 50 percent nonfederal for the recruitment costs. The nonfederal shares are funded 100 percent with State General Fund. The funds are evenly distributed for each component of the program.

CHANGE FROM THE APPROPRIATION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

The foster care federal discount rate was updated for the budget year (75 to 76 percent).

Foster Parent Training and Recruitment

EXPENDITURES:

(in 000's)

	2003-04	2004-05
	County Admin.	County Admin.
Total	$3,598	$3,598
Federal	1,687	1,709
State	1,911	1,889
County	0	0
Reimbursements	0	0

Minor Parent Services and Investigations

DESCRIPTION:

This premise reflects the costs for a program designed to discourage teen pregnancy and encourage appropriate parenting of teen parents and their children. As established by Assembly Bill 908 (Chapter 304, Statutes of 1995), the guidelines require pregnant and parenting teens to live with their parents or legal guardians as a condition for receiving welfare benefits unless specific conditions exist. Teen parents not living at home will live in an appropriate, supervised setting. Minor Parent Services (MPS) will be provided if deemed necessary.

IMPLEMENTATION DATE:

The investigative part of this premise implemented on May 1, 1997.

The MPS part of this premise implemented on June 1, 1997.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code (W&IC) sections 11254, 16504(b), and 16506.
- It is assumed that any situations of abuse or neglect under W&IC section 300 requiring a foster care living arrangement resulting from this investigation, are already reflected in Child Welfare Services (CWS) and Foster Care caseload trends.
- For the investigation data, it is assumed that a social worker will spend four hours investigating each case. The four hours include one and one-half hours each for two client contacts (teen parent and the teen parent's parent(s) or legal guardian), including interviews and documentation. An additional hour is allocated for travel and time to prepare a report of the social worker's findings.
- Based on historical family maintenance data, it is assumed that minor parents (mostly those at 17 years of age) will be allowed to form their own assistance units (AUs) and receive MPS. The estimated number of minor parents approved for their own AUs at age 17 is based on application survey data. An average of six months of services is estimated for each case.

METHODOLOGY:

- In both Fiscal Years (FYs) 2003-04 and 2004-05, the total funding for this premise remains at the same level. The methodology for both FYs also remains the same.
- Costs for investigations in FYs 2003-04 and 2004-05 are based on the four hours of investigating time for the projected caseload. This time is multiplied by the hourly cost of a CWS social worker (11,404 cases x 4 hours x $67.84 per hour).
- The MPS costs for both FYs 2003-04 and 2004-05 are based on the estimated number of minor parents approved for their own AUs (along with their child) for an average of six months of service estimated for each case. Annual social worker costs, plus direct costs (15.04 percent) are calculated for the total number of MPS cases served.

Minor Parent Services and Investigations

FUNDING:

The costs of performing the investigations and providing MPS are eligible for 50 percent funding under the Temporary Assistance for Needy Families block grant. All nonfederal costs are shared 70 percent state and 30 percent county.

CHANGE FROM THE APPROPRIATION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000's)

COMBINED TOTAL:	2003-04 County Admin.	2004-05 County Admin.
Total	$7,097	$7,097
Federal	3,549	3,549
State	2,484	2,484
County	1,064	1,064
Reimbursements	0	0

Investigations:	2003-04 County Admin.	2004-05 County Admin.
Total	$3,096	$3,096
Federal	1,548	1,548
State	1,084	1,084
County	464	464
Reimbursements	0	0

Minor Parent Services:	2003-04 County Admin.	2004-05 County Admin.
Total	$4,001	$4,001
Federal	2,001	2,001
State	1,400	1,400
County	600	600
Reimbursements	0	0

Kinship Support Services

DESCRIPTION:

This premise reflects the costs for the grants-in-aid program that provides start-up and expansion funds for local kinship support service programs. As designated by Assembly Bill (AB) 1193 (Chapter 794, Statutes of 1997), the Kinship Support Services Program is to be conducted by the Department with the initial grants being awarded in July 1998 to eight counties. These programs are to provide community-based family support services to kinship (relative) caregivers and the children who are placed in their homes by the juvenile court or who are at risk of dependency or delinquency.

IMPLEMENTATION DATE:

This premise implemented on January 1, 1998.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutes Code section 16605.
- The participating counties for Fiscal Years 2003-04 and 2004-05 are: Alameda, Contra Costa, Los Angeles, Monterey, Riverside, San Bernardino, San Diego, San Francisco, San Mateo, Santa Clara, and Stanislaus.

METHODOLOGY:

The estimate reflects the amount contained in AB 1193.

FUNDING:

This premise is funded 100 percent with State General Fund as specified by AB 1193.

CHANGE FROM THE APPROPRIATION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000's)

	2003-04	2004-05
	County Admin.	County Admin.
Total	$1,500	$1,500
Federal	0	0
State	1,500	1,500
County	0	0
Reimbursements	0	0

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Kinship/Foster Care Emergency Funds

DESCRIPTION:

This premise reflects the cost to provide emergency funds to relative caregivers and foster parents. The program primarily offers one-time assistance for necessary housing needs, such as extra beds and clothing. Short-term support services, such as crisis counseling, are also provided to prevent children from entering or re-entering the child welfare system.

IMPLEMENTATION DATE:

This premise implemented on July 1, 2000.

KEY DATA/ASSUMPTIONS:

Authorizing statute: The Budget Act of 2001.

METHODOLOGY:

The Budget Bill designated the State General Fund (GF) amount.

FUNDING:

This premise is funded with 100 percent GF.

CHANGE FROM THE APPROPRIATION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000's)

	2003-04 County Admin.	2004-05 County Admin.
Total	$1,000	$1,000
Federal	0	0
State	1,000	1,000
County	0	0
Reimbursements	0	0

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Child Welfare Services/Case Management System Staff Development

DESCRIPTION:

This premise reflects the cost to fund staff development for the Child Welfare Services/Case Management System (CWS/CMS) which was implemented as a result of Senate Bill 370 (Chapter 1294, Statutes of 1989). The estimate includes costs for five training components plus costs to maintain three training tools in order to continue to provide statewide CWS/CMS training curriculum and classes. This statewide training promotes user continuity and consistency to meet Statewide Automated Child Welfare Information System requirements.

IMPLEMENTATION DATE:

This premise implemented on July 1, 1997.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 16501.5.
- The estimate includes training costs for all new users as a result of user growth and staff turnover.
- The cost per hour of training is $48.07 for each fiscal year.
- The estimate assumes an 11.5 percent staff turnover rate.
- There are 15,819 budgeted users for each fiscal year.
- The estimate includes costs for five training components:
  - **New User Training** – provides 44 hours of basic training for newly hired staff as a result of staff turnover;
  - **Intermediate/Advanced Training** – provides 16 hours of training to service providers on the more difficult tasks not covered in the new user training;
  - **Management/Supervisory Training** – provides 16 hours of training to management on the supervisory process of approvals and program management reports;
  - **System Support Training** – provides 24 hours of training to newly hired system support staff as a result of caseload growth and staff turnover in order to assist other users as needed; and,
  - **Database Training** – provides 24 hours of training to staff responsible for extracting and interpreting caseload data.
- Costs are also included for statewide contracted training needs.

Child Welfare Services/Case Management System Staff Development

METHODOLOGY:

Costs are calculated for each training component by multiplying the number of users being trained by the number of hours of training at the hourly cost for training. Costs are then added for the statewide contracted training needs.

Fiscal Year (FY) 2003-04 and FY 2004-05: (1,819 New Users x 44 hours x $48.07) + (1,559 Intermediate/Advanced Users x 16 hours x $48.07) + (195 Management/Supervisory Users x 16 hours x $48.07) + (55 System Support Users x 24 hours x $48.07) + (29 Database Users x 24 hours x $48.07). For the statewide contract costs, $3,000,000 is added in FY 2003-04 and $1,744,186 is added in FY 2004-05.

FUNDING:

After applying the foster care federal discount rate of 75 percent for FY 2003-04 and 76 percent for FY 2004-05, federally-eligible costs are shared 75 percent federal Title IV-E and 25 percent nonfederal. Nonfederal costs are shared 70 percent State General Fund (GF) and 30 percent county. However, statewide training contract costs are not discounted in FY 2003-04. Nonfederal costs for the statewide training contract are 100 percent GF.

CHANGE FROM THE APPROPRIATION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

The foster care federal discount rate has increased from 75 to 76 percent. The statewide training contract costs have decreased as the foster care federal discount rate is applied in FY 2004-05.

EXPENDITURES:

(in 000's)

	2003-04	2004-05
	County Admin.	County Admin.
Total	$8,294	$7,038
Federal	5,228	4,012
State	2,371	2,343
County	695	683
Reimbursements	0	0

Child Welfare Services/Case Management System Ongoing

DESCRIPTION:

This premise reflects the costs related to the ongoing and administrative support of the Child Welfare Services/Case Management System (CWS/CMS). As mandated by Senate Bill 370 (Chapter 1294, Statutes of 1989), the CWS/CMS provides a comprehensive database, case management tool, and reporting system for the CWS Program. It contains both current and historical information for all children statewide in emergency response, family maintenance, family reunification, and permanent placement. CWS/CMS also includes information regarding adoptions to produce the semiannual adoption and foster care analysis reporting system reports.

CWS/CMS provides: (1) immediate statewide data on referrals for children at risk of abuse, neglect or exploitation; (2) immediate case status and case tracking for children and families receiving child welfare services; (3) necessary information and forms required to determine eligibility for the Aid to Families with Dependent Children - Foster Care Program; (4) tracking for all placement activities for children in foster care; and (5) issuance of the appropriate notice of action messages, court reports and service plans. The system also produces all required state and federal reports.

In July 1995, the California Health and Human Services Agency directed the transfer of major information technology projects from the California Department of Social Services (CDSS) to the California Health and Human Services Agency Data Center (HHSDC), formerly known as the Health and Welfare Data Center. HHSDC administers the projects under an interagency agreement with the CDSS.

IMPLEMENTATION DATE:

This premise became effective Fiscal Year (FY) 1995-96.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 16501.5.
- All counties became operational with the completion of data conversion in the summer of 1998. The costs are based on the FY 2003-04 Budget Change Proposals.

METHODOLOGY:

The costs represent ongoing maintenance and operations (M&O) costs associated with support and oversight of the CWS/CMS. The costs include the wide-area network (WAN) maintained by HHSDC, HHSDC administrative support, and vendor costs related to operation, support, and maintenance of the application and technical architecture.

FUNDING:

The federal funding for ongoing CWS/CMS costs is based on the federal cost allocation plan for CMS. Federally eligible costs are shared at 50 percent federal Title IV-E and 50 percent State General Fund, except for 17 percent of the WAN costs, which are funded at 100 percent federal Temporary Aid to Needy Families funds.

Child Welfare Services/Case Management Services Ongoing

CHANGE FROM THE APPROPRIATION:

The decrease in FY 2004-05 is the result of funding adjustments for one-time costs.

REASON FOR YEAR-TO-YEAR CHANGE:

The budget year reflects a decrease one-time costs that were funded in 2003-04; and increases for staff and OE&E, hardware and software, contract costs, and administrative overhead. The one-time costs was funding for technical maintenance activities performed in 2003-04. The staffing increases are required to transfer the statewide training for CWS/CMS from CDSS to the project office.

EXPENDITURES:

(in 000's)

	2003-04	2004-05
Total	$104,260	$89,492
Federal	52,614	45,512
State	51,646	43,980
County	0	0
Reimbursements	0	0

CDSS/HHSDC PARTNERSHIP:

(in 000's)

	2003-04	2004-05
Total	104,260	$89,492
CDSS	580	116
HHSDC	103,680	89,376

CWS/CMS Application Server Replacement Project

DESCRIPTION:

This premise reflects the costs related to the replacement of server hardware, operating system, and support software to enable the Child Welfare Services/Case Management System (CWS/CMS) to continue to function with a viable, technologically current infrastructure that supports the CWS Program.

IMPLEMENTATION DATE:

This premise was implemented in FY 2001-02.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 16501.5.
- The costs are based on the FY 2002-03 Budget Change Proposal.

METHODOLOGY:

The costs represent services to design, develop, configure, test, pilot, and implement the new server solution and the purchase of server hardware and software.

FUNDING:

The federal funding for ongoing CWS/CMS costs is based on the federal cost allocation plan for CWS/CMS. Federally-eligible costs are shared at 50 percent federal Title IV-E and 50 percent State General Fund.

CHANGE FROM THE APPROPRIATION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

CWS/CMS Application Server Replacement Project

EXPENDITURES:

(in 000's)

	2003-04	2004-05
Total	$276	$276
Federal	138	138
State	138	138
County	0	0
Reimbursements	0	0

CDSS/HHSDC PARTNERSHIP:

(in 000's)

	2003-04	2004-05
Total	$276	$276
CDSS	0	0
HHSDC	276	276

CWS/CMS Expanded Adoptions Subsystem

DESCRIPTION:

This premise reflects the costs related to the design, development, integration, implementation and maintenance of the Expanded Adoptions Subsystem (EAS). In August of 1999, a team of federal staff from the Administration for Children and Families (ACF) performed a review of the Child Welfare Services/Case Management System (CWS/CMS) to determine if it met the functional requirements of the federally defined Statewide Automated Child Welfare Information System (SACWIS). The December 1999 ACF Report acknowledged California's efforts to-date; however, several issues must be addressed to maintain eligibility for enhanced federal development funding received. ACF requires an adoptions case management component in the statewide SACWIS system. In response to the federal SACWIS Review, additional staff and consultant services are needed to design, develop, and implement the EAS. The Health and Human Services Data Center (HHSDC) will be responsible for the EAS planning, procurement, and implementation. The EAS will be designed to meet federal and state reporting requirements for children who are adopted within the State of California. It will be an integrated system within CWS/CMS.

IMPLEMENTATION DATE:

This premise implemented in Fiscal Year (FY) 2001-02.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 16501.5.
- The costs are based on the FY 2004-05 Budget Change Proposal.

METHODOLOGY:

The costs represent state staff and contract services to design, develop, integrate, implement and maintain the EAS.

FUNDING:

The federal funding for the EAS is based on the federal cost allocation plan for CWS/CMS. Federally-eligible costs are shared at 50 percent federal Title IV-E and 50 percent state.

CHANGE FROM THE APPROPRIATION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

CWS/CMS Expanded Adoptions Subsystem

EXPENDITURES:

(in 000's)

	2003-04	2004-05
Total	$6,066	$6,066
Federal	3,033	3,033
State	3,033	3,033
County	0	0
Reimbursements	0	0

CDSS/HHSDC PARTNERSHIP:

(in 000's)

	2003-04	2004-05
Total	$6,066	$6,066
CDSS	0	0
HHSDC	6,066	6,066

Child Health and Safety Fund

DESCRIPTION:

This premise reflects the Office of Child Abuse Prevention's (OCAP) share of the Child Health and Safety Fund (CHSF) established for the purpose of child abuse prevention in the community. Assembly Bill 3087 (Chapter 1316, Statutes of 1992) established the CHSF. Monies for this fund are generated through the Department of Motor Vehicles' (DMV) "Have a Heart, Be a Star, Help our Kids" license plate program.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Vehicle Code section 5072.
- The total CHSF revenue for both Fiscal Years 2003-04 and 2004-05 is $1,844,000.
- OCAP may utilize 22.5 percent of this fund for child abuse prevention in the community.

METHODOLOGY:

The estimated revenue was projected based on the last two years of actual revenue from the DMV license plate program. Of this revenue, 22.5 percent can be transferred to the counties to be used for child abuse prevention activities ($1,844,000 total CHSF revenue x 22.5 percent for OCAP = $415,000).

FUNDING:

All funds are provided by the CHSF.

CHANGE FROM THE APPROPRIATION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000's)

	2003-04	2004-05
	County Admin.	County Admin.
Total	$415	$415
Federal	0	0
State	415	415
County	0	0
Reimbursements	0	0

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Supportive and Therapeutic Options Program (STOP)

DESCRIPTION:

This premise reflects costs for providing expanded therapeutic day services as an alternative to placement in foster care and as a means of reunifying children with their families from these placements. These services are provided to families with children and youth returning from out-of-home placement or at-risk of such placements that cannot access services through current mental health services or other funding mechanisms. Services target a broader number of children than the current child welfare services population, as they will include children and youth at-risk of placement and those exiting foster care. Funds provide supportive and therapeutic services in order to prevent placement in out-of-home care and/or provide aftercare services to facilitate a successful transition to home or community from out-of-home care placements.

IMPLEMENTATION DATE:

This premise implemented in August 1998.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 16500, 16508.2, and 16508.3.
- Originally, the program would have served 4,430 children who are not eligible for Medi-Cal during Fiscal Year (FY) 2004-05. However, with available funding being held at the Budget Act of 2003 Appropriation level, only 3,038 children will be served.
- The Department of Mental Health projected annual costs for mental health services per child for FY 2004-05 is $4,680.

METHODOLOGY:

The cost for this program is calculated by multiplying the estimated number of children who will be served (3,038) by the projected cost per case for mental health services ($4,680) during FY 2004-05.

FUNDING:

This premise is shared 70 percent state and 30 percent county.

CHANGE FROM THE APPROPRIATION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

Supportive and Therapeutic Options Program (STOP)

EXPENDITURES:

(in 000's)

	2003-04 County Admin.	2004-05 County Admin.
Total	$14,220	$14,220
Federal	0	0
State	9,954	9,954
County	4,266	4,266
Reimbursements	0	0

Group Home Monthly Visits

DESCRIPTION:

This premise reflects the costs of providing monthly visits to all foster care children placed in group homes (GHs), both in-state and out-of-state. This premise was authorized by Senate Bill 933 (Chapter 311, Statutes of 1998).

IMPLEMENTATION DATE:

This premise implemented on July 1, 1998.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 16516.5.
- The in-state GH caseload is projected to be 11,483 for Fiscal Year (FY) 2003-04 and 12,137 for FY 2004-05 based on data as reported on the Child Welfare Services/Case Management System. The out-of-state GH caseload is estimated at 178 for FY 2003-04 and 187 for FY 2004-05.
- The hourly cost of a social worker is $72.60 for each fiscal year.
- For the out-of-state placements, it is assumed that an average of two cases can be visited per trip.
- All GH placements will receive ten additional visits per year.
- In-state visits will take an average of two hours per visit and out-of-state visits will take an average of 12 hours to visit two cases.
- Based on caseload data for in-state GH placements, 4,465 cases are placed out-of-county for FY 2003-04, and 4,725 cases for FY 2004-05. For both fiscal years, these cases have been budgeted to include an additional two hours of travel time.
- For both fiscal years, out-of-state per diem costs are estimated at $124 and out-of-state travel costs are estimated at $500.

METHODOLOGY:

- For each fiscal year, the in-state costs for ten visits are calculated using the in-state GH caseload for two hours per visit multiplied by the hourly cost of a social worker (FY 2003-04: 10 visits x 11,483 cases x 2 hours x $72.60; FY 2004-05: 10 visits x 12,137 cases x 2 hours x $72.60).
- An additional two hours are calculated for the in-state, out-of-county placements at the hourly cost of a social worker (FY 2003-04: 2 hours x 4,465 cases x $72.60; FY 2004-05: 2 hours x 4,725 cases x $72.60).
- The out-of-state costs for ten visits are calculated using the out-of-state GH caseload divided by two (two cases per visit) for 12 hours per visit multiplied by the hourly cost of a social worker (FY 2003-04: 10 visits x 89 cases x 12 hours x $72.60; FY 2004-05: 10 visits x 94 cases x 12 hours x $72.60).
- Per diem and travel costs are added for each visit (FY 2003-04: $624 per diem/travel x 10 visits x 89 cases; FY 2004-05: $624 per diem/travel x 10 visits x 94 cases).

Group Home Monthly Visits

FUNDING:

After applying the foster care federal discount rates of 75 percent for FY 2003-04 and 76 percent for FY 2004-05, federally-eligible costs are shared 50 percent federal Title IV-E and 50 percent nonfederal. Nonfederal costs are 100 percent State General Fund.

CHANGE FROM THE APPROPRIATION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase is due to an increase in caseload. The foster care federal discount rate has also increased from 75 percent to 76 percent.

EXPENDITURES:

(in 000's)

	2003-04	2004-05
	County Admin.	County Admin.
Total	$18,390	$19,701
Federal	6,896	7,486
State	11,494	12,215
County	0	0
Reimbursements	0	0

Background Checks

DESCRIPTION:

This premise reflects the cost associated with conducting background checks prior to placing children in the home of a relative, or the home of any other person who is not a licensed foster parent. Pursuant to Assembly Bill 1695 (Chapter 653, Statutes of 2001), all unlicensed foster parents must meet the same standards set forth in regulations for the licensing of foster family homes. Therefore, all unlicensed foster parents will be subject to a background check to be conducted through the Child Abuse Index, the Department of Justice and the Federal Bureau of Investigations.

IMPLEMENTATION DATE:

This premise implemented on January 1, 1999.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 361.4.
- The caseload for Fiscal Years (FYs) 2003-04 and 2004-05 is 23,212 based on new placement data from August 2002 through July 2003.
- It is assumed that an average of two children is placed per home and that an average of two persons in the home will require background checks.
- The cost for the Child Abuse Index check is estimated at $15 per check.
- Costs for a Department of Justice background check through the Live Scan System are $32 along with a $16 application fee per check.
- The Federal Bureau of Investigations background check is $24.

METHODOLOGY:

Since two children are placed per home and two persons will require background checks per home, costs are calculated for the entire caseload at $87 for all checks (23,212 x $87).

FUNDING:

After applying the foster care federal discount rate of 76 percent for both FYs, federally-eligible costs are shared 50 percent federal Title IV-E and 50 percent nonfederal. Nonfederal costs are 100 percent State General Fund (GF).

Background Checks

CHANGE FROM THE APPROPRIATION:

The mandatory FBI background check that was previously excluded from this premise has now been included, the caseload has decreased and the foster care federal discount rate has been updated from 75 percent to 76 percent.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000's)

	2003-04	2004-05
	County Admin.	County Admin.
Total	$2,020	$2,020
Federal	768	768
State	1,252	1,252
County	0	0
Reimbursements	0	0

Relative Home Approvals

DESCRIPTION:

This premise reflects the cost associated with conducting an in-home approval prior to placing children in the home of a relative, or the home of a nonrelative extended family member (Initial Approvals). This premise also reflects the cost of conducting an annual visit for continued approval of a relative home (Annual Approvals). Assembly Bill (AB) 1695 (Chapter 653, Statutes of 2001) requires the county welfare department to conduct an in-home inspection to assess the safety of the home and the ability of the relative to care for the child's needs. The bill stipulates that the standards used to evaluate and grant or deny approval of the home of the relative shall be the same standards set forth in regulations for the licensing of foster family homes. The new licensing requirements for foster family homes require an annual 20 percent targeted visit beginning August 2003. The same standard will be used for all existing relatives and nonrelative extended family members beginning in Fiscal Year (FY) 2003-04.

IMPLEMENTATION DATE:

This premise implemented January 1, 2002.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 309(d).
- The new caseload for FY 2003-04 is 23,298, based on new placement data for Calendar Year 2002. The new caseload for FY 2004-05 is 23,212, based on new placement data from August 2002 through July 2003.
- The existing caseload for FY 2003-04 is 33,885 based on placement data for January 2003. The existing caseload for FY 2004-05 is 32,550 based on placement data for July 2003.
- It is assumed that an average of two children is placed per home.
- For FY 2003-04, it is assumed that it will take an average of six additional hours for the initial approval of each home. Based on information from the California Welfare Directors' Association, for FY 2004-05, it is now assumed that it will take an average of seven additional hours for the initial approval of each home.
- It is assumed that it will take an average of three hours to conduct an annual visit for reapproval of the home. Targeted visits began in August 2003.
- The hourly cost of a social worker is $72.60 for each FY.

METHODOLOGY:

Since two children are placed per home, costs are calculated for half of the caseload multiplied by the number of hours for approval, multiplied by the hourly cost of a social worker. For FY 2003-04, annual visits are included for July, and targeted visits will implement in August 2003. In the Budget Act of 2003, the Legislature augmented the FY 2003-04 appropriation by a total of $729,000 and is reflected in the estimate for Annual Approvals. Targeted visits are calculated for the entire FY 2004-05.

Relative Home Approvals

FUNDING:

After the foster care federal discount rate of 75 percent for FY 2003-04 and 76 percent for FY 2004-05 is applied, federally-eligible costs are shared 50 percent federal Title IV-E and 50 percent nonfederal. Nonfederal costs are 70 percent State General Fund and 30 percent county.

CHANGE FROM THE APPROPRIATION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is a decrease in caseload and an increase in the foster care federal discount rate from 75 percent to 76 percent. A full-year of targeted visits is reflected in the FY 2004-05 estimate as opposed to 11 months in the current year. The Initial Approvals has increased due to the increase in additional hours from six to seven. The Legislative augmentation is no longer reflected in the Annual Approvals for the budget year.

EXPENDITURES:

(in 000's)

Initial Approvals:	2003-04	2004-05
	County Admin.	County Admin.
Total	$5,075	$5,898
Federal	1,903	2,241
State	2,220	2,560
County	952	1,097
Reimbursements	0	0

Annual Approvals:	2003-04	2004-05
	County Admin.	County Admin.
Total	$1,713	$708
Federal	642	269
State	750	308
County	321	131
Reimbursements	0	0

COMBINED TOTAL:	2003-04	2004-05
	County Admin.	County Admin.
Total	$6,788	$6,606
Federal	2,545	2,510
State	2,970	2,868
County	1,273	1,228
Reimbursements	0	0

Multiple Relative Home Approvals

DESCRIPTION:

This premise reflects the cost associated with conducting additional approvals when more than one relative or non-related extended family member is seeking to have related foster children placed with them. These additional approvals of all willing relatives or non-related extended family members are necessary in order to fairly establish viable placement options and to better enable the State to meet the federal Adoption and Safe Families Act requirement that approval of relative homes be in compliance with foster family home licensing/approval standards.

IMPLEMENTATION DATE:

This premise implemented on December 1, 2002.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 309(d).
- The new caseload for Fiscal Year (FY) 2003-04 is 23,298, based on new placement data for Calendar Year 2002. The new caseload for FY 2004-05 is 23,212, based on new placement data from August 2002 through July 2003.
- It is assumed that an average of two children are placed per home.
- It is assumed that 30 percent of the placements have more than one party interested in receiving the placement.
- It is assumed that there are two to three (2.5 average) interested parties per placement. Therefore, since the "Relative Home Approvals" premise already provides for one assessment, there is an average of 1.5 additional homes that require approvals.
- For FY 2003-04, it is assumed that it will take an average of 12 hours to assess each home for approval. Based on information from the California Welfare Directors' Association, it is now assumed that it will take an average of 13 hours to assess each home for approval.
- The hourly cost of a social worker is $72.60 for each FY.

METHODOLOGY:

The number of approvals to be conducted is calculated by dividing the caseload by the average placements per home, then multiplying by the percentage of placements with multiple interest multiplied by the additional homes requiring approval. Annual costs are calculated by multiplying the number of approvals by the number of hours per approval multiplied by the hourly cost of a social worker.

FUNDING:

After the foster care federal discount rate of 75 percent for FY 2003-04 and 76 percent for FY 2004-05 is applied, federally-eligible costs are shared 50 percent federal Title IV-E and 50 percent nonfederal. Nonfederal costs are shared 70 percent State General Fund and 30 percent county.

Multiple Relative Home Approvals

CHANGE FROM THE APPROPRIATION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is a decrease in caseload and an increase in the foster care federal discount rate from 75 percent to 76 percent. The number of hours to assess each home for approval has increased from 12 to 13 hours.

EXPENDITURES:

(in 000's)

	2003-04	2004-05
	County Admin.	County Admin.
Total	$4,567	$4,929
Federal	1,713	1,873
State	1,998	2,139
County	856	917
Reimbursements	0	0

Grievance Review for Relatives

DESCRIPTION:

This premise reflects the cost associated with providing a review process upon request for relatives seeking to have related foster children placed with them but who are determined not to meet approval standards established by law and regulation. Making a grievance review available to relatives disapproved prior to placement is necessary to afford due process through an objective review of the basis for the disapproval and to better enable the State to meet the federal Adoption and Safe Families Act requirement that approval of relative homes be in compliance with foster family home licensing/approval standards.

IMPLEMENTATION DATE:

This premise implemented on January 1, 2003.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 309(d).
- The caseload for Fiscal Year (FY) 2003-04 is 23,298, based on new placement data for Calendar Year 2002. The caseload for FY 2004-05 is 23,212, based on new placement data from August 2002 through July 2003.
- It is assumed that an average of two children are placed per home.
- It is now assumed that 30 percent of the placements have more than one party interested in receiving the placement.
- It is assumed that there are two to three (2.5 average) interested parties per placement.
- It is assumed that 45 percent of homes will be disapproved.
- It is assumed that 20 percent of those whose homes are disapproved will request a review.
- It is assumed that it will take an average of eight hours to review each case.
- The hourly cost of a social worker is $72.60 for both fiscal years.

METHODOLOGY:

The number of reviews to be conducted is calculated by dividing the caseload by the average placements per home, then multiplying by the percentage of placements with multiple interest multiplied by the average interested parties per placement, then multiplying by the percent of homes that are disapproved and the percent of those requesting a review. Annual costs are calculated by multiplying the number of reviews by the number of hours per review multiplied by the hourly cost of a social worker.

Grievance Review for Relatives

FUNDING:

After the foster care federal discount rate of 75 percent for FY 2003-04 and 76 percent for FY 2004-05 is applied, federally-eligible costs are shared 50 percent federal Title IV-E and 50 percent nonfederal. Nonfederal costs are shared 70 percent State General Fund and 30 percent county.

CHANGE FROM THE APPROPRIATION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is a slight decrease in caseload and the foster care federal discount rate has increased.

EXPENDITURES:

(in 000's)

	2003-04	2004-05
	County Admin.	County Admin.
Total	$457	$455
Federal	171	173
State	200	197
County	86	85
Reimbursements	0	0

Live Scan Technology

DESCRIPTION:

This premise reflects the cost to maintain Live Scan machines in the 58 county child welfare services agencies. Before a child can be placed in an unlicensed relative or guardian home, caregivers must clear a criminal record check. Live Scan technology provides the capability to do instantaneous criminal record checks from fingerprints. Providing and maintaining Live Scan machines to the child welfare agencies allows for immediate onsite fingerprint processing.

IMPLEMENTATION DATE:

This premise implemented on July 1, 2000.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Assembly Bill 1740 (Chapter 52, Statutes of 2000).
- The 58 counties were provided funds to purchase 100 Live Scan machines in Fiscal Year (FY) 2000-01.
- Costs are negotiated and contracted with a Live Scan vendor by each of the counties.
- Contract costs for on-going maintenance are based on an existing Live Scan contract for Community Care Licensing activities.

METHODOLOGY:

The estimate is based on an existing Live Scan contract to provide on-going maintenance.

FUNDING:

After the foster care federal discount rate of 75 percent for FY 2003-04 and 76 percent for FY 2004-05 is applied, federally-eligible costs are shared 50 percent federal Title IV-E and 50 percent nonfederal. Nonfederal costs are 100 percent State General Fund.

CHANGE FROM THE APPROPRIATION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

The foster care federal discount rate increased from 75 to 76 percent.

Live Scan Technology

EXPENDITURES:

(in 000's)

	2003-04	2004-05
	County Admin.	County Admin.
Total	$1,200	$1,200
Federal	450	456
State	750	744
County	0	0
Reimbursements	0	0

Health Services for Children in Foster Care

DESCRIPTION:

This premise reflects the cost to fund positions for public health care nurses (PHNs) in the county welfare departments. These nurses will provide enhanced health services to children entering foster care. As authorized by Assembly Bill 1111 (Chapter 147, Statutes of 1999), this program will improve the physical, mental, dental and developmental well being of children in the child welfare system. The PHNs funded through this program shall work closely with the child's caseworker or probation officer to coordinate health care services and serve as a liaison with health care professionals and other providers of health related services.

IMPLEMENTATION DATE:

This premise implemented on January 1, 2000.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 16501.3.
- Based on actual data from July 2002 to December 2002, the number of new monthly cases added to foster care is 23,029.
- The new foster care caseload per PHN is based on a 1:200 ratio.
- The cost for a PHN in Fiscal Year (FY) 2004-05 is $100,000.
- There is no allowance for nurse supervisors.
- The State General Fund (GF) matching funds (25 percent) is reflected in the Department's budget and, through an interagency agreement, passed over to the budget of the Department of Health Services (DHS).

METHODOLOGY:

For FY 2004-05, the new foster care caseload, after being expanded to a full year is divided by the number of annual cases per PHN, then multiplied by the unit cost of a PHN to determine the total cost of the program ((46,058÷ 200) x $100,000). The total funds are multiplied by 25 percent to calculate the amount reflected in the Department's budget and the remaining 75 percent of the funds are reflected in the budget of the DHS.

FUNDING:

This program is eligible for enhanced Federal Title XIX funding of 75 percent with a match of 25 percent GF.

CHANGE FROM THE APPROPRIATION:

There is no change.

Health Services for Children in Foster Care

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000's)

	2003-04	2004-05
	County Admin.	County Admin.
Total	$5,757	$5,757
Federal	0	0
State	5,757	5,757
County	0	0
Reimbursements	0	0

County Self-Assessment and System Improvement Plan (SIP)

DESCRIPTION:

This premise reflects the cost to provide funding to counties to support the additional administrative responsibility related to the planning and coordination of the periodic county Child Welfare Services (CWS) performance self-assessments and annual System Improvement Plans (SIPs) as required by Assembly Bill (AB) 636 (Chapter 678, Statutes of 2002). Self-assessments and SIPs are critical and mandated components of the new CWS outcomes and accountability systems that require full and continuous participation by the public, service recipients, providers, courts, and agencies participating in CWS and are necessary to ensure a comprehensive, efficient, and non-duplicative approach to CWS assessment, design and operations.

Additional staff resources are necessary for the new function of identifying, selecting, updating membership, providing information, and coordinating the activities of the wide range of participants that include: advocates, the general public, law enforcement, courts, health and mental health agencies, local education, foster parents, foster youth, service recipient parents, and tribal organizations.

IMPLEMENTATION DATE:

This premise implemented January 1, 2004.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: The Budget Act of 2004.
- Fifty-eight staff, at the social worker level, is budgeted to perform these duties.
- The statewide average cost of a social worker is $129,083 for Fiscal Year (FY) 2003-04, and $129,074 for FY 2004-05.

METHODOLOGY:

The estimate is calculated by multiplying 58 social workers by the statewide average cost of a social worker. Half-year costs are calculated for FY 2003-04 and full-year costs are calculated for FY 2004-05.

FUNDING:

After the foster care federal discount rate of 76 percent for each FY is applied, federally-eligible costs are shared 50 percent federal Title IV-E and 50 percent nonfederal. Nonfederal costs are shared 70 percent State General Fund and 30 percent county.

CHANGE FROM THE APPROPRIATION:

This is a new premise.

REASON FOR YEAR-TO-YEAR CHANGE:

The FY 2003-04 estimate reflects half-year costs and the FY 2004-05 estimate reflects full-year costs.

County Self-Assessment and System Improvement Planning (SIP)

EXPENDITURES:

(in 000's)

	2003-04	2004-05
	County Admin.	County Admin.
Total	$3,744	$7,487
Federal	1,423	2,845
State	1,625	3,249
County	696	1,393
Reimbursements	0	0

Data Requirements for New Activities

DESCRIPTION:

This premise reflects the cost related to the additional data requirements associated with the many new mandated activities counties must accomplish to implement the Child Welfare Services (CWS) Redesign, the Program Improvement Plan (PIP), and the California Child & Family Services Review process authorized by Assembly Bill (AB) 636 (Chapter 678, Statutes of 2002). Counties must review and update data already contained in the CWS/Case Management System (CMS) to ensure the new required data elements are entered into the case files. Counties must also spend additional time entering these additional data requirements in all new cases as they are created. This effort must be accomplished so that it is possible to measure program improvement progress as required in the PIP in order to avoid federal penalties.

IMPLEMENTATION DATE:

This premise implemented January 1, 2004.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: The Budget Act of 2004.
- The Fiscal Year (FY) 2003-04 estimate is based on all existing open cases while the FY 2004-05 estimate is based on new cases only.
- The caseload for all existing open cases is 113,991, based on the projected average monthly caseloads for Family Maintenance, Family Reunification, and Permanent Placement. The caseload for new cases is 58,838 based on actual data for FY 2002-03.
- It is assumed that it will take an average of one hour per case to review and enter data for all existing open cases and 15 minutes per case to enter data for all new cases.
- The hourly cost of a social worker $72.60 for each FY.

METHODOLOGY:

The estimate is calculated by multiplying the caseload by the number of hours per case and then by the hourly cost of a social worker.

FUNDING:

After the foster care federal discount rate of 76 percent for each FY is applied, federally-eligible costs are shared 50 percent federal Title IV-E and 50 percent nonfederal. Nonfederal costs are shared 70 percent State General Fund and 30 percent county.

CHANGE FROM THE APPROPRIATION:

This is a new premise.

REASON FOR YEAR-TO-YEAR CHANGE:

The FY 2003-04 estimate reflects costs for all existing cases and the FY 2004-05 estimate reflects costs for all new cases.

Data Requirements for New Activities

EXPENDITURES:

(in 000's)

	2003-04	2004-05
	County Admin.	County Admin.
Total	$8,276	$1,068
Federal	3,145	406
State	3,592	463
County	1,539	199
Reimbursements	0	0

AB 408 - Child Relationships

DESCRIPTION:

This premise reflects the costs for social workers to perform additional activities on every initial and six month case plan and court report on children 10 years of age and older in Foster Care. Social workers are to evaluate and assess relationships between foster children and other important people in their lives, excluding siblings, and take necessary actions to maintain these relationships. Social workers will also conduct investigations to identify these individuals and ask all children that have been in Foster Care for over six months, who are 10 years of age and older that are placed in Group Homes to identify these people. These identified persons will also be included in the child's Transitional Independent Living Plan (TILP) process. Costs for the necessary background checks are also included in this premise.

IMPLEMENTATION DATE:

This premise implemented on January 1, 2004.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Assembly Bill 408 (Chapter 813, Statues of 2003).
- There are approximately 10,750 children 10 years of age and older in Family Reunification and Permanent Placement that reside in group homes that will be impacted in the budget year.
- A social worker will spend four hours performing an initial assessment at a cost of $72.60 per hour.
- One of every four relationships (2,688 cases) initially assessed will not be deemed in the child's best interest. In such cases, another relationship will be assessed, which will require four additional hours.
- Background checks will be performed on each initial and additional assessment case (13,440) at a cost of $63 each.
- Of the persons identified 4,178 (13,085 times 31.93 percent) will be added to the TILP process and will receive an additional hour of services at a rate of $72.60 per hour.
- The Administration's Mid-Year Spending Reduction Proposals reflects the repeal of AB 408 provisions, and therefore, no funding is included in the current year or budget year.

METHODOLOGY:

The Administration's Mid-Year Spending Reduction Proposals reflects the repeal of AB 408 provisions, and therefore, no funding is included in the current year or budget year.

FUNDING:

The Administration's Mid-Year Spending Reduction Proposals reflects the repeal of AB 408 provisions, and therefore, no funding is included in the current year or budget year.

CHANGE FROM THE APPROPRIATION:

AB 408 was not considered in the Budget Act of 2003 Appropriation as the bill was passed after the 2003 Budget Bill.

AB 408 - Child Relationships

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000's)

	2003-04	2004-05
	County Admin.	County Admin.
Total	$0	$0
Federal	0	0
State	0	0
County	0	0
Reimbursements	0	0

Adoptions Program – Basic Costs

DESCRIPTION:

This premise reflects costs associated with agency (relinquishment) and independent adoptions for 30 counties. Although only 28 counties provide adoptive services, these costs include funding for independent adoptions and services in two adjacent counties. Relinquishment and agency adoption include:

1. Agency (Relinquishment) Adoptions - Placements through a licensed adoption agency in which a child to be adopted has been relinquished by his or her natural parents or in which, due to abuse or neglect, parental rights have been terminated by court action; and
2. Independent Adoptions - Placements in which the parents place a child directly with an adopting family or persons of their choice.

The 1996 Adoptions Initiative (Assembly Bill 1524, Chapter 1083, Statutes of 1996) was introduced to maximize adoption opportunities for children in public foster care and reduce the foster care population. Counties were funded based on performance agreements that increased the number of adoption social workers in an effort to double the number of statewide adoptive placements. As a result of the Adoptions Initiative, the annual number of foster children who were placed in an adoptive home increased from 3,000 to over 7,200.

Previously, this premise was separated from the Adoptions Initiative premise in order to illustrate the fiscal impact of the Initiative. However, since achieving the goal of doubling the number of statewide adoptions, this premise now combines the Adoptions Initiative with the Adoption Program basic costs to fund the program with 560.55 full-time equivalents (FTEs).

The current year uses federal incentive funding ($4.4 million) to provide basic adoptive services. Refer to the "Federal Incentives for Adoptive Services" premise for more information on this funding source.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 16100 through 16106.
- The counties are funded with 560.55 FTEs in each Fiscal Year (FY).
- The statewide average annual unit cost of an adoption worker was held at $128,564 for each FY.
- Additional federal spending authority is included based on actual historical expenditure data.
- The State received $4.4 million in federal incentive funding that will be used to help fully fund the Adoptions Program in the current year.

METHODOLOGY:

- Estimates are individually calculated for each county that performs its own adoptive services by multiplying the number of FTEs by each individual county's annual unit cost of an adoption worker.
- Additional federal funds are included to bring the federal spending authority up to a level based on actual historical expenditure data.
- The $4.4 million in federal incentive funding is used to help fully fund the Adoptions Program in the current year.

Adoptions Program – Basic Costs

FUNDING:

The sharing ratios for FY 2003-04 are 43.70 percent federal and 56.30 percent nonfederal based on actual expenditure data from Calendar Year 2002. The sharing ratios for FY 2004-05 are 43.36 percent federal and 56.64 percent nonfederal based on actual expenditure data from FY 2002-03. The nonfederal share is 100 percent State General Fund. Additional federal funding is then included to provide sufficient federal spending authority to a level based on actual historical expenditure data.

CHANGE FROM THE APPROPRIATION:

There is an increase due to additional federal funding.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase in total funding is the result of the loss of federal incentive monies.

EXPENDITURES:

(in 000's)

	2003-04	2004-05
TOTAL PROGRAM	County Admin.	County Admin.
Total	$73,197	$73,992
Federal	37,698	33,310
State	35,499	40,682
County	0	0
Reimbursements	0	0

	2003-04	2004-05
Basic Program	County Admin.	County Admin.
Total	$68,809	$73,992
Federal	33,310	33,310
State	35,499	40,682
County	0	0
Reimbursements	0	0

Adoptions Program – Basic Costs

EXPENDITURES (continued):

(in 000's)

	2003-04	2004-05
Federal Incentives	County Admin.	County Admin.
Total	$4,388	$0
Federal	4,388	0
State	0	0
County	0	0
Reimbursements	0	0

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Federal Incentive Funds for Adoptive Services

DESCRIPTION:

This premise reflects the amount of federal funding that the State is eligible to receive as a result of Public Law (P.L.) 105-89, the Adoptions and Safe Families Act of 1997 (ASFA). This program was designed to reward states with incentive funds for increasing their finalized adoptions in the federal fiscal year (FFY). The amount of the incentive is determined by the Adoption and Foster Care Analysis and Reporting System (AFCARS). AFCARS data are submitted to the federal government twice a year, on November 14, and May 15.

In accordance with P.L. 105-89, the federal incentive money is capped at $20 million for the states cumulatively for each federal fiscal year. California has qualified for $4.4 million in federal incentive funding to be spent in State Fiscal Year (SFY) 2003-04 to provide basic adoptive services in lieu of State General Fund (GF). California is not expected to receive federal incentive funding in the budget year.

IMPLEMENTATION DATE:

This premise implemented in August of 1999.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: ASFA (P.L. 105-89), and the Foster Care Independence Act of 1999 (P.L. 106-169).
- The Department has qualified for a $4.388 million grant award to be spent in SFY 2003-04.

METHODOLOGY:

The estimate is based on a grant award letter received by the Department for FFY 2003. The $4.4 million received will be used to enhance basic adoptive services. This federal funding must be expended by September 30, 2003 (by the end of the first fiscal quarter of SFY 2003-04).

FUNDING:

The incentives are 100 percent federal funds.

CHANGE FROM THE APPROPRIATION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There are no incentive funds expected in the budget year.

Federal Incentive Funds for Adoptive Services

EXPENDITURES:

(in 000's)

Basic Adoptive Svcs.	2003-04	2004-05
	County Admin.	County Admin.
Total	$4,388	$0
Federal	4,388	0
State	0	0
County	0	0
Reimbursements	0	0

Private Agency Adoption Reimbursement Payments

DESCRIPTION:

This premise reflects the costs of providing private agency adoption reimbursement payments (PAARPs) to private adoption agencies for expenditures associated with adoptive placements of special needs children. Assembly Bill (AB) 1524 (Chapter 1083, Statutes of 1996) established a $3,500 compensatory limit per placement of special needs children. AB 1225 (Chapter 905, Statutes of 1999) increased the compensatory limit per placement to $5,000 per adoptive placement of a special needs child.

Once the child is placed, a claim is submitted to the Department for an individual child by the private adoption agency. Departmental program staff review the claim, verify federal eligibility, and forward the claim(s) to the Office of the State Controller for direct issuance of a reimbursement payment to the private adoption agency. Fiscal control is maintained by departmental program staff.

IMPLEMENTATION DATE:

This premise originally implemented on July 1, 1992.

The AB 1225 reimbursement payment increase went into effect on July 1, 1999.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 16120 through 16122.
- The caseload is projected at 1,797 for both Fiscal Years (FYs) 2003-04 and 2004-05 based on actual caseload data from FYs 2001-02 and 2002-03.
- The cost of each PAARP was calculated at $5,000 per private agency adoptive placement.

METHODOLOGY:

To determine the PAARP basic cost, the projected number of private agency adoptive placements was multiplied by the average reimbursement cost per placement (1,797 placements x $5,000 reimbursement per placement).

FUNDING:

The funding ratio was based on actual claiming data from FY 2002-03. The federal share of cost is 47 percent, and the state share of cost is 53 percent.

CHANGE FROM THE APPROPRIATION:

The estimate increased based on updated actual caseload and expenditure data.

Private Agency Adoption Reimbursement Payments

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000's)

	2003-04	2004-05
	County Admin.	County Admin.
Total	$8,983	$8,983
Federal	4,193	4,193
State	4,790	4,790
County	0	0
Reimbursement	0	0

Foster and Adoptive Home Recruitment

DESCRIPTION:

This premise reflects the costs associated with utilizing the services of local community organizations to increase the pool of minority adoptive families in order to place more minority children. The program is administered via contracts between the Department and private providers; counties are not directly involved. The Department funds approximately 20 projects through this item.

IMPLEMENTATION DATE:

This premise implemented on July 1, 1982.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Federal Multiethnic Placement Act.
- The Foster and Adoptive Home Recruitment Program will fund four contracts with private providers in both the current and budget years.

METHODOLOGY:

- The estimate for Fiscal Years (FYs) 2003-04 and 2004-05 is developed based on anticipated and actual executed contracts.
- The foster care federal discount rate is 75 percent for FY 2003-04 and 76 percent for FY 2004-05.

FUNDING:

After the foster care federal discount rate is applied, federally-eligible costs are shared 50 percent federal Title IV-E and 50 percent nonfederal. Nonfederal costs are 100 percent State General Fund.

CHANGE FROM THE APPROPRIATION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

The foster care federal discount rate increased from 75 percent to 76 percent.

EXPENDITURES:

(in 000's)

	2003-04	2004-05
	County Admin.	County Admin.
Total	$392	$392
Federal	147	149
State	245	243
County	0	0
Reimbursements	0	0

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County Counsel Costs

DESCRIPTION:

This premise reflects the costs of parental rights termination proceedings for those counties that do not provide their own adoption services. For these counties, Senate Bill 243 (Chapter 1485, Statutes of 1987) transferred the function of terminating parental rights for court dependents from the State Attorney General's Office to the county counsels, effective January 1, 1990.

Cost elements of the parental rights termination function are primarily attorney and paralegal costs; however, they also include minor costs such as publication of notices, process server fees, court reporter fees, sheriff fees, and expert witness fees.

IMPLEMENTATION DATE:

This premise implemented on January 1, 1990.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institution Code sections 16100 through 16106.
- Based on data from Fiscal Year (FY) 2002-03, actual county counsel expenditures were reported at $1,221,207 for those counties that report expenditures. The number of children freed associated with these expenditures was 448.
- For those counties that report expenditures, the projected number of children freed for adoption by county counsels for FY 2004-05 is 497.
- The foster care federal discount rate is 76 percent for FY 2004-05.

METHODOLOGY:

- The funding for FY 2003-04 is being held at the Budget Act of 2003 Appropriation level.
- The average cost per case was derived by dividing the expenditures by the number of children freed during that same period. The average cost per case was then multiplied by the projected number of children to be legally freed for adoption.

FUNDING:

After the foster care federal discount rate is applied, federally-eligible costs are shared 50 percent federal Title IV-E and 50 percent nonfederal. Nonfederal costs are 100 percent State General Fund.

CHANGE FROM THE APPROPRIATION:

There is no change.

County Counsel Costs

REASON FOR YEAR-TO-YEAR CHANGE:

The budget year increase reflects an updated caseload and cost per case projection and an increased foster care federal discount rate.

EXPENDITURES:

(in 000's)

	2003-04	2004-05
	County Admin.	County Admin.
Total	$1,261	$1,356
Federal	473	515
State	788	841
County	0	0
Reimbursements	0	0

Nonrecurring Adoption Expenses

DESCRIPTION:

This premise reflects the costs for the reimbursement to families for nonrecurring adoption expenses associated with adopting special needs children. These costs may include, but are not limited to, legal fees, court filing fees, special medical examinations, and psychological evaluations. Only families adopting special needs children are eligible for reimbursement of these one-time costs.

The California maximum reimbursement amount is $400 with a 50 percent federal sharing ratio. Assembly Bill 2129 (Chapter 1089, Statutes of 1993) made this cap permanent.

IMPLEMENTATION DATE:

This premise implemented on January 1, 1990.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 16120.1.
- The maximum reimbursement that can be applied to each case is $400.
- Approximately 68 percent of all adopted children can be classified as special needs children.
- An average of 49.33 percent of eligible cases submit claims.

METHODOLOGY:

Fiscal Year (FY) 2003-04

The current year estimate is being held at the Budget Act of 2003 Appropriation level.

FY 2004-05

The estimate was developed by multiplying the projected number of adoptions by the percentage that would qualify as special needs cases (6,166 adoptions x 68 percent). This number was then multiplied by the average percentage of submitted claims, and then by the maximum reimbursement amount (4,193 eligible cases x 49.33 percent of eligible cases submitting claims x $400).

FUNDING:

The funding for these reimbursements is shared between federal and state at 50 percent each. There is no county share.

CHANGE FROM THE APPROPRIATION:

There is no change.

Nonrecurring Adoption Expenses

REASON FOR YEAR-TO-YEAR CHANGE:

The budget year decrease reflects a slightly lower percentage of eligible claims being reported (from 56 percent to 49 percent).

EXPENDITURES:

(in 000's)

	2003-04	2004-05
	County Admin.	County Admin.
Total	$948	$828
Federal	474	414
State	474	414
County	0	0
Reimbursements	0	0

Specialized Training for Adoptive Parents (STAP)

DESCRIPTION:

This premise reflects the costs associated with implementing Assembly Bill (AB) 2198 (Chapter 1014, Statutes of 1998) which provides special training and services to facilitate the adoption of children who are HIV positive or who have a condition of symptoms resulting from substance abuse by the mother. Specifically, this funding will provide recruitment, special training and respite care to families adopting court dependent children who are either HIV positive or assessed as being prenatally exposed to alcohol or a controlled substance. This program is similar to the Child Welfare Services Program's Substance Abuse/HIV Infant Program (Options for Recovery) authorized by AB 67 (Chapter 606, Statutes of 1997).

IMPLEMENTATION DATE:

This premise implemented on July 1, 1998.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 16135 through 16135.30.
- This program is available to any county requesting participation pursuant to established procedures and to the extent funds are available. There are currently 11 counties (El Dorado, Mendocino, Monterey, Riverside, San Francisco, San Luis Obispo, Santa Clara, Santa Cruz, Stanislaus, Shasta, and Ventura) that have implemented this program.
- The foster care federal discount rate is 75 percent for the current year and 76 percent for the budget year.

METHODOLOGY:

The estimate for this program was developed by calculating the costs for each of the three separate components (respite care, training, and recruitment). The total program funding is $1,871,000 for the current year, and $1,883,000 for the budget year, based on the $1,000,000 State General Fund (GF) appropriation in AB 2198 for the implementation of this program.

FUNDING:

After the foster care federal discount rate is applied, federally-eligible recruitment activities are funded with 50 percent federal funds and 50 percent nonfederal funds. The nonfederal funds are shared 70 percent GF and 30 percent county.

After the foster care federal discount rate is applied, federally-eligible training costs are funded with 75 percent federal funds and 25 percent nonfederal funds. The nonfederal funds are shared 70 percent GF and 30 percent county.

Respite care is funded with 70 percent GF and 30 percent county funds.

Specialized Training for Adoptive Parents (STAP)

CHANGE FROM THE APPROPRIATION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

The foster care federal discount rate increased from 75 percent to 76 percent.

EXPENDITURES:

(in 000's)

	2003-04	2004-05
	County Admin.	County Admin.
Total	$1,871	$1,883
Federal	448	454
State	1,000	1,000
County	423	429
Reimbursements	0	0

Nonresident Petitions for Adoption

DESCRIPTION:

This premise reflects the costs associated with conducting home studies for non-California residents who file a petition for either an agency or independent adoption in the county where the child resides. Assembly Bill (AB) 746 (Chapter 1112, Statutes of 2002) requires a review to be conducted and an endorsed home study report to be completed by either the Department or a California licensed adoption agency. This home study report would need approval in the nonresident petitioner's state.

IMPLEMENTATION DATE:

This premise implemented on January 1, 2003.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Family Code sections 8714 through 8715, 8802, and 8807.
- AB 746 would result in an increase of 33 more out-of-state adoptions.
- Each new case would require, on average, 2.5 visits per year.
- It would take 16 hours, including travel, to conduct each visit.
- Travel costs are estimated to be $624 (including per diem) per visit.
- The average cost for a social worker is $72.60.

METHODOLOGY:

The estimate was developed by first multiplying the number of new cases by the average number of visits required (33 new cases x 2.5 visits per case = 82.5 total visits). The average cost of the social worker ($72.60 per hour x 16 hours per visit = $1,162) was added to the travel costs ($1,162 cost of social worker + $624 travel costs = $1,786). This total cost was then multiplied by the number of total visits (82.5 total visits x $1,786 cost per visit = $147,345).

FUNDING:

Based on Fiscal Year 2002-03 actual expenditures, 43 percent of the total costs are federally funded. The nonfederal share, 57 percent, is funded with State General Fund.

CHANGE FROM THE APPROPRIATION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

The sharing ratio has been updated.

Nonresident Petitions for Adoption

EXPENDITURES:

(in 000's)

	2003-04 County Admin.	2004-05 County Admin.
Total	$148	$148
Federal	65	64
State	83	84
County	0	0
Reimbursements	0	0

Adoption Opportunity Grant

DESCRIPTION:

This premise reflects an annual $350,000 in federal grant funds that the Department will receive for five years, on behalf of Sacramento County, to help promote adoptive placements and to provide services to children in foster care. Services include building a culture of permanence in partner agencies through the enhancement of existing protocols, training and collaborations; implementation of changes in current services by engaging project youth in recruitment plans and activities toward increasing permanency; developing and implementing marketing strategies to increase recruitment of adoptive families; and addressing system barriers by identifying focus issues and enhancing partnerships between advocates, policy makers, and legislators. Sacramento County will contract with Sierra Adoptions Services to provide these services. Sierra Adoptions Services will provide the 11.93 percent nonfederal match required for the grant.

IMPLEMENTATION DATE:

This premise implemented during Fiscal Year (FY) 2003-04.

KEY DATA/ASSUMPTIONS:

Authorizing statute: Adoption Opportunities: Title II of the Child Abuse Prevention and Treatment and Adoptions Reform Act of 1978, as amended; (42 USC 5111) CFDA: 93.652.

METHODOLOGY:

The amount of funding reflects the annual grant award.

FUNDING:

The funding is 88.07 percent federal share with an 11.93 percent county match.

CHANGE FROM THE APPROPRIATION:

This is a new premise.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

Adoption Opportunity Grant

EXPENDITURES:

(in 000's)

	2003-04	2004-05
	County Admin.	County Admin.
Total	$398	$398
Federal	350	350
State	0	0
County	48	48
Reimbursements	0	0

County Third Party Contracts

DESCRIPTION:

This premise reflects the costs associated with the Child Abuse Prevention, Intervention, and Treatment (CAPIT) Program. Assembly Bill 1733 (Chapter 1398, Statutes of 1982) established CAPIT to fund prevention and intervention services for children at risk of abuse and/or neglect. Contracts with community-based public and private agencies utilize CAPIT funds to provide services to high-risk children and their families, as well as training and technical assistance to funded agencies. The program includes a contract component (approximately seven percent of the total CAPIT amount), which funds innovative, child-centered approaches geared towards the prevention of child abuse and neglect.

KEY DATA/ASSUMPTIONS:

Authorizing statute: Welfare and Institutions Code sections 18960 through 18965.

METHODOLOGY:

This total funding is divided amongst county allocations, innovative services, training and technical assistance/state support and the Safely Surrendered Baby Public Education Campaign as follows:

- County Allocations: Counties are allocated a total of $12,356,000. Small counties receive a preset minimum funding level, and the remaining distribution utilizes a formula that considers a county's share of children under the age of 18, children receiving public assistance, and child abuse reports.
- Innovative Services Contracts: There is $1,039,000 appropriated for innovative services contracts. A competitive bid process determines the grantees of innovative services contracts.
- Training and Technical Assistance (T&TA)/State Support: This funding amount is $306,200 (three percent of the total CAPIT funding minus 2.0 limited-term positions) to ensure that the programs effectively serve high-risk children and their families, to provide for regional training on various child abuse issues and periodic statewide conferences, and to provide state support for the program(s). This amount is not included in the local assistance budget.
- Safely Surrendered Baby Public Education Campaign: The California Children and Families Commission will provide reimbursement funds to the Department for a statewide multi-media and public relations Safely Surrendered Baby Public Education Campaign. The campaign is to inform and educate all Californians about the "Safe Arms for Newborns" law, also known as the Safely Surrendered Baby law, which was enacted on January 1, 2001. The funds will provide publicity and advertisements via the various news media, including radio and television public service announcements and placement of informational advertisements in college and university newspapers. This funding amount is $809,000 for the current year and $150,000 for the budget year.

FUNDING:

The California Children and Families Commission will provide reimbursement funds to the Department for the Safely Surrendered Baby Public Education Campaign. For FY 2003-04, $809,000 in reimbursement funds has been added to the total funding amount. For FY 2004-05, reimbursement funds total $150,000. The remaining CAPIT funding is 100 percent State General Fund.

County Third Party Contracts

CHANGE FROM THE APPROPRIATION:

Reimbursement funds for the Safely Surrendered Baby Public Education Campaign have been added to the total funding amount.

REASON FOR YEAR-TO-YEAR CHANGE:

There is a decrease in the reimbursement for the Safely Surrendered Baby Public Education Campaign in FY 2004-05.

EXPENDITURES:

(in 000's)	2003-04	2004-05
	Grant	Grant
Total	$14,204	$13,545
Federal	0	0
State	13,395	13,395
County	0	0
Reimbursements	809	150

Federal Grants

DESCRIPTION:

This premise reflects the costs associated in assisting local and private agencies in the development and strengthening of child abuse and neglect prevention and treatment programs. Federal grants under this provision include those under the Child Abuse Prevention and Treatment Act (CAPTA). The CAPTA grant is now comprised of Title I (consisting of the former Parts A and B) and Title II, otherwise known as the Community-Based Family Resource and Support (CBFRS) grant.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 18958.
- Project funding is contingent upon continued receipt of federal grant awards.

METHODOLOGY:

The total reflects the following federal grants:	2003-04	2004-05
• CAPTA Title I Grants	$4,215,665	$4,215,665
• CAPTA Title II – CBFRS	$2,372,614	$2,372,614
	$6,588,279	$6,588,279

FUNDING:

Funding for these projects is 100 percent federal grant funds.

CHANGE FROM THE APPROPRIATION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000's)	2003-04 Grant	2004-05 Grant
Total	$6,588	$6,588
Federal	6,588	6,588
State	0	0
County	0	0
Reimbursements	0	0

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State Children's Trust Fund Program

DESCRIPTION:

This premise reflects the revenue available for the State Children's Trust Fund (SCTF) Program in California. The SCTF provides funding for innovative child abuse and neglect prevention and intervention projects utilizing deposits generated from birth certificate surcharges, state income tax designations, and private donations. Project funding is awarded through proposals submitted to the Office of Child Abuse Prevention (OCAP) of the California Department of Social Services.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 18969.
- The Office of the State Controller accounts for deposits to the SCTF and advises the Department as to the availability of funds.

METHODOLOGY:

This premise reflects the current funding information available for the SCTF, as provided by the OCAP.

FUNDING:

The SCTF is used for research, evaluation, dissemination of information to the public, the establishment of public-private partnerships with foundations and corporations, to increase public awareness about child abuse and neglect via media campaigns, and to seek continued contributions to the fund. In addition, the SCTF will help implement the Child Welfare Services (CWS) Redesign and the Program Improvement Plan (PIP) in the budget year.

CHANGE FROM THE APPROPRIATION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

Funding has increased in the budget year in order to help implement the CWS Redesign and PIP activities.

EXPENDITURES:

(in 000's)	2003-04	2004-05
	Grant	Grant
Total	$1,832	$6,332
Federal	0	0
State	1,832	6,332
County	0	0
Reimbursements	0	0

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County Services Block Grant – Basic Costs

DESCRIPTION:

This premise reflects the County Services Block Grant (CSBG) funding provided to the counties. The CSBG provides funds for Adult Protective Services (APS) and APS administrative costs. The CSBG may also be used to fund related optional services and activities to the extent funds are available.

Non-Medical Out-of-Home Care (NMOHC) administrative costs relating to the SSI/SSP Program are also included in this premise since Fiscal Year (FY) 2000-01. These NMOHC costs were previously reflected in the "Small Programs (non-CalWORKs) Block Grant" premise.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 13004 through 13007.
- The State General Fund (GF) is block granted at $10.5 million.
- The county match ($10.9 million) reflects the FY 1996-97 CSBG county expenditure level. Senate Bill 2199 (Chapter 946, Statutes of 1998) required the counties to maintain their FY 1996-97 APS expenditure level for CSBG purposes.
- The Title XIX reimbursement rate is assumed to be 32.50 percent, based on the actual federal reimbursement percentage claimed on the county administrative expense claim for FY 2002-03.

METHODOLOGY:

In the current year, the estimated costs are computed by adding the GF block grant, the county dollars, and the Title XIX reimbursements ($10,500,000 + $10,936,000 + $10,960,000 = $32,396,000), and the NMOHC costs. The NMOHC costs are estimated to be $815,132 for the current year.

In the budget year, the estimated costs are computed by adding the GF block grant, the county dollars and the Title XIX reimbursements $10,500,000 + $10,936,000 + $10,321,000 = $31,757,000), and the NMOHC costs. The NMOHC costs are estimated to be $807,462 in the budget year.

FUNDING:

- GF for CSBG is block granted at $10.5 million with county participation at the maintenance of effort level.
- NMOHC is funded with 100 percent GF.
- The Title XIX reimbursements are as follows:
  - Activities performed by skilled professional medical personnel are eligible for Title XIX reimbursement at 75 percent.
  - Health-related activities provided to Medi-Cal eligible recipients are eligible for Title XIX reimbursement at 50 percent.

County Services Block Grant – Basic Costs

CHANGE FROM THE APPROPRIATION:

For current year, funding is maintained at the Appropriation levels.

REASON FOR YEAR-TO-YEAR CHANGE:

The budget year reduction in total costs reflects a reduction in estimated costs for the NMOHC Program.

EXPENDITURES:

(in 000's)	2003-04	2004-05
	County Admin.	County Admin.
Total	$33,212	$32,564
Federal	0	0
State	11,316	11,307
County	10,936	10,936
Reimbursements	10,960	10,321

Adult Protective Services

DESCRIPTION:

This premise reflects the funds available over and above the funds provided in the County Services Block Grant (CSBG) for the provision of adult protective services (APS). Senate Bill (SB) 2199 (Chapter 946, Statutes of 1998) established a statewide mandated APS Program and provided these additional funds for expanded APS activities. The county share of APS expenditures was held at the Fiscal Year (FY) 1996-97 county match level for the CSBG. The APS Program has been funded in whole or in part under CSBG since the 1984 Budget Act. The APS Program, administered by the county welfare departments, provides assistance to elderly and dependent adults who are functionally impaired, unable to meet their own needs, and who are victims of abuse, neglect or exploitation.

The APS Program, as defined in SB 2199, requires the counties to respond to reports of elder and dependent adult abuse on a 24-hour emergency response basis. Among the services required by SB 2199 are investigations, needs assessments, and case management services. SB 2199 also provides for necessary tangible resources such as food, emergency shelter care, in-home protection, transportation, and the use of multidisciplinary teams.

IMPLEMENTATION DATE:

- This premise implemented on July 1, 1997.
- The enhanced APS Program became effective May 1, 1999.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Elder Abuse and Dependent Adult Civil Protection Act, commencing Welfare and Institutions Code section 15600.
- This program received a $20 million State General Fund (GF) augmentation in the 1998 Budget Act to provide counties with additional resources needed to implement the statewide mandated APS Program. An additional $25.3 million GF augmentation was provided in the 1999 Budget Act.
- The counties are assumed to have no additional share of the APS costs effective FY 1998-99. SB 2199 held county costs to the FY 1996-97 CSBG expenditure level.

METHODOLOGY:

The General Fund estimated expenditures are held at the Fiscal Year 2002-2003 level. The estimated Federal Title XIX reimbursement is based on actual expenditures for FY 2002-2003.

FUNDING:

- The program is funded with GF and Title XIX reimbursements.
- The Title XIX reimbursements are as follows:
    - Activities performed by skilled professional medical personnel are eligible for Title XIX reimbursement at 75 percent; and,

Adult Protective Services

FUNDING (continued):

- Health-related activities provided to Medi-Cal eligible recipients are eligible for Title XIX reimbursement at 50 percent.

CHANGE FROM THE APPROPRIATION:

The estimated Federal Title XIX reimbursement is based on actual expenditures for FY 2002-2003.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000's)

	2003-04	2004-05
	County Admin.	County Admin.
Total	$82,129	$82,129
Federal	0	0
State	50,179	50,179
County	0	0
Reimbursements	31,950	31,950

APS Contract for Training Curriculum

DESCRIPTION:

This premise reflects the cost of entering into a multi-year contract with a qualified institution, agency or consultant to:

- Develop a comprehensive statewide training curriculum for county Adult Protective Services (APS) workers that will be owned by the State and shared with county APS agencies;
- Present the training curriculum to all APS workers, including scheduling and arranging training in all the regions of the State and producing all required training materials; and,
- Periodically update the curriculum and its content to reflect changing APS laws, policies and practices and provide updated training to APS workers.

The purpose of the training will be to educate county APS workers on the new APS Program standards, requirements, and mandates established by passage of Senate Bill 2199 (Chapter 946, Statutes of 1998). The training is intended to promote statewide uniformity and consistency in the administration and delivery of services under the APS Program. The Department selected the California State University, Los Angeles to develop the curriculum.

IMPLEMENTATION DATE:

This premise implemented on July 1, 2001.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Elder Abuse and Dependent Adult Civil Protection Act, commencing Welfare and Institutions Code section 15600.
- The cost for ongoing training activities is estimated to be $175,000 annually.

METHODOLOGY:

The funding for this premise reflects the amount of the contract with California State University, Los Angeles.

FUNDING:

The federal Title XIX reimbursement represents 12.5 percent of the total funding. The nonfederal share is funded with 100 percent State General Fund (GF).

APS Contract for Training Curriculum

CHANGE FROM THE APPROPRIATION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000's)

	2003-04 Contracts	2004-05 Contracts
Total	$176	$176
Federal	0	0
State	154	154
County	0	0
Reimbursements	22	22

Community Care Licensing - Foster Family Homes

DESCRIPTION:

This premise reflects the costs of providing basic funding for Foster Family Home (FFH) program licensing and recruitment services. The California Community Care Facilities Act authorizes counties to provide FFH licensing services. There are currently 42 counties providing FFH licensing and recruitment services. FFH programs in the remaining 16 counties are licensed by the California Department of Social Services' Community Care Licensing Program District Offices. For these counties, funds are provided for the purpose of recruiting FFH providers.

This premise includes the implementation of targeted visits to FFH facilities and a new CCL workload standard. Rather than conducting annual visits to all facilities, licensing workers will conduct targeted visits to approximately 20 percent of the caseload on an annual basis, beginning in August 2003. All facilities receiving complaints will continue to be visited on a more frequent basis.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Health and Safety Code sections 1500 through 1519.
- The workload standard used to determine full-time equivalents (FTEs) for annual visits is 90 cases per worker.
- The workload standard used to determine FTEs for targeted visits is 133 cases per worker.
- The worker to supervisor ratio used to determine the total number of FTEs is 6.35:1.
- The average statewide unit cost for both Fiscal Years (FYs) 2003-04 and 2004-05 is $125,663 based on the actual unit cost for FY 2001-02.
- An additional 27 percent in federal funding for non-recruitment costs is included in the total funding amount to recognize actual federal expenditures ($3,607,585 x .27 = $974,048).

METHODOLOGY:

FY 2003-04

- The estimate was developed by determining the number of FTEs based on the FY 2003-04 projected caseload of 8,247. This caseload was divided by the workload standards of 90 (annual visits for one month) and 133 (targeted visits for 11 months) cases per worker to derive the number of nonsupervisory FTEs [((8,247 cases ÷ 90 cases per worker) x (1 month ÷ 12 months)) + [((8,247 cases ÷ 133 cases per worker) x (11 months ÷ 12 months))]. The FTEs were expanded to include supervisors at a ratio of 6.35:1 to determine the total number of FTEs ((64.48 FTEs ÷ 6.35 supervisor ratio) + 64.48 FTEs = 74.63 FTEs. An additional $1,053,236 in federal spending authority is included based on actual expenditures.
- The total estimate was derived by adding the recruitment-only allocation to the FFH Program estimate ($10,431,477 + $877,764). The recruitment-only amounts were developed using each county's average number of cases in Family Reunification and Permanent Placement and the number of children under 18 years of age.

Community Care Licensing - Foster Family Homes

METHODOLOGY (continued):

FY 2004-05

- The estimate was developed by determining the number of FTEs based on the FY 2004-05 projected caseload of 7,824. This caseload was divided by the workload standards of 133 cases per worker to derive the number of nonsupervisory FTEs (7,824 cases ÷ 133 cases per worker = 58.83 FTEs). The FTEs were expanded to include supervisors at a ratio of 6.35:1 to determine the total number of FTEs ((58.83 FTEs ÷ 6.35 supervisor ratio) + 58.83 FTEs = 68.09 FTEs). An additional $974,048 in federal spending authority is included based on actual expenditures.
- The total estimate was derived by adding the recruitment-only allocation to the FFH Program estimate ($9,530,589 + $877,764). The recruitment-only figures were developed using each county's average number of cases in Family Reunification and Permanent Placement and the number of children under 18 years of age.

FUNDING:

Based on actual expenditure data from Calendar Year 2002, the sharing ratio for FY 2003-04 is 41.59 percent federal Title IV-E and 58.41 percent General Fund (GF). Based on actual expenditure data from FY 2002-03, the sharing ratio for FY 2004-05 is 42.16 percent federal Title IV-E and 57.84 percent GF.

CHANGE FROM THE APPROPRIATION:

There is an increase due to additional federal funding.

REASON FOR YEAR-TO-YEAR CHANGE:

There is a decrease in the budget year due to the reduction in the projected caseload and a full-year of targeted visits as opposed to 11 months.

EXPENDITURES:

(in 000's)

	2003-04	2004-05
	County Admin.	County Admin.
Total	$11,310	$10,409
Federal	5,320	4,952
State	5,990	5,457
County	0	0
Reimbursements	0	0

Family Child Care Homes – Basic Costs

DESCRIPTION:

This premise reflects the costs of providing basic funding to six counties for family child care home (FCCH) program licensing services. FCCH programs in the remaining 52 counties are licensed by the California Department of Social Services' (CDSS) Community Care Licensing (CCL) District Offices. The California Community Care Facilities Act authorizes participating counties to provide FCCH licensing services.

This premise includes the implementation of targeted visits to FCCH facilities and a new CCL workload standard. Effective August 2003, licensing workers began conducting targeted visits to approximately 20 percent of the caseload on an annual basis, rather than triennially to all facilities. All facilities receiving complaints continue to be visited on a more frequent basis.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Health and Safety Code sections 1500 through 1519.
- The workload standard used to determine full-time equivalents (FTEs) for triennial visits is 303 cases per worker.
- The workload standard used to determine FTEs for targeted visits is 312 cases per worker.
- The worker to supervisor ratio used to determine FTEs is 6.35:1.

METHODOLOGY:

Fiscal Year (FY) 2003-04

- The funding for FY 2003-04 is being held at the Budget Act of 2003 Appropriation level.

FY 2004-05

- The estimate was developed by determining the number of FTEs based on the FY 2004-05 projected caseload of 3,641. This caseload was divided by the workload standard of 312 cases per worker to determine the number of nonsupervisory FTEs (3,641 caseload ÷ 312). The FTEs were then expanded to include supervisors at a ratio of 6.35:1 to derive the total number of FTEs ([11.67 FTEs ÷ 6.35 supervisor ratio] + 11.67 FTEs = 13.51 FTEs).
- The average statewide unit cost was held at the Budget Act of 2003 Appropriation level of $117,885 (the actual unit cost based on FY 2001-02 data).

FUNDING:

In the Budget Act of 1999, the Legislature appropriated $318,000 in reimbursement funds from the California Department of Education (CDE) to this program in order for the licensing workers to conduct comprehensive annual site visits. Since this funding is a reimbursement through the Child Care Development Fund, it is not affected by the reduced targeted visits.

The estimate for both the current and budget year reflects $30,000 in State General Funds (GF) from the Child Health and Safety Fund for a media advertising campaign for promotion of the Kids' Plates Program.

The remaining costs are funded 100 percent GF.

Family Child Care Homes – Basic Costs

CHANGE FROM THE APPROPRIATION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

The decrease in the budget year is due to a full-year of targeted visits as opposed to 11 months.

EXPENDITURES:

(in 000's)

	2003-04	2004-05
	County Admin.	County Admin.
Total	$1,626	$1,623
Federal	0	0
State	1,308	1,305
County	0	0
Reimbursements	318	318

Serious Incident Reporting

DESCRIPTION:

This premise reflects the costs of providing funding to the eight counties that provide family child care home (FCCH) licensing services in order for those counties to fulfill the reporting requirements associated with Assembly Bill (AB) 685 (Chapter 679, Statutes of 2001). AB 685 requires FCCH licensees to report any injury to a child requiring medical treatment, the death of any child, or any unusual incident or child absence that threatens the physical or emotional health or safety of any child while the child is in the care of the licensee. This premise provides the necessary staff to process these serious incident reports.

IMPLEMENTATION DATE:

This premise implemented on January 1, 2002.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Health and Safety Code sections 1500 through 1519.
- The projected caseload for both Fiscal Years (FYs) 2003-04 and 2004-05 is 3,641.
- The average unit cost for an FCCH full-time equivalent (FTE) is $117,885 for both FYs 2003-04 and 2004-05.

METHODOLOGY:

In both FYs 2003-04 and 2004-05, the total funding for this premise remains at the Budget Act of 2003 Appropriation level.

FUNDING:

This premise is funded 100 percent with State General Fund.

CHANGE FROM THE APPROPRIATION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000's)

	2003-04 County Admin.	2004-05 County Admin.
Total	$80	$80
Federal	0	0
State	80	80
County	0	0
Reimbursement	0	0

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Family Child Care Homes Provider Training

DESCRIPTION:

This premise reflects the costs of continuing the "Family Child Care at Its Best" training project. This project provides child development training to licensed Family Child Care Home (FCCH) providers to enhance the quality and safety of licensed FCCHs. The training, through an interagency agreement with the University of California at Davis Extension Program, provides the latest information about child development practices and the importance of providing appropriate care to meet the developmental needs of young children.

The California Department of Education's (CDE) proposed Child Care and Development Fund (CCDF) State Plan includes $1.0 million for the "Family Child Care at Its Best" training project.

IMPLEMENTATION DATE:

This premise implemented on July 1, 2000.

KEY DATA/ASSUMPTIONS:

The project was initially funded with $2.0 million of the $8.0 million capacity building allocation that was provided to the Department in Fiscal Year (FY) 1998-99. This $2.0 million was to fund the project for FY 1998-99 and FY 1999-00, and subsequent approval of CDE's CCDF plan will continue to fund this premise through FY 2004-05.

METHODOLOGY:

The $1.0 million reimbursement from the CDE CCDF will be used to continue the funding of the training project through FY 2004-05.

FUNDING:

This premise is funded as a reimbursement from the CDE CCDF.

CHANGE FROM THE APPROPRIATION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

Family Child Care Homes Provider Training

EXPENDITURES:

(in 000's)

	2003-04	2004-05
	County Admin.	County Admin.
Total	$1,000	$1,000
Federal	0	0
State	0	0
County	0	0
Reimbursements	1,000	1,000

Court Cases

DESCRIPTION:

This premise reflects the costs for attorney fees and settlements resulting from lawsuits pertaining to the California Department of Social Services (CDSS), Budget Item 151 – Social Services Program, specifically, Child Welfare Services, Special Programs, and Community Care Licensing.

IMPLEMENTATION DATE:

Attorney fees and settlement amounts for these court cases will be paid in both the current and budget years.

KEY DATA/ASSUMPTIONS:

Item 151 – Community Care Licensing

- In Fiscal Year (FY) 2003-04, court case attorney fees and settlement amounts totaling $300,000 are expected to be billed to the Department.
- For FY 2004-05, there are cases with ongoing litigation that are estimated at $300,000.

FUNDING:

The legal fees and settlement amounts are funded 100 percent State General Fund.

CHANGE FROM THE APPROPRIATION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000's)

	2003-04	2004-05
	County Admin.	County Admin.
Total	$300	$300
Federal	0	0
State	300	300
County	0	0
Reimbursements	0	0

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Fee-Exempt Live Scan

DESCRIPTION:

This premise reflects the costs for fingerprinting and search requirements associated with Senate Bill (SB) 933 (Chapter 311, Statutes of 1998) for certain fee-exempt providers. SB 933 also mandated that a second set of fingerprints be submitted in order to search the records of the Federal Bureau of Investigation (FBI). Assembly Bill (AB) 1659 (Chapter 881, Statutes of 1999) added certain categories of licensed fee-exempt providers for FBI background checks.

This premise also includes the reimbursement cost for processing applications referred by the California Department of Education (CDE) and licensed fee-exempt providers.

The Community Care Licensing Division (CCLD) is responsible for processing the applications pursuant to AB 753 (Chapter 843, Statutes of 1997). CCLD contracts with the Department of Justice (DOJ) and the California Child Care Resource and Referral Network to process the fingerprint and index search file activities. Additionally, CCLD contracts with Sylvan/Indentix, a private vendor, for the Live Scan fingerprinting. The Live Scan fingerprint process is an electronic technology that transfers images of fingerprints and personal information to the DOJ in a matter of seconds.

IMPLEMENTATION DATE:

This premise implemented on January 1, 1999.

KEY DATA ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 11324.
- Funding was suspended effective FY 2003-04. However, the Budget Act did not pass until August 2, 2003 and all costs incurred beginning July 1, 2003 through August 2, 2003 must be paid with State General Fund (GF).

METHODOLOGY:

The amount budgeted is based on actual invoices received for July and August of 2003.

FUNDING:

This premise is funded with 100 percent State General Fund.

CHANGE FROM THE APPROPRIATION:

The funding for this premise was suspended beginning in FY 2003-04. Since the Budget Act was not passed until August 2, 2003, there are some costs that were incurred beginning July 1, 2003, that must be paid with GF.

REASON FOR YEAR-TO-YEAR CHANGE:

The funding remains suspended in FY 2004-05.

Fee-Exempt Live Scan

EXPENDITURES:

(in 000's)	2003-04 Contracts	2004-05 Contracts
Total	$519	$0
Federal	0	0
State	519	0
County	0	0
Reimbursements	0	0

Special Programs – Other Specialized Services

DESCRIPTION:

This premise reflects the costs for the Foster Care Burial, Repatriated Americans, and Assistance Dog Special Allowance Programs.

Foster care burial costs are reimbursements by the State that are provided to foster parents for the costs of a burial plot and funeral expenses, up to $5,000 per burial, for a child receiving foster care at the time of death.

The Repatriated Americans Program provides temporary help to needy United States citizens returning from foreign countries because of destitution, physical or mental illness, or war.

The Assistance Dog Special Allowance Program provides $50 per month to Supplemental Security Income/State Supplementary Payment Program recipients who have guide, signal, or service dogs. This allowance is to be used for food and other costs associated with the dogs' care and maintenance.

KEY DATA/ASSUMPTIONS:

Foster Care Burial

- Authorizing statute: Welfare and Institutions Code (W&IC) section 11212.

Repatriated Americans

- Authorizing statute: W&IC sections 10553 and 10554.

Assistance Dog Special Allowance

- Authorizing statute: W&IC section 12553.
- The monthly cost per case is $50.
- The budget year caseload is projected to increase by 4.6 percent.

METHODOLOGY:

Foster Care Burial

- The estimated costs for both current and budget years are held at the Fiscal Year (FY) 1999-00 expenditure level of $186,000.

Repatriated Americans

- The estimated costs for both current and budget years were held at the Budget Act of 2000 Appropriation level.

Assistance Dog Special Allowance

- The current year was held at the Appropriation level ($453,600). The budget year estimated costs ($473,000) are based on year-to-date actual costs and projected caseload growth.

Special Programs – Other Specialized Services

FUNDING:

The Foster Care Burial and the Assistance Dog Special Allowance programs are funded with 100 percent State General Fund. The Repatriated Americans Program is funded with 100 percent federal funds through a special Department of Health and Human Services, U.S. Repatriate Program Direct Loan. The funds are provided to individuals on a repayable basis.

CHANGE FROM THE APPROPRIATION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase in the budget year reflects projected caseload growth in the Assistance Dog Special Allowance Program.

EXPENDITURES:

(in 000's)

	2003-04	2004-05
	Grant	Grant
Total	$715	$734
Federal	75	75
State	640	659
County	0	0
Reimbursements	0	0

Eligibility Extension of Dog Food Allowance

DESCRIPTION:

This premise reflects the costs associated with providing a monthly dog food allowance to recipients of federal Social Security Disability Insurance (SSDI) who have incomes at or below the federal poverty level. Existing law provides that recipients of the federal Supplemental Security Income/State Supplementary Payment Program who have guide, signal, or service dogs, are eligible for a dog food allowance of $50 per month. Senate Bill (SB) 858 (Chapter 906, Statutes of 1999) extended the eligibility for a monthly dog food allowance of $35 to SSDI recipients. SB 1190 (Chapter 452, Statutes of 2001) increased the monthly allowance to $50 effective January 1, 2002.

IMPLEMENTATION DATE:

This premise implemented on January 1, 2000.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 12554.
- The SSDI recipients will receive a monthly dog food allowance of $50.
- The average monthly caseload is assumed to be 15 in the current and budget year.

METHODOLOGY:

The estimated cost is computed by multiplying the average monthly caseload by the monthly dog food allowance by 12 months.

FUNDING:

This program is funded with 100 percent State General Fund.

CHANGE FROM THE APPROPRIATION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

Eligibility Extension of Dog Food Allowance

EXPENDITURES:

(in 000's)

	2003-04	2004-05
	Grant	Grant
Total	$9	$9
Federal	0	0
State	9	9
County	0	0
Reimbursements	0	0

Access Assistance/Deaf Program

DESCRIPTION:

This premise reflects the costs associated with the Office of Deaf Access, Access Assistance/Deaf Program. Assembly Bill 2980 (Chapter 1193, Statutes of 1980) established the Access Assistance/Deaf Program in 1980. The Deaf Access Program serves approximately 2.9 million deaf and hearing-impaired Californians through regional contractors. Assistance under this program enables deaf and hearing-impaired persons to access needed social and community services, e.g. employment services, counseling, interpreting services, education on deafness and advocacy. Currently, eight regional contractors provide services to the hearing-impaired in all 58 counties.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 10621.
- The program funding of $3,304,000 was augmented by $2,500,000 in Fiscal Year (FY) 1998-99 for program expansion.
- The program is funded with $3,200,000 in Title XX funds.

METHODOLOGY:

The estimated costs for both the current and budget years are maintained at the total of the basic program funding ($3.3 million) plus the FY 1998-99 augmentation ($2.5 million).

FUNDING:

This program is funded with State General Fund (GF). The Title XX block grant allocated to the program reduces the amount of GF in the program.

CHANGE FROM THE APPROPRIATION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

Access Assistance/Deaf Program

EXPENDITURES:

(in 000's)

	2003-04	2004-05
	Grant	Grant
Total	$5,804	$5,804
Federal	3,200	3,200
State	2,604	2,604
County	0	0
Reimbursements	0	0

Maternity Care

DESCRIPTION:

This premise reflects the costs associated with the Licensed Maternity Home Care Program. The Licensed Maternity Home Care Program was established in 1977 by Assembly Bill (AB) 1069 (Chapter 1190, Statutes of 1977) and amended by AB 3805 (Chapter 1636, Statutes of 1990). The program provides residential care, counseling and maternity-related services to pregnant, unwed residents of the State who are under 18 years of age at the time of admission. In 2003, AB 1752 (Chapter 225, Statutes of 2003) required the Department to award funding to programs located in the most populous county and in an area in that county with one of the highest rates of teenage pregnancy in the state.

KEY DATA/ASSUMPTIONS:

Authorizing statute: Welfare and Institutions Code sections 16145 through 16151.

METHODOLOGY:

Funding for the current year is being held at the Budget Act of 2003 Appropriation level. The budget year reflects elimination of the program.

FUNDING:

This program is funded with 100 percent State General Fund (GF).

CHANGE FROM THE APPROPRIATION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

The program is being eliminated in Fiscal Year 2004-05 as a result of budgetary pressures and other demands on the available GF.

EXPENDITURES:

(in 000's)

	2003-04	2004-05
	Grant	Grant
Total	$200	$0
Federal	0	0
State	200	0
County	0	0
Reimbursements	0	0

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Refugee Employment Social Services

DESCRIPTION:

Refugee employment social services (RESS) are provided to refugees through county welfare departments and contracting agencies. The services are funded through an annual block grant allocation by the Office of Refugee Resettlement. The funds are used to provide employment-related services, such as employability assessment, on-the-job training, English language training, and vocational training.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 13275-13282.
- California's proposed RESS allocation includes $0.2 million in set-aside funds for programs promoting healthy marriages.
- A contract in the amount of $0.5 million to serve unaccompanied refugee minors is included in total funding.

METHODOLOGY:

Funding is based on federal award.

FUNDING:

This program is 100 percent federally funded.

CHANGE FROM THE APPROPRIATION:

The estimate has increased due to the funds included to serve unaccompanied refugee minors.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000's)

	2003-04 Grant	2004-05 Grant
Total	$7,859	$7,859
Federal	7,859	7,859
State	0	0
County	0	0
Reimbursements	0	0

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Refugee Programs – Targeted Assistance

DESCRIPTION:

This program provides services to refugees to enable them to be placed in employment or to receive employment training. The goal of this program is to assist refugees in attaining self-sufficiency. Targeted Assistance (TA) grants are made available to high refugee-impacted counties. Program components include employment services, work experience, vocational training, vocational English-as-a-second-language, on-the-job training, economic development, skills upgrading, and extreme and unusual needs.

In addition to regular TA funds, the federal government awards TA discretionary funds to the State for specific local projects. Local agencies develop project proposals in response to a federal announcement. The federal government selects the projects to be funded.

IMPLEMENTATION DATE:

This premise implemented on October 1, 1983.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 13275-13282.
- California's proposed TA allocation of $7,460,867 includes $1,950,706 in discretionary funds which consist of 1) $1.0 million for services to older refugees; and 2) $950,706 in other discretionary funds for specific projects.

METHODOLOGY:

Funding is based on federal award.

FUNDING:

This program is 100 percent federally funded.

CHANGE FROM THE APPROPRIATION:

Funding has decreased due to a lower proposed TA standard grant. The Appropriation reflects a proposed amount of $5.7 million vs. the final grant award of $5.5 million.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000's)

	2003-04 Grant	2004-05 Grant
Total	$7,461	$7,461
Federal	7,461	7,461
State	0	0
County	0	0
Reimbursements	0	0

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Transitional Housing for Foster Youth (AB 427)

DESCRIPTION:

This premise reflects the one-time funding for the Transitional Housing for Foster Youth Fund, which is to be used over two years or until it is fully expended. It also reflects the federal and county match of this one-time funding amount. This premise changes the Transitional Housing Placement Program (THPP) by expanding the age range for participation from 17 to 18 years of age to 16 to 21 years of age. It also enables additional counties to participate in the THPP and Transitional Housing Program Plus (THP-Plus) by providing a new rate-setting methodology (75 percent and 70 percent, respectively) for each of the average group home rates in the counties.

IMPLEMENTATION DATE:

This premise implemented on January 1, 2002.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Assembly Bill 427 (Chapter 125, Statutes of 2001).
- The nonfederal sharing ratio is 40 percent state and 60 percent county.
- It is assumed that 31 percent of the participants will be federally-eligible.
- Currently, 100 children age 17 to 18 are receiving THPP payments at a rate of $2,292 per month.
- The new program rate of $3,881 per month for the THPP will attract an additional 50 (150 total) children.
- The new program rate for THP-Plus is $3,025 per month.
- The THP-Plus will serve 126 casemonths in Fiscal Year (FY) 2003-04 and 774 additional casemonths, in FY 2004-05.
- The federally-eligible percentage of expenditures is based on actual and projected expenditures from July 2003 to June 2004, adjusted for the Federal Medical Assistance Percentage (FMAP) decrease effective October 1, 2002 (federal 42.47 percent, state 23.01 percent, and county 34.52 percent).

METHODOLOGY:

For FY 2003-04, the amount budgeted is based on actual expenditures claimed in FY 2002-03 and FY 2003-04.

For FY 2004-05, it is assumed that balance of the Transitional Housing Fund will be fully expended.

To reflect the State General Fund costs associated with this program by fiscal year, non-add lines have been included in the Detail Tables. For FY 2003-04 it is assumed that $494,543 will be spent on this program and during the budget year it is anticipated that $813,103 in costs will be incurred.

Transitional Housing for Foster Youth (AB 427)

FUNDING:

Federal funding is provided by Title IV-E of the Social Security Act, with the amount of federal financial participation based on the FMAP, for those cases meeting eligibility criteria.

CHANGE FROM THE APPROPRIATION:

There has been a decrease in the group home rate, decreasing the rate for THPP and less participation is anticipated during FY 2003-04 than previously assumed.

REASON FOR YEAR-TO-YEAR CHANGE:

Due to a delay in implementation, minimal funding occurred during FY 2002-03; funding for FY 2003-04 is for a six-month period, while funding for FY 2004-05 is for a full year.

EXPENDITURES:

(in 000's)

ITEM 151 –

Child Welfare Services	2003-04	2004-05
	County Admin.	County Admin.
Total	$1,641	$2,680
Federal	899	1,460
State	0	0
County	742	1,220
Reimbursements	0	0

ITEM 151 –

Child Welfare Services [1]	2003-04	2004-05
	County Admin.	County Admin.
Total	$495	$813
Federal	0	0
State	495	813
County	0	0
Reimbursements	0	0

[1] – This is a non-add item.

Transitional Housing for Foster Youth (AB 427)

EXPENDITURES (continued):

(in 000's)

ITEM 153 –

Transitional Housing for Foster Youth	2003-04	2004-05
	County Admin.	County Admin.
Total	$0	$0
Federal	0	0
State	0	0
County	0	0
Reimbursements	0	0

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Transitional Housing for Foster Youth (AB 1119)

DESCRIPTION:

This premise changes the Transitional Housing Program Plus (THP-Plus) by eliminating the requirement that youth receive aid pursuant to the Supportive Transitional Emancipation Program (STEP) in order to be eligible for the transitional housing placement services described in the bill. This premise reflects the costs associated with providing funding for the Transitional Housing for Foster Youth Fund and the required county match. This program is not eligible for federal Title IV-E funding. It also enables counties that have not elected to participate in the STEP to participate in the THP-Plus utilizing the new rate-setting methodology (70 percent) for the average group home rate as established by Assembly Bill (AB) 427 (Chapter 125, Statutes of 2001).

IMPLEMENTATION DATE:

This premise implemented on January 1, 2003.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: AB 1119 (Chapter 639, Statutes of 2002).
- The participating counties for Fiscal Years (FYs) 2003-04 and 2004-05 are: Alameda, Los Angeles, San Diego and San Francisco.
- Costs are shared 40 percent state and 60 percent county.
- The average group home grant is $5,219 for both FYs.
- The THP-Plus rate is 70 percent of the group home average grant ($3,653).
- It has been projected that 78 cases will be served in both FYs.

METHODOLOGY:

The funding for both the FYs is being held at the Budget Act of 2003 Appropriation level.

FUNDING:

The funding is shared 40 percent state and 60 percent county.

CHANGE FROM THE APPROPRIATION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

Transitional Housing for Foster Youth (AB 1119)

EXPENDITURES:

(in 000's)

ITEM 151 –

Child Welfare Services	2003-04	2004-05
	County Admin.	County Admin.
Total	$2,051	$2,051
Federal	0	0
State	0	0
County	2,051	2,051
Reimbursements	0	0

ITEM 151 –

Child Welfare Services [1]	2003-04	2004-05
	County Admin.	County Admin.
Total	$1,368	$1,368
Federal	0	0
State	1,368	1,368
County	0	0
Reimbursements	0	0

ITEM 153 –

Transitional Housing for Foster Youth	2003-04	2004-05
	County Admin.	County Admin.
Total	$1,368	$1,368
Federal	0	0
State	1,368	1,368
County	0	0
Reimbursements	0	0

[1] – This is a non-add item.

Other Departments' TANF MOE Eligible Expenditures
Community Colleges – Expansion of Services to TANF Eligibles

DESCRIPTION:
This premise reflects the State maintenance of effort (MOE) expenditures made by the California Community Colleges (CCC) for the purpose of assisting students who are Temporary Assistance for Needy Families (TANF) Program recipients, including those transitioning from TANF, to achieve long-term self-sufficiency through coordinated student services offered at community colleges.

Public Law 104-193, the federal welfare reform legislation, established the TANF Program and a TANF block grant to replace the Aid to Families with Dependent Children (AFDC) Program. States must meet an 80 percent MOE to receive their full block grant allocation. The MOE is reduced to 75 percent for states that meet the work participation rate requirement. For California, the amount of the MOE is based on state and county expenditures in Federal Fiscal Year (FFY) 1994. The State has consistently met its work participation agreement, therefore the MOE level is lowered from $2.9 billion (80 percent) to $2.7 billion, which constitutes 75 percent of the 1994 level.

The State may count both local and State expenditures made by CDSS or other departments on behalf of TANF/CalWORKs eligible families toward the MOE. If these expenditures would have been authorized and allowable under the former AFDC, JOBS, Child Care for AFDC recipients, At-Risk Child Care or Transitional Child Care programs in FFY 1995, the entire expenditures may count toward the MOE. However, if such expenditures were not previously authorized and allowable, countable expenditures are limited to the amount by which allowable current year expenditures exceed the total State program expenditures in FFY 1995. State expenditures that are used as a match to draw down other federal funding are generally not countable toward the TANF MOE.

Assembly Bill 739 (Chapter 106, Statutes of 2001) appropriated $65 million in State General Fund (GF) for the purpose of serving TANF Program recipients, including those transitioning from TANF. These services include work-study, other educational-related work experience, job placement services, child care services, and coordination with county welfare offices to determine eligibility and availability of services. Current TANF recipients may utilize these services until their educational objectives are met, but for no longer than two years. Based on these expenditure requirements, these funds would meet the federal requirements for counting toward the TANF MOE.

IMPLEMENTATION DATE:
This premise implemented on July 1, 1997.

KEY DATA/ASSUMPTIONS:
- Authorizing statute: 45 Code of Federal Regulations sections 263.2 and 263.4.
- It is assumed the eligible MOE expenditures will be $34.6 million in Fiscal Years (FYs) 2003-04 and 2004-05.
- These funds are required to be expended for educational-related services for CalWORKs Program-eligible recipients only.

METHODOLOGY:
For FYs 2003-04 and 2004-05, the estimate reflects the anticipated MOE-eligible expenditures.

Other Departments' TANF MOE Eligible Expenditures
Community Colleges – Expansion of Services to TANF Eligibles

FUNDING:

This program is funded with 100 percent GF.

CHANGE FROM THE APPRORIATION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000's)

	2003-04	2004-05
	Grant	Grant
Total	$34,580	$34,580
Federal	0	0
State	34,580	34,580
County	0	0
Reimbursements	0	0

Other Departments' TANF MOE Eligible Expenditures CDE Child Care Programs

DESCRIPTION:

This premise reflects the State maintenance of effort (MOE) expenditures made by the California Department of Education (CDE) for child care programs that provide services for the California Work Opportunity and Responsibility to Kids (CalWORKs)/Temporary Assistance for Needy Families (TANF) Program. This premise also reflects expenditures for those who are income eligible but not participating in the CalWORKs/TANF Program.

Public Law (P.L.) 104-193, the federal welfare reform legislation, established the TANF Program and a TANF block grant to replace the Aid to Families with Dependent Children (AFDC) Program. States must meet an 80 percent MOE to receive their full block grant allocation. The MOE is reduced to 75 percent for states that meet the work participation rate requirement. For California, the amount of the MOE is based on state and county expenditures in Federal Fiscal Year (FFY) 1994. The State has consistently met its work participation agreement; therefore the MOE level is lowered from $2.9 billion (80 percent) to $2.7 billion, which constitutes 75 percent of the 1994 level.

The State may count both local and state expenditures made by CDSS or other departments on behalf of TANF/CalWORKs-eligible families toward the MOE. If these expenditures would have been authorized and allowable under the former AFDC, JOBS, Emergency Assistance or Child Care for AFDC recipients, At-Risk Child Care or Transitional Child Care programs in FFY 1995, the entire expenditures may count toward the MOE. However, if such expenditures were not previously authorized and allowable, countable expenditures are limited to the amount by which allowable current year expenditures exceed the total State program expenditures in FFY 1995. State expenditures that are used as a match to draw down other federal funding are generally not countable toward the TANF MOE.

Before the implementation of federal welfare reform, California received federal funding for child care through Title IV-A of the Social Security Act and the Child Care and Development Block Grant (CCDBG). Title IV-A funds were used to provide child care for families on welfare, those transitioning off welfare, and those at risk of going on welfare. CCDBG funds were used to provide child care for the working poor. As a part of federal welfare reform under P.L. 104-193, these two federal child care funding streams were merged into the new CCDBG. In order for states to receive this portion of the CCDBG, they are required to spend a level of funding equal to their FFY 1994 nonfederal share of child care expenditures under the old Title IV-A Program ($85.6 million in California). Federal regulations will allow state expenditures for child care to satisfy both the CCDBG MOE and TANF Program MOE, provided that these expenditures meet the MOE requirements for both grants. In addition, if a state has additional child care expenditures, i.e., expenditures that have not been used toward meeting the CCDBG MOE requirement or to receive federal matching funds, these expenditures may count toward the state's TANF MOE, provided that these expenditures for families meet the state's definition for TANF eligibility. All other TANF MOE requirements and limitations, as set forth in proposed federal regulations, must also be met.

IMPLEMENTATION DATE:

This premise implemented on July 1, 1997.

Other Departments' TANF MOE Eligible Expenditures CDE Child Care Programs

KEY DATA/ASSUMPTIONS:

- Authorizing statute: 45 Code of Federal Regulations sections 263.2 and 263.3.
- Based on estimated expenditures for CalWORKs participants in CDE programs along with those who are income eligible but not CalWORKs participants, it is assumed that the eligible MOE expenditures will be $397 million and $382 million in Fiscal Years (FYs) 2003-04 and 2004-05, respectively.
- Federal regulations allow state expenditures for child care to satisfy both the CCDBG MOE and the TANF MOE, provided that these expenditures meet the MOE requirements for both grants.
- All TANF-eligible families meet CCBDG eligibility requirements and would, therefore, meet both the CCDBG and TANF MOE expenditure requirements.
- The total "double-countable" expenditures cannot exceed the MOE level for the CCDBG ($85.6 million).

METHODOLOGY:

For FYs 2003-04 and 2004-05, the estimate reflects the anticipated MOE-eligible expenditures.

FUNDING:

This program is funded with 100 percent State General Fund (GF).

CHANGE FROM THE APPROPRIATION:

The change reflects updated CDE countable expenditures for the current year.

REASON FOR YEAR-TO-YEAR CHANGE:

The budget year decrease is due to the effects of proposed reforms to the child care program.

EXPENDITURES:

(in 000's)

	2003-04 Grant	2004-05 Grant
Total	$397,145	$381,608
Federal	0	0
State	397,145	381,608
County	0	0
Reimbursements	0	0

Other Departments' TANF MOE Eligible Expenditures $50 State Disregard Payment to Families

DESCRIPTION:

This premise reflects the State maintenance of effort (MOE) expenditures made by the Department of Child Support Services (DCSS) for the $50 State Disregard Payment to Families for current recipients of benefits under the California Work Opportunity and Responsibility to Kids (CalWORKs) Program.

Public Law (P.L.) 104-193, the federal welfare reform legislation, established the Temporary Assistance for Needy Families (TANF) Program and a TANF block grant to replace the Aid to Families with Dependent Children (AFDC) Program. States must meet an 80 percent MOE to receive their full block grant allocation. The MOE is reduced to 75 percent for states that meet the work participation rate requirement. For California, the amount of the MOE is based on state and county expenditures in Federal Fiscal Year (FFY) 1994. The State has consistently met its work participation agreement; therefore the MOE level is lowered from $2.9 billion (80 percent) to $2.7 billion, which constitutes 75 percent of the 1994 level.

The State may count both local and state expenditures made by CDSS or other departments on behalf of TANF/CalWORKs-eligible families toward the MOE. If these expenditures would have been authorized and allowable under the former AFDC, JOBS, Child Care for AFDC recipients, At-Risk Child Care or Transitional Child Care programs in FFY 1995, the entire expenditures may count toward the MOE. However, if such expenditures were not previously authorized and allowable, countable expenditures are limited to the amount by which allowable current year expenditures exceed the total State program expenditures in FFY 1995. State expenditures that are used as a match to draw down other federal funding are generally not countable toward the TANF MOE.

In addition to the regular aid grant, custodial parents also receive the first $50 of the current month's child support payment collected from the absent parent. Forwarding the disregard portion of the collection to the family instead of retaining it to abate government's cost of the aid grant results in cost increases (lost collection revenues).

Under the provisions of P.L. 104-193, the federal government discontinued federal financial participation in the disregard payment to the family as of October 1, 1996. Therefore, this premise reflects the cost for the State to fund the entire $50 disregard payment to the custodial parent.

IMPLEMENTATION DATE:

This program was originally implemented in Fiscal Year (FY) 1984-85.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 11475.3 and Family Code section 17504.
- It is assumed the eligible MOE expenditures claimed by DCSS will be $28.5 million in FYs 2003-04 and 2004-05.
- The child support payment data are based on the counties' monthly CS 800 Reports, Summary Reports of Child and Spousal Support Payments, beginning with July 2000 through June 2002 and the monthly CS 35 Reports, Assistance Related Distribution/Disbursement Summary, for July 2002 through June 2003.

Other Departments' TANF MOE Eligible Expenditures $50 State Disregard Payment to Families

METHODOLOGY:

- The cost of the current $50 disregard is reported monthly on the CS 800, Summary Report of Child and Spousal Support Payments. The disregard is paid when the child support collection is distributed.
- The estimate reflects the anticipated MOE-eligible expenditures based on a projection provided by the DCSS.

FUNDING:

This program is funded with 100 percent State General Fund.

CHANGE FROM THE APPROPRIATION:

DCSS countable expenditures increased in the current year.

REASON FOR YEAR-TO-YEAR CHANGE:

Expenditures are estimated to increase in the budget year as well.

EXPENDITURES:

(in 000's)

	2003-04	2004-05
	Grant	Grant
Total	$28,456	$28,526
Federal	0	0
State	28,456	28,526
County	0	0
Reimbursements	0	0

Other Departments' TANF MOE Eligible Expenditures EDD – Employment Training Fund Program

DESCRIPTION:

This premise reflects the State maintenance of effort (MOE) expenditures made by the California Employment Development Department (EDD) for the Employment Training Fund Program.

As a result of Public Law 104-193, the federal welfare reform legislation establishing the Temporary Assistance for Needy Families (TANF) Program and a TANF block grant to replace the Aid to Families with Dependent Children (AFDC) Program, States must meet an 80 percent MOE to receive their full block grant allocation. The MOE is reduced to 75 percent for states that meet the work participation rate requirement. For California, the amount of the MOE is based on state and county expenditures in Federal Fiscal Year (FFY) 1994. The State has consistently met its work participation agreement, therefore the MOE level is lowered from $2.9 billion (80 percent) to $2.7 billion, which constitutes 75 percent of the 1994 level.

The State may count both local and state expenditures made by CDSS or other departments on behalf of TANF/CalWORKs-eligible families toward the MOE. If these expenditures would have been authorized and allowable under the former AFDC, JOBS, Child Care for AFDC recipients, At-Risk Child Care or Transitional Child Care programs in FFY 1995, the entire expenditures may count toward the MOE. However, if such expenditures were not previously authorized and allowable, countable expenditures are limited to the amount by which allowable current year expenditures exceed the total State program expenditures in FFY 1995. State expenditures that are used as a match to draw down other federal funding are generally not countable toward the TANF MOE.

Based on the 45 Code of Federal Regulations section 263.2, pro rata charges are considered administrative costs for TANF MOE purposes. Pro rata is the apportionment of central service agency costs (e.g., Finance, Controller, Personnel Board, Legislature) incurred by the State General Fund and billed to other funds.

IMPLEMENTATION DATE:

This premise implemented on July 1, 2003.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: 45 Code of Federal Regulations section 263.0 and section 263.2.
- The pro-rata assessment to the Employment Training Fund is $155,000 for Fiscal Year (FY) 2003-04 and $45,000 for FY 2004-05.

METHODOLOGY:

For FYs 2003-04 and 2004-05, the estimate reflects the anticipated MOE-eligible expenditures.

FUNDING:

This program is funded with 100 percent Employment Training Fund.

CHANGE FROM THE APPROPRIATION:

There is no change.

Other Departments' TANF MOE Eligible Expenditures EDD – Employment Training Fund Program

REASON FOR YEAR-TO-YEAR CHANGE:

Fewer pro rata charges are anticipated in the budget year.

EXPENDITURES:

(in 000's)

	2003-04	2004-05
	Grant	Grant
Total	$155	$45
Federal	0	0
State	155	45
County	0	0
Reimbursements	0	0

General Fund Maintenance of Effort Work Participation Rate Reductions

DESCRIPTION:

This premise reflects adjustments made on the Department's federal reports for prior federal fiscal years (FFYs) that reduce the State's maintenance of effort (MOE) requirement from 80 percent of the base year expenditures to 75 percent. These adjustments are the result of meeting the federal work participation rates for the California Work Opportunity and Responsibility to Kids (CalWORKs) Program for FFYs 2000 and 2001.

The Department assumes an 80 percent MOE requirement until notified by the federal government that the State has met the federal work participation rates. This typically occurs after the end of the FFY. After notification by the federal government, the Department files an amended federal report for that past FFY to reflect the lower MOE expenditure level of 75 percent. Therefore, State Fiscal Year (SFY) 2003-04 reflects the adjustment for FFY 2001. SFY 2004-05 reflects the adjustment for FFY 2002.

IMPLEMENTATION DATE:

The Work Participation Rate adjustments are not made until after the federal government has notified the State that it has met the rate for the FFY. This does not occur until after the end of the FFY for which the adjustment is being made.

METHODOLOGY:

The FFYs 2001and 2002 adjustments were determined by adjusting the MOE levels for those years to 75 percent. This results in reductions of $181.5 million which is displayed in SFY 2003-04, and $180.1 which is displayed in SFY 2004-05.

Because of the overlapping quarter between the FFY and the SFY, the Department is able to reflect the impact of the MOE reduction in a later SFY. Accordingly, the State General Fund (GF) expenditure reductions are not reflected in the State Budget until SFY 2003-04 and SFY 2004-05. These adjustments do not, however, bring the MOE expenditure level below the federal requirement for any FFY.

FUNDING:

The funding is a reduction in GF expenditures with an increase in federal TANF expenditures.

CHANGE FROM THE APPROPRIATION:

The change is due to the updated TANF MOE adjustment.

General Fund Maintenance of Effort Work Participation Rate Reductions

REASON FOR YEAR-TO-YEAR CHANGE:

The change is due to the updated TANF MOE adjustment.

EXPENDITURES:

(in 000's)

	2003-04	2004-05
	Grant	Grant
Total	-$181,535	-$180,056
Federal	0	0
State	-181,535	-180,056
County	0	0
Reimbursements	0	0

High Performance Bonus Award

DESCRIPTION:

This premise reflects the Temporary Assistance for Needy Family (TANF) funds awarded to the State of California by the federal government for moving welfare recipients to work and sustaining their success in the workforce. The High Performance Bonus is part of the TANF Program and authorized under Section 403(a)(4) of the Personal Responsibility and Work Opportunity Reconciliation Act. The bonus is based upon the State's success during Federal Fiscal Years (FFY) 2001 and 2002 for the Child Care Subsidy Measure.

This funding will be available to meet program needs as determined by the Department and approved by the Department of Finance and the California Health and Human Services Agency. Funding will be used to support the overall goals of the CalWORKs and TANF programs.

IMPLEMENTATION DATE:

This premise implemented on January 1, 2000.

KEY DATA/ASSUMPTIONS:

The award earned in FFY 2001 for the Child Care Subsidy Measure was $6,733,931 and the award earned in FFY 2002 was $7,485,855. The sum of both awards is included for FY 2003-04. It is assumed that California will not receive an award in FY 2004-05.

FUNDING:

The funding is 100 percent TANF.

CHANGE FROM THE APPROPRIATION:

The U.S. Department of Health and Human Services did not announce the winners of the award until after the FY 2003/04 appropriation was determined.

REASON FOR YEAR-TO-YEAR CHANGE:

The High Performance Bonus Awards are not announced on a consistent year-to-year basis. There have been delays in the announcement of these awards in the past few years; therefore, it is assumed that California will not earn an award in FY 2004-05.

AWARD AMOUNT:

(in 000's)	2003-04	2004-05
Total	$14,219	$0
Federal	14,219	0
State	0	0
County	0	0
Reimbursements	0	0

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Total TANF Reserve

DESCRIPTION:

This premise reflects the Temporary Assistance for Needy Families (TANF) funds that are held in reserve to cover any unanticipated pressures in the California Work Opportunity and Responsibility to Kids (CalWORKs) Program. This funding is available to meet unforeseen program needs as determined by the Department and approved by the Department of Finance and the California Health and Human Services Agency. Funding is used to support the overall goals of the CalWORKs and TANF programs.

IMPLEMENTATION DATE:

This premise implemented on July 1, 2000.

KEY DATA/ASSUMPTIONS:

- The Total TANF Reserve funds are used to meet unanticipated pressures in the CalWORKs Program including child care.
- The reserve was originally established by the Budget Act of 2000.

METHODOLOGY:

There is no reserve funding for Fiscal Year (FY) 2003-04. For FY 2004-05, $158.4 million has been placed in the reserve for unforeseen expenses.

FUNDING:

This premise is funded with 100 percent federal TANF funds.

CHANGE FROM THE APPROPRIATION:

There is no reserve for the current year.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase in the budget year is necessary to ensure that funding is available for unforeseen expenses.

RESERVE:

(in 000's)

	2003-04	2004-05
Total	$0	$158,435
Federal	0	158,435
State	0	0
County	0	0
Reimbursements	0	0