

**DEPARTMENT OF SOCIAL SERVICES**

744 P Street, Sacramento, California 95814



March 19, 2003

REFUGEE COORDINATOR LETTER NO. 03-05

TO: COUNTY REFUGEE COORDINATORS

REFERENCE: REFUGEE COORDINATOR LETTERS NOS. 02-03 AND 02-12

This letter is to advise you of a Refugee Employment and Social Services (RESS) funding issue which will impact counties' Federal Fiscal Year (FFY) 2003 RESS allocation levels.

At closeout of each grant, allowable county allocation expenditures from the most recent grant are charged against any remaining balance on the previous year's grant as an accounting practice to prevent unliquidated funding from reverting to the federal government. This chargeback took place at closeout of the FFY 1999 RESS grant. Certain allowable FFY 2000 county allocation expenditures were charged against the unliquidated FFY 1999 grant balance. Through this chargeback, additional FFY 2000 funds were made available. In March 2002, counties were notified that their FFY 2000 RESS allocations were augmented and that special, one-time only funding was provided to four non-impacted counties (Contra Costa, Merced, Stanislaus and Tulare). Unfortunately, due an oversight, the amount of additional funds allocated exceeded the actual amount available. The FFY 2000 RESS grant was over-obligated. Based on past experience, the Refugee Programs Branch anticipated that several counties would leave a significant portion of their allocations unspent. However, the unexpended allocation balances were insufficient to cover the entire amount of the over-obligation. In short, the FFY 2000 RESS grant was insufficient to cover all of the expenditures associated with it.

For the first time in the program, the state was in a situation in which, rather than charging current year expenditures back to the previous year's grant to maximize funding, it was necessary to charge the expenditures forward to the next year's grant. Approximately \$850,000 in expenditures of counties' FFY 2000 RESS allocations had to be charged against the FFY 2001 grant. While this transaction resolved the immediate problem, it will result in insufficient FFY 2001 grant funds to cover expenditures; thus, some of those expenditures will need to be charged forward to the FFY 2002 grant. Although the amount being charged forward would likely diminish from year to year (due to some counties not fully expending their allocations), this situation presents the potential for a continuing, long-term problem at a time when federal grant levels are declining. For more immediate

resolution, it is imperative that the state quickly achieve proper alignment of expenditures with the appropriate grant.

Two partial offsets have been identified towards easing the predicament.

- 1) A computation error was recently noted in the final FFY 2002 RESS allocation spreadsheet. The error affects only the upper portion of the spreadsheet which provides a summary accounting of the grant. The amount shown as RESS Funds to be Allocated to Counties (\$6,304,535) should be \$6,497,870. Enclosed is the corrected allocation spreadsheet. The difference totals \$193,535. If distributed among counties according to the RESS allocation methodology, it would not significantly increase most counties' allocations, and instead can be applied to reducing the amount which must be charged forward to the next year's grant.
- 2) The amount charged to state administration (previously used to fund special projects such as the Refugee Youth Initiative) will be minimized to help offset the shortfall in the current year's grant.

Unfortunately, these measures will only reduce, not eliminate, the amount required to be charged forward and a more conclusive measure is needed to achieve the needed fiscal alignment of expenditures with grant year. Therefore, the state intends to withhold a portion of the FFY 2003 RESS grant before funds are allocated to counties. Should any funds set aside for this purpose not be needed or used, the state may later increase counties' allocations in accordance with the standard RESS allocation methodology. The amount to be reserved is dependent on the overall level of federal funding available. The state is aware of and concerned about the impact this action could have on county programs. A strategy which allows more than one year to accomplish the alignment is under consideration. However, the state anticipates that FFY 2004 federal funding will be substantially reduced. Any holding back of that year's grant could have a greater fiscal impact on counties; thus, it may not be prudent to postpone this necessary action.

We apologize for any difficulties these measures may cause. The decision to withhold funding from FFY 2003 allocations, especially in this time of declining grant levels, was a difficult one, but the most feasible and immediate option to address the program's fiscal/accounting predicament. Should you have any questions, please contact me at (916) 654-6379 or Phyllis Iwasaki, Manager of the Community Development and Fiscal Services Bureau, at (916) 654-2387.

Sincerely,

***Original signed by Thuan Nguyen  
on 3/19/03***

THUAN NGUYEN, Chief  
Refugee Programs Branch

Enclosure

**REVISED  
FINAL REFUGEE EMPLOYMENT AND  
SOCIAL SERVICES (RESS) ALLOCATIONS  
FEDERAL FISCAL YEAR 2002**

<b>\$ 7,451,218</b>	Standard RESS Allocation
<b>\$ 309,208</b>	Refugee Family Well-Being Set-Aside Allocation
<b>\$ 884,091</b>	Employment Upgrade Set-Aside Allocation
<b>\$ 8,644,517</b>	Total California RESS Allocation
<b>\$ (999,964)</b>	Funding for San Diego Fish/Wilson Project <sup>2</sup>
<b>\$ 7,644,553</b>	Adjusted Total California RESS Allocation
<b>\$ (1,146,683)</b>	State Administration Funds (15% of State's Allocation)
<b>\$ (193,335)</b>	Unallocated Local Assistance reserve to be used to offset ongoing RESS funding deficit
<b>\$ 6,304,535</b>	RESS Funds to be Allocated to Counties

**T A B L E - A**

Standard RESS Funds			
(1) County	(2) Adult refugees receiving RCA/CalWORKs who have been in the U.S. 60 months or less <sup>1</sup>		(4) County Standard RESS Allocation
	Number	% of Total	
Alameda	314	3.550%	\$ 192,916
Contra Costa	67	0.757%	\$ 41,137
Fresno	149	1.684%	\$ 91,513
Los Angeles	4,467	50.497%	\$ 2,744,134
Orange	686	7.755%	\$ 421,426
Sacramento	2,170	24.531%	\$ 1,333,076
San Francisco	163	1.843%	\$ 100,153
Santa Clara	476	5.381%	\$ 292,417
Stanislaus	155	1.752%	\$ 95,208
Yolo	199	2.250%	\$ 122,271
<b>Total</b>	<b>8,846</b>	<b>100.000%</b>	<b>\$ 5,434,251</b>

**T A B L E - B**

Refugee Family Well-Being Set-Aside Funds			
(1) County	(2) Refugee adults and children receiving RCA/CalWORKs without regard to time in U.S. <sup>1</sup>		(4) County Healthy Families Set- Aside Allocation
	Number	% of Total	
Alameda	6,874	9.983443%	\$ 22,513
Contra Costa	1,130	1.641154%	\$ 3,701
Fresno	13,144	19.089668%	\$ 43,049
Los Angeles	13,943	20.250094%	\$ 45,665
Orange	7,072	10.271008%	\$ 23,162
Sacramento	19,047	27.662881%	\$ 62,382
San Francisco	1,339	1.944695%	\$ 4,385
Santa Clara	4,116	5.977866%	\$ 13,481
Stanislaus	1,237	1.796555%	\$ 4,051
Yolo	952	1.382636%	\$ 3,118
<b>Total</b>	<b>68,854</b>	<b>100.000000%</b>	<b>\$ 225,507</b>

**T A B L E - C**

Employment Upgrade Set-Aside Funds			
(1) County	(2) Adult refugees receiving RCA/CalWORKs without regard to time in U.S. <sup>1</sup>		(4) County Employment Upgrade Set- Aside Allocation
	Number	% of Total	
Alameda	2,530	9.50163%	\$ 61,264
Contra Costa	345	1.29568%	\$ 8,356
Fresno	2,025	7.60506%	\$ 49,036
Los Angeles	9,127	34.27724%	\$ 221,011
Orange	2,926	10.98885%	\$ 70,854
Sacramento	6,378	23.95313%	\$ 154,444
San Francisco	783	2.94062%	\$ 18,960
Santa Clara	1,711	6.42581%	\$ 41,432
Stanislaus	434	1.62992%	\$ 10,509
Yolo	368	1.38206%	\$ 8,911
<b>Total</b>	<b>26,627</b>	<b>100.00000%</b>	<b>\$ 644,777</b>

**T A B L E - D**

Total County RESS Allocation				
(A) County	(B) Allocation Number	(C)	(D)	(E)
		Total County RESS Allocation	County Administrative Costs Cap	Service Dollars
		Sum of Cols. A & B from Tables A, B & C	@ 15% Maximum	Col. C - Col. D
Alameda	RESS0201	\$ 276,693	41,504	\$ 235,189
Contra Costa	RESS0202	\$ 53,194	7,979	\$ 45,215
Fresno	RESS0203	\$ 183,598	27,540	\$ 156,058
Los Angeles	RESS0204	\$ 3,010,810	451,622	\$ 2,559,188
Orange	RESS0205	\$ 515,442	77,316	\$ 438,126
Sacramento	RESS0206	\$ 1,549,902	232,485	\$ 1,317,417
San Francisco	RESS0207	\$ 123,498	18,525	\$ 104,973
Santa Clara	RESS0208	\$ 347,330	52,100	\$ 295,230
Stanislaus	RESS0209	\$ 109,768	16,465	\$ 93,303
Yolo	RESS0210	\$ 134,300	20,145	\$ 114,155
<b>Total</b>		<b>\$ 6,304,535</b>	<b>\$ 945,681</b>	<b>\$ 5,358,854</b>

**Notes:**

<sup>1</sup> Data from Medi-Cal Eligibility Determination System (MEDS) File Reports, dated June 2002.

<sup>2</sup> The allocation for San Diego County will be awarded to a Fish/Wilson Alternative Project. The amount of funding for this project was determined by ORR.

Service Period: 10/1/02 - 9/30/04

Catalog of Federal Domestic Assistance (CFDA) No.: 93.566