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General Fund Maintenance of Effort Adjustment

DESCRIPTION:

Under the Temporary Assistance for Needy Families (TANF) Program, the states are required to meet a maintenance of effort (MOE) funding level. California's MOE level is approximately $2.9 billion, which is equal to 80 percent of California's Federal Fiscal Year 1994 expenditures. The General Fund (GF) MOE Adjustment line displays the state expenditures necessary to meet the State's MOE level.

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

IMPLEMENTATION DATE:

This premise implemented on October 1, 1996.

METHODOLOGY

To determine the GF MOE adjustment, projected state and county expenditures countable towards 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 Governor's Budget projections include projected State General Fund expenditures within other state departments that are assumed countable towards 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 PRIOR SUBVENTION:

Countable MOE expenditures within CDSS have been updated to reflect several 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 towards 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:

Projected state and county expenditures countable towards the MOE increase in SFY 1999-00.

EXPENDITURES:

(in 000's)

	1998-99	1999-00
	Grant	Grant
Total	$0	$0
Federal	-1,863,752	-1,851,170
State	1,863,752	1,851,170
County	0	0
Reimbursements	0	0

CalWORKs – Basic Grants

DESCRIPTION:

This premise reflects the basic costs of providing cash aid to eligible families. These costs do not include the impact of current premises.

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 which are in the trend caseload but are also shown as separate premises. This adjustment is necessary so as not to count the impact twice.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 11450.
- The first eight months of Calendar Year (CY) 1998 were used as the base period to project caseload and aided persons. The first six months of CY 1998 were used as the base period to project the adjusted cost per person.
- For Fiscal Year (FY) 1998-99, a total of 17,497,525 family group (FG) personmonths and 5,312,487 unemployed (U) parent personmonths are anticipated. For FY 1999-00, 16,206,687 FG person-months and 4,518,414 U personmonths are projected..
- Actual data on costs and persons from the base period were adjusted for current premises, which effect was already included in the base period. These premises include: Tribal TANF, Jail Reporting System, Cal Learn Bonuses/Sanctions, Grant Reduction Due to Earnings, Failure to Participate and Recent Noncitizen Entrants. This resulted in an adjusted FG cost-per-person of $172.96 and a U cost-per-person of $129.03.
- Unadjusted FG and U basic costs were adjusted for OASDI.
- The OASDI COLA adjustment was based on the most recent Consumer Price Indexes for January 1, 1998, and January 1, 1999. This resulted in FY 1998-99 reductions of $1,315,533 for FG families and $18,933 for U families. For FY 1999-00, reductions of $1,241,996 for FG families and $17,017 for U families are projected.

METHODOLOGY:

- Basic personmonths were multiplied by the adjusted cost-per-person to produce unadjusted FG and U basic costs.
- FG and U unadjusted basic costs were reduced for the OASDI COLA.

CalWORKs – Basic Grants

DATA COMPARISON CHART:

1998-99	FG	U
Projected Personmonths	17,497,525	5,312,487
Projected Casemonths	6,514,355	1,301,853
Persons Per Case	2.7243	4.0807

1999-00	FG	U
Projected Personmonths	16,206,687	4,518,414
Projected Casemonths	6,060,766	1,114,297
Persons Per Case	2.7128	4.0549

	FG Cost per Person	U Cost per Person
CY 1998 Actual	$172.53	$128.69
CY 1998 Adjusted	$173.03	$129.04
1998-99 Basic	$172.96	$129.03
1999-00 Basic	$172.95	$129.03

FUNDING:

All costs are Temporary Assistance for Needy Families Program eligible. Costs are shared 97.5 percent federal and 2.5 percent county.

CHANGE FROM PRIOR SUBVENTION:

The basic caseload, cost-per-person, persons per case, and COLA percentages have been updated using the most current available data.

REASON FOR YEAR-TO-YEAR CHANGE:

Basic cases and persons decrease between FYs 1998-99 and 1999-00.

CASELOAD:

	1998-99	1999-00
Average Monthly Caseload	651,351	597,922
Average Monthly Persons	1,900,834	1,727,092

EXPENDITURES:

(in 000's)

	1998-99 Grant	1999-00 Grant
Total	$3,817,285	$3,481,399
Federal	3,721,949	3,394,507
State	0	0
County	95,336	86,892
Reimbursements	0	0

Tribal TANF

DESCRIPTION:

This premise reflects the cost for the Santa Ynez Tribe of Santa Barbara County and eight tribal organizations located in San Diego County to operate a tribal Temporary Assistance for Needy Families (TANF) program. AB 1542 (Chapter 270, Statutes of 1997) allows tribes to administer a tribal TANF program. The Department has established a memorandum of understanding with the tribes in order to formalize the arrangement.

The administrative authority to operate a TANF program is transferred to the tribe, together with the federal and state portion of the funds attributable to the tribal caseload.

Federal welfare reform legislation allows for such a transfer and provides that the TANF funding for the tribe is paid directly to the tribe by the federal government. Since TANF funding to the states is based on Federal Fiscal Year (FFY) 1994 actual expenditures, amounts to be transferred to tribal organizations are computed using this period. Transferred funds include monies to meet grant costs and administrative costs related to cash aid and welfare-to-work (WTW) services.

IMPLEMENTATION DATE:

This premise became effective March 1, 1998.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 10553.2(d).
- The average monthly cash aid cost per person is $211.34. This is the average cash aid expenditure amount per person for FFY 1994.
- The average cash aid cases per month are 65 for the Santa Ynez Tribe and are 400 for the eight San Diego tribes. This information was supplied by the tribes.
- The average number of persons per cash aid case is 2.9439. These are the average persons per cash aid case from the November 1997 Subvention.
- The average monthly number of persons to be served through WTW activities was 45 for the Santa Ynez Tribe and was 26 for the eight San Diego tribes. This information was supplied by the tribes.
- The average monthly administrative cost per case is $50.73.

Tribal TANF

METHODOLOGY:

- The average monthly administrative cost per case was derived by dividing the total cash aid administrative expenditures for FFY 1994 (less foster care) by the caseload.
- The average 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.
- For grant costs, the average number of persons per case was multiplied by the number of cases to determine total persons (465 x 2.9439 = 1,368.91). The number of persons was multiplied by the cash aid cost per person to determine monthly costs (1,368.91 x $211.34 x 12 = $3,471,665).
- For administrative costs, the number of average cash aid cases per month was multiplied by the amount of monthly administrative cost per case to determine monthly costs (465 x $50.73 x 12 = $283,073).
- For WTW services cost, the number of average persons served per month was multiplied by the monthly services cost per person to determine monthly cost (71 x $206.36 x 12 = $175,819).

FUNDING:

These costs are TANF eligible.

There is no federal share because TANF funds will be distributed directly to the tribal organizations by the federal government.

For Fiscal Years (FYs) 1998-99 and 1999-00, the General Fund does not include the county share.

The General Fund amount will be counted toward the State's maintenance of effort (MOE) requirement.

The General Fund share of grant costs are 47.5 percent (.475 x $3,471,665 = $1,649,041).

The General Fund share of administrative costs are 37.2 percent (.372 x $283,073 = $105,303).

The General Fund share of services costs are 35.6 percent (.356 x $175,819 = $62,592).

The direct distribution of TANF funds to the tribal organizations reduces both the TANF block grant available to the State and the state MOE requirement. The state MOE has been reduced in the same proportion as the reduction in the block grant.

CHANGE FROM PRIOR SUBVENTION:

The county share will not be paid from the General Fund.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

Tribal TANF

CASELOAD:

	1998-99	1999-00
Average Monthly Cash Aid Caseload	465	465
Average Monthly WTW Caseload	71	71

EXPENDITURES:

(in 000's)

	1998-99			1999-00		
	Grant	County Admin.	WTW Services	Grant	County Admin.	WTW Services
Total	$1,649	$105	$63	$1,649	$105	$63
Federal*	0	0	0	0	0	0
State	1,649	105	63	1,649	105	63
County	0	0	0	0	0	
Reimbursements	0	0	0	0	0	0

* 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 $1.965 million in FYs 1998-99 and 1999-00. This amount is not shown in the table except as a reduction in the amount of the total TANF block grant available to the State. The amounts were deducted from the basic cost amounts for the California Work Opportunity and Responsibility to Kids (CalWORKs) Program cash aid and CalWORKs WTW services.

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Restoration of 4.9 Percent Maximum Aid Payment

DESCRIPTION:

The California Work Opportunity and Responsibility to Kids (CalWORKs) legislation, AB 1542, Chapter 270, Statutes of 1997, provides for the restoration of a 4.9 percent grant reduction in the maximum aid payment (MAP) levels previously authorized by AB 908 (Chapter 307, Statutes of 1995). The aid payments increase as the number of members in the assistance unit (AU) increase. The MAP levels for nonexempt AUs are displayed in Table 1 on the right.

	Region 1 MAP		Region 2 MAP	
AU Size (Nonexempt)	July 98 MAP	MAP After Restoration of 4.9% Reduction	July 98 MAP	MAP After Restoration of 4.9% Reduction
1	279	293	266	279
2	456	479	434	456
3	565	594	538	565
4	673	707	641	673
5	767	806	730	767
6	861	905	819	861
7	946	994	900	946
8	1,030	1,083	980	1,030
9	1,113	1,170	1,059	1,113
10	1,196	1,257	1,138	1,196

Table No. 1

IMPLEMENTATION DATE:

This premise implements November 1, 1998.

KEY DATA/ASSUMPTIONS:

- Welfare and Institutions Code section 11450.018 (b) provides for restoration of the previous MAP reduction of 4.9 percent effective November 1, 1998.
- Utilizing the CalWORKs grant structure, the third quarter Q5 Survey was used to determine the average increased cost per case. The average increased monthly cost per case is $27.30 for family group (FG) cases and $34.44 for unemployed (U) parent cases.

METHODOLOGY:

The average difference between the grant with the 4.9 percent reduction and without was computed. This average difference between grants is the estimated cost per case. The estimated costs for FG and U cases were multiplied by the respective basic caseloads to determine the estimated cost for this premise.

FUNDING:

This premise is Temporary Assistance for Needy Families eligible. The premise costs are shared 97.5 percent federal, and 2.5 percent county.

CHANGE FROM PRIOR SUBVENTION:

This premise was updated to reflect the Governor's Budget basic caseload estimates. In addition, this premise has been updated to reflect the most recent data on average grants from the Q5 Survey.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase is due to a full year of costs in the budget year.

Restoration of 4.9 Percent Maximum Aid Payment

CASELOAD:

	1998-99	1999-00
Average Monthly Caseload	651,351	597,922

EXPENDITURES:

(in 000's)

	1998-99	1999-00
	Grant	Grant
Total	$146,593	$203,855
Federal	142,929	198,759
State	0	0
County	3,664	5,096
Reimbursements	0	0

Maximum Aid Payment – COLA

DESCRIPTION:

This premise reflects the cost of adding a cost-of-living adjustment (COLA) to the maximum aid payment (MAP). The annual COLA is authorized under section 11450 of the Welfare and Institutions Code (WIC).

The COLA is calculated by the Department of Finance based on the changes in the California Necessities Index (CNI), which is the weighted average changes for food, clothing fuel, utilities, rent and transportation for low-income consumers.

IMPLEMENTATION DATE:

This premise will implement on November 1, 1998.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: WIC section 11450.
- A 2.84 percent COLA will become effective November 1, 1998.
- A 2.08 percent COLA will become effective July 1, 1999.
- The COLAs will be applied after the restoration of the 4.9 percent MAP (described in a separate premise).
- Utilizing the California Work Opportunity and Responsibility to Kids (CalWORKs) Program grant structure, the Q5 Survey was used to determine the average family group (FG) and unemployed (U) parent grants for the assistance units.
- For Fiscal Year (FY) 1998-99, the average increase in the FG grant after the November 1998 COLA is $15.93; the average increase in the U grant is $19.51.
- For FY 1999-00, the average increase in the FG grant after the July 1999 COLA is $12.29; the average increase in the U grant is $14.96.
- The CalWORKs monthly basic caseload (described in a separate premise) is used in the calculations.

METHODOLOGY:

- For FY 1998-99, beginning with November 1998, the average increases in the FG and U grants are multiplied by the monthly basic caseloads for FG and U respectively to determine the monthly costs of the COLA. The costs for the months of November 1998 through June 1999 are totaled for both FG and U to determine the annual cost of the COLA.
- For FY 1999-00, beginning with July 1999, the average increases in the FG and U grants for both the November 1998 COLA and the July 1999 COLA are multiplied by the monthly basic caseloads for FG and U respectively to determine the monthly costs of the COLA. The costs for the months of July 1999 through June 2000 are totaled for both FG and U to determine the annual cost of the COLA.

Maximum Aid Payment – COLA

FUNDING:

All costs are Temporary Assistance for Needy Families eligible. Costs are shared 97.5 percent federal and 2.5 percent county.

CHANGE FROM PRIOR SUBVENTION:

This is a new premise.

REASON FOR YEAR-TO-YEAR CHANGE:

The current year reflects eight months of the 2.84 percent COLA. The budget year reflects a full year of the 2.84 percent COLA and a full year of the 2.08 percent COLA.

CASELOAD:

	1998-99	1999-00
Average Monthly Caseload	651,351	597,922

EXPENDITURES:

(in 000's)

	1998-99	1999-00
	Grant	Grant
Total	$85,034	$209,445
Federal	82,908	204,209
State	0	0
County	2,126	5,236
Reimbursements	0	0

Statewide Fingerprint Imaging System (SFIS)

DESCRIPTION:

This premise reflects the grant savings and administrative costs associated with denying aid and deterring welfare fraud through a statewide fingerprint imaging system. Senate Bill 1780 (Chapter 206, Statutes of 1996) requires applicants for, and recipients of California Work Opportunity and Responsibility to Kids (CalWORKs) and Non-Assistance Food Stamp (NAFS) 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 a 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.

In July 1995, the Health and Welfare Agency directed the transfer of major information technology projects from the California Department of Social Services (CDSS) to the Health and Welfare Agency Data Center (HWDC). Through an interagency agreement with CDSS, the HWDC assumed responsibility for administering the statewide fingerprint imaging system (SFIS) project. The HWDC prepared and released a request for proposal (RFP) to implement, maintain, and operate SFIS. State and federal approval were granted and a notice of intent to award the contract was issued in December 1997. An award protest was filed, and litigation surrounding the Minority and Women Business Enterprise provisions ensued. As a result of the Monterey Mechanical v. Wilson appellate court decision, the Department was required to cancel the procurement and release a new RFP (HWDC-8001) to re-bid the SFIS procurement.

IMPLEMENTATION DATE:

Phase 1 implementation: November 1999.

Phase 2 implementation: February 2000.

Phase 3 implementation: April 2000.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 10830.
- Project implementation will occur in three phases over a five-month period. Phase 1 represents 10 percent of the counties and will roll out in November 1999. Phase 2 represents 30 percent of the counties and will roll out in February 2000. Phase 3 represents 60 percent of the counties and will roll out in April 2000. Family group (FG), unemployed (U) parent, and NAFS caseloads have been developed for both existing recipients and new applicants corresponding to the point in time that each of the phases roll out.
- All existing CalWORKs recipients subject to the fingerprint requirement will be scheduled for an appointment within six months of project implementation in the county. All existing NAFS recipients subject to the fingerprint requirement will be scheduled for an appointment within 12 months of project implementation in the county.

Statewide Fingerprint Imaging System (SFIS)

KEY DATA/ASSUMPTIONS: (Continued)

- Based on Los Angeles County's General Relief (GR) Program experience with the Automated Fingerprint Image Reporting and Match (AFIRM) System, 6.67 percent of the cases were deterred/terminated. This estimate assumes that one-third of that percentage will be deterred/terminated, as this experience is with a different population and failure to comply results in the entire household becoming ineligible for assistance. In the AFIRM experience, children continued to receive benefits even when an aided adult in the household refused or failed to provide fingerprint images, but was determined to be otherwise eligible.
- The estimate assumes that the number of existing CalWORKs and NAFS recipients who are terminated due to the fingerprint requirement will be evenly distributed over the six and 12 months of the implementation periods, respectively.
- The estimate applies the monthly recidivism rate developed from Los Angeles County's AFIRM experience that tracked 914 single families from August 1994 to September 1996 to determine the number of cases who returned to aid after refusing to be fingerprinted. The continuing caseload recidivism rate leveled off at 65.5 percent.
- The average monthly grant savings represent the average grant amount computed for FG ($520.35) and U ($599.34) cases, as of July 1999.
- The county administrative costs for the project include the costs for fingerprint clerks, eligibility workers, system administrators, and project security. The HWDC administrative costs include the costs for contract award activities and to begin implementation of the statewide system.
- The average monthly administrative savings represent the open cost per case for CalWORKs ($43.51) and NAFS ($27.37).
- The HWDC costs are comprised of state and contract staff to release an RFP, then evaluate and award a contract to begin implementation of a statewide system. Costs also include site preparation, network and data processing costs, and limited vendor payments. These costs are based on the negotiated contract from the previous SFIS procurement.

METHODOLOGY:

- The existing and new applicant FG, U, and NAFS caseloads for each phase are multiplied by the 6.67 percent of cases deterred/terminated based on the AFIRM experience with GR. The resulting caseloads are then multiplied by the 33 percent that accounts for the different population group from GR that will be fingerprinted through SFIS. The remaining caseload numbers are then multiplied by the average monthly grant savings (Caseload A x $520.35 for FG and Caseload B x $599.34 for U), and the monthly recidivism rate developed from the AFIRM experience is applied. The same resulting caseloads and methodology are used to calculate the average monthly administrative savings (Caseload A x $43.51 for CalWORKs and Caseload B x $27.37 for NAFS).
- Administrative costs are calculated for fingerprint clerks to fingerprint and photograph both existing and new applicants cases, eligibility workers to discontinue existing cases and to deny new applicant cases who fail or refuse to provide fingerprint images, system administrator activities, and project security.
- The HWDC cost estimates reflected in this premise are based on the previously negotiated contract with the SFIS development contractor that was a result of the first procurement effort, RFP HWDC-6001. Cost estimates will be revised after the current procurement's (RFP HWDC-8001) contract negotiation phase is completed. Cost estimates are based on the following.

Statewide Fingerprint Imaging System (SFIS)

METHODOLOGY: (Continued)

- 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.
- Data Processing – Network costs include one-time installation costs and ongoing monthly charges for line/circuit costs.
- Change Control – Change control for the development and implementation vendor is based on one person year at $100/hour at 2,100 hours per year. 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.
- Facilities – The Fiscal Year (FY) 1998-99 budget includes funding for facilities/utilities for a partial year after contract award. The FY 1999-00 request represents a full year of costs.

FUNDING:

The grant savings are funded 97.5 percent federal and 2.5 percent county. The administrative costs and savings are shared 50 percent federal and 50 percent state. The HWDC costs are shared 50 percent federal and 50 percent state. The county does not have a share of these costs.

CHANGE FROM PRIOR SUBVENTION:

The implementation date was delayed due to a court ruling that the Department must release a new RFP.

REASON FOR YEAR-TO-YEAR CHANGE:

There are no grant and administrative savings in the current year due to the protest. The automation costs change as the project moves from planning and development to the implementation phase.

CASELOAD:

	1998-99	1999-00
Average Monthly Caseload (Total FG and U for each phase for existing recipients and new applicants)	0	Total Phase 1: 323 Total Phase 2: 691 Total Phase 3: 632

Statewide Fingerprint Imaging System (SFIS)

EXPENDITURES:

(in 000's)	1998-99		1999-00	
TANF (Item 101)	Grant	County Admin.	Grant	County Admin.
Total	$0	$0	-$8,824	$91
Federal	0	0	-8,603	46
State	0	0	0	45
County	0	0	-221	0
Reimbursements	0	0	0	0

Food Stamp Administration (Item 141)	1998-99	1999-00
	County Admin.	County Admin.
Total	$0	$748
Federal	0	374
State	0	374
County	0	0
Reimbursements	0	0

Automation Projects (Item 141)	1998-99	1999-00
	County Admin.	County Admin.
Total	$1,088	$10,621
Federal	539	5,311
State	549	5,310
County	0	0
Reimbursements	0	0

HWDC Partnership (Item 141)	1998-99	1999-00
	County Admin.	County Admin.
Total	$1,088	$10,621
CDSS	0	0
HWDC	1,088	10,621

Jail Reporting System

DESCRIPTION:

This premise 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) requires 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 is required to provide reimbursement for each unduplicated name to the local agency that provides the names of individuals incarcerated over 30 days. In addition, program savings must be reviewed on an annual basis to determine if the reimbursement should increase, decrease, or stay constant, based on the level of savings achieved.

IMPLEMENTATION DATE:

This premise was implemented July 1, 1997.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code commencing with section 10985.
- Based on actual data provided by the Fraud Bureau from February through August 1998, the average monthly number of names provided by jailers is 14,922.
- Based on actual data provided by the Fraud Bureau from February through August 1998, the match rate is 8.47 percent. Since the matches are not separately identified between the California Work Opportunity and Responsibility to Kids (CalWORKs) and food stamps programs, the 8.47 percent match rate is prorated based on a ratio used in previous Jail Reporting System (JRS) estimates, 36.36 percent for CalWORKs and 63.64 percent for food stamps. The resulting match rate percentages are 3.08 percent for CalWORKs and 5.39 percent for food stamps.
- The average monthly number of CalWORKs matches from the monthly number of names provided by jailers is 460.
- Based on the Fraud Bureau's program experience, 50 percent of the matches will result in discontinued aid.
- The counties are paid $1.84 per each unduplicated name provided for during 1998-99, and $3.32 per name for 1999-00. This does not include known aliases.
- The estimate assumes that 76.96 percent of the incarcerated persons discontinued from aid are family groups (FG) and 23.04 percent are unemployed (U) parents for 1998-99. For 1999-00, the FG and U percentages will be 78.44 and 21.56, respectively.
- The average monthly savings represent the differences in the maximum aid payment (MAP), as a result of removing one person from the average FG ($120) and U ($120) households. A cost-of- living adjustment will be made to the MAP in November 1998 and July 1999.
- Savings cumulate for six months based on the length of the penalty for a first time intentional program violation (IPV).

Jail Reporting System

KEY DATA/ASSUMPTIONS (Continued):

- The administrative cost per hour is $46.45 for CalWORKs in 1998-99, and $48.24 per hour in 1999-00. For the Non-Assistance Food Stamps (NAFS) Program, the cost per hour is $48.19 for 1998-99, and $50.06 for 1999-00. The administrative time spent per case is one hour.

METHODOLOGY:

- The average monthly number of incarcerated persons discontinued from aid is first calculated by multiplying the number of CalWORKs matches by the discontinuance rate (460 x 50 percent).
- The percentages of FG and U are multiplied by the number of incarcerated persons discontinued from aid (78.44 percent x 230 for FG and 21.56 percent x 230 for U) to arrive at an average monthly number of FG and U incarcerated persons discontinued from aid.
- The average monthly number of FG and U incarcerated persons who are discontinued from aid are multiplied by the average monthly savings (177 x $120 for FG and 53 x $120 for U).
- The administrative cost is calculated by multiplying the annual number of CalWORKs and food stamp matches by the administrative cost per hour and the time spent per case (5,520 x $48.24 x one hour for CalWORKs and 9,672 x $50.06 x one hour for food stamps).

Payment for Names Reported

The per name payment level to the counties is based on a break-even level of $1.84 in 1998-99 and $3.32 in 1999-00 which includes CalWORKs grant savings less operational and administrative costs from all programs. The total cost of names of $268,495 in 1998-99, and $484,458 in 1999-00 is prorated between benefiting programs based on the estimated percentage of individuals that will lose eligibility (CalWORKs – 36.36 percent, and food stamps – 63.64 percent).

FUNDING:

All CalWORKs costs and savings are Temporary Assistance for Needy Families (TANF) eligible. The grant savings are funded 97.5 percent federal and 2.5 percent county. The CalWORKs administrative costs are funded 100 percent federal. Food stamps administrative costs are shared 50 percent federal, 35 percent state, and 15 percent county. The payment for the names is 100 percent General Fund.

CHANGE FROM PRIOR SUBVENTION:

- This premise has been updated using more recent actual data.
- Savings cumulate for six months based on the length of penalty for a first time IPV.
- The food stamps administrative costs are calculated using the administrative cost per hour for an eligibility worker, for a NAFS case, rather than the continuing cost per NAFS case.

Jail Reporting System

REASON FOR YEAR-TO-YEAR CHANGE:

The administrative costs increase due to the change in payment for names reported, from $1.84 in 1998-99, to $3.32 in 1999-00.

CASELOAD:

	1998-98	1999-00
Average Monthly Persons	-230	-230

EXPENDITURES:

(in 000's)

TANF (Item 101)

	1998-99		1999-00	
	Grant	County Admin.	Grant	County Admin.
Total	-$1,523	$401	-$1,987	$442
Federal	-1,485	401	-1,937	442
State	0	0	0	0
County	-38	0	-50	0
Reimbursements	0	0	0	0

Food Stamp Administration (Item 141)

	1998-99	1999-00
	County Admin.	County Admin.
Total	$637	$792
Federal	144	242
State	423	477
County	70	73
Reimbursements	0	0

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Drug Felon Match

DESCRIPTION:

This premise reflects the grant savings and administrative costs associated with denying aid to convicted drug felons. AB 1260 (Chapter 284, Statutes of 1997) requires that a person convicted of a felony related to the possession, use, or distribution, of a controlled substance, in state or federal court, after December 31, 1997, is ineligible for aid under the Temporary Assistance for Needy Families Program. If a family receiving aid includes a member who is ineligible due to a conviction of this nature, the county is required, as a minimum, to issue vouchers or vendor payments for rent and utilities.

IMPLEMENTATION DATE:

The original implementation date was January 1, 1998. Project implementation has been delayed until **June 1999**.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 11251.3 and 17012.5.
- The Department of Justice (DOJ) will serve as the data source for the specific drug-related arrest and conviction data for the Drug Felon Match.
- The estimate assumes that the first savings will not be realized until July 1999.
- Based on data received from DOJ, 2,260 drug felons are convicted monthly.
- Drug felons comprise 0.00007 percent of the average monthly California population of 32.4 million people.
- The estimate assumes that convicted drug felons represent 0.00007 percent of the average monthly California adult population on aid (625,575).
- The estimate assumes that 78.44 percent of the average monthly number of drug felons on aid are family groups (FG) and 21.56 percent are unemployed (U) parents.
- The average monthly savings represent the differences in the maximum aid payment (MAP), as a result of removing one person from the average FG ($120), and U ($120), household size.
- The administrative cost per case is $48.24 per hour each, for an eligibility worker, and for a special investigator.
- The administrative time spent per case is assumed to be 0.5 hour for an eligibility worker, and 2.5 hours for a special investigator.
- The estimate assumes a monthly average of four vouchers per case at five dollars per voucher.

METHODOLOGY:

- The average monthly caseload is calculated by first dividing the average monthly number of convicted drug felons by the average monthly California population (2,260 divided by 32,367,300). The resulting percentage is then multiplied by the average monthly number of adult persons on aid (0.00007 x 625,575) to arrive at an average monthly number of drug felons who are denied aid.

Drug Felon Match

METHODOLOGY: (Continued)

- The percentages of FG and U basic persons are multiplied by the average monthly number of drug felons on aid (78.44 percent x 44 for FG and 21.56 percent x 44 for U) to arrive at an average monthly number of FG and U drug felons who are denied aid.
- The average monthly number of FG and U drug felons who are denied aid are multiplied by the average monthly savings (35 x $120 for FG and 9 x $120 for U).
- The administrative cost is calculated by multiplying the annual number of drug felons who are denied aid by the administrative cost per hour and the time spent per case (528 x $48.24 x 0.5 hour for the eligibility worker and 528 x $48.24 x 2.5 hours for the special investigator). The administrative cost for vouchers is calculated by multiplying the annual number of drug felons who are denied aid by the monthly voucher cost per case multiplied by 12 months.

FUNDING:

The grant savings are funded 97.5 percent federal and 2.5 percent county. The administrative costs are funded 100 percent federal.

CHANGE FROM PRIOR SUBVENTION:

The implementation date has been delayed from October 1998 to June 1999 due to competing priorities at the DOJ. In addition, the estimate has been updated using the most current actual data.

REASON FOR YEAR-TO-YEAR CHANGE:

This premise is not in effect during 1998-99.

CASELOAD:

	1998-99	1999-00
Average Monthly Caseload	0	-44

EXPENDITURES:

(in 000's)

	1998-99		1999-00	
	Grant	County Admin.	Grant	County Admin.
Total	$0	$0	-$412	$203
Federal	0	0	-402	203
State	0	0	0	0
County	0	0	-10	0
Reimbursements	0	0	0	0

Fleeing Felon Match

DESCRIPTION:

This premise reflects the grant savings and administrative costs associated with denying aid to identified fleeing felons. As required in AB 1542 (Chapter 270, Statutes of 1997), an individual is not eligible for aid if that person is either: (1) fleeing to avoid prosecution, custody, or confinement, after conviction for a crime, or an attempt to commit a crime, that is a felony under the laws of the place from which the individual is fleeing; or, (2) violating a condition of probation or parole imposed under federal law or the law of any state.

IMPLEMENTATION DATE:

This premise was implemented July 1, 1998.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 11486.5.
- The first set of fleeing felon abstracts and data tapes identified in the Department of Justice (DOJ) database as potentially receiving aid were sent to county Special Investigation Units in August 1998. The estimate assumes that the first month of savings will be realized in September 1998.
- Based on two months of actual data since implementation, the Fraud Bureau reports that the average monthly number of fleeing felons preliminarily identified as receiving California Work Opportunity and Responsibility to Kids (CalWORKs) benefits is 762.
- Based on an ad hoc report and county survey conducted by the Fraud Bureau in October 1998, 50 percent of the fleeing felon matches will result in discontinued aid.
- The estimate assumes that 76.96 percent of the discontinued cases are family groups (FG) and 23.04 percent are unemployed (U) parents for Fiscal Year (FY) 1998-99. For FY 1999-00, the FG and U percentages are 78.44 and 21.56, respectively.
- The average monthly savings represent the differences in the maximum aid payment (MAP), as a result of removing one person from the average FG ($109) and U ($108) households, as of July 1998. A cost-of-living adjustment will be made to the MAP in November 1998 and July 1999.
- The administrative cost per case is $46.45 for FY 1998-99, and $48.24 for FY 1999-00.
- The administrative time spent per case is one hour to discontinue aid. For those cases where no affect on eligibility is found, 15 minutes of administrative time is budgeted.

METHODOLOGY:

- The average monthly number of fleeing felons discontinued from aid is calculated by first multiplying the average number of fleeing felons preliminarily identified as receiving CalWORKs benefits, through the DOJ database, by the discontinuance rate established through the ad hoc report and county survey (762 x 50 percent).
- The percentages of FG and U basic persons are multiplied by the average monthly number of fleeing felons discontinued from aid (78.44 percent x 381 for FG and 21.56 percent x 381 for U), to arrive at an average monthly number of FG and U fleeing felons discontinued from aid.

Fleeing Felon Match

METHODOLOGY: (Continued)

- The average monthly number of FG and U fleeing felons who are discontinued from aid are multiplied by the average monthly savings (299 x $120 for FG and 82 x $120 for U). The FY 1998-99 estimate reflects savings for ten months, beginning in September 1998, and a full 12 months of savings for 1999-00.
- The administrative cost is calculated by multiplying the annual number of fleeing felons who are discontinued from aid by the administrative cost per hour and the time spent per case (4,572 x $48.24 x one hour). For cases where no affect on eligibility is found, the administrative cost is calculated by multiplying the number of those cases by the administrative cost per hour and the time spent per case (4,572 x $48.24 x 0.25 hour).

FUNDING:

The grant savings are funded 97.5 percent federal and 2.5 percent county. The administrative costs are funded 100 percent federal.

CHANGE FROM PRIOR SUBVENTION:

- The percent of fleeing felons that will be discontinued from aid is based on actual data from an ad hoc report and county survey conducted by the Fraud Bureau in October 1998. Previously, the estimate used Los Angeles County data during a pilot test period.
- Administrative costs are calculated separately for the number of fleeing felons who are discontinued from aid and for those cases where no affect on eligibility is found. Previously, all cases were calculated at the same rate, one hour of administrative time spent per case.

REASON FOR YEAR-TO-YEAR CHANGE:

The FY 1998-99 estimate reflects ten months of savings. In addition, savings cumulate for 24 months, the average half-life of a case. The FY 1998-99 administrative costs are held to the FY 1998-99 Appropriation.

CASELOAD:

	1998-99	1999-00
Average Monthly Caseload	-381	-381

EXPENDITURES:

(in 000's)

	1998-99		1999-00	
	Grant	County Admin.	Grant	County Admin.
Total	-$2,458	$806	-$9,053	$276
Federal	-2,397	806	-8,827	276
State	0	0	0	0
County	-61	0	-226	0
Reimbursements	0	0	0	0

Balancing Overpayments Against Underpayments

DESCRIPTION:

This premise reflects the savings associated with balancing overpayments against underpayments when an assistance unit has both. Assembly Bill 2772 (Chapter 902, Statutes of 1998) requires county welfare departments, in cases where both an underpayment and overpayment exist, to offset the underpayment against the overpayment prior to correcting any remaining underpayment.

This item was part of the legislation that incorporated technical corrections to the 1997 California Work Opportunity and Responsibility to Kids (CalWORKs) Act (Chapter 270, Statutes of 1997 (AB 1542)).

IMPLEMENTATION DATE:

This premise implements January 1, 1999.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 11004 (k).
- Federal law permitted states to offset underpayments against overpayments, resulting in some counties already conducting this balancing activity prior to passage of this legislation.
- Thirty-four counties reported savings in the amount of $1.05 million, as a result of balancing underpayments against overpayments from January 1 – December 31, 1997.
- These 34 counties represent 37 percent of the State's CalWORKs caseload.
- Fraud Bureau staff conducted a county survey of the largest nonreporting counties to ensure that these counties are not reporting savings from balancing activities through any other system. It was also determined that balancing activities are occurring through manual procedures, approximately 35 percent of the time, resulting in a reduction of assistance payment on the county expense claim. However, no automated systems are in place to report balancing activity savings in these counties.
- As the automated systems are developed and the remaining 24 counties begin to report balancing activity savings, the estimate assumes that the collective savings generated based on their caseloads will be commensurate with the caseload and savings level in the 34 counties currently reporting balancing activity savings.
- As a result of this legislation, the estimate assumes that the remaining 24 counties will be reporting balancing activity savings by April 1999.

METHODOLOGY:

- The additional savings level is calculated using the actual amount reported from the 34 counties and expanding it to a statewide amount based on caseload (34 counties representing 37 percent of the CalWORKs caseload reported $1.05 million in savings. The remaining 24 counties, representing 63 percent of the CalWORKs caseload, will generate $1.796 million in savings).
- The amount of additional savings generated is then multiplied by the percent of time that balancing activities are not conducted through manual procedures ($1.796 million x 65 percent).

Balancing Overpayments Against Underpayments

FUNDING:

The grant savings are funded 100 percent from the Temporary Assistance for Needy Families block grant.

CHANGE FROM PRIOR SUBVENTION:

This is a new premise item.

REASON FOR YEAR-TO-YEAR CHANGE:

Fiscal Year 1998-99 represents three months of grant savings, as this premise is expected to fully implement in April 1999.

EXPENDITURES:

(in 000's)

	1998-99 Grant	1999-00 Grant
Total	-$292	-$1,168
Federal	-292	-1,168
State	0	0
County	0	0
Reimbursements	0	0

Fraud Incentives

DESCRIPTION:

This premise reflects the incentive payments made annually to counties for the detection of fraud. As required in AB 1542 (Chapter 270, Statutes of 1997), each county shall receive 25 percent of the actual state share of savings, including federal funds under the Temporary Assistance for Needy Families (TANF) block grant, resulting from the detection of fraud. These savings 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 (PRWORA) of 1996 (Public Law 104-193).

IMPLEMENTATION DATE:

This premise was implemented on January 1, 1998.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 11486(j).
- Based on collection data received from the Fraud Bureau, client-caused overpayments represent 70 percent of all collections.
- The total collections for Fiscal Years (FYs) 1998-99 and 1999-00 are estimated to be $66 million.
- The incentive payments are made annually to the counties, in arrears, by the end of the calendar year. For FY 1998-99, the incentive payments are for collections made from January 1 through June 30, 1998. For FY 1999-00, the incentive payments are for collections made during the 1998-99 fiscal year.

METHODOLOGY:

The amount of the county incentive payment is the product of the total collections and the percentage of client errors multiplied by the state share of collections (97.5 percent) and then multiplied by the share dedicated to the county incentive (25 percent). The calculation for the county incentive payments in FY 1999-00 for estimated collections made in FY 1998-99 is $66,000,000 x 70 percent x 97.5 percent x 25 percent.

FUNDING:

The costs are shared 50 percent TANF Program funds and 50 percent State General Funds.

CHANGE FROM PRIOR SUBVENTION:

A correction was made to the implementation date from July 1, 1997, to January 1, 1998.

Fraud Incentives

REASON FOR YEAR-TO-YEAR CHANGE:

The current year reflects incentive payments for six months of 1997-98. The budget year reflects 12 months of incentive payments for FY 1998-99.

EXPENDITURES:

(in 000's)

	1998-99 Grant	1999-00 Grant
Total	$6,900	$11,261
Federal	3,450	5,631
State	3,450	5,630
County	0	0
Reimbursements	0	0

Paoli v. Anderson Court Case

DESCRIPTION:

This premise reflects the costs of settling the Paoli v. Anderson court case. The settlement in the Paoli v. Anderson case is for the period October 1996 through November 1997.

The Paoli v. Anderson lawsuit challenged application of the lump sum rule in the Aid to Families with Dependent Children (AFDC) Program after passage of federal welfare reform. Under the lump sum rule, receipt of nonrecurring income resulted in a discontinuance and a period of ineligibility (POI). The California Work Opportunity and Responsibility to Kids Program treats lump sum income as income in the month received and a resource in any months the money is retained. The settlement terminated the AFDC lump sum rule effective December 1, 1997. The cost of the settlement is the cost of providing retroactive benefits to those families who were in a POI anytime between October 1996 and November 1997.

IMPLEMENTATION DATE:

This premise was implemented on August 15, 1998.

KEY DATA/ASSUMPTIONS:

- The claims period for retroactive benefits is August 15, 1998, through November 30, 1998.
- A POI frequency (.019064 – family group (FG); .025783 – unemployed (U) parent) was derived from the August 1991 AFDC Discontinuance Survey. Cases with net nonexempt income in excess of 185 percent of the Minimum Basic Standard of Adequate Care (the old AFDC gross income limit) were assumed to be lump sum cases.
- An AFDC discontinuance frequency was derived from the AFDC Exempt Caseload Monthly Data Report for Fiscal Year 1995-96 (.050941- FG; .063982 – U).
- A lump sum frequency was developed from the POI frequency and the discontinuance frequency.
- The average POI for an FG case is 1.64 months and is 1.43 months for a U case.
- The POI average grant was determined using AFDC survey data for cases with income under the old AFDC rules. The average grant for an FG case is $453.45, and is $536.85 for a U case.
- The administrative costs are based on 1.5 hours of eligibility worker (EW) time. The EW cost per hour is $46.45.
- It is assumed a total of 12,471 cases will be affected.

METHODOLOGY:

- The POI frequency was multiplied by the AFDC discontinuance frequency to determine the lump sum frequency (.019064 x .050941 = .000971 FG; .025783 x .063982 = .001650 U).
- The actual number of cases per month from November 1996 through December 1997 were multiplied by the lump sum frequency to determine the number of cases per month that were discontinued.

Paoli v. Anderson Court Case

METHODOLOGY: (Continued)

- The cases per month were multiplied by the average grant then multiplied by the average POI to determine the average grant cost.
- The total number of cases affected was multiplied by the EW cost per hour then multiplied by 1.5 hours to determine the administrative costs (12,471 x $46.45 x 1.5 = $868,917).

FUNDING:

The grant funding is 97.5 percent Temporary Assistance for Needy Families (TANF) Program funds and 2.5 percent county. The administrative funding is 100 percent TANF.

CHANGE FROM PRIOR SUBVENTION:

This is a new premise item.

REASON FOR YEAR-TO-YEAR CHANGE:

This court case will be paid only in the current year.

CASELOAD:

	1998-99	1999-00
Total Cases Affected	12,471	0

EXPENDITURES:

(in 000's)

	1998-99		1999-00	
	Grant	County Admin.	Grant	County Admin.
Total	$9,354	$869	$0	$0
Federal	9,120	869	0	0
State	0	0	0	0
County	234	0	0	0
Reimbursements	0	0	0	0

Beno v. Shalala Court Case

DESCRIPTION:

This premise reflects the costs of settling the Beno v. Shalala court case. The population affected are those cases that received Aid to Families with Dependent Children (AFDC) Program benefits between December 1, 1992, and May 31, 1996.

As part of the California Work Pays Demonstration Project (CWPDP), a series of reductions was made to the maximum aid payment (MAP) amount. The MAP is used to compute the amount of cash aid to which an assistance unit (AU) is entitled. Under the terms of the CWPDP, changes were made in the AFDC grant computation method in order to make it more advantageous for recipients to work. The MAP reductions were designed to provide a work incentive.

Among other issues, plaintiffs in the Beno case challenged the MAP reductions because certain AUs did not contain persons who were able to work and should not have been subject to the MAP reductions. In July 1998, a settlement was made in this case.

IMPLEMENTATION DATE:

This premise became effective July 1, 1998. The settlement checks were sent in the months of August and September 1998.

KEY DATA/ASSUMPTIONS:

- The amount of the settlement is $42 million, as reflected in settlement documents. The settlement consists of amounts for those currently aided, those not currently aided and amounts to be paid into the Temporary Food Assistance Program (TFAP).
- A set aside payment of $2 million will be made to TFAP. This payment is intended for class members who cannot be currently identified. In this case, the payment to TFAP will provide food for low-income families.
- Based on information from the Department's Data Base Development and Forecasting Branch, 1,017,502 eligible cases were found. Of the total cases identified, 500,961 are currently eligible for the California Work Opportunity and Responsibility to Kids Program, and 516,541 are not.
- Based on the number of cases found, payments in the amount of $39.31 per case were issued to the eligible families in August and September 1998.
- Settlement checks in the amount of $4,823,848 have been returned because the former recipients could not be located. The amount of the returned checks will also be paid into TFAP.
- The administrative cost of the settlement is paid from state support funds except for the actual cost of postage, which is paid with local assistance monies. There are no other county-level administrative costs. Experience with past settlements indicates that the state support cost will be $241,000, and the postage cost approximately $320,000. These costs are claimable as Temporary Assistance for Needy Families (TANF) Program administrative costs.

Beno v. Shalala Court Case

METHODOLOGY:

- The total settlement amount minus the set aside amount of $2 million is the net settlement amount of $40 million. The $40 million was paid to those 1,017,502 class members with a current address in the Medi-Cal Eligibility and Data System (1,017,502 x $39.31 = $39,998,004).
- The amount of the set aside payment, plus the amount of the returned settlement checks, plus the balance from the $40 million will be allocated to TFAP and claimed to the General Fund (GF). This amount is neither claimable to TANF nor countable against the State's maintenance of effort (MOE) requirement because TFAP is a state-only program, and TFAP recipients are not always TANF-eligible families. ($40,000,000 - $39,998,004 = $1,996) ($2,000,000 + $4,823,848 + $1,996 = $6,825,844)

FUNDING:

- The currently aided amount is 100 percent TANF eligible.
- The not currently aided amount is 100 percent TANF eligible.
- The set aside payment, the returned check amount and the balance after sending the checks was claimed entirely to the GF and is not countable towards MOE.
- The cost for postage and state support is 100 percent TANF eligible.

CHANGE FROM PRIOR SUBVENTION:

This premise was revised to reflect actual data. The settlement amount did not change.

REASON FOR YEAR-TO-YEAR CHANGE:

Full payment will be made in the current year.

CASELOAD:

	1998-99	1999-00
Caseload	1,017,502	0

EXPENDITURES:

(in 000's)

	1998-99		1999-00	
	Grant	County Admin.	Grant	County Admin.
Total	$42,000	$541	$0	$0
Federal	35,174	541	0	0
State	6,826	0	0	0
County	0	0	0	0
Reimbursements	0	0	0	0

CalWORKs Diversion

DESCRIPTION:

This premise reflects the grant savings from the diversion of applicants from the California Work Opportunity and Responsibility to Kids (CalWORKs) Program. The CalWORKs legislation, Assembly Bill 1542, Chapter 270, Statutes of 1997, requires that every applicant for aid be informed of the availability of lump sum diversion services to resolve circumstances that require the family to apply for aid. Once the applicant is determined eligible for aid, the county has discretion to determine if the applicant will benefit by the lump sum diversion, which may include any cash or noncash payment negotiated by the county and the applicant. An applicant may either participate in the lump sum diversion program or decline to participate and receive aid.

IMPLEMENTATION DATE:

This premise was implemented on January 1, 1998.

KEY DATA/ASSUMPTIONS:

- As a result of Welfare and Institutions Code section 11266.5, applicants will receive a lump sum payment and be diverted from aid.
- Based on the longitudinal database, 18.17 percent of adult applicants have not previously received aid, have been employed within the last five years, and would have remained on aid no longer than six months.
- Based on the Job Readiness Survey, 43.40 percent of recipients with prior work history left their last jobs due to a business closing/layoff, a move by spouse, or problems which could have been resolved with a diversion payment. It is assumed that these are the types of cases most likely to be diverted.
- Based on anecdotal information from the counties, this estimate assumes the following:
  - All counties will have fully implemented a diversion program by July 1, 1999; and
  - Fifty percent of the applicants who are offered a diversion payment in lieu of monthly aid payments accept the diversion payment.
- Based on the expenditures from 22 counties for diversion payments in Fiscal Year 1997-98, the average amount of the diversion lump sum payment was $1,174.60 per applicant.

METHODOLOGY:

The projected number of adult applicants monthly was multiplied by 18.17 percent to determine the number of applicants that had not previously received aid, had been employed within the last five years, and would have remained on aid no longer than six months. It is assumed that these are the types of cases most likely to be diverted. The remaining caseload was multiplied by 43.40 percent to determine the number who left their last jobs due to a business closing/layoff, a move by spouse, or problems which could have been resolved with a diversion payment. This caseload was further reduced based on the assumption that 50 percent of the applicants offered a diversion payment would decline. The resulting caseload was multiplied by the maximum aid payment for an assistance unit of three ($611) to determine the value of the grant savings due to the diversion of cases. The cost of the diversion payment was calculated by multiplying the projected number of cases diverted annually by the average lump sum diversion payment.

CalWORKs Diversion

FUNDING:

All savings are Temporary Assistance for Needy Families eligible and are shared 97.5 percent federal and 2.5 percent county.

CHANGE FROM PRIOR SUBVENTION:

This is a new premise.

REASON FOR YEAR-TO-YEAR CHANGE:

The budget year is assumed to be the first full year of the diversion program.

CASELOAD:

	1998-99	1999-00
Average Monthly Caseload	-1,140	-2,704

EXPENDITURES:

(in 000's)

	1998-99			1999-00		
	Grant Savings	Diversion Payment	Total	Grant Savings	Diversion Payment	Total
Total	-$8,999	$4,245	-$4,754	-$22,063	$7,045	-$15,018
Federal	-8775	4,139	-4,636	-21,512	6,869	-14,643
State	0	0	0	0	0	0
County	-224	106	-118	-551	176	-375
Reimbursements	0	0	0	0	0	0

Exits Due To Employment

DESCRIPTION:

This premise represents the estimated grant savings and the corresponding administrative savings resulting from an increase in caseload exits. The California Work Opportunity and Responsibility to Kids (CalWORKs) legislation, Assembly Bill 1542, Chapter 270, Statutes of 1997, requires nonexempt able-bodied applicants and recipients to participate in work activities. It is anticipated that this new work requirement will result in increased caseload exits due to employment.

IMPLEMENTATION DATE:

Implementation began January 1, 1998, for applicants and current recipients. Current recipients will be phased-in by December 1998.

KEY DATA/ASSUMPTIONS:

- As a result of the work requirements under Welfare and Institutions Code section 11322.8, an increased number of cases will exit due to employment.
- The data and assumptions from the CalWORKs Services Program Basic Premise were used to develop the estimated caseloads for case exits. It was assumed that approximately 18 percent will become employed from Job Search in 1998-99 and 23 percent 1999-00. From all other employment services, approximately 1.08 percent per month will become employed from other employment services in 1998-99 and 1.30 percent in 1999-00. Of those who obtain employment, 79 percent will be working on aid, and 21 percent will terminate from aid.
- The Medi-Cal Eligibility Data System was utilized to track a ten-percent sample of all Aid for Families with Dependent Children Program assistance units with an aided adult from January 1995 through December 1996. An attrition rate was developed. Based upon this rate, a caseload was developed based on the percentage of cases that remained off aid each month.
- Based on the Q5 Survey data from January through March 1998, the estimated average grant for cases with an adult is $479.71 for July through October 1998, $523.89 from November 1998 through June 1999, and $538.39 for July 1999 through June 2000. The changes in the grant levels are a result of the restoration of 4.9 percent maximum aid payment and cost-of-living increases.
- The administrative cost of $34.40 associated with a continuing case was used based on ratios calculated from updated eligibility worker cost per hour.

METHODOLOGY:

The estimated number of cases exiting were multiplied by the monthly attrition rate and the average grant for cases with an adult to determine the total savings.

FUNDING:

All savings are Temporary Assistance for Needy Families eligible.

CHANGE FROM PRIOR SUBVENTION:

This premise has been updated to reflect the caseload projections and average savings per case.

REASON FOR YEAR-TO-YEAR CHANGE:

The budget year increase reflects the exits associated with the first full year of CalWORKs employment services.

Exits Due To Employment

CASELOAD:

	1998-99	1999-00
Average Monthly Caseload	-7,379	- 17,881

EXPENDITURES:

(in 000's)

	1998-99		1999-00	
	Grant	County Admin.	Grant	County Admin.
Total	-$47,985	-$3,211	-$117,468	-$7,593
Federal	-46,786	-3,211	-114,531	-7,593
State	0	0	0	0
County	-1,199	0	-2,937	0
Reimbursements	0	0	0	0

Grant Reductions Earnings – Pre- and Post-CalWORKs

DESCRIPTION:

This premise reflects the savings associated with able-bodied adults working more as a result of the work requirements, and, therefore, receiving a smaller grant. The California Work Opportunity and Responsibility to Kids (CalWORKs) Program legislation, Assembly Bill 1542, Chapter 270, Statutes of 1997, requires nonexempt able-bodied applicants and recipients to participate in work activities. These activities include employment, Job Club/Job Search, community service, on the job training, etc. It is anticipated that this new work requirement will result in increased employment.

IMPLEMENTATION DATE:

This premise was implemented on January 1, 1998.

KEY DATA/ASSUMPTIONS:

- As a result of the work requirements under Welfare and Institutions Code section 11320, an increased number of cases will become employed.
- Utilizing the CalWORKs grant structure, the Q5 Survey was used to determine the average family group (FG) and unemployed (U) parent grants for assistance units with earnings. The average grant was then computed after removing the value of earnings from the computation. The average monthly saving per case due to the reported earnings for FG is $224 for July through October 1998, $224.43 from November 1998 through June 1999, and $224.50 for July 1999 through June 2000. The average monthly saving per case due to the reported earnings for U is $263.88 for July through October 1998, $267.28 from November 1998 through June 1999, and $268.39 for July 1999 through June 2000. The changes in the grant levels are a result of the restoration of the 4.9 percent maximum aid payment and cost-of-living increases.

Pre-CalWORKs

- Based on data from the Q5 Survey for October through December 1997:

  13.21 percent of FG and 38.22 percent of U cases have earnings that are sufficient to decrease the monthly aid payment.

- Pre-CalWORKs savings are in the trend expenditures; and, therefore, are reflected as a non-add item.

Post-CalWORKs

- Based on data from the Q5 Survey for January through March 1998:

  19.98 percent of FG and 41.21 percent of U cases have earnings that are sufficient to decrease the monthly aid payment.

METHODOLOGY:

Pre-CalWORKs

The basic FG caseload was multiplied by 13.21 percent to determine the number of cases with grant reductions due to earnings. The basic U caseload was multiplied by 38.22 percent to determine the number of cases with grant reductions due to earnings. Those cases were multiplied by the average monthly savings per case to determine the value of the savings due to cases working prior to the implementation of CalWORKs.

Grant Reductions Earnings – Pre- and Post-CalWORKs

METHODOLOGY: (Continued)

Post-CalWORKs

The basic FG and U caseloads were multiplied by 19.98 percent and 41.21 percent, respectively, to determine the number of cases with grant reductions due to earnings. Those cases were multiplied by the average monthly savings per case to determine the value of the savings due to cases working. The value of the pre-CalWORKs grant reductions earnings is subtracted from this amount to determine the value of the post-CalWORKs grant reductions due to earnings.

FUNDING:

All savings are Temporary Assistance for Needy Families eligible, and are shared 97.5 percent federal and 2.5 percent county.

CHANGE FROM PRIOR SUBVENTION:

This premise has been updated to reflect pre-CalWORKs savings as a result of cases working from October of 1996 to the October through December 1997 Q5 Survey data. The post-CalWORKs savings were updated from the difference between the October through December1997 and the January through March 1998 Q5 Survey data.

REASON FOR YEAR-TO-YEAR CHANGE:

The minor change is due to projected decrease in caseload.

CASELOAD:

	1998-99		1999-00	
Average Monthly Caseload	Pre-CalWORKs	Post-CalWORKs	Pre-CalWORKs	Post-CalWORKs
	113,153	40,015	102,188	36,988

EXPENDITURES:

(in 000's)

	1998-99		1999-00	
	Pre-CalWORKs	Post-CalWORKs	Pre-CalWORKs	Post-CalWORKs
	Grant	Grant	Grant	Grant
Total	-$325,415	-$109,356	-$293,922	-$101,098
Federal	-317,280	-106,622	-286,574	-98,571
State	0	0	0	0
County	-8,135	-2,734	-7,348	-2,527
Reimbursements	0	0	0	0

Recent Noncitizen Entrants

DESCRIPTION:

Public Law 104-193 restricts eligibility for legal immigrants entering the United States (U.S.) after the date of enactment (August 22, 1996). These recent entrants to the U.S. are barred from receiving benefits from the Temporary Assistance for Needy Families (TANF) Program for the first five years they are in the country. Public Law 104-193 does provide exceptions for certain aliens:

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

The California Work Opportunity and Responsibility to Kids (CalWORKs) Program continues aid to recent noncitizen entrants who do not meet the exception criteria. This premise is the estimated cost for continuing to aid recent noncitizen entrants.

IMPLEMENTATION DATE:

This premise implemented September 1996.

KEY DATA/ASSUMPTIONS:

The October 1996 Aid to Families with Dependent Children Characteristics Survey was utilized as the primary source of data for this premise estimate. The data provided by this survey included:

- County of residence.
- Aid category and assistance unit (AU) size.
- Net income.
- Date of most recent application for aid.
- Alien status for each member of the AU.
- Date of entry into the U.S. for each alien member of the AU.
- Within the October 1996 database, the grants for the affected cases were computed with and without the recent noncitizen entrants. The average difference between these two grants is the cost per case.
- Utilizing the October 1996 database, the ratio of cases with recent noncitizen entrants was computed.
- This premise began in September of 1996 with the passage of Public Law 104-193. Therefore, the first year of fiscal impact is September 1996 through August 1997. The second year of impact is September 1997 through August 1998, and so on.
- In addition to the survey data, the family group (FG) and unemployed (U) parent basic caseloads were used in computing the estimated cases affected in the current and budget years.
- The average monthly cost per case for employment services in the CalWORKs Welfare to Work Program in State Fiscal Year 1998-99 is $180, and it is $179 in 1998-99.

Recent Noncitizen Entrants

KEY DATA/ASSUMPTIONS: (Continued)

- The average monthly cost per case for CalWORKs child care is $502, and Cal Learn child care is $475 in FYs 1998-99 and 1999-00.
- The Cal Learn caseload for recent noncitizen entrants was determined by taking the total number of TANF FG basic recent noncitizen entrants multiplied by the ratio of Cal Learn caseload to projected TANF FG basic caseload.

METHODOLOGY:

- The recent noncitizen entrants' FG and U ratios were multiplied by the basic caseloads to determine the projected affected cases.
- The affected cases were multiplied by the average cost per case to determine the projected cost of the premise.
- The casemonths for FG cases were multiplied by the average monthly cost per case for CalWORKs Welfare to Work Program to determine the projected cost of providing employment services.
- For both the CalWORKs and Cal Learn child care, the recent noncitizen entrants FG caseload was multiplied by the 30-percent child care utilization rate. The net child care caseload was then multiplied by the average monthly child care cost of $502 for CalWORKs child care and $475 for Cal Learn child care.

FUNDING:

The State and counties fund these costs with the exception of child care which is 100 percent state-funded.

CHANGE FROM PRIOR SUBVENTION:

This premise has been updated for the new caseload projections. In addition, a technical adjustment was made in the administrative costs in FY 1999-00 to account for only the administrative cost associated with the noncitizen, rather than the entire case.

REASON FOR YEAR-TO-YEAR CHANGE:

The budget year cost increases as a result in the accumulation of noncitizen entrants in the caseload.

Recent Noncitizen Entrants

CASELOAD:

	1998-99	1999-00
Average Monthly Caseload	1,823	2,379

EXPENDITURES:

(in 000's)

Item 101 CalWORKs Assistance Payments	1998-99		1999-00	
	Grant	County Admin.	Grant	County Admin.
Total	$3,839	$939	$5,725	$87
Federal	0	0	0	0
State	3,647	939	5,439	87
County	192	0	286	0
Reimbursements	0	0	0	0

Item 101	1998-99	1999-00
CalWORKs Services	Grant	Grant
Total	$2,780	$2,772
Federal	0	0
State	2,780	2,772
County	0	0
Reimbursements	0	0

Item 101	1998-99	1999-00
CalWORKs Stage One Child Care	Services/ Administration	Services/ Administration
Total	$2,336	$1,533
Federal	0	0
State	2,336	1,533
County	0	0
Reimbursements	0	0

Recent Noncitizen Entrants

EXPENDITURES: (Continued)

(in 000's)

Item 101	1998-99	1999-00
Cal Learn Services	Grant	Grant
Total	$75	$92
Federal	0	0
State	75	92
County	0	0
Reimbursements	0	0

Item 101	1998-99	1999-00
Cal Learn Child Care	Grant	Grant
Total	$14	$27
Federal	0	0
State	14	27
County	0	0
Reimbursements	0	0

CalWORKs Failure to Participate

DESCRIPTION:

This premise reflects the estimated savings resulting from sanctions due to an able-bodied recipient's failure to meet the California Work Opportunity and Responsibility to Kids (CalWORKs) Program work activity requirements. AB 1542 (Chapter 270, Statutes of 1997) created the CalWORKs Program, replacing the Aid to Families with Dependent Children Program effective January 1, 1998. CalWORKs requires nonexempt able-bodied applicants and recipients to participate in work activities. These activities include employment, Job Club/Job Search, community service, on the job training, etc. Those recipients who fail to meet the work activity requirements will be subject to a sanction equal to removal from the assistance unit (AU).

IMPLEMENTATION DATE:

This premise was implemented January 1, 1998.

KEY DATA/ASSUMPTIONS:

- Welfare and Institutions Code section 11327.5 provides for a sanction, equal to removal from the AU, for adults who refuse to comply with the work requirements under the CalWORKs Program.
- The data and assumptions from the CalWORKs Services Program Basic Premise were used to develop the estimated cases participating in the Welfare to Work Program. Please refer to that premise description for a detailed explanation of the data and assumptions.
- Based on data from the Greater Avenues for Independence (GAIN) Program, it is estimated that 4.16 percent of the cases required to participate in the Welfare to Work Program will fail to comply with the work requirements and will receive a work sanction.
- Based on a phone survey of counties, it is assumed the average length of time for work sanctions is four months.
- Utilizing the CalWORKs grant structure, the Q5 Survey was used to determine the average family group (FG) and unemployed (U) parent grants for AUs with adults. The average grant was then computed after removing the adult's needs from the maximum aid payment (MAP). The average monthly saving per case for FG cases is $128.43 for July through October 1998, $135.49 from November 1998 through June 1999, and $139.51 for July 1999 through June 2000. The average monthly saving per case for U cases is $188.10 for July through October 1998, $199.08 from November 1998 through June 1999, and $205.47 for July 1999 through June 2000. The changes in the grant levels are a result of the restoration of 4.9 percent MAP and cost-of-living increases.

METHODOLOGY:

The cases required to participate in the Welfare to Work Program were multiplied by 4.16 percent to determine the number of sanctioned AUs. The fiscal impact is the product of the estimated savings per case and the sanctioned AUs.

CalWORKs Failure to Participate

FUNDING:

All savings are Temporary Assistance for Needy Families eligible. The savings are shared 97.5 percent federal and 2.5 percent county.

CHANGE FROM PRIOR SUBVENTION:

This premise has been updated for projected caseload and the most recent (January through March 1998) Q5 Survey data.

REASON FOR YEAR-TO-YEAR CHANGE:

The budget year estimate reflects the first full year of employment services under the CalWORKs Program.

CASELOAD:

	1998-99	1999-00
Average Monthly Caseload	-38,419	-52,770

EXPENDITURES:

(in 000's)

	1998-99	1999-00
	Grant	Grant
Total	-$65,520	-$95,475
Federal	-63,882	-93,089
State	0	0
County	-1,638	-2,386
Reimbursements	0	0

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. 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 an up-front job search, assessment, subsidized and unsubsidized employment, job development, work experience, completion of a high school diploma or its equivalent, vocational employment training, and community service.

IMPLEMENTATION DATE:

This premise was implemented on January 1, 1998.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: AB 1542 (Chapter 270, Statutes of 1997).
- Single-parent families must participate in work, a work activity assignment, or community service for 26 hours a week beginning July 1, 1998. Single parents with a child under six years of age will participate at 32 hours per week in 1999-00.
- One or both of the parents in unemployed (U) parent families must participate in work, a work activity assignment, or community service for a combined total of 35 hours per week.
- Non-needy caretakers, and families with a severely disabled parent or child are exempt from work requirements, and for purposes of estimating a statewide average, single parents with a child under six months old are assumed to be exempt.
- All nonexempt single adults not working 20 or more hours per week will attend Job Search. One of the parents in U households where a combined number of hours worked by both parents does not meet 35 hours of work, will attend Job Search.
- Approximately 19 percent of the cases at intake will be currently working. This is based on the Job Readiness Survey which was adjusted for seasonality.
- Based on phase-in assumptions and data from Los Angeles County's current Greater Avenues for Independence (GAIN) Program regarding the number of employments for the period of January through March 1997, it is assumed approximately 18 percent will become employed from Job Search.
- Of the percent employed from Job Search, approximately 79 percent will be working while on aid, and 21 percent will terminate from aid. This is based on GAIN County Performance Demonstration Project experience regarding the ratio of grant reductions to terminations resulting from employment.

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

KEY DATA/ASSUMPTIONS: (Continued)

- From all other employment services approximately 1.08 percent per month gain employment in 1999-00 from other employment services. Of those who obtain employment, 79 percent will be working on aid, and 21 percent will terminate from aid.
- One hour of administrative time is assumed for the development of a work plan for all adults working the required number of hours.
- Those participating in Job Search but not obtaining employment for a sufficient number of hours will be assessed and a work plan developed. A total of four and one-half hours of administrative time is assumed for the assessment and the work plan.
- The work plan will determine which of the following activities the participants will attend to fulfill their required numbers of hours.

Adult Basic Education (ABE)

- ♦ Twenty-four percent of those not working will attend based on the Job Readiness Survey, using the percentage that could not obtain/retain employment because of the lack of a diploma or an education.
- ♦ All those attending an ABE program will also have to participate in another work activity to fulfill their required numbers of hours.

Employment-Related Education and Training

- ♦ Twenty-five percent of those not working will attend based on information from the California Community Colleges Chancellor's Office on Fiscal Year (FY) 1994-95 participation rates for Aid to Families with Dependent Children Program recipients in vocational education classes.
- ♦ Those attending vocational training classes will also have to participate in another work activity to fulfill their required numbers of hours.

Community Service

- ♦ Twenty percent of those not working will participate in community service to meet their participation requirements. This is based on the Job Readiness Survey that identified recipients that could not obtain/retain employment because of the lack of a job skill.

Work Experience/On-the-Job Training (OJT)

- ♦ Thirty-one percent of those not working will participate in a some form of work experience or OJT activity for their required hours.

Part-Time Employment

- ♦ The estimate assumes 32 percent of the single-parent families working on aid and 58 percent of the U families will be required to supplement work with community service because their work hours are below the mandatory amount.

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

KEY DATA/ASSUMPTIONS: (Continued)

Mental Health Services

- All aided adults are eligible for, and may be required to attend, these services regardless of any other activity. One-half hour of county administrative time per month is provided in connection with these services. For estimated caseload and cost of services, see the individual premise description.

Substance Abuse Services

- All aided adults are eligible for, and may be required to attend, these services regardless of any other activity. One-half hour of county administrative time per month is provided in connection with these services. For estimated caseload and cost, see the individual premise description.

- Cost per Component

  In 1999-00, an average monthly cost per case of $119.02 was used for those recipients who are participating in ABE, employment-related education/training, work experience and community service as needed to fulfill their participation requirements. This cost was based on a weighted average of the current GAIN cost and participation levels for these components:

  - $121.90 for ABE/concurrent activity ($67 for General Educational Development and $54.90 for one hour of case management).
  - $129.90 for employment-related education and training/concurrent activity ($75 for education and training, and $54.90 for one hour of case management).
  - $149.39 for work experience/OJT activities (based on current cost, including case management, in similar components of the GAIN Program.
  - $54.90 for community service only and supplementary community service for those employed part time, based on one hour of case management cost at $54.90; one-half hour of this time is for development of work slots based on staffing data from Orange County's General Assistance Work Program and statewide average eligibility worker (EW) costs.
  - $12 per person for transportation and ancillary is available to all recipients who are participating in work activities each month, based on current GAIN costs per month averaged over total GAIN participants.

FUNDING:

The funding in FY 1997-98 is 100 percent TANF federal funds. In FY 1998-99 estimated expenditures were held at the appropriation amount for the CalWORKs Program.

CHANGE FROM PRIOR SUBVENTION:

The premise has been updated for new caseload and the projected statewide hourly EW cost for FY 1999-00.

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

REASON FOR YEAR-TO-YEAR CHANGE:

The decrease in the budget year is the net effect of the projected decline in the CalWORKs caseload and the statewide EW average cost per hour.

CASELOAD:

	1998-99	1999-00
Average Monthly Persons	363,208	311,597

EXPENDITURES:

(in 000's)	1998-99	1999-00
	Services	Services
Total	$803,998	$708,064
Federal	803,998	708,064
State	0	0
County	0	0
Reimbursements	0	0

Substance Abuse Services

DESCRIPTION:

This premise provides for the treatment of substance abuse for California Work Opportunity and Responsibility to Kids (CalWORKs) Program welfare-to-work participants. AB 1542 (Chapter 270, Statutes of 1997) mandates 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 for evaluations and substance abuse treatment.

IMPLEMENTATION DATE:

This premise was implemented on January 1, 1998.

KEY DATA/ASSUMPTIONS:

- Caseload is based on a Center on Addiction and Substance Abuse study, which estimated that 20 percent of recipients have substance abuse problems. It is assumed that 30 percent of the 20 percent (6 percent of all adults) will enter treatment.
- Information was provided by the Department of Alcohol and Drug Program (DADP) regarding the number of Temporary Assistance for Needy Families Program recipients currently being served in DADP programs, and the corresponding expenditures. Based on the expenditure and caseload data provided by the DADP, a monthly cost per person of $448 for substance abuse treatment services was used.
- Although this program implements in January 1998, it is assumed that the recipients will not begin receiving services until March of 1998. Phase-in of the program will take one year, and the full impact will be realized by March of 1999.

METHODOLOGY:

The total casemonths of adults assumed to be in need of service were multiplied by the average monthly cost per case. The current funding available, based on the baseline expenditures for recipients currently receiving services, is then subtracted from the total estimated need for all recipients to indicate the total funding needed in the Department's budget.

FUNDING:

This premise is funded with State General Funds. The Department also receives $5 million in federal Substance Abuse Prevention Treatment block grant in Fiscal Year (FY) 1998-99 as a reimbursement from DADP.

Substance Abuse Services

CHANGE FROM PRIOR SUBVENTION:

The estimate was updated for new caseload projections. The reimbursement of $5 million from DADP terminates with the FY 1998-99. In the prior subvention it was assumed that $1.5 million would be transferred to DADP in FY 1998-99. It is now assumed that this transfer will not occur.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase in the budget year is the effect of the cases phasing into the CalWORKs Program.

CASELOAD:

	1998-99	1999-00
Average Monthly Persons	23,800	27,141

EXPENDITURES:

(in 000's)

	1998-98	1999-00
	Grant	Grant
Total	$59,675	$70,473
Federal	0	0
State	54,675	70,473
County	0	0
Reimbursements	5,000	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. AB 1542 (Chapter 270, Statutes of 1997) mandates 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.

IMPLEMENTATION DATE:

This premise was implemented on January 1, 1998.

KEY DATA/ASSUMPTIONS:

- Caseload is based on an epidemiological catchment area study adjusted for poverty and social security income cases, which estimated that 21 percent of Temporary Assistance for Needy Families Program recipients have a diagnosable mental or substance abuse use disorder.
- Based on Fiscal Year (FY) 1995-96 expenditures and caseload data provided by the Department of Mental Health, a monthly cost per case of $63 for mental health services was used.

METHODOLOGY:

- The total casemonths were multiplied by the average monthly cost per case.
- The current available funding, based on the baseline expenditures for recipients receiving services in FY 1995-96, was then subtracted from the total estimated need for all recipients to indicate the funding needed in the Department's budget.

FUNDING:

This premise is funded with 100 percent General Fund.

CHANGE FROM PRIOR SUBVENTION:

The estimate has been updated for caseload projections.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase in the budget year is the effect of the cases phasing into the CalWORKs Program.

Mental Health Services

CASELOAD:

	1998-99	1999-00
Average Monthly Persons	81,040	96,804

EXPENDITURES:

(in 000's)

	1998-99	1999-00
	Grant	Grant
Total	$45,169	$51,809
Federal	0	0
State	45,169	51,809
County	0	0
Reimbursements	0	0

CalWORKs Conciliation Process

DESCRIPTION:

This premise reflects the reduction in administrative cost due to modifications to the conciliation process instituted with the California Work Opportunity and Responsibility to Kids (CalWORKs) Program. Assembly Bill 1542 (Chapter 270, Statutes of 1997), established the CalWORKs Program which included a compliance process included as part of the Welfare to Work Program (WTW).

Within the former Greater Avenues for Independence (GAIN) Program, there was a conciliation process for those who failed to comply with the GAIN Program requirements. The CalWORKs modifications will result in a shorter, less complex process, requiring less administrative time.

IMPLEMENTATION DATE:

This premise implemented on January 1, 1998.

KEY DATA/ASSUMPTIONS:

- Fiscal Year (FY) 1998-99 was held at the appropriation level.
- The caseload is based on the current percentage of cases per month in the GAIN conciliation process and the projected number of cases required to participate in the CalWORKs Program. Currently, approximately 16 percent of the cases per month that are required to participate are in the process of conciliation. This equates to 48,951 cases each month in FY 1999-00.
- One hour of a WTW worker's administrative time saved per case per month is assumed, at a statewide average of $54.90 in FY 1999-00.

METHODOLOGY:

The total caseload of adults estimated to be in the conciliation process was multiplied by the average monthly cost per case.

FUNDING:

The funding is 100 percent Temporary Assistance for Needy Families Program federal funds.

CHANGE FROM PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

The decrease in savings is a result of the decline in the projected hourly cost of a WTW worker from the appropriation.

CalWORKs Conciliation Process

CASELOAD:

	1998-99	1998-99
Average Monthly Caseload	48,559	48,951

EXPENDITURES:

(in 000's)

	1998-99 CalWORKs Services	1999-00 CalWORKs Services
Total	-$33,838	-$32,269
Federal	-33,838	-32,269
State	0	0
County	0	0
Reimbursements	0	0

County Performance Incentives

DESCRIPTION:

The California Work Opportunity and Responsibility to Kids (CalWORKs) legislation, Assembly Bill 1542, Chapter 270, Statutes of 1997, provides for fiscal incentive payments to counties for case exits due to employment, grant reductions due to earnings and the diversion of applicants. A legislative steering committee has established the following criteria for performance incentive payments:

- A base exit rate for cases exiting with earnings will be established for each county. This base exit rate will be the average of 1994-95, 1995-96, and 1996-97 Fiscal Years (FYs). Counties will be eligible to receive an incentive payment for recipients exiting the program due to employment when that exit is over the base and has lasted a minimum of six months. Additional payments will be made for exits that continue from months seven through 12.
- The value of grant savings due to earnings by recipients that result in a reduced aid payment will be determined for each county.
- The value of grant savings due to the diversion of applicants from the program for six months in addition to the number of months equivalent to the diversion payment will be determined for each county.

The incentive payment shall be 75 percent of the federal and state shares of the savings from the exits, grant reductions and diversion. In addition, the remaining 25 percent of the savings shall be allocated to counties that have not realized savings due to those outcomes but have performed in a manner worthy of recognition.

IMPLEMENTATION DATE:

This premise implemented January 1, 1998.

KEY DATA/ASSUMPTIONS:

- Welfare and Institutions Code section 10544.1 provides for fiscal incentive payments to counties for case exits due to employment, grant reductions due to earnings and the diversion of applicants.

Case Exit Incentives

- The data and assumptions from the CalWORKs Services Program Basic Premise were used to develop the estimated caseloads for case exits. Please refer to that premise description for a detailed explanation of the data and assumptions.
- The Medi-Cal Eligibility Data System (MEDS) was utilized to track a ten-percent sample of all Aid to Families with Dependent Children (AFDC) Program assistance units (AUs) with an aided adult from January 1995 through December 1996. Based upon this sample, 61.71 percent of those AUs that exited the AFDC Program remained off aid for at least six consecutive months, while 55.16 percent remained off aid for 12 consecutive months.
- Based on the Q5 Survey for January through March 1998, the federal and state shares of an average grant are $484.28 for July through October 1998, $530.26 from November 1998 through June 1999, and $543.59 for July 1999 through June 2000. The changes in the grant levels are a result of the restoration of the 4.9 percent maximum aid payment (MAP) (described in a separate premise) and cost-of-living increases.

County Performance Incentives

KEY DATA/ASSUMPTIONS: (Continued)

Grant Reduction Incentives

- Based on the Q5 Survey for January through March 1998:
  - 19.98 percent of the family group (FG) caseload and 41.21 percent of the unemployed (U) parent caseload have earnings that are sufficient to decrease the monthly aid payment.
  - The average monthly savings per case for FG cases are $224 for July through October 1998, $224.43 from November 1998 through June 1999, and $224.49 for July 1999 through June 2000. The average monthly savings per case for U cases are $263.88 for July through October 1998, $267.28 from November 1998 through June 1999, and $268.26 for July 1999 through June 2000. The changes in the grant levels are a result of the restoration of the 4.9 percent MAP and cost-of-living increases.

Diversion Incentives

- Based on the longitudinal database, 18.17 percent of applicants have not previously received aid, have been employed within the last five years, and would have remained on aid no longer than six months.
- Based on the Job Readiness Survey, 43.40 percent of recipients with prior work history left their last jobs due to a business closing/layoff, a move by spouse, or problems which could have been resolved with a diversion payment.
- Based on anecdotal information from the counties, this estimate assumes the following:
  - All counties will have fully implemented a diversion program by July 1, 1999; and
  - 50 percent of the applicants who are offered a diversion payment in lieu of monthly aid payments decline the diversion payment.

METHODOLOGY:

Case Exit Incentives: The monthly CalWORKs employment services exits were reduced by the six consecutive months' ratio from the MEDS. Those cases were multiplied by the federal and state share of the average monthly grant, and by six to determine the incentive payment for the first six-month period. The difference between 61.71 percent (off aid six consecutive months) and 55.16 percent (off aid 12 consecutive months) was divided by six to determine the monthly decline in the exited caseload. The remaining exited cases were multiplied by the federal and state share of the average monthly grant to determine the value of the incentive payments for months seven through 12. The cost for the cases remaining off aid six months was combined with the cost for the cases remaining off aid for months seven through 12 to determine the value of the incentive payments for case exits.

Grant Reduction Incentives: The basic FG and U caseloads were multiplied by 19.98 percent and 41.21 percent, respectively, to determine the caseloads with grant reductions due to earnings. Those caseloads were multiplied by the average monthly savings per case to determine the value of the incentive payment for grant reductions due to earnings.

County Performance Incentives

METHODOLOGY: (Continued)

Diversion Incentives: The projected number of adult applicants monthly was multiplied by 18.17 percent to determine the number of applicants that had not previously received aid, had been employed within the last five years, and would have remained on aid no longer than six months. The remaining caseload was multiplied by 43.40 percent to determine the number who left their last jobs due to a business closing/layoff, a move by spouse, or problems which could have been resolved with a diversion payment. This caseload was further reduced based on the assumption that 50 percent of the applicants offered a diversion payment would decline. The resulting caseload was multiplied by the MAP for an AU of three ($611), to determine the value of the incentive payment due to the diversion of cases.

Prior year incentives: The estimated earned incentive payments to counties from January to July 1998 (approximately $85 million) were included in the 1998-99 figures below.

FUNDING:

In FY 1998-99, this premise is funded through the Temporary Assistance for Needy Families (TANF) block grant and the State General Fund. In FY 1999-00, this premise will be funded 100 percent from the TANF block grant.

CHANGE FROM PRIOR SUBVENTION:

This premise was changed to include the impact of the diversion incentive payment. In addition, this premise has been updated to reflect the most recent data from the Q5 Survey.

REASON FOR YEAR-TO-YEAR CHANGE:

Incentive payments earned in both FYs 1997-98 and 1998-99 will be paid in FY 1998-99. Incentive payments earned in FY 1999-00 will be paid in FY 1999-00.

EXPENDITURES:

(in 000's)

	1998-99 Grant	1999-00 Grant
Total	$544,567	$479,011
Federal	358,052	479,011
State	186,515	0
County	0	0
Reimbursements	0	0

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Effect of EDD Wagner Peyser Reimbursement

DESCRIPTION:

As required in AB 2580 (Chapter 1025, Statutes of 1985), 50 percent of the available federal Wagner-Peyser funds are directed to provide for job services required for California Work Opportunity and Responsibility to Kids (CalWORKs) Program activities.

IMPLEMENTATION DATE:

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

METHODOLOGY:

Funding amounts are identified and provided by the State Employment Development Department (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 Greater Avenues for Independence (GAIN)/ CalWORKs Program. The availability of these federal funds reduces CDSS' cost of the GAIN/ CalWORKs Program.

CHANGE FROM PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000's)

	1998-99	1999-00
	Grant	Grant
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 savings to the Temporary Assistance for Needy Families (TANF) Program as a result of the funding overlap for employment services provided through the welfare-to-work (WTW) federal grant. The Budget Act of 1998 (Assembly Bill 1656 (Chapter 324, Statutes of 1998)) provides the authority for this premise.

The WTW funds are provided to the Employment Development Department (EDD) to provide employment services to recipients of the California Work Opportunity and Responsibility to Kids (CalWORKs) Program. The EDD allocates these funds to the local private industry councils, thereby reducing the need for CalWORKs employment services funds at the county level.

IMPLEMENTATION DATE:

This premise was implemented on July 1, 1998.

KEY DATA/ASSUMPTIONS:

- The savings for Fiscal Year (FY) 1998-99 were held at the appropriation level.
- It is assumed that $86.5 million of WTW funds will be available for use in FY 1999-00.

METHODOLOGY:

For FY 1999-00, the remaining WTW funds were multiplied by 75 percent to determine the savings from the overlap of TANF funds with WTW funds.

FUNDING:

This premise reflects the savings of TANF block grant funds.

CHANGE FROM PRIOR SUBVENTION:

There is no change from the previous subvention.

REASON FOR YEAR-TO-YEAR CHANGE:

The decrease in savings in FY 1999-00 is due to the decline in available WTW funds.

Welfare To Work Overlap

EXPENDITURES:

(in 000's)

	1998-98	1999-00
	Grant	Grant
Total	-$166,300	-$65,137
Federal	-166,300	-65,137
State	0	0
County	0	0
Reimbursements	0	0

Welfare To Work Match Overlap

DESCRIPTION:

This premise reflects the savings to the Temporary Assistance for Needy Families (TANF) Program as a result of the funding overlap for employment services provided through the General Fund (GF) match to the welfare-to-work (WTW) federal grant.

The WTW funds are provided to the Employment Development Department (EDD) to provide employment services to recipients of the California Work Opportunity and Responsibility to Kids (CalWORKs) Program. The State is required to match the federal funds on a 2:1 basis. The EDD allocates these funds to the local private industry councils, thereby reducing the need for CalWORKs employment services funds at the county level.

IMPLEMENTATION DATE:

This premise was implemented on July 1, 1999.

KEY DATA/ASSUMPTIONS:

The GF match for Fiscal Year 1999-00 is $25,000,000.

METHODOLOGY:

The GF match was multiplied by 75 percent to determine the saving from the overlap of TANF funds with GF match dollars.

FUNDING:

This premise reflects the savings of federal TANF block grant funds.

CHANGE FROM PRIOR SUBVENTION:

This is a new premise.

REASON FOR YEAR-TO-YEAR CHANGE:

The premise implements in the budget year.

Welfare To Work Match Overlap

EXPENDITURES:

(in 000's)

	1998-98	1999-00
	Grant	Grant
Total	$0	-$18,750
Federal	0	-18,750
State	0	0
County	0	0
Reimbursements	0	0

Domestic Violence Training Curriculum

DESCRIPTION:

This premise reflects the cost of developing a curriculum for domestic violence training for county social services staff. Welfare and Institutions Code section 11495.40 requires the Department to adopt a model curriculum for domestic violence and sexual abuse prevention training based on the statewide domestic violence protocols and in consultation with the Domestic Violence Task Force.

Assembly Bill 1542 (Chapter 270, Statutes of 1997) required the Department to convene a domestic violence task force that included representatives of state and county governments, state and county organizations, domestic violence prevention groups, advocates and service providers. The task force met from January through June of 1998. In addition to other duties, the task force identified training standards for staff serving California Work Opportunity and Responsibility to Kids Program recipients. The development of the domestic violence curriculum would ensure that county welfare department staff serving domestic violence victims are trained in the areas of domestic violence and in the use of the protocols as required by state law. The Department will select a vendor to develop the curriculum.

IMPLEMENTATION DATE:

This premise was implemented on July 1, 1998.

KEY DATA/ASSUMPTIONS:

The Welfare to Work Division of the California Department of Social Services estimates the vendor cost to develop the curriculum will be $225,000. This cost estimate is based on the costs for past development of curricula for child welfare services.

FUNDING:

This premise is funded with the federal Temporary Assistance for Needy Families block grant funds.

CHANGE FROM PRIOR SUBVENTION:

This is a new premise.

REASON FOR YEAR-TO-YEAR CHANGE:

The curriculum costs will occur in the current fiscal year.

Domestic Violence Training Curriculum

EXPENDITURES:

(in 000's)

	1998-98	1999-00
	CalWORKs Services	CalWORKs Services
Total	$225	$0
Federal	225	0
State	0	0
County	0	0
Reimbursements	0	0

TANF Pass-Through For State Agencies

DESCRIPTION:

The purpose of this premise is to budget federal matching funds for those General Fund (GF) expenditures above their maintenance of effort (MOE) level in other state agencies. Beginning in Fiscal Year (FY) 1997-98, these contracts *are* funded under the Temporary Assistance for Needy Families (TANF) block grant rather than with Title IV-F funds.

The California Community Colleges (CCC), the California Department of Education (CDE), the Employment Development Department (EDD), Child Development Policy Advisory Committee (CDPAC), and other state agencies provide educational and training services to California Work Opportunity and Responsibility to Kids (CalWORKs) Welfare to Work Program participants. A portion of these services are performed at a MOE level and are budgeted through the CCC, SDE, EDD, and other governmental entities. However, in order to provide the entire CalWORKs Welfare to Work Program population with educational and training services, these state departments must also budget additional GF monies in excess of MOE expenses.

IMPLEMENTATION DATE:

This premise implemented on July 1, 1992.

KEY DATA/ASSUMPTIONS:

GF expenditures above the MOE level were identified as follows:

- CCC - $ 8.4 million;
- SDE - $10.0 million;
- EDD - $3.3 million; and,
- CDPAC - $0.1 million.

METHODOLOGY:

The Department entered into interagency agreements with these agencies that specify the amount of TANF funds to be transferred from CDSS to the other departments. The agencies are required to expend an equal amount of GF, which is counted toward the State TANF MOE.

FUNDING:

This premise is funded 100 percent with TANF funds.

CHANGE FROM PRIOR SUBVENTION:

FY 1999-00 now includes $108,000 for CDPAC.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase in the FY 1999-00 reflects the addition of $108,000 for CDPAC.

TANF Pass-Through For State Agencies

EXPENDITURES:

(in 000's)

	1998-99	1999-00
	Grant	Grant
Total	$21,648	$21,756
Federal	21,648	21,756
State	0	0
County	0	0
Reimbursements	0	0

Employment Development Department Job Identification System

DESCRIPTION:

This premise provides funding to the county welfare departments to purchase and install computers for the job identification system, through which (Temporary Assistance for Needy Families) TANF recipients will have direct access to entry level job information via computers located in county welfare offices. As a result of Public Law 104-193 (the federal welfare reform legislation), all adults receiving Aid to Families with Dependent Children/TANF benefits must work as soon as determined ready, or after being aided for 24 months. In order to move toward meeting these work requirements, funds are also being provided to the Employment Development Department (EDD) through an interagency agreement to fund additional job development staff positions dedicated to increasing the number of new listings for entry level jobs.

IMPLEMENTATION DATE:

This premise was implemented on January 1, 1998.

KEY DATA/ASSUMPTIONS:

The funds will provide for 58 limited-term job listing staff positions within EDD in Fiscal Year (FY) 1998-99.

METHODOLOGY:

The EDD staff cost of $3.6 million will be the only cost in FY 1998-99.

FUNDING:

This premise is funded with 100 percent TANF funds.

CHANGE FROM PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

The funding for EDD Job Identification System terminates at the end of FY 1998-99.

Employment Development Department Job Identification System

EXPENDITURES:

(in 000's)

	1998-99	1999-00
	Grant	Grant
Total	$1,878	$0
Federal	1,878	0
State	0	0
County	0	0
Reimbursements	0	0

Recipient Child Care Training Project

DESCRIPTION:

The Recipient Child Care Training Project Premise reflects the cost to train welfare recipients to become in-home license-exempt child care providers. The Recipient Child Care Training Project was authorized by the 1997 Budget Act. The California Department of Education (CDE) contracts with the California Department of Social Services (CDSS), through two interagency agreements (numbers H28054 and F26068A-2), to administer the project.

The primary purpose of the projects is to enhance the quality and safety of in-home license-exempt child care. The California Department of Social Services projects at least 2,000 child care providers will be trained throughout the State during the two-year period beginning in Fiscal Year (FY) 1997-98. Project funds cannot be used to train participants to be employees in child care centers

IMPLEMENTATION DATE:

This premise was implemented on January 1, 1998.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 18200 through 18207.
- Participants must be at least 18 years of age.
- There are 14 county projects with 27 counties participating. One project is a 12-county consortium.
- Training and other services provided cannot exceed $1,000 per participant for the two-year project. This amount must include both program services and administrative costs.

Reappropriation

- FY 1997-98 reappropriation funds of $783,470 are available in FY 1998-99. These funds may be expended on the Recipient Child Care Training Program. Please refer to the CalWORKs Reappropriation Premise for more details.

METHODOLOGY:

The FY 1998-99 estimate is held at the 1998-99 Budget Act Appropriation level.

FUNDING:

This premise is funded with 100 percent federal child care and development block grant funds as a reimbursement from the CDE.

CHANGE FROM PRIOR SUBVENTION:

Two counties that were originally scheduled to participate have declined to participate.

REASON FOR YEAR-TO-YEAR CHANGE:

The Recipient Child Care Training Project ends in FY 1998-99.

Recipient Child Care Training Project

EXPENDITURES:

(in 000's)	1998-99	1999-00
	County Admin.	County Admin.
Total	$1,000	$0
Federal	0	0
State	0	0
County	0	0
Reimbursements	1,000	0

Employment Retention and Advancement Services Grant

DESCRIPTION:

This premise provides the Counties of Los Angeles, San Diego and Santa Clara 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 was implemented on July 1, 1998.

FUNDING:

This funding is 80 percent federal funds and 20 percent county funds.

CHANGE FROM PRIOR SUBVENTION:

This is a new premise.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000's)

	1998-99	1999-00
	Grant	Grant
Total	$30	$30
Federal	25	25
State	0	0
County	5	5
Reimbursements	0	0

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CalWORKs Reappropriation

DESCRIPTION:

This premise reflects projected unspent funds from the counties' 1997-98 California Work Opportunity and Responsibility to Kids (CalWORKs) Program allocations as being available in 1998-99. The budget year continues to assume that there will be unspent funds. AB 1542 (Chapter 270, Statutes of 1997) authorizes the rollover of unspent CalWORKs funding from one year to the next through June 2000. This premise allows for a portion of the unspent 1997-98 funds to continue to be available to counties for administration and welfare-to-work services in 1998-99. The balance of the unspent rollover funds will be available as a fund source in 1999-00.

IMPLEMENTATION DATE:

This premise was implemented July 1, 1998.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 10532.
- The 1998-99 estimate used actual and projected data to determine amounts counties will not spend in Fiscal Year (FY) 1997-98 for the CalWORKs Program.
- The FY 1999-00 estimate is based on the anticipated amount that counties will not spend in FY 1998-99 for the CalWORKs Program. The available unspent amount is assumed to be a fund source to offset the program's need.

METHODOLOGY:

The rollover estimate for CalWORKs services, CalWORKs administration, CalWORKs child care, and the Recipient Child Care Training Project was determined using actual expenditure data for FY 1997-98 and projecting an additional expenditure amount for supplemental claims. This resulted in the amount of unspent funds available for reappropriation. The unspent rollover funds for 1999-00 are shown in the TANF tables as a fund source.

FUNDING:

The rollover consists of federal funds.

CHANGE FROM PRIOR SUBVENTION:

This is a new premise for the CalWORKs services and the Recipient Child Care Training Project, and a continuing premise for the CalWORKs administration and CalWORKs child care.

REASON FOR YEAR-TO-YEAR CHANGE:

This premise has been updated to reappropriate unspent funds from 1997-98 to 1998-99 and 1998-99 to 1999-00 for the CalWORKs Program.

CalWORKs Reappropriation

EXPENDITURES:

(in 000's)

	CalWORKs Services	**CalWORKs Services**
	1998-99	1999-00
Total	$282,465	$251,213
Federal	278,095	251,213
State	0	0
County	0	0
Reimbursements	4,370	0
	CalWORKs Administration	**CalWORKs Administration**
	1998-99	1999-00
Total	$25,490	$0
Federal	25,490	0
State	0	0
County	0	0
Reimbursements	0	0
	CalWORKs Child Care	**CalWORKs Child Care**
	1998-99	1999-00
Total	$175,300	$87,650
Federal	175,300	87,650
State	0	0
County	0	0
Reimbursements	0	0
	CalWORKs Child Care Recipient Training	**CalWORKs Child Care Recipient Training**
	1998-99	1999-00
Total	$783	$0
Federal	0	0
State	0	0
County	0	0
Reimbursements	783	0

Employment Readiness Demonstration Project

DESCRIPTION:

This premise displays the estimated local assistance cost of the Employment Readiness Demonstration Project (ERDP). AB 1542 (Chapter 270 Statutes of 1997) provides the authority for the Department to conduct demonstration projects.

The purpose of the ERDP is to provide services to the California Work Opportunity and Responsibility to Kids Program recipients who have circumstances that make it extremely difficult for them to secure and maintain an entry-level job. The ERDP seeks to achieve the following objectives:

- Discourage long-term welfare dependency and foster self-sufficiency;
- Enable individuals to participate in the welfare-to-work program who may not have been required to participate due to physical, mental, substance abuse, or domestic violence problems; and
- Enable the participants to receive the support and services necessary to obtain employment.

IMPLEMENTATION DATE:

This premise implemented on July 1, 1998.

KEY DATA/ASSUMPTIONS:

In-Depth Screening

- The total pilot will consist of 1,530 participants in the experimental group and 1,530 participants in the control group. The number of participants will be increased to 3,672 (20 percent) to assure that an adequate number of participants are maintained.
- Control and experimental participants will be subject to an in depth screening process to facilitate the evaluation of the demonstration project. Each screening will require approximately three hours. It is assumed that 50 percent of the participants will be screened in Fiscal Year (FY) 1998-99 with the remaining screening to occur in FY 1999-00.
- The statewide hourly cost of a welfare-to-work worker is projected to be $52.85 in FY 1998-99 and $54.90 in FY 1999-00.

With the exception of the in-depth screening cost, the counties have provided the estimated cost of the project.

METHODOLOGY:

In-Depth Screening Cost

- The total number of participants for each FY was multiplied by the time needed per screening to determine the total number of hours required.
- The total number of hours was multiplied by the hourly cost of a welfare-to-work worker to determine the cost of the screening.

The cost estimates for the demonstration counties were summed and added to the cost of the in-depth screening in order to determine the total costs.

Employment Readiness Demonstration Project

FUNDING:

This premise is 100-percent funded from Temporary Assistance for Needy Families Program federal funds.

CHANGE FROM PRIOR SUBVENTION:

This premise has been updated based on the counties' projected costs and to include the cost of the in-depth screening.

REASON FOR YEAR-TO-YEAR CHANGE:

The decrease in FY 1999-00 reflects a decline in estimated expenditures by the counties.

EXPENDITURES:

(in 000's)

	1998-99	1999-00
	Grant	Grant
Total	$3,147	$3,099
Federal	3,147	3,099
State	0	0
County	0	0
Reimbursements	0	0

Noncustodial Parent Demonstration Project

DESCRIPTION:

This premise displays the estimated local assistance costs of the Noncustodial Parent Demonstration Project. Section 365 of the federal welfare reform law (PL 104-193) entitled "Work Requirements for Persons Owing Past-Due Child Support," mandates that states adopt laws requiring individuals to participate in work activities as the court deems appropriate. Since January 1, 1997, state law (section 3558 of the Family Code) permits judges to order noncustodial parents who have children receiving Temporary Assistance for Needy Families (TANF) Program benefits and who are appearing before the court due to the nonpayment of child support to attend job training and seek job placement and vocational rehabilitation services.

The California Department of Social Services (CDSS) is establishing pilot projects in 14 counties for a period of three years to determine whether providing enhanced services to nonpaying noncustodial parents would increase child support collections. The project will involve a cooperative effort at the state and local levels between the contractor, the district attorney's office, the county welfare office, CDSS, and the Employment Development Department.

IMPLEMENTATION DATE:

The project was implemented on April 1, 1998.

KEY DATA/ASSUMPTIONS:

- The following counties have been selected for the project: Alameda, Contra Costa, Fresno, Napa, Los Angeles, Riverside, San Benito, San Francisco, Santa Barbara, Santa Clara, San Mateo, Sonoma, Stanislaus, and Ventura.
- The number of participants will vary depending upon the county. Statewide, the anticipated annual number of participants is 8,769.
- The average cost per participant will vary depending on each county's program and the participants' durations in the program.
- The pilot projects may provide the following services: job search, vocation-specific education and training, intensive case management, transportation and other supportive services.

METHODOLOGY:

Projected costs and collections are based on estimates from the 14 participating counties.

FUNDING:

The project is funded with TANF and Title IV-D funds, with anticipated federal, state and county savings. The employment service activities are funded with 100 percent TANF funds. The Title IV-D eligible activities are funded with 66 percent federal and 34 percent State General Fund. The TANF collections are shared based on the Federal Medical Assistance Percentage (FMAP). The collections are shared at the ratios on the following page.

Noncustodial Parent Demonstration Project

FUNDING: (Continued)

TANF:

	July 1998 – Sept. 1998	Oct. 1998 – Sept. 1999	Oct. 1999 – June 2000
Federal	51.23%	51.55%	51.67%
State	46.33%	46.03%	45.91%
County	2.44%	2.42%	2.42%

TANF Nonfederal:

Federal	0%
State	95.00%
County	5.00%

CHANGE FROM PRIOR SUBVENTION:

This premise has been updated based on the counties' projected costs and collections.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase in the budget year is the effect of all of the counties implementing and cases phasing into the program.

EXPENDITURES:

(in 000's)

Item 101 CalWORKs Services	1998-99	1999-00
	Grant	Grant
Total	$7,029	$11,735
Federal	7,029	11,735
State	0	0
County	0	0
Reimbursements	0	0

Items 101 and 141 Child Support Collections and Administration	1998-99		1999-00	
	Grant	County Admin.	Grant	County Admin.
Total	-$618	$2,339	-$1,193	$2,981
Federal	-309	1,544	-599	1,967
State	-281	795	-540	1,014
County	-28	0	-54	0
Reimbursements	0	0	0	0

Employment Training Fund

DESCRIPTION:

Legislation is anticipated that will provide $30 million from the Employment Training Fund (ETF) to fund employment services to recipients of the California Work Opportunity and Responsibility to Kids 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 implements on July 1, 1999.

KEY DATA/ASSUMPTIONS:

Legislation is anticipated that will provide an appropriation in Fiscal Year (FY) 1999-00 from the ETF.

FUNDING:

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

CHANGE FROM PRIOR SUBVENTION:

This is a new premise.

REASON FOR YEAR-TO-YEAR CHANGE:

The premise implements in FY 1999-00.

EXPENDITURES:

(in 000's)

	1998-98	1999-00
	Services	Services
Total	$0	$30,000
Federal	0	0
State	0	30,000
County	0	0
Reimbursements	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 parents participating in the Cal Learn Program. The Cal Learn Program was authorized by SBs 35 and 1078 (Chapters 69 and 1252, Statutes of 1993). AB 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. Effective January 1, 1998, the age limit was increased from age 19 to age 20, provided the teen entered the program by age 18 (California Work and Responsibility for Kids).

This premise also includes the identification of cases, initial informing notice, and referral to orientation. Also included is the administrative time to process the supportive service 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, and good cause determinations and activities associated with fair hearings.

Effective March 31, 1999, the federal waivers for the Cal Learn Program expire. Without the waiver authority, the sanctioned Cal Learn Teen Parents are not Temporary Assistance for Needy Families (TANF) eligible. This caseload is funded with General Fund.

IMPLEMENTATION DATE:

This premise was implemented on April 1, 1994.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 11331.7.
- The estimate assumes that 2.0 percent of the TANF caseload qualifies for the Cal Learn Program. The 2.0 percent is based on the caseload actuals from the Stat 45 Report for the January – June 1998 period as compared to the TANF basic actual caseload for the same period.
- Case management costs were calculated at $1,650 per case per year for all activities performed by the case manager.
- The hourly eligibility worker (EW) cost is $52.85 for 1998-99 and $54.90 for 1999-00.
- 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.
- For both the current and budget years, the Cal Learn participants' utilization rate for the $100 bonus is 6.38 percent, the rate for the $500 bonus is 1.34 percent, and the rate for the $100 sanction is 7.94 percent. The utilization rates are based on the actual Cal Learn caseload from the Stat 45 Report for the Fiscal Year 1997-98.

Cal Learn

KEY DATA/ASSUMPTIONS: (Continued)

- Subsidized child care is available for Cal Learn participants attending high school. Please refer to the Cal Learn Child Care Premise description for the assumptions and methodology used to develop the estimate.

METHODOLOGY:

- The FY 1998-99 estimate, with the exception of bonuses, sanctions and the Lodestar Automation contract, is held at the 1998-99 Budget Act Appropriation level.
- The 2.0 percent is applied to the projected TANF caseload for the current and budget years to determine the projected Cal Learn caseload.
- The case management cost of $1,650 was multiplied by the Cal Learn caseload to determine the annual cost.
- Administrative costs are estimated at 30 minutes per case per month, times the EW cost per hour. (The administrative costs associated with child care are shown in the Cal Learn Child Care Premise and are based on actuals.)
- The Cal Learn recent noncitizen entrants costs are identified in a separate premise.
- The bonuses and sanction percentages and costs per case were each multiplied by the total caseload. These costs are displayed in Item 101.

FUNDING:

The Cal Learn costs are 100 percent TANF except for the sanctioned caseload which is General Fund.

CHANGE FROM PRIOR SUBVENTION:

Caseload projections were updated to 2.0 percent based on actuals for the January through June 1998 period.

REASON FOR YEAR-TO-YEAR CHANGE:

Caseload has decreased by 8.2 percent in Cal Learn participation from current year to the budget year.

CASELOAD:

	1998-99	1999-00
Average Monthly Caseload	12,902	11,844

Cal Learn

EXPENDITURES:

(in 000's)

	1998-99 1/		1999-00 1/	
	Services	Bonuses and Sanctions	Services	Bonuses and Sanctions
Total	$27,303	$792	$23,043	$727
Federal	26,808	1,099	21,216	1,851
State	495	-307	1,827	-1,124
County	0	0	0	0
Reimbursements	0	0	0	0

1/ The FY 1998-99 Services funding, with the exception of the Lodestar Automation contract, is held at the 1998 Budget Act Appropriation level. The budget includes bonuses, sanctions, case management, administration, ancillary, transportation, and automation. The state costs reflect Cal Learn services for the sanctioned caseload.

Funding for Cal Learn child care and recent noncitizen entrants is displayed in separate premises.

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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 (formerly Aid to Families with Dependent Children). AB 1542 (Chapter 270, Statutes of 1997) authorized the 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 for foster care and non-assistance food stamps.

Basic and Inability to Match

In past years, local fiscal constraints have resulted in the inability of county welfare departments to match federal and state funding for the administration of this program. Therefore, beginning with Fiscal Year (FY) 1994-95, the budget for county administration is based on the CWDs' anticipated actual expenditures. The previous method utilized the expected operational level based on workload targets that did not truly reflect current conditions. The projection of actual expenditures is described as basic costs.

IMPLEMENTATION DATE:

This premise is an annual appropriation.

KEY DATA/ASSUMPTIONS:

- This estimate is based on the proposed county administrative budgets (PCABs) submitted by counties every March.
- This estimate includes increased costs from 1998-99 to 1999-00 of 3.87 percent.
- An adjustment for caseload decline, 8.2 percent, was made to the CalWORKs estimate.

METHODOLOGY:

The 1998-99 estimate is based upon the PCABs submitted in March 1998. The 1999-00 estimate for CalWORKs administrative cost was adjusted by the projected caseload decline, 8.2 percent.

FUNDING:

Unit Costs	1998-99	1999-00
Eligibility Worker Cost per Hour		
TANF/CalWORKs	$46.45	$48.24

This premise is funded with 100 percent TANF.

Note: AB 1542 (Chapter 270, Statutes of 1997), section 15204.4 of the W&IC requires a maintenance of effort (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 PRIOR SUBVENTION:

1998-99: No change has been made.

1999-00: The estimate was based on the PCABs submitted in March 1998 by the counties and adjusted by the projected caseload decline of 8.2 percent.

REASON FOR YEAR-TO-YEAR CHANGE:

The adjustment is due to the net effect of increased costs of 3.87 percent and projected caseload decline of 8.2 percent.

EXPENDITURES:

(in 000's)

	1998-99	1999-00
	County Admin.	County Admin.
Total	$698,716	$666,244
Federal	698,716	666,244
State	0	0
County	0	0
Reimbursements	0	0

TANF and NAFS Programs – PA to NA Fund Shift

DESCRIPTION:

The federal share of administrative costs for food stamp activities for Temporary Aid to Needy Families (TANF) Program cases is funded by the United States Department of Agriculture (USDA), Food and Nutrition Service (FNS). The amount of TANF Program costs to be charged to the Non-Assistance Food Stamps Program is determined by a special one-month time study of the 15 largest caseload counties. This study is conducted each year by the California Department of Social Services.

IMPLEMENTATION DATE:

This premise implemented in March of 1984.

KEY DATA/ASSUMPTIONS:

Effective July 1, 1998, the new rate to be applied to TANF Program costs is 26.6 percent.

METHODOLOGY:

The portion of TANF Program costs funded by FNS was computed by applying the 26.6 percent rate to the estimated total of family group (FG) and unemployed (U) parent costs less noneligibility worker activities for Fiscal Years (FYs) 1998-99 and 1999-00. The costs for FY 1998-99 have been held to the FY 1998-99 Appropriation as the monies have already been allocated to the counties.

FUNDING:

Funding is 100 percent federal funds (USDA-FNS).

CHANGE FROM PRIOR SUBVENTION:

The rate changed from 29.95 percent to 26.6 percent. The caseloads for both years, and the FY 1998-99 administrative costs, have been updated.

REASON FOR YEAR-TO-YEAR CHANGE:

The FG and U caseloads are projected to decline in FY 1999-00.

TANF and NAFS Programs – PA to NA Fund Shift

CASELOAD:

PAFS	1998-99	1999-00

Average Monthly Caseload	521,212	478,629
Average Monthly Persons	1,547,999	1,421,527

EXPENDITURES:

(in 000's)

	1998-99	1999-00
TANF – Item 101	County Admin.	County Admin.
Total	-$214,609	-$169,646
Federal	-214,609	-169,646
State	0	0
County	0	0
Reimbursements	0	0

FOOD STAMPS – Item 141	1998-99	1999-00
	County Admin.	County Admin.
Total	$214,609	$169,646
Federal	107,133	84,823
State	77,989	59,376
County	29,487	25,447
Reimbursements	0	0

Cal Learn Evaluation

DESCRIPTION:

This premise reflects the costs of the Cal Learn evaluation in the current year and the costs to complete the final report for the evaluation in the budget year. Cal Learn was authorized under SB 35 (Chapters 69 and 1252, Statutes of 1993). There are four research counties (Alameda, Los Angeles, San Bernardino, and San Joaquin). These counties have incurred administrative costs by participation in the evaluation. For purposes of the Cal Learn sample, pregnant and parenting teens on the program formerly known as Aid to Families with Dependent Children were assigned to four research conditions (three experimental and one control). The cases in the experimental groups are subject to some of the provisions of the Cal Learn Program. The University of California, Berkeley, performs all data collection activities. The University of California, Los Angeles, performs all of the evaluation activities. Data collected on all samples are being used to evaluate the effectiveness of the changes.

IMPLEMENTATION DATE:

The Cal Learn Evaluation Premise was implemented on November 1, 1994.

KEY DATA/ASSUMPTIONS:

Authorizing statute: Welfare and Institutions Code section 11521.7.

For Fiscal Year (FY) 1998-99:

- There are five components of cost: research coordinator ($665,143), Cal Learn Evaluation ($338,593), Cal Learn Adolescent Family Life Program ($69,000), electronic data processing (EDP) maintenance and operation ($49,903), and travel ($2,620).
- The research coordinator costs per county are as follows: Alameda ($104,721), Los Angeles ($335,644), San Bernardino ($107,630), and San Joaquin ($117,148). Counties each have one Cal Learn research coordinator. Because of its size, Los Angeles County has two. The costs are salary and overhead for the individual counties.
- The Cal Learn evaluation staffing costs per county are as follows: Alameda ($193,908), 3.33 staff; Los Angeles ($28,252), 1.0 staff; San Bernardino ($28,252), 1.0 staff; San Joaquin ($88,181), 2.23 staff. The staffing levels are based on county needs identified by the individual counties. Los Angeles County was unable to provide information on Cal Learn costs; therefore, it is assumed the costs are similar to San Bernardino County since the sample sizes are similar.
- The salaries and support costs for each county were based upon the latest projections for 1997-98 from the Contracts and Financial Services Bureau and salaries reported by the counties.
- Travel costs were based on the cost of air fare, car rental, mileage, lodging and meals for the coordinators to attend the quarterly conferences.
- EDP costs were based on the actual costs claimed for FY 1996-97.
- Coordinators attend quarterly conferences.

For FY 1999-00:

There are two components of costs: research coordinator ($665,143) and travel ($2,620).

Cal Learn Evaluation

KEY DATA/ASSUMPTIONS: (Continued)

- The research coordinator costs per county are as follows: Alameda ($104,721), Los Angeles ($335,644), San Bernardino ($107,630), and San Joaquin ($117,148). Counties each have one Cal Learn research coordinator. Because of its size, Los Angeles County has two. The costs are salary and overhead for the individual counties.
- Travel costs were based on the cost of air fare, car rental, mileage, lodging and meals for the coordinators to attend the quarterly conferences.

METHODOLOGY:

- In FY 1998-99, the five components of the Cal Learn evaluation were totaled.
- In FY 1999-00, the two components of the Cal Learn evaluation were totaled.

FUNDING:

These costs are eligible under the Temporary Assistance for Needy Families Program. The costs are shared 50 percent federal and 50 percent state.

CHANGE FROM PRIOR SUBVENTION:

The California Work Pays Demonstration Project ended and is no longer part of the estimate.

REASON FOR YEAR-TO-YEAR CHANGE:

FY 1998-99 reflects the cost for the Cal Learn evaluation. FY 1999-00 reflects the cost to finalize the report on the evaluation which is due to the Legislature July 2000.

EXPENDITURES:

(in 000's)

	1998-99	1999-00
	County Admin.	County Admin.
Total	$1,125	$668
Federal	1,125	668
State	0	0
County	0	0
Reimbursements	0	0

Temporary Assistance for Needy Families (TANF)/ Foster Care Court Cases

DESCRIPTION:

This premise reflects the costs for attorney fees resulting from the settlement of lawsuits related to local assistance in accordance with Budget Letter 93-11, and instructions from the Department of Finance. The following cases have an impact in the current and/or budget year.

IMPLEMENTATION DATE:

This premise implemented on July 1, 1996.

KEY DATA/ASSUMPTIONS:

Item 101 – TANF Administration

- The Beno v. Shalala lawsuit vacates the waiver granted by the United States Department of Health and Human Services to California for the Assistance Payment Demonstration Project/California Work Pays Demonstration Project. The case was settled in July 1998. It is estimated that $605,000 will be needed for attorney fees in the current year.
- Each year the Department has a number of small court cases where a settlement is reached, and costs are incurred. The estimate for the attorney fees relating to these small court cases is based on actual costs that have already been paid on cases settled in current year, and the Legal Division's projection of cases that will be settled and paid before the end of budget year. Included in the small court cases is the public assistance portion of three food stamp court cases which would be TANF eligible. (The nonassistance portion of those cases are included in Item 141, County Administration, court cases.) For Fiscal Year (FY) 1998-99, $148,029 was budgeted for the small court cases' attorney fees, and $185,036 was budgeted for FY 1999-00.
- The court orders how attorney fees are to be paid and designates funding sources on a case-by-case basis.

Item 141 – Foster Care (FC) and Food Stamp Administration

- In Capitola Land, et al v. Anderson, the Court of Appeal of the State of California invalidated the regulation which requires Aid to Families with Dependent Children Program linkage to the home of removal to establish eligibility for federal FC Program benefits. The current year legal costs associated with the lawsuit are estimated at $100,000.
- Bass v. Anderson is a class action lawsuit regarding the Department's overpayment collection policy, as it pertains to the FC Program. The Superior Court of Alameda County ruled against the Department, stipulating that there is no statutory authority to seek reimbursement of public assistance funds. Current year legal fees associated with the case are estimated at $100,000.
- Each year the Department has a number of small court cases where a settlement is reached, and costs are incurred. The estimate for the attorney fees relating to these small court cases is based on actual costs that have already been paid on cases settled in the current year. Included in the small court cases is the nonassistance portion of three food stamp court cases. For both FYs 1998-99 and 1999-00, $20,064 is budgeted for the attorney fees associated with these small court cases.

METHODOLOGY:

The federal and state costs of the individual small court cases were totaled with the large court cases.

Temporary Assistance for Needy Families (TANF)/ Foster Care Court Cases

FUNDING:

Item 101 –TANF Administration

This is 100 percent TANF funded.

Item 141 – FC Administration

All court case legal fees are shared 50 percent federal and 50 percent state.

CHANGE FROM PRIOR SUBVENTION:

This premise has been revised to reflect actual and anticipated expenditures for FYs 1998-99 and 1999-00.

REASON FOR YEAR-TO-YEAR CHANGE:

Attorney fees will be paid in all major court cases in the current year.

EXPENDITURES:

(in 000's)

ITEM 101	1998-99	1999-00
TANF Administration	County Admin.	County Admin.
Total	$753	$185
Federal	753	185
State	0	0
County	0	0
Reimbursements	0	0

ITEM 141	1998-99	1999-00
FC and Food Stamp Administration	County Admin.	County Admin.
Total	$220	$20
Federal	$110	10
State	110	10
County	0	0
Reimbursements	0	0

Restricted Payments

DESCRIPTION:

This premise reflects the cost to provide restricted payments to the California Work Opportunity and Responsibility to Kids Program assistance units in which the parent or caretaker relative has been subject to a sanction period of at least three consecutive months. These payments are required under AB 1542 (Chapter 270, Statutes of 1997). Voucher or vendor payments are required for at least rent and utilities, up to four payments per month.

IMPLEMENTATION DATE:

This premise was implemented on July 1, 1998.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 11453.2.
- Counties will begin issuing vendor payments in October 1998 after an assistance unit has been sanctioned for three consecutive months.
- Vendor payments are issued for sanctions due to not meeting work requirements and fraud cases that have been disqualified for intentional program violations (vendor payments are also issued for drug felons, described in a separate premise).
- Each month four vendor payments will be issued per case.
- Based on six months of Greater Avenues for Independence (GAIN) 25 data in Fiscal Year (FY) 1996-97 and GAIN 61 active universe data, four percent of the welfare-to-work population will receive a work sanction, and these assistance units will be issued vendor payments.
- The average monthly number of cases receiving vendor payments for work sanctions is 49,466 in FY 1998-99 and is 51,779 in FY 1999-00.
- The average monthly fraud cases that are disqualified as reported by counties to the Administrative Adjudications Division are 462.
- The average length of time for work sanctions is four months based on a GAIN county survey in July 1997.
- The cost to provide a vendor payment is $5.00, as reported by counties who currently utilize vendor payments.

METHODOLOGY:

The total monthly number of fraud and work sanction cases to receive vendor payments was multiplied by the cost to provide four vendor payments. The monthly costs were totaled to determine the annual costs.

FUNDING:

The costs are 100 percent Temporary Assistance for Needy Families Program funds.

Restricted Payments

CHANGE FROM PRIOR SUBVENTION:

Regulations implement this provision July 1, 1998, rather than January 1, 1998.

REASON FOR YEAR-TO-YEAR CHANGE:

The budget year reflects 12 months of costs.

CASELOAD:

	1998-99	1999-00
Average Monthly Caseload	49,928	52,241

EXPENDITURES:

(in 000's)

	1998-99	1999-00
	County Admin.	County Admin.
Total	$8,987	$12,538
Federal	8,987	12,538
State	0	0
County	0	0
Reimbursements	0	0

Medi-Cal Services Eligibility

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 Premise was authorized by Assembly Bill 107 (Chapter 282, Statutes of 1997). This bill 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 was implemented on July 1, 1998.

KEY DATA/ASSUMPTIONS:

CalWORKs, Food Stamps and Medi-Cal Programs share participants' information to determine individual program eligibility.

METHODOLOGY:

The costs associated with the Medi-Cal Services Eligibility Premise were developed as follows:

1998-99

The administrative estimate was determined by using Fiscal Year 1997-98 initial eligibility determinations for CalWORKs, Food Stamps and Medi-Cal Programs' actual expenditures and reducing the expenditures by the Public Assistance Food Stamps and Non-Assistance Food Stamps Programs shift rate. Half of the cost derived from this calculation would then shift from a CalWORKs cost to a Medi-Cal cost.

1999-00

The same budget methodology was utilized to determine the administrative estimate.

FUNDING:

This premise is funded 100 percent from the TANF block grant.

CHANGE FROM PRIOR SUBVENTION:

The anticipated savings are due to a shift of expenditures to Medi-Cal.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

Medi-Cal Services Eligibility

EXPENDITURES:

(in 000's)

	1998-99	1999-00
	County Admin.	County Admin.
Total	-$27,697	-$27,697
Federal	-27,697	-27,697
State	0	0
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 AB 1542, (Chapter 270, Statutes of 1997). 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 was implemented on July 1, 1997.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 18230 through 18235.
- AB 1542 mandates the evaluation of the statewide CalWORKs and county demonstration projects such as school attendance, monthly change reporting, etc.

METHODOLOGY:

1998-99

Estimated costs are associated with AB 1542, which mandates an independent statewide CalWORKs evaluation. The costs include funds to evaluate projects such as school attendance (Merced County), monthly change reporting, job plus, etc. This estimate is based upon historical evaluation costs.

1999-00

Estimated costs are associated with AB 1542, which mandates an independent statewide CalWORKs evaluation. The costs include funds to evaluate projects such as school attendance (Merced County), monthly change reporting, job plus, etc. This estimate is based upon historical evaluation costs.

FUNDING:

This premise is funded 100 percent from the Temporary Assistance for Needy Families block grant.

CHANGE FROM PRIOR SUBVENTION:

There is no change.

Research and Evaluation

REASON FOR YEAR-TO-YEAR CHANGE:

Fiscal Year 1999-00 is based on updated costs from program staff on the projects.

EXPENDITURES:

(in 000's)

	1998-99	1999-00
	County Admin.	County Admin.
Total	$4,653	$6,154
Federal	4,653	6,154
State	0	0
County	0	0
Reimbursements	0	0

County Maintenance of Effort (MOE) 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. AB 1542 (Chapter 270, Statutes of 1997) authorized the County MOE Adjustment Premise.

IMPLEMENTATION DATE:

This premise was implemented on July 1, 1997.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code 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.

METHODOLOGY:

- This administrative estimate is to compare FYs 1997-98 and 1998-99, and is determined using actual county expenditure data from FY 1996-97. 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 1996-97 actual county expenditures at the time this budget assumption was developed were $140,540,757.

FUNDING:

This is a shift from federal to county funds only.

CHANGE FROM PRIOR SUBVENTION:

The final FY 1996-97 county expenditures were used to calculate the county MOE adjustment.

REASON FOR YEAR-TO-YEAR CHANGE:

FY 1998-99 is based on actual final FY 1996-97 expenditures.

County Maintenance of Effort (MOE) Adjustment

EXPENDITURES:

(in 000's)

	1998-99	1999-00
	County Admin.	County Admin.
Total	$0	$0
Federal	-67,583	-77,526
State	0	0
County	67,583	77,526
Reimbursements	0	0

CalWORKs Child Care – Stage One Services and Administration

DESCRIPTION:

This premise reflects the cost of providing Stage One child care to the California Work Opportunity and Responsibility to Kids (CalWORKs) individuals who are newly working or beginning participation in a work activity while on aid. CalWORKs Stage One child care was authorized by AB 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 (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. Stage Three is also funded through CDE and serves participants transitioning off aid and the working poor. Child care services are available to CalWORKs families with children under 13 years of age.

Federal welfare reform (Public Law 104-193) established the Temporary Assistance for Needy Families (TANF) Program that requires all adults receiving TANF funds to work as soon as determined ready, or no later than being aided for 24 months. The CalWORKs Program began implementation on January 1, 1998, for both applicants and recipients. Current recipients will be phased-in by December 1998.

IMPLEMENTATION DATE:

This premise was implemented on January 1, 1998.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 10553 and 10554.
- Child care services are available for single-parent recipients and applicants working or participating in any approved activity, and single-parent recipients transitioning off aid due to increased employment.
- Of the single-parent applicants and recipients who are phased-in to the CalWORKs Program and who are working 20 or more hours per week:
  - Baseline funding remains unchanged at the 30 percent utilization rate. The utilization rate was originally determined based on the Greater Avenues for Independence (GAIN) Program (25 percent) which was increased to reflect a higher number of hours of participation and higher utilization of nontraditional work hours.
  - Eighty percent of those working 20 or more hours and utilizing CalWORKs child care will go directly to Stage Two or Stage Three. The remaining 20 percent will stay in Stage One child care because their situations continue to be unstable.
- The remainder of the single-parent applicants and recipients who enter the Welfare-to-Work (WTW) Program will not be working or will be working less than 20 hours. All of these will go to Stage One for six months; then 80 percent of them will transition to Stage Two or Stage Three. The other 20 percent will remain in Stage One child care because their situations continue to be unstable.

CalWORKs Child Care – Stage One Services and Administration

KEY DATA/ASSUMPTIONS (Continued):

- These assumptions hold true for the former GAIN, Non-GAIN Employment and Training (NET), Supplemental Child Care (SCC), and Child Care Disregard Program populations.
- The former Transitional Child Care (TCC) population will go directly to Stage Two or Stage Three child care. They can be served in either Stage One or Stage Two for a combined maximum total of two years after transitioning off aid.
- The cost of providing child care is $502 per family per month. This rate is based on the current TCC Program rate for the first-half of the current year increased for the number of families that will elect to utilize child care reimbursed at the 93rd percentile as opposed to the 75th percentile. The only exception to this cost is the cost for providing child care to recipients in the previous Child Care Disregard and SCC Programs prior to being phased-in to the CalWORKs WTW Program. This cost per case is $233 per family per month. This cost is based on the actual expenditure data for these programs increased for the number of families that will elect to utilize child care reimbursed at the 93rd percentile.
- The budget year includes a cost-of-living increase of 2.49 percent based on CDE projections.
- The funding level is reduced by the state share of child care services and administration costs for the recent noncitizen entrants. Those costs are displayed in the Recent Noncitizen Entrants Premise.
- The Stage One child care cost for former CalWORKs recipients who are unable to transfer to Stage Two or Stage Three due to lack of available slots is identified in a separate premise.

Reappropriation

- Fiscal Year (FY) 1997-98 reappropriation funds of $175.3 million are available in FY 1998-99 to allow for a utilization rate of up to 36 percent. If the utilization is lower than 36 percent, these funds may be expended on other CalWORKs services as needed. Please refer to the CalWORKs Reappropriation Premise for more details.

METHODOLOGY:

- The number of single-parent families entering the CalWORKs Program is multiplied by the utilization rate to determine the number of families that will utilize child care. That number is multiplied by the number of months of payments each will receive, and then by the cost per family per month.
- The total services cost is then multiplied by 20 percent to determine the administrative cost. The administrative cost is added to the services cost for a total child care cost.

FUNDING:

Stage One child care is funded through the CDSS with TANF and the General Fund. Stage Two child care is funded through CDE with Proposition 98 and child care and development block grant funds. The counties have no share of cost. Stage Three child care is funded through CDE.

CalWORKs Child Care – Stage One Services and Administration

CHANGE FROM PRIOR SUBVENTION:

This premise has been updated for new average monthly caseload and the reduction for the cost of the recent noncitizen child care.

REASON FOR YEAR-TO-YEAR CHANGE:

Caseload and cost decreases reflect families transitioning from Stage One to Stage Two or Stage Three child care.

CASELOAD:

	1998-99	1999-00
Program	Average Monthly Cases	Average Monthly Cases
Stage One Child Care		
Families (cases)	55,707	52,303
Children (1.7 x cases)	94,701	88,915

EXPENDITURES:

(in 000's)	1998-99 1/		1999-00 1/	
	Services	County Admin.	Services	County Admin.
Total	$335,577	$67,114	$324,352	$63,015
Federal	335,577	67,114	324,352	63,015
State	0	0	0	0
County	0	0	0	0
Reimbursements	0	0	0	0

1/ FY 1998-99 costs are held at the 1998-99 Budget Act Appropriation level. FYs 1998-99 and 1999-00 costs do not include recent noncitizen entrants services and administration. This premise does not include the state share for former CalWORKs participants who are unable to transfer to Stages Two and Stage Three due to lack of available slots. Those costs are in the Stage One Child Care for Former CalWORKs Recipients Premise.

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Stage One Child Care for Former CalWORKs Recipients

DESCRIPTION:

This premise reflects the cost of providing stage one child care to former California Work Opportunity and Responsibility to Kids (CalWORKs) individuals who received aid under the Aid to Families with Dependent Children Program or CalWORKs in the 24 months before applying for child care and need child care to continue employment or fulfill a county approved program activity. CalWORKs stage one child care was authorized by AB 1542 (Chapter 270, Statutes of 1997).

Eligibility for stage one child care for former CalWORKs recipients is provided because these recipients are unable to automatically transfer to stage two or three due to lack of available slots. Therefore, they must remain in stage one until a slot becomes available.

Federal welfare reform (Public Law 104-193) established the Temporary Assistance for Needy Families (TANF) Program that requires all adults receiving TANF funds to work as soon as determined ready, or no later than after being aided for 24 months. The CalWORKs Program began implementation on January 1, 1998, for both applicants and recipients. Current recipients will be phased in by December 1998.

IMPLEMENTATION DATE:

This premise was implemented on January 1, 1998.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 10553 and 10554.
- The former CalWORKs population automatically goes directly to stage two or three child care. They can be served in stage two for a maximum of two years after transitioning off aid. However, because slots in stage two or three are not available, child care services are available in stage one for single parents who are former CalWORKs recipients.
- Child care services are available for single-parent recipients who are transitioning off aid due to increased employment. The average former CalWORKs caseload of 535 for Fiscal Year (FY) 1998-99 was determined based on the actual county claim expenditures for the January through June 1998 period.
- The cost of providing child care is $502 per family per month. This rate is based on the current Transitional Child Care Program rate for the first half of the current year increased for the number of families that will elect to utilize child care reimbursed at the 93rd percentile as opposed to the 75th percentile. This cost is based on the actual expenditure data for these programs increased for the number of families that will elect to utilize child care reimbursed at the 93rd percentile.

METHODOLOGY:

- The number of former CalWORKs participants was determined based on the county expenditure claim. The average monthly caseload is multiplied by the number of months of payments each will receive, and then by the cost per family per month.
- The total services cost is then multiplied by 20 percent to determine the administrative cost. The administrative cost is added to the services cost for a total child care cost.

Stage One Child Care for Former CalWORKs Recipients

FUNDING:

Stage one child care for former CalWORKs recipients is funded through the California Department of Social Services with State General Funds. The costs are maintenance of effort eligible.

CHANGE FROM PRIOR SUBVENTION:

This is a new premise.

REASON FOR YEAR-TO-YEAR CHANGE:

The decrease in FY 1999-00 is due to the projected decline in the TANF caseload.

CASELOAD:

Program	1998-99 Average Monthly Cases	1999-00 Average Monthly Cases
Stage One Child Care for Former CalWORKs Recipients		
Families (cases)	535	519
Children (1.7 x cases)	910	882

EXPENDITURES:

(in 000's)	1998-99		1999-00	
	Services	County Admin.	Services	County Admin.
Total	$3,223	$645	$3,124	$624
Federal	0	0	0	0
State	3,223	645	3,124	624
County	0	0	0	0
Reimbursements	0	0	0	0

CalWORKs Child Care Fund
Transfer to CDE as CCDBG

DESCRIPTION:

This premise reflects the cost of transferring Temporary Assistance for Needy Families (TANF) Program funds to the California Department of Education (CDE) for Stage Two and Three California Work Opportunity and Responsibility to Kids (CalWORKs) child care. The one-time transfer of TANF funds was authorized by the 1998 Budget Act. The CalWORKs Child Care Program was authorized by AB 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 (CDSS). Stage Two is funded through 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. Stage Three is also funded through CDE and serves participants transitioning off aid and the working poor.

Federal welfare reform (Public Law 104-193) established the TANF Program that requires all adults receiving TANF funds to work as soon as determined ready, or no later than being aided for 24 months. The CalWORKs Program began implementation on January 1, 1998, for both applicants and recipients. Current recipients will be phased-in by December 1998.

IMPLEMENTATION DATE:

This premise was implemented on July 1, 1998.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 10553 and 10554.
- The amount of TANF funds transferred to child care and development block grant (CCDBG) funds will be done internally by CDSS through the transfer of TANF funds and will represent an increase to the total amount of CCDBG funds available for CalWORKs child care.
- The cost of providing child care is $502 per family per month. This rate is based on the current Transitional Child Care Program rate for the first-half of the current year increased for the number of families that will elect to utilize child care reimbursed at the 93rd percentile as opposed to the 75th percentile. This cost is based on the actual expenditure data for these programs increased for the number of families that will elect to utilize child care reimbursed at the 93rd percentile.
- The total services cost is then multiplied by 25 percent to determine the administrative cost at CDE. The administrative cost is added to the services cost for a total child care cost.

FUNDING:

Funds are 100 percent TANF.

CalWORKs Child Care Fund
Transfer to CDE as CCDBG

CHANGE FROM PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

The transfer of funds is applicable for Fiscal Year 1998-99 only.

EXPENDITURES:

(in 000's)	1998-99	1999-00
	Grant	Grant
Total	$100,000	$0
Federal	100,000	0
State	0	0
County	0	0
Reimbursements	0	0

Cal Learn Child Care

DESCRIPTION:

This premise reflects the costs of providing child care to eligible teen parents participating in the Cal Learn Program. The Cal Learn Program, including child care services, was authorized by SBs 35 and 1078 (Chapters 69 and 1252, respectively, Statutes of 1993). AB 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.

Child care services are available to Cal Learn Program participants attending high school or an equivalent program outside the home. The purpose of the Cal Learn Program is to provide eligible teens who are parents or custodial parents, with intensive case management and supportive services, as well as fiscal incentives and disincentives, in order to encourage teens to stay in high school or an equivalent program, and earn a diploma. In order to be Cal Learn Program participants, teens must also be recipients of the Temporary Assistance for Needy Families (TANF) Program.

Effective March 31, 1999, the federal waivers for the Cal Learn Program expire. Without the waiver authority, the sanctioned Cal Learn Program teen parents are not TANF eligible. Therefore, the sanctioned caseload is funded with State General Funds.

IMPLEMENTATION DATE:

This premise was implemented on April 1, 1994.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 11331.7.
- The average monthly Cal Learn Program caseload is 12,902, for 1998-99, and 11,844, for 1999-00.
- The percent of teens in school that utilize child care is 7.8 percent of the total Cal Learn Program caseload, based on the ACF/CW 115 Reports of actual caseload utilizing child care in FY 1997-98.
- The average monthly child care cost of $475 is based on the ACF/CW 115 Reports of actual expenditures for child care in FY 1997-98.
- The child care administrative cost of 28.86 percent is based on the actual administrative expenditure claims for FY 1997-98.
- The sanctioned Cal Learn Program child care caseload was estimated based on the ACF 115 Report of actual sanctioned cases in FY 1997-98.
- The Cal Learn Program child care costs for the recent noncitizen entrants are identified in a separate premise.

METHODOLOGY:

- The FY 1998-99 estimate is held at the 1998-99 Budget Act Appropriation level.
- The FY 1999-00 child care caseload (11,844) was multiplied by 12 months to determine the number of casemonths.

Cal Learn Child Care

METHODOLOGY (Continued):

- The 7.8 percent utilization rate was applied to the total Cal Learn Program casemonths to determine the projected child care need. The result was then multiplied by the child care cost of $475 per person to arrive at the annual cost.
- The administrative costs are estimated by applying the 28.86 percent administration ratio to the total cost of child care services.
- The Cal Learn Program child care costs for the recent noncitizen entrants are identified in a separate premise.

FUNDING:

The Cal Learn child care costs will be 100 percent TANF except for the sanctioned caseload, which is General Fund.

CHANGE FROM PRIOR SUBVENTION:

Effective January 1, 1998, the child care costs are consolidated under California Work Opportunity and Responsibility to Kids Child Care Programs.

REASON FOR YEAR-TO-YEAR CHANGE:

There is a caseload decrease of 8.2 percent in Cal Learn Program child care from current year to budget year.

CASELOAD:

	1998-99	1999-00
Average Monthly Caseload	1,006	924

EXPENDITURES:

(in 000's)

	1998-99 1/		1999-00	
	Services	County Admin.	Services	County Admin.
Total	$5,156	$1,167	$5,245	$1,514
Federal	5,042	1,134	4,827	1,393
State	114	33	418	121
County	0	0	0	0
Reimbursements	0	0	0	0

1/ FY 1998-99 funding is held at the 1998-99 Budget Act Appropriation level. The General Fund level reflects sanctioned caseload for April-June 1998 quarter. Funding for recent noncitizen entrants is included within a separate premise.

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 Health and Safety – Trustline Program was authorized by AB 2053 (Chapter 898, Statutes of 1994), AB 2560 (Chapter 1268, Statutes of 1994), and AB 1542 (Chapter 270, Statutes of 1997).

SB 933 (Chapter 311, Statutes of 1998) mandates that effective January 1, 1999, a second set of fingerprints shall be required to search the records of the Federal Bureau of Investigation.

Trustline registration was initially required for child care providers compensated by the following federal programs: the Greater Avenues for Independence (GAIN), Non-GAIN Employment and Training, Transitional Child Care, and the At-Risk Programs. Due to the implementation of the California Work Opportunity and Responsibility to Kids (CalWORKs) Program, all of the above child care programs were consolidated effective January 1, 1998, into Stage One Child Care. In addition, families previously receiving the child care disregard will change to direct payments to the providers and must now use Trustline providers (AB 1542 (Chapter 270, Statutes of 1997)). These providers will be "grandfathered" into the system. This premise also includes the reimbursement cost for Stage Two/Three child care applications referred by the California Department of Education (CDE) for processing.

Beginning July 1, 1998, the function of processing the applications will be done by Community Care Licensing Division (CCLD) (AB 753, Chapter 843, Statutes of 1997). CCLD will contract with the Department of Justice (DOJ) and the California Child Care Resource and Referral Network to process the fingerprint and index search file activities.

IMPLEMENTATION DATE:

Initial program implementation was September 1, 1995. Implementation for the previous child care disregard recipients was January 1, 1998.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 11324.
- The number of providers needing Trustline registration is 21,943 (including 4,542 from CDE) in Fiscal Year (FY) 1998-99, and 30,560 (including 7,340 from CDE) in FY 1999-00. The FY 1998-99 caseload is based on data from the DOJ actual caseload referral applications for FY 1997-98 that was used to project the caseload. A linear regression formula was applied to project the caseload for FY 1999-00.
- The Trustline funding includes reimbursement from the CDE, through an interagency agreement, for Stage Two/Three referrals. The Stage Two/Three caseload includes 4,542 for FY 1998-99 and 7,340 for FY 1999-00. The FY 1998-99 caseload is based on data from the DOJ actual caseload referral applications for FY 1997-98. A linear regression formula was applied to project the caseload for FY 1999-00.
- Providers 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.

Child Care – Trustline

KEY DATA/ASSUMPTIONS: (Continued)

- Until January 1, 1999, the DOJ contract estimate is based on the following activity/costs: $32 fingerprinting/criminal history file, $10 expedite fee, and $15 Child Abuse Index Search ($57 total). Effective January 1, 1999, the DOJ contract will include an additional $24 for the mandatory FBI fingerprints.
- The resource and referral contract cost estimate is based on $25 for network access.
- A private vendor contract for Live Scan fingerprint technology will cost $14 per application.
- The Trustline premise includes an estimate for fee-exempt licensed family homes and group homes. The estimate includes costs related to FBI fingerprint and Live Scan which are mandated under SB 933 (Chapter 311, Statutes of 1998). Caseload was based on actual fee-exempt caseload from CCLD.

METHODOLOGY:

- The cost of each contract is the product of the projected number of providers times the cost per activity.
- The county administration estimate was determined by using the actual FY 1997-98 expenditures divided by the number of actual DOJ applications. The average cost per case was applied to the projected caseload for FY 1998-99. The FY 1999-00 total county administration cost estimate used the same methodology for the FY 1999-00 projected caseload. This total was reduced by the percentage decline in the eligibility worker hourly rate for the same period.

FUNDING:

FYs 1998-99 and 1999-00 premises are funded with Temporary Assistance for Needy Families and Child Care and Development (CCDBG) block grants as a reimbursement from the CDE. State General Fund is included for fee-exempt licensed foster family homes and group homes for trustline fingerprinting activities as a result of SB 933 requirements.

CHANGE FROM PRIOR SUBVENTION:

The estimate was updated for caseload. The CCDBG funding was included for reimbursement from CDE for Stage Two/Three caseload referrals needing Trustline registration. Funding includes state cost for SB 933 requirements for FBI fingerprint activities.

REASON FOR YEAR-TO-YEAR CHANGE:

There is a shift in administrative cost to CCLD and full implementation of SB 933 requirements.

CASELOAD:

	1998-99	1999-00
Average Monthly Caseload	1,829	2,547

Child Care – Trustline

EXPENDITURES:

(in 000's)

	1998-99		1999-00	
	County Admin.	Contracts	County Admin.	Contracts
Total	$4,402	$3,001	$5,875	$5,164
Federal	4,402	1,706	5,875	2,554
State	0	859	0	1,803
County	0	0	0	0
Reimbursements	0	436	0	807

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Self-Certification

DESCRIPTION:

This premise reflects the costs for license-exempt providers to self-certify that they meet the minimum health and safety standards required by new child care and development block grant (CCDBG) provisions. The Health and Safety – Self-Certification Program was authorized by 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 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. The license-exempt child care providers who are excluded from these requirements are aunts, uncles, and grandparents.

As a result of Public Law 104-93, the Title IV-A child care funding was consolidated under the CCDBG. In addition, there are new requirements that must be implemented in the subsidized child care programs.

IMPLEMENTATION DATE:

This premise was implemented on October 1, 1996.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 11324.
- Data from the Department of Justice actual caseload referral applications for Fiscal Year (FY) 1997-98 were utilized to project that approximately 17,401 and 23,220 aid recipients and applicants would utilize the specified license-exempt care and self-certification process in FYs 1998-99 and 1999-00, respectively.
- It is projected that an average of 1.5 informing packets will be distributed to each new provider who is required to self-certify.
- Ten minutes of eligibility worker (EW) time with an additional 15 minutes for follow-up on each packet will be required, for a total of 25 minutes of EW time.
- The statewide average cost per provider is based on actual FY 1997-98 county expenditures divided by total trustline applications processed for the same period. The result was reduced by the percentage decline in the EW hourly rate.

METHODOLOGY:

The administrative cost for notification of new recipients was developed utilizing the statewide average cost per provider based on actual FY 1997-98 county expenditures divided by total trustline applications processed for the same period. The result was reduced by the percentage decline in the EW hourly rate.

FUNDING:

FY 1997-98 funding is 100 percent Temporary Assistance for Needy Families Program funds.

Self-Certification

CHANGE FROM PRIOR SUBVENTION:

The estimate was updated based on caseload projections.

REASON FOR YEAR-TO-YEAR CHANGE:

Caseload increase from current year to budget year due to the implementation of the California Work Opportunity and Responsibility to Kids Welfare to Work Program.

CASELOAD:

	1998-99	1999-00
Average Annual Caseload	17,401	23,220

EXPENDITURES:

(in 000's)

	1998-99	1999-00
	County Admin.	County Admin.
Total	$2,154	$2,874
Federal	2,154	2,874
State	0	0
County	0	0
Reimbursements	0	0

Juvenile Assessment/Treatment Facilities

DESCRIPTION:

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

The Emergency Assistance (EA) Program provided federal funding for benefits and services granted to children and families in emergency situations, with eligibility restricted to once in a 12-month period. Phase I was the implementation of the probation component, providing funding for nonfederal foster care for 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 the children in county juvenile assessment and residential treatment facilities.

In response to the need to develop a program for probation youth formerly funded by the EA Program, the Legislature developed the CYSA of 1997.

IMPLEMENTATION DATE:

This premise implemented in Fiscal Year (FY) 1997-98.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 18220 through 18226.
- Probation placement and administrative costs are based on actual expenditures for Federal Fiscal Year (FFY) 1995. The probation component 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.
- This premise shall remain operative until October 1, 2003.

METHODOLOGY:

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

FUNDING:

Funding for the Juvenile Assessment/Treatment Facilities and administrative component is $165.3 million and $3.4 million TANF, respectively, for FYs 1998-99 and 1999-00.

CHANGE FROM PRIOR SUBVENTION:

The probation placement and administrative costs are now displayed as a single line item.

Juvenile Assessment/Treatment Facilities

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000's)

	1998-99 Grant	1999-00 Grant
Total	$168,713	$168,713
Federal	168,713	168,713
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 probation placements in these facilities. Probation placements are those children whose behavior results in removal from the home and a judicial determination that the child must remain in out-of-home care for more than 72 hours.

This premise instead uses Temporary Assistance for Needy Families (TANF) Program funding for this purpose, creating equivalent savings to the GF.

IMPLEMENTATION DATE:

This premise implemented on July 1, 1997.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 18222 through 18223.
- TANF funding 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 PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000's)	1998-99	1999-00
	Grant	Grant
Total	$32,700	$32,700
Federal	32,700	32,700
State	0	0
County	0	0
Reimbursements	0	0

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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 (FFH) or certified family homes of foster family agencies (FFA).

The Foster Care (FC) Program provides out-of-home care on behalf of children meeting the following criteria: removal from the physical custody of a parent or guardian as a result of a judicial determination that remaining in the home would be contrary to the child's welfare and adjudication as a dependent or ward of the court; residing with a nonrelated legal guardian; voluntarily placed by a parent or guardian; relinquished for the purposes of adoption; or placed pursuant to the Indian Child Welfare Act.

FFHs are those homes licensed by either state or county community care licensing agencies that provide 24-hour care and supervision in a family environment for a maximum of six children. FFAs are non-profit agencies organized to recruit, certify, and train foster parents, as well as provide professional support to foster parents and find homes, temporary, or permanent placements for children who require more intensive care.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 11461 and 11463.
- FFH and FFA total casemonths are consistent with the trend caseload projection. The caseload presumed to be eligible for federal FC program benefits is based on data from the last six months, January to June 1998, as reported by the counties on the Caseload Movement and Expenditures Report (CA 237 FC), which reports FFAs within the FFH caseload count. Federal cases are projected to account for 84 percent of total FFH and FFA placements, representing no change from the prior subvention projection.
- Federal and nonfederal average grant computations utilized caseload and expenditure data reported by the counties on the CA 237 FC during the last six-month period, December 1997 to May 1998. The projected federal grant is $570.68, and the nonfederal grant is $609.85.
- The amount of federal financial participation is based on the Federal Medical Assistance Percentage (FMAP), which increased from 51.23 to 51.55 percent on October 1, 1998, and will increase to 51.67 percent on October 1, 1999.

METHODOLOGY:

- FFH basic costs are the product of projected federal and nonfederal casemonths and the respective average grant, as identified above. Adjustments to account for expenditures that are federally ineligible are then made.
- In order to display the total impact of the Adoptions Initiative, prior year cumulative savings were added back to basic costs.

FUNDING:

Federal funding is provided by Title IV-E of the Social Security Act for those cases meeting eligibility criteria. This includes children removed pursuant to a court order and deprived of parental support – those that were either in receipt of or eligible for Aid to Families with Dependent Children Program assistance, based on July 1995 criteria, during the month in which the petition for removal was filed.

Funding for the nonfederal program and the nonfederal share of federal program costs is defined in statute at 40 percent state and 60 percent county.

Foster Family Home – Basic Costs

CHANGE FROM PRIOR SUBVENTION:

This estimate incorporates the most recent data available, providing for updated caseload projections, a one-percent increase in federally eligible cases, and revised average grants.

REASON FOR YEAR-TO-YEAR CHANGE:

The Fiscal Year 1999-00 estimate reflects adjustments for caseload growth and an increase in the FMAP rate.

CASELOAD:

	1998-99	1999-00
Average Monthly Caseload	66,462	71,761
Federal Caseload	56,034	60,502
Nonfederal Caseload	10,428	11,259

EXPENDITURES:

(in 000's)	1998-99	1999-00
FFH-BASIC COSTS	Grant	Grant
Total	$480,096	$522,914
Federal	191,706	209,718
State	115,356	125,278
County	173,034	187,918
Reimbursements	0	0
FFH-FEDERAL	$401,727	$437,907
Federal	191,706	209,718
State	84,008	91,276
County	126,013	136,913
Reimbursements	0	0
FFH-NONFEDERAL	$78,369	$85,007
Federal	0	0
State	31,348	34,002
County	47,021	51,005
Reimbursements	0	0

Group Home – Basic Costs

DESCRIPTION:

This premise reflects the costs associated with children eligible for foster care payments who are placed in group homes or certified family homes of foster family agencies (FFAs).

The Foster Care (FC) Program provides out-of-home care on behalf of children meeting the following criteria: removal from the physical custody of a parent or guardian as a result of a judicial determination that remaining in the home would be contrary to the child's welfare and adjudication as a dependent or ward of the court; residing with a nonrelated legal guardian; voluntarily placed by a parent or guardian; relinquished for the purposes of adoption; or placed pursuant to the Indian Child Welfare Act.

Group homes (GH) are private, nonprofit, nondetention facilities that provide services in a group setting to children in need of care and supervision. FFAs are nonprofit agencies organized to recruit, certify, and train foster parents, as well as provide professional support to foster parents and find homes, temporary, or permanent placements for children who require more intensive care.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 11462 and 11463.
- GH and FFA total casemonths are consistent with the trend caseload projection.
- The caseload presumed to be eligible for federal FC program benefits is based on data from the last six months, January to June 1998, as reported by the counties on the FC Caseload Movement and Expenditures Report (CA 237 FC), which report FFAs within the GH caseload count. Federal cases are projected to account for 79 percent of total GH placements, which represents no change from the prior subvention projection.
- Federal and nonfederal average grant computations utilized caseload and expenditure data reported by the counties on the CA 237 FC during the last six-month period, January to June 1998. The projected federal grant is $2,544.09, and the nonfederal grant is $3,124.35.
- The amount of FFP is based on the Federal Medical Assistance Percentage (FMAP), which increased from 51.23 to 51.55 percent on October 1, 1998, and increases to 51.67 percent on October 1, 1999.

METHODOLOGY:

Basic costs are the product of federal and nonfederal casemonths and the respective average grant, as identified above. Adjustments to account for expenditures that are federally ineligible are then made.

FUNDING:

Federal funding is provided by Title IV-E of the Social Security Act for those cases meeting eligibility criteria. This includes children removed pursuant to a court order and deprived of parental support – those that were either in receipt of or eligible for Aid to Families with Dependent Children Program assistance, based on July 1995 criteria, during the month in which the petition for removal was filed.

Funding for the nonfederal program and the nonfederal share of federal program costs is defined in statute at 40 percent state and 60 percent county.

Group Home – Basic Costs

CHANGE FROM PRIOR SUBVENTION:

This estimate incorporates the most recent data available, providing for updated caseload projections and revised average grants.

REASON FOR YEAR-TO-YEAR CHANGE:

The Fiscal Year 1999-00 estimate reflects adjustments for caseload growth and the FMAP rate increase.

CASELOAD:

	1998-99	1999-00
Average Monthly Caseload	25,985	27,604
Federal Caseload	20,448	21,721
Nonfederal Caseload	5,537	5,883

EXPENDITURES:

(in 000's)	1998-99	1999-00
GH BASIC COSTS	Grant	Grant
Total	$834,713	$883,669
Federal	299,958	318,904
State	213,902	225,906
County	320,853	338,859
Reimbursements	0	0
GH - FEDERAL	$626,602	$663,127
Federal	299,958	318,904
State	130,658	137,689
County	195,986	206,534
Reimbursements	0	0
GH – NONFEDERAL	$208,111	$220,542
Federal	0	0
State	83,244	88,217
County	124,867	132,325
Reimbursements	0	0

Seriously Emotionally Disturbed Children – Basic Costs

DESCRIPTION:

This premise reflects the costs associated with children placed in the Seriously Emotionally Disturbed (SED) Program. 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 foster care component. Eligible participants are children designated as SED by the California Department of Education (CDE).

SB 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.

SED children are placed primarily in group home psychiatric peer group Rate Classification Levels 12 through 14. As there is no court adjudication, these children are eligible only for nonfederal foster care program benefits.

IMPLEMENTATION DATE:

The effective date is July 1, 1987.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 11462.01.
- Casemonths are consistent with the trend caseload projections.
- Average grants are based on actual expenditure and caseload data from the last six months, February to July 1998, to reflect the most recent data. The projected average grant for Los Angeles County is $3,608.46, and for the remaining counties it is $4,239.10.

METHODOLOGY:

SED costs are the product of casemonth projections 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 and 60 percent county.

CHANGE FROM PRIOR SUBVENTION:

The estimate reflects updated caseload projections and revised average grants.

REASON FOR YEAR-TO-YEAR CHANGE:

The Fiscal Year 1999-00 estimate reflects adjustments for caseload growth.

Seriously Emotionally Disturbed Children – Basic Costs

CASELOAD:

	1998-99	1999-00
Average Monthly Caseload	1,127	1,173

EXPENDITURES:

(in 000's)

	1998-99	1999-00
	Grant	Grant
Total	$54,910	$57,218
Federal	0	0
State	21,964	22,887
County	32,946	34,331
Reimbursements	0	0

Adoptions Initiative

DESCRIPTION:

This premise reflects the costs associated with the 1996 Governor's Adoptions Initiative (Assembly Bill 1524, Chapter 1083, Statutes of 1996). It was introduced in order to maximize adoption opportunities for children in public foster care and reduce the foster care population.

Each year, more children enter public foster care than leave it, resulting in a growing foster care population. This increase is primarily due to children remaining in foster care on a long-term basis instead of reunifying with their parents or being adopted. For those children unable to return to their families, adoption is a significantly more desirable outcome than growing up in foster care.

One of the components of the Governor's Adoptions Initiative is to facilitate the adoption of foster children by funding performance agreements and increasing the number of adoption social workers. There are two main reasons for this proposal.

First, data show that counties served by county adoption agencies have a much lower adoptive placement rate for every 1,000 foster care children than those served by the California Department of Social Services (CDSS). Since CDSS is funded at its combined workload need and unit cost level, and county agencies are not, this is an indication that county adoption agencies do not have the resources to keep up with the demand of placing adoptable foster care children.

Second, the statewide basic cost appropriation for counties that choose to operate their own programs has not been adjusted historically for unit cost changes.

Through their performance agreements, counties will be funded at their justified levels, but will have, as a condition, the requirement of increasing the number of adoptive home placements. In developing these agreements, CDSS will establish a baseline of placements against which counties will need to improve.

Another of the initiative's components is to increase CDSS efforts to improve the effectiveness of the statewide public adoption service delivery system. This is expected to result in the increased productivity of each adoption caseworker.

By increasing productivity levels for both CDSS and county agencies, the Adoptions Initiative will increase the number of adoptive home placements to over 6,200 in Budget Year (BY) 1999-00.

IMPLEMENTATION DATE:

This premise implemented on July 1, 1996.

KEY DATA/ASSUMPTIONS:

Authorizing statute: Welfare and Institutions Code sections 361.5, 366.21, 366.26, 16100, 16122, and 16501.

Adoptions Program

For BY 1999-00, counties will be funded at the agreed-upon performance agreement level.

Adoptions Initiative

METHODOLOGY:

Item 101

Foster Care Program

Average foster family home grants were applied to the projected casemonths avoided based on the estimated placements.

Adoption Assistance Program

The average adoption assistance grants were applied to 72.8 percent (based on current recipient characteristics) of the projected casemonths avoided based on the estimated placements.

Item 151

Adoptions Program
The actual unit cost for adoptions case workers was computed by taking actual Fiscal Year (FY) 1997-98 total program costs (with a 3.30 percent cost-of-doing-business increase), and dividing by the number of actual full-time equivalents for each county. The resulting unit cost for each county was then multiplied by the number of workers in their performance agreement to arrive at a total adoption budget. The difference between the total budget and the adoptions basic amount is the amount identified that will meet counties' workload and resource needs ($32.5 million total, $16.6 million General Fund (GF)).

Child Welfare Services

The permanent placement (PP) avoidance cost per case was based on the FY 1998-99 estimated PP basic cost divided by the FY 1998-99 estimated PP average monthly caseload. This cost was then applied to the casemonths avoided based on the estimated placements (See Item 101).

FUNDING:

For the Foster Care Program federal funding is provided by Title IV-E of the Social Security Act for those cases meeting eligibility criteria. The amount of federal financial participation is based on the federal medical assistance percentage (FMAP), which is 51.55 percent as of October 1, 1998, and will increase to 51.67 percent on October 1, 1999. Funding for the nonfederal share of federal program costs is prescribed in statute at 40 percent state and 60 percent county. Nonfederal program costs are funded 40 percent state and 60 percent county.

The Adoption Assistance Program (AAP) federal funding is provided by Title IV-E of the Social Security Act for those cases meeting eligibility criteria. The amount of federal financial participation is based on the FMAP, which is 51.55 percent as of October 1, 1998, and will increase to 51.67 percent on October 1, 1999. Funding for the nonfederal share of federal program costs is prescribed in statute at 75 percent state and 25 percent county. Nonfederal program costs are funded 75 percent state and 25 percent county.

For the Adoptions Program, federally eligible costs, based on the AAP discount rate, are funded with 50 percent Title IV-E and 50 percent GF. Nonfederal costs are funded with 100 percent GF.

For Child Welfare Services, federally eligible costs, based on the foster care discount rate, are funded with 50 percent Title IV-E and 50 percent GF. Nonfederal costs are funded with 70 percent GF and 30 percent county funds.

Adoptions Initiative

CHANGE FROM PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

The costs and savings were updated based on the most recent projections of adoption placements for FYs 1998-99 and 1999-00.

EXPENDITURES:

(in 000's)

ITEM 101 – FOSTER CARE	1998-99	1999-00
	Grant	Grant
Total	-$22,893	-$42,203
Federal	-9,113	-16,865
State	-5,512	-10,135
County	-8,268	-15,203
Reimbursements	0	0

ITEM 101-AAP	1998-99	1999-00
	Grant	Grant
Total	$13,894	$25,614
Federal	5,509	10,190
State	6,289	11,567
County	2,096	3,857
Reimbursements	0	0

Adoptions Initiative

EXPENDITURES: (Continued)

(in 000's)

ITEM 151-CWS	1998-99	1999-00
	County Admin.	County Admin.
Total	-$12,895	-$15,653
Federal	-5,287	-6,496
State	-5,326	-6,410
County	-2,282	-2,747
Reimbursements	0	0

ITEM 151 - ADOPTIONS PROGRAM	1998-99	1999-00
	County Admin.	County Admin.
Total	$29,441	$32,523
Federal	13,781	15,942
State	15,660	16,581
County	0	0
Reimbursements	0	0

Court Cases – Bass v. Anderson

DESCRIPTION:

This premise reflects the costs associated with funding the provision of retroactive payments to providers, including the administrative costs associated with the notification and application method of reimbursing overpayments to claimants involved in the Bass v. Anderson lawsuit.

Bass v. Anderson was a class action lawsuit regarding the Department's overpayment collection policy, as it pertained to the Foster Care (FC) Program. Specifically, the plaintiffs contended that the Department does not have statutory or regulatory authority to seek reimbursement of nonfraudulent overpayments from foster family home providers.

The Superior Court of Alameda County ruled against the Department, stipulating that there is no statutory authority to seek reimbursement of public assistance funds. Further, the court directed the Department to 1) discontinue the policy and practice of attempting to recoup overpayments; 2) to rescind all actions to collect such overpayments; and 3) to notify petitioners of this action.

IMPLEMENTATION DATE:

This premise will become effective Fiscal Year 1998-99.

KEY DATA/ASSUMPTIONS:

- FC overpayment collection data were collected via a telephone survey of all counties.
- A total of 1,906 claim forms was submitted for overpayment reimbursement.
- Of the claims submitted, 714 claims (37.5 percent) were approved for reimbursements totaling $254,162. There are 451 pending claims awaiting additional information or further investigation.
- Costs of $74.90 per case assume an average of 1.5 hours to process each claim received.

METHODOLOGY:

- *Item 101* – The potential reimbursement amount assumes pending claims will be reimbursed at an average of $356 per claim. Total reimbursements are the sum of funds already paid and the estimated costs associated with the pending claims.
- *Item 141* – Administrative costs to process overpayment claims are the product of the returned number of claim forms and the processing cost per case.

FUNDING:

Normally, funding is provided under Title IV-E of the Social Security Act for those cases meeting federal eligibility criteria and with state and county funds for those in the nonfederal program. However, overpayments are assessed and collected due to ineligibility for federal FC Program benefits; therefore, there is no federal financial participation. Consequently, costs are shared 40 percent state and 60 percent county.

Court Cases – Bass v. Anderson

CHANGE FROM PRIOR SUBVENTION:

The estimate has been updated to reflect actual reimbursements to date.

REASON FOR YEAR-TO-YEAR CHANGE:

All reimbursements are expected to occur within the current year.

EXPENDITURES:

(in 000's)	1998-99		1999-00	
	Grant	County Admin.	Grant	County Admin.
Total	$415	$143	$0	$0
Federal	0	0	0	0
State	166	100	0	0
County	249	43	0	0
Reimbursements	0	0	0	0

Foster Parent Rate Increase

DESCRIPTION:

This premise reflects the costs associated with providing a six-percent increase to the existing rate schedule for those children placed in a licensed or approved family home, with a capacity of six or less, or in the approved home of a relative or unrelated legal guardian. The six-percent increase is authorized by Chapter 944, Statutes of 1997 (AB 1391).

In addition, this premise also includes an increase to the rate schedule based on the projected California Necessities Index (CNI).

Foster family homes (FFHs) are those homes approved or licensed by either state or county community care licensing agencies that provide 24-hour care and supervision in a family environment for a maximum of six children. Reimbursement rates to FFH providers are based on the age of the child, ranging from $345 to $484 per month for each child placed in either a licensed or approved family home.

Under current law, specialized care increments are provided as an augmentation to the age-appropriate FFH grant for the purpose of meeting the additional care and supervision requirements of the special-needs child. Clothing allowances are authorized to assist the provider in meeting the unique clothing needs of the child(ren) in their care. Children residing in a FFH are eligible for these benefits based upon an assessment of the social worker.

IMPLEMENTATION DATE:

The increase to the rate schedule is effective July 1, 1998.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 11461.
- FFH expenditures, including specialized care and clothing allowance costs, are estimated at $444.5 million and $464.6 million in Fiscal Years (FYs) 1998-99 and 1999-00, respectively.
- FFH expenditures are derived by subtracting estimated foster family agency (FFA) and group home (GH) expenditures from total foster care basic expenditures. FFA and GH expenditures are estimated by applying the proportion of FFA and GH cases as reported on the Child Welfare Services/Case Management System Placement Report as of August 31, 1998, to the total foster care projected caseload for FYs 1998-99 and 1999-00. The projected FFA and GH caseloads are then multiplied by the appropriate grant amounts.
- According to Department of Finance projections, the CNI for FY 1998-99 is 2.84 percent.
- The increase to FFH rates will result in an increase to Adoption Assistance Program (AAP) costs, as AAP rates are negotiated based on the Foster Care Program FFH rates.

METHODOLOGY:

- To estimate the cost of implementing the rate increase, projected FYs 1998-99 and 1999-00 FFH expenditures, including specialized care and clothing allowance costs, are increased by six percent. The difference between projected FFH costs before and after the application of the rate increase reflects the impact of the rate increase on basic FFH costs.

Foster Parent Rate Increase

METHODOLOGY: (Continued)

- The CNI projection is applied to projected FYs 1998-99 and 1999-00 FFH expenditures after the application of the six-percent rate adjustment.
- To estimate the impact to AAP costs, projected FYs 1998-99 and 1999-00 AAP expenditures are increased by six percent and the CNI rate of 2.84 percent. The difference between projected AAP costs before and after the application of the rate increases reflects the impact of the rate increase on AAP costs.

FUNDING:

Federal funding is provided by Title IV-E of the Social Security Act for those cases meeting eligibility criteria. The amount of federal financial participation is based on the Federal Medical Assistance Percentage of 51.55 percent, which increases to 51.67 percent effective October 1, 1999. Nonfederal costs are funded 40 percent state and 60 percent county.

CHANGE FROM PRIOR SUBVENTION:

The estimate reflects updated caseload projections.

REASON FOR YEAR-TO-YEAR CHANGE:

The FY 1999-00 estimate reflects adjustments for caseload growth.

EXPENDITURES:

(in 000's)

FOSTER CARE IMPACT	1998-99 Grant	1999-00 Grant
Total	$37,251	$38,933
Federal	14,848	15,590
State	8,961	9,337
County	13,442	14,006
Reimbursements	0	0

AAP IMPACT	1998-99 Grant	1999-00 Grant
Total	$13,714	$14,714
Federal	5,431	5,846
State	6,212	6,651
County	2,071	2,217
Reimbursements	0	0

Foster Family Agency/Group Home
Six Percent Rate Increase

DESCRIPTION:

This premise reflects the costs associated with providing a six-percent increase to the existing rate schedule for those children placed in a licensed group home or a certified family home of a foster family agency (FFA). The six-percent increase is authorized by Chapter 311, Statutes of 1998 (SB 933).

FFAs are nonprofit agencies organized to recruit, certify, and train foster parents, as well as provide professional support to foster parents and find homes, temporary, or permanent placements for children who require more intensive care. Reimbursement rates to FFA providers are based on the age of the child, ranging from $1,283 to $1,515 per month for each child.

Group homes (GH) are private, nonprofit, nondetention facilities that provide services in a group setting to children in need of care and supervision. Reimbursement rates to GH providers are based on the level of services required for each child and range from $1,183 to $5,013 per month.

IMPLEMENTATION DATE:

The increase to the rate schedule is effective July 1, 1998.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 11462 and 11463.
- The average monthly caseload for FFA placements is estimated at 20,339 in FY 1998-99 and 21,860 in Fiscal Year (FY) 1999-00. The average monthly caseloads for GH placements are estimated at 11,094 and 11,924 for FY 1998-99 and FY 1999-00, respectively.
- To split the foster care projected caseload into placement types, the proportion of FFA and GH placements are assumed to be equal to the ratio of FFA and GH placements as reported on the Child Welfare Services/Case Management System Placement Report as of August 31, 1998.
- The proportion of GH placements in each rate classification level was determined from data as of August 15, 1998, from the Foster Care Funding and Rates Bureau.
- The proportion of FFA placements in each age category was determined from the Foster Care Information Systems database.
- The majority of Seriously Emotionally Disturbed (SED) Program placements are placed in GH facilities, resulting in a six percent increase to SED expenditures.

METHODOLOGY:

- To estimate the cost of implementing the rate increase, projected FFA and GH expenditures are increased by six percent. The difference between projected costs before and after the application of the rate increase reflects the impact of the rate increase on FFA and GH costs.
- The rate increase is applied to projected FYs 1998-99 and 1999-00 SED expenditures to determine the impact to SED cases.

Foster Family Agency/Group Home
Six Percent Rate Increase

FUNDING:

Federal funding is provided by Title IV-E of the Social Security Act for those cases meeting eligibility criteria. The amount of federal financial participation is based on the Federal Medical Assistance Percentage of 51.55 percent, which increases to 51.67 percent effective October 1, 1999. Nonfederal costs are funded 40 percent state and 60 percent county.

CHANGE FROM PRIOR SUBVENTION:

This is a new premise.

REASON FOR YEAR-TO-YEAR CHANGE:

The FY 1999-00 estimate reflects adjustments for caseload growth.

EXPENDITURES:

(in 000's)

	1998-99 Grant	1999-00 Grant
Total	$54,796	$58,789
Federal	17,131	18,486
State	15,066	16,121
County	22,599	24,182
Reimbursements	0	0

Group Home COLA

DESCRIPTION:

This premise reflects the impact of a cost-of-living adjustment (COLA) given to those children placed in licensed group homes. The total grant payment a group home placement receives will increase by the California Necessities Index (CNI) on July 1, 1999. The COLA is authorized by Chapter 311, Statutes of 1998 (SB 933).

Group homes (GH) are private, nonprofit, nondetention facilities that provide services in a group setting to children in need of care and supervision. Reimbursement rates to GH providers are based on the level of services required for each child and range from $1,254 to $5,314 per month, due to the six percent rate increase granted on July 1, 1998.

IMPLEMENTATION DATE:

The increase to the rate schedule is effective July 1, 1999.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 11462(g).
- The CNI is estimated at 2.08 percent effective July 1, 1999.
- The estimated GH expenditures for Fiscal Year (FY) 1999-00 are $553.5 million.
- The proportion of GH placements in each rate classification level was determined from data as of August 15, 1998, from the Foster Care Funding and Rates Bureau.
- The majority of Seriously Emotionally Disturbed (SED) Program placements are placed in GH facilities, resulting in a COLA to SED expenditures.

METHODOLOGY:

- To estimate the cost of implementing the COLA, projected FY 1999-00 GH expenditures are increased by 2.08 percent. The difference between projected costs before and after the application of the rate increase reflects the impact of the COLA on GH costs.
- The COLA is also applied to projected FY 1999-00 SED expenditures to determine the impact to SED cases.

FUNDING:

Federal funding is provided by Title IV-E of the Social Security Act for those cases meeting eligibility criteria. The amount of federal financial participation is based on the Federal Medical Assistance Percentage of 51.55 percent, which increases to 51.67 percent effective October 1, 1999. Nonfederal costs are funded 40 percent state and 60 percent county.

CHANGE FROM PRIOR SUBVENTION:

This is a new premise.

Group Home COLA

REASON FOR YEAR-TO-YEAR CHANGE:

The COLA is effective in budget year.

EXPENDITURES:

(in 000's)

	1998-99 Grant	1999-00 Grant
Total	$0	$12,251
Federal	0	4,421
State	0	3,132
County	0	4,698
Reimbursements	0	0

Foster Family Home COLA

DESCRIPTION:

This premise reflects the impact of a cost-of-living adjustment (COLA) given to those children placed in foster family homes (FFHs). The total grant payment an FFH placement receives will increase by the California Necessities Index (CNI) on July 1, 1999, subject to the availability of funds. The COLA is authorized by Welfare and Institutions Code section 11461(d).

IMPLEMENTATION DATE:

The increase to the rate schedule will be effective July 1, 1999.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 11461(d).
- The CNI is estimated at 2.08 percent effective July 1, 1999.
- The estimated FFH expenditures for Fiscal Year (FY) 1999-00 are $503.5 million.
- Counties with rates exceeding the schedule of basic rates shall receive an increase of one-half of the CNI percentage (1.04 percent) until the difference is eliminated. As a result, total expenditures increase by 1.68 percent.
- The Counties of Los Angeles, Orange, San Diego, Santa Clara, Marin, and San Mateo have rates that exceed the schedule of basic rates. The distribution of cases per county was taken from the May 1998 CA 237 report. The rates for each county reflect those listed on All County Letter 98-27.
- The increase to FFH rates will result in an increase to Adoption Assistance Program (AAP) costs, as AAP rates are negotiated based on the Foster Care Program FFH rates.

METHODOLOGY:

To estimate the cost of implementing the COLA, projected FY 1999-00 FFH and AAP expenditures are increased by 2.08 percent, or 1.04 percent for those counties with rates exceeding the schedule of basic rates. The difference between projected costs before and after the application of the rate increase reflects the impact of the COLA on FFH and AAP costs.

FUNDING:

Federal funding is provided by Title IV-E of the Social Security Act for those cases meeting eligibility criteria. The amount of federal financial participation is based on the Federal Medical Assistance Percentage of 51.55 percent, which increases to 51.67 percent effective October 1, 1999. FFH nonfederal costs are funded 40 percent state and 60 percent county, and AAP nonfederal costs are funded 75 percent state and 25 percent county.

Foster Family Home COLA

CHANGE FROM PRIOR SUBVENTION:

This is a new premise.

REASON FOR YEAR-TO-YEAR CHANGE:

The COLA is effective in budget year.

EXPENDITURES:

(in 000's)

FFH	1998-99 Grant	1999-00 Grant
Total	$0	$8,439
Federal	0	3,379
State	0	2,024
County	0	3,036
Reimbursements	0	0

AAP	1998-99 Grant	1999-00 Grant
Total	$0	$3,703
Federal	0	1,471
State	0	1,674
County	0	558
Reimbursements	0	0

Financial Audits

DESCRIPTION:

This premise reflects the costs associated with providing financial assistance to group home and foster family agency providers for the conduct of annual financial audits. These payments are authorized under Chapter 311, Statutes of 1998 (SB 933).

As a condition to receive a foster care rate for a group home program or a foster family agency program that provides treatment services, the provider is required to have a financial audit conducted on an annual basis. In recognition of the fact that audit costs will be higher for small providers relative to their revenues and expenditures, financial assistance will be provided on a sliding scale basis to offset the costs of the audit to programs with a total licensed capacity of 12 or fewer persons.

IMPLEMENTATION DATE:

This premise will become effective Fiscal Year (FY) 1999-00.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 11466.21.
- An eligible provider may receive up to $2,500 annually, or one-half of the costs of the actual audit, whichever is less.
- As of August 15, 1998, there were 691 group home programs. Of the total, 401 programs have a total capacity of 12 or fewer persons. As of November 18, 1998, there were 224 foster family agency providers, 222 of which provide treatment services. There are 623 eligible providers.
- Based on caseload growth of 7.48 percent, it is assumed there are 670 eligible providers in FY 1999-00.
- Average cost of a financial audit is estimated at $5,000.

METHODOLOGY:

The potential costs of providing financial assistance for the conduct of the audits is calculated by multiplying the number of eligible providers by the maximum reimbursement rate of $2,500.

FUNDING:

All costs consist of 100 percent General Fund.

CHANGE FROM PRIOR SUBVENTION:

This is a new premise.

REASON FOR YEAR-TO-YEAR CHANGE:

This premise becomes effective in FY 1999-00.

Financial Audits

EXPENDITURES:

(in 000's)	1998-99		1999-00	
	Grant	County Admin.	Grant	County Admin.
Total	$0	$0	$0	$1,674
Federal	0	0	0	0
State	0	0	0	1,674
County	0	0	0	0
Reimbursements	0	0	0	0

FFA Audit Rate Formula Change

DESCRIPTION:

This premise reflects the state and county costs associated with the revised methodology used to develop the foster family agency (FFA) funding ratios for Fiscal Year (FY) 1998-99, as a result of the audit of the FFA treatment program conducted by the federal Department of Health and Human Services (DHHS).

DHHS challenged the claiming methodology for FFA social worker (SW) administrative costs and recommended the Department separately identify and claim administrative costs from maintenance costs. The Department filed an appeal on May 15, 1998, appealing the federal disallowance of $15.5 million identified in DHHS' final decision letter. The Department agrees that a disallowance amount is owed, but disputes the methodology utilized to arrive at the disallowance amount. Pending resolution of the audit appeal, the Department will utilize the methodology applied in the federal audit to determine the indirect cost rate to allocate SW administrative costs.

IMPLEMENTATION DATE:

The revised methodology will be effective retroactive to July 1, 1998.

KEY DATA/ASSUMPTIONS:

- The annual casemonths for FFA placements are estimated at 244,062 in FY 1998-99 and 262,322 in FY 1999-00, based on the proportion of FFA cases reported on the Child Welfare Services/Case Management System Placement Report as of August 31, 1998.
- The methodology developed by DHHS multiplies the SW maintenance cost of $265 per case by 66.7 percent to arrive at a SW administrative cost of $177 per case.
- Federal case expenditures are projected to account for 81.4 percent of total FFA expenditures based on data from the CA 237 FFA Reports for FY 1997-98.

METHODOLOGY:

- To estimate the cost of implementing the revised methodology, the projected annual FFA caseload is multiplied by the revised SW administrative cost per case.
- The percentage of federal expenditures is then applied to determine the costs associated with federal cases only. The federal participation rate for administrative costs of 50 percent is then applied to estimate the level of federal savings. This results in increased costs to the State and counties, split 40 percent and 60 percent, respectively.

FUNDING:

FFA expenditures will be shared 40 percent state and 60 percent county.

CHANGE FROM PRIOR SUBVENTION:

This is a new premise.

FFA Audit Rate Formula Change

REASON FOR YEAR-TO-YEAR CHANGE:

The FY 1999-00 estimate reflects adjustments for caseload growth.

EXPENDITURES:

(in 000's)

	1998-99 Grant	1999-00 Grant
Total	$0	$0
Federal	-17,582	-18,897
State	7,033	7,559
County	10,549	11,338
Reimbursements	0	0

Group Home Affiliated Leases

DESCRIPTION:

This premise reflects the savings associated with claiming federal financial participation (FFP) for group home affiliated leases. Previously under federal law, affiliated leases were not considered an allowable cost for FFP, unless the Department could certify that the lease did not exceed fair market value.

AB 2985 (Chapter 1015, Statutes of 1996) provides that affiliated leases be deemed allowable shelter care costs, but subject to a reasonableness test to be conducted by the Department of Justice (DOJ) Charitable Trust Section.

Under this process, the DOJ will review the shelter care costs from group home providers with affiliated leases, and provide determinations that the group home complies with the provisions of nonprofit corporate law. Approval letters from DOJ will be forwarded to each provider and included with the rate application packages submitted to the California Department of Social Services (CDSS). As a result of this review process, CDSS will be able to claim additional FFP, resulting in savings at the state and local levels.

IMPLEMENTATION DATE:

This premise became effective July 1, 1998.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 11462.06.
- According to Foster Care Program data, there are 236 group home programs that claim costs associated with affiliated lease (or leaseback) arrangements. DOJ has determined that 176 programs comply with the provisions of nonprofit corporate law. Sixty requests are still pending DOJ approval.
- This premise assumes that current leaseback costs are equivalent to fair market costs for conventional lease/purchase agreements.

METHODOLOGY:

- Since costs associated with affiliated leases have not been considered eligible for FFP, these costs are currently shared 40 percent state and 60 percent county.
- This premise instead calculates the costs with FFP, with the difference between the current and revised funding systems reflecting the impact of this statutory change.

FUNDING:

Federal funding is provided by Title IV-E of the Social Security Act for those cases meeting eligibility criteria. The amount of federal financial participation is based on the Federal Medical Assistance Percentage (FMAP), which increased from 51.23 to 51.55 percent on October 1, 1998, and increases to 51.67 percent on October 1, 1999. Funding for the nonfederal share of federal program costs is prescribed in statute at 40 percent state and 60 percent county.

Group Home Affiliated Leases

CHANGE FROM PRIOR SUBVENTION:

The estimate reflects updated affiliated lease expenditure data.

REASON FOR YEAR-TO-YEAR CHANGE:

The FY 1999-00 estimate reflects the FMAP increase to 51.67 percent.

EXPENDITURES:

(in 000's)	1998-99	1999-00
	Grant	Grant
Total	$0	$0
Federal	4,003	4,017
State	-1,601	-1,607
County	-2,402	-2,410
Reimbursements	0	0

Wrap-Around Services Pilot (SB 163)

DESCRIPTION:

This premise reflects the costs associated with a statewide five-year pilot that provides eligible children with family-based service alternatives to group home care. Pursuant to SB 163 (Chapter 795, Statutes of 1997), the Wrap-Around Services Pilot permits flexible use of state foster care funds, and, in limited circumstances, Adoption Assistance Program (AAP) funds, to pay for service allocation slots that provide the individualized, intensive wrap-around service packages necessary to keep these children in family settings.

This premise expands the Santa Clara County Wrap-Around Services Pilot Project authorized under AB 2297 (Chapter 274, Statutes of 1996), by extending the operative date of the provisions and offering the services to all counties. Currently only Santa Clara County is participating in the statewide pilot project. Additional counties must submit an application for participation and will be added to the pilot based on demonstrated capacity to implement and maintain a quality program, as well as the Department's ability to provide the necessary support to ensure quality statewide.

IMPLEMENTATION DATE:

This premise implemented on January 1, 1998.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 18250 et. seq.
- Annual program participation is limited to a maximum of 125 child welfare cases in Santa Clara County. The Department of Social Services and the respective counties will determine the number of slots assigned to each county.
- As established in statute, the $5,002 monthly reimbursement rate for program participants is the average of group home rates for children in facilities with rate classification levels 12 through 14.
- The provisions set forth in AB 2297 will sunset on July 1, 2001, unless a later enacted statute, that becomes operative on or before January 1, 2002, deletes or extends the date on which it becomes inoperative. The provisions of SB 163 will sunset on October 1, 2003.

METHODOLOGY:

Pilot project costs are the product of casemonths (125 cases times 12 months) and the reimbursement rate ($5,002 per case).

FUNDING:

Nonfederal program costs are funded 40 percent state and 60 percent county.

CHANGE FROM PRIOR SUBVENTION:

The monthly reimbursement rate reflects a six-percent rate increase in line with the rate increase to group homes pursuant to SB 933 (Chapter 311, Statutes of 1998).

Wrap-Around Services Pilot (SB 163)

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

CASELOAD:

	1998-99	1999-00
Average Monthly Caseload	125	125

EXPENDITURES:

(in 000's)	1998-99	1999-00
	Grant	Grant
Total	$7,503	$7,503
Federal	0	0
State	3,001	3,001
County	4,502	4,502
Reimbursements	0	0

Kinship Guardianship Assistance Payment Program

DESCRIPTION:

This premise reflects the costs and savings associated with the new Kinship Guardianship Assistance Payment (Kin-GAP) Program. The Kin-GAP Program is authorized by Chapter 1055, Statutes of 1998 (SB 1901).

The Kin-GAP Program is intended to enhance family preservation and stability by recognizing that many children are in long-term, stable placements with relatives and that these placements are the permanent plan for the child. Dependencies can be dismissed with legal guardianship granted to the relative, and there is no need for continued governmental intervention in the family life through ongoing, scheduled court and social services supervision of the placement.

Under SB 1901, a relative caring for a dependent child may receive a subsidy on behalf of that child if he/she assumes guardianship and the dependency is dismissed. The Department is required to establish a Kin-GAP rate by July 1, 1999, in collaboration with the County Welfare Directors Association, the California Partnership for Children, the California State Association of Counties, and other key representatives as identified by the Department.

IMPLEMENTATION DATE:

The program will become effective July 1, 1999.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 11360-11370.
- The Kin-GAP rate shall not exceed 85 percent of the foster care grant payment rate.
- The Kin-GAP rate shall be paid utilizing the applicable regional per-child CalWORKs grant from federal funds received as part of the Temporary Assistance for Needy Families (TANF) block grant. The balance of Kin-GAP shall be paid in equal portions by the State and counties.
- The Department shall seek any federal funds available for implementation; however, implementation of the Kin-GAP Program shall not be contingent upon receipt of any federal funding.
- There are 48,539 relative placements as of December 1997 (Foster Care Information System). Of the total, 66 percent, or 32,036 cases have permanent plans.
- Fifty-seven percent of the relative placements receive an average foster care grant payment of $459.98; the remaining 43 percent receive a California Work Opportunity and Responsibility to Kids (CalWORKs) Program payment of $206.90.
- Of the cases receiving a foster care grant payment, it is assumed that 15 percent will opt into the Kin-GAP Program due to the incentive of removal of court involvement. Further, 75 percent of cases receiving a CalWORKs payment are assumed will opt into the Kin-GAP Program to receive the higher grant payment of $390.98.
- Foster care permanent placement savings of $214 per case per month and eligibility worker savings of $51.87 per case per month will be realized as a result of cases exiting the Foster Care Program.
- CalWORKs administrative savings of $48.24 per case per month will be realized as a result of cases currently receiving a CalWORKs payment moving to the new Kin-GAP Program.
- This estimate assumes no Title IV-E funding.

Kinship Guardianship Assistance Payment Program

METHODOLOGY:

- To estimate the cost of the Kin-GAP Program, the total number of cases (12,982) assumed to join the program is multiplied by the estimated Kin-GAP rate of $390.98. Only those state and county expenditures associated with the cases previously receiving a CalWORKs payment are considered to be eligible for the State's maintenance of effort requirement.

- To estimate the Foster Care Program savings, the number of Aid to Families with Dependent Children-Foster Care Program cases (2,761) is multiplied by the foster care grant payment cost per case of $459.98. Child welfare services (CWS) administrative savings are calculated using the permanent placement and eligibility worker cost per case for these 2,761 cases.

- To estimate the CalWORKs Program savings, the number of cases receiving a CalWORKs grant (10,221) is multiplied by the CalWORKs grant payment of $206.90. Administrative savings are the number of cases times the eligibility worker cost per case of $51.87 per month.

- Kin-GAP Program administrative costs are estimated at $5.60 per case per month.

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 program grant. The balance of Kin-GAP shall be paid 50 percent state, 50 percent county. Kin-GAP administrative costs will be paid using 100 percent TANF funds.

CHANGE FROM PRIOR SUBVENTION:

This is a new premise.

REASON FOR YEAR-TO-YEAR CHANGE:

The program is effective in budget year.

EXPENDITURES:

(in 000's)

Total Kin-GAP Program Costs (Item 101)	1998-99 Grant	1999-00 Grant
Total	$0	$60,909
Federal	0	32,232
State	0	14,339
County	0	14,338
Reimbursements	0	0

Kinship Guardianship Assistance Payment Program

EXPENDITURES: (Continued)

(in 000's)

Foster Care Savings (Item 101)	1998-99 Grant	1999-00 Grant
Total	$0	-$15,240
Federal	0	-7,329
State	0	-3,164
County	0	-4,747
Reimbursements	0	0

CalWORKs Savings (Item 101)	1998-99 Grant	1999-00 Grant
Total	$0	-$25,377
Federal	0	-24,742
State	0	0
County	0	-635
Reimbursements	0	0

CWS Administration Savings (Item 151)	1998-99 County Admin.	1999-00 County Admin.
Total	$0	-$8,809
Federal	0	-4,405
State	0	-3,083
County	0	-1,321
Reimbursements	0	0

CalWORKs Administration Savings (Item 101)	1998-99 County Admin.	1999-00 County Admin.
Total	$0	-$5,917
Federal	0	-5,917
State	0	0
County	0	0
Reimbursements	0	0

Kinship Guardianship Assistance Payment Program

EXPENDITURES: (Continued)

(in 000's)

Kin-GAP Administration	1998-99	1999-00
(Item 141)	County Admin.	County Admin.
Total	$0	$872
Federal	0	872
State	0	0
County	0	0
Reimbursements	0	0

Emergency Assistance Program

DESCRIPTION:

This premise reflects the costs associated with the Emergency Assistance (EA) Program, which provides funding for benefits and services granted to children and families in emergency situations. Eligibility is restricted to once in a 12-month period.

Phase I provided funding for nonfederal foster care (FC) for wards and county juvenile assessment and residential treatment facilities. Phase II consisted of nonfederal foster care for dependents and voluntary placements under the EA-Foster Care Welfare (EA-FC) program. The Child Welfare Services EA Premise discusses additional program components.

Federal Action Transmittal ACF-AT-95-9 prohibited the use of EA funds for children removed due to delinquent behavior as of January 1, 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 the children in county juvenile assessment and residential treatment facilities. Public Law 104-193 created the TANF block grant and eliminated EA funding. However, the Budget Act of 1997 replaced the TANF funding in EA with General Fund.

Phase I included funding for undocumented aliens and other cases that did not qualify for federal or state foster care. These EA-General Assistance (EA-GA) cases continue to be funded even though the probation component expired on January 1, 1996.

IMPLEMENTATION DATE:

Phase I became effective July 1, 1993; Phase II became effective September 1, 1993.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 11450.4.
- Actual expenditure and caseload data for the last six months, January through June 1998, provide the basis for the projected average grants of $1,291.45 for EA-FC cases and $1,462.85 for EA-GA cases.
- EA casemonths are projected using a linear trend forecast based on actual caseload data, and are projected separately for EA-FC and EA-GA cases.
- The 3.87 percent cost-of-doing business (CODB) factor is applied to EA foster care administrative costs.

METHODOLOGY:

- *Item 101* - EA foster care costs are the product of projected casemonths and the computed average grant.
- *Item 141* - Costs for administrative activities performed by county welfare department staff are based upon Fiscal Year (FY) 1997-98 expenditures, adjusted for caseload growth and CODB factors.

Emergency Assistance Program

FUNDING:

EA funding, although eliminated by Public Law 104-193, was used in the TANF block grant calculation and is, therefore, part of the TANF funding schedule. However, the Budget Act of 1997 replaced TANF funds with General Fund for the FC welfare component. AB 67 (Chapter 606, Statutes of 1997) stipulates that the amount of funds appropriated that equates to the amount claimed under EA that has been included in the State's TANF block grant shall be considered federal funds for the purpose of calculating a county's share of costs. The EA-FC component is funded 70 percent state, 30 percent county. Due to the shift from federal Title IV-A/TANF to State General Fund on July 1, 1997, the EA-GA component is funded 50 percent state, 50 percent county.

CHANGE FROM PRIOR SUBVENTION:

This premise reflects the most recent data available, including updated caseload and average grant projections for the foster care welfare and general assistance components.

REASON FOR YEAR-TO-YEAR CHANGE:

The FY 1999-00 estimate reflects adjustments for caseload growth.

CASELOAD:

FOSTER CARE	1998-99	1999-00
Average Monthly Caseload	2,474	2,757

EXPENDITURES:

(in 000's)

FOSTER CARE WELFARE	1998-99		1999-00	
	Grant	County Admin.	Grant	County Admin.
Total	$38,377	$3,435	$42,782	$3,962
Federal	0	0	0	0
State	26,597	2,920	29,620	3,368
County	11,780	515	13,162	594
Reimbursements	0	0	0	0

Child Support Program – Basic Collections

DESCRIPTION:

Basic collections represent the ongoing efforts of the district attorneys and family support units to collect child support payments from responsible, noncustodial parents. Besides child support payment data, significant factors that affect basic collections include minimum award, wage assignments, and intercepts. Although the district attorneys collect child support payments for the Temporary Assistance for Needy Families (TANF) Program family group and unemployed (FG/U) parents, foster care (FC), and non-TANF cases, this item reflects only the TANF/FC collections that result in recoupment of costs.

KEY DATA/ASSUMPTIONS:

- The statutory authority is Welfare and Institutions Code section 11477.
- The child support payment data are based on the counties' monthly CS 800 Reports, Summary Reports of Child and Spousal Support Payments, for the period of Fiscal Years (FYs) 1989-90 through 1997-98.

METHODOLOGY:

- Actual TANF/FC distributed collections and the disregards are reported monthly on the CS-800, Summary Report of Child and Spousal Support Payments. The disregard is estimated separately. (See the $50 State Disregard Payment to Families Premise.)
- The forecasting model was changed to use a time series statistical procedure called exponential smoothing in which the past pattern of revenue growth is used to predict future trends. Actuals from the CS 800 Reports were verified and used to construct a trend from July 1989 through June 1998. Options available in the model were selected such that more weight was given to the more recent monthly actuals. This produced an annual estimated growth rate of 9.7 percent for FY 1998-99 over FY 1997-98 actual collections. The FY 1999-00 estimated collections are 8.2 percent over the 1998-99 estimate.

FUNDING:

Collections made on behalf of non-TANF families are forwarded directly to custodial parents. Collections for TANF families, less the $50 disregard payment to families, are retained and serve as abatements to the cost of cash grant payments. The TANF/FC collections are shared based on the Federal Medical Assistance Percentage (FMAP) and the nonfederal sharing ratios. These ratio are reflected as follows:

TANF:

	July 1998 – Sept. 1998	Oct. 1998 –Sept. 1999	Oct. 1999 – June 2000
Federal	51.23%	51.55%	51.67%
State	46.33%	46.03%	45.91%
County	2.44%	2.42%	2.42%

Child Support Program – Basic Collections

FUNDING: (Continued)

TANF Nonfederal:

Federal	0%
State	95.00%
County	5.00%

FC:

	July 1998 – Sept. 1998	Oct. 1998 – Sept. 1999	Oct. 1999 – June 2000
Federal	51.23%	51.55%	51.67%
State	19.51%	19.38%	19.33%
County	29.26%	29.07%	29.00%

FC Nonfederal:

Federal	0%
State	40.00%
County	60.00%

CHANGE FROM PRIOR SUBVENTION:

The estimate was updated for the most recent actual TANF/FC distributed collections and disregard data from the CS-800, Summary Report of Child and Spousal Support Payments. Collections decreased from the previous subvention due to correction of an error that resulted in a double count of the $50 Disregard payment. The sharing ratios were updated to reflect the current FMAP.

REASON FOR YEAR-TO-YEAR CHANGE:

The FY 1999-00 increase is due to an anticipated growth in collections and the increase in the FMAP rate.

EXPENDITURES:

(in 000's)

	1998-99 Grant	1999-00 Grant
Total	-$560,258	-$601,948
Federal	-260,777	-283,029
State	-275,878	-293,425
County	-23,603	-25,494
Reimbursements	0	0

$50 State Disregard Payment to Families

DESCRIPTION:

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 provision of Public Law 104-193 (the Personal Responsibility and Work Opportunity Reconciliation Act of 1996) the federal government discontinued federal financial participation, as of October 1, 1996. However, the State will continue forwarding the $50 disregard to the custodial parent.

IMPLEMENTATION DATE:

This premise was implemented in Fiscal Year 1984-85.

KEY DATA/ASSUMPTIONS:

- The statutory authority is Welfare and Institutions Code section 11475.3.
- The child support payment data are based on the counties' monthly CS 800 Reports, Summary Reports of Child and Spousal Support Payments, for the periods Fiscal Year (FY) 1989-90 through FY 1997-98.

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 forecasting model was changed to use a time series statistical procedure called exponential smoothing in which the past pattern of revenue growth is used to predict future trends. Actuals from the CS 800 Reports were verified and used to construct a trend from July 1989 through June 1998. Options available in the model were selected such that more weight was given to the more recent monthly actuals. This produced an annual estimated declining growth rate of –3.4 percent for FY 1998-99 over FY 1997-98 actual collections. The FY 1999-00 estimated collections are –3.3 percent below the FY 1998-99 estimate.

FUNDING:

The costs associated with the $50 disregard are 100 percent General Funds.

CHANGE FROM PRIOR SUBVENTION:

The estimate was updated for the most recent actual disregard payments from the CS-800, Summary Report of Child and Spousal Support Payments.

$50 State Disregard Payment to Families

REASON FOR YEAR-TO-YEAR CHANGE:

The FY 1999-00 decrease is due to a projected decrease in actual payments.

EXPENDITURES:

(in 000's)

	1998-99	1999-00
	Grant	Grant
Total	$36,808	$35,599
Federal	0	0
State	36,808	35,599
County	0	0
Reimbursements	0	0

Arrearage Distribution Changes

DESCRIPTION:

This premise recognizes the federally mandated distribution changes for pre-assistance and for post-assistance arrearages. These mandated changes result in increased arrearage payments to the custodial parent (CP) and in reduced collections to the State.

Public Law (P.L.) 104-193, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, authorized the distribution changes for post-assistance arrearages to be paid to the CP prior to assignment to the State to offset grant payments. Exception is made for payments collected through the Internal Revenue Service's (IRS') tax intercept.

P.L. 105-33 allowed states the option to implement the distribution change for the pre-assistance arrearages on October 1, 1998, rather than October 1, 2000, as required under P.L. 104-193. Assembly Bill 1542 (Chapter 270, Statutes of 1997) mandates that when a CP goes on aid on or after October 1, 1998, pre-assistance arrearages will be temporarily assigned to the State as long as the CP is receiving assistance. When the CP no longer receives assistance, any payments made towards the pre-assistance arrearages go to the CP. In a situation where the CP is off aid, and there is still an existing amount of aid that was paid but has not been recovered, the pre-assistance arrearages are conditionally assigned to the State to offset previous grant payments only if collections are made through an IRS tax intercept.

IMPLEMENTATION DATE:

This premise was implemented on October 1, 1998.

KEY DATA/ASSUMPTIONS:

- The statutory authority is Welfare and Institution Code section 11477(a)(3).
- Based on the November 1998 Subvention, the State Fiscal Year (SFY) 1998-99 estimated basic distributed collections are $521,462,000 (basic collections line less $50 disregard and Foster Parent Training Fund). For SFY 1999-00 the estimated basic distributed collections are $564,096,000.
- Based on the monthly child support intercept collections comparison provided by the Child Support Program, the SFY 1997-98 IRS intercept collections were $131,764,000.
- Arrearage collections represent 58.0 percent of total collections based on the Federal Fiscal Year 1997 OCSE 158, Child Support Enforcement Program Annual Data Summary Report.
- Pre-assistance arrearage collections represent 33.8 percent of total arrearage collections. This is based on the June 1996 Child Support Enforcement Program Characteristics Survey, Table 14-Total Child Support Owed-Average Amounts of Child Support Owed.
- Applicant cases represent 2.7 percent of the SFY 1998-99 statewide Temporary Assistance for Needy Families (TANF) Program projected caseload based on data derived from the CA 237 report for the November 1998 Subvention. The CA 237 report provides monthly data on the applications approved, denied, and withdrawn.

Arrearage Distribution Changes

KEY DATA/ASSUMPTIONS (Continued):

- It is assumed that applicant cases that receive aid after October 1, 1998, represent 75 percent of the SFY 1998-99 applicant TANF caseload. The projected applicant caseload for SFY 1998-99 is 211,709. Therefore, it is assumed that for the period of October 1998 through June 1999 there will be 157,273 approved cases.
- Intake cases that receive aid after October 1, 1998, but discontinue receiving aid by the end of the fiscal year represent 19.4 percent in SFY 1998-99 and 24.5 percent in SFY 1999-00. This is based on the TANF longitudinal database monthly attrition ratio.
- Post-assistance arrearage child support collections represent 11.8 percent of total arrearage collections. The amount of post-assistance arrearages was estimated based on findings from a study conducted by the State of Massachusetts, as well as data on arrearage collections and tax intercepts contained in the June 1996 Child Support Characteristics Survey.

METHODOLOGY:

- The IRS intercept collections of $131,764,000 were subtracted from the estimated basic distributed collections of $521,462,000 resulting in a net collection amount of $389,697,000 for SFY 1998-99. For SFY 1999-00 the IRS intercept collections of $131,764,000 were subtracted from the estimated basic distributed collections of $564,096,000, resulting in a net collection amount of $432,332,000.
- The total arrearages collection percentage of 58.0 percent was then applied to the net collections resulting in a total arrearages collection amount of $226,024,000, for SFY 1998-99, and a total amount of $250,753,000 for SFY 1999-00.
- The pre-assistance arrearages collection percentage of 33.8 percent was applied to the total arrearages amount resulting in an amount of $76,396,000, for SFY 1998-00, and $84,754,000, for SFY 1999-00, for pre-assistance arrearage collections.
- The intake rate of 2.7 percent was applied to the pre-assistance arrearages to determine the amount of arrearages that are a result from intake cases, $2,063,000, for SFY 1998-99, and $2,288,000, for SFY 1999-00.
- For SFY 1998-99, the intake amount of $2,063,000 was multiplied by 75.0 percent to determine those intake arrearages that occurred after October 1, 1998. This totaled $1,547,000. Then, 19.4 percent was applied to the $1,547,000 to identify the amount of arrearages that are attributable to those who go off aid by the end of the fiscal year. The result was $300,000. For SFY 1999-00, 24.5 percent was applied to the $2,288,000 to identify the amount of arrearages that are attributable to those who go off aid by the end of the fiscal year. The result was $560,000.
- For SFY 1998-99, the post-assistance arrearages collection percentage of 11.8 percent was applied to the total arrearages amount of $226,024,000, resulting in an amount of $26,671,000 in post-assistance arrearage collections. This amount was multiplied by 75.0 percent to determine nine months of cost, $20,003,000. For SFY 1999-00, the post-assistance arrearages collection percentage of 11.8 percent was applied to the total arrearages amount of $250,753,000, resulting in an amount of $29,589,000, post-assistance arrearage collections.

Arrearage Distribution Changes

METHODOLOGY (Continued):

- For SFY 1998-99, the estimated pre-assistance arrearages of $300,000, and the estimated post-assistance arrearages of $20,003,000, were combined for the total amount of $20,303,000. For SFY 1999-00, the estimated pre-assistance arrearages of $560,000, and the estimated post-assistance arrearages of $29,589,000, were combined for the total amount of $30,149,000.

FUNDING:

The TANF/foster care (FC) collections are shared based on the Federal Medical Assistance Percentage (FMAP). These ratios are reflected as follows:

TANF:

	July 1998 – Sept. 1998	Oct. 1998 – Sept. 1999	Oct. 1999 – June 2000
Federal	51.23%	51.55%	51.67%
State	46.33%	46.03%	45.91%
County	2.44%	2.42%	2.42%

TANF Nonfederal:

Federal	0%
State	95.00%
County	5.00%

FC:

	July 1998 – Sept. 1998	Oct. 1998 – Sept. 1999	Oct. 1999 – June 2000
Federal	51.23%	51.55%	51.67%
State	19.51%	19.38%	19.33%
County	29.26%	29.07%	29.00%

FC Nonfederal:

Federal	0%
State	40.00%
County	60.00%

Arrearage Distribution Changes

CHANGE FROM PRIOR SUBVENTION:

The estimated SFY 1998-99 basic collections were updated based on the most recent actuals. The sharing ratios were updated to reflect the current FMAP.

REASON FOR YEAR-TO-YEAR CHANGE:

FY 1998-99 costs reflect the nine-month cost from October through June. The costs for FY 1999-00 reflect a 12-month cost and higher estimated collections.

EXPENDITURES:

(in 000's)

	1998-99 Grant	1999-00 Grant
Total	$20,303	$30,149
Federal	10,153	15,127
State	9,231	13,659
County	919	1,363
Reimbursements	0	0

Foster Parent Training Fund

DESCRIPTION:

This premise reflects the cost of the Foster Parent Training Fund. Welfare and Institutions (W&I) Code section 903 provides that the difference between the net state share of the estimated child support foster care (FC) collections and the base level of the FC estimated state share of total child support collections be transferred to the Foster Parent Training Fund.

The community colleges, in consultation with the California State Foster Parents Association and the Department, conduct the foster parent training programs. Training consists of teaching foster parents subjects including sibling rivalry, reuniting foster children with their parents, foster care regulations and child growth and development.

IMPLEMENTATION DATE:

This premise was implemented on July 1, 1981.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&I Code section 903.
- The FC estimated state share of collections is $8,071,000 for Fiscal Year (FY) 1998-99 and $8,494,000 for FY 1999-00.
- The FC estimated state share of incentives is $2,333,000 for FY 1998-99 and $2,491,000 for FY 1999-00.
- The FC state share of collections base level cannot exceed $3,750,000 each year.

METHODOLOGY:

- The Foster Parent Training Fund estimate is the difference between the net state share of the estimated FC collections and the base level of the FC estimated state share of total collections. The total estimated state share of FC collections, which is $8,071,000 for FY 1998-99 and $8,494,000 for FY 1999-00, is the sum of the State's share of basic distributed collections and the State's share of all of the child support collections premises.
- The net state shares of FC collections, which are $5,738,000 for FY 1998-99 and $6,003,000 for FY 1999-00, are the result of deducting the estimated state shares of FC incentives, which are $2,333,000 for FY 1998-99 and $2,491,000 for FY 1999-00, from the State's estimated shares of total FC collections. The state FC base level of $3,750,000 is then subtracted from the net state share of FC collections to identify the amounts to transfer to the Foster Parent Training Fund, which are $1,988,000 for FY 1998-99 and $2,253,000 for FY 1999-00.

FUNDING:

The actual transfer from child support FC collections to the Foster Parent Training Fund is 100 percent General Fund.

CHANGE FROM PRIOR SUBVENTION:

This estimate was updated for the most recent estimated FC collections and incentives.

Foster Parent Training Fund

REASON FOR YEAR-TO-YEAR CHANGE:

The FY 1999-00 increase is due to the projected increase in FC collections and incentives.

EXPENDITURES:

(in 000's)

	1998-99	1999-00
	Grant	Grant
Total	$1,988	$2,253
Federal	0	0
State	1,988	2,253
County	0	0
Reimbursements	0	0

State Investment Funds Project

DESCRIPTION:

This premise is to fund the administrative costs and identify the increased collections associated with counties who implement new projects or enhance existing child support collections processes.

As authorized under Chapter 851, Statutes of 1992, the Budget Act provides appropriation authority, as needed, for the investment of up to $20 million from the General Fund for county-operated child support activities. These special projects stimulate growth in funds collected. For this premise, to the extent that counties implement new or enhanced processes that directly result in increased child support collections, matching federal funds are also available.

There are two options of investment available to counties. The loan method, supported by only state and federal funds, requires that the amount of increased Temporary Assistance for Needy Families (TANF) Program collections generated be greater than the projected funds invested by the State. Counties through reduction of their incentive payments will reimburse collection shortages. The second method requires the county to match state dollars invested at the rate of $0.50 for every state dollar; however, no repayment is mandated if collection amounts do not reach anticipated levels.

IMPLEMENTATION DATE:

This premise was implemented on December 1, 1992.

KEY DATA/ASSUMPTIONS:

- Authorizing Statute: Welfare and Institutions Code section 15200.6.
- Each participating county provided the projected cost and collections for the project to the Child Support Program Improvement Unit. The estimated administrative cost and collections are the sum total of these projected costs and collections.

METHODOLOGY:

- Fiscal Year (FY) 1998-99 administration costs are based on approved county project requests for ten counties under the loan method and match method. These project costs are scheduled in the county administration section of this premise. The FY 1999-00 administrative costs are projected to be the same level as the FY 1998-99 estimate.
- FY 1998-99 collections are based on approved county project requests for ten counties. Each county estimates its annual baseline collection level without state investment funds. The county then estimates a second, enhanced collection level, which is due to state investment funds. The difference between the baseline and enhanced collection levels is the estimated total collections that are attributable to federal, state and county project funds invested. The total investment will produce additional TANF and non-TANF collections, as estimated by the participating counties. The projected TANF collection increase is scheduled according to federal, state and county sharing ratios in the grant section of this premise.

FUNDING:

For the county administration section of this premise, projects funded by the loan method are shared on a 66 percent federal and 34 percent state ratio. Projects funded by the match method are currently shared 66 percent federal, 22.7 percent state, and 11.3 percent county. The TANF/foster care (FC) collections are shared based on the Federal Medical Assistance Percentage (FMAP). These ratios are reflected on the following page.

State Investment Funds Project

FUNDING:

TANF:

	July 1998 – Sept. 1998	Oct. 1998 – Sept. 1999	Oct. 1999 – June 2000
Federal	51.23%	51.55%	51.67%
State	46.33%	46.03%	45.91%
County	2.44%	2.42%	2.42%

TANF Nonfederal:

Federal	0%
State	95.00%
County	5.00%

FC:

	July 1998 – Sept. 1998	Oct. 1998 – Sept. 1999	Oct. 1999 – June 2000
Federal	51.23%	51.55%	51.67%
State	19.51%	19.38%	19.33%
County	29.26%	29.07%	29.00%

FC Nonfederal:

Federal	0%
State	40.00%
County	60.00%

CHANGE FROM PRIOR SUBVENTION:

FY 1998-99 administrative costs and collections were revised based on final approved county requests. The sharing ratios were updated to reflect the current FMAP.

REASON FOR YEAR-TO-YEAR CHANGE:

The FY 1999-00 total is the same, but the sharing distribution changes due to the FMAP.

EXPENDITURES:

(in 000's)

	1998-99		1999-00	
	Grant	County Admin.	Grant	County Admin.
Total	-$4,393	$3,544	-$4,393	$3,544
Federal	-2,197	2,339	-2,204	2,339
State	-1,997	1,195	-1,990	1,195
County	-199	10	-199	10
Reimbursements	0	0	0	0

Franchise Tax Board Collection Program

DESCRIPTION:

This premise displays the increased collections obtained by the Franchise Tax Board (FTB) resulting from the collections from cases that are delinquent in child support payments by 90 days. The FTB sends demand for payment notices and processes bank and wage levies on accounts for child support collections based on county referrals.

Pursuant to AB 3589 (Chapter 1223, Statutes of 1992), district attorney offices in the Counties of Ventura, Los Angeles, Santa Clara, Solano, Nevada, and Fresno volunteered to work with the FTB to design, test and implement a pilot child support collection program. As of December 1993, these pilot counties became fully operational with this program. AB 923 (Chapter 906, Statutes of 1994) authorized expansion of the FTB Program statewide by December 31, 1996.

AB 1395 (Chapter 614, Statutes of 1997) mandates the district attorney offices to refer all child support cases that are delinquent by 90 days to the FTB for collection effective January 1, 1998.

AB 702 (Chapter 697, Statutes of 1997) requires a data match system between the FTB and financial institutions doing business in the State. Its purpose is to discover otherwise unknown assets of delinquent child support obligors. The system has been mandated by federal mandate, P.L. 104-193, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.

This premise schedules only the estimated Temporary Assistance for Needy Families (TANF)/Foster Care (FC) Program collections associated with the FTB collections program. FTB support costs are funded through the Department's state operations at 66 percent federal financial participation and 34 percent General Fund and are passed on to FTB through an interagency agreement.

IMPLEMENTATION DATE:

- March 1, 1993 – Volunteer case referrals
- January 1, 1998 – 90-day delinquent cases
- July 1, 1998 – Financial Institution Data Match (FIDM) system

KEY DATA/ASSUMPTIONS:

- The statutory authorities are Welfare and Institutions Code section 11475.1(a); Revenue and Taxation Code sections 19271.5(a) and 19271.6.
- The estimated collections were provided by FTB based on historical data.
- The TANF/FC ratio (95.03 percent) and the distribution ratio (59.84 percent) are based on the FTB's historical data from the period of December 1993 to June 1998.

<u>Base Collections:</u>

- Collections are based on demands, bank levies, wage levies, miscellaneous levies, out-of-state referral notices, and out-of state contract collections.

<u>FIDM Collections:</u>

- Collections are based on the test results using Wells Fargo Bank.

Franchise Tax Board Collection Program

METHODOLOGY:

Base Collections:

- The estimated collections from demands are $3,244,000 for Fiscal Year (FY) 1998-99 and $2,936,000 for FY 1999-00.
- The estimated collections from bank levies are $3,687,000 for FY 1998-99 and $3,184,000 for FY 1999-00.
- The estimated collections from wage levies are $45,047,000 for FY 1998-99 and $34,668,000 for FY 1999-00.
- The estimated collections from miscellaneous levies are $113,000 for FY 1998-99 and $136,000 for FY 1999-00.
- The estimated collections from out-of-state referral notices are $164,000 for FY 1998-99 and $97,000 for FY 1999-00.
- The estimated collections from out-of-state contract collections are $2,045,000 for FY 1998-99 and $2,379,000 for FY 1999-00.
- The sum total of all the actions for base collections is $54,300,000 for FY 1998-99 and $43,400,000 for FY 1999-00.

90-Day Delinquent:

- It is assumed that no additional collections will materialize as a result of the new legislation.

FIDM:

- The estimated collections for FIDM are $6,000,000 based on the test using Wells Fargo Bank.

Net Collections:

- For FY 1998-99 the combined total of base collections ($54,300,000) and of FIDM ($6,000,000) is $60,300,000. This total was multiplied by the TANF/FC ratio (95.03 percent) to determine the TANF/FC collections ($57,303,000). This amount was adjusted by applying the distribution ratio (59.84 percent) resulting in a net collection of $34,290,000.
- For FY 1999-00 the combined total of base collections ($43,400,000) and of FIDM ($6,000,000) is $49,400,000. This total was multiplied by the TANF/FC ratio (95.03 percent) to determine the TANF/FC collections ($46,945,000). This amount was adjusted by applying the distribution ratio (59.84 percent) resulting in a net collection of $28,092,000.

Franchise Tax Board Collection Program

FUNDING:

The TANF/foster care (FC) collections are shared based on the Federal Medical Assistance Percentage (FMAP). These ratios are reflected as follows:

TANF:

	July 1998 – Sept. 1998	Oct. 1998 – Sept. 1999	Oct. 1999 – June 2000
Federal	51.23%	51.55%	51.67%
State	46.33%	46.03%	45.91%
County	2.44%	2.42%	2.42%

TANF Nonfederal:

Federal	0%
State	95.00%
County	5.00%

FC:

	July 1998 – Sept. 1998	Oct. 1998 – Sept. 1999	Oct. 1999 – June 2000
Federal	51.23%	51.55%	51.67%
State	19.51%	19.38%	19.33%
County	29.26%	29.07%	29.00%

FC Nonfederal:

Federal	0%
State	40.00%
County	60.00%

CHANGE FROM PRIOR SUBVENTION:

This subvention collection estimate is based upon actual collections, which are lower than estimated collections in the prior subvention. The sharing ratios were updated to reflect the current FMAP.

REASON FOR YEAR-TO-YEAR CHANGE:

For FY 1999-00 referral cases from the district attorneys are projected to decrease.

Franchise Tax Board Collection Program

EXPENDITURES:

(in 000's)

	1998-99	1999-00
	Grant	Grant
Total	-$34,290	-$28,092
Federal	-17,148	-14,095
State	-15,590	-12,727
County	-1,552	-1,270
Reimbursements	0	0

Federal Debt Collection Act

DESCRIPTION:

This premise reflects child support collections obtained through the new federal intercept program with the federal Department of Treasury's Financial Management Service (FMS).

The Debt Collection Act of 1996, Public Law (P.L.) 104-134, was enacted into law on April 26, 1996, as part of the Omnibus Consolidated Rescissions and Appropriations Act of 1996. The Executive Order 13019 - Supporting Families: Collecting Delinquent Child Support Obligations (The Debt Collection Act) contains provisions that assist families in collecting past due support obligations by allowing states to offset federal administrative payments (benefits, pensions, grants, etc.). States are mandated to participate in this new federal intercept program. The California Department of Social Services would provide an annual submission file to the Internal Revenue Service and FMS each year and then submit new cases throughout the year. The combined federal intercept programs will increase California's master file.

IMPLEMENTATION DATE:

- September 1997 through December 1997 – All counties for interim collections
- March 1, 1998 - Los Angeles County
- August 1, 1999 - Remaining 57 counties

KEY DATA/ASSUMPTIONS:

- The statutory authority is P.L. 104-134, The Debt Collection Act of 1996.
- Due to system problems at the federal level, California decided to withdraw from participation at the end of December 1997 and to delay full implementation until August 1, 1999.
- Los Angeles County elected to begin March 1, 1998.
- An interim period of collections did occur between September 1997 through December 1997.
- The average monthly collection for Los Angeles County is $10,717, which is based on actuals from May 1998 through July 1998.
- The statewide average monthly collection is $58,245, which is based on expanding Los Angeles County's average monthly collections and assuming the county represents 18.4 percent of the statewide total collections.
- Based on the OCSE 34, Quarterly Report of Collections, the Fiscal Year (FY) 1997-98 Temporary Assistance for Needy Families (TANF) distribution is 97.77 percent.

Federal Debt Collection Act

METHODOLOGY:

- For FY 1998-99, the estimate is based on actual average monthly collections of $10,717 for Los Angeles County for the period May 1998 through July 1998 multiplied by 12 months. The TANF rate of 78.0 percent was applied to the total of $128,604 to identify the TANF collections. These TANF collections were then adjusted by multiplying by the current distribution ratio of 97.77 percent resulting in a net collection of $98,000.
- For FY 1999-00, the estimate is based on Los Angeles County's average monthly collections of $10,717 expanded to a statewide average monthly collection of $58,245 by assuming the county represents 18.4 percent of the statewide total collections. This was then multiplied by 11 months. The statewide total of $640,695 was added to one month of Los Angeles County's collection, $10,717, to provide a full year. The statewide TANF rate of 70.0 percent was applied to the total of 651,412 to identify the TANF cases. These TANF collections were then adjusted by applying the current distribution ratio of 97.77 percent, resulting in a net statewide collection of $446,000.

FUNDING:

The TANF/foster care (FC) collections are shared based on the Federal Medical Assistance Percentage (FMAP). These ratios are reflected as follows:

TANF:

	July 1998 – Sept. 1998	Oct. 1998 – Sept. 1999	Oct. 1999 – June 2000
Federal	51.23%	51.55%	51.67%
State	46.33%	46.03%	45.91%
County	2.44%	2.42%	2.42%

TANF Nonfederal:

Federal	0%
State	95.00%
County	5.00%

FC:

	July 1998 – Sept. 1998	Oct. 1998 – Sept. 1999	Oct. 1999 – June 2000
Federal	51.23%	51.55%	51.67%
State	19.51%	19.38%	19.33%
County	29.26%	29.07%	29.00%

FC Nonfederal:

Federal	0%
State	40.00%
County	60.00%

Federal Debt Collection Act

CHANGE FROM PRIOR SUBVENTION:

This premise changed because the statewide implementation has been delayed until August 1, 1999. The methodology changed as a result of Los Angeles County experience. The sharing ratios were updated to reflect the current FMAP.

REASON FOR YEAR-TO-YEAR CHANGE:

FY 1999-00 reflects full implementation.

EXPENDITURES:

(in 000's)

	1998-99	1999-00
	Grant	Grant
Total	-$98	-$446
Federal	-49	-224
State	-45	-202
County	-4	-20
Reimbursements	0	0

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New Employee Registry Expansion

DESCRIPTION:

This premise reflects the estimated child support collections as a result of employers reporting to the Employment Development Department (EDD) all new hires.

Public Law 104-193, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, mandated that all states must implement a new employee registry reporting system. This requires all employers, including government and labor unions, to report new hires to a central location within 20 days of hiring. Pursuant to Assembly Bill 67 (Chapter 606, Statutes of 1997) employers would report to EDD within 20 days, the hiring, rehiring, or return to work of any employee 18 years of age or older to whom the employer pays wages of $300 or more each month.

IMPLEMENTATION DATE:

This premise will implement on July 1, 1998.

KEY DATA/ASSUMPTIONS:

- The statutory authority is Welfare and Institution Code section 1088.5.
- Based on the most recent four quarters (June 1997 to March 1998) Child Support Management Information System quarterly report, 1,054,389 are noncustodial parents (NCPs) in locate status.
- The 3.5 percent match rate is an average based on New Employee Registry (NER) statistics provided by EDD.
- The 81.5 percent correct NCP match rate is based on the State Utilities Match study of locate responses belonging to the correct NCP.
- The 65 percent wage assignment rate is based on the percentage of correct matched NCPs that will be successfully served with a wage assignment. This rate is based on NER statistics provided by EDD.
- Based on the June 1996 Child Support Enforcement Program Characteristic Survey, Table 12 - Support Orders-Non Custodial Parents, 45.1 percent of the total cases have support orders, and 59.3 percent are Temporary Assistance for Needy Families (TANF) Program cases.
- The average monthly TANF support collected of $235 is based on the June 1996 Child Support Enforcement Program Characteristic Survey, Table 15 - Total Amount of CS Collected in Month.
- Based on the OCSE 34, Quarterly Report of Collections, the Fiscal Year (FY) 1997-98 TANF distribution ratio is 97.77 percent.

New Employee Registry Expansion

METHODOLOGY:

The following methodology was used to calculate FY 1998-99 grant savings:

- The estimated number of NCPs in locate status (1,054,389) was multiplied by the match rate of 3.5 percent to determine the number of NCPs located (36,904).
- This result was multiplied by the correct NCP rate of 81.5 percent to determine the number of correct matches (30,076).
- The matches were multiplied by the wage assignment rate of 65 percent to determine the number of NCPs successfully served with a wage assignment (19,550).
- This result was then multiplied by the percentage of existing support orders (45.1 percent) to determine the number of correct matches with a child support order (8,817).
- This product was multiplied by 59.3 percent to determine the number of TANF cases with orders (5,228).
- The cases with orders were then divided by 12 to get the monthly average number of TANF cases (436) with orders.
- This figure was then multiplied by 66 to calculate the accumulative number of casemonths (28,756) of payments.
- The total number of casemonths was then multiplied by the average monthly TANF child support collections of $235. This projected amount ($6,758,000) was adjusted by applying the current distribution ratio of 97.77 percent resulting in a net collection of $6,607,000.

The FY 1999-00 estimate was calculated the same as FY 1998-00 with the following exceptions:

- The monthly average number of TANF cases (436) with orders was multiplied by 78 to calculate the accumulative number of casemonths (33,985) of payments for an entire year.
- The total number of casemonths was then multiplied by the average monthly TANF child support collections of $235. This projected amount ($7,986,000) was adjusted by applying the current distribution ratio of 97.77 percent resulting in a net collection of $7,808,000.

FUNDING:

The TANF/foster care (FC) collections are shared based on the Federal Medical Assistance Percentage (FMAP). These ratios are reflected as follows:

TANF:

	July 1998 – Sept. 1998	Oct. 1998 – Sept. 1999	Oct. 1999 – June 2000
Federal	51.23%	51.55%	51.67%
State	46.33%	46.03%	45.91%
County	2.44%	2.42%	2.42%

New Employee Registry Expansion

FUNDING: (Continued)

TANF Nonfederal:

Federal	0%
State	95.00%
County	5.00%

FC:

	July 1998 – Sept. 1998	Oct. 1998 – Sept. 1999	Oct. 1999 – June 2000
Federal	51.23%	51.55%	51.67%
State	19.51%	19.38%	19.33%
County	29.26%	29.07%	29.00%

FC Nonfederal:

Federal	0%
State	40.00%
County	60.00%

CHANGE FROM PRIOR SUBVENTION:

This premise was updated for the number of NCPs in locate status. The casemonths were changed to reflect 11 months instead of 12 months of collections. The sharing ratios were updated to reflect the current FMAP.

REASON FOR YEAR-TO-YEAR CHANGE:

FY 1999-00 reflects a full year.

EXPENDITURES:

(in 000's)

	1998-99 Grant	1999-00 Grant
Total	-$6,607	-$7,808
Federal	-3,304	-3,918
State	-3,004	-3,537
County	-299	-353
Reimbursements	0	0

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Pass-On/Federal Reimbursement

DESCRIPTION:

This premise reflects the reimbursement to the federal government as a result of the elimination of the pass-on payments to families receiving Temporary Assistance for Needy Families (TANF) Program benefits. Pass-on payments are paid to an aided family when the monthly child support collected exceeds the aided family's grant for that same month. The amount in excess of the grant is passed on to the aided family.

Public Law 104-193, the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996, eliminated federal participation in pass-on payments in all aid categories except federal foster care effective October 1, 1996. The Department discontinued pass-on payments in TANF cases with the implementation of the PRWORA collection and distribution changes effective October 1, 1998. Since the Department selected to implement the elimination of pass-on October 1, 1998, the federal government is owed its share of all pass-on payments from October 1, 1996, to September 30, 1998.

IMPLEMENTATION DATE:

This premise implemented on October 1, 1998.

KEY DATA/ASSUMPTIONS:

- The statutory authority is the PRWORA of 1996.
- The quarterly pass-on payments from September 1996 through June 1998 are based on the CS 800 Report, Summary Reports of Child and Spousal Support Payments.
- The TANF rate is 95.20 percent, and the federally eligible rate is 99.79 percent, based on the actual collections reported on the CS 800.
- The year-to-year growth rate of 13.70 percent for Fiscal Year (FY) 1998-99 is based on FY 1997-98 over FY 1996-97 expenditures for pass-on payments.
- The FY 1998-99 Federally Medical Assistance Percentage (FMAP) is 51.55 percent.

METHODOLOGY:

The FY 1998-99 estimated federal reimbursement was based on FYs 1996-97 and 1997-98 quarterly expenditures.

- Each quarter was multiplied by the TANF rate of 95.20 percent to identify the TANF share of expenditures.
- The TANF quarterly expenditures were multiplied by the federally eligible rate of 99.79 percent.
- Each number was then multiplied by the FMAP rate of 50.23 percent for September 1996, 51.23 percent for December 1996 through September 1997 quarters, and 51.55 percent for December 1997 through June 1998 quarters.
- The four quarters for FY 1996-97 were summed to give an annual federal share of pass-on payments ($5,051,000).

Pass-On/Federal Reimbursement

METHODOLOGY: (Continued)

- The four quarters for FY 1997-98 were summed to give the annual federal share of pass-on ($5,743,000).
- The FY 1997-98 number was multiplied by the year-to-year growth of 13.70 percent to obtain an estimated FY 1998-99 pass-on amount ($6,530,000).
- The quarterly percent to total of FY 1997-98 expenditures was applied to the FY 1998-99 total to obtain the quarterly amounts.
- The December 1996 through June 1997 quarters ($4,022,000) were added together, the September 1997 through June 1998 quarters ($5,743,000) were added together, and then September 1998 quarter ($1,460,539) was added, resulting in a total of $11,225,000.

FUNDING:

The federal reimbursement is reflected as an overall decrease in the State's share of collections.

CHANGE FROM PRIOR SUBVENTION:

This is a new premise.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no cost in FY 1999-00.

EXPENDITURES:

(in 000's)

	1998-99	1999-00
	Grant	Grant
Total	$11,225	$0
Federal	0	0
State	11,225	0
County	0	0
Reimbursements	0	0

Elimination of Pass-On Payments

DESCRIPTION:

This premise reflects the savings from elimination of the pass-on payments to families receiving Temporary Assistance for Needy Families (TANF). Pass-on payments are paid to an aided family when the monthly child support collected exceeds the aided family's grant for that same month. The amount in excess of the grant is passed on to the aided family.

Public Law 104-193 of 1996, the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) eliminated federal participation in pass-on payments in all aid categories except federal foster care effective October 1, 1996. The Department discontinued pass-on payments in TANF cases with the implementation of the PRWORA collection and distribution changes effective October 1, 1998. However, pass-on payments will continue in nonfederal foster care cases to ensure consistency for all foster care recipients.

IMPLEMENTATION DATE:

This premise will implement on October 1, 1998.

KEY DATA/ASSUMPTIONS:

- The statutory authority is Public Law 104-193 of 1996.
- The quarterly pass-on payments from September 1996 through June 1998 are based on the CS 800 Report, Summary Reports of Child and Spousal Support Payments.
- The TANF rate is 95.20 percent, and the federally eligible rate is 99.79 percent based on the actual collections reported on the CS 800.
- The year-to-year growth rate of 13.70 percent is based on Fiscal Year (FY) 1997-98 expenditures over FY 1996-97 expenditures for pass-on payments.
- The year-over growth from FY 1998-99 to FY 1999-00 for basic collections was 7.0 percent.
- The FY 1998-99 Federally Medical Assistance Percentage (FMAP) is 51.55 percent.

METHODOLOGY:

- The FY 1998-99 estimated savings were based on FY 1997-98 quarterly expenditures. Each quarter was multiplied by the TANF rate of 95.20 percent to identify the TANF share of expenditures. Then the TANF quarterly expenditures were multiplied by the federally eligible rate of 99.79 percent. Each number was then multiplied by the FMAP rate of 51.23 percent for the September 1997 quarter and 51.55 percent for December 1997 through June 1998 quarters. These quarters were summed to give the annual federal share of pass-on ($5,743,000) for FY 1997-98. Then this number was multiplied by the year-to-year growth of 13.70 percent to obtain an estimated FY 1998-99 federal share of pass-on amount ($6,530,000). The percent to total of FY 1997-98 quarterly expenditures was applied to the FY 1998-99 total to obtain the quarterly amounts. December 1998 through June 1999 quarters were added together to determine the federally eligible TANF expenditures. This amount was divided by the FMAP rate of 51.55 percent and divided by the federally eligible rate of 99.79 percent to obtain a total TANF pass-on savings of $9,857,000.

Elimination of Pass-On Payments

METHODOLOGY: (Continued)

- The FY 1999-00 estimated savings were based upon starting with the estimated FY 1998-99 federal share of pass-on payments, $6,530,000. This amount was divided by the FMAP rate of 51.55 percent and divided by the federally eligible rate of 99.79 percent to obtain a total TANF pass-on savings of $12,697,000. The year-over growth rate of 7.0 percent was then applied to obtain the total TANF FY 1999-00 estimated pass-on amount ($13,586,000).

FUNDING:

The TANF collections are shared based on the FMAP. These ratios are reflected as follows:

TANF:

	Oct. 1998 – Sept. 1999	Oct. 1999 – June 2000
Federal	51.55%	51.67%
State	46.03%	45.91%
County	2.42%	2.42%

TANF Nonfederal:

Federal	0%
State	95.00%
County	5.00%

CHANGE FROM PRIOR SUBVENTION:

This is a new premise.

REASON FOR YEAR-TO-YEAR CHANGE:

FY 1999-00 reflects a full year's savings.

EXPENDITURES:

(in 000's)

	1998-99 Grant	1999-00 Grant
Total	-$9,857	-$13,586
Federal	-5,071	-7,005
State	-4,547	-6,251
County	-239	-330
Reimbursements	0	0

Franchise Tax Board Automated Disclosure of California Parent Locator Service

DESCRIPTION:

This premise reflects the estimated child support collections as a result of the expansion of locate and intercept services provided to the county district attorney's (DAs) family support divisions by the Franchise Tax Board (FTB) via the California Parent Locator Service (CPLS).

Assembly Bill 573 (Chapter 599, Statutes of 1997) and Assembly Bill 1395 (Chapter 614, Statutes of 1997) expanded the Revenue and Taxation Code and the Welfare and Institutions Code to allow the DAs to refer cases to FTB in which the noncustodial parents' (NCPs) social security numbers are unknown. Further AB 1395 authorizes FTB to use any services or information available to FTB for tax enforcement purposes in locating NCPs. The use of additional asset and income information is also allowed.

IMPLEMENTATION DATE:

This premise will implement on October 1, 1999.

KEY DATA/ASSUMPTIONS:

- The statutory authorities are: Welfare and Institution Code sections 11478 (d) and 11478.5 (a); Revenue and Taxation Code sections 19271 and 19274.
- The social security number match request of 180,000 is based on information provided by CPLS.
- The increased match rate of 15 percent resulting from an improvement of 40 percent to 55 percent is based on FTB's 1998-99 feasibility study report.
- The established order rate of 29 percent is based on assumptions from the Statewide Utility Match System experience.
- Based on the June 1996 Child Support Enforcement Program Characteristic Survey, Table 12 - Support Orders-Non Custodial Parents, 45.1 percent of the total cases have support orders, and 59.3 percent are Temporary Assistance for Needy Families (TANF) Program cases.
- A three-month lag time is assumed between the time an NCP is located and the court order resulting in collections.
- The average monthly TANF support collected of $235 is based on the June 1996 Child Support Enforcement Program Characteristic Survey, Table 15 - Total Amount of CS Collected in Month.
- Based on the June 1996 Child Support Enforcement Program Characteristic Survey, Table 16 – Payment Pattern, the frequency of child support payments is that 14.9 percent pay every month (100 percent), 16.1 percent pay 7 to 12 times per year (75 percent on average), and 7.1 percent pay 0 to 6 times per year (25 percent on average). The balance, 61.9 percent, constitutes cases with no payments or medically needy only cases.
- Based on the OCSE 34, Quarterly Report of Collections, the FY 1997-98 TANF distribution ratio is 97.77 percent.

Franchise Tax Board Automated Disclosure of California Parent Locator Service

METHODOLOGY:

- To calculate FY 1999-00 grant savings, the estimated number of social security number match requests (180,000) was multiplied by the match rate of 15 percent to determine the number of successful matches (27,000).
- The resulting number was multiplied by the established support order rate of 29 percent to determine the number of matches with orders (7,830).
- The result was multiplied by 59.3 percent to determine the number of TANF cases (4,643). The result was then divided by 12 to get the average monthly number of TANF cases (387).
- This figure was then multiplied by 21 to calculate the accumulative number of casemonths (8,126).
- The total number of casemonths was then multiplied by the average monthly TANF child support collections of $235. This projected amount ($1,910,000) was adjusted by applying the payment pattern for the frequency of child support payments.
- The sum result amount of $548,000 was further adjusted by applying the current distribution ratio of 97.77 percent, resulting in a net collection of $536,000.

FUNDING:

The TANF/foster care (FC) collections are shared based on the Federal Medical Assistance Percentage. These ratios are reflected as follows:

TANF:

	July 1998 – Sept. 1998	Oct. 1998 – Sept. 1999	Oct. 1999 – June 2000
Federal	51.23%	51.55%	51.67%
State	46.33%	46.03%	45.91%
County	2.44%	2.42%	2.42%

TANF Nonfederal:

Federal	0%
State	95.00%
County	5.00%

Franchise Tax Board Automated Disclosure of California Parent Locator Service

FUNDING: (Continued)

FC:

	July 1998 – Sept. 1998	Oct. 1998 – Sept. 1999	Oct. 1999 – June 2000
Federal	51.23%	51.55%	51.67%
State	19.51%	19.38%	19.33%
County	29.26%	29.07%	29.00%

FC Nonfederal:

Federal	0%
State	40.00%
County	60.00%

CHANGE FROM PRIOR SUBVENTION:

This is a new premise.

REASON FOR YEAR-TO-YEAR CHANGE:

This is a new premise that is implemented in FY 1999-00.

EXPENDITURES:

(in 000's)

	1998-99 Grant	1999-00 Grant
Total	$0	-$536
Federal	0	-269
State	0	-243
County	0	-24
Reimbursements	0	0

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Child Support Incentives

DESCRIPTION:

As a means of increasing collections, the federal and state governments pay an incentive to the counties for child support collections. Beginning January 1, 1992, the Performance Standards Project required by AB 1033 (Chapter 1647, Statutes of 1990) replaced the way incentives were paid based on county performance.

AB 67 (Chapter 606, Statutes of 1997) provided payment to counties at a flat rate. The flat rate of 13.6 percent for Fiscal Year (FY) 1997-98 was determined based on counties' distributed collections and county compliance status of FY 1996-97. Pursuant to Welfare and Institutions Code section 15200.1, all counties receive the same percentage of collections regardless of compliance status.

Effective FY 1998-99, SB 936 (Chapter 926, Statutes of 1997) also provided payment to counties at a flat rate using the same formula. However, the new provisions required counties participating in the state child support incentive program to provide specific child support information, including performance-based data, as established by the federal incentive funding system.

IMPLEMENTATION DATE:

The incentive system based on county performance was implemented January 1, 1992, and extended through June 30, 1997.

AB 67 was implemented July 1, 1997, and was applicable through June 30, 1998.

SB 936 was implemented July 1, 1998.

KEY DATA/ASSUMPTIONS:

- The statutory authority is Welfare and Institutions Code section 15200.81.
- The federal government pays incentives of 6.0 percent for distributed Temporary Assistance for Needy Families (TANF) Program and non-TANF collections.
- Non-TANF federal incentives are capped at 115 percent of federal cost for incentives paid on TANF collections.
- The flat rate of 13.6 percent is based on the counties' distributed collections and county compliance status as of FY 1996-97.

METHODOLOGY:

- Incentives are paid on distributed collections, which are those actually received by families or agencies providing TANF or foster care.
- The incentives for TANF and non-TANF collections are based on the total estimated collections including disregard and collections made for other states.
- The federal share of projected county incentives is determined by applying 6.0 percent to the total TANF and non-TANF estimated collections.
- The state share of projected county incentive is determined by applying 7.6 percent to the TANF and non-TANF estimated collections.
- The federal share of non-TANF incentives is then compared to the federal cap of 115 percent of the federal share of TANF incentives to determine if it exceeds the cap. The federal share of non-TANF incentives that exceeds the cap is shifted to a state cost.

Child Support Incentives

METHODOLOGY: (Continued)

- **For FY 1998-99:**
  - Total TANF collections including disregard and collections made for other states are $639,485,000.
  - Total TANF incentives are $86,970,000, shared $38,369,000 federal and $48,601,000 state.
  - The total non-TANF collections are $977,916,000.
  - Total non-TANF incentives are $132,997,000 and are shared $44,125,000 federal and $88,872,000 state. The state share includes $14,550,000 that exceeded the federal cap.
- **For FY 1999-00:**
  - Total TANF collections including disregard and collections made for other states are $682,877,000.
  - Total TANF incentives are $92,871,000, shared $40,973,000 federal and $51,899,000 state.
  - The total non-TANF collections are $1,124,915,000.
  - Total incentives are $152,989,000 and would be shared $47,119,000 federal and $105,870,000 state. The state share includes $20,376,000 that exceeded the federal cap.

FUNDING:

The federal share is the sum of estimated incentive cost of distributed TANF and non-TANF collections at 6.0 percent. The state share is the sum of estimated incentive cost of distributed TANF and non-TANF collections at 7.6 percent. The county share is scheduled as revenue (indicated by a negative sign), being the sum of the federal and state shares of cost. The net effect, therefore, is zero.

CHANGE FROM PRIOR SUBVENTION:

The estimates for both TANF and non-TANF collections were overstated as a result of a technical error in the prior subvention. The incentives have been revised to reflect the updated projection of collections. FY 1997-98 contained a one-time occurrence to pay back loans totaling $124,000 for county shares of cost for Statewide Automated Child Support System maintenance and operation.

REASON FOR YEAR-TO-YEAR CHANGE:

The FY 1998-99 increase is due to the projected increase in the TANF and non-TANF collections.

EXPENDITURES:

(in 000's)

	1998-99 Grant	1999-00 Grant
Total	$0	$0
Federal	82,494	88,092
State	137,473	157,769
County	-219,967	-245,861
Reimbursements	0	0

Adoption Assistance Program – Basic Costs

DESCRIPTION:

This premise estimates the total 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: 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).

Age based grant levels conform to Foster Care Program foster family home rates, with eligibility reassessed every two years. 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.
- AAP total casemonths are consistent with the trend caseload projection. The caseload presumed to be eligible for the federal program accounts for 84 percent of the total AAP payment cases, based on data from the last six months, February to July 1998, as captured on the county caseload and expenditure claims (AD 800).
- Caseload and expenditure data extracted from the AD 800 claims from February to July 1998 provide the basis for the monthly projected average grants and are projected separately for federal and nonfederal cases. The federal average grant is projected at $472.91, and the nonfederal average grant is estimated at $522.28.
- The amount of federal financial participation (FFP) is based on the Federal Medical Assistance Percentage (FMAP), which increases from 51.23 to 51.55 percent on October 1, 1998, and increases to 51.67 percent on October 1, 1999.

METHODOLOGY:

- Adoption assistance basic costs are the product of projected federal and nonfederal casemonths and the respective average grant, as identified above.
- AAP basic costs are then adjusted for the prior years' impact of the Adoption Initiative.

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 are shared 75 percent state and 25 percent county. Funding for the nonfederal share of federal program costs is defined in statute at 75 percent state and 25 percent county.

CHANGE FROM PRIOR SUBVENTION:

This estimate reflects updated casemonths, average grants, and the percentage of cases eligible for FFP.

Adoption Assistance Program – Basic Costs

REASON FOR YEAR-TO-YEAR CHANGE:

The Fiscal Year 1999-00 estimate reflects adjustments for caseload growth.

CASELOAD:

	1998-99	1999-00
Average Monthly Caseload	28,290	31,048

EXPENDITURES:

(in 000's)

	1998-99	1999-00
	Grant	Grant
Total	$152,200	$163,301
Federal	60,274	64,877
State	68,945	73,818
County	22,981	24,606
Reimbursements	0	0

Refugee Cash Assistance – Basic Costs

DESCRIPTION:

This premise calculates the costs for the Refugee Cash Assistance (RCA) program. The RCA program provides cash grants to refugees who have been in the United States for their first eight months and who are not otherwise eligible for the normal 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 United States of America.
- Sections 13275 through 13282 in Chapter 5.5 of Part 3 of the Welfare and Institutions Code authorizes 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 the RCA adult in Fiscal Year (FY) 1997-98 was $234.98. The average monthly caseload was 1,669. The total cost for RCA adults in FY 1997-98 was $4,707,159.
- The RCA adult average grant costs and caseload in FY 1998-99 will be equivalent to the costs and caseload realized in FY 1997-98.
- The average grant cost for the RCA Unaccompanied Minor (UM) Program FY 1997-98 was $672.08. The average monthly caseload was one. The total cost for the RCA UM in FY 1997-98 was $8,065.
- The RCA UM average grant cost and caseload in FY 1998-99 will be equivalent to the cost and caseload realized in FY 1997-98.

METHODOLOGY:

- The actual RCA adult costs for FY 1997-98 are $4,707,159. These costs are used to estimate the RCA adult costs for FYs 1998-99 and 1999-00.
- The actual RCA UM costs for FY 1997-98 are $8,065. These costs are used to estimate the RCA UM costs for FYs 1998-99 and 1999-00.
- The total estimated FY 1998-99 cost of $4,715,224 is the sum of the RCA adult and the UM. The estimated costs for FY 1999-00 are the same as for FY 1998-99.

FUNDING:

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

CHANGE FROM PRIOR SUBVENTION:

This estimate was updated to reflect recent data.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

Refugee Cash Assistance – Basic Costs

EXPENDITURES:

(in 000's)

	1998-99	1999-00
	Grant	Grant
Total	$4,715	$4,715
Federal	4,715	4,715
State	0	0
County	0	0
Reimbursements	0	0

California Food Assistance Program

DESCRIPTION:

This premise reflects the cost of the California Food Assistance Program (CFAP), which provides for a state only food stamp program for legal noncitizens. The original CFAP, authorized under AB 1576 (Chapter 287, 1997 Statutes) served legal noncitizens who were under the age of 18 or were over 64 years of age. The expanded CFAP, authorized by AB 2779 (Chapter 329, Statutes of 1998), serves legal noncitizens over 18 years of age. All CFAP recipients must have been legally in the United States (U.S) prior to August 22, 1996, and must meet all federal food stamp eligibility criteria except for the immigration status. Public Law (P.L.) 104-193, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, provides that legal noncitizens are ineligible for federal food stamp benefits unless they are exempt. Legal noncitizens were terminated from the federal food stamp program in August 1997. California will purchase food stamp coupons from Food and Nutrition Service (FNS) to provide to recipients of the CFAP.

Effective November 1, 1998, P.L. 105-185, the Agricultural Research, Extension and Education Reform Act of 1998, restored federal food stamp eligibility to "qualified aliens" who were lawfully residing in the U.S. and were 65 years of age or older on August 22, 1996. P.L. 105-185 also restored eligibility to "qualified alien" children under the age 18 who were legally residing in the U.S. on August 22, 1996.

IMPLEMENTATION DATE:

This premise was implemented on September 1, 1997.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institution Code section 18930.
- The total number of CFAP recipients for the original program (children and elderly) was projected using the actual number of recipients reported from counties for the period October 1997 through July 1998. The average monthly growth for that period was applied to each month beginning with July 1998 through September 1998 to determine the August through October 1998 number of recipients. The average number of recipients for the period July through October 1998 was 57,561. The majority of these recipients will have their eligibility to the federal food stamp program restored effective November 1, 1998, and will leave the CFAP.
- The number of CFAP recipients for the expanded program (18 years and older) was determined by using the actual number of recipients terminated from the federal food stamp program in August 1997. That number was reduced by the normal attrition, an average of 33,010 recipients per month. The number was further reduced by the number of legal noncitizens receiving CFAP. This resulted in approximately 92,460 legal noncitizens over the age of 18 that may be eligible for the expanded CFAP.
- The expanded CFAP was implemented September 1, 1998.

California Food Assistance Program

KEY DATA/ASSUMPTIONS: (Continued)

- An additional 2,820 recipients were added to the expanded CFAP. Of those, 2,400 were part of the original CFAP who turned 65 years of age after August 22, 1996 (approximately 100 per month), and 420 who would qualify for CFAP from the Cash Assistance Program for Legal Immigrants (CAPI). The CAPI are state only aged, blind or disabled legal noncitizens who arrived in the U.S. after August 22, 1996. It is assumed 322 CAPI individuals will apply for and be eligible for CFAP as of November 1, 1998, and an additional 14 will become eligible for CFAP each month thereafter. The CAPI are described in a separate premise item. It is assumed these additional 2,820 recipients are nonassistance (NA) recipients.
- It is assumed there is one NA recipient in each CAPI CFAP household.
- The monthly administrative costs for a NA case in Fiscal Year (FY) 1998-99 are $26.11 and are $27.37 in FY 1999-00. The costs for a public assistance (PA) case are $4.26 in FY 1998-99 and are $4.42 in FY 1999-00. The costs are "open" case costs for NA and PA. The "open" costs are a combined cost of both intake and continuing case costs. The PA costs have been adjusted by the FY 1998-99 PA to NA fund shift (.2660) and further adjusted for the state share of a combined case (citizen and noncitizen households). The state share of the combined cost is 38.20 percent. The state share was based on the actual data reported by the counties for the months of October 1997 through July 1998.
- The NA intake cost used for the CAPI cases is $65.14 in FY 1998-99 and is $54.07 in FY 1999-00. The NA continuing cost used for the CAPI cases is $24.80 in FY 1998-99 and is $20.58 in FY 1999-00.
- Based on the actual data reported from the counties, the average coupon value per person is $71.42.
- The coupon processing fee charged by FNS is $2,800 per $1 million in coupons. The processing fee for electronic benefit transfer (EBT) counties is $314 per million.
- The EBT counties represent 9.04 percent of the allotment costs.
- Separate from the 2,820 NA recipients that were added (elderly and CAPI), the ratio between NA and PA is .2895 NA and .7105 PA. The ratios are based on the actual number of NA and PA recipients terminated in August 1997.
- Based on the actual number of persons per case reported for the period July 1997 through June 1998, the number of persons in an NA case is 2.03, and the number of persons in a PA case is 2.97.
- The PA costs are considered eligible expenditures for the State's maintenance of effort (MOE) requirement. The NA costs are not considered MOE eligible.
- Naturalization was not assumed to occur due to the backlog at the Immigration and Naturalization Service.

California Food Assistance Program

METHODOLOGY:

- The monthly number of NA recipients was divided by the number of recipients per NA household to determine the number of NA households. The monthly number of PA recipients was divided by the number of recipients per PA household to determine the number of PA households.
- The monthly numbers of NA and PA households were multiplied by the NA and PA open costs respectively to determine the monthly administrative costs. The monthly costs were totaled to determine the annual administrative costs.
- The 322 CAPI households were multiplied by the NA intake cost for the month of November 1998. An additional 14 CAPI households have intake costs each month thereafter. Beginning in December 1998, the original 322 CAPI households were multiplied by NA continuing costs. An additional 14 CAPI households have continuing costs each month thereafter. The CAPI administrative costs were totaled and added to the administrative costs for the other CFAP recipients.
- The monthly number of recipients was multiplied by the average coupon value per person to determine the coupon costs.
- The coupon processing costs were determined by multiplying the charges per million dollars in coupons by the coupon value.

FUNDING:

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

CHANGES FROM PRIOR SUBVENTION:

Caseloads were updated using the most recent actuals. CFAP now includes the CAPI recipients.

REASON FOR YEAR-TO-YEAR CHANGES:

The children and most of the elderly are restored to the federal program on November 1, 1998. The expanded program (over 18) reflects 10 months of costs in the current year. In FY 1999-00 the costs are for a full year.

CASELOAD:

	1998-99	1999-00
Average Monthly Caseload	97,222*	85,215

*This average includes the original and expanded programs.

California Food Assistance Program

EXPENDITURES:

(in 000's)

	1998-99		1999-00	
	Grant	County Admin.	Grant	County Admin.
Total	$87,192	$5,142	$73,615	$5,209
Federal	0	0	0	0
State	87,192	5,142	73,615	5,209
County	0	0	0	0
Reimbursement	0	0	0	0

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

DESCRIPTION:

This Welfare to Work Match Premise provides funding for the required match for welfare-to-work grants 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 U. S. Department of Labor (DOL) to provide welfare-to-work 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, and post-employment services.

The Employment Development Department (EDD) is the single state agency responsible for receipt of the welfare-to-work grant. EDD submitted its state plan to DOL in March 1998, and upon the plan's approval by DOL, EDD will have 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 will be retained for use in other welfare-to-work projects.

California will receive a total of $363 million of federal welfare-to-work formula grant funds from DOL, $190 million in the first year and $173 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 welfare-to-work definitions.

IMPLEMENTATION DATE:

This premise implemented on July 1, 1998.

KEY DATA/ASSUMPTIONS:

- The total required General Fund (GF) match required is $181,709,000.
- The Fiscal Year (FY) 1998-99 match is held to the appropriation of $10,209,000.

METHODOLOGY:

- The $10.2 million match in the FY 1998-99 was subtracted from the total required match.
- The Department proposes to fund $25,000,000 in GF match in FY 1999-00.

FUNDING:

The match is 100 percent GF and is reflected under CalWORKs services. The federal funds are in the EDD budget. This welfare-to-work match cannot be applied toward the TANF maintenance of effort requirement.

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

CHANGE FROM PRIOR SUBVENTION:

The change from the prior subvention is to increase the state GF match in the 1999-00 FY.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase in expenditures in FY 1999-00 is due to the required 2:1, federal:state, match. The remaining required match of $146.5 million will occur in FY 2000-01.

EXPENDITURES:

(in 000's)

	1998-99 Services	1999-00 Services
Total	$10,209	$25,000
Federal	0	0
State	10,209	25,000
County	0	0
Reimbursements	0	0

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 were developed from actual state and federal expenditures reported on the State Data Exchange (SDX) and the SSA 8700 reports. The SSI and SSP basic grants were based on the average of the June and July 1998 SDX average grants and are as follows:

	SSI	SSP
Aged	$250.34	$162.82
Blind	307.69	211.69
Disabled	340.58	165.09

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 Title XIX payments. The adjusted average grants were multiplied by the estimated caseloads to arrive at a Title XIX adjusted basic cost. Estimated Title XIX expenditures were then added to total basic costs. This item represents the cost of the SSI/SSP Program without premises.

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 PRIOR SUBVENTION:

Average grants and caseloads were updated based on more recent actuals.

REASON FOR YEAR-TO-YEAR CHANGE:

Expenditures increase due to increase in caseload.

CASELOAD:

	1998-99	1999-00
Average Monthly Persons	1,038,644	1,061,844

EXPENDITURES:

(in 000's)

	1998-99	1999-00
	Grant	Grant
Total	$5,845,261	$5,956,981
Federal	3,819,437	3,893,768
State	2,025,824	2,063,213
County	0	0
Reimbursements	0	0

SSI/SSP – January 1999 COLA

DESCRIPTION:

This premise reflects the impact of cost-of-living adjustments (COLAs) given to Supplemental Security Income/State Supplementary Payment (SSI/SSP) Program recipients effective January 1, 1999. The total payment an individual receives increases on January 1, 1999, by the California Necessities Index (CNI) increase of 2.84 percent. SSI grants are adjusted annually by the Consumer Price Index (CPI), which is 1.3 percent for 1999. Effective January 1, 1999, unearned income, generally Title II Social Security benefits, is also increased by the CPI.

IMPLEMENTATION DATE:

This premise will implement on January 1, 1999.

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 CNI is 2.84 percent. The CPI is 1.3 percent.
- The SSI/SSP average grant will increase by an average of $19.63 per recipient.
- Section 24 of Assembly Bill 2779 added section 12201.04 to the Welfare and Institutions Code, which increased the total payment standard by an additional 1 percent effective January 1, 1999.
- The Department uses a statistical model to determine the number of cases that will lose eligibility due to changes in the CPI and CNI. Because the CNI is greater than the CPI for the January 1999 COLAs, it is assumed that an increase in caseload equivalent to a decrease determined by modeling a CPI increase greater than the CNI increase will occur. The increase would be 8,533 cases a month.
- The additional 8,533 cases a month would only be eligible for a combined average SSI/SSP grant of $10.14 per recipient.

METHODOLOGY:

- The SSI and SSP average grants increase as a result of the COLAs. The CNI is applied to the total 1998 payment standard and then rounded to the nearest dollar for the new total payment standard. The CPI is applied to the SSI standard, and the result is the new SSI standard. The new SSI standard is subtracted from the new total payment standard; the result is the new SSP 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 1999 COLA.
- The additional cost for the 8,533 monthly cases is determined by multiplying the SSP change by category by the increased caseload by category. Administrative costs are determined by multiplying the increased caseload by the administrative cost per case (see the SSP Administrative Costs Premise). These amounts are summed and added to the change in average grant, and the result is the January 1999 COLA Premise amount.

SSI/SSP – January 1999 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 State General Fund. Each component is costed separately.

CHANGE FROM PRIOR SUBVENTION:

The average grants are based on actual COLA increases. The average grants and caseloads were updated based on more recent actuals.

REASON FOR YEAR-TO-YEAR CHANGE:

The COLAs are effective January 1, 1999, and have a 6-month effect in current year and a 12-month effect in the budget year.

EXPENDITURES:

(in 000's):

	1998-99 Grant	1999-00 Grant
Total	$144,102	$292,041
Federal	23,554	47,773
State	120,548	244,268
County	0	0
Reimbursements	0	0

SSI/SSP – January 2000 COLA

DESCRIPTION:

This premise reflects the impact of cost-of-living adjustments (COLAs) given to Supplemental Security Income/State Supplementary Payment (SSI/SSP) Program recipients effective January 1, 2000. The total payment an individual receives increases on January 1, 2000, by the California Necessities Index (CNI), which is estimated to increase by 2.08 percent. SSI grants are adjusted annually by the Consumer Price Index (CPI), which is estimated at 2.6 percent for 2000. Effective January 1, 2000, unearned income, generally Title II Social Security benefits, is also increased by the CPI.

IMPLEMENTATION DATE:

This premise will implement on January 1, 2000.

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 CNI is estimated at 2.08 percent. The CPI is estimated at 2.6 percent.
- The SSI/SSP average grant will increase by an average of $1.66 per recipient.

METHODOLOGY:

- The SSI and SSP average grants increase as a result of the COLAs. The CNI is applied to the total 1999 payment standard and then rounded to the nearest dollar for the new total payment standard. The CPI is applied to the SSI standard and the result is the new SSI standard. The new SSI standard is subtracted from the new total payment standard; the result is the new SSP 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 2000 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 State General Fund. Each component is costed separately.

CHANGE FROM PRIOR SUBVENTION:

This is a new premise.

REASON FOR YEAR-TO-YEAR CHANGE:

The COLAs are effective January 1, 2000, and have a six-month effect in budget year only.

SSI/SSP – January 2000 COLA

EXPENDITURES:

(in 000's):

	1998-99	1999-00
	Grant	Grant
Total	$0	$60,321
Federal	0	51,968
State	0	8,353
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 Social Security Administration 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 1998-2002, administration fees will increase initially from $5.00 per payment to $8.50 per payment in FFY 2002. Increases after FFY 2002 will be based on the Consumer Price Index.
- The fee per payment effective October 1, 1997 is $6.20. Effective October 1, 1998, the fee per payment is $7.60. Effective October 1, 1999, the fee will be increased to $7.80 per payment.

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 General Fund.

CHANGE FROM PRIOR SUBVENTION:

This premise was updated based on more recent caseload actual data.

SSI/SSP – SSP Administration

REASON FOR YEAR-TO-YEAR CHANGE:

On October 1, 1998, the fee increased from $6.20 to $7.60 for each check written by the SSA. On October 1, 1999, the fee will increase to $7.80 for each check written.

CASELOAD:

	1998-99	1999-00
Average Monthly Caseload	1,061,058	1,080,565

EXPENDITURES:

(in 000's)

	1998-99	1999-00
	Grant	Grant
Total	$92,424	$100,497
Federal	0	0
State	92,424	100,497
County	0	0
Reimbursements	0	0

SSI/SSP – Elimination of SSI/SSP for Noncitizens

DESCRIPTION:

This premise estimates the savings to the Supplemental Security Income/State Supplementary Payment (SSI/SSP) Program from the federal Balanced Budget Act of 1997 (Public Law (P.L.) 105-33), which extended SSI/SSP benefits through September 30, 1998, to nonqualified alien recipients who would have lost eligibility under federal welfare reform legislation P.L. 104-193. Effective October 1, 1998, all nonqualified aliens will be ineligible to receive SSI/SSP benefits.

IMPLEMENTATION DATE:

This premise will implement on October 1, 1998.

KEY DATA/ASSUMPTIONS:

- P.L. 104-93 barred nonqualified aliens from receiving SSI/SSP benefits.
- P.L. 105-33 extended SSI/SSP benefits through September 30, 1998, to nonqualified aliens who were receiving aid on August 22, 1996.
- P. L. 105-306 amended P.L. 105-33 to permanently continue benefits for nonqualified aliens who were receiving aid on August 22, 1996.

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 General Fund.

CHANGE FROM PRIOR SUBVENTION:

The estimated savings anticipated in the prior subvention will not be realized.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000's)

	1998-99	1998-00
	Grant	Grant
Total	$0	$0
Federal	0	0
State	0	0
County	0	0
Reimbursements	0	0

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Cash Assistance Program for the Aged, Blind, and Disabled Legal Immigrants (CAPI)

DESCRIPTION:

This premise represents the costs to implement Assembly Bill (AB) 2779, which added Chapter 10.3 to the Welfare and Institutions Code (WIC) establishing the CAPI Program. The CAPI Program will provide benefits to aged, blind, and disabled legal immigrants who successfully complete an application process. The benefits received will be 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. This premise includes costs for both the grants and the administrative costs necessary for implementation.

IMPLEMENTATION DATE:

This premise implemented on October 1, 1998.

The county welfare departments are to have the ability to accept applications and establish a beginning date of aid by November 1, 1998, and are required to have the ability to make determinations and issue payments no later than December 1, 1998.

KEY DATA/ASSUMPTIONS:

- Chapter 10.3 of the WIC gives the Department of Social Services the authority to administer the CAPI Program.
- Section 18940 of the WIC 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 WIC authorizes benefits paid under CAPI to be equivalent to benefits provided under the SSI/SSP Program.
- The CAPI Program shall become inoperative on July 1, 2000, as defined in section 18944 of the WIC.
- The estimated number of new qualified alien not exempt (QANE) applicants is 1,181 per month. 644 of the new QANE applicants will be aged. Of this number, 451 (70 percent) of the new aged QANE will qualify as disabled.
- 69 percent (133) of the 193 (644-451 = 193) aged but not disabled QANE applicants will naturalize, leaving 60 new QANE applicants a month who no longer qualify for the SSI/SSP Program. These people were in the country prior to August 22, 1996.
- A total average monthly grant was estimated at $572.36. The average monthly grant was estimated from the noncitizens currently receiving SSI/SSP who were going to lose their benefits on October 1, 1998.
- The Disability Determination Services fact sheet entitled "DDS (Alien) Noncitizen Case Processing – Region 9," indicates that the Social Security Administration's Office of the Actuary has estimated that the number of new noncitizen aged claimants who will claim a disability will be 11,000 a year nationally. California will have 30 percent of the new applicants. It is assumed that a similar caseload exists for those noncitizens who arrived after August 22, 1996, and are no longer eligible for SSI/SSP benefits.

Cash Assistance Program for the Aged, Blind, and Disabled Legal Immigrants (CAPI)

KEY DATA/ASSUMPTIONS (Continued):

- The Elder and Dependent Adult Abuse and Adult Protective Services in California Annual Statistical Report for 1996 states that the General Accounting Office estimates that five percent of the elder population in domestic settings are abused annually. Based on the five percent, a monthly average of 14 noncitizens would qualify for CAPI because they live in an abusive environment. This caseload has been building since January 1997. These people were in the country after August 22, 1996.
- Neither group is eligible for SSI/SSP benefits due to P.L.s 104-193 and 105-33.
- Estimated administration costs are based on an initial application processing time of eight hours per application.
- An average eligibility worker cost per hour of ($48.19) was used to determine the cost per application (8 hours X $48.19 = $385.52 cost per application).
- Ongoing administration costs are based on 150 percent of the cost the Department of Health requires to administer Medi-Cal cases on a month-to-month basis ($20.00 X 150 percent = $30.00). The Department assumes a higher cost because of the implementation timelines and the use of a manual system to administer the program.
- The 1998 Budget Act included $5 million dollars in start-up costs, which are not included in the budget year estimate.

METHODOLOGY:

- The aged not disabled noncitizens initial caseload is estimated by multiplying the average monthly caseload (60) by the number of months (27) from August 1996 through November 1998 (60 X 27 = 1,620). The abusive sponsor initial caseload is estimated by multiplying the average monthly caseload (14) by the number of months (23) from January 1997 through November 1998 (14 X 23 = 322). The total caseload is the sum of the two caseloads (1,620 + 322 = 1,944).
- The average grant costs are estimated from the SSI/SSP State Data Exchange files based on the noncitizens currently receiving aid. The average grant was adjusted for the change in the CPI and CNI for January 1999 and January 2000.
- The initial application costs are determined by multiplying the number of new cases each month by the initial application cost of $385.52. Ongoing administrative costs are determined by multiplying the number of ongoing cases each month by the ongoing administrative cost of $30.00 per case. These two figures are then added together to determine the monthly administrative costs for the program.
- The $5 million dollar start-up costs are considered a one-time cost and are added to the administrative costs in the current year only.

FUNDING:

This program is 100 percent State General Funds.

Cash Assistance Program for the Aged, Blind, and Disabled Legal Immigrants (CAPI)

CHANGE FROM PRIOR SUBVENTION:

There is a new premise.

REASON FOR YEAR-TO-YEAR CHANGE:

The 1998-99 costs are for nine months while the 1999-00 costs are for 12 months. Current year costs include $5 million in start-up administrative costs. Additionally, the caseload increases from current year to budget year.

EXPENDITURES:

(in 000's)

	1998-99 Grant	1999-00 Grant
Total	$16,819	$22,666
Federal	0	0
State	16,819	22,666
County	0	0
Reimbursements	0	0

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Personal Care Services Program/Residual IHSS Basic Costs

DESCRIPTION:

This premise reflects the costs for the In-Home Supportive Services (IHSS) Program. AB 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 federal financial participation eligible service. This portion the IHSS Program is known as the Personal Care Services Program (PCSP). The state-only portion of the IHSS Program is known as the IHSS Residual Program.

IHSS enables eligible persons to remain in their own homes as an alternative to out-of-home care. Eligible persons are aged, blind or disabled recipients of public assistance and similar persons with low incomes. Most recipients eligible for the IHSS Program are eligible for PCSP. Those persons not eligible for PCSP are served in the Residual Program.

The following services are PCSP eligible services: domestic services such as meal preparation, laundry, shopping and errands; nonmedical 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 IHSS Residual Program serves the following individuals not eligible for PCSP: domestic services only cases, cases requiring protective supervision tasks, cases with spousal providers, cases where parents provide services to their own minor children, income eligible cases with a share of cost (SOC), recipients who receive advance pay, recipients who receive a restaurant meal allowance (RMA), and cases where recipients are covered by third party insurance. The RMA ($62.00 per month) is provided to IHSS recipients who need help with meal preparation and cleanup, or who need to purchase meals.

IHSS services can be delivered in any of three service delivery modes. Those 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. All counties are required to make the IP mode available to all IHSS recipients. The CC and WS modes are optional modes. The IP mode consists of an individual, hired by the recipient, who provides services to the recipient. The IP is employed by the recipient. The CC mode provides for IHSS services to be performed by a service provider under contract with the individual counties. The service provider employs the individuals who provide the services to the recipient. The WS mode consists of county employees who provide services to the recipient.

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

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, under contract with Electronic Data Systems, 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, SOC, RMA, and number providers in the IP mode. Please see the IHSS Case Management Information and Payrolling System (CMIPS) Premise for more information.

Personal Care Services Program/Residual IHSS Basic Costs

IMPLEMENTATION DATE:

PCSP was implemented April 1, 1993.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 12300 through 12314.
- IHSS contract costs are split between the PCSP and the Residual Program based on the IP expenditure percentage, which is 69.5 percent in PCSP, and 30.5 percent in the Residual Program.
- PCSP comprised 66.35 percent of the IHSS caseload and 69.50 percent of the IHSS expenditures in Fiscal Year (FY) 1997-98.
- In the IP mode the average hours per case for FYs 1998-99 and 1999-00 were estimated using a linear trend of the average monthly paid hours per case utilizing CMIPS data from December 1996 through July 1998. The estimated IP average monthly hours per case are 76.73 hours for FY 1998-99, and 77.01 hours for FY 1999-00.
- The CC/WS average hours per case for FY 1998-99 were estimated using a weighted slope projection based on the actual monthly paid hours per case from July 1996 through August 1998. This represents a weighted average calculated by adding the actual hours for both modes and dividing by the combined caseload. The estimated CC/WS average monthly hours per case are 745.47 hours for FY 1998-99, and 47.01 hours for FY 1999-00.
- The PCSP IP wage rate is set at the $5.75 per hour minimum wage rate. The Residual IHSS IP wage rate is set at the $5.75 per hour minimum wage rate and is adjusted to reflect the effect of SOC. This results in an average net rate of $5.30 per hour.
- The combined average CC/WS cost per hour for FY 1998-99 was compiled using the actual combined CC/WS average monthly cost per hour utilizing CMIPS data from May 1998 through August 1998. The CC/WS cost per hour is assumed to remain constant through FY 1999-00.
- The PCSP ratio of taxes to gross IP wages is 9.74 percent. The Residual IHSS ratio of taxes to gross IP wages, including SOC wages, is 7.00 percent. Both the PCSP and Residual Program tax rates are based on CMIPS wage and tax information for Calendar Year 1997.
- The RMA cost per case is $62.00.
- The RMA caseload is assumed to increase by the projected IHSS caseload increase.
- The cost of the SCIF contract for FY 1998-99 is $20,200,000. The contract cost is assumed to remain the same for FY 1999-00.
- The cost of the DGS contract for FY 1998-99 is $120,000. The contract cost is assumed to remain the same for FY 1999-00.

Personal Care Services Program/Residual IHSS Basic Costs

METHODOLOGY:

IP Basic

- The IP basic cost estimate is derived by multiplying the average hours per case by the projected caseload by the average cost per hour. The resulting total is then increased by the tax percentage.
- The cost of the SCIF and DGS contracts is added to the wages cost.

Combined County Contract/Welfare Staff Basic

- The CC/WS basic cost estimate is derived by multiplying the average hours per case by the projected caseload by the average cost per hour.
- The basic costs for these two modes are split between the PCSP and Residual Programs, based on the PCSP/Residual caseload split. The RMA cost (which is not PCSP eligible) is added to the Residual Program cost.

FUNDING:

In PCSP the federal financial participation amount is calculated at 51.23 percent for the first quarter of FY 1998-99. Effective October 1, 1998, the federal sharing ratio is changed to 51.55 percent to reflect the increase in the Federal Medical Assistance Percentage (FMAP) rate. Effective October 1, 1999, the federal sharing ratio is changed to 51.67 percent to reflect an increase in the FMAP rate. The nonfederal share is split 65 percent state and 35 percent county. The county share of cost is reflected as a reimbursement, consistent with actual cash flow.

In the Residual IHSS Program, the state share is 65 percent of the total, and the county share is 35 percent.

CHANGE FROM PRIOR SUBVENTION:

The estimate has been updated to reflect current data.

REASON FOR YEAR-TO-YEAR CHANGE:

The year-to-year change is due to increased caseload, increases in hours per case, costs per hour, changes in contract amounts, FMAP changes, and changes in the number of PCSP eligible expenditures.

CASELOAD:

	1998-99	1999-00
Average Monthly PCSP Caseload	145,725	162,308
Average Monthly Residual Program Caseload	68,208	58,766

Personal Care Services Program/Residual IHSS
Basic Costs

EXPENDITURES:

(in 000's)

PCSP	1998-99	1999-00
	Grant	Grant
Total	$832,194	$864,989
Federal	0	0
State	262,511	271,901
County	0	0
Reimbursements	569,683	593,088

Residual IHSS	1998-99	1999-00
	Grant	Grant
Total	$415,386	$443,885
Federal	0	0
State	270,001	288,525
County	0	0
Reimbursements	145,385	155,360

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

DESCRIPTION:

This premise reflects the costs associated with the operation and maintenance of the CMIPS. Funding for this premise is included in Item 5180-111-001/0890 of Assembly Bill 1656, Chapter 324, Statutes of 1998. The existing CMIPS provides basic information gathering, storage functions and reports. The CMIPS is comprised of three components: case management, management information and payroll processing.

Case Management

CMIPS contains the case record of each individual recipient. The case record of each recipient contains information as to each individual's eligibility, needs assessment, share of cost, if appropriate, and all changes affecting the recipient's case. Notices of action, cost-of-living adjustments, and rate changes are generated by CMIPS, using data contained within CMIPS. CMIPS allows data exchanges with other welfare systems and is used to establish Medi-Cal eligibility.

Management Information

The system provides 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. These statistical data are also sorted out by In-Home Supportive Services (IHSS) Residual Program and Personal Care Services Program (PCSP).

Payrolling System

This system provides for the authorization and issuance of warrants for semimonthly compensation for services provided by the individual provider mode. The payrolling system also prepares all employer tax forms and reports. Additionally, this component is utilized for bookkeeping, accounting and tax preparation purposes for the recipients, county welfare departments and California Department of Social Services (CDSS).

The State Controller's Office (SCO), under contract to 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 to CDSS, performs bank reconciliation of IHSS warrants, and redeems all valid warrants issued for the IHSS.

KEY DATA/ASSUMPTIONS:

- Welfare and Institutions Code section 12302.2 authorizes the State to perform payrolling and related functions on behalf of IHSS recipients.
- The CMIPS contract is currently held by Electronic Data Systems (EDS).
- EDS contract amounts are negotiated between EDS and CDSS.
- Contracts listed below show negotiated amounts between contractors and CDSS.
- The SCO and STO contracts are assumed to increase by the IHSS caseload growth percentages.

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

KEY DATA/ASSUMPTIONS: (Continued)

	1998-99	1999-00
EDS	$6,505,623	$6,418,781
Year 2000 Costs	1,372,010	0
STO	197,656	204,179
SCO	2,185,000	2,257,105
Total Costs	$10,260,289	$8,880,065

METHODOLOGY:

The amounts were totaled and then shared between PCSP and IHSS Residual pro rata based on their percentages of 1997-98 actual expenditures.

FUNDING:

CMIPS and associated costs are funded using the 1997-98 IHSS expenditure percentages for PCSP and IHSS Residual, with 69.50 percent of the expenditures under PCSP and 30.50 percent under the Residual IHSS Program.

In PCSP the federal financial participation amount is calculated at 51.23 percent for the first quarter of Fiscal Year 1998-99. Effective October 1, 1998, the federal sharing ratio is changed to 51.55 percent to reflect the increase in the Federal Medical Assistance Percentage (FMAP) rate. Effective October 1, 1999, the federal sharing ratio is changed to 51.67 percent to reflect an increase in the FMAP rate. The nonfederal share is split 65 percent state and 35 percent county.

In the Residual IHSS Program the state share is 65 percent of the total, and the county share is 35 percent.

CHANGE FROM PRIOR SUBVENTION:

The estimate was updated based on changes in contract costs.

REASON FOR YEAR-TO-YEAR CHANGES:

The change reflects changes in contract costs, and the estimate assumes there will be no Year 2000 costs in 1999-00.

EXPENDITURES:

(in 000's)

	1998-99	1999-00
	Grant	Grant
Total	$10,260	$8,880
Federal	0	0
State	4,284	3,700
County	0	0
Reimbursements	5,976	5,180

IHSS Income Eligible Shift

DESCRIPTION:

This premise reflects the costs and savings associated with shifting the income eligible population from the In-Home Supportive Services (IHSS) Residual Program to the Personal Care Services Program (PCSP). Assembly Bill 2779 (Chapter 329, Statutes of 1998) allows IHSS recipients who would be eligible for PCSP but for their incomes, to receive PCSP. The existing IHSS Program is split between PCSP and Residual IHSS. All recipients eligible under the IHSS Program are eligible for PCSP except for the following: domestic services only cases, protective supervision tasks, spousal providers, parent providers of minor children, income eligibles, advance pay recipients, and recipients covered by third party insurance. These recipients receive services under the Residual IHSS Program. This premise will provide PCSP for those IHSS Residual recipients deemed income eligible due to the fact that their income levels result in a share of cost (SOC) requirement in order to qualify for services. This premise would also provide for the State to pay the difference between a recipient's SOC and the lower Medi-Cal SOC.

IMPLEMENTATION DATE:

This premise is expected to be implemented on April 1, 1999.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 12305.1.
- This estimate uses the same caseload growth percentages, employer taxes, SOC, Title XIX, state, and county funding ratios and methodologies used in the Personal Care Services Program – Residual IHSS Basic Costs Premise.
- An IHSS Case Management, Information, and Payrolling System ad hoc report as of September 1998, showed that 14,544 persons will transfer from the IHSS Residual Program to PCSP. This figure was then adjusted for caseload growth.
- Based on the September 1998 ad hoc report, this estimate assumes an average cost per case of $570.97 for PCSP eligible cases.
- The estimate uses the Supplemental Security Income/State Supplemental Payment (SSI/SSP) Program percentages for individuals and couples. Individuals comprise 80.74 percent of the caseload, and couple members comprise 19.26 percent.
- The Medi-Cal income limits for Fiscal Years (FYs) 1998-99 and 1999-00 are $600 and $934 for singles and for couples, respectively.
- The SSI/SSP income levels for January 1999 are $676 and 1,201 for singles and for couples, respectively. For January 2000 the income levels are $690 and 1,226 for singles and for couples, respectively, which assumes a state cost-of-living increase.

IHSS Income Eligible Shift

METHODOLOGY:

Residual Program Savings

- The FY 1998-99 Residual Program savings estimate is derived by multiplying the monthly caseload times cost per case times 3 months.
- The FY 1999-00 Residual Program savings estimate is derived by multiplying the monthly caseload times cost per case times 12 months.

PCSP Cost

The FYs 1998-99 and 1999-00 PCSP costs were derived by taking the annual casemonths times the cost per case (see above) and breaking these into the federal Title XIX, state, and county shares. The SOC buyout was then added to the state share. For FY 1998-99 the federal Title XIX, state, and county shares reflect the cost for one quarter. For FY 1999-00 the full year cost was used. Please see the Personal Care Services Program – Residual IHSS Basic Costs Premise for more information on these sharing ratios and methodologies.

Share of Cost Buyout

- The SOC buyouts for FYs 1998-99 and 1999-00 were derived by subtracting the monthly Medi-Cal income limits for both singles and couples from the monthly SSI/SSP limits to obtain the monthly SOC buyout amounts for each group. The couples SOC buyout was divided by two to obtain the SOC buyout amount for each couple member.
- The SSI/SSP percentages for individuals and couple members were applied to the projected income eligible caseload for FYs 1998-99 and 1999-00.
- The estimated individual and couples caseloads were multiplied by the respective monthly SOC buyout amount for each group. The resulting monthly SOC buyout amounts were multiplied by 12 months and then added together to arrive at an annual figure. This annual figure represents the federal buyout amount that the State will assume on behalf of the income eligible population.

FUNDING:

In PCSP the federal financial participation amount is calculated at 51.23 percent for the first quarter of FY 1998-99. Effective October 1, 1998, the federal sharing ratio is changed to 51.55 percent to reflect the increase in the Federal Medical Assistance Percentage (FMAP) rate. Effective October 1, 1999, the federal sharing ratio is changed to 51.67 percent to reflect an increase in the FMAP rate. The nonfederal share is split 65 percent state and 35 percent county. The county share of cost is reflected as a reimbursement, consistent with actual cash flow.

In the Residual IHSS Program the state share is 65 percent of the total, and the county share is 35 percent.

CHANGE FROM PRIOR SUBVENTION:

This is a new premise.

IHSS Income Eligible Shift

REASON FOR YEAR-TO-YEAR CHANGE:

The FY 1998-99 estimate reflects the April, 1999 implementation date. The FY 1999-00 estimate is based one full year of costs and savings. The FY 1999-00 estimate also reflects increases in caseload, the FMAP, and in the SOC buyout amount.

CASELOAD:

	1998-99	1999-00
Average Monthly Caseload	15,126	15,625

EXPENDITURES:

(in 000's)

PCSP	1998-99	1999-00
	Grant	Grant
Total	$24,554	$107,133
Federal	0	0
State	9,128	40,488
County	0	0
Reimbursements	15,426	66,645

Residual IHSS Savings	1998-99	1999-00
	Grant	Grant
Total	-$22,517	-$97,198
Federal	0	0
State	-14,636	-63,179
County	0	0
Reimbursements	-7,881	-34,019

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Title XX Funding

DESCRIPTION:

This premise reflects the amount of block grant for social services (Title XX) funds awarded to the State. Title XX funding is provided under Title XX of the federal Social Security Act as amended by the federal Omnibus Budget Reconciliation Act of 1981. Federal monies for social services have been given to states as Title XX since October 1981. Title XX is a federal block grant that does not require a state or county match. In order to qualify for these funds, a state must prepare and announce an expenditure plan prior to the start of the state fiscal year (SFY) which is consistent with the five federal service goals under Title XX. The five Title XX goals are:

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 SFY 1992-93, Title XX was used exclusively for In-Home Supportive Services (IHSS) Program costs. With the Title XIX Personal Care Services Program implemented in IHSS in 1993, Title XX funds are used in the IHSS Residual Program, with a portion of the Title XX funds shifted to other eligible programs. The use of Title XX funds for costs that otherwise would be State General Fund (GF) saves significant state dollars.

Currently, Title XX funding is used to meet Title XX goals in the following programs: IHSS (goals 3 and 4), Child Welfare Services (CWS) (goals 3 and 4) (transfer of $111.0 million to the Department of Developmental Services (DDS)), Deaf Access Program (goals 1 and 2), Community Care Licensing (CCL) (goals 3 and 4), and Child Care (goals 1,2,3) (transfer of $183.0 million Temporary Assistance for Needy Families (TANF) to Title XX funds.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 13000 through 13008.
- State legislation permits Title XX funds to be used in Residual Program IHSS services to supplant the state share without affecting county funds.
- In CWS, $111.0 million in Title XX funds has been shifted to DDS.
- For Deaf Access Program, Title XX funds will reduce an otherwise 100 percent GF program.
- For CCL, Title XX will be used for non-Title IV-E claimable costs.

Title XX Funding

KEY DATA/ASSUMPTIONS (Continued):

- CCL and Deaf Access Program Title XX funding and the funds transferred from CWS to DDS will remain at the SFY 1997-98 levels in SFYs 1998-99 and 1999-00.
- For Federal Fiscal Year (FFY) 1999, the Title XX award to California was $228.1 million, a decrease of $56.3 million from the May 1998 estimate. For FFY 2000, the Title XX award is expected to remain at the FFY 1999 level. The reduced FFY award will have a corresponding GF increase.
- The FFY awards are adjusted to conform to SFY funding needs.
- For child care, $183.0 million in TANF funds are transferred to Title XX and held in reserve to be used either by the California Department of Social Services for Stage I child care, or by the California Department of Education for Stage II/III child care, depending on need.

METHODOLOGY:

The level of Title XX funding is kept constant for the Deaf Access Program, CCL, and the transfer to DDS. For SFY 1998-99, the IHSS Program is funded at $58 million, a decrease of $42.2 million. For SFY 1999-00, the IHSS Program is funded at $59.8 million.

FUNDING:

Title XX is a federal block grant that does not require a state or county match.

CHANGE FROM PRIOR SUBVENTION:

The estimate has been updated to reflect current data.

REASON FOR YEAR-TO-YEAR CHANGE:

The year-to-year change reflects a reduced award for SFY 1998-99 due to the federal budget reconciliation process.

Title XX Funding

EXPENDITURES:

(in 000's)

		1998-99 Grant	1999-00 Grant
IHSS (Item 111)		$0	$0
	Federal	58,023	59,754
	State	-58,023	-59,754
CWS (Item 151)		$111,000	$111,000
	Federal	111,000	111,000
	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
CHILD CARE Stage One/Two Reserve (Item 101)		$0	$0
	Federal	183,000	0
	State	-183,000	0
TOTAL TITLE XX		$357,242	$175,973

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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) Program assessment and eligibility activities, and certain county services block grant (CSBG) activities, 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 sections 12300 through 12314.
- IHSS Personal Care Services Program (PCSP) activities are eligible for Title XIX funding at the Federal Medical Assistance Percentage. Please see the Personal Care Services/IHSS Residual Basic Premise and the Income Eligible Shift Premise for an explanation on Title XIX eligible expenditures.
- In IHSS administration, both PCSP and HR activities are eligible for Title XIX funding. Please see the IHSS Administration – Basic Costs Premise and the IHSS Administration - Income Eligible Shift Premise for an explanation on Title XIX eligible expenditures.

CWS

- Authorizing statute: Welfare and Institutions Code section 16500.
- The Title XIX funding in CWS is all HR.

CSBG

- Authorizing statute: Welfare and Institutions Code sections 13004 through 13007.
- The Title XIX funding in CSBG is all HR.

METHODOLOGY:

IHSS

The Fiscal Year (FY) 1998-99 Title XIX funding amount of $68.1 million for IHSS administration was maintained at the FY 1998-99 Appropriation level. For FY 1999-00 Title XIX funding for IHSS administration was estimated by applying the percentage of actual Title XIX expenditures, 67.12 percent, in FY 1997-98 to FY 1999-00. The result is an estimate of $72.0 million for FY 1999-00.

CWS

For FY 1998-99, the amount of $27.6 million is based on the appropriation level. For FY 1999-00, the estimate of $29.0 million was calculated using individual county usage rates developed from FY 1997-98 actual expenditures.

Title XIX Reimbursement – In-Home Supportive Services/CSBG/Child Welfare Services

METHODOLOGY (Continued):

CSBG

The Title XIX reimbursement amount is estimated at 54 percent of the total state and county expenditures. The 54 percent is based on the actual reimbursement ratio for July 1997 through June 1998. Please see the CSBG Basic Premise and the Adult Protective Services Augmentation Premise for more information.

CHANGE FROM PRIOR SUBVENTION:

The estimate has been updated to reflect current data.

REASON FOR YEAR-TO-YEAR CHANGE:

The year-to-year change was due to an increase in Title XIX eligible expenditures.

EXPENDITURES:

(in 000's)	1998-99	1999-00
	Grant	Grant
Title XIX Total	$565,052	$654,525
PCSP Total	$489,459	$549,647
IHSS Services Basic	432,001	449,867
Income Eligible Shift (Services)	11,608	50,193
IHSS Administration Basic	45,658	48,914
Income Eligible Shift (Admin.)	192	673
Health-Related Total	$75,593	$104,878
IHSS Administration	22,461	23,128
CWS	27,570	29,026
CSBG	25,562	52,724

IHSS Administration – Basic Costs

DESCRIPTION:

This item reflects the costs of county welfare departments in administering the In-Home Supportive Services (IHSS) Program. AB 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 In-Home Supportive Services Program provides in-home services to the aged, blind and disabled to maintain the person in 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.
- The social worker unit cost for Fiscal Year (FY) 1998-99 was maintained at the May 1998 level of $55.16 per hour. The FY 1999-00 social worker unit cost is estimated at $55.80 per hour.
- The hours per case are estimated at 11.5 hours for both FYs 1998-99 and 1999-00.
- The supported individual provider (SIP) component for FY 1998-99 was maintained at the May 1998 level of $10.5 million. The SIP component amounted to $11.0 million for FY 1999-00.
- Caseload growth is estimated at 4.0 percent for 1998-99 and 3.3 percent for FY 1998-99.
- Activities performed by health related providers to help Medi-Cal eligible adults are eligible for Title XIX reimbursement at either 75 percent or 50 percent depending on the type of service provided.
- The nonhealth related costs are not eligible for Title XIX reimbursement.
- The Title XIX reimbursement amount for FY 1997-98 is based on actual expenditure information as reported on the county administrative expense claim for July 1997 through June 1998.
- The ratio of Title XIX funds to total IHSS administration funds is maintained at the same proportion as in the FY 1997-98 actual expenditures.

METHODOLOGY:

For FY 1998-99, the administrative estimate was maintained at the FY 1998-99 Appropriation level. The FY 1999-00 administrative estimate was developed by multiplying the caseload times social worker unit cost times hours per case. The SIP estimate was then added to the administrative estimate. The SIP estimate was increased by caseload growth.

IHSS Administration – Basic Costs

FUNDING:

For FY 1998-99, the percentage of Title XIX eligible funds used in the estimate is a blended percentage of 46.99 percent. The FY 1999-00 percentage of Title XIX eligible funds used in the estimate is a blended percentage of 47.12 percent. For FYs 1998-99 and 1999-00, the state and county sharing ratios are 70 percent and 30 percent, respectively, of the nonfederal share.

CHANGE FROM PRIOR SUBVENTION:

This estimate was updated to reflect recent actuals.

REASON FOR YEAR-TO-YEAR CHANGE:

The year-to-year change is due to increased caseload and social worker unit cost.

CASELOAD:

	1998-99	1999-00
Average Monthly Caseload	213,935	221,074

EXPENDITURES:

(in 000's)

	1998-99	1999-00
	County Admin.	County Admin.
Total	$144,962	$152,877
Federal	0	0
State	53,790	56,584
County	23,053	24,251
Reimbursements	68,119	72,042

In-Home Supportive Services (IHSS) Program Court Cases

DESCRIPTION:

There are currently eight pending court cases involving the IHSS Program, which have incurred legal fees. There are other pending court cases not covered in the premise for which the amount of potential attorney fees is not known at this time.

KEY DATA/ASSUMPTIONS:

- Tyler v. Anderson involves the denial of range of motion services to an IHSS recipient.
- Arp, Gordilla, Stone, and Christensen v. Anderson (four separate cases) involve the denial of IHSS services to regional center clients.
- Garrett and Lam v. Anderson (two separate cases) involve the denial of protective supervision due to the age of minor children.
- Afinson v. Anderson involves the denial of IHSS services to a resident of a licensed residential care facility.

METHODOLOGY:

The costs for the court cases attorney fees are state-only costs.

FUNDING:

IHSS attorney costs are funded with 100 percent state funds.

CHANGE FROM PRIOR SUBVENTION:

This premise has been updated to reflect current estimated costs.

REASON FOR YEAR-TO-YEAR CHANGE:

The budget year court costs are not known at this time.

EXPENDITURES:

(in 000's)

	1998-99	1999-00
	County Admin.	County Admin.
Total	$185	$0
Federal	0	0
State	185	0
County	0	0
Reimbursements	0	0

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IHSS Administration – Income Eligible Shift

DESCRIPTION:

This premise reflects the administrative costs of county welfare departments associated with shifting the income eligible population from the In-Home Supportive Services (IHSS) Residual Program to the Personal Care Services Program (PCSP). Assembly Bill 2779 (Chapter 329, Statutes of 1998) allows IHSS recipients who would be eligible for PCSP but for their incomes, to receive PCSP. The IHSS Program provides in-home services to the aged, blind and disabled to maintain the person in an independent living arrangement and to avoid institutionalization.

IMPLEMENTATION DATE:

- The Title XIX eligible PCSP was implemented in April of 1993.
- This premise is expected to be implemented April 1, 1999.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 12305.1.
- The social worker unit cost for Fiscal Year (FY) 1998-99 was maintained at the May 1998 level of $55.16 per hour. The FY 1999-00 social worker unit cost is estimated at $55.80 per hour.
- Caseload growth is estimated at 4.0 percent for FY 1998-99 and 3.3 percent for FY 1999-00.
- The estimate assumes 10 percent of the income eligible cases will have out-of-pocket expenses that can be applied to the IHSS share of cost (SOC). Each case will require one-half hour of additional social worker time per month.
- The cases noted above will require additional costs for issuing warrants and for postage/envelopes. These costs are estimated at $0.47 and $0.33, respectively, per each occurrence.
- The estimate assumes that 1,389 additional cases will become eligible for Medi-Cal as a result of the shift to the lower Medi-Cal income threshold. These cases will be eligible for Medi-Cal, but not IHSS, since their IHSS SOCs will be greater than the value of the assessed services. These cases will purchase personal care services and apply the cost of those personal care services, up to their assessed levels, toward their Medi-Cal SOCs. The county IHSS staff will have to monitor these cases on a monthly basis in order to verify that they are still eligible for personal care services but for their SOCs. This estimate assumes that these cases will require one hour of social worker time each month.
- There will be a one-time cost of $60,000 in FY 1998-99 to modify the existing Case Management Information and Payrolling System (CMIPS).

IHSS Administration – Income Eligible Shift

METHODOLOGY:

The 10 percent of cases with out-of-pocket expenses were multiplied by half of the hourly social worker unit cost. The costs of warrants and postage/envelopes were multiplied by the 10 percent out-of-pocket cases. The additional 1,389 cases that will need to be tracked were multiplied by the social worker unit cost. The three totals were added together to determine the monthly cost. The current year estimate reflects a three-month cost, plus the cost of the systems modifications. The budget year costs reflect a 12-month cost. The total administrative costs were then shared out using the sharing ratios and methodologies used in the IHSS Administration – Basic Cost Premise.

FUNDING:

The ratio of Title XIX funds to total IHSS administration funds is maintained at the same proportion as in the FY 1997-98 actual expenditures. State and county sharing ratios are 70 and 30 percents, respectively, of the nonfederal share.

CHANGE FROM PRIOR SUBVENTION:

This is a new premise.

REASON FOR YEAR-TO-YEAR CHANGE:

The year-to-year change is due to increased caseload and social worker unit cost. The FY 1998-99 cost for CMIPS modifications was a one-time cost.

CASELOAD:

	1998-99	1999-00
Average Monthly Caseload	2,902	2,951

EXPENDITURES:

(in 000's)

	1998-99	1999-00
	County Admin.	County Admin.
Total	$409	$1,429
Federal	0	0
State	152	529
County	65	227
Reimbursements	192	673

Foster Care & NAFS Administrative Costs – Basic

DESCRIPTION:

This premise reflects the administrative 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.

Basic and Inability to Match

In past years, local fiscal constraints have resulted in the inability of county welfare departments to match federal and state funding for the administration of these programs. Therefore, beginning with Fiscal Year (FY) 1994-95, the budget for county administration is based on the CWDs' anticipated actual expenditures. The previous method utilized the expected operational level based on workload targets that did not truly reflect current conditions. 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.
- This estimate is based on the proposed county administrative budgets (PCABs) submitted by counties every March.
- The estimate includes increased costs from 1998-99 to 1999-00 for FC and NAFS of 3.87 percent.
- An adjustment for caseload decline, 13.9 percent, was made to the NAFS estimate.
- A 7.4 percent projected caseload growth was included in the FC estimate.

METHODOLOGY:

The 1998-99 estimate is based upon the PCABs submitted in March 1998. The 1999-00 estimate for NAFS administrative cost was adjusted for the projected caseload decline of 13.9 percent. The FC estimate was increased by the 7.4 percent projected growth in caseload and by adding projected increased costs to the FY 1998-99 Appropriation based on the actual change in expenditures between FYs 1996-97 and 1997-98.

FUNDING:

Unit Costs	1998-99	1999-00
Eligibility Worker Cost per Hour		
Foster Care	$49.93	$51.87
NAFS	$48.19	$50.06

FC costs are shared 50 percent federal, 35 percent state, and 15 percent county.
NAFS costs are shared 50 percent federal, 35 percent state, and 15 percent county.

Note: AB 1542 (Chapter 270, Statutes of 1997), section 15204.4 of the W&IC 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.

Foster Care & NAFS Administrative Costs – Basic

CHANGE FROM PRIOR SUBVENTION:

1998-99: No change has been made.

1999-00: The estimate for NAFS was based on the PCABs submitted in March 1998 by the counties and adjusted for the projected caseload decline percentage. The estimate for FC was developed by adding projected increasing costs to the FY 1998-99 figures, along with projected FC caseload growth.

REASON FOR YEAR-TO-YEAR CHANGE:

The estimate includes increased costs from 1998-99 to 1999-00 for FC and NAFS of 3.87 percent. FC increases are due to added projected increasing costs and estimated 7.4 percent caseload growth. For NAFS, the decrease is due to the adjustment made for the projected caseload decline of 13.9 percent.

EXPENDITURES:

(in 000's)

Foster Care	1998-99	1999-00
	County Admin.	County Admin.
Total	$83,471	$93,117
Federal	41,572	46,376
State	29,330	32,719
County	12,569	14,022
Reimbursements	0	0

NAFS	1998-99	1999-00
	County Admin.	County Admin.
Total	$329,268	$294,471
Federal	163,143	145,903
State	124,933	111,730
County	41,192	36,838
Reimbursements	0	0

County Administration Child Support – Basic Costs

DESCRIPTION:

Child support administration costs are comprised of family support operation (FSO) county staff and overhead. As a branch of the district attorney's office, FSO staffs carry out the Child Support Enforcement Program under Title IV-D of the Social Security Act. Their administrative duties include case intake and development, collection and distribution of child support, court preparation to establish paternity and support obligations, and the enforcement of support obligations, including locating absent parents.

KEY DATA/ASSUMPTIONS:

- The statutory authority is Welfare and Institution Code section 15200.95(a).
- The federal ACF 396 quarterly statements of expenditure reports were used for Fiscal Year (FY) 1997-98 actual expenditures of child support enforcement under Title IV-D.
- Use of a five-percent growth rate is based on the Fund Accounting and Reporting Bureau method of projecting annual expenditures for the federal reports.

METHODOLOGY:

ACF 396 federal reports were used to estimate the basic expenditures. The expenditure growth rate of five percent was applied to FY 1997-98 actual expenditures to derive the FY 1998-99 cost. The FY 1999-00 cost is based on the growth rate applied to the projected FY 1998-99 cost.

FUNDING:

Local assistance Child Support Program administration costs are shared between Title IV-D federal funds (66 percent) and county funds (34 percent).

CHANGE FROM PRIOR SUBVENTION:

The growth in expenditures projected in the prior subvention failed to materialize in actual expenditures. The growth rate for this subvention is based upon updated FY 1997-98 actual expenditures. For current year, a growth rate of five-percent growth rate in administrative costs was applied to the updated actual expenditures.

REASON FOR YEAR-TO-YEAR CHANGE:

The FY 1999-00 increase is a result of the five-percent growth rate.

County Administration Child Support – Basic Costs

EXPENDITURES:

(in 000's)

	1998-99	1999-00
	County Admin.	County Admin.
Total	$436,006	$457,806
Federal	287,764	302,152
State	0	0
County	148,242	155,654
Reimbursements	0	0

Los Angeles County ARS Interface

DESCRIPTION:

This premise (formerly referred to as the Improved Los Angeles County Performance Premise) reflects the outstanding balance of the administrative costs associated with completing the development of the Los Angeles Automated Replacement System (ARS) to interface with California's child support automation system.

This cost was anticipated to occur prior to September 30, 1997. Due to the termination of the Statewide Automated Child Support System, it is now assumed that the cost will occur in the 1999-00 Fiscal Year (FY). Payment to the vendor has been escrowed pursuant to the agreement in the advance planning document update (APDU) until the completion of the interface.

IMPLEMENTATION DATE:

This premise was implemented on July 1, 1989.

KEY DATA/ASSUMPTIONS:

- The statutory authority is Welfare and Institution Code section 10083(c).
- The estimated cost is provided by Los Angeles County.

METHODOLOGY:

Los Angeles County provided the administrative costs as approved by the federal government in the APDU dated September 30, 1994.

FUNDING:

This cost is escrowed at the enhanced funding sharing ratios of 90 percent federal and 10 percent General Fund.

CHANGE FROM PRIOR SUBVENTION:

Expenditures will be made in FY 1999-00, not in FY 1998-99 as previously projected in the prior subvention.

REASON FOR YEAR-TO-YEAR CHANGE:

Expenditures will not occur until the FY 1999-00.

EXPENDITURES:

(in 000's)

	1998-99	1999-00
	County Admin.	County Admin.
Total	$0	$760
Federal	0	684
State	0	76
County	0	0
Reimbursements	0	0

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Performance Standards Project

DESCRIPTION:

This premise funds the nonfederal share of county administrative costs associated with counties conducting self-reviews of their performance.

The federal Family Support Act of 1988 (Public Law 100-485) requires states to meet specific Child Support Enforcement Program performance standards. Further, AB 1033 (Chapter 1647, Statutes of 1990) implemented the Performance Standards Project, which requires the State to pay the nonfederal share of county administrative costs to conduct self-reviews of their performances, and to implement corrective actions, updates, and training as appropriate. As a result of a survey, 37 counties elected to conduct their own reviews.

Under the authority of SB 1410 (Chapter 404, Statutes of 1998) the funding for this premise will be extended to all counties opting to conduct self-reviews

IMPLEMENTATION DATE:

This premise was implemented on January 1, 1992.

KEY DATA/ASSUMPTIONS:

- The statutory authority is Welfare and Institution Code section 15200.95(b).
- The cost-of-doing-business rates were:

FY 1993-94	2.4%
FY 1994-95	1.1%
FY 1995-96	1.1%
FY 1996-97	1.1%
FY 1997-98	2.3%
FY 1998-99	2.3%
FY 1999-00	3.9%

METHODOLOGY:

- County administrative costs are based on the 37 counties' approved Fiscal Year (FY) 1993-94 county plans that include the costs of 66.5 county monitoring positions, totaling $3,723,400, for yearly salary, benefits, and overhead. Due to cost of doing business increases, this funding level is no longer sufficient to cover the counties' operational costs. Therefore, the cost-of-doing-business rates from FYs 1993-94 through 1997-98 were applied.
- The projected funding levels will be $4,123,000, for FY 1998-99, and $4,282,000, for FY 1999-00.

FUNDING:

Although Child Support Program administration costs are normally shared at 66 percent federal Title IV-D funds and 34 percent county funds, the State will pay the nonfederal share as legislatively mandated.

CHANGE FROM PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

The FY 1999-00 increase is due to the application of the cost-of-doing-business rate.

Performance Standards Project

EXPENDITURES:

(in 000's)

	1998-99 County Admin.	1999-00 County Admin.
Total	$4,123	$4,282
Federal	2,721	2,826
State	1,402	1,456
County	0	0
Reimbursements	0	0

Title IV-D Kids Program

DESCRIPTION:

The Title IV-D Kids Program is an affordable means for noncustodial parents to obtain dependent health coverage through group health providers. A $50 administrative incentive payment to the counties is made for obtaining third-party health coverage or insurance of beneficiaries. This premise only covers California Department of Social Services' (CDSS') cost of the $50 incentive payments to counties for alternative dependent health insurance coverage.

AB 568 (Chapter 718, Statutes of 1992) requires CDSS to pay an incentive to the counties' Title IV-D Kids Programs for obtaining third-party health coverage or insurance of beneficiaries. As a result, a $50 incentive is paid when health insurance coverage is obtained by the district attorney and the California Department of Health Services (CDHS) has been notified. Health insurance includes medical, dental and vision coverage. Costs recovered through the health insurance coverage for Temporary Assistance For Needy Families (TANF)/Medi-Cal Program recipients are used to offset the costs of Medi-Cal benefits. Health insurance coverage for non-TANF cases results in cost avoidance of Medi-Cal expenditures. CDHS separately estimates budget savings related to this premise.

IMPLEMENTATION DATE:

This premise was implemented on July 1, 1998.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 14124.92.
- Based on monthly information furnished by Sacramento County, 492 cases enrolled in the Title IV-D Kids Program between April 1997 and March 1998.
- Based on the four most recent quarters (June 1997 through March 1998) of the Child Support Management Information System quarterly reports, Table 5 – Establishment of Support Order/Total, Sacramento County has 4,800 cases, and statewide there are 180,295 cases with orders established with medical insurance.
- A $50 incentive payment is paid to the district attorney's office for alternative dependent health insurance coverage.

METHODOLOGY:

- This estimate is based on the experience of Sacramento County's pilot program. There were 492 cases enrolled in the Title IV-D Kids Program out of 4,800 cases with orders established with medical insurance (from the Child Support Management Information System quarterly reports, Table 5). This represents 10.25 percent of cases enrolled in the Title IV-D Kids Program to the total medical insurance cases.
- Although this program was implemented on July 1, 1998, actual incentive payments and Medi-Cal savings will not occur until March 1999. This program is contingent upon the hiring of a position at the state level to coordinate statewide activities between the counties and health maintenance organizations (HMOs). This premise assumes that the staff, counties and HMOs will become operational January 1999. It takes 60 days to get a policy into effect.

Title IV-D Kids Program

METHODOLOGY: (Continued)

- For Fiscal Year (FY) 1998-99, the annual statewide medical insurance cases of 180,295 were divided by 12 to obtain an average monthly number of cases with medical insurance (15,025). This number was multiplied by four months, resulting in the number of initial cases (60,098) impacted this fiscal year. The 10.25 percentage of enrolled Title IV-D Kids Program cases was then applied to the initial cases impacted this fiscal year. This resulted in potentially 6,160 additional enrollments in the Title IV-D Kids Program statewide. Then the $50 incentive payment was applied to the statewide cases, resulting in a total cost of $308,000.
- For FY 1999-00, the annual statewide medical insurance cases of 180,295 were multiplied by the percentage of enrolled Title IV-D Kids Program cases (10.25 percent). This resulted in 18,480 additional enrollments in the Title IV-D Kids Program statewide. Then the $50 incentive payment was applied to the statewide cases, resulting in a total cost of $924,000.

FUNDING:

Costs are 100 percent General Fund.

CHANGE FROM PRIOR SUBVENTION:

This premise was updated for the most recent available data on the statewide medical insurance cases and actual data from Sacramento County.

REASON FOR YEAR-TO-YEAR CHANGE:

The FY 1999-00 reflects a full year cost.

EXPENDITURES:

(in 000's)

	1998-99 County Admin.	1999-00 County Admin.
Total	$308	$924
Federal	0	0
State	308	924
County	0	0
Reimbursements	0	0

Health Insurance Incentives

DESCRIPTION:

This premise reflects the $50 administrative incentive payment to the counties' Title IV-D Kids Programs for obtaining third-party health coverage or insurance of beneficiaries.

AB 568 (Chapter 718, Statutes of 1992) requires the California Department of Social Services (CDSS) to pay an incentive to the counties' Title IV-D Kids Programs for obtaining third-party health coverage or insurance of beneficiaries. In addition, AB 2377 (Chapter 147, Statutes of 1994) allows family support offices to pursue health care coverage from health benefit plans that are subject to the Employee Retirement Income Security Act provisions when presented with a qualified medical support order. A $50 incentive is paid once health insurance coverage is obtained by the district attorney and the California Department of Health Services (CDHS) has been notified. Health insurance includes medical, dental and vision coverage. Costs recovered through the health insurance coverage for Temporary Assistance For Needy Families (TANF)/Medi-Cal recipients are used to offset the costs of Medi-Cal benefits. Health insurance coverage for non-TANF cases results in cost avoidance of Medi-Cal expenditures. CDHS separately estimates budget savings related to this premise.

IMPLEMENTATION DATE:

This premise was implemented on October 1, 1993.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 14124.92.
- Fiscal Year (FY) 1996-97 actual expenditures were $1,419,250.
- FY 1997-98 actual expenditures were $1,454,000.
- Year-to-year growth rate was 2.45 percent.

METHODOLOGY:

The estimate is based on the most recent two fiscal years' actual payments provided by CDSS' Financial Services Bureau, Administrative Unit. Expenditure growth was measured by comparing the last year (July 1997 through June 1998) actual payments, to the previous year (July 1996 through June 1997) actual payments. The resulting growth rate was 2.45 percent. The growth rate was then applied to Fiscal Year (FY) 1997-98 actual payments to derive the FY 1998-99 cost. The FY 1999-00 cost is based on the growth rate applied to the projected FY 1998-99 cost.

FUNDING:

Costs are 100 percent General Fund.

CHANGE FROM PRIOR SUBVENTION:

Actual expenditures were updated based on most recent payment reports for FY 1997-98, and a year-to-year growth rate was applied.

REASON FOR YEAR-TO-YEAR CHANGE:

The FY 1999-00 increase is due to the application of the year-to-year growth rate.

Health Insurance Incentives

EXPENDITURES:

(in 000's)

	1998-99	1999-00
	County Admin.	County Admin.
Total	$1,490	$1,526
Federal	0	0
State	1,490	1,526
County	0	0
Reimbursements	0	0

Legacy Systems' Upgrades/Year 2000 Compliance

DESCRIPTION:

This premise reflects the costs associated with implementing enhancements to existing county child support automation systems. Chapter 329, Statutes of 1998, requires that counties become compliant with distribution requirements of Public Law 104-193 by October 1, 1998, and consortia systems become Year 2000 compliant and federally certifiable by April 1, 1999.

The California Child Support Automation Project resulted from federal legislation requiring states to implement a statewide automated child support solution. The Statewide Automated Child Support System (SACSS), under development to comply with these federal requirements, was terminated in November 1997. Cancellation of SACSS created a necessity for the State to implement interim alternative solutions to meet state and federal requirements. Counties had postponed implementing enhancements to their existing county systems in anticipation of SACSS. Counties must now enhance existing systems in order to meet current federal requirements, comply with new welfare reform requirements effective October 1, 1998, and to plan for Year 2000 changes, or transfer to another county system that will meet these requirements. Counties must take some action to ensure compliance with child support, welfare reform, and Year 2000 requirements, to continue operating the child support enforcement program.

IMPLEMENTATION DATE:

This premise implemented April 1, 1998.

KEY DATA/ASSUMPTIONS:

The authorizing statute is Welfare and Institutions Code section 10080.

- General Assumption

  The State funded all SACSS counties' SACSS hardware/software (HW/SW) maintenance and network infrastructure costs from May 20, 1998 through June 30, 1998. The State will continue to fund all SACSS counties' SACSS HW/SW maintenance to February 1, 1999, as previously budgeted. The cost estimate is based on the maintenance agreement with Digital Equipment Corporation.

- SACSS Counties' Transition to Computer Assisted Support Enforcement System (CASES)

  The State will fund a portion of the maintenance and operations (M&O) costs of SACSS counties going to CASES at a flat rate of $1.25/case. This estimate includes up to a $1.00 for operations plus up to $.25 for system maintenance.

- SACSS Counties' Transition to Other Approved Systems

  The State will fund a portion of the M&O costs of SACSS counties going to other approved systems.

- Non-SACSS Counties' Transition to CASES

  The State will fund a portion of the costs to transition non-SACSS counties to CASES. This includes funding only a portion of the one-time cost for conversion, M&O costs and user training/travel.

Legacy Systems' Upgrades/Year 2000 Compliance

KEY DATA/ASSUMPTIONS: (Continued)

- Non-SACSS Counties to Another Approved System

  The State will fund a portion of the costs to transition non-SACSS counties to other approved systems. This only includes funding a portion of the one-time cost for conversion and user training/travel. The conversion estimates are based on actual SACSS county conversion costs. The training estimates are based on data provided by San Francisco County.

- Mandated System Enhancement Costs

  The system enhancement costs are based on the best available county estimates. These cost estimates may change as counties finalize their transition plans and better define their system enhancement requirements. The State will fund:

  1. A portion of the costs to enhance CASES to comply with welfare reform distribution, and other state and federal mandated enhancements.
  2. A portion of the costs to enhance other approved systems to comply with welfare reform distribution requirements.
  3. A portion of the costs to enhance counties' interim systems (for welfare distribution) for the counties that cannot transition by December 31, 1998.

- The State is not sharing in the cost:

  1. For other system enhancements. The normal child support sharing ratio will apply for these costs (i.e., federal/county).
  2. For costs for other system enhancements for the counties that cannot transition by December 31, 1998. The normal child support sharing ratio will apply for these costs (i.e., federal/county).

METHODOLOGY:

- The data for this estimate are from the following sources:
  - ♦ County input and surveys provided system enhancements and updated cost estimates.
  - ♦ The data for CASES counties are based on an estimate provided by San Francisco County.
  - ♦ All transition estimates (conversion, data cleanup, training) are from an average of selected counties' average costs.
  - ♦ Cost estimate allocations are based on counties' plans as of a survey conducted in February 1998.
  - ♦ Los Angeles County's system enhancement costs were added in Fiscal Year (FY) 1998-99.
- Details regarding the legacy systems enhancements are contained in the HWDC budget change proposal entitled Child Support Automation and will be further detailed in a forthcoming advance planning document.

Legacy Systems' Upgrades/Year 2000 Compliance

FUNDING:

Costs are shared 66 percent federal and 34 nonfederal. Depending on the activity, the nonfederal share is: 34 percent state funds/0 percent county funds; 17 percent state funds/17 percent county funds; or 0 percent state funds/34 percent county funds. Chapter 329, Statutes of 1998, outlines the activities for which there is a state share of costs.

CHANGE FROM PRIOR SUBVENTION:

Certain conversion activities will now be done at the state level rather than the local level, resulting in a decrease in local assistance funds.

REASON FOR YEAR-TO-YEAR CHANGE:

The majority of legacy system enhancements and Year 2000 compliance activities will take place in FY 1998-99.

EXPENDITURES:

(in 000's)

	1998-99 County Admin.	1999-00 County Admin.
Total	$46,116	$11,733
Federal	30,436	7,744
State	7,641	2,949
County	8,039	1,040
Reimbursements	0	0

CDSS/HWDC PARTNERSHIP:

(in 000's)

	1998-99	1999-00
Total	$46,116	$11,733
CDSS	40,955	7,053
HWDC	5,161	4,680

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San Mateo County Noncustodial Parent Demonstration Project

DESCRIPTION:

This premise is to provide budget authority to San Mateo County to receive the federal funds for the State Access and Visitation Program. The federal grant was under provisions of section 469B of Title IV-D of the Social Security Act as amended by Title III of the Personal Responsibility and Work Opportunity Act of 1996 (Public Law 104-193).

The purpose of this demonstration project is to test whether or not providing supportive services to noncustodial parents (NCPs) will increase their voluntary child support payments and produce other positive benefits for the family. This is to be accomplished by establishing and administering programs to support and facilitate NCPs access to and visitation of their children.

IMPLEMENTATION DATE:

This premise was implemented on September 30, 1997.

KEY DATA/ASSUMPTIONS:

- The statutory authority is Welfare and Institutions Code section 18205.
- This is a three-year demonstration project from September 30, 1997, through September 30, 2000.
- Federal Fiscal Year (FFY) 1998 project cost is $250,000.
- FFY 1999 project cost is $221,000.
- FFY 2000 project cost is $236,000.

METHODOLOGY:

- The State Fiscal Year (SFY) 1998-99 estimate reflects one quarter of the FFY 1998 grant ($62,500) and three quarters of the FFY 1999 grant ($165,750), resulting in a total of $228,250.
- The SFY 1999-00 estimate reflects one quarter of the FFY 1999 grant ($55,250) and three quarters of the FFY 2000 grant ($177,000), resulting in a total of $232,250.

FUNDING:

The cost is funded at 66 percent federal Title IV-D funds, 29 percent federal section 1115 grant, and 5 percent county funds.

CHANGE FROM PRIOR SUBVENTION:

This is a new premise.

REASON FOR YEAR-TO-YEAR CHANGE:

Each year's amount has been established per the applicable annual federal grant.

San Mateo County Noncustodial Parent Demonstration Project

EXPENDITURES:

(in 000's)

	1998-99	1999-00
	County Admin.	County Admin.
Total	$228	$232
Federal	217	221
State	0	0
County	11	11
Reimbursements	0	0

Public Law 105-200 Alternate Federal Penalty

DESCRIPTION:

This premise reflects the alternative federal penalty for failure to complete the statewide automated child support system by the required date.

Due to the failure of the Statewide Automated Child Support System, the Department became subject to federal fiscal penalties. Recent federal legislation, Public Law 105-200, The Child Support Performance and Incentive Act of 1998, allows the Secretary of the Department of Health and Human Services to waive current penalties and impose an alternative penalty if states have made good faith efforts to meet the federal automation requirements.

Under the alternative penalty, the Department would be penalized four percent of federal Child Support Enforcement Program administrative funds for Federal Fiscal Year (FFY) 1998, eight percent for FFY 1999, 16 percent for FFY 2000, 25 percent for FFY 2001, and 30 percent for FFY 2002 and each subsequent year, until the requirements are met.

IMPLEMENTATION DATE:

This premise was implemented FFY 1998.

KEY DATA/ASSUMPTIONS:

- The statutory authority is Welfare and Institution Code section 10090 (a).
- The FFY 1998 federal penalty imposed is based on the FFY 1997 administrative cost ($299,102,000).
- The FFY 1998 federal penalty rate is four percent.
- The FFY 1999 federal penalty imposed is based on estimated the FFY 1998 administrative cost ($314,157,000).
- The FFY 1999 federal penalty rate is eight percent.
- The FFY 2000 federal penalty imposed is based on the FFY 1999 administrative cost ($329,759,000)
- The FFY 2000 federal penalty rate is 16 percent.

METHODOLOGY:

- The State Fiscal Year (SFY) 1998-99 estimate ($37,089,000) reflects the federally imposed penalty for both FFYs 1998 and 1999. This was calculated as follows:
- The FFY 1998 penalty rate of four percent was applied against the FFY 1997 administrative cost of $299,102,000 resulting in a penalty amount of $11,964,000.
- A five percent growth rate was applied to FFY 1997 administrative cost to obtain the FFY 1998 administrative cost of $314,157,000. The FFY 1998 administrative cost was multiplied by the FFY 1999 penalty rate of eight percent resulting in a penalty amount of $25,125,000.

Public Law 105-200 Alternate Federal Penalty

METHODOLOGY: (Continued)

- The SFY 1999-00 estimate ($52,762,000) reflects the federally imposed penalty for FFY 2000. This was calculated by applying a five percent growth rate to the estimated FFY 1998 administrative cost to obtain the FFY 1999 administrative cost of $329,759,000. This projected administrative cost was multiplied by the FFY 2000 penalty rate of 16 percent.

FUNDING:

The federal penalty decreases in the federal share of child support administrative cost and correspondingly increases in the county share of cost.

CHANGE FROM PRIOR SUBVENTION:

This is a new premise.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase in SFY 1999-00 reflects a higher penalty rate.

EXPENDITURES:

(in 000's)

	1998-99	1999-00
	County Admin.	County Admin.
Total	$0	$0
Federal	-37,089	-52,762
State	0	0
County	37,089	52,762
Reimbursements	0	0

Food Stamp Administrative Reduction

DESCRIPTION:

This premise reflects the cost to California of federal legislation that required states to determine 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 amount attributable to food stamps is to be deducted from food stamp administrative claims for FFYs 1999 through 2002.

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.

IMPLEMENTATION DATE:

This premise was implemented October 1, 1998.

KEY DATA/ASSUMPTIONS:

- The statutory authority is section 501 of P.L. 105-185.
- California Department of Social Services used a primary program cost allocation methodology for county administrative costs during FFY 1995. However, state operational costs were charged on a benefiting program basis.
- Based on a review of quarterly federal financial reports submitted to DHHS during FFY 1995, the total federal share of common administrative expenditures was $280,685,222.
- 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.
- 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.
- California's proposed reduction amount is pending federal approval.

Food Stamp Administrative Reduction

METHODOLOGY:

- California elected to use the optional formula described in the guide to determine the amount of the food stamp 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, Food Stamps, and Medi-Cal).
- California's food stamp administrative reimbursement reduction is $58,849,393 ($220,685,222 x 80 percent divided by 3).

FUNDING:

The cost is 100 percent State General Funds.

CHANGE FROM PRIOR SUBVENTION:

This is a new premise item.

REASON FOR YEAR-TO-YEAR CHANGE:

Fiscal Year 1998-99 represents nine months of the food stamp administrative reimbursement reduction amount as this premise became effective October 1, 1998.

EXPENDITURES:

(in 000's)

	1998-99	1999-00
	County Admin.	County Admin.
Total	$0	$0
Federal	-44,137	-58,849
State	44,137	58,849
County	0	0
Reimbursements	0	0

Food Stamp Employment and Training Program

DESCRIPTION:

This premise reflects the costs for the Employment and Training (E&T) 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 99-198). The Food Stamp Act of 1977 provides for unmatched federal E&T funding each year. Section 1002 of the Balanced Budget Act of 1997 provides for additional unmatched federal E&T funding for Federal Fiscal Years (FFYs) 1998 and 1999. Section 501 of the Agricultural Research, Extension, and Education Reform Act of 1998 (Public Law 105-185) reduces the amount of additional unmatched federal E&T funding allocated to states for FFY 1999. To be eligible for the additional unmatched federal funds, the State and counties must meet their maintenance of effort (MOE) spending levels which are equal to the amounts spent to administer the E&T and workfare programs in State Fiscal Year (SFY) 1996-97. The Balanced Budget Act of 1997 requires that at least 80 percent of all unmatched federal funds be spent to serve able-bodied adults without dependents who are placed in and comply with the E&T and workfare programs. Employment and training opportunities enable recipients to become self-sufficient and reduce their need for food stamps. Some recipients are geographically excluded due to reasons such as sparse population, great distances and lack of available transportation. Individual county plans are developed that specify the job services, training and supportive services available to participants.

IMPLEMENTATION DATE:

This premise became effective April 1, 1987.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 18901.
- During SFY 1998-99, 39 counties will participate in the E&T Program.
- The SFY 1998-99 costs for this program were based on the local assistance costs identified in the FFY 1998 E&T Program state plan, approved 100 percent enhanced federal funds for FFY 1998 and approved 100 percent enhanced federal funds for FFY 1999. The SFY 1999-00 costs for this program were based on the local assistance costs identified in the FFY 1998 E&T Program state plan and approved 100 percent enhanced federal funds for FFY 1999.
- The initial FFY 1999 100 percent enhanced federal funds are $10,520,124 with an additional $3,887,054 once the State meets its MOE requirement.
- State funds are capped at $560,000 for program costs, and state participant reimbursement costs are capped at $787,000 for SFYs 1998-99 and 1999-00.
- The SFY 1998-99 includes a one-time $19.4 million augmentation.
- It is assumed that the State and counties will meet the MOE requirements.

Food Stamp Employment and Training Program

METHODOLOGY:

State Fiscal Year 1998-99 represents one-fourth of the total amount of the approved FFY 1998 E&T Program state plan and three-fourths of the total amount in the State's preliminary E&T Program state plan for FFY 1999.

FUNDING:

For costs in excess of the enhanced funding cap and for participant reimbursement costs, the costs are shared 50 percent federal, 35 percent state and 15 percent county up to the state cap; costs are then funded 50 percent federal and 50 percent county.

FY 1998-99 (in 000's):	Total	Federal	State (cap)	County
Enhanced Funds (100%)	$17,304	$17,304	$0	$0
Normal Funds	$52,414	$26,207	$560	$25,647
Participant Reimbursement	$10,736	$5,368	$787	$4,581
Total	$80,454	$48,879	$1,347	$30,228

FY 1999-00 (in 000's):	Total	Federal	State (cap)	County
Enhanced Funds (100%)	$14,407	$14,407	$0	$0
Normal Funds	$32,908	$16,459	$560	$15,889
Participant Reimbursement	$10,736	$5,368	$787	$4,581
Total	$58,051	$36,234	$1,347	$20,470

CHANGE FROM PRIOR SUBVENTION:

- The State received federal approval for the FFY 1998 E&T Program state plan.
- Public Law 105-185 reduces the amount of additional unmatched 100 percent enhanced funds allocated to the states for FFY 1999.

REASON FOR YEAR-TO-YEAR CHANGE:

The costs are updated based on the approved federal funding.

EXPENDITURES:

(in 000's)

	1998-99	1999-00
	County Admin.	County Admin.
Total	$80,454	$58,051
Federal	48,879	36,234
State	1,347	1,347
County	30,228	20,470
Reimbursements	0	0

Two-County Electronic Benefits Transfer Project

DESCRIPTION:

This premise reflects the costs associated with maintaining the San Bernardino and San Diego Counties' electronic benefits transfer (EBT) system. Prior to the passage of AB 1542 (Chapter 270, Statutes of 1997) which requires the implementation of a statewide EBT project, the California Department of Social Services sponsored an EBT pilot project in San Bernardino and San Diego Counties. The EBT system will provide electronic access to food stamp benefits and eliminates the need for food stamp coupons. The EBT system uses debit card technology and retailer point-of-sale terminals to automate benefit authorization, delivery, redemption and financial settlement. The EBT system also increases the assurance that benefit dollars are used appropriately and provides effective ways to reduce and prevent fraud and abuse. For the recipient, the EBT system increases security and safety while reducing the stigma associated with receiving public assistance.

In Fiscal Year 1997-98 project management responsibility was transferred to the Health and Welfare Agency Data Center.

IMPLEMENTATION DATE:

San Bernardino County started benefit delivery in October 1997 and San Diego County started benefit delivery in January 1998.

KEY DATA/ASSUMPTIONS:

The Two-County EBT Project will continue concurrently with statewide EBT planning. During the planning phase, staff will determine how and when the two counties will convert to the statewide EBT system.

METHODOLOGY:

Estimates are based on the March 1997 Implementation Advance Planning Document approved by the United States Department of Agriculture Food and Nutrition Services and updated cost estimates from the counties.

FUNDING:

Federal funds include the normal share of Food Stamp Program funds. Costs are shared 50 percent federal, 35 percent state and 15 percent county.

CHANGE FROM PRIOR SUBVENTION:

There is no change.

Two-County Electronic Benefits Transfer Project

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000's)

	1998-99 County Admin.	1999-00 County Admin.
Total	$3,833	$3,833
Federal	1,917	1,917
State	1,341	1,341
County	575	575
Reimbursements	0	0

California Nutrition Promotion Network

DESCRIPTION:

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 the Department of Health Services (DHS), the California Department of Social Services (CDSS), the California Department of Education, the University of California Cooperative Extension, and private agencies. DHS is the lead agency administering the project. CDSS serves as the pass-through agency for the matching federal funds.

IMPLEMENTATION DATE:

This premise became effective October 1, 1996.

KEY DATA/ASSUMPTIONS:

The amounts are based on the budget approved by the Food and Consumer Service for Federal Fiscal Year (FFY) 1998.

METHODOLOGY:

State Fiscal Year (SFY) 1998-99 reflects one quarter of FFY 1998 funds and three quarters of FFY 1999 funds. SFY 1999-00 reflects FFY 1999 funding.

FUNDING:

This premise reflects the pass-through of 100 percent federal funds.

CHANGE FROM PRIOR SUBVENTION:

FY 1998-99 was updated to reflect the FFY 1999 funds.

REASON FOR YEAR-TO-YEAR CHANGE:

SFY 1998-99 reflects one quarter FFY 1998 and three quarters FFY 1999; SFY 1999-00 reflects full FFY 1999 funds.

EXPENDITURES:

(in 000's)

	1998-99	1999-00
	County Admin.	County Admin.
Total	$7,505	$8,347
Federal	7,505	8,347
State	0	0
County	0	0
Reimbursements	0	0

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Food Stamp Nutrition Education Plan

DESCRIPTION:

Food stamp applicants and recipients will be provided nutrition education services in 39 counties by local university county extension offices. California's Food Stamp Nutrition Education Plan is a cooperative effort between the California Department of Social Services and the University of California Cooperative Extension (UCCE).

IMPLEMENTATION DATE:

This premise became effective January 1, 1995.

KEY DATA/ASSUMPTIONS:

The costs are based on the budget approved by Food and Nutrition Service for Federal Fiscal Years (FFYs) 1998 and 1999.

METHODOLOGY:

The following methodology was used to determine the funding for each state fiscal year (SFY):

- SFY 1998-99 is based on one-quarter of the approved funding for FFY 1998 ($406,379) and three-quarters of the approved funding level for FFY 1999 ($1,334,664); and
- SFY 1999-00 is based on the approved funding level for FFY 1999.

FUNDING:

This premise reflects the pass-through of 100 percent federal funds to UCCE. The matching share of costs will be provided by UCCE.

CHANGE FROM PRIOR SUBVENTION:

FY 1998-99 was updated to include the FFY 1999 funds.

REASON FOR YEAR-TO-YEAR CHANGE:

SFY 1999-00 is the full FFY 1999 approved funds.

EXPENDITURES:

(in 000's)

	1998-99	1999-00
	County Admin.	County Admin.
Total	$1,741	$1,780
Federal	1,741	1,780
State	0	0
County	0	0
Reimbursements	0	0

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Able-Bodied Adults Without Dependents (ABAWDs)

DESCRIPTION:

This premise represents the administrative savings resulting from those ABAWDs that do not meet the work registration requirements. Public Law 104-193, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, requires able-bodied food stamp recipients between the ages of 18 and 50, to work at least 20 hours a week, or participate in a state-approved work, training, or workfare program, in order to continue receiving food stamps. The recipient will be eligible to receive no more than three months of food stamps out of every three years if these work requirements are not met. During this time, the recipient could be eligible for an additional three months if he or she qualifies to re-enter the program and then is laid off. An individual is exempt from this work requirement if he or she is: (1) under 18 or over 50 years of age; (2) medically certified as physically or mentally unfit for employment; (3) a parent or other member of a household with responsibility for a dependent child; (4) responsible for care of an incapacitated person; (5) pregnant; (6) receiving unemployment compensation; (7) participating in a drug or alcohol treatment program; (8) a half-time student who meets certain eligibility requirements; or (9) residing in an area with an unemployment rate of over 10 percent.

IMPLEMENTATION DATE:

This premise became effective November 22, 1996.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 18901.
- The date of impact to cases is March 1, 1997.
- Based on a county survey conducted by the Department's Employment Services staff in March 1998, an estimated total of 19,982 ABAWDs would lose their eligibility in June 1998.
- As a result of high unemployment or labor surplus, 28 counties had waivers from the ABAWDs requirements through March 31, 1998. Eight of these counties received an extension through September 30, 1998.
- Counties will begin discontinuing ABAWDs three months after the county waivers expire.
- The 20 counties without a waiver extension through September 30, 1998, reported in the county survey that 18,683 ABAWDs would be discontinued during State Fiscal Year (SFY) 1998-99. Counties have the option to discontinue ABAWDs at the next recertification. Assuming counties will discontinue at the next recertification, one-twelfth, or an additional 1,557 ABAWDs will lose eligibility each month beginning in July 1998.
- The eight counties with a waiver extension through September 30, 1998, reported in the county survey that 3,827 ABAWDs will be discontinued during SFY 1998-99. This results in an additional 319 ABAWDs losing eligibility each month beginning in January 1999.
- The State is allowed a 15 percent exemption of the number of ABAWDs losing eligibility up to a maximum of 3,500 ABAWDs for Federal Fiscal Year (FFY) 1998. The maximum number of exemptions increases to 11,560 for FFY 1999. The non-assistance food stamp cost for an ongoing case in SFY 1998-99 is $20.58, and $21.58 in SFY 1999-00.
- There is one person per ABAWDs case.

Able-Bodied Adults Without Dependents (ABAWDs)

METHODOLOGY:

- The caseload identified in this section refers to the ABAWDs who have lost or will lose eligibility.
- Each month's caseloads are adjusted for the additional ABAWDs discontinued each month at the time of recertification, and for the allowable 15 percent exemption. The 15-percent reduction is applied to the caseload for July-August 1998; 3,500 for September 1998, and 11,560 for the balance of SFYs 1998-99 and 1999-00. The adjusted monthly caseload is then multiplied by the non-assistance food stamp cost for an ongoing case.

FUNDING:

Costs are shared 50 percent federal, 35 percent state, and 15 percent county.

CHANGE FROM PRIOR SUBVENTION:

This estimate reflects updated ABAWDs caseload from the counties, an increase in the 15 percent maximum number of exemptions calculated by the federal government, and no future waivers after September 30, 1998.

REASON FOR YEAR-TO-YEAR CHANGE:

The estimated number of ABAWDs discontinued increases in SFY 1999-00, due to a full year of all county waivers having expired.

CASELOAD:

	1998-99	1999-00
Average Monthly Caseload	-20,930	-30,427

EXPENDITURES:

(in 000's)

	1998-99	1999-00
	County Admin.	County Admin.
Total	-$5,169	-$7,879
Federal	-2,585	-3,939
State	-1,809	-2,758
County	-775	-1,182
Reimbursements	0	0

Small Programs (Non-CalWORKs) Block Grants – Basic Costs for AAP, NMOHC and Staff Development

DESCRIPTION:

This premise reflects the costs associated with the Small Programs block grant; a consolidation of county administration for the Adoption Assistance Program (AAP), Non-Medical Out-of-Home Care (NMOHC) Program, and staff development.

AAP: County eligibility workers are required to perform administrative functions related to the 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. Re-certification is also required on a biennial basis.

Special Adult Program Administration-NMOHC Certification Basic Costs: Through this program, counties monitor and certify the NMOHC living arrangements for Supplemental Security Income/State Supplementary Payment Program recipients in nonlicensed homes.

Staff Development Basic Costs: This item includes basic costs in support of county eligibility worker staff development activities for the Food Stamp and Foster Care Programs.

IMPLEMENTATION DATE:

These programs are annual appropriations.

KEY DATA/ASSUMPTIONS:

- The budget year estimate was developed by adjusting the current year appropriation for projected percentage increased costs.
- Although a decrease in caseloads is anticipated, no adjustment was made to the food stamp staff development portion of this program.
- The 1998-99 Appropriations for AAP, NMOHC, and foster care staff development were increased by 7.4 percent projected caseload growth and 3.87 percent cost of doing business. The unadjusted food stamp staff development portion was then added to develop the 1999-00 estimate.

METHODOLOGY:

The estimated costs are based on Fiscal Year 1998-99 Appropriations and, with the exception of food stamp staff development, adjusted for caseload growth and cost of doing business.

Small Programs (Non-CalWORKs) Block Grants – Basic Costs for AAP, NMOHC and Staff Development

FUNDING:

AAP administrative costs are shared 50 percent Title IV-E funds and 50 percent state funds for federally eligible cases and 100 percent state funds for nonfederally eligible cases.

NMOHC costs are 100 percent state-funded.

Staff development funding is a combination of federal Title IV-E and USDA/Food and Consumer Service funds. The nonfederal share of cost is divided 70 percent state and 30 percent county.

CHANGE FROM PRIOR SUBVENTION:

1998-99: There is no change.

1999-00: The estimate is based on the current year appropriation adjusted for projected increased costs.

EXPENDITURES:

(In 000's)

	1998-99	1999-00
	County Admin.	County Admin.
Total	$7,121	$7,907
Federal	3,466	3,839
State	3,013	3,355
County	642	713
Reimbursements	0	0

Refugee Cash Assistance – Administration

DESCRIPTION:

This premise reflects the administrative costs necessary to perform the administrative functions of the Refugee Cash Assistance (RCA) program. The RCA program provides cash grants to refugees who have been in the United States for their first eight months and who are not otherwise eligible for the normal 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 costs 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 (USC) authorizes the federal government to provide grants to the states to assist refugees who resettle in the United States of America.
- Sections 13275 through 13282 in Chapter 5.5 of Part 3 of the Welfare and Institutions Code authorize the Department to administer the funds provided under Title 8 of the USC. It also provides the Department authority to allocate the federal funds to the counties.
- The Fiscal Year (FY) 1998-99 RCA adult administration costs will increase over the FY 1997-98 actual expenditures by the cost-of-doing-business (CODB) percentage for FY 1998-99.
- Actual RCA adult administration expenditures for FY 1997-98 were $1,728,087.
- The FY 1998-99 unaccompanied minors (UM) administration costs will increase over the actual expenditures for FY 1997-98 by the CODB percentage for FY 1998-99.
- Actual UM administration expenditures for FY 1997-98 were $26,179.
- The CODB for FY 1998-99 is 2.32 percent and the CODB for FY 1999-00 is 3.87 percent.

METHODOLOGY:

FY 1998-99

- The actual RCA administration expenditures for FY 1997-98 ($1,728,087) were multiplied by the CODB percentage (.0232) for FY 1998-99 to arrive at $1,768,179, the estimated RCA expenditures for FY 1998-99.
- The actual UM administration expenditures for FY 1997-98 ($26,179) were multiplied by the CODB percentage (.0232) for FY 1998-99 to arrive at $26,786, the estimated UM expenditures for FY 1998-99.
- The total FY 1998-99 estimated RCA administrative expenditures are $1,794,965.

Refugee Cash Assistance – Administration

METHODOLOGY (Continued):

FY 1999-00

- The estimated RCA adult administration expenditures for FY 1998-99 ($1,768,179) were multiplied by the CODB percentage (.0387) for FY 1999-00 to arrive at $1,836,607, the estimated RCA expenditures for FY 1999-00.
- The estimated UM administration expenditures for FY 1998-99 ($26,786) were multiplied by the CODB percentage (.0387) for FY 1999-00 to arrive at $27,823, the estimated UM expenditures for FY 1999-00.
- The total FY 1999-00 estimated RCA administrative expenditures are $1,864,430.

FUNDING:

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

CHANGE FROM PRIOR SUBVENTION:

The estimate was updated based on more recent actual data.

REASON FOR YEAR-TO-YEAR CHANGE:

The CODB increases the costs from year to year.

EXPENDITURES:

(in 000's)

	1998-99	1999-00
	County Admin.	County Admin.
Total	$1,795	$1,864
Federal	1,795	1,864
State	0	0
County	0	0
Reimbursements	0	0

Merced Automated Global Information Control (MAGIC)

DESCRIPTION:

This reflects the state funding of the share of costs for county personnel and vendor maintenance and operation costs. The Legislature passed SB 1379 (Chapter 268, Statutes of 1984), effective July 1, 1984, authorizing the development of the Statewide Automated Welfare System (SAWS). Two counties, Merced and Napa, were selected to develop and pilot SAWS. The automated eligibility system developed in Merced County was the MAGIC system. In July 1992, the SAWS Evaluation Report recommended the system developed in Napa County as the most viable system for statewide implementation.

IMPLEMENTATION DATE:

This premise implemented on October 1, 1998.

KEY DATA/ASSUMPTIONS:

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:

Estimated costs for the MAGIC project are based upon the advance planning document update from November 1993, and an updated cost allocation plan submitted by Merced County.

FUNDING:

MAGIC funding is a combination of various sources. Federal funds include the normal share of Temporary Assistance for Needy Families, Title IV-E, United States Department of Agriculture/Food and Nutrition Service and Refugee Resettlement Program. The project is also eligible for Title XIX federal funding, budgeted by the Department of Health Services.

Note: AB 1542 (Chapter 270, Statutes of 1997) and Welfare and Institutions Code section 15204.4 require a maintenance of effort (MOE) from the counties based on expenditures during Fiscal Year 1996-97, which includes the administration of food stamps. Please reference the “County MOE Adjustment” premise.

CHANGE FROM PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

Merced Automated Global Information Control (MAGIC)

EXPENDITURES:

(in 000's)

	1998-99	1999-00
	County Admin.	County Admin.
Total	$5,132	$5,132
Federal	2,639	2,639
State	2,254	2,254
County	239	239
Reimbursements	0	0

Consortia Planning and Management

DESCRIPTION:

This premise reflects the costs for the Statewide Automated Welfare System (SAWS) Consortium Planning and Management. The Legislature passed Senate Bill 1379 (Chapter 268, Statutes of 1984), effective July 1, 1984, authorizing the development of SAWS. SAWS encompasses the following functions: automated eligibility determination, automated benefit computation, benefit delivery, case management and management information.

In July 1995, the Health and Welfare Agency directed the transfer of major information technology projects from the California Department of Social Services (CDSS) to the Health and Welfare Agency Data Center (HWDC). HWDC administers the projects under an interagency agreement with CDSS.

The Budget Act of 1995 included language requiring HWDC, in collaboration with the County Welfare Directors Association, to develop a multiple county consortium strategy as a foundation for statewide welfare automation. The Legislature and Administration determined that "no more than four" county consortia would be approved. These requirements were codified in Assembly Bill 67 (Chapter 606, Statutes of 1997). The four consortia include: the Interim Statewide Automated Welfare System; the Los Angeles Eligibility, Automated Determination, Evaluation and Reporting System; the Welfare Client Data System (WCDS) (formerly known as Welfare Case Data System); and Consortium-IV (C-IV).

HWDC provides general project management and oversight, including facilitating communications and teamwork among stakeholders, monitoring county implementation and ongoing operations to ensure system standards and program requirements are met, and promoting the cost-effective use of monies. Consortia will lead in defining county-level system requirements and the competitive procurement of system hardware and software development, implementation support and maintenance and operations of the consortia system.

IMPLEMENTATION DATE:

Ongoing.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 10823.
- The consortia planning and management estimate includes the costs for SAWS state oversight, WCDS consortium planning and C-IV consortium planning.
- WCDS planning activities are expected to end January 1999 with the award of a contract.
- C-IV planning activities are expected to end in August 1999 following a competitive procurement and approval and execution of a vendor contract.

Consortia Planning and Management

METHODOLOGY:

Consortia planning and management costs are based on the SAWS baseline budget for state oversight activities and county specific costs, identified by the consortia, for planning activities. The August 1997 SAWS Implementation Advance Planning Document provides the detail for consortia planning and management costs; the June 1998 WCDS Planning Advance Planning Document Update (PAPDU) provides the detail for the WCDS costs; and the June 1998 C-IV PAPDU provides the detail for the C-IV costs.

FUNDING:

Consortia planning and management 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) block grant is the funding source for TANF (formerly Aid to Families with Dependent Children Program) eligible costs. The balance of the funding is State General Fund.

CHANGE FROM PRIOR SUBVENTION:

The planning phases for WCDS and C-IV were extended to accommodate changes in the procurement processes and extended the approval process. The change to the schedule results in a corresponding increase in costs.

REASON FOR YEAR-TO-YEAR CHANGE:

WCDS and C-IV planning activities are scheduled to end in Fiscal Year 1999-00.

EXPENDITURES:

(in 000's)

	1998-99	1999-00
	County Admin.	County Admin.
Total	$12,944	$6,446
Federal	4,656	2,149
State	6,541	3,266
County	0	0
Reimbursements	1,747	1,031

CDSS/HWDC PARTNERSHIP:

(in 000's)	1998-99	1999-00
Total	$12,944	$6,446
CDSS	7,074	576
HWDC	5,870	5,870

Technical Architecture (TA)

DESCRIPTION:

This premise reflects the costs for the Statewide Automated Welfare System (SAWS) Technical Architecture (TA). The Legislature passed Senate Bill 1379 (Chapter 268, Statutes of 1984), effective July 1, 1984, authorizing the development of SAWS. SAWS encompasses the following functions: automated eligibility determination, automated benefit computation, benefit delivery, case management and management information.

In July 1995, the Health and Welfare Agency directed the transfer of major information technology projects from the California Department of Social Services (CDSS) to the Health and Welfare Agency Data Center (HWDC). HWDC administers the projects under an interagency agreement with CDSS.

The Budget Act of 1995 included language requiring HWDC, in collaboration with the County Welfare Directors Association, to develop a multiple county consortium strategy as a foundation for statewide welfare automation. The Legislature and Administration determined that "no more than four" county consortia would be approved. These requirements were codified in Assembly Bill 67 (Chapter 606, Statutes of 1997). The Budget Act of 1995 also required that HWDC coordinate the effort to establish, manage and enforce a statewide technical architecture and standards that meet state, consortia and county needs.

SAWS TA will support electronic exchange of data between consortia systems for eligibility, anti-fraud and case management, provide for interface requirements for the SAWS consortia and other related State automation systems and, partnering with CDSS, Department of Health Services (DHS) and consortia, define specifications to meet state and federal reporting requirements. With the passage of state and federal welfare reform legislation, including Assembly Bill 1542 (Chapter 270, Statutes of 1997), requiring time limits on program eligibility, SAWS TA has become even more essential.

IMPLEMENTATION DATE:

Ongoing.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 10823.
- HWDC will oversee the development and operation of the technical infrastructure that will allow for statewide data reporting and the exchange of appropriate data between systems for eligibility, anti-fraud and case management purposes.
- SAWS TA is a required element of the SAWS multiple consortium strategy and is the approved solution for complying with welfare reform tracking requirements.

METHODOLOGY:

TA development and implementation costs are based on the August 1997 Implementation Advance Planning Document Update, which provides the detail for these costs.

Technical Architecture (TA)

FUNDING:

TA development and implementation 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 DHS. The Temporary Assistance for Needy Families (TANF) block grant is the funding source for TANF (formerly Aid to Families with Dependent Children Program) eligible costs. The balance of the funding is State General Fund.

CHANGE FROM PRIOR SUBVENTION:

There is no change in current year costs from prior subvention.

REASON FOR YEAR-TO-YEAR CHANGE:

The budget year reduction is due to progress in the project schedule, which results in decreases in the development consultant, independent verification and validation consultant, and equipment costs.

EXPENDITURES:

(in 000's)

	1998-99	1999-00
	County Admin.	County Admin.
Total	$5,643	$4,416
Federal	1,777	1,449
State	2,859	2,239
County	0	0
Reimbursements	1,007	728

CDSS/HWDC PARTNERSHIP:

(in 000's)

	1998-99	1999-00
Total	$5,643	$4,116
CDSS	0	0
HWDC	5,643	4,416

Interim Statewide Automated Welfare System (ISAWS)

DESCRIPTION:

This premise reflects the costs for the Interim Statewide Automated Welfare System (ISAWS). The Legislature passed Senate Bill 1379 (Chapter 268, Statutes of 1984), effective July 1, 1984, authorizing the development of the Statewide Automated Welfare System (SAWS). SAWS encompasses the following functions: automated eligibility determination, automated benefit computation, benefit delivery, case management and management information.

In July 1995, the Health and Welfare Agency directed the transfer of major information technology projects from the California Department of Social Services (CDSS) to the Health and Welfare Agency Data Center (HWDC). HWDC administers the projects under an interagency agreement with CDSS.

The Budget Act of 1995 included language requiring HWDC, in collaboration with the County Welfare Directors Association, to develop a multiple county consortium strategy as a foundation for statewide welfare automation. The Legislature and Administration determined that "no more than four" county consortia would be approved. These requirements were codified in Assembly Bill 67 (Chapter 606, Statutes of 1997). The Budget Act of 1995 named ISAWS as one of the four consortia.

The ISAWS Consortium is comprised of 35 counties that selected HWDC as their implementation and maintenance and operations service provider. Phase I counties (15) have been fully operational since Fiscal Year (FY) 1995-96. Phase II completed implementation activities in June 1998.

IMPLEMENTATION DATE:

Ongoing.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 10823.
- As a result of the completion of Phase II implementation, the budget reflects a single line item for ISAWS maintenance and operations costs.

METHODOLOGY:

ISAWS costs are detailed in the July 1997 Implementation Advance Planning Document Update.

FUNDING:

ISAWS implementation 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) block grant is the funding source for TANF (formerly Aid to Families with Dependent Children Program) eligible costs. The balance of the funding is State General Fund and county share of food stamp and Title IV-E costs.

Interim Statewide Automated Welfare System (ISAWS)

CHANGE FROM PRIOR SUBVENTION:

There is no change in current year costs from the prior subvention.

REASON FOR YEAR-TO-YEAR CHANGE:

A decrease for FY 1999-00 is the result of completing ISAWS Phase II implementation and other cost adjustments.

EXPENDITURES:

(in 000's)

	1998-99	1999-00
	County Admin.	County Admin.
Total	$30,317	$25,748
Federal	11,044	9,369
State	14,586	12,308
County	585	575
Reimbursements	4,102	3,496

CDSS/HWDC PARTNERSHIP:

(in 000's)

	1998-99	1999-00
Total	$30,317	$25,748
CDSS	18	0
HWDC	30,299	25,748

Los Angeles Eligibility, Automated Determination, Evaluation and Determination (LEADER)

DESCRIPTION:

This premise reflects the costs for the Los Angeles Eligibility, Automated Determination, Evaluation and Reporting (LEADER) system. The Legislature passed Senate Bill 1379 (Chapter 268, Statutes of 1984), effective July 1, 1984, authorizing the development of the Statewide Automated Welfare System (SAWS). SAWS encompasses the following functions: automated eligibility determination, automated benefit computation, benefit delivery, case management and management information.

In July 1995, the Health and Welfare Agency directed the transfer of major information technology projects from the California Department of Social Services (CDSS) to the Health and Welfare Agency Data Center (HWDC). HWDC administers the projects under an interagency agreement with CDSS.

The Budget Act of 1995 included language requiring HWDC, in collaboration with the County Welfare Directors Association, to develop a multiple county consortium strategy as a foundation for statewide welfare automation. The Legislature and Administration determined that "no more than four" county consortia would be approved. These requirements were codified in Assembly Bill 67 (Chapter 606, Statutes of 1997). The Budget Act of 1995 named LEADER as one of the four consortia. The LEADER system serves only Los Angeles County.

IMPLEMENTATION DATE:

Ongoing.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 10823.
- Application programming, interface and network changes to the LEADER system must be made before the pilot office test begins in Fiscal Year 1998-99.

METHODOLOGY:

Costs are based upon the July 1997 LEADER Implementation Advance Planning Document Update, which provides the details for these costs.

FUNDING:

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 budgeted by the Department of Health Services. The Temporary Assistance for Needy Families (TANF) block grant is the funding source for TANF (formerly Aid to Families with Dependent Children Program) eligible costs. The balance of the funding is State General Fund and county share of food stamp and general relief costs.

Los Angeles Eligibility, Automated Determination, Evaluation and Determination (LEADER)

CHANGE FROM PRIOR SUBVENTION:

There is no change from the prior subvention.

REASON FOR YEAR-TO-YEAR CHANGE:

The budget year reduction is due to completion of the development phase. Costs associated with development end. There will be a partial offset to the reduction due to a scheduled increase in the operations costs.

EXPENDITURES:

(in 000's)

	1998-99	1999-00
	County Admin.	County Admin.
Total	$23,540	$8,716
Federal	10,367	3,871
State	8,801	3,206
County	4,372	1,639
Reimbursements	0	0

CDSS/HWDC PARTNERSHIP:

(in 000's)

	1998-99	1999-00
Total	$23,540	$8,716
CDSS	23,540	8,716
HWDC	0	0

Welfare Client Data System (WCDS)

DESCRIPTION:

This premise reflects the costs for the Welfare Client Data System (WCDS) (formerly known as Welfare Case Data System). The Legislature passed Senate Bill 1379 (Chapter 268, Statutes of 1984), effective July 1, 1984, authorizing the development of the Statewide Automated Welfare System (SAWS). SAWS encompasses the following functions: automated eligibility determination, automated benefit computation, benefit delivery, case management and management information.

In July 1995, the Health and Welfare Agency directed the transfer of major information technology projects from the California Department of Social Services (CDSS) to the Health and Welfare Agency Data Center (HWDC). HWDC administers the projects under an interagency agreement with CDSS.

The Budget Act of 1995 included language requiring HWDC, in collaboration with the County Welfare Directors Association, to develop a multiple county consortium strategy as a foundation for statewide welfare automation. The Legislature and Administration determined that "no more than four" county consortia would be approved. These requirements were codified in Assembly Bill 67 (Chapter 606, Statutes of 1997). One of the four approved consortia is WCDS.

Under the multiple county consortium strategy, 18 counties have selected WCDS as their SAWS solution. The consortium is now pursuing a new system to fulfill its need for welfare automation.

IMPLEMENTATION DATE:

Ongoing.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 10823.
- Implementation activities are expected to begin February 1999 following the award of the implementation contract in January 1999.
- Implementation activities are scheduled to be completed in Fiscal Year 2001-02.

METHODOLOGY:

Proposed costs for WCDS implementation activities are based on estimates developed prior to the procurement. These costs will be revised to reflect the successful proposal.

FUNDING:

WCDS 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) block grant is the funding source for TANF (formerly Aid to Families with Dependent Children Program) eligible costs. The balance of the funding is State General Fund and the county share of application development costs as specified in the Welfare and Institutions Code.

Welfare Client Data System (WCDS)

CHANGE FROM PRIOR SUBVENTION:

The planning schedule was extended resulting in a delay in beginning the implementation phase and a corresponding decrease in costs.

REASON FOR YEAR-TO-YEAR CHANGE:

The budget year costs reflect the continued implementation costs.

EXPENDITURES:

(in 000's)

	1998-99	1999-00
	County Admin.	County Admin.
Total	$5,807	$30,504
Federal	2,173	11,415
State	2,821	15,917
County	209	0
Reimbursements	604	3,172

CDSS/HWDC PARTNERSHIP:

(in 000's)

	1998-99	1999-00
Total	$5,807	$30,504
CDSS	5,807	30,504
HWDC	0	0

Statewide Automation Welfare System (SAWS) Consortium-IV (C-IV) Implementation

DESCRIPTION:

This premise reflects the costs for Consortium-IV implementation. The Legislature passed Senate Bill 1379 (Chapter 268, Statutes of 1984), effective July 1, 1984, authorizing the development of the Statewide Automated Welfare System (SAWS). SAWS encompasses the following functions: automated eligibility determination, automated benefit computation, benefit delivery, case management and management information.

In July 1995, the Health and Welfare Agency directed the transfer of major information technology projects from the California Department of Social Services (CDSS) to the Health and Welfare Agency Data Center (HWDC). HWDC administers the projects under an interagency agreement with CDSS.

The Budget Act of 1995 (Chapter 202, Statutes of 1995) included language requiring HWDC, in collaboration with the County Welfare Directors Association, to develop a multiple county consortium strategy as a foundation for statewide welfare automation. The Legislature and Administration determined that "no more than four" county consortia would be approved. These requirements were codified in Assembly Bill 67 (Chapter 606, Statutes of 1997). One of the four approved consortia is C-IV.

Under the multiple county consortium strategy, four counties have selected C-IV as their SAWS solution. The consortium is now working to plan for and procure the services of a development, implementation, and maintenance and operations contractor.

IMPLEMENTATION DATE:

Ongoing.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 10823.
- Development and implementation activities will begin in Fiscal Year (FY) 1999-00.
- Implementation activities are scheduled to be completed in FY 2002-03.

METHODOLOGY:

Proposed costs for C-IV implementation activities are based on estimates developed prior to the procurement. These costs will be revised to reflect the successful proposal.

FUNDING:

C-IV 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) block grant is the funding source for TANF (formerly Aid to Families with Dependent Children Program) eligible costs. The balance of the funding is State General Fund and the county share of application development costs as specified in the Welfare and Institutions Code.

Statewide Automation Welfare System (SAWS) Consortium-IV (C-IV) Implementation

CHANGE FROM PRIOR SUBVENTION:

C-IV implementation is a new premise.

REASON FOR YEAR-TO-YEAR CHANGE:

C-IV implementation is a new premise.

EXPENDITURES:

(in 000's)

	1998-99	1999-00
Total	$0	$12,000
Federal	0	4,632
State	0	6,048
County	0	0
Reimbursements	0	1,320

CDSS/HWDC PARTNERSHIP:

(in 000's)	1998-99	1999-00
Total	$0	$12,000
CDSS	0	12,000
HWDC	0	0

California Work Opportunity and Responsibility to Kids (CalWORKs) – Statewide Automated Welfare System (SAWS) Reprogramming

DESCRIPTION:

This premise reflects the costs for the California Work Opportunity and Responsibility to Kids (CalWORKs) Program component of the Statewide Automated Welfare System (SAWS) project. The Budget Act of 1995 established a multiple county consortium strategy, allowing up to four consortia, to implement SAWS to determine and track welfare eligibility. The consortia are: the Interim Statewide Automated Welfare System (ISAWS), the Los Angeles Eligibility, Automated Determination, Evaluation and Reporting (LEADER) System, the Welfare Client Data System (formerly known as Welfare Case Data System), and Consortium- IV.

The Personal Responsibility and Work Opportunity Reconciliation Act (Public Law 104-193) was passed by Congress and signed into law August 1996. It repealed the nation's public welfare program, Aid to Families with Dependent Children (AFDC), replacing it with the Temporary Assistance for Needy Families (TANF) Program. In addition, the Act repealed or amended other programs serving children and families, including child care.

California's welfare reform provisions were enacted through Assembly Bill 1542 (Chapter 270, Statutes of 1997), which created the CalWORKs Program, effective January 1, 1998. As a result of the TANF block grant and the implementation of the CalWORKs Program, significant modifications to the electronic data processing systems for determining welfare eligibility, benefits and case tracking are anticipated.

IMPLEMENTATION DATE:

Ongoing.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 10823.
- System modifications to reflect federal and state welfare reform changes are required for the ISAWS and LEADER consortia.
- Welfare reform changes to the LEADER system must be made before the pilot office test begins in Fiscal Year 1998-99.
- The impact of additional welfare reform changes to ISAWS is being assessed.

METHODOLOGY:

LEADER costs are based upon the June 1998 CalWORKs Implementation Advance Planning Document Update, which provides the detail for these costs.

California Work Opportunity and Responsibility to Kids (CalWORKs) – Statewide Automated Welfare System (SAWS) Reprogramming

FUNDING:

CalWORKs-SAWS reprogramming funding comes from various sources. Federal funds include the normal shares of Food Stamp 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) block grant is the funding source for TANF (formerly AFDC Program) eligible costs. The balance of the funding is State General Fund and the county share of food stamp and general relief costs.

CHANGE FROM PRIOR SUBVENTION:

The amount previously requested was a placeholder. The costs requested for changes to the LEADER system have been identified and represent an increase to the item.

REASON FOR YEAR-TO-YEAR CHANGE:

Budget-year costs reflect the completion of LEADER reprogramming.

EXPENDITURES:

(in 000's)

	1998-99	1999-00
	County Admin.	County Admin.
Total	$8,303	$1,694
Federal	3,760	767
State	3,299	673
County	1,244	254
Reimbursement	0	0

CDSS/HWDC PARTNERSHIP:

(in 000's)	1998-99	1999-00
Total	$8,303	$1,694
CDSS	8,303	1,694
HWDC	0	0

SACSS Maintenance and Operations

DESCRIPTION:

The Statewide Automated Child Support System (SACSS) was a federal and state system mandated by the Family Support Act of 1988 to meet the need for a single, comprehensive integrated child support enforcement system throughout the State. In November 1997, the SACSS project was terminated. As of Fiscal Year 1998-99, SACSS counties have been converted to other child support enforcement automation systems.

IMPLEMENTATION DATE:

Not applicable.

KEY DATA/ASSUMPTIONS:

This premise has been discontinued and the appropriation reduced accordingly.

METHODOLOGY:

Not applicable.

FUNDING:

Not applicable.

CHANGE FROM PRIOR SUBVENTION:

This premise has been discontinued and the appropriation reduced accordingly.

REASON FOR YEAR-TO-YEAR CHANGE:

This premise has been discontinued and the appropriation reduced accordingly.

EXPENDITURES:

(in 000's)

	1998-99	1999-00
	County Admin.	County Admin.
Total	$0	$0
Federal	0	0
State	0	0
County	0	0
Reimbursements	0	0

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Child Support Automation

DESCRIPTION:

This premise reflects the costs associated with the California Child Support Automation (CCSA) project. The CCSA project will transition counties to selected automated systems that will comply with federal rules, such as welfare distribution changes, which will provide more child support payments to custodial parents. Chapter 329, Statutes of 1998 (Assembly Bill [AB] 2779), requires transition of all counties to selected consortia systems within specified timelines and development of an interim and long-term solution which would meet federal requirements under Public Law 104-195 (Personal Responsibility and Work Opportunity Reconciliation Act of 1996), while minimizing federal sanctions.

The Statewide Automated Child Support System (SACSS) was intended to meet federal mandates but the contract for its development was terminated on November 19, 1997, when it failed to meet specifications. This premise reflects the cost to transition SACSS and non-SACSS counties to one of the selected consortia systems, develop the interim solution, and plan the best long-term solution.

IMPLEMENTATION DATE:

This premise was implemented in July 1998.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code (WIC) section 10080.
- Chapter 4 in Division 9 of Part 1 of the WIC provides the legislative authority to create a statewide automated child support system in a manner that would ensure child support collections continue to increase during the development of this system and minimize the federal penalties. All cost estimates for new child support automation planning and implementation efforts were developed from a zero base for Fiscal Year 1998-99.

METHODOLOGY:

The state cost projections were based on the project's new management planning tool, which identifies all tasks/activities and assigns these tasks/activities to staff. The major cost components for 1998-99 are: 1) new system planning and development; 2) alternative procurement contracts; 3) SACSS maintenance and operations for production counties through February 28, 1999; 4) project management and support; and 5) SACSS to Computer Assisted Support Enforcement System transition. All county cost projections have been updated to reflect the current schedule, county consortia groupings, and county caseload for budget year estimates. There is no change in county funding assumptions.

FUNDING:

Total costs are shared 66 percent federal and 34 percent state.

Child Support Automation

CHANGE FROM PRIOR SUBVENTION:

This premise requests augmentation in the current year and a reduction in the budget year. The augmentations for current year are needed to continue the planning efforts for the new statewide automated child support system, including performing a Non-Title IV-D feasibility study report and performing state case registry pre-population activities. The reduction in budget year is due to the completion of transitioning counties to the consortia systems.

REASON FOR YEAR-TO-YEAR CHANGE:

The change is due to completion of SACSS transitions to "safe havens" and reductions in one-time equipment purchases.

EXPENDITURES:

(in 000's)

	1998-99	1999-00
	County Admin.	County Admin.
Total	$32,277	$18,150
Federal	21,303	11,806
State	10,974	6,344
County	0	0
Reimbursements	0	0

CDSS/HWDC PARTNERSHIP:

(in 000's)

	1998-99	1999-00
Total	$32,277	$18,150
CDSS	0	0
HWDC	32,277	18,150

Statewide Electronic Benefits Transfer (EBT) Project

DESCRIPTION:

This premise reflects the costs associated with planning and implementation activities for the Statewide Electronic Benefits 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. The federal Food and Nutrition Service also requires that EBT be implemented in Los Angeles County by May 2000.

The California Legislature passed Assembly Bill 1542 (Chapter 270, Statutes of 1997), effective January 1998, which mandated EBT statewide and transferred project management to the Health and Welfare Data Center (HWDC). Assembly Bill 2779 (Chapter 329, Statutes of 1998), passed August 1998, section 10075.5 of the Welfare and Institutions Code, 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 HWDC shall be the project manager of the system and shall be responsible for system planning, procurement, development, implementation 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 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:

Ongoing.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 10069.
- Implementation activities are expected to begin July 1999 following the award of the implementation contract in June 1999.

METHODOLOGY:

- The EBT planning costs are detailed in the June 1998 Planning Advance Planning Document Update.
- HWDC developed an EBT implementation staffing plan based on the staffing and implementation experiences of California's two-county project and other states (i.e., Texas, New York, North Carolina and Colorado) and the experience of other California welfare information technology projects. Resource and budget requirements are based upon implementation expenditures beginning in the first quarter of State Fiscal Year (SFY) 1999-00. Pilot operations are scheduled to begin in one county in the fourth quarter of SFY 1999-00. Statewide expansion of EBT operations is scheduled to begin July 1, 2000, and will continue on a monthly rollout basis until statewide implementation is complete.
- Proposed costs for EBT implementation activities are based on estimates developed prior to the procurement. These costs will be revised to reflect the successful proposal.

Statewide Electronic Benefits Transfer (EBT) Project

FUNDING:

Federal funding includes the normal shares of Food Stamp Program funds, shared at 50 percent federal, 50 percent state, and 0 percent county. The Temporary Assistance for Needy Families (TANF) block grant is the funding source for TANF (formerly Aid to Families with Dependent Children Program) eligible costs and is shared at 50 percent federal, 50 percent state, and 0 percent county.

CHANGE FROM PRIOR SUBVENTION:

The change in the EBT procurement strategy changed the milestones for the planning phase and increased costs in SFY 1998-99.

REASON FOR YEAR-TO-YEAR CHANGE:

EBT implementation is a new activity and all costs associated with it are new.

EXPENDITURES:

(in 000's)

	1998-99	1999-00
	County Admin.	County Admin.
Total	$1,415	$3,448
Federal	708	1,724
State	707	1,724
County	0	0
Reimbursements	0	0

CDSS/HWDC PARTNERSHIP:

(in 000's)	1998-99	1999-00
Total	$1,415	$3,448
CDSS	200	968
HWDC	1,215	2,480

Child Welfare Services – Basic Costs

DESCRIPTION:

The costs reflected for each component are those incurred by county welfare departments in the administration 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: purchase of nonrecurring items on an as needed basis, purchase of services not available through other fund sources, and the development of a respite care program or purchase of respite care services.

Emergency Response (ER) Component

ER is designed to provide initial intake services in response to reported allegations of child abuse, neglect or exploitation. County welfare departments are required to determine whether an in-person investigation of circumstances and facts is required to determine the potential for, or existence of, abuse/neglect, to conduct such investigation, when required, and to identify the need and type of services to be provided.

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. County welfare departments 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. County welfare departments 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 county welfare departments 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.

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 ER assessments.
- The statewide annual cost of a social worker (SW) ($105,922) 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) 1998-99 proposed county administrative budgets, and adjusted for the cost of doing business (3.3 percent).

Child Welfare Services – Basic Costs

KEY DATA/ASSUMPTIONS: (Continued)

- All counties are now reporting caseload data on the CWS/Case Management System (CMS). At this time, there are limited data to develop reliable caseload forecasts from the system. Therefore, caseload projections will be held at the FY 1998-99 levels.

METHODOLOGY:

Fiscal Year 1998-99

There is no change from the appropriation.

Fiscal Year 1999-00

- The estimated total expenditure was derived using individual county caseload estimates that were used for FY 1998-99. These caseloads were developed for many counties using the last three years of actual caseloads through October 1997 and information provided by counties explaining caseload fluctuation. Caseloads used for those counties implementing the CWS/CMS were evaluated on a county-by-county basis, and the more appropriate actual caseloads were used to develop the estimate.
- The SW full-time equivalents (FTEs) were determined by applying the workload standards to the corresponding component's caseload, expanded for a 7:1 supervisory ratio.
- The annual cost of an SW in each county was applied to the total number of FTEs in each county to derive staff costs.
- Direct costs were projected from 1997-98 nonshelter care actual expenditures adjusted for increases in costs of providing services and statewide average caseload growth from FY 1997-98 to FY 1999-00. Total direct costs, excluding county-operated emergency shelter care, were $69 million for the 58 counties. The projected county-operated emergency shelter costs were $36.5 million for those counties with county-operated emergency shelters.
- Once the total CWS basic costs are derived, costs for the Emergency Assistance Program are subtracted and are displayed separately under the Emergency Assistance Program Premise. The Emergency Assistance Program costs are determined based on FY 1997-98 usage rates.

FUNDING:

- The federal share of costs is a combination of Titles IV-B, IV-E and XIX funds. The Title IV-B funds are limited by the capped federal allocation.
- The estimated Title IV-B funds available in local assistance for State Fiscal Year 1999-00 are $35.2 million. These funds have a 75-percent federal match rate.
- The Title IV-E amount reflects the actual experience from FY 1997-98 that 33 percent of the expenditures would be eligible for Title IV-E funding.
- The Title XIX amount for FY 1999-00 is calculated using individual county usage rates based on FY 1997-98 expenditure data which reflect that three percent of the total costs will be eligible for Title XIX funding.
- Nonfederal costs are shared at 70 percent state and 30 percent county.

Child Welfare Services – Basic Costs

CHANGE FROM PRIOR SUBVENTION:

FY 1999-00 caseloads have been held at the FY 1998-99 level.

REASON FOR YEAR-TO-YEAR CHANGE:

The FY 1999-00 estimate has been updated for actual expenditures, unit cost, and cost-of-doing-business.

CASELOAD:

(Average Monthly)

	1998-99	1999-00
Emergency Response	44,595	44,595
Family Maintenance	35,988	35,988
Family Reunification	35,479	35,479
Permanent Placement	69,332	69,332

EXPENDITURES:

(in 000's)

	1998-99	1999-00
	County Admin.	County Admin.
Total	$763,312	$748,832
Federal	303,036	307,618
State	304,718	290,478
County	127,988	121,710
Reimbursements	27,570	29,026

WEIGHTED COSTS BY COMPONENT:

	1998-99		1999-00	
	TOTAL FUNDS	GENERAL FUNDS	TOTAL FUNDS	GENERAL FUNDS
Emergency Response	$334,089	$133,370	$327,751	$127,137
Family Maintenance	121,709	48,587	119,400	46,316
Family Reunification	155,539	62,092	152,589	59,191
Permanent Placement	151,975	60,669	149,092	57,834
	$763,312	$304,718	$748,832	$290,478

Child Welfare Services – Basic Costs

RECONCILIATION OF FEDERAL FUNDS:

	1998-99	1999-00
Title IV-B	$33,040	$35,193
Title IV-E	269,996	272,425
Title XIX	27,570	29,026
Total Federal Funding	$330,606	$336,644

SPECIALIZED CARE:

	1998-99	1999-00
Total	$5,628	$6,038
Federal	0	0
State	5,628	6,038
County	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 (CWS/CMS) which was implemented as a result of Chapter 1294, Statutes of 1989 (SB 370). These staff are needed for the ongoing operations of the system.

IMPLEMENTATION DATE:

There is a staggered implementation, based on individual county starting 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 FY 1998-99, the electronic data processing (EDP) average monthly salaries were used from each county's FY 1998-99 proposed county administrative budget. If a county did not have an EDP salary, then the county's administrative salary was used. For FY 1999-00 these salaries were increased for the cost of doing business (3.3 percent).
- There are 12,907 statewide workstations for FYs 1998-99 and 1999-00.

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 electronic data processing/administrative salary.

FUNDING:

For each fiscal year, 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 PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

The salaries were increased for a 3.3 percent cost of doing business.

Child Welfare Services/Case Management System – System Support Staff

EXPENDITURES:

(in 000's)

	1998-99	1999-00
	County Admin.	County Admin.
Total	$15,358	$15,707
Federal	7,679	7,854
State	5,375	5,497
County	2,304	2,356
Reimbursements	0	0

Child Welfare Services – Emergency Assistance Program

DESCRIPTION:

In 1993, the Department implemented a statewide Emergency Assistance (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, State General Funds (GF) 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.

IMPLEMENTATION DATE:

Emergency Shelter Care - This premise implemented on September 1, 1993.

Crisis Resolution - This premise implemented on August 1, 1994.

Emergency Response - This premise implemented on August 1, 1994.

Case Management - This premise implemented on October 1, 1995.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 15204.25.
- For Fiscal Year (FY) 1998-99, the FY 1997-98 estimate was used and adjusted for caseload growth and the cost of doing business.
- For FY 1999-00, actual FY 1997-98 EA usage rates for each component were used to develop the estimate.

METHODOLOGY:

The FY 1998-99 estimate has been held at the appropriation level. The FY 1999-00 estimate was developed using FY 1997-98 EA usage rates.

FUNDING:

This program is funded with state and county funds only. Chapter 606, Statutes of 1997 (AB 67) added section 15204.25 to the Welfare and Institutions Code which discontinued federal participation in this program, replacing the federal share with State GF. The sharing ratio for shelter care EA eligible cases under 30 days and all other EA components is 85 percent state and 15 percent county. For shelter care EA eligible cases over 30 days, the ratio is 50 percent state and 50 percent county funds.

Child Welfare Services – Emergency Assistance Program

CHANGE FROM PRIOR SUBVENTION:

The FY 1999-00 estimate is now based on actual EA usage rates.

REASON FOR YEAR-TO-YEAR CHANGE:

The FY 1999-00 estimate is based on updated actual EA expenditures which reflect increased usage rates.

EXPENDITURES:

(in 000's)

	1998-99	1999-00	1998-99	1999-00
Case Management			**Emergency Shelter Care**	
Total	$10,340	$54,647	$29,351	$32,162
Federal	0	0	0	0
State	8,789	46,450	21,396	23,379
County	1,551	8,197	7,955	8,783
Reimbursements	0	0	0	0
Crisis Resolution			**Emergency Response**	
Total	$1,502	$5,317	$100,652	$92,618
Federal	0	0	0	0
State	1,277	4,520	85,554	78,725
County	225	797	15,098	13,893
Reimbursements	0	0	0	0
Combined Total	County Admin.	County Admin.		
Total	$141,845	$184,744		
Federal	0	0		
State	117,016	153,074		
County	24,829	31,670		
Reimbursements	0	0		

State Family Preservation – Permanent Transfer

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 Chapter 71, Statutes of 1992 (AB 2365), 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. Once the permanent transfer of funds has occurred, the incentive/penalty provisions under current law will no longer be in force. The transferred funds will be incorporated into the base funding allocations of the participating counties in later years.

IMPLEMENTATION DATE:

This premise was implemented in State 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 14 counties (Alameda, Contra Costa, Humboldt, Mendocino, Napa, Placer, Riverside, Sacramento, San Diego, San Luis Obispo, Santa Clara, Santa Cruz, Solano, and Stanislaus).
- The nonfederal costs equal 77.77 percent of the total costs, based on FY 1997-98 expenditures.

METHODOLOGY:

(*All dollar amounts discussed in this section are in thousands.*)

- For FY 1998-99, the amount is being kept at the appropriation level.
- For FY 1999-00, the total General Fund (GF) amount from FY 1998-99 ($7,780) is increased by 3.30 percent for the cost of doing business. The total GF amount of $8,037 is divided by 70 percent to equal the total nonfederal amount of $11,482. Total funds are calculated by dividing .7777 (percent to total expenditures) into the total nonfederal amount to equal $14,763. The federal share of $3,282 is then obtained by subtracting the total nonfederal dollars from the total funds. The county share of costs is $3,444, based on 30 percent of the total nonfederal dollars.

FUNDING:

It is assumed that federal and nonfederal costs will be shared at 22.23 percent and 77.77 percent, respectively, based on the most current expenditures. Nonfederal costs will be shared 70 percent state and 30 percent county.

CHANGE FROM PRIOR SUBVENTION:

There is no change.

State Family Preservation – Permanent Transfer

REASON FOR YEAR-TO-YEAR CHANGE:

Changes are due to increases in the percent-to-total expenditures and in the cost of doing business.

EXPENDITURES:

(in 000's)

	1998-99	1999-00
	County Admin.	County Admin.
Total	$14,648	$14,763
Federal	3,534	3,282
State	7,780	8,037
County	3,334	3,444
Reimbursements	0	0

State Family Preservation – Los Angeles County (Formerly: State Family Preservation – Foster Care Transfer)

DESCRIPTION:

This premise reflects the costs to provide for the State Family Preservation (SFP) Program funding, before the counties' SFP permanent transfer takes place. The SFP Program was initiated in 1988 with Chapter 105, Statutes of 1988 (AB 558), which established a two-year family preservation pilot project in three counties (Alameda, Napa, and Solano). Additionally, Chapter 1120, Statutes of 1990 (AB 3773), Chapter 1117, Statutes of 1990 (AB 1696), and Chapter 1463, Statutes of 1990 (AB 2939) extended the SFP Program in the three original pilot counties and expanded the program to 12 additional counties (Contra Costa, Humboldt, Los Angeles (LA), Mendocino, Placer, Riverside, Sacramento, San Diego, San Luis Obispo, Santa Clara, Santa Cruz, and Stanislaus). Subsequently, Chapter 91, Statutes of 1991 (AB 948) established the SFP Program as a statewide program and changed the funding ratio for foster care. Chapter 1006, Statutes of 1993 (AB 776) increased the amount to be advanced from 10 percent to 25 percent and expanded allowable SFP services and the population eligible for services.

Under the provisions of the SFP Program, an involved county is allowed to use a portion of the projected state share of Aid to Families with Dependent Children-Foster Care Program grant funds to help reduce or prevent out-of-home placements. Specifically, the SFP funds are used for emergency response, family maintenance, and family reunification services.

At this time, the only county that has not elected to permanently transfer the SFP Program is LA County. Since LA County is the only county that has not moved into permanent transfer status, this premise has been renamed to reflect that continuance.

Formerly, this premise identified the amount of funding being transferred from foster care grant payments (Item 101) to child welfare services (CWS) (Item 151) to provide SFP Program funding. Funding has now been moved entirely to CWS Item 151 for administration purposes.

IMPLEMENTATION DATE:

This premise implemented on November 1, 1988.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 16500.5 through 16500.7.
- LA County is the only county that has not elected to permanently transfer the SFP Program.
- The projection for LA County is based on foster care State General Fund (GF) expenditures five years prior to starting the SFP Program.
- Once established, there is no change in the projection of the county's advance amount of GF dollars.

State Family Preservation – Los Angeles County (Formerly: State Family Preservation – Foster Care Transfer)

METHODOLOGY:

- The methodology for projecting foster care expenditures was changed in accordance with Chapter 1006, Statutes of 1993 (AB 776):
- **Item 101** – The estimate for FY 1998-99 reflects only LA County continuing to provide SFP services under assistance payments. The projected GF amount of $26,618,680 is divided by 86.93 percent (based on the 1995-96 percentage ratio of federal dollars) to include federal financial participation of 13.07 percent, for the total dollar amount of $30,620,821. For FY 1999-00, funding has been moved to Children's Services (Item 151).
- **Item 151** – For FY 1998-99, this is a non-add item which reflects LA County's funding continuing in the SPF Foster Care Transfer. It is a corresponding amount representing the funds being expended for SFP services.

  For FY 1999-00, the estimate reflects LA County continuing to provide SFP services only under SPF Foster Care Transfer. The projected GF amount of $26,618,680 is divided by 86.93 percent (based on the 1995-96 percentage ratio of federal dollars) to include federal financial participation of 13.07 percent, for the total dollar amount of $30,620,821.
- The 14 counties that have permanently transferred their SFP programs are included in the CWS premise entitled "State Family Preservation - Permanent Transfer" (Item 151).

FUNDING:

It is assumed that costs will be divided by 86.93 percent nonfederal funds and 13.07 percent federal funds. The nonfederal costs are 100 percent GF.

CHANGE FROM PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change, other than funding moved to Item 151 (CWS) for administrative purposes only.

EXPENDITURES:

(in 000's)

ITEM 101

FOSTER CARE	1998-99 County Admin.	1999-00 County Admin.
Total	$30,621	$0
Federal	4,002	0
State	26,619	0
County	0	0
Reimbursements	0	0

ITEM 151

CWS[1]	1998-99 County Admin.	1999-00 County Admin.
Total	-$30,621	$30,621
Federal	-4,002	4,002
State	-26,619	26,619
County	0	0
Reimbursements	0	0

[1]Non-add item in FY 1998-99.

Family Preservation and Support Program – Federal

DESCRIPTION:

This premise reflects the federal funding for family preservation and community-based family support services. The Omnibus Budget Reconciliation Act of 1993 established a new, capped entitlement program under Title IV-B.

IMPLEMENTATION DATE:

This premise was 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.
- 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 fiscal year (FFY) funds for 1998 of $33,398,317 were converted to 1998-99 State Fiscal Year (SFY).
- The FFY funds for 1999 are $36,197,930. This is converted to the SFY consisting of $8,349,579 for the first quarter and $27,148,448 for the remainder of the year ($35,498,027), less $1,200,000 for state operations costs.

Federal Fiscal Year	Grant Total	State Fiscal Year		Conversion to Local Assistance less State Operations
1998	$33,398,317	1998-1999	$32,511,882	$31,311,882
1999	$36,197,930	1999-2000	$35,498,027	$34,298,027

FUNDING:

This premise reflects only federal grant funds. The grants are two-year grants, and there is a one-year delay in grant utilization.

CHANGE FROM PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is an increase in the federal grant for FFY 1999.

Family Preservation and Support Program – Federal

EXPENDITURES:

(in 000's)

	1998-99	1999-00
	County Admin.	County Admin.
Total	$31,312	$34,298
Federal	31,312	34,298
State	0	0
County	0	0
Reimbursements	0	0

Independent Living Program

DESCRIPTION:

This premise reflects the federal grant portion of the Independent Living Program (ILP). The Omnibus Budget Reconciliation Act of 1993 permanently authorized this program, which offers training to foster care adolescents aged 16 and over, 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.

IMPLEMENTATION DATE:

This premise was 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 the ILP.
- The annual federal appropriation is allocated to the counties on the basis of the number of foster youth in each county.

METHODOLOGY:

- A supplemental federal grant of $12,252,000 was awarded to the State beginning in FY 1998-99. This supplemental federal grant will be spread over a four-year period beginning with FY 1998-99. Each year $2,014,000 will be available for local assistance.
- For Fiscal Year (FY) 1998-99, the federal grant for this program is $8,024,000. Of this amount, $7,004,000 is available for local assistance. An additional grant award of $4,495,000 is allocated to the State to be matched by 50 percent in state or county fund expenditures in FY 1998-99. The total amount available for FY 1998-99 is $13,513,000 ($2,014,000+$7,004,000+$4,495,000).
- For FY 1999-00, the federal grant for this program remains at $8,024,000, with $7,004,000 available for local assistance. An additional grant award of $4,495,000 is allocated to the State to be matched by 50 percent in state or county fund expenditures in FY 1999-00. The total amount available for FY 1999-00 is $13,513,000 ($2,014,000+$7,004,000+$4,495,000).

FUNDING:

Funds budgeted are federal grant funds. The matching funds are provided through social worker expenditures within foster care group home assistance payments.

CHANGE FROM PRIOR SUBVENTION:

There is slight decrease due to the estimated grant amount verses the actual grant award.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

Independent Living Program

EXPENDITURES:

(in 000's)

	1998-99	1999-00
	County Admin.	County Admin.
Total	$13,513	$13,513
Federal	13,513	13,513
State	0	0
County	0	0
Reimbursements	0	0

Extended Independent Living Program Services

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 and up to the age of 21 years, enabling them to be independent when their foster care terminates. Chapter 311, Statutes of 1998 (SB 933) 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.

IMPLEMENTATION DATE:

This premise was implemented September 1998.

KEY DATA/ASSUMPTIONS:

Funding is 100 percent State General Funds.

METHODOLOGY:

- Authorizing statute: Welfare and Institutions Code section 10609.3.
- Based on the existing level of funding and population served under the current ILP Premise, costs were estimated to expand services to the entire population of eligible foster care adolescents aged 16 through 21 years.

FUNDING:

This premise is 100 percent State General Funds.

CHANGE FROM PRIOR SUBVENTION:

This is a new premise.

REASON FOR YEAR-TO-YEAR CHANGE:

Current year costs are for nine months only. The budget year reflects full-year costs.

EXPENDITURES:

(in 000's)

	1998-99	1999-00
	County Admin.	County Admin.
Total	$11,364	$15,152
Federal	0	0
State	11,364	15,152
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 Chapter 1310, Statutes of 1987 (SB 834) and extended permanently with Chapter 1203, Statutes of 1991 (SB 1125).

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 being developed by the National Council on Crime and Delinquency (NCCD), the Department, and seven pilot counties. Additionally, the NCCD contract was augmented to allow eight additional counties to participate in the "training-only" portion of the SDM model.

By way of the Foster Care Group Home Task Force and SB 933 (Chapter 311, Statutes of 1998), an additional $750,000 in State General Fund (GF) was augmented for expanding the child welfare professional staff training. This will increase the professional training for all out-of-home practitioners, including licensed professionals and noncounty employees.

IMPLEMENTATION DATE:

This premise was 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 State GF for Fiscal Year (FY) 1998-99 is based on contract costs and an increase for the professional training augmentation by the1998 Budget Committee. The federal discount rate of 82 percent is applied.
- The State GF for FY 1999-00 is based on contract costs and the augmentation for professional training. The federal discount rate of 83 percent is applied.

FUNDING:

Federally eligible costs are shared at 75 percent federal and 25 percent state. Nonfederally eligible costs are funded with 100 percent GF.

Child Welfare Training Program

CHANGE FROM PRIOR SUBVENTION:

An increase of $750,000 to the State GF is reflected for the professional training augmentation. This was previously reflected in the 1998-99 Appropriation, as one of the components under the Foster Care Task Force Options.

REASON FOR YEAR-TO-YEAR CHANGE:

The increased funding level is due to the full-year cost of the NCCD contract for training of the eight counties participating in the "training only" portion of the SDM model, as well as a slight increase in basic contract costs for child welfare training. Additionally, an increase for the professional training augmentation is reflected. There is also an increase in the foster care federal discount rate.

EXPENDITURES:

(in 000's)

	1998-99	1999-00
	County Admin.	County Admin.
Total	$6,269	$6,908
Federal	3,845	4,300
State	2,424	2,608
County	0	0
Reimbursements	0	0

Substance Abuse/HIV Infant Program (Options for Recovery)

DESCRIPTION:

This premise reflects the costs for the Options for Recovery Program. This program provides funding for recruitment, special training and respite care to specially recruited and trained foster family providers caring for children who have medical problems related to drug or alcohol exposure or to AIDS. Originally established as a demonstration project by Chapters 1385 (SB 1173) and 1437 (AB 2268), Statutes of 1989, the Options for Recovery Program was extended by Chapter 296, Statutes of 1993 (SB 1050) and made into a permanent program in 1997 by Chapter 606, Statutes of 1997 (AB 67).

IMPLEMENTATION DATE:

This premise implemented on July 1, 1989.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 16525.1 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 approximately 24 counties requesting participation.

METHODOLOGY:

- The current year estimate is based on the appropriation level. The foster care federal discount rate of 82 percent was applied to both the training and recruitment components.
- In the budget year the State General Fund (GF) remains at the appropriation level. The foster care federal discount rate of 83 percent was applied to both the training and recruitment components.

FUNDING:

Respite care is funded 70 percent GF and 30 percent county funds. The training and recruitment components are funded with 75 percent/50 percent federal funds, respectively, after the foster care federal discount rate is applied. The nonfederal portion is funded 70 percent GF and 30 percent county funds.

CHANGE FROM PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

The funding level has increased due to the foster care federal discount rate increase.

Substance Abuse/HIV Infant Program
(Options for Recovery)

EXPENDITURES:

(in 000's)

	1998-99	1999-00
	County Admin.	County Admin.
Total	$13,477	$13,514
Federal	2,476	2,513
State	7,701	7,701
County	3,300	3,300
Reimbursements	0	0

Child Welfare Services – Pass-Through Title IV-E Costs

DESCRIPTION:

This premise is to pass-through federal Title IV-E funds for probation costs, foster parent training, and social work 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

METHODOLOGY:

This premise includes the combined estimated expenditures for the following four 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. The Foster Parent Training Fund 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. Each year $1 million (total funds) is allocated from the fund to the Foster Parent Training Program. Since the end of 1990-91, the Department of Health and Human Services has allowed Title IV-E funds to be claimed for foster parent training. The federal discount rate of 83 percent is applied to these costs.
- Foster Parent Training -- Chancellor's Office. The Title IV-E funds will be used to match the Department of Education's 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. Recently enacted legislation, Chapter 1016, Statutes of 1996 (AB 3062), Chapter 216, Statutes of 1996 (AB 1127), and Chapter 542, Statutes of 1997 (SB 916) 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 (UC) and the California State University (CSU) 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 (MSW).

  Beginning with the fall 1998 semester, three more colleges are participating with the current 12 schools of social work (Loma Linda University, University of Southern California, two UCs, and nine CSUs and two satellite college programs). Financial aid is provided through the Title IV-E federal reimbursement program which covers operational costs to the participating institutions and grants to students.

FUNDING:

Costs shown represent 100 percent federal pass-through. There is no State General Fund match in any of the programs.

Child Welfare Services – Pass-Through Title IV-E Costs

CHANGE FROM PRIOR SUBVENTION:

The social worker training portion has been increased for start-up costs and implementation of three new colleges' MSW programs beginning fall 1998.

REASON FOR YEAR-TO-YEAR CHANGE:

Changes in probation costs are due to the decline in caseload growth projections and an increase in actual expenditures. The federal foster care discount rate increase of 83 percent has been applied. Additionally, the IV-E match of funds for the social worker training has been increased for implementation of an additional new college for 1999-00.

EXPENDITURES:

(in 000's)

Probation:	1998-99 County Admin.	1999-00 County Admin.	**Social Worker Training:**	1998-99 County Admin.	1999-00 County Admin.
Total	$84,795	$88,527	Total	$15,500	$16,500
Federal	84,795	88,527	Federal	15,500	16,500
State	0	0	State	0	0
County	0	0	County	0	0
Reimbursements	0	0	Reimbursements	0	0

Foster Parent Training Fund:	1998-99 County Admin.	1999-00 County Admin.	**Foster Parent Training – Chancellor's Office:**	1998-99 County Admin.	1999-00 County Admin.
Total	$615	$623	Total	$2,250	$2,250
Federal	615	623	Federal	2,250	2,250
State	0	0	State	0	0
County	0	0	County	0	0
Reimbursements	0	0	Reimbursements	0	0

COMBINED TOTAL:	1998-99 County Admin.	1999-00 County Admin.
Total	$103,160	$107,900
Federal	103,160	107,900
State	0	0
County	0	0
Reimbursements	0	0

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, Chapter 1089, Statutes of 1993 (AB 2129), 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.
- Total funding is assumed to be split 50 percent for training and 50 percent for recruitment.

METHODOLOGY:

- In Fiscal Year (FY) 1998-99, $1.5 million in State General Fund (GF) was budgeted as the funding level for both the training and recruitment portions of the program.
- For FY 1999-00, the total fund amount is increased by 3.30 percent for cost-of-doing-business. The federal foster care discount rate of 83 percent has been applied.

FUNDING:

This program is eligible for Title IV-E federal funding. Of the federal portion, a 75/25 sharing ratio is applied for the training of Child Welfare Services Program staff costs, and a 50/50 sharing ratio is applied for recruitment costs. The nonfederal portion is funded with 100 percent GF.

CHANGE FROM PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

Funding levels have increased due to increases in the foster care federal discount rate and the cost-of-doing-business.

EXPENDITURES:

(in 000's)

	1998-99	1999-00
	County Admin.	County Admin.
Total	$3,094	$3,196
Federal	1,586	1,658
State	1,508	1,538
County	0	0
Reimbursements	0	0

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Child Welfare Services – Teen Pregnancy Disincentive

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 Chapter 304, Statutes of 1995 (AB 908), 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 investigations part of this premise implemented on May 1, 1997.

The minor parent services part of this premise implemented on June 1, 1997.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 11254, 16504(b), and 16506.
- It is assumed that any situations of abuse or neglect under Welfare and Institutions Code section 300 requiring a foster care living arrangement resulting from this investigation, are already reflected in child welfare services (CWS) and foster care 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, including interviews and documentation: one with the teen parent and one with the teen parent's parent(s) or legal guardian. An additional hour is allocated for travel and time to prepare a report of the social worker's findings. It is assumed that 100 percent of the clients applying for welfare benefits will receive an assessment.
- 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. An average of six months of services is estimated for each case, based on the number of estimated minor parents approved for their own AUs at age 17 from the September 1992 AFDC application survey.

METHODOLOGY:

- Costs for investigations in Fiscal Year (FY) 1998-99 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. (20,264 [total MP caseload] x 4 [investigation hours per case] x $57.64 [CWS social worker cost/hour]).
- Costs for investigations in FY 1999-00 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. (17,396 [total MP caseload] x 4 [investigation hours per case] x $59.57 [CWS social worker cost/hour]).
- The MPS costs are based upon the number of estimated minor parents approved for their own AUs (along with their child) for an average of six months of services estimated for each case. Annual social worker costs, plus direct costs (12.98 percent for 1998-99 and 13.35 percent for 1999-00) are calculated for the total number of MPS cases served.

Child Welfare Services – Teen Pregnancy Disincentive

FUNDING:

The costs of performing the investigations and providing MPS are eligible for funding under the Temporary Assistance for Needy Families block grant. All nonfederal costs are shared 70 percent state and 30 percent county.

CHANGE FROM PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There has been a caseload decrease in both teen pregnancies and investigations. There are slight increases seen in the annual cost for a social worker and the percentage for direct costs.

EXPENDITURES:

(in 000's)

Combined Total:	1998-99	1999-00
	County Admin.	County Admin.
Total	$8,069	$7,709
Federal	4,034	3,855
State	2,824	2,698
County	1,211	1,156
Reimbursements	0	0

Investigations:	1998-99	1999-00
	County Admin.	County Admin.
Total	$4,624	$4,146
Federal	2,312	2,073
State	1,618	1,451
County	694	622
Reimbursements	0	0

Minor Parent Services:	1998-99	1999-00
	County Admin.	County Admin.
Total	$3,445	$3,563
Federal	1,722	1,782
State	1,206	1,247
County	517	534
Reimbursements	0	0

Child Welfare Services – 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 Chapter 794, Statutes of 1997 (AB 1193), the Kinship Support Services Program is authorized 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.
- Participating counties for Fiscal Year (FY) 1998-99 are: Contra Costa, Los Angeles, Monterey, Riverside, San Diego, San Francisco, San Mateo, and Santa Clara.

METHODOLOGY:

- Since initial grants were not awarded until July 1998, the FY 1997-98 Appropriation was rolled over into FY 1998-99.
- The FY 1999-00 estimate reflects the total funds appropriated for full-year program grant costs.

FUNDING:

This program is funded 100 percent from the State General Fund as specified by Chapter 794, Statutes of 1997 (AB 1193).

CHANGE FROM PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

This is a full year of funding.

EXPENDITURES:

(in 000's)

	1998-99	1999-00
	County Admin.	County Admin.
Total	$750	$1,500
Federal	0	0
State	750	1,500
County	0	0
Reimbursements	0	0

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Child Welfare Services/Case Management System Staff Development

DESCRIPTION:

This premise will fund staff development for the Child Welfare Services/Case Management System (CWS/CMS) which was implemented as a result of Chapter 1294, Statutes of 1989 (SB 370). This includes training for recently hired staff and training for new application trainer/mentor (ATM) staff.

IMPLEMENTATION DATE:

This premise implemented on July 1, 1997.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 16501.5.
- Newly hired staff as a result of caseload growth and staff turnover will require 29 hours of training. Newly hired ATM staff as a result of staff turnover will require 80 hours of training.
- The cost per hour of training is $41.36 for Fiscal Year (FY) 1998-99 and adjusted to $42.72 for FY 1999-00 due to the cost of doing business (3.3 percent).
- The estimate assumes an 11.5 percent staff turnover rate.
- The average caseload growth percentage for the CWS Basic Premise is used to estimate the number of statewide users. Since the CWS Basic Premise is not reflecting any caseload growth for FY 1999-00, the FY 1999-00 estimate will only reflect new staff as a result of turnover.

METHODOLOGY:

FY 1998-99:

New staff (3,631) will receive 29 hours of training at a cost of $41.36 per hour (3,631 staff x 29 hours x $41.36). New ATM staff (34) will require 80 hours of training at a cost of $41.36 per hour (34 staff x 80 hours x $41.36).

FY 1999-00:

New staff (1,484) will receive 29 hours of training at a cost of $42.72 per hour (1,484 staff x 29 hours x $42.72). New ATM staff (34) will require 80 hours of training at a cost of $42.72 per hour (34 staff x 80 hours x $42.72).

FUNDING:

For FY 1998-99, it is assumed that federal Title IV-E and nonfederal costs will be split at 61.5 percent and 38.5 percent, respectively, after the foster care federal discount rate of 82 percent is applied. Nonfederal costs will be shared 70 percent state and 30 percent county.

For FY 1999-00, it is assumed that federal Title IV-E and nonfederal costs will be split at 62.25 percent and 37.75 percent, respectively, after the foster care federal discount rate of 83 percent is applied. Nonfederal costs will be shared 70 percent state and 30 percent county.

Child Welfare Services/Case Management System
Staff Development

CHANGE FROM PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

Since the CWS Basic Premise is not reflecting any caseload growth for FY 1999-00, training costs will not be estimated for any new staff as a result of caseload growth.

EXPENDITURES:

(in 000's)

	1998-99	1999-00
	County Admin.	County Admin.
Total	$4,466	$1,954
Federal	2,747	1,217
State	1,203	516
County	516	221
Reimbursements	0	0

Child Welfare Services/Case Management Services 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 SB 370, Chapter 1294, Statutes of 1989, the CWS/CMS provides a comprehensive data base, 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 adoptions information 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) all 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 Health and Welfare Agency directed the transfer of major information technology projects from the California Department of Social Services (CDSS) to the Health and Welfare Agency Data Center (HWDC). HWDC administers the projects under an interagency agreement with CDSS.

IMPLEMENTATION DATE:

This premise became effective Fiscal Year (FY) 1995-96.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Codes section 16501.5.
- All counties became operational with the completion of data conversion in the summer of 1998. Costs are based on the November 1997 special project report and the FY 1999-00 budget change proposal (BCP).

METHODOLOGY:

As detailed in the special project report, the FY 1998-99 spring finance letter and the FY 1999-00 BCP, costs represent ongoing operations and support costs associated with the maintenance and oversight of the CWS/CMS and with the wide-area network maintained by HWDC, HWDC administrative support, and vendor costs related to operation, support, and maintenance of the application and technical architecture. The current vendor contract expires January 30, 1999. The request for proposal to award a follow-on vendor contract is currently being developed.

FUNDING:

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.

Child Welfare Services/Case Management Services Ongoing

CHANGE FROM PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

Estimates reflect a net increase in the budget year due to increased vendor maintenance and operation and network costs and a reduction in funding for infrastructure changes.

EXPENDITURES:

(in 000's)

	1998-99	1999-00
	County Admin.	County Admin.
Total	$41,615	$42,843
Federal	20,807	21,421
State	20,808	21,422
County	0	0
Reimbursements	0	0

CDSS/HWDC PARTNERSHIP:

(in 000's)

	1998-99	1999-00
Total	$41,615	$42,843
CDSS	0	0
HWDC	41,615	42,843

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. The percentage of this money that can be used for OCAP programs is 22.5 percent.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Vehicle Code section 5072.
- The total projected revenue for Fiscal Year (FY) 1999-00 is $883,000.
- OCAP may utilize 22.5 percent of this fund for child abuse prevention in the community.

METHODOLOGY:

- The current year estimate was held at the appropriation level. This figure was derived by taking 22.5 percent of the total revenue for FY 1997-98 ($671,000 actual revenue x 22.5 percent for OCAP).
- 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 ($883,000 projected revenue x 22.5 percent for OCAP).

FUNDING:

All funds are provided by the CHSF.

CHANGE FROM PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

The CHSF revenue is projected to increase by 32 percent in FY 1999-00.

EXPENDITURES:

(in 000's)

	1998-99	1999-00
	County Admin.	County Admin.
Total	$151	$199
Federal	0	0
State	151	199
County	0	0
Reimbursements	0	0

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Foster Care Task Force Options

DESCRIPTION:

This premise reflects costs recommended by the Foster Care Task Force which consists of the Child Welfare Training Program expansion, Group Home Monthly Visits, Supportive and Therapeutic Options Program, and the Ombudsperson Premises. All four components were combined as one premise item in the Fiscal Year 1998-99 Appropriation and subsequently separated out into four individual premise items for the November 1998 Subvention for both current year and budget year. Detailed descriptions can be found for each component on their separate premise description pages.

EXPENDITURES:

(in 000's)

FY 1998-99 Appropriation	Total	Federal	State	County	Reimbursements
Child Welfare Training Expansion	$1,920	$1,170	$750	$0	$0
Group Home Monthly Visits	25,826	12,579	13,247	0	0
Supportive and Therapeutic Options	8,897	0	8,897	0	0
Ombudsperson	219	119	100	0	0
Total	$36,862	$13,868	$22,994	$0	$0

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Ombudsperson (SB 933)

DESCRIPTION:

This premise reflects the start-up costs for establishing a foster care ombudsperson, as designated by the Foster Care Task Force Options. As authorized by Chapter 311, Statutes of 1998 (SB 933), the foster care ombudsperson shall be an autonomous entity within the Department for the purpose of providing children with a means to resolve issues related to their care, placements, or services.

IMPLEMENTATION DATE:

This premise implemented August 1998.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 16160 through 16167.
- This is a one-time, start-up cost for establishing the foster care ombudsperson. Costs will move from local assistance to state support after the initial start-up is completed.

METHODOLOGY:

The Budget Conference Committee of 1998 designated the State General Fund (GF) amount within the Foster Care Task Force Options.

FUNDING:

This program is funded by State GF with matching federal funds as appropriated by the 1998 Budget Conference Committee.

CHANGE FROM PRIOR SUBVENTION:

This is a new premise.

REASON FOR YEAR-TO-YEAR CHANGE:

Costs will move from local assistance costs to state support after the initial start-up is completed.

EXPENDITURES:

(in 000's)

	1998-99	1999-00
	County Admin.	County Admin.
Total	$219	$0
Federal	119	0
State	100	0
County	0	0
Reimbursements	0	0

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Supportive and Therapeutic Options Program (STOP)

DESCRIPTION:

This premise reflects costs for providing expanded "day treatment" type services to families with at-risk children and youth that cannot access services through current mental health services or other funding mechanisms. As part of the Foster Care Task Force Options, services will 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 will 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 August 1998.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 16500.
- This program will serve 4,430 nonfederally Medi-Cal eligible children.
- The annual cost per child for mental health services is $2,870.

METHODOLOGY:

The number of children served (4,430) multiplied by the annual cost for mental health services ($2,870) equals the cost of the program.

FUNDING:

This premise will be shared at 70 percent state and 30 percent county share of cost.

CHANGE FROM PRIOR SUBVENTION:

This is a new premise.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000's)

	1998-99	1999-00
	County Admin.	County Admin.
Total	$12,710	$12,710
Federal	0	0
State	8,897	8,897
County	3,813	3,813
Reimbursements	0	0

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Emergency Workload Relief

DESCRIPTION:

This premise reflects the supplement of funds to child welfare services as authorized by the Budget Act of 1998 (Chapter 324, Statutes of 1998). These funds shall be expressly targeted for the protection of children from abuse and neglect and shall not be used to supplant existing child welfare services funds. There will be no county match required for these funds.

IMPLEMENTATION DATE:

This premise implemented on July 1, 1998.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Chapter 324, Statutes of 1998 (AB 1656).
- Funding will continue through Fiscal Year (FY) 1999-00, until the mandated workload study has been conducted.

METHODOLOGY:

For both fiscal years, the State General Fund amount has been held at the appropriation.

FUNDING:

For FY 1998-99, it is assumed that federal Title IV-E and nonfederal costs will be split at 41 percent and 59 percent, respectively, after the foster care federal discount rate of 82 percent is applied. Nonfederal costs will be 100 percent State General Fund.

For FY 1999-00, it is assumed that federal Title IV-E and nonfederal costs will be split at 41.5 percent and 58.5 percent, respectively, after the foster care federal discount rate of 83 percent is applied. Nonfederal costs will be 100 percent State General Fund.

CHANGE FROM PRIOR SUBVENTION:

This is a new premise.

REASON FOR YEAR-TO-YEAR CHANGE:

Federal costs increase due to an increase in federally eligible cases.

EXPENDITURES:

(in 000's)

	1998-99	1999-00
	County Admin.	County Admin.
Total	$67,797	$68,376
Federal	27,797	28,376
State	40,000	40,000
County	0	0
Reimbursements	0	0

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Group Home Monthly Visits (SB 933)

DESCRIPTION:

This premise reflects the costs of providing monthly visits to all foster care children placed in group homes both in state and out of state. This premise is one of the Foster Care Task Force Options authorized by Chapter 311, Statutes of 1998 (SB 933).

IMPLEMENTATION DATE:

This premise implemented on July 1, 1998.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 16516.5.
- The in-state group home caseload, excluding foster family agency (FFA) placements, is projected to be 11,094 for Fiscal Year (FY) 1998-99 and 11,924 for FY 1999-00. This caseload is based on the ratio of FFA and group home placements as reported on the Child Welfare Services/Case Management System Placement Report as of August 31, 1998. The out-of-state group home caseload is estimated at 710 for both FYs.
- For FY 1998-99, the hourly cost of a social worker is $58.04 and is $59.57 for FY 1999-00.
- For the out-of-state placements, it is assumed that an average of two cases can be visited per trip.
- All group home placements will receive an additional 10 visits per year with in-state visits taking an average of 2 hours per visit and out-of-state visits taking an average of 12 hours to visit 2 cases.
- Out-of-state per diem and travel costs are estimated at $119 and $588 per visit respectively.

METHODOLOGY:

- For each FY, the in-state costs for 10 visits are calculated on the in-state group home caseload for 2 hours per visit at the hourly cost of a social worker (FY 1998-99: 10 visits x 11,094 cases x 2 hours x $58.04; FY 1999-00: 10 visits x 11,924 cases x 2 hours x $59.57).
- The out-of-state costs for 10 visits are calculated on the out-of-state group home caseload divided by 2 (2 cases per visit) for 12 hours per visit at the hourly cost of a social worker. Per diem and travel costs are added for each visit ((10 visits x 355 cases x 12 hours x $58.04) + ($707 per diem/travel x 10 visits x 355 cases)).

FUNDING:

It is assumed that federal Title IV-E and nonfederal costs will be split at 41.5 percent and 58.5 percent, respectively, after the foster care federal discount rate of 83 percent is applied. Since this is a state mandate, nonfederal costs will be 100 percent State General Fund.

CHANGE FROM PRIOR SUBVENTION:

This is a new premise.

Group Home Monthly Visits (SB 933)

REASON FOR YEAR-TO-YEAR CHANGE:

Costs increase due to an increase in caseload.

EXPENDITURES:

(in 000's)

	1998-99	1999-00
	County Admin.	County Admin.
Total	$17,860	$19,255
Federal	7,412	7,991
State	10,448	11,264
County	0	0
Reimbursements	0	0

Background Checks (SB 645)

DESCRIPTION:

This premise reflects the costs associated with conducting background checks prior to placing children in the homes of a relative, or the home of any prospective guardian or other person who is not a licensed or certified foster parent. The background checks are authorized by Chapter 949, Statutes of 1998 (SB 645) which requires a court or social worker to conduct both a criminal record check through the California Law Enforcement Telecommunications System (CLETS) and a Child Abuse Index check as a means of assessing the appropriateness of a placement. The bill further requires that if either the CLETS or Child Abuse Index check indicate a criminal history, then an additional fingerprint clearance check must be conducted through the Department of Justice.

IMPLEMENTATION DATE:

This premise will be implemented on January 1, 1999.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 361.4.
- The caseload for both fiscal years (FYs) is 52,371, based on relative and guardian home placement data.
- It is assumed that an average of two children are placed per home and that an average of two persons in the home will require background checks.
- It is assumed that there will be no additional costs associated with the CLETS checks as there is no charge for using this system.
- The cost for the Child Abuse Index checks is estimated at $15 per check.
- It is assumed that three percent of the caseload will require an additional criminal record fingerprint check at a cost of $32 per check.

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 $15 per check (52,371 checks x $15 per check). In addition, costs are calculated for three percent of the caseload requiring the additional fingerprint clearance check (1,571 checks x $32 per check). Half-year costs are reflected for FY 1998-99, and full-year costs are reflected for FY 1999-00.

FUNDING:

It is assumed that federal Title IV-E and nonfederal costs will be split at 41.5 percent and 58.5 percent, respectively, after the foster care federal discount rate of 83 percent is applied. Since this is a state mandate, nonfederal costs will be 100 percent State General Fund.

CHANGE FROM PRIOR SUBVENTION:

There is a new premise.

Background Checks (SB 645)

REASON FOR YEAR-TO-YEAR CHANGE:

Half-year costs are reflected for FY 1998-99, and full-year costs are reflected for FY 1999-00.

EXPENDITURES:

(in 000's)

	1998-99	1999-00
	County Admin.	County Admin.
Total	$418	$836
Federal	174	347
State	244	489
County	0	0
Reimbursements	0	0

AFCARS Penalty

DESCRIPTION:

This premise reflects the costs associated with the Adoption and Foster Care Analysis and Reporting System (AFCARS) penalty imposed on California for failing to meet the federal reporting requirements as outlined in the Code of Federal Regulations, Title 45, Chapter XIII, section 1355.40. This penalty has been assessed for the May 1998 report submission.

IMPLEMENTATION DATE:

This premise will be paid during Fiscal Year (FY) 1998-99.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Code of Federal Regulations, Title 45, Chapter XIII, section 1355.40.
- The amount of Title IV-B section 427 incentive funds available as of June 30, 1993, was $15,842,455.

METHODOLOGY:

AFCARS penalties assessed during Federal Fiscal Year 1998 can total up to five percent per report period of the Title IV-B section 427 incentive funds that were available to states as of June 30, 1993.

FUNDING:

Funding is 100 percent State General Fund.

CHANGE FROM PRIOR SUBVENTION:

This is a new premise.

REASON FOR YEAR-TO-YEAR CHANGE:

No penalties have been incurred for FY 1999-00.

EXPENDITURES:

(in 000's)

	1998-99	1999-00
	County Admin.	County Admin.
Total	$792	$0
Federal	0	0
State	792	0
County	0	0
Reimbursements	0	0

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Bohler v. Anderson

DESCRIPTION:

This premise reflects the legal fees for the California Superior Court case, Heide Bohler (Youth Law Center) v. Eloise Anderson, which directed the Department to comply with Welfare and Institutions Code section 11467 (Chapter 1294, Statutes of 1998). The court required the Department to develop and implement a level of care assessment instrument. The court then granted compliance in extending the date for statewide implementation to November 1, 1998. However, requirements for implementing a level of care assessment instrument were repealed under Senate Bill 933 (Chapter 311, Statutes of 1998), on August 19, 1998, eliminating its implementation and use.

IMPLEMENTATION DATE:

Attorney fees for this court case will be paid in the current year.

KEY DATA/ASSUMPTIONS:

This is an estimated cost for settlement of legal fees.

FUNDING:

The legal fees are eligible for a 50 percent federal share and a 50 percent state share.

CHANGE FROM PRIOR SUBVENTION:

This is a new premise.

REASON FOR YEAR-TO-YEAR CHANGE:

This is a new premise.

EXPENDITURES:

(in 000's)

	1998-99	1999-00
	County Admin.	County Admin.
Total	$25	$0
Federal	12	0
State	13	0
County	0	0
Reimbursements	0	0

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Adoptions Program – Basic Costs

DESCRIPTION:

This premise reflects costs associated with agency (relinquishment) adoptions for 31 counties. Although only 28 counties provide adoptive services, these costs include funding for independent adoptions and services in three 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.

State department staff perform the balance of adoption services in the remaining counties.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institution Code sections 16100-16106.
- Budget Year 1999-00 basic adoption services costs are maintained at the 1995-96 Appropriation level.

FUNDING:

Funds are based on the 1980 adoptions yardstick, a workload measurement standard. Since that time there has been a State General Fund (GF) cost-of-living adjustment (COLA) recognized in 1984-85, a federal COLA pass-through recognized in 1987-88, and a caseload adjustment in 1990-91. The Agency Adoptions component is subdivided into federal and nonfederal activities based on the nonfederal Adoption Assistance Program ratio. For federally eligible activities, funding is 50 percent federal Title IV-E, and 50 percent GF. The nonfederal share is 100 percent GF. The composite funding ratios are 32 percent federal IV-E funds and 68 percent GF. Independent adoptions are 100 percent GF. The offset for collected fees is credited 100 percent to the GF. Collection of adoption fees is not a federal mandate.

CHANGE FROM PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000's)

	1998-99 County Admin.	1999-00 County Admin.
Total	$27,625	$27,625
Federal	8,722	8,722
State	18,903	18,903
County	0	0
Reimbursements	0	0

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Private Agency Adoption Payments

DESCRIPTION:

This premise reflects the costs of providing reimbursements to private adoption agencies for expenditures associated with adoptive placement of special needs children. Assembly Bill 1524 (Chapter 1083, Statutes of 1996) established a $3,500 compensatory limit per placement of special needs children.

Once the child is placed, a claim is submitted to the Department for an individual child by the private adoption agency. Departmental program staff check 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 was implemented on July 1, 1992.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 16120-16122.
- A reimbursement of $3,500 per finalized adoption will be paid to private agencies.

METHODOLOGY:

The Budget Year 1999-00 estimate was calculated by multiplying the actual number of private agency adoptive placements for Fiscal Year (FY) 1997-98 by the cost per case (372 placements x $3,500).

FUNDING:

The funding ratio was based on a five-year average of actual claiming experience from FYs 1993-94 through 1997-98. The federal share of cost is 35 percent, and the state share of cost is 65 percent.

CHANGE FROM PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase in the budget year is due to a 43 percent increase in number of private agency adoptive placements.

EXPENDITURES:

(in 000's)

	1998-99	1999-00
	County Admin.	County Admin.
Total	$914	$1,302
Federal	311	456
State	603	846
County	0	0
Reimbursements	0	0

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Minority 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 was implemented on July 1, 1982.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Federal Multiethnic Placement Act.
- The Minority Home Recruitment Program will continue to fund approximately 20 projects.
- The foster care federal discount rate is 82 percent for Fiscal Year (FY) 1998-99 and 83 percent for FY 1999-00.
- The cost-of-doing-business (CODB) increase is 3.30 percent.

METHODOLOGY:

The estimate for FY 1998-99 has been held at the appropriation. The estimate for FY 1999-00 was calculated by multiplying the FY 1998-99 Appropriation by the CODB ($681,340 x 3.30 percent).

FUNDING:

For FY 1999-00, costs are funded with 41.5 percent federal Title IV-E funds and 58.5 percent State General Fund after the foster care federal discount rate is applied.

CHANGE FROM PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

The change is due to a 3.30 percent CODB increase and an increase in the foster care federal discount rate.

Minority Home Recruitment

EXPENDITURES:

(in 000's)

	1998-99	1999-00
	County Admin.	County Admin.
Total	$681	$704
Federal	279	292
State	402	412
County	0	0
Reimbursements	0	0

Adoptions Program 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 was implemented on January 1, 1990.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institution Code sections 16100-16106.
- For Budget Year 1999-00, approximately 44 new children legally freed for adoption are expected in counties where the State provides adoption services.
- The cost-of-doing-business (CODB) increase is 3.30 percent.

METHODOLOGY:

The estimate was calculated using actual data from Fiscal Year (FY) 1997-98. The average cost per case was derived by dividing the total number of actual cases by the actual expenditures with a 3.30 percent CODB increase ($2,047 average cost per case). The average cost per case was then multiplied by the number of new children legally freed (44) based on the claimed activity, and then added to FY 1997-98 expenditures with the CODB to attain the budget year estimate.

FUNDING:

Funding is based on actual adoption assistance payments which reflect that 40 percent of expenditures would be eligible for Title IV-E funding. All nonfederal costs are 100 percent State General Fund.

CHANGE FROM PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

The change is due to an eight percent decrease in actual expenditures, and a 12 percent decrease in the number of children being freed for adoption (parental rights terminated).

Adoptions Program County Counsel Costs

EXPENDITURES:

(in 000's)

	1998-99 County Admin.	1999-00 County Admin.
Total	$809	$726
Federal	332	301
State	477	425
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 50 percent federal sharing. This cap was made permanent by Assembly Bill 2129 (Chapter 1089, Statutes of 1993).

IMPLEMENTATION DATE:

This premise was 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.

METHODOLOGY:

- Data from actual claims reflect that 32.93 percent of the total number of children placed have special needs. To determine the estimate for Budget Year (BY) 1999-00, this percentage was applied to the 228 projected number of additional adoptions over Fiscal Year 1998-99.
- The maximum reimbursement of $400 was applied to each case, and then added to the projected expenditures for BY 1999-00 {$827,506 + ((32.93 percent x 228) 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 PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase in the budget year is due to the increase in adoptive placements by the counties as a result of the Adoptions Initiative.

Nonrecurring Adoption Expenses

EXPENDITURES:

(in 000's)

	1998-99	1999-00
	County Admin.	County Admin.
Total	$812	$858
Federal	406	429
State	406	429
County	0	0
Reimbursements	0	0

Substance Abuse/HIV Infant Program (AB 2198)

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) established by AB 67 (Chapter 606, Statutes of 1997).

IMPLEMENTATION DATE:

This premise implemented on July 1, 1998. Funding is only available to the extent it is appropriated in the annual Budget Act; therefore, there are no funds reflected for the budget year.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 16135 – 16135.30.
- This program is available to any county requesting participation pursuant to established procedures and to the extent funds are available.
- The foster care sharing ratio (federal discount rate) is 83 percent for current year.

METHODOLOGY:

AB 2198 set aside $1,000,000 in State General Fund (GF) for the implementation of this program in the current year.

FUNDING:

- Recruitment activities are funded with 41.50 percent federal, 40.95 percent GF, and 17.55 percent county, after the federal discount rate of 83 percent is applied.
- The training component is funded 62.25 percent federal, 26.43 percent GF, and 11.32 percent county, after the 83 percent federal discount rate is applied.
- Respite care is funded 70 percent GF and 30 percent county funds.

CHANGE FROM PRIOR SUBVENTION:

This is a new premise.

REASON FOR YEAR-TO-YEAR CHANGE:

This program is available to any county requesting participation pursuant to established procedures and to the extent funds are appropriated each year through the Budget Act.

Substance Abuse/HIV Infant Program (AB 2198)

EXPENDITURES:

(in 000's)

	1998-99	1999-00
	County Admin.	County Admin.
Total	$1,964	$0
Federal	542	0
State	1,000	0
County	422	0
Reimbursements	0	0

Federal Adoption Opportunity Grants

DESCRIPTION:

This premise reflects the amount of the federal Adoption Opportunity Grants (AOGs) the State was awarded for Fiscal Years 1998-99 through 2000-01. There were two grants awarded to the State under federal Priority Area 98.3, Achieving Increased Placements of Children in Foster Care.

The first grant will be used to strengthen and institutionalize a pilot program developed by Sierra Adoption Services in partnership with Sacramento County. This program eliminates a principal barrier to the adoption of special needs minority children by identifying and developing permanent families for long-term foster children who have been labeled inappropriately as unadoptable. A majority of these children are ethnic minority children who are over-represented in the foster care system. The activities funded by the grant will be provided by Sierra Adoption Services in collaboration with Sacramento County. Sacramento County will supervise the grant on the State's behalf.

The second grant will be used to develop, implement and promote a project to recruit and retain concurrent planning families. The activities funded by the grant will be provided by a licensed private adoption agency in collaboration with Contra Costa County. Contra Costa County will supervise the grant on behalf of the State.

IMPLEMENTATION DATE:

This premise implemented on October 1, 1998.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Public Law 104-235, Title II of the Child Abuse Prevention and Treatment Act.
- The grants have been approved through June 30, 2001.

FUNDING:

The total grant funding is $900,000 ($150,000 per AOG per fiscal year). The funding is 90 percent federal share with a 10 percent county match.

CHANGE FROM PRIOR SUBVENTION:

This is a new premise.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

Federal Adoption Opportunity Grants

EXPENDITURES:

(in 000's)

	1998-99 County Admin.	1999-00 County Admin.
Total	$334	$334
Federal	300	300
State	0	0
County	34	34
Reimbursements	0	0

County Third Party Contracts

DESCRIPTION:

This premise reflects the costs associated with the Child Abuse Prevention, Intervention, and Treatment (CAPIT) Program. AB 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, 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 18960-18965.

METHODOLOGY:

In Fiscal Year (FY) 1998-99, there was a $5.0 million augmentation to the CAPIT funding. This augmentation was divided amongst County Allocations, Training and Technical Assistance, Innovative Services, and State Support as follows:

- County Allocations: Counties were allocated $8,832,450 in FY 1998-99. This amount has been revised and an additional $4,523,550 has been added. 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.
- Training and Technical Assistance (T&TA): The funding amount for T&TA was $147,600 for FY 1998-99. This figure was increased to $200,000 to ensure that the programs effectively serve high-risk children and their families, as well as to provide for regional training on various child abuse issues and periodic statewide conferences.
- Innovative Services: Innovative Services was to receive $859,950 in FY 1998-99. Additional funding from the augmentation increased this appropriation to $1,038,800. A competitive bid process determines the grantees of innovative services contracts.
- State Support: With the increase in CAPIT funds, $245,200 was set aside for State Support. Since this money is for State Support, it is not reflected in the total CAPIT funding.

For Budget Year (BY) 1999-00, the total CAPIT funding is being held at the revised FY 1998-99 Appropriation level.

FUNDING:

CAPIT funding is 100 percent General Fund.

CHANGE FROM PRIOR SUBVENTION:

An augmentation of $5.0 million was added in FY 1998-99 for CAPIT Programs that provide services to child victims of abuse and neglect not eligible for aid under the Victims of Crime Restitution Fund. This augmentation was distributed to the CAPIT Programs for FY 1998-99 and BY 1999-00.

County Third Party Contracts

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000's)	1998-99	1999-00
	Grant	Grant
Total	$14,395	$14,395
Federal	0	0
State	14,395	14,395
County	0	0
Reimbursements	0	0

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 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:	1998-99	1999-00
• CAPTA Title I Grants	$2,361,000	$4,437,000
• CAPTA Title II – CBFRS	$2,895,000	$2,491,000

FUNDING:

Funding for these projects is 100 percent federal grant funds.

CHANGE FROM PRIOR SUBVENTION:

Funding reflects current and anticipated expenditures of federal grant awards.

REASON FOR YEAR-TO-YEAR CHANGE:

The change is due to an increase in the amount of the federal CAPTA Title I grant received.

EXPENDITURES:

(in 000's)	1998-99 Grant	1999-00 Grant
Total	$5,256	$6,928
Federal	5,256	6,928
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:

SCTF revenue results from fees for birth certificates, grants, state income tax designations, and private donations. The General Funds in the STCF are continuously appropriated without regard to fiscal years. Funding reflects estimated expenditures, which are displayed for informational purposes only.

OCAP plans to implement programs in the budget year which include multiple mobile family centers and the California Safe and Healthy Families (CalSAHF) Program.

CHANGE FROM PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

The increased funding is due to the transfer of special license plate fees from the Child Health and Safety Fund.

EXPENDITURES:

(in 000's)	1998-99	1999-00
	Grant	Grant
Total[1]	$850	$2,700
Federal	0	0
State	850	2,700
County	0	0
Reimbursements	0	0

[1] - Non-add item

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Juvenile Crime Prevention Program

DESCRIPTION:

This premise reflects the costs associated with the Juvenile Crime Prevention (JCP) Program. The JCP Program is a comprehensive juvenile delinquency prevention program designed specifically for at-risk youth and their families. Twelve pilot sites that exhibited high rates of juvenile arrest, reported child abuse, out-of-home placement, teen pregnancy, and other selected criteria administer the projects through neighborhood resource centers. The program consists of the following:

- Family Resource Center - provides family support services directly, acts as an information and referral agency, monitors, and evaluates funding proposals;
- Mother and Sons Program - provides support and skills to single mothers of teenage sons to promote positive behaviors and prevent high-risk behavior such as school dropout and gang involvement;
- First Offender Family Preservation Program - provides early intervention services to halt the career of juvenile offenders. The program incorporates a focus on delinquency prevention into the existing Family Preservation Program model, which employs intense levels of comprehensive family support services to prevent disruption and improve family functioning;
- Families and Schools Together - provides elementary school-based parent training and support services to prevent failure, delinquency, and substance abuse; and
- After School Education and Recreation Services - provides supervised recreational activities, field trips, educational components (e.g., tutoring, career development), and community service projects.

IMPLEMENTATION DATE:

This premise was implemented on January 1, 1996.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Budget Act of 1994.
- Grants for this program are scheduled to end June 30, 2000.

METHODOLOGY:

This premise reflects full-year funding for this program, as appropriated by the Legislature.

FUNDING:

JCP Program costs are 100 percent General Fund.

CHANGE FROM PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

Juvenile Crime Prevention Program

EXPENDITURES:

(in 000's)	1998-99	1999-00
	Grant	Grant
Total	$9,650	$9,650
Federal	0	0
State	9,650	9,650
County	0	0
Reimbursements	0	0

Special Programs – Special Circumstances

DESCRIPTION:

This premise reflects the cost of providing grants to recipients of Supplemental Security Income/State Supplemental Payment (SSI/SSP) Program, In-Home Supportive Services, or Cash Assistance Program for Aged, Blind, and Disabled Legal Immigrants who have financial needs due to an emergency or special circumstance. The special circumstance grant is for those recipients who have a need for certain goods and services due to an individual situation, which is not common to all recipients and is not a re-occurring event. The Special Circumstance Program was funded by the 1998 Budget Act (Chapter 324, Statutes of 1998).

IMPLEMENTATION DATE:

This premise implemented on July 1, 1998.

KEY DATA/ASSUMPTIONS:

- The Department is authorized to administer the Special Circumstance Program under sections 12500 through 12601 of the Welfare and Institutions Code.
- The 1998 Budget Act provided $8,300,000 for the Special Circumstances Program: $5,000,000 for grants and $3,300,000 for administration costs.
- The Department does not anticipate any savings in the SSI/SSP Program from this premise.

METHODOLOGY:

Funding is based on amount budgeted in the 1998 Budget Act.

FUNDING:

This program is 100 percent state funded.

CHANGE FROM PRIOR SUBVENTION:

This is a new premise.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change. This program is level funded.

EXPENDITURES:

(in 000's)

	1998-99 Grant/ Administration	1999-00 Grant/ Administration
Total	$8,300	$8,300
Federal	0	0
State	8,300	8,300
County	0	0
Reimbursements	0	0

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Special Programs – Other Specialized Services

DESCRIPTION:

The Specialized Services item includes costs for 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

- The Foster Care Burial Program reimbursement authority is contained in Welfare and Institutions Code section 11212.
- The average monthly program cost for Fiscal Year (FY) 1997-98 was $9,722.
- The estimated Foster Care Program caseload growth for FY 1998-99 is 7.1 percent and is 6.8 percent for 1999-00.

Assistance Dog Special Allowance

- The Assistance Dog Special Allowance payment authority is contained in Welfare and Institutions Code section 12553.
- The average monthly program cost for FY 1997-98 was $27,654.

METHODOLOGY:

Foster Care Burial

The Foster Care Burial Program was updated to reflect increased expenditures in 1997-98.

Repatriated Americans

The estimate of $75,000 for FYs 1998-99 and 1999-00 has been maintained at the FY 1997-98 level.

Assistance Dog Special Allowance

The funding for FYs 1997-98 and 1998-99 was updated to reflect an increase in caseload.

FUNDING:

The Foster Care Burial and the Assistance Dog Special Allowance Programs are funded with 100 percent State General Funds. The Repatriated Americans Program is 100 percent federally funded through a special Department of Health and Human Services grant.

Special Programs – Other Specialized Services

CHANGE FROM PRIOR SUBVENTION:

The maximum allowable grants for the Foster Care Burial Program increased from $3,500 to $5,000. The Assistance Dog Program caseload has increased from the prior subvention.

REASON FOR YEAR-TO-YEAR CHANGE:

There were increased caseload and expenditures.

EXPENDITURES:

(in 000's)

	1998-99	1999-00
	Grant	Grant
Total	$661	$722
Federal	75	75
State	586	647
County	0	0
Reimbursements	0	0

Access Assistance/Deaf

DESCRIPTION:

This premise reflects the costs associated with 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 2.2 million deaf and hearing-impaired Californians through regional contractors. Services include employment services, counseling, inter-preting services, education on deafness and advocacy. Assistance under this program enables deaf and hearing impaired persons access to needed social and community services. Currently, eight regional contractors provide services to the hearing impaired in 30 counties.

METHODOLOGY:

- Authorizing statute: Welfare and Institutions Code section 10621.
- The funding for Fiscal Years 1998-99 and 1999-00 is maintained at the level established in the 1998-99 Budget Act.

FUNDING:

This program was initially funded out of the State General Fund (GF). Title XX block grant funds replace $3,200,000 of the GF.

CHANGE FROM PRIOR SUBVENTION:

The program was augmented by $2.5 million in the 1998-99 Budget Act.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000's)

	1998-99 Grant	1999-00 Grant
Total	$5,804	$5,804
Federal	3,200	3,200
State	2,604	2,604
County	0	0
Reimbursements	0	0

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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 AB 1069 (Chapter 1190, Statutes of 1977) and amended by AB 3805 (Chapter 1636, Statutes of 1990). It 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. Currently, the Department contracts with four private, nonprofit agencies for services, with one each in Los Angeles (Saint Ann's Maternity Home), Modesto (Bethany Christian Services), San Francisco (Florence Crittenton) and Santa Ana (Mary's Shelter).

METHODOLOGY:

The funding in Fiscal Years 1998-99 and 1999-00 was maintained at the 1998-99 Appropriation level.

FUNDING:

This program is funded entirely out of the State General Fund.

CHANGE FROM PRIOR SUBVENTION:

There was no change from the prior subvention.

REASON FOR YEAR-TO-YEAR CHANGE:

No change.

EXPENDITURES:

(in 000's)

	1998-99	1999-00
	Grant	Grant
Total	$600	$600
Federal	0	0
State	600	600
County	0	0
Reimbursements	0	0

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Refugee Programs – Refugee Employment Social Services

DESCRIPTION:

Refugee employment social services are provided to refugees through county welfare departments and contracting agencies. The services are provided 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.

METHODOLOGY:

Funding is based on federal award.

FUNDING:

This program is 100 percent federally funded.

CHANGE FROM PRIOR SUBVENTION:

The federal award was increased.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000's)

	1998-99	1999-00
	Grant	Grant
Total	$15,000	$15,000
Federal	15,000	15,000
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 becoming self-sufficient. 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 was implemented on October 1, 1983.

METHODOLOGY:

Funding is based on federal award.

FUNDING:

This program is 100 percent federally funded.

CHANGE FROM PRIOR SUBVENTION:

Federal funding was decreased.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000's)

	1998-99	1999-00
	Grant	Grant
Total	$15,000	$15,000
Federal	15,000	15,000
State	0	0
County	0	0
Reimbursements	0	0

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County Services Block Grant – Basic Costs

DESCRIPTION:

This premise reflects the level of county services block grant (CSBG) funding provided to the counties. Funding for the county welfare departments' administrative costs for these programs has been block-granted since the 1984-85 Budget Act. The programs funded under the CSBG include Information and Referral, Adult Protective Services, Adult Out-of-Home Care, Staff Development and Optional Services.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 13004 through 13007.
- The Fiscal Year (FY) 1983-84 General Fund block grant amount of $15.3 million was augmented by a cost-of-living adjustment (COLA) of 3 percent in FY 1984-85.
- The FY 1984-85 General Fund block grant amount of $15.8 million was augmented by a COLA of 4 percent in FY 1985-86.
- There have been no COLAs in this premise since FY 1985-86. This premise assumes that there will be no COLAs in FYs 1998-99 and 1999-00.
- Activities performed by health-related providers to help Medi-Cal eligible adults are eligible for Title XIX reimbursement at either 75 percent or 50 percent depending on the type of service provided.
- The nonhealth related costs are not eligible for Title XIX reimbursement.
- The Title XIX reimbursement amount for FY 1997-98 is based on actual expenditure information as reported on the county administrative expense claim for July 1997 through June 1998. The portion of Title XIX reimbursement due to the counties overmatching their CSGB awards has been shifted to the CSBG Adult Protective Services (SB 2199) Premise.
- The county dollar amounts displayed reflect the statutory requirement. The statutory requirement is applicable only to the extent that General Fund funding is available. The actual county expenditures for 1997-98 totaled $13.5 million.

METHODOLOGY:

The Title XIX reimbursement amount was adjusted to reflect prior fiscal year actuals.

FUNDING:

This estimate uses a blended rate of 54 percent, based on actual expenditures, to calculate the Title XIX reimbursement amount. The balance is split 70 percent state and 30 percent county.

CHANGE FROM PRIOR SUBVENTION:

This estimate was updated to reflect Title XIX eligible expenditures without the county overmatch.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

County Services Block Grant – Basic Costs

EXPENDITURES:

(in 000s)

	1998-99	1999-00
	County Admin.	County Admin.
Total	$36,082	$36,082
Federal	0	0
State	16,401	16,401
County	7,029	7,029
Reimbursements	12,652	12,652

Adult Protective Services Total Augmentation

DESCRIPTION:

This premise reflects the expenditures associated with the provision of adult protective services. Senate Bill (SB) 2199 (Chapter 946, Statutes of 1998) broadened the scope of the Adult Protective Services (APS) Program and held the county share of APS expenditures at the Fiscal Year (FY) 1996-97 level. The APS Program has been funded under the County Services block grant (CSBG) since the 1984 Budget Act. The APS Program is administered by the county welfare departments to provide 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.

IMPLEMENTATION DATE:

- This premise was implemented on July 1, 1997.
- The enhanced services portion of SB 2199 is effective May 1, 1999.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 15703 through 15705.40.
- This estimates assumes that augmented APS activities will be eligible for Title XIX funding in the same proportion as the APS activities included in the CSBG Basic Premise.
- This estimate uses the CSBG FY 1996-97 average federal Title XIX reimbursement rate of 54 percent of state and county funds.

METHODOLOGY:

This program received a $20 million General Fund augmentation in the 1998 Budget Act to provide counties with additional resources needed to respond to more APS cases. For FY 1999-00, the APS Program will be increased by an additional $15.3 million in General Funds to fund an enhanced APS Program. The state and county shares of cost are 70 percent and 30 percent, respectively. The counties' expenditures are held at the FY 1996-97 levels.

FUNDING:

This program is funded with State General Funds and county funds up to the FY 1996-97 maintenance of effort level.

CHANGE FROM PRIOR SUBVENTION:

The federal reimbursement amount was adjusted to shift federal dollars due to the county overmatch of CSBG basic funding to the APS Augmentation Premise.

REASON FOR YEAR-TO-YEAR CHANGE:

The budget year reflects a $15.3 million General Fund increase over FY 1998-99.

Adult Protective Services Total Augmentation

EXPENDITURES:

(in 000's)

	1998-99	1999-00
	County Admin.	County Admin.
Total	$36,817	$60,379
Federal	0	0
State	20,000	35,300
County	3,907	3,907
Reimbursements	12,910	21,172

Community Care Licensing – Foster Family Home

DESCRIPTION:

This premise reflects the costs of providing basic funding to 43 counties for foster family home (FFH) program licensing services. FFH programs in the remaining 15 counties are licensed by the California Department of Social Services' Community Care Licensing Program District Offices. The California Community Care Facilities Act authorizes participating counties to provide FFH licensing services.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Health and Safety Code sections 1500 through 1519.
- The workload standard used to determine full-time equivalents (FTEs) is 90 cases per worker.
- The supervisor to worker ratio used to determine FTEs is 6.35:1.
- The cost-of-doing-business (CODB) increase is 3.30 percent.

METHODOLOGY:

- The estimate was developed by determining the number of FTEs based on the 1999-00 projected caseload of 9,065, less Calaveras County's 19 cases transferred back to the State (9,065 FFH caseload – 19 Calaveras County cases).
- This revised caseload was divided by the workload standard of 90 cases per worker to derive the number of nonsupervisory FTEs (9,046 cases ÷ 90 cases per worker). The FTEs were then expanded to include supervisors at a ratio of 6.35:1 to determine the total number of FTEs ((100.51 FTEs ÷ 6.35 supervisor ratio) + 100.51 FTEs = 116.34 FTEs).
- The average statewide unit cost was calculated by dividing the actual total expenditures for Fiscal Year (FY) 1997-98 by the actual average FTEs, less Calaveras County data (resulting in $97,702).
- The FY 1999-00 FFH Program estimate was calculated by multiplying the unit cost by a 3.30 percent CODB and then by the total FTEs ($97,702 unit cost x 1.0330 CODB) x (116.34 FTEs = $11,741,701).
- The total estimate was derived by adding the recruitment only allocation (plus the 3.30 percent CODB) to the FFH Program estimate ($11,741,701 + $951,162). The recruitment only funds are for counties that do not participate in the licensing program. The allocation was developed by using the counties' average number of cases in Family Reunification and Permanent Placement and the number of children under 18 years of age (based on the 1996 United States census).
- The funding for FY 1998-99 was held at the appropriation level.

FUNDING:

Based on FY 1997-98 actual expenditure data, the sharing ratio is 43 percent federal Title IV-E and 57 percent State General Fund.

Community Care Licensing – Foster Family Home

CHANGE FROM PRIOR SUBVENTION:

Effective August 1, 1998, Calaveras County transferred its FFH Program licensing function back to the State. For current year, the impact is insignificant and, therefore, not reflected in the methodology. For budget year, the caseload and expenditures were deducted from FY 1997-98 data.

REASON FOR YEAR-TO-YEAR CHANGE:

The estimate was updated based on a 4.2-percent decrease in projected caseload and a two-percent decrease in unit cost.

EXPENDITURES:

(in 000's)

	1998-99	1999-00
	County Admin.	County Admin.
Total	$13,345	$12,693
Federal	5,581	5,491
State	7,764	7,202
County	0	0
Reimbursements	0	0

Community Care Licensing – Family Child Care Homes

DESCRIPTION:

This premise reflects the costs of providing basic funding to 11 counties for family child care home (FCCH) program licensing services. FCCH programs in the remaining 47 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.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Health and Safety Code sections 1500 through 1519.
- The workload standard used to determine full-time equivalents (FTEs) is 358 cases per worker.
- The supervisor to worker ratio used to determine FTEs is 6.35:1.
- The cost-of-doing-business (CODB) increase is 3.30 percent.

METHODOLOGY:

- The estimate was developed by determining the number of FTEs based on the 1999-00 projected caseload of 5,389. This caseload was divided by the workload standard of 358 cases per worker to determine the number of nonsupervisory FTEs (5,389 caseload ÷ 358 cases per worker). The FTEs were then expanded to include supervisors at a ratio of 6.35:1 to derive the total number of FTEs ((15.05 FTEs ÷ 6.35 supervisor ratio) + 15.05 FTEs = 17.42 FTEs).
- The average statewide unit cost was derived by dividing the actual total expenditures for Fiscal Year (FY) 1997-98 by the actual average FTEs (resulting in $97,291).
- The FCCH Program estimate for FY 1999-00 was calculated by multiplying the unit cost by a 3.30 percent CODB, and then by the projected FTEs (($97,291 unit cost x 1.0330 CODB) x 17.42).
- The funding for FY 1998-99 was held at the appropriation level.

FUNDING:

The program is funded with 100 percent State General Fund.

CHANGE FROM PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There was an increase in the statewide average unit cost from FY 1996-97 to FY 1997-98.

Community Care Licensing – Family Child Care Homes

EXPENDITURES:

(in 000's)

	1998-99	1999-00
	County Admin.	County Admin.
Total	$1,534	$1,751
Federal	0	0
State	1,534	1,751
County	0	0
Reimbursements	0	0

Community Care Licensing – Child Care Caseload Growth

DESCRIPTION:

This premise reflects the administrative costs of licensing additional family child care homes (FCCH) needed due to the passage of Assembly Bill 1542 (Chapter 270, Statutes of 1997), the California Work Opportunity and Responsibility to Kids Act (CalWORKs). One of the provisions of CalWORKs is a work participation requirement for all welfare recipients. For Fiscal Year (FY) 1999-00, it is projected that over 155,000 additional children will require child care due to the employment of CalWORKs recipients.

Currently, 11 of the 58 counties provide FCCH program licensing services. FCCH programs in the remaining 47 counties are licensed by the California Department of Social Services' (CDSS) Community Care Licensing (CCL) District Offices. The California Community Care Facilities Act (Health and Safety Code section 1500) authorizes participating counties to provide FCCH licensing services.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 11200; and Health and Safety Code sections 1500 through 1519.
- Seventy-four percent of the children will utilize FCCHs.
- In FY 1999-00, there will be a projected 96,251 FCCH vacancies. This figure is based on a linear regression made from the June 1998 CCL Management Information Report.
- Counties license 14 percent of the FCCHs statewide.
- CCL Advocacy and Policy Bureau reported a statewide vacancy rate of 25 percent in FCCHs.
- The ratio of large capacity FCCH (12 children average) to small capacity FCCH (6 children average) is 30:70. This ratio is based on the LIC 181 Statistical Report.
- The nonsupervisory workload standard used to determine full-time equivalents (FTEs) is 358 cases per worker.
- The projected statewide average unit cost for CCL-FCCHs for FY 1999-00 is $100,502. *(See the CCL-FCCH Premise description.)*

METHODOLOGY:

- The estimate was calculated by multiplying the total number of additional children requiring care by the percentage utilizing FCCHs (155,096 children x 74 percent = 114,771 children). The existing vacancies (96,251) were then subtracted from the 114,771 children to arrive at the total number of additional children requiring child care (114,771 – 96,251 = 18,520 children). Of these 18,520 children, 14 percent will use county licensed FCCHs (18,520 x 14 percent = 2,593).
- These additional children needing FCCHs are divided into large and small facilities based on the 30.70 ratio as reported in the LIC 181 ((2,593 children x 30 percent large FCCHs = 778) and (2,593 children x 70 percent small FCCHs = 1,815)).

Community Care Licensing – Child Care Caseload Growth

METHODOLOGY (Continued):

- To determine the number of large FCCHs needed, 778 was divided by the average large FCCH capacity (778 children ÷ 12 = 65 large FCCHs).
- To determine the number of small FCCHs needed, 1,815 was divided by the average small FCCH capacity (1,815 children ÷ 6 = 302 small FCCHs).
- The number of these facilities were then added together and divided by the 75 percent occupancy rate to arrive at the total number of FCCHs needed ((65 large FCCHs + 302 small FCCHs) ÷ 75 percent occupancy rate = 490 total FCCHs).
- The number of additional facilities needed was then divided by the CCL-FCCH nonsupervisory workload standard to determine FTEs (490 facilities ÷ 358 cases/facilities per worker). The number of FTEs was then multiplied by the projected statewide average unit cost for a CCL-FCCH licensing worker for FY 1999-00 (1.50 FTEs x $100,502).

FUNDING:

The program is funded with 100 percent State General Fund.

CHANGE FROM PRIOR SUBVENTION:

This is a new premise.

REASON FOR YEAR-TO-YEAR CHANGE:

This premise will implement on July 1, 1999.

EXPENDITURES:

(in 000's)

	1998-99	1999-00
	County Admin.	County Admin.
Total	$0	$151
Federal	0	0
State	0	151
County	0	0
Reimbursements	0	0

Jones-Mason v. Anderson

DESCRIPTION:

This premise reflects the legal fees for the San Francisco County Superior Court case, Karen Jones-Mason v. Eloise Anderson, which directed the California Department of Social Services (CDSS) to complete a statutorily required study of group homes that care for children younger than the age of six (Welfare and Institutions Code section 11467.1). Health and Safety Code section 1530.8 required the CDSS' Community Care Licensing Division to promulgate regulations based on this study.

IMPLEMENTATION DATE:

Attorney fees for this court case will be paid in Fiscal Year (FY) 1998-99.

KEY DATA/ASSUMPTIONS:

This is an estimated current year cost for settlement of legal fees.

FUNDING:

The legal fees are 100 percent State General Fund.

CHANGE FROM PRIOR SUBVENTION:

This is a new premise.

REASON FOR YEAR-TO-YEAR CHANGE:

Costs associated with this premise are for FY 1998-99. There is no cost in the budget year for this item.

EXPENDITURES:

(in 000's)

	1998-99 County Admin.	1999-00 County Admin.
Total	$30	$0
Federal	0	0
State	30	0
County	0	0
Reimbursements	0	0

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Other Departments' TANF MOE Eligible Expenditures CDE Adult Education for CalWORKs Eligibles

DESCRIPTION:

This premise reflects the state maintenance of effort (MOE) expenditures made by the California Department of Education (CDE) for adult education activities designed for current recipients of benefits under the California Work Opportunity and Responsibility to Kids (CalWORKs) Program. As a result of Public Law 104-193, the federal welfare reform legislation establishing the Temporary Assistance for Needy Children (TANF) Program, the Aid for Families with Dependent Children entitlement program was eliminated and was replaced with a TANF block grant. As a requirement to receive the TANF block grant funding, the State must ensure that each year it maintains a certain level of expenditures referred to as a MOE. The amount of the MOE is based on a historical level of nonfederal expenditures in a base year, which for California is Federal Fiscal Year 1994 ($2.9 billion). The State may count toward the MOE all state and local expenditures spent on CalWORKs/TANF eligible families.

Section 40.3(a) and (b) of AB 1578 (Chapter 299, Statutes of 1997) appropriated $25 million in State General Funds (GF) for adult education activities designed for current recipients of benefits under the CalWORKs Program. This legislation also specified that these education activities be limited to those designed to increase self-sufficiency, job training, and work. Furthermore, these activities are to be provided through classes that are not generally available to persons who are not members of an eligible CalWORKs family. Based on these expenditure requirements, these funds would meet the federal TANF Program MOE requirements.

IMPLEMENTATION DATE:

This premise was implemented on July 1, 1997.

KEY DATA/ASSUMPTIONS:

- The current year appropriation funding level is $25 million. However, because there are currently no methods to verify these expenditures for purposes of reporting to the federal government, it is assumed that in the current year one-half of the appropriation will be counted toward the state MOE.
- It is projected that $25 million will be appropriated, and tracking will be in place to verify these expenditures in the budget year.
- These funds are required to be expended for educational activities for CalWORKs eligible recipients only. In addition, these activities shall be provided in classes that are not normally available to the general public.

METHODOLOGY:

For Fiscal Year (FY) 1998-99 the estimate reflects the $12.5 million verifiable in the current year. For FY 1999-00, the estimate reflects the $25 million verifiable in the budget year.

FUNDING:

This program is funded with 100 percent GF.

Other Departments' TANF MOE Eligible Expenditures
CDE Adult Education for CalWORKs Eligibles

CHANGE FROM PRIOR SUBVENTION:

This estimate has been updated for assumptions relative to the ability to verify state MOE to the federal government.

REASON FOR YEAR-TO-YEAR CHANGE:

The current year assumes that only half of the expenditures will be countable for California's state MOE.

EXPENDITURES:

(in 000's)

	1998-99	1999-00
	Grant	Grant
Total	$12,500	$25,000
Federal	0	0
State	12,500	25,000
County	0	0
Reimbursements	0	0

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 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.

As a result of Public Law 104-193, the federal welfare reform legislation establishing the TANF Program, the Aid for Families with Dependent Children entitlement program was eliminated and was replaced with a TANF block grant. As a requirement to receive the TANF block grant funding, the State must ensure that each year it maintains a certain level of expenditures referred to as a MOE. The amount of the MOE is based on a historical level of nonfederal expenditures in a base year, which for California is Federal Fiscal Year 1994 ($2.9 billion). The State may count toward the MOE all state and local expenditures spent on California Work Opportunity and Responsibility to Kids (CalWORKs) Program TANF eligible families.

AB 107 (Chapter 282, Statutes of 1997) appropriated $65 million in General Funds (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 three years. Based on these expenditure requirements, these funds would meet the federal requirements for counting towards the TANF MOE.

IMPLEMENTATION DATE:
This premise was implemented on July 1, 1997.

KEY DATA/ASSUMPTIONS:
- The current year appropriation funding level is $65 million, and it is anticipated that all of these expenditures will be spent in the current year.
- The current year reflects rollover money from 1997-98, as the program was starting up. It is expected that these funds will be expended in the current year.
- A minimum of $15 million has to be spent for child care for TANF recipients.
- These funds are required to be expended for educational-related services CalWORKs Program eligible recipients only.

METHODOLOGY:
For Fiscal Year (FY) 1998-99 the estimate reflects the $58.5 million verifiable in the current year plus the rollover from the previous year. For FY 1999-00, the estimate reflects the $65 million verifiable in the budget year.

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 PRIOR SUBVENTION:
This estimate has been updated for assumptions relative to the ability to verify state MOE to the federal government.

REASON FOR YEAR-TO-YEAR CHANGE:
The current year assumes that the program will be fully implemented.

EXPENDITURES:
(in 000's)

	1998-99	1999-00
	Grant	Grant
Total	$90,000	$65,000
Federal	0	0
State	90,000	65,000
County	0	0
Reimbursements	0	0

Other Departments' TANF MOE Eligible Expenditures Employment Training Panel Fund

DESCRIPTION:

This premise reflects the state maintenance of effort (MOE) expenditures made by the State Employment Development Department (EDD) for adult education activities designed for current recipients of benefits under the California Work Opportunity and Responsibility to Kids (CalWORKs) Program. As a result of Public Law 104-193, the federal welfare reform legislation establishing the Temporary Assistance for Needy Children (TANF) Program, the Aid for Families with Dependent Children entitlement program was eliminated and was replaced with a TANF block grant. As a requirement to receive the TANF block grant funding, the State must ensure that each year it maintains a certain level of expenditures referred to as the MOE. The amount of the MOE is based on a historical level of nonfederal expenditures in a base year, which for California is Federal Fiscal Year 1994 ($2.9 billion). The State may count toward the MOE all state and local expenditures spent on CalWORKs/TANF eligible families.

AB 1542 (Chapter 270, Statutes of 1997) added section 1611.5 to the Unemployment Insurance Code which authorizes the Legislature to appropriate annually up to $20.0 million in Employment Training Panel (ETP) funds for training programs designed for workers who are current or recent recipients of benefits under the CalWORKs Program. The legislation also authorizes the carryover of unencumbered funds from Fiscal Year (FY) 1997-98 to FY 1998-99.

IMPLEMENTATION DATE:

This premise was implemented on January 1, 1998.

KEY DATA/ASSUMPTIONS:

The Legislature can appropriate up to $20.0 million in ETP funds each fiscal year for training programs for current or recent welfare recipients.

METHODOLOGY:

Based on discussions with the ETP, approximately $4.9 million will be expended in FY 1998-99 and $4.5 million will be expended in FY 1999-00.

FUNDING:

This program is funded 100 percent with State General Funds.

CHANGE FROM PRIOR SUBVENTION:

This estimate has been updated for assumptions relative to the ability to expend state MOE-countable funds.

Other Departments' TANF MOE Eligible Expenditures Employment Training Panel Fund

REASON FOR YEAR-TO-YEAR CHANGE:

It is assumed that a portion of the $10.0 million in unencumbered funds from FY 1997-98 will be carried over to FY 1998-99.

EXPENDITURES:

(in 000's)

	1998-99	1999-00
	Grant	Grant
Total	$5,000	$5,000
Federal	0	0
State	5,000	5,000
County	0	0
Reimbursements	0	0

Other Departments' TANF MOE Eligible Expenditures DHS – Community Challenge Grant Program

DESCRIPTION:

This premise reflects the state maintenance of effort (MOE) expenditures made by the Department of Health Services (DHS) to implement locally developed prevention and intervention strategies that promote responsible parenting and address the problem of unwed pregnancies. As a result of Public Law 104-193, the federal welfare reform legislation establishing the Temporary Assistance for Needy Children (TANF) Program, the Aid for Families with Dependent Children entitlement program was eliminated and was replaced with a TANF block grant. As a requirement to receive the TANF block grant funding, the State must ensure that each year it maintains a certain level of expenditures referred to as a MOE. The amount of the MOE is based on a historical level of nonfederal expenditures in a base year, which for California is Federal Fiscal Year 1994 ($2.9 billion). The State may count toward the MOE all state and local expenditures spent on CalWORKs/TANF eligible families.

This is a three-year program in which the DHS provides grants to community-based nonprofit organizations and county/local governments. This program's goals are similar to those of the TANF Program in that they both seek to reduce the incidence of out-of-wedlock births and promote responsible parenting.

IMPLEMENTATION DATE:

Although this program was implemented in Fiscal Year (FY) 1996-97, counting these eligible expenditures against the TANF MOE requirement began July 1, 1997.

KEY DATA/ASSUMPTIONS:

- Since the program is open to everyone in the community, the Department is only counting the portion of annual funding that represents the ratio of welfare recipients to the State's total population.
- Based on data from the October 1996 Aid to Families With Dependent Children Characteristics Survey, approximately 7.7 percent of the State's total population is on welfare.
- Total current year funding for the program is $20,000,000. Per FY 1997-98 Budget Act language in Item 4260-111-0001, Provision 4(e), funding for program services is $19,148,000. In addition, $852,000 is budgeted for administrative cost within state support.
- Based on discussions with the DHS' Budget Office, FY 1998-99 funding will remain at the FY 1997-98 level.

Other Departments' TANF MOE Eligible Expenditures
DHS – Community Challenge Grant Program

METHODOLOGY:

The total available funding ($20 million) is multiplied by the percentage of welfare recipients in California's total population (7.7 percent). This translates into $1,540,000 in funds countable towards the TANF MOE. The same calculation methodology and figures are used for FY 1998-99. However, because there are currently no methods to verify these expenditures for purposes of reporting to the federal government, it is assumed that in the current year one-half of the appropriation will be counted toward the state MOE.

FUNDING:

This program is funded 100 percent with State General Funds.

CHANGE FROM PRIOR SUBVENTION:

This estimate has been updated for assumptions relative to the ability to verify state MOE to the federal government.

REASON FOR YEAR-TO-YEAR CHANGE:

This program ends in FY 1998-99.

EXPENDITURES:

(in 000's)

	1998-99	1999-00
	Grant	Grant
Total	$770	$0
Federal	0	0
State	770	0
County	0	0
Reimbursements	0	0

Other Departments' TANF MOE Eligible Expenditures DHS – Teenage Pregnancy Prevention Program

DESCRIPTION:

This premise reflects the state maintenance of effort (MOE) expenditures made by the Department of Health Services (DHS) for the Male Involvement Program and the Teenage Pregnancy Prevention Media Campaign. As a result of Public Law 104-193, the federal welfare reform legislation establishing the Temporary Assistance for Needy Children (TANF) Program, the Aid for Families with Dependent Children entitlement program was eliminated and was replaced with a TANF block grant. As a requirement to receive the TANF block grant funding, the State must ensure that each year it maintains a certain level of expenditures referred to as a MOE. The amount of the MOE is based on a historical level of nonfederal expenditures in a base year, which for California is Federal Fiscal Year 1994 ($2.9 billion). The State may count toward the MOE all state and local expenditures spent on CalWORKs/TANF eligible families.

The goals of this DHS program are to provide information, education and counseling, promote sexual abstinence among teens, and enhance male involvement and fatherhood responsibility, including the legal, social, health and economic consequences. The media campaign component aims to heighten public commitment to implementing effective solutions to the problems of teenage pregnancy and increase public participation in mentoring programs throughout California. The program's goals are similar to those of the TANF Program in that they both seek to reduce the incidence of out-of-wedlock births and promote responsible parenting for at-risk adolescents.

IMPLEMENTATION DATE:

Although this program was implemented in Fiscal Year (FY) 1995-96, counting these eligible expenditures against the TANF MOE requirement began July 1, 1997.

KEY DATA/ASSUMPTIONS:

- Since the program is open to all at-risk adolescents in the community, the Department is only counting the portion of annual funding that represents the ratio of welfare recipients to the State's total population.
- Based on data from the October 1996 Aid to Families With Dependent Children Characteristics Survey, approximately 7.7 percent of the State's total population is on welfare.
- Total current year funding for the program is $11,755,000, consisting of $11,007,000 for program services, and $748,000 in administrative cost within state support. However, because there are currently no methods to verify these expenditures for purposes of reporting to the federal government, it is assumed that in the current year one-half of the appropriation will be counted toward the state MOE.
- It is anticipated that tracking will be in place to verify these expenditures in the budget year.

Other Departments' TANF MOE Eligible Expenditures
DHS – Teenage Pregnancy Prevention Program

METHODOLOGY:

The total available funding ($11,755,000) is multiplied by the percentage of welfare recipients in California's total population (7.7 percent). This translates into $905,000 in funds countable towards the TANF MOE. However, because there are currently no methods to verify these expenditures for purposes of reporting to the federal government, it is assumed that in the current year one-half of the appropriation will be counted toward the state MOE. It is anticipated that tracking will be in place to verify these expenditures in the budget year.

FUNDING:

This program is funded 100 percent with State General Funds.

CHANGE FROM PRIOR SUBVENTION:

This estimate has been updated for assumptions relative to the ability to verify state MOE to the federal government.

REASON FOR YEAR-TO-YEAR CHANGE:

Because there are currently no methods to verify these expenditures for purposes of reporting to the federal government, it is assumed that in the current year one-half of the appropriation will be counted toward the state MOE. It is anticipated that tracking will be in place to verify these expenditures in the budget year.

EXPENDITURES:

(in 000's)

	1998-99	1999-00
	Grant	Grant
Total	$453	$905
Federal	0	0
State	453	905
County	0	0
Reimbursements	0	0

Other Departments' TANF MOE Eligible Expenditures TANF Pass-Through Match

DESCRIPTION:

This premise represent the State General Fund (GF) match required of other state departments that receive Temporary Assistance for Needy Families (TANF) Program funds through interagency agreements (I/As) with the California Department of Social Services (CDSS). As a result of Public Law 104-193, the federal welfare reform legislation establishing the TANF Program, the Aid for Families with Dependent Children entitlement program was eliminated and was replaced with a TANF block grant. As a requirement to receive the TANF block grant funding, the State must ensure that each year it maintains a certain level of expenditures referred to as a maintenance of effort (MOE). The amount of the MOE is based on a historical level of nonfederal expenditures in a base year, which for California is Federal Fiscal Year 1994 ($2.9 billion). The State may count toward the MOE all state and local expenditures spent on California Work Opportunity and Responsibility to Kids Program TANF eligible families.

These TANF and state matching funds are used to provide vocational education and other employment services to TANF recipients. Currently, CDSS has I/As with the California Community Colleges (CCC), the State Department of Education (SDE), and the Employment Development Department (EDD).

IMPLEMENTATION DATE:

This premise implements July 1, 1998.

KEY DATA/ASSUMPTIONS:

- The Fiscal Year (FY) 1998-99 figure of $21,648,000 represents the current I/A budgeted levels.
- The current year funding level will be assumed until such time as the I/As for FY 1999-00 are negotiated and signed.
- The I/As require that all TANF funds be matched as part of the State's MOE requirement under TANF.

METHODOLOGY:

The estimate reflects actual match amounts required in the FY 1998-99 I/As with CCC, SDE, and EDD. The FY 1999-00 estimate is based on the FY 1998-99 match requirements but will be revised when the I/As for the budget year are completed.

FUNDING:

This program is funded with 100 percent GF.

CHANGE FROM PRIOR SUBVENTION:

There is no change.

Other Departments' TANF MOE Eligible Expenditures TANF Pass-Through Match

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000's)

	1998-99	1999-00
	Grant	Grant
Total	$21,648	$21,648
Federal	0	0
State	21,648	21,648
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 California Work Opportunity and Responsibility to Kids (CalWORKs)/Temporary Assistance for Needy Children (TANF) Program. As a result of Public Law 104-193, the federal welfare reform legislation establishing the TANF Program, the Aid for Families with Dependent Children Program was eliminated and was replaced with the TANF block grant. As a requirement to receive the TANF block grant funding, the state must ensure that each year it maintains a certain level of expenditures referred to as the MOE. The amount of the MOE is based on a historical level of nonfederal expenditures in a base year, which for California is Federal Fiscal Year (FFY) 1994 ($2.9 billion). The State may count toward the MOE all state and local expenditures spent on CalWORKs/TANF eligible families.

Prior to 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 the federal welfare reform under Public Law 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 towards meeting the CCDBG MOE requirement, or to receive federal matching funds, these expenditures may count towards 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 was implemented on July 1, 1997.

KEY DATA/ASSUMPTIONS:

- Federal regulations will allow state expenditures for child care to satisfy both the CCDBG MOE and the TANF Program MOE, provided that these expenditures meet the MOE requirements for both grants.
- All TANF-eligible families would 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 ($85,600,000).
- It is assumed that the programs will be fully implemented in the current year.

Other Departments' TANF MOE Eligible Expenditures CDE Child Care Programs

METHODOLOGY:

The product of all of the state MOE eligible expenditures made by CDE for child care programs is reflected in this premise.

FUNDING:

This program is funded with 100 percent GF.

CHANGE FROM PRIOR SUBVENTION:

This estimate reflects full implementation and has been updated for assumptions relative to the ability to verify state MOE to the federal government.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000's)

	1998-99	1999-00
	Grant	Grant
Total	$250,116	$250,116
Federal	0	0
State	250,116	250,116
County	0	0
Reimbursements	0	0

Other Departments' TANF MOE Eligible Expenditures CDE Pre-Kindergarten Initiative

DESCRIPTION:

This premise reflects the state maintenance of effort (MOE) expenditures made by the Office of Child Development and Education (OCDE) to expand the State Preschool Program to serve all four-year-olds in families under the federal poverty level who are not currently being served in other California Department of Education (CDE) child care and development programs. As a result of Public Law 104-193, the federal welfare reform legislation establishing the Temporary Assistance for Needy Children (TANF) Program, the Aid for Families with Dependent Children entitlement program was eliminated and was replaced with a TANF block grant. As a requirement to receive the TANF block grant funding, the State must ensure that each year it maintains a certain level of expenditures referred to as the MOE. The amount of the MOE is based on a historical level of nonfederal expenditures in a base year, which for California is Federal Fiscal Year 1994 ($2.9 billion). The State may count all state and local expenditures spent on California Work Opportunity and Responsibility to Kids/TANF eligible families towards the MOE.

The OCDE proposes to provide $100 million over the next two years to fund preschool slots, to develop learning guidelines that address appropriate developmental milestones for the pre-kindergarten age group, and to develop an ongoing education outreach program to teach providers how to implement the pre-kindergarten learning development guidelines.

IMPLEMENTATION DATE:

This premise was implemented on July 1, 1997.

KEY DATA/ASSUMPTIONS:

- It is assumed that 20 percent of the families served by this program will be eligible for or are currently receiving TANF benefits. Accordingly, 20 percent of the General Fund (GF) Proposition 98 funds are countable towards the TANF MOE requirement.
- Because there are currently no methods to verify these expenditures for purposes of reporting to the federal government, it is assumed that in the current year one half of the expenditures will be counted towards the state MOE.
- It is assumed that tracking will be in place to verify all expenditures in the budget year.

METHODOLOGY:

The methodology is based on the assumption that 20 percent of the money spent on the expansion of the Preschool Program will benefit families who are currently receiving TANF or are TANF eligible. Applying the 20 percent assumption to the $25 million GF Proposition 98 funds in Fiscal Year 1998-99 and 1999-00 results in $5 million potentially available. Half of these available funds ($2.5 million) will be countable in the current year.

Other Departments' TANF MOE Eligible Expenditures
CDE Pre-Kindergarten Initiative

FUNDING:

This program is funded with 100 percent GF.

CHANGE FROM PRIOR SUBVENTION:

This estimate has been updated for assumptions relative to the ability to verify state MOE to the federal government.

REASON FOR YEAR-TO-YEAR CHANGE:

The current year assumes that only half of the expenditures will be countable for California's state MOE.

EXPENDITURES:

(in 000's)

	1998-99	1999-00
	Grant	Grant
Total	$2,500	$5,000
Federal	0	0
State	2,500	5,000
County	0	0
Reimbursements	0	0

Other Departments' TANF MOE Eligible Expenditures ADP Augmentation for Perinatal Programs

DESCRIPTION:

This premise reflects the state maintenance of effort (MOE) expenditures made by the California Department of Alcohol and Drug Programs (ADP) for perinatal programs that provide residential treatment services for women who suffer from alcohol and drug use problems and their families. As a result of Public Law 104-193, the federal welfare reform legislation establishing the Temporary Assistance for Needy Children (TANF) Program, the Aid for Families with Dependent Children Program was eliminated and was replaced with a TANF block grant. As a requirement to receive the TANF block grant funding, the State must ensure that each year it maintains a certain level of expenditures referred to as a MOE. The amount of the MOE is based on a historical level of nonfederal expenditures in a base year, which for California is Federal Fiscal Year 1994 ($2.9 billion). The State may count toward the MOE all state and local expenditures spent on California Work Opportunity and Responsibility to Kids Program/TANF eligible families.

IMPLEMENTATION DATE:

This premise was implemented on July 1, 1998.

KEY DATA/ASSUMPTIONS:

It is assumed that current year expenditures of $1.5 million will be counted towards the MOE requirement, based on actuals identified thus far.

METHODOLOGY:

For Fiscal Year (FY) 1998-99 the estimate reflects the $1.5 million verifiable in the current year. It is assumed that expenditures counted in the budget year will be the same as in the current year.

FUNDING:

This program is funded with 100 percent General Fund.

CHANGE FROM PRIOR SUBVENTION:

This estimate has been updated based on discussions with ADP on countable MOE expenditures.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

Other Departments' TANF MOE Eligible Expenditures
ADP Augmentation for Perinatal Programs

EXPENDITURES:

(in 000's)

	1998-99	1999-00
	Grant	Grant
Total	$1,500	$1,500
Federal	0	0
State	1,500	1,500
County	0	0
Reimbursements	0	0

Other Departments' TANF MOE Eligible Expenditures New Initiatives

DESCRIPTION:

This premise reflects countable maintenance of effort (MOE) expenditures of two new initiatives: Welfare-to-Work Transition Housing and Special Needs' Population Housing. The Welfare-to-Work Transition Housing funding will be used by the Department of Housing and Community Development. This program creates housing for families receiving California Work Opportunity and Responsibility to Kids (CalWORKs) Program benefits who are transitioning from welfare to self-sufficiency. The Special Needs' Population Housing funding will be used by the Department of Mental Health and will initially create a new program for supportive housing specifically focused on CalWORKs special needs' populations.

IMPLEMENTATION DATE:

This premise will be implemented on July 1, 1999.

KEY DATA/ASSUMPTIONS:

It is assumed that $5 million of expenditures used to implement the legislation for the Welfare-to-Work Transition Housing will be MOE eligible.

It is assumed that $1 million of expenditures used to implement legislation for the Special Needs' Population Housing will be MOE eligible.

METHODOLOGY:

For Fiscal Year (FY) 1999-00 the estimate reflects costs for the two new initiatives.

FUNDING:

This program is funded 100 percent with General Funds.

CHANGE FROM PRIOR SUBVENTION:

This is a new premise.

REASON FOR YEAR-TO-YEAR CHANGE:

This premise begins in FY 1999-00.

Other Departments' TANF MOE Eligible Expenditures
New Initiatives

EXPENDITURES:

(in 000's)

	1998-99	1999-00
	Grant	Grant
Total	$0	$6,000
Federal	0	0
State	0	6,000
County	0	0
Reimbursements	0	0

Proposition 10 – California Children and Families First Trust Fund

DESCRIPTION:

Proposition 10 increases the excise tax on tobacco products. As a result of the increased taxes, funding is being provided for the California Children and Families First Trust Fund (CCFF). The CCFF will increase the availability and access to child care facilities, provide resource and referral services, and provide financial and other assistance to ensure appropriate child care for low-income households.

IMPLEMENTATION DATE:

This premise will implement on July 1, 1999.

KEY DATA/ASSUMPTIONS:

Part of Proposition 10 will raise $750 million dollars through excise tax on tobacco products. Of the $750 million, $15 million will be available for child care for low income households.

METHODOLOGY:

Budget year (BY) reflects that the full $15 million will be counted towards the maintenance of effort (MOE) requirement.

FUNDING:

These funds are 100 percent MOE eligible.

CHANGE FROM PRIOR SUBVENTION:

This is a new premise.

REASON FOR YEAR-TO-YEAR CHANGE:

This premise will be implemented in the BY.

EXPENDITURES:

(in 000's)

	1998-99	1999-00
Total	$0	$15,000
Federal	0	0
State	0	15,000
County	0	0
Reimbursements	0	0

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