# Table of Contents

## STATE AND LOCAL REALIGNMENT

Realignment Revisions ..... 1

## 101 – TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF)/CALIFORNIA WORK OPPORTUNITY AND RESPONSIBILITY TO KIDS (CalWORKs) PROGRAMS

### 101 CalWORKs ASSISTANCE

General Fund Maintenance of Effort Adjustment ..... 3
Two-Parent Program ..... 5
Basic Grants ..... 7
June 2003 MAP COLA ..... 9
AFDC Collections ..... 11
Tribal TANF ..... 13
Cal Learn Bonuses and Sanctioned Grants ..... 79
60-Month TANF Time Limit ..... 51
60-Month CalWORKs Time Limit ..... 55
CalWORKs Safety Net ..... 55
Eligibility for 18-Year Olds. ..... 17
Exemptions for 16 and 17-Year Olds (SB 1264) ..... 19
UIB Impact ..... 21
Senior Parent Deeming ..... 25
Prospective Budgeting ..... 29
Recent Noncitizen Entrants ..... 39
Kinship Guardianship Assistance Payment Program ..... 131
Child Support Assurance Demonstration Project ..... 43

### 101 CalWORKs SERVICES

Employment Training Fund ..... 45
CalWORKs Basic ..... 47
Single Allocation Adjustment ..... 49
60-Month TANF Time Limit ..... 51
60-Month CalWORKs Time Limit ..... 55
CalWORKs Safety Net ..... 55
Substance Abuse Services ..... 61
Mental Health Services ..... 63
Mental Health and/or Substance Abuse for Indian Health Clinics ..... 65

## 101 CalWORKs SERVICES (continued)

County Performance Incentives....67
Effect of EDD Wagner-Peyser Reimbursement....69
Recent Noncitizen Entrants - Employment Services....39
Tribal TANF - Employment Services....13
Welfare-to-Work Overlap....71
Welfare-to-Work Match Overlap....73
TANF Pass-Through for State Agencies....75
Employment Retention and Advancement Services Grant....77

## 101 TEEN PROGRAMS

Cal Learn....79
Recent Noncitizen Entrants - Cal Learn Services....39
Youth Development Services Project....85

## 101 CalWORKs - ADMINISTRATION

TANF/CalWORKs Administrative Costs - Basic....87
60-Month TANF Time Limit....51
60-Month CalWORKs Time Limit....55
CalWORKs Safety Net....55
Tribal TANF....13
Fraud Recovery Incentives....89
PA to NA Fund Shift....91
Administrative Cap Adjustment....93
Nationwide Prisoner Match....95
Direct Deposit....97
Court Cases....99
EBT Administrative Impact....275
Recent Noncitizen Entrants....39
Medi-Cal Services Eligibility/Common Costs....101
Research and Evaluation....103
County Maintenance of Effort (MOE) Adjustment....105
Senior Parent Deeming....25
Prospective Budgeting....29
Kinship Guardianship Assistance Payment Program....131

## 101 CalWORKs CHILD CARE PROGRAMS

CalWORKs Child Care - Stage One Services and Administration ....107
Los Angeles Retroactive Payments ....111
60-Month TANF Time Limit....51
60-Month CalWORKs Time Limit....55
CalWORKs Safety Net....55
Recent Noncitizen Entrants, Cal Learn and CW Child Care....39
State-Only Cal Learn Child Care....113
Trustline....115
Self-Certification ....119
CalWORKs Child Care Fund Transfer to CDE for Stage Two as CCDBG....121
Child Care Stage One/Stage Two Holdback ....125

## 101 CalWORKs COUNTY PROBATION FACILITIES

Juvenile Assessment/Treatment Facilities....127
TANF for Probation Camps....129

## 101 Kin-GAP PROGRAM

Kin-GAP Program Costs ....131
State-Only Kin-GAP Program....131
Kin-GAP Administration....131
State-Only Kin-GAP Administration ....131

## 101 FOSTER CARE PROGRAM

Title IV-E Child Support Collections....137
Foster Family Home Basic Costs ....139
Group Home Basic Costs ....143
Foster Family Agency Basic Costs....145
Seriously Emotionally Disturbed Children Basic Costs....147
Supplemental Clothing Allowance....149
Foster Care Savings Due to CalWORKs Employment Services....151
Promoting Safe and Stable Families Savings ....153
Kin-GAP Foster Care Savings....131
Supportive Transitional Emancipation Program (STEP)....155
Emergency Assistance Program -- Foster Care Welfare ....159

## 101 ADOPTION ASSISTANCE PROGRAM

Basic Costs ....161

## 101 REFUGEE CASH ASSISTANCE

Basic Costs ....163
Prospective Budgeting ....29

## 101 CALIFORNIA FOOD ASSISTANCE PROGRAM

Emergency Food Assistance Fund ....165
California Food Assistance Program ....167
CFAP - State-Only Program ....167
CFAP - Expanded Program ....167
H.R. 2646 Farm Bill ....171
Prospective Budgeting ....29

## 102 CalWORKs SERVICES

Welfare-to-Work Match ....175

# 111 - SUPPLEMENTAL SECURITY INCOME/STATE SUPPLEMENTARY PAYMENT (SSI/SSP)/IN-HOME SUPPORTIVE SERVICES

## 111 SSI/SSP

Basic Costs ....177
Advance Billing Penalty for SSP ....179
January 2003 COLA ....181
June 2003 COLA ....183
July 2003 SSP Reduction ....185
January 2004 COLA ....187
SSP Administration ....189
California Veterans Cash Benefit ....191
Cash Assistance Program for Immigrants (CAPI) - Base Program ....193
CAPI - Extended Time Limit ....193
SSP MOE Eligible ....197

## 111 IN-HOME SUPPORTIVE SERVICES (IHSS)

Personal Care Services Program/Residual IHSS Basic Costs ....201
CMIPS and Associated Costs ....205
CMIPS Contract Procurement ....209
Income Eligible Shift ....211
Public Authority (Wages and Benefits) ....215
Public Authority Administration ....225
Non-PA Individual Provider Rate Increase ....229
Contract Mode Augmentation ....231

## 111 IN-HOME SUPPORTIVE SERVICES (continued)

Waiver Personal Care Services....235
Tyler v. Anderson Settlement & Implementation....237
Title XX Funding....239
Title XIX Reimbursement (IHSS/CSBG/CWS)....243

## 111 IHSS ADMINISTRATION

Basic Costs....245
County Employer of Record (AB 2235)....247
Court Cases....249
IHSS Advisory Committees....251

# 141 - COUNTY ADMINISTRATION

## 141 FOSTER CARE

Basic Costs....253
STEP Eligibility....155
Financial Audits....257
Kinship Guardianship Assistance Payment Program....131
Court Cases....99

## 141 FOOD STAMPS ADMINISTRATION

Basic Costs....253
Food Stamp Administrative Reduction....259
Food Stamp Sanction Settlement....261
H.R. 2646 Farm Bill....171
Employment and Training Program....263
Nationwide Prisoner Match....95
California Nutrition Promotion Network....267
Nutrition Education Plan....269
PA to NA Fund Shift....91
Prospective Budgeting....29
EBT Farmers' Markets....271
EBT Administrative Impact....275
California Food Assistance Program....167
CFAP - State-Only Program....167
CFAP - Expanded Program....167
H.R. 2646 Farm Bill....171
Prospective Budgeting....29

## 141 REFUGEE CASH ASSISTANCE

Refugee Cash Assistance - Administration ....281
Prospective Budgeting ....29

## 141 SAWS INTERFACE WITH EXISTING SYSTEMS

SAWS Interface ....283

## 141 MERCED AUTOMATED GLOBAL INFORMATION CONTROL (MAGIC)

Merced Automated Global Information Control (MAGIC) ....285

## 141 EMERGENCY ASSISTANCE

Emergency Assistance Administration - Foster Care Welfare ....159

## 141 AUTOMATION PROJECTS

Statewide Project Management ....287
SAWS - Welfare Data Tracking Implementation Project ....289
Interim Statewide Automated Welfare System (ISAWS) ....291
LEADER ....293
Welfare Client Data System (WCDS) ....295
Consortium IV (C-IV) ....297
Statewide Fingerprint Imaging System (SFIS) ....299
Electronic Benefits Transfer Project ....301

# 151 SOCIAL SERVICE PROGRAMS

## 151 CHILD WELFARE SERVICES

Basic Costs ....303
Augmentation to Child Welfare Services ....307
CWS/CMS System Support Staff ....309
Emergency Assistance Program ....311
Kinship Guardianship Assistance Payment Program ....131
Title XX Transfer to DSS ....239
State Family Preservation - Permanent Transfer ....313
Promoting Safe and Stable Families ....315
Independent Living Program ....317
Extended Independent Living Program ....319
Early Start to Emancipation ....321
Transitional Housing for Foster Youth (AB 427) ....431
Transitional Housing for Foster Youth (AB 1119) ....435
STEP - Transitional Independent Living Plan Activity ....155

## 151 CHILD WELFARE SERVICES (continued)

Emancipated Foster Youth Stipends....323
Recruitment and Retention of Social Workers....325
Child Welfare Training Program....327
Substance Abuse/HIV Infant Demo Project (Options for Recovery)....329
Pass-Through Title IV-E Costs....331
Foster Parent Training and Recruitment....335
Minor Parent Services and Investigations....337
Kinship Support Services....339
Kinship and Foster Care Emergency Funds....341
CWS/CMS Staff Development....343
CWS/CMS Ongoing M&O....345
CWS/CMS Application Server Replacement....347
CWS/CMS Expanded Adoption Subsystem....349
Los Angeles Passport Pilot....351
Child Health and Safety....353
Supportive and Therapeutic Options Program (STOP)....355
Group Home Monthly Visits....357
Background Checks....359
Relative Home Assessments....361
Multiple Relative Home Assessments....363
Grievance Review for Relatives....365
Live Scan Technology....367
Health Services for Children in Foster Care....369
Best Practices Evaluation....371
Child and Family Service Reviews (AB 636)....373
Transitional Housing for Foster Youth Fund....431

## 151 ADOPTIONS PROGRAM

Basic Costs....375
Federal Incentives for Adoptive Services....379
Private Agency Adoption Reimbursement Payments....381
Foster and Adoptive Home Recruitment....383
County Counsel Costs....385
Nonrecurring Adoption Expenses....387
Specialized Training for Adoptive Parents (STAP)....389
Nonresident Petitions for Adoption (AB 746)....391

## 151 CHILD ABUSE PREVENTION PROGRAMS

County Third Party Contracts ..... 393
Federal Grants ..... 395
State Children's Trust Fund Program ..... 397

## 151 SPECIAL PROGRAMS

Other Specialized Services ..... 399
Eligibility Extension of Dog Food Allowance ..... 401
Access Assistance/Deaf - Basic Costs ..... 403
Access Assistance/Deaf - Title XX Funding ..... 239
Maternity Care ..... 405
Refugee Employment Social Services ..... 407
Targeted Assistance ..... 409
County Services Block Grant - Basic Costs ..... 411
Adult Protective Services ..... 413
APS Contract for Training Curriculum and Services ..... 415

## 151 COMMUNITY CARE LICENSING

Foster Family Home-Basic Costs ..... 417
Family Child Care Home-Basic Costs ..... 419
Serious Incident Reporting ..... 421
Backlog Augmentation ..... 423
FCCH - Provider Training ..... 425
Court Cases ..... 427
Title XX Funding ..... 239
Fee Exempt Live Scan ..... 429

## 153 TRANSITIONAL HOUSING FUND

Transitional Housing for Foster Youth (AB 427) ..... 431
Transitional Housing for Foster Youth (AB 1119) ..... 435

## 161 ENERGY PROGRAMS & COMMUNITY SERVICES

Energy Programs ..... 437
Community Services ..... 439

## TANF

## OTHER DEPARTMENTS' TANF MOE ELIGIBLE EXPENDITURES

Community Colleges Expansion of Services to TANF Eligibles....441
DHS - Teenage Pregnancy Prevention Program....443
CDE Child Care Programs....445
$50 State Disregard Payment to Families....447
EDD Employment Training Fund....449

## ADDITIONAL TANF/MOE

General Fund Maintenance of Effort Work Participation Rate Reductions....451
High Performance Bonus Award....453
Total TANF Reserve....455

# Realignment Revisions

## DESCRIPTION:

As part of the Governor's Budget for Fiscal Year (FY) 2003-04, the administration proposes to modify the State and county sharing ratios in a number of social services programs. These changes are part of a larger change that would modify the sharing of costs and revenue that was first enacted by "realignment" legislation in 1991. Unlike the changes in 1991, which retained a state share of costs for social services programs, the Administration is proposing to shift 100 percent of the nonfederal costs for a number of programs to the counties and to replace the county maintenance of effort (MOE) requirement for Temporary Assistance for Needy Families (TANF) with a 50 percent share of the costs for California Work Opportunity and Responsibility to Kids (CalWORKs) services and administration.

## IMPLEMENTATION DATE:

This premise will implement on July 1, 2003.

## KEY DATA/ASSUMPTIONS:

Funding for the following programs would be changed:

| | State and County Share | | State General Fund (GF)/TANF |
|---|---|---|---|
| **Program** | **Current** | **New** | (in millions) |
| Foster Care Grants | 40/60 | 0/100 | -$460.1 |
| Foster Care Administration | 70/30 | 0/100 | - 34.1 |
| Kin-GAP Grants and Admin. | 50/50 | 0/100 | - 18.6 |
| Adoption Assistance | 75/25 | 0/100 | -217.0 |
| Child Welfare Services | 70/30 | 0/100 | -596.2 |
| OCAP | 100/0 | 0/100 | - 13.4 |
| IHSS Services | 65/35 | 0/100 | -1,085.7 |
| IHSS Administration | 70/30 | 0/100 | - 84.9 |
| Adult Protective Services | 100/0 | 0/100 | - 50.3 |
| CSBG | County MOE | 0/100 | - 10.5 |
| CAPI | 100/0 | 0/100 | - 95.3 |
| CFAP | 100/0 | 0/100 | - 14.6 |
| Food Stamps Administration | 70/30 | 0/100 | -268.1 |
| CalWORKs Services [1] | County MOE | 50 percent of total | -423.4 |
| CalWORKs Admin. [1] | County MOE | 50 percent of total | -123.4 |

[1] - The proposal would increase the county share and decrease GF or TANF expenditures. The administration number includes MAGIC.

# Realignment Revisions

## METHODOLOGY:

The State share based on the current sharing ratios was compared to the state share under the proposed sharing ratios to determine the realignment amount for each program. Appropriate adjustments were made for noneligible premises such as court cases.

## FUNDING:

This premise reflects the GF impact only.

## CHANGE FROM THE APPROPRIATION:

This is a new premise.

## REASON FOR YEAR-TO-YEAR CHANGE:

This is a new premise. The GF reduction in the budget year reflects inclusion of this premise in the proposed FY 2003-04 State and Local Realignment.

## EXPENDITURES:

(in 000's)

| | 2002-03 | 2003-04 |
|---|---|---|
| Total | $0 | $0 |
| Federal [2] | 0 | -111 |
| State | 0 | -3,495,535 |
| County | 0 | 3,495,646 |
| Reimbursements | 0 | 0 |

[2] - Reflects non-TANF federal expenditures. TANF savings were reinvested to reduce GF expenditures for CalWORKs assistance payments.

# General Fund Maintenance of Effort Adjustment

## DESCRIPTION:

This premise reflects the State expenditures necessary to meet the State's maintenance of effort (MOE) level. Under the Temporary Assistance for Needy Families (TANF) Program, the states are required to meet MOE funding levels. California's MOE level is approximately $2.9 billion, which is equal to 80 percent of California's Federal Fiscal Year (FFY) 1994 expenditures. For State Fiscal Years (SFYs) 2002-03 and 2003-04, an adjustment has been added, which reflects the fact that California met the federal work participation rate for the California Work Opportunity and Responsibility to Kids (CalWORKs) Program in FFYs 2000 and 2001. When the State meets this rate, the MOE level falls from 80 percent to 75 percent. Therefore, with the $182 million adjustment, the MOE level is $2.7 billion.

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

## IMPLEMENTATION DATE:

This premise implemented on October 1, 1996.

## METHODOLOGY

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

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

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

## FUNDING:

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

# General Fund Maintenance of Effort Adjustment

## CHANGE FROM THE APPROPRIATION:

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

## REASON FOR YEAR-TO-YEAR CHANGE:

The adjustment amount has been updated based upon projected expenditures and new premise items for SFY 2003-04.

## EXPENDITURES:

(in 000's)

| | 2002-03 Grant | 2003-04 Grant |
|---|---|---|
| Total | $0 | $0 |
| Federal | -559,926 | -641,712 |
| State | 559,926 | 641,712 |
| County | 0 | 0 |
| Reimbursements | 0 | 0 |

# Two-Parent Program

## DESCRIPTION:

The Two-Parent Program reflects the funding shift from Temporary Assistance for Needy Families (TANF) to State General Fund (GF). The Two-Parent Program is a separately funded state program for two-parent families in the California Work Opportunity and Responsibility to Kids (CalWORKs) Program. With the implementation of this program, federal TANF funds will no longer be used to provide CalWORKs cash assistance or welfare-to-work (WTW) services, including child care and work support services, to two-parent assistance units (AUs) who meet the definition of a two-parent family. A two-parent family is defined as an AU that includes two aided nondisabled, natural or adoptive parents of the same aided or Supplemental Security Income/State Supplementary Payment minor child (living in the home), unless both parents are aided minors and neither is the head-of-household. The eligibility and work participation requirements for two-parent families will remain unchanged from the CalWORKs Program.

## IMPLEMENTATION DATE:

This premise implemented on October 1, 1999.

## KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 10553.
- Within the existing CalWORKs Program areas of grants, services, administration and childcare, a portion of the cost or savings for each premise item impacted by the Two-Parent Program will be charged to the State-Only Two-Parent Program. A separate auxiliary table reflects the individual premise items impacted by the Two-Parent Program.
- The grant ratio for two-parent families was developed based on the actual grant costs for Fiscal Year (FY) 2001-02. The administrative ratios are based on the current year (CY) and budget year (BY) All Other Families and Two-Parent caseload projections.
- For Stage One Child Care, the two-parent ratio is four percent based on child care expenditures for FY 2001-02.
- For Employment Services, the ratio for two-parents participating in WTW activities is five percent and is based on expenditure data from FY 2001-02.
- The ratio for two-parents participating in the CalWORKs Mental Health and Substance Abuse programs is 15 percent and is based on WTW 25 and WTW 25A caseload data from FY 2001-02. Both CY and BY funding are held at the Budget Act of 2002 Appropriation level.

## METHODOLOGY:

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

# Two-Parent Program

## FUNDING:

The Two-Parent program is funded 100 percent State General Fund (GF) in FY 2002-03. The two-parent administrative and services costs, with the exception of costs associated with Mental Health and Substance Abuse Services for Indian Health Clinics and Research and Evaluation, are funded 50 percent GF and 50 percent county funds in FY 2003-04, the grant and child care costs continue to be funded 100 percent GF in FY 2003-04.

## CHANGE FROM THE APPROPRIATION:

This premise has been updated for the costs and savings associated with premise items impacted by the Two-Parent Program.

## REASON FOR YEAR-TO-YEAR CHANGE:

The GF reduction in the BY reflects inclusion of this premise in the proposed FY 2003-04 State and Local Realignment.

## CASELOAD:

| | 2002-03 | 2003-04 |
|---|---|---|
| Average Monthly Caseload | 49,217 | 48,406 |

## EXPENDITURES:

(in 000's)

| | 2002-03 | 2003-04 | |
|---|---|---|---|
| | State | State | County |
| Total | $509,425 | $415,922 | $49,303 |
| Grants | 361,719 | 345,890 | 0 |
| Administration | 60,224 | 22,539 | 21,817 |
| Services | 66,883 | 27,907 | 27,486 |
| Child Care | 20,599 | 19,586 | 0 |

# CalWORKs – Basic Grants

## DESCRIPTION:

This premise reflects the basic costs of providing cash aid to eligible families. Basic costs have been adjusted to reflect the annual cost-of-living adjustment (COLA) for Social Security (OASDI) benefits. The OASDI COLA increases the benefit level, reducing grant costs. The basic costs have also been adjusted for the impact of specific premises that are in the trend caseload but are also shown as separate premises. These premises include: "Cal Learn Bonuses," "Cal Learn Sanctioned Grants," "Recent Noncitizen Entrants," "Child Support Assurance," and "Tribal TANF," that are already in the trend. These adjustments are necessary in order to avoid counting the impact twice.

## KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 11450.
- For Fiscal Year (FY) 2002-03, a total of 14,787,964 All Other Families (AF) personmonths and 2,616,568 Two-Parent (TP) personmonths are anticipated. For FY 2003-04, 14,951,184 AF personmonths and 2,573,470 TP personmonths are projected.
- Adjustments are made for the estimated costs of current premises which are already included in the base period. These premises include: "Cal Learn Bonuses," "Cal Learn Sanctioned Grants," "Recent Noncitizen Entrants," "Child Support Assurance." Also, an adjustment is made for the costs associated with new tribes establishing Tribal TANF programs.
- Costs are included for the Diversion Program. The average monthly diversion caseload is estimated at 110 with an average cost per case of $1,112.57 based on the most recent CalWORKs Cash Grant Caseload Movement Reports (CA 237) and CalWORKs Expenditure Reports (CA 800D).
- The AF cost per person is $202.30 and the TP cost per person is $134.55 for the current year. These costs are based on actual costs per person claimed by counties for the six-month period from December 2001 through May 2002.
- The AF cost per person will be $188.18 and the TP cost per person will be $123.01 for the budget year due to a 6.16 percent MAP reduction.
- AF and TP basic costs are adjusted for the OASDI COLA. The Consumer Price Index (CPI) COLAs are 1.4 percent effective January 1, 2003, and 2.8 percent effective January 1, 2004.
- The OASDI COLA adjustment reflects the impact of the projected CPI COLAs on the average Social Security Benefits received by CalWORKs cases, resulting in a FY 2002-03 reduction of $313,337 and a FY 2003-04 reduction of $1,896,962.

## METHODOLOGY:

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

# CalWORKs – Basic Grants

## DATA COMPARISON CHART:

| **FY 2002-03** | AF | TP |
|---|---|---|
| Projected Personmonths | 14,787,964 | 2,616,568 |
| Projected Casemonths | 5,567,347 | 590,600 |
| Persons Per Case | 2.66 | 4.43 |

| **FY 2003-04** | AF | TP |
|---|---|---|
| Projected Personmonths | 14,951,184 | 2,573,470 |
| Projected Casemonths | 5,628,796 | 580,872 |
| Persons Per Case | 2.66 | 4.43 |

The funding is 86.46 percent TANF, 11.04 percent State General Fund and 2.5 percent county. The State share reflects the cost of the State-Only Two-Parent Program which implemented October 1, 1999. The State-Only Two-Parent Program is countable toward the State's maintenance of effort.

## CHANGE FROM THE APPROPRIATION:

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

## REASON FOR YEAR-TO-YEAR CHANGE:

The projected number of persons is expected to be slightly higher in FY 2003-04. However, the decreased costs reflect the 6.16 percent MAP reduction and the shift of funds to new tribes establishing Tribal TANF programs.

## CASELOAD:

| | 2002-03 | 2003-04 |
|---|---|---|
| Average Monthly Caseload | 513,162 | 517,472 |
| Average Monthly Persons | 1,450,378 | 1,460,388 |

## EXPENDITURES:

(in 000's)

| | 2002-03 | 2003-04 |
|---|---|---|
| | Grant | Grant |
| Total | $3,283,467 | $3,024,446 |
| Federal | 2,838,855 | 2,614,936 |
| State | 362,495 | 333,899 |
| County | 82,087 | 75,611 |
| Reimbursements | 0 | 0 |

# Maximum Aid Payment – June 2003 COLA

## DESCRIPTION:

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

## IMPLEMENTATION DATE:

This premise was to implement on June 1, 2003.

## KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&IC section 11453.
- The October 2002 COLA was suspended until June 2003.
- The COLA to be given on June 1, 2003, has been suspended.

## METHODOLOGY:

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

## FUNDING:

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

## CHANGE FROM THE APPROPRIATION:

The decrease of $12.8 million is a result of suspending the COLA due to lower revenues and other demands on the available State General Fund.

## REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

# Maximum Aid Payment – June 2003 COLA

## EXPENDITURES:

(in 000's)

| | 2002-03 Grant | 2003-04 Grant |
|---|---|---|
| Total | $0 | $0 |
| Federal | 0 | 0 |
| State | 0 | 0 |
| County | 0 | 0 |
| Reimbursements | 0 | 0 |

# AFDC Collections

## DESCRIPTION:

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

## IMPLEMENTATION DATE:

This premise implemented on July 1, 2001.

## KEY DATA/ASSUMPTIONS:

- The California Department of Social Services conducted a nine-county survey of overpayment collections received in October 1997, 1998, 1999, and 2000. For each year, a sample of cases recouped by grant reduction to the recipient's assistance payment (active cases), and a sample of cases recouped by cash collections under a lump sum or periodic repayment plan (closed cases) were reviewed in the counties.
- The overpayment collections were identified based on the occurring date. AFDC overpayment collections represent overpayments that occurred before October 1, 1996, and TANF overpayment collections represent those that occurred after October 1, 1996. AFDC overpayment collections represented 71.43 percent of grant reductions and 87.14 percent of cash collections in the October 1997 sample. By October 2000, AFDC overpayment collections decreased to 27 percent of grant reductions and 51.5 percent of cash collections.
- Based on overpayment collections during Fiscal Year (FY) 2001-02, grant reductions represent 62.95 percent of total overpayment collections and cash collections represent 36.05 percent of total overpayment collections.
- The percent of AFDC and TANF overpayment collections was weighted by the percent of grant reductions and cash collections. Beginning with the October 1997 sample, a year-to-year moving average of the percent decrease change of AFDC grant reductions and cash collections was calculated to project the budget year percentages.
- For the October 2000 sample, AFDC grant reductions resulted in 16.6 percent of the total overpayment collections, and AFDC cash collections represent 19.9 percent. The estimate assumes that AFDC grant reductions will represent 9 percent of total overpayment collections, and AFDC cash collections represent 10.3 percent in the current year, and 7.4 percent and 8.1 percent, respectively, in budget year.
- The estimated total overpayment collections are $82.5 million in the current year and $84.2 million in the budget year.
- As identified by the Office of Inspector General (OIG) auditors, the federal share of AFDC collections from November 1996 through June 2001 for San Bernardino County is $5.2 million.

# AFDC Collections

## METHODOLOGY:

- The total amount of overpayment collections projected in the current year is multiplied by the AFDC percentages of grant reductions and cash collections ($82.5 million x 9.0 percent and $82.5 million x 10.3 percent).
- The federal share for the current year is 50 percent of the total amount of AFDC collections ($15.9 million x 0.50).
- The total amount of overpayment collections projected in the budget year is multiplied by the AFDC percentages of grant reductions and cash collections ($84.2 million x 7.4 percent and $84.2 million x 8.1 percent).
- The federal share for the budget year is 50 percent of the total amount of AFDC collections ($13.0 million x 0.50).

## FUNDING:

The funding for this premise is 100 percent TANF.

## CHANGE FROM APPROPRIATION:

The CY increase reflects the federal share of AFDC collections for San Bernardino from November 1996 through June 2001 as identified by the Office of Inspector General (OIG) auditors. The grant reductions and cash collections ratios have been revised based on actual collection data reported.

## REASON FOR YEAR-TO-YEAR CHANGE:

The federal share of AFDC collections for San Bernardino County from November 1996 through June 2001 is eliminated. The share of prior October 1996 AFDC overpayments to the overall collections will continue to decline.

## EXPENDITURES:

(in 000's)

| | 2002-03 | 2003-04 |
|---|---|---|
| | Grant | Grant |
| Total | $13,130 | $6,502 |
| Federal | 13,130 | 6,502 |
| State | 0 | 0 |
| County | 0 | 0 |
| Reimbursements | 0 | 0 |

# Tribal TANF

## DESCRIPTION:

This premise reflects the State General Fund (GF) cost to operate tribal Temporary Assistance for Needy Families (TANF) Programs in California. Assembly Bill 1542 (Chapter 270, Statutes of 1997) allowed State General Fund (GF) to be provided for tribes to administer a Tribal TANF Program. The Department has established a memorandum of understanding with the Owens Valley Career Development Center (OVCDC) that represents the tribal members in Inyo County, Kern County, Tule Reservation, and Tulare County; the Southern California Tribal Chairman Association (SCTCA) that represents tribal members in Santa Barbara and San Diego counties; and the Torres-Martinez Tribal TANF (TMTT) that represents tribal members in Riverside, and Los Angeles counties. The Department is continuing to work with the Hoopa Valley Tribe, Robinson Rancheria of Pomo Indians (RRPI), and the Washoe Tribe of Nevada and California (WTNC) to determine their Tribal Family Assistance Grant.

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

## IMPLEMENTATION DATE:

- This premise implemented on March 1, 1998.
- The implementation date for the Tribal service area expansion in nine additional cities in Riverside County was April 2002.
- The tribal program in Tule River Reservation and Tulare County implemented in July 2002.
- The WTNC in Alpine, El Dorado, and Sacramento counties are expected to implement in December 2002.
- The WTNC tribes in Mono and Placer counties, the RPPI members in Nevada County, TMTT tribal service area expansion in Orange and San Bernardino counties, and SCTCA expansion into San Diego County are expected to implement in April 2003.
- The Hoopa Valley Tribe in Humboldt and Del Norte counties; the RPPI members in Lake, Mendocino, and Sonoma counties; and the WTNC expansion in Alameda, Contra Costa, Marin, San Francisco, San Mateo, and Santa Clara counties are expected to implement in July 2003.

## KEY DATA/ASSUMPTIONS:

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

# Tribal TANF

## KEY DATA/ASSUMPTIONS (continued):

- The average monthly cash aid cost of $211.34 per person is based on the average cash aid expenditure amount per person for FFY 1994;
- The average monthly number of cash aid cases are 10,748 in the current year and 17,658 in the budget year based on FFY 1994 data and information supplied by the tribes;
- The average persons per case is 2.9;
- The average monthly number of persons receiving welfare-to-work (WTW) services are 1,153 in the current year and 1,684 in the budget year and are based on FFY 1994 data and information supplied by the tribes;
- The average monthly WTW services cost per person is $206.36;
- The average monthly administrative cost per person is $50.73; and,
- The Department is currently negotiating the Tribal Family Assistance Grant with the WTNC, RRPI, and the Hoopa Valley Tribe.

## METHODOLOGY:

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

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

# Tribal TANF

## FUNDING:

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

## CHANGE FROM THE APPROPRIATION:

The current year decrease is due to delayed implementation and revisions to the number of cases used in determining Tribal Family Assistance Grants.

## REASON FOR YEAR-TO-YEAR CHANGE:

The budget year increase to the Tribal Family Assistance Grants is due to new tribes in 11 additional counties.

## EXPENDITURES:

(in 000's)

| | 2002-03 | | | 2003-04 | | |
|---|---|---|---|---|---|---|
| | Grant | County Admin. | WTW Services | Grant | County Admin. | WTW Services |
| Total | $37,549 | $2,497 | $1,110 | $61,687 | $4,072 | $1,603 |
| Federal [1] | 0 | 0 | 0 | 0 | 0 | 0 |
| State | 37,549 | 2,497 | 1,110 | 61,687 | 4,072 | 1,603 |
| County | 0 | 0 | 0 | 0 | 0 | 0 |
| Reimbursements | 0 | 0 | 0 | 0 | 0 | 0 |

[1] - The federal share of the above costs was deducted from the TANF block grant to show the transfer of funds to the tribal organizations, a total of $44.2 million in Fiscal Year (FY) 2002-03 and $72.3 million in FY 2003-04. 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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# Eligibility for 18-year Olds

## DESCRIPTION:

This premise reflects the net increase in grant costs as pregnant/parenting teens that turn 18-years old leave their parent's assistance unit (AU) and establish their own California Work Opportunity and Responsibility to Kids (CalWORKs) case. Existing policy requires counties to review cases for continuing eligibility when any AU member turns 18. Pregnant/parenting teens who are included in their parent/caretaker relative's AU may choose to establish their own AU when they turn 18-years old or remain dependent children provided they continue to meet educational and/or training requirements in accordance with age requirements.

## IMPLEMENTATION DATE:

This premise implemented January 2002.

## KEY DATA/ASSUMPTIONS:

- The estimate uses caseload data from the Cal Learn Program, which provides eligible teen recipients who are pregnant or parenting with case management, supportive services and fiscal incentives. Based on August 2002 data, there are 1,129 Cal Learn recipients who are 18-years old and not the head of the AU. These are considered "nested teens" or teens included in their parent/caretaker relative's case.
- Based on Federal Fiscal Year (FFY) 2000 Q5 survey data, 96 percent of "nested teen" cases have siblings. The estimate assumes there is one sibling and one senior parent in these "nested teen" cases, which results in the parent's AU size being reduced from four to two once the 18-year old establishes their own case. Additional grant costs are assumed by calculating the net difference in the Maximum Aid Payment (MAP) for one case of an AU of four compared to the MAP for two cases with an AU of two.
- Based on FFY 2000 Q5 survey data, four percent of "nested teen" cases have no siblings. For these cases, the estimate assumes the parent's case will be discontinued once the "nested teen" establishes their own AU. The estimate assumes grant savings of one person removed from the AU.
- The MAP for an AU of four is $809, for an AU of three is $679 and for an AU of two $548 in the current year. The MAP for an AU of four is $759, for an AU of three is $637 and for an AU of two $514 in the budget year due to a 6.16 percent MAP reduction.

## METHODOLOGY:

- The number of Cal Learn recipients, who are 18-years old and not the head of the AU, is multiplied by the percent of these cases that have a sibling (1,129 x 0.96 = 1,084).
- For the current year, additional grant costs are calculated by taking the difference between two cases with an AU of two ($548 x 2 = $1,096) and one case of an AU of four ($809 x 1 = $809). The difference equals the additional grant cost per case ($1,096 - $809 = $287). The same methodology is used to calculate grant costs in the budget year.
- The number of Cal Learn recipients, who are 18-years old and not the head of the AU, is multiplied by the percent of these cases that have no siblings (1,129 x 0.04 = 45). This represents the number of senior parent cases that will be discontinued once the "nested teen" establishes their own AU. The grant savings for current year are calculated based on the difference between the MAP for an AU of three and a MAP for an AU of two. The difference equals the grant savings per case (e.g. for current year, $679 - $548 = $131).

# Eligibility for 18-year Olds

## FUNDING:

The funding is 86.46 percent TANF, 11.04 percent state and 2.5 percent county. The State General Fund share reflects the cost of the State-Only Two-Parent Program that implemented October 1, 1999. The State-Only Two-Parent Program is countable toward the State's maintenance of effort.

## CHANGE FROM THE APPROPRIATION:

This premise was updated using the most recent data available.

## REASON FOR YEAR-TO-YEAR CHANGE:

Decreased costs reflect a 6.16 percent MAP reduction.

## EXPENDITURES:

(in 000's)

| | 2002-03 | 2003-04 |
|---|---|---|
| | Grant | Grant |
| Total | $3,662 | $3,432 |
| Federal | 3,166 | 2,967 |
| State | 404 | 379 |
| County | 92 | 86 |
| Reimbursements | 0 | 0 |

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

## DESCRIPTION:

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

## IMPLEMENTATION DATE:

This premise will implement January 2003.

## KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 11320.3
- Based on CalWORKs FFY 2000 Characteristics Survey data, 0.44 percent of the CalWORKs cases have a 17-year old child who has graduated from high school, and very few cases have a 16-year old child who has graduated from high school.
- Based on CalWORKs Welfare-to-Work Monthly Activity Reports (WTW 25), 10.27 percent of CalWORKs cases are sanctioned due to not meeting work participation requirements
- California Department of Education enrollment data shows that 35.58 percent of the high school graduates will be eligible for University of California and California State University campuses.
- Based on CalWORKs Welfare-to-Work Monthly Activity Reports (WTW 25), 20 percent of the high school graduates are participating in vocational education.
- Based on CalWORKs FFY 2000 Characteristics Survey data, the average grant per person among those cases with 16 and 17-year old children is $142.29 for the current year. The grant will decrease to $132.12 in the budget year due to a 6.16 percent MAP reduction.

## METHODOLOGY:

- The CalWORKs November 2002 trend caseload projection is multiplied by 0.44 percent to determine the number of 16 and 17-year olds who have graduated high school (Average Monthly cases 513,162 x 0.44 percent =2,258).
- The number of 16 and 17-year old graduates is then multiplied by the current CalWORKs sanction rate of 10.27 percent to determine the number of graduated 16 and 17-year olds who are currently sanctioned due to not meeting work participation requirements (2,258 x 10.27 percent =232).
- The total percentage of 16 and 17-year olds who are enrolled or are planning to enroll in post secondary education and other training programs equals the sum of the percentage of high school graduates eligible for California universities and the percentage of high school graduates participating in vocational education (35.58 percent + 20 percent = 55.58 percent).

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

## METHODOLOGY (continued):

- The number of 16 and 17-year olds who will be exempted by SB 1264 is determined by multiplying the number currently being sanctioned by the total percentage who are enrolled or are planning to enroll in post secondary education and other training programs (232 x 55.58 percent = 129)
- The annual fiscal impact of implementing SB 1264 is calculated by multiplying the annual number of exempted 16 and 17-year olds by the average cost per person (e.g. for current year, 129 x 6 x $142.29).

## FUNDING:

The funding is 86.46 percent TANF, 11.04 percent state and 2.5 percent county. The State General Fund share reflects the cost of the State-Only Two-Parent Program that implemented October 1, 1999. The State-Only Two-Parent Program is countable toward the State's maintenance of effort.

## CHANGE FROM THE APPROPRIATION:

This is a new premise.

## REASON FOR YEAR-TO-YEAR CHANGE:

Budget year represents a full year implementation of this change and a 6.16 percent MAP reduction.

## EXPENDITURES:

(in 000's)

| | 2002-03 Grant | 2003-04 Grant |
|---|---|---|
| Total | $110 | $204 |
| Federal | 95 | 176 |
| State | 12 | 23 |
| County | 3 | 5 |
| Reimbursements | 0 | 0 |

# Unemployment Insurance (UI) Benefits Impact

## DESCRIPTION:

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

Senate Bill (SB) 40 (Chapter 409, Statute of 2001) provided the first increase in unemployment insurance benefits in California since 1989. SB 40 provides that the maximum weekly benefits will increase from $230 to $330 for new claims filed January 6, 2002, and provides three additional increases which will bring the maximum weekly benefits to $370 effective January 5, 2003, to $410 effective January 4, 2004, and to $450 effective January 3, 2005.

On March 9, 2002, the federal "Job Creation and Worker Assistance Act of 2002" was signed into law and provides for temporary extended unemployment compensation. This Act allows unemployed workers who have exhausted their regular unemployment insurance benefits to file for an extension of up to 13 weeks of benefits. The extension is effective March 10, 2002, and is referred to as Temporary Extended Unemployment Compensation. The extension is scheduled to end December 31, 2002. To be eligible for this extension of UI benefits the claimant must have exhausted all rights to regular compensation on or after March 15, 2001, and have no rights to regular compensation or extended compensation or any other state unemployment compensation law or to compensation under any other federal law. In addition, the Act provides for a second extension if the state meets certain criteria. California met the minimum requirements to activate the second extension during the period from April 7, 2002, to July 6, 2002, when the “insured unemployment rate” rose above four percent.

## IMPLEMENTATION DATE:

This premise implemented on January 6, 2002.

## KEY DATA/ASSUMPTIONS:

- Based on the CalWORKs Federal Fiscal Year (FFY) 1999 Characteristics Survey, 1.13 percent of the All Other Families (AF) cases and 4.3 percent of the Two-Parent (TP) cases receive UI benefits.
- The November 2002 trend caseloads for CalWORKs AF and TP cases are used to project the number of cases that will be impacted by UI benefit changes.
- UI benefits are considered as unearned income in CalWORKs eligibility determination and will be deducted from the recipient’s grant on a dollar to dollar basis. UI benefit increases for CalWORKs recipients result in savings to the CalWORKs Program.
- Medi-Cal Eligibility Determination System (MEDS)/Employment Development Department (EDD) data showed that those cases that received UI benefits before or after entering CalWORKs had an average quarterly income of $4,332 or $1,444 per month.
- The average weekly UI benefit amount for CalWORKs recipients was $132 for cases with a beginning date before January 6, 2002. The average weekly benefit amount increased to $151 (or $654 monthly) for new UI benefit claims with a beginning date of January 6, 2002, or after.
- The impact of the January 2002 UI benefit increase is assumed to be reflected in the CalWORKs Basic Costs.

# Unemployment Insurance (UI) Benefits Impact

## KEY DATA/ASSUMPTIONS (continued):

- The average weekly UI benefit amount for a CalWORKs recipient is expected to increase to $169.30 effective January 5, 2003, resulting in a monthly UI benefit increase of $79.25.
- The average weekly UI benefit amount for a CalWORKs recipient is expected to increase to $187.61 effective January 4, 2004, resulting in an additional $79.25 monthly UI benefit increase. The total increase in average monthly benefits effective January 4, 2004 is $158.50.
- The UI benefit increases effective in January will have an effect on CalWORKs grants beginning in the month of March due to retrospective budgeting.
- Based on EDD data, 45 percent of the total number of claimants are eligible for the first 13-week extension. The 13-week extension is available during the period from March 10, 2002, to December 31, 2002.
- Based on EDD data, during the period from April 7, 2002, to July 6, 2002, when California qualified for the second 13-week extension, 15.38 percent of the current claimants had claimed the extended benefits.
- Based on the effective periods, both 13-week extensions would have a fiscal impact only in the current year.
- It is assumed that both the first and the second 13-week extensions of UI benefits will delay some UI benefit claimants entering CalWORKs for two months on average due to their UI benefit income.
- Based on the MEDS/EDD data, it is estimated that 0.11 percent of the AF CalWORKs cases and 0.45 percent of the CalWORKs TP cases will be delayed entering CalWORKs due to the first 13-week extension of UI benefits.
- Based on the MEDS/EDD data, it is estimated that 0.037 percent of the AF CalWORKs cases and 0.153 percent of the CalWORKs TP cases will be delayed entering CalWORKs due to the second 13-week extension of UI benefit.

## METHODOLOGY:

- The CalWORKs November 2002 AF caseload projection is multiplied by 1.13 percent to determine the number of cases claiming UI benefits (e.g., average monthly for current year (CY): 467,590 x 1.13 percent). The TP caseload projection is multiplied by 4.3 percent to determine the number of TP cases claiming UI benefits (e.g., average monthly for CY: 50,090 x 4.3 percent).
- The impact of the January 2003 UI benefit increase in the CY equals the sum of 5,284 AF cases and 2,154 TP cases multiplied by the net increase of $79.25, and then the number of impacted months ((5,284 + 2,154) x $79.25 x 4). The impact in the budget year (BY) equals the sum of 5,300 AF cases and 2,082 TP cases multiplied by $79.25, and then the number of impacted months ((5,300 + 2,082) x $79.25 x 8).
- The impact of the January 2004 UI benefit increase in the BY equals the sum of 5,300 AF cases and 2,082 TP cases multiplied by the total increase of $158.50, and then the number of impacted months ((5,300 + 2,082) x $158.50 x 4).

# Unemployment Insurance (UI) Benefits Impact

## METHODOLOGY (continued):

- The ratio of eligible claimants for the first 13-week temporary extension (45 percent) is applied to the CalWORKs recipients with UI benefits to determine the eligible caseload. During the eligible period in CY (July through December 2002), the average monthly cases are 2,341 AF cases and 936 TP cases.

- The ratio of eligible claimants for the second 13-week temporary extension (15.38 percent) is applied to the CalWORKs recipients with UI benefits to determine the eligible caseload. During the eligible period in CY (April through July 2002), the average monthly cases are 796 AF cases and 321 TP cases.

- The impact of the first 13-week extension in the CY is calculated by multiplying the monthly impacted caseload by the amount of the monthly UI benefit those eligible claimants received during the 3 month period ((2,341+936) x $654 x 3).

- The impact of the second 13-week extension in the CY is calculated by multiplying the monthly impacted caseload by the average monthly UI benefit those eligible claimants received (monthly AF cases ((796 + 317) x $654 x 1).

- The ratio of CalWORKs cases expected to be delayed in entering the program due to the extension of their UI benefits is applied to the CalWORKs trend caseload for AF and TP to determine the impacted caseload (e.g., for AF cases 467,590 x .11 percent). The same methodology is used to determine the impact of the first 13-week extension on TP cases and the second 13-week extension on AF and TP cases.

- The impact of the two 13-week extensions in delaying cases entering CalWORKs are calculated by multiplying the total impacted caseload by the current average monthly UI benefits amount of $654 for CalWORKs recipients and multiplying by two months (978 AF and TP cases x $654 x 2).

- The total impact of the UI benefit premise includes the impact of the increased weekly UI benefit rates, the first and second 13-week extensions on CalWORKs recipients' benefits, and the impact of the extended benefits periods in delaying applicants entering CalWORKs.

## FUNDING:

The grant savings are shared 86.46 percent Temporary Assistance for Needy Families, 11.04 percent state and 2.5 percent county.

## CHANGE FROM THE APPROPRIATION:

This premise is updated based on most recent data available.

## REASON FOR YEAR-TO-YEAR CHANGE:

The BY reflects only the impact associated with increased UI benefit rates.

# Unemployment Insurance (UI) Benefits Impact

## EXPENDITURES:

(in 000's)

| | 2002-03 | 2003-04 |
|---|---|---|
| | Grant | Grant |
| Total | -$10,801 | -$9,382 |
| Federal | -9,339 | -8,111 |
| State | -1,192 | -1,036 |
| County | -270 | -235 |
| Reimbursements | 0 | 0 |

# Senior Parent Deeming

## DESCRIPTION:

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

## IMPLEMENTATION DATE:

This premise implemented October 1, 2002.

## KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&IC section 11254.
- Based on the ACF-202 TANF Caseload Reduction Report, the ratio of senior parent deeming cases to the All Other Families (AF) cases is 0.58 percent.
- The November 2002 CalWORKs caseload projection for AF cases is used to calculate the cases that would be impacted by this change.
- Based on the November 2002 CalWORKs caseload projection, the average monthly AF caseload is 463,946 for the current year and 469,066 for the budget year.
- The maximum aid payment (MAP) for an assistance unit of one is $336 in the current year, and $315 in the budget year.
- The monthly administrative cost to process a continuing CalWORKs case is estimated at $42.75 per case. The impact of the Quarterly Reporting/Prospective Budgeting (QR/PB) change effective July 2003 is reflected in this premise.
- Due to the current retrospective budgeting method, the fiscal impact of this policy will not affect CalWORKs grants until December 2002.

## METHODOLOGY:

- The monthly caseload impacted by this change is calculated by multiplying the November 2002 CalWORKs monthly AF caseload projection by 0.58 percent (average monthly AF caseload 469,066 x 0.58 percent = 2,721).
- The annual grant savings for implementing the senior parent deeming rule are calculated by multiplying the annual number of cases by the MAP for an assistance unit of one (2,721 x $315 x 12 = $10.29 million).

# Senior Parent Deeming

## METHODOLOGY (continued):

- The annual administrative savings are calculated by multiplying the annual number of cases by the monthly administrative cost per case (2,721 x 12 x $42.75 = $1.4 million). When the impact of the QR/PB premise is reflected, the savings are assumed to be one third of the calculated amount.

## FUNDING:

- The grant savings are shared 97.5 percent TANF, and 2.5 percent county.
- The administrative savings are 100 percent TANF in the current year, and 50 percent TANF and 50 percent county in the budget year (BY).

## CHANGE FROM THE APPROPRIATION:

The implementation date has been revised to October 2002 due to the delay in passage of the State Budget.

## REASON FOR YEAR-TO-YEAR CHANGE:

Increased grant savings reflect a full year of implementation. The decrease in BY administrative savings reflects the impact of the QR/PB premise and reflects inclusion of this premise in the proposed Fiscal Year 2003-04 State and Local Realignment.

## EXPENDITURES:

(in 000's)

**Item 101 –**

| **CalWORKs (TANF) Program Costs** | 2002-03 | 2003-04 |
|---|---|---|
| | Grant | Grant |
| Total | -$6,374 | -$10,294 |
| Federal | -6,215 | -10,037 |
| State | 0 | 0 |
| County | -159 | -257 |
| Reimbursements | 0 | 0 |

# Senior Parent Deeming

## EXPENDITURES (continued):

(in 000's)

**Item 101 –**

| **CalWORKs (TANF) Administration Costs** | 2002-03 | 2003-04 |
|---|---|---|
| | Admin | Admin |
| Total | -$811 | -$466 |
| Federal | -811 | -233 |
| State | 0 | 0 |
| County | 0 | -233 |
| Reimbursements | 0 | 0 |

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# Prospective Budgeting

## DESCRIPTION:

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

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

Under the QR/PB system, recipients' grant and coupon benefits are estimated and projected over a three-month period based on current and past information. Recipients will be required to submit an income/eligibility report once per quarter. Under certain circumstances recipients are required to report information outside of their quarterly report month. CalWORKs recipients with earnings are required to report income if their total gross monthly income exceeds the greater of the CalWORKs eligibility limit or 130 percent of the Federal Poverty Level (FPL) for the family size; and all CalWORKs and FS recipients must report the following changes during the quarter: drug felony convictions, fleeing felon status, Cal-Learn status, and address changes. Recipients have the option to report changes that would result in increased grant/coupon benefits when they occur. When income is reported outside of the report month, the total income is "re-averaged" for the quarter and subsequent benefits are adjusted accordingly.

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

## IMPLEMENTATION DATE:

This premise will implement September 1, 2003.

## KEY DATA/ASSUMPTIONS:

- Authorizing statute: 7 CFR section 273.21(b), and Welfare and Institutions Code sections 11265.1-11265.3 and 11450.1-11450.3.
- The Department is continuing to work with the USDA-FNS to obtain waiver approval to implement QR/PB for the FSP.
- The November 2002 trend caseloads for CalWORKs, Non-Assistance Food Stamps (NAFS), CFAP and the RCA programs are used to project the number of cases that will be impacted by prospective budgeting and quarterly reporting each month.

# Prospective Budgeting

## KEY DATA/ASSUMPTIONS (continued):

- The total casemonths impacted in the budget year are as follows: 5,180,424 for CalWORKs, 3,833,173 for NAFS, 35,879 for CFAP Administration, 60,125 for CFAP coupons and 20,436 for RCA.
- It is assumed that 10.93 percent of the total NAFS/CFAP cases are currently subject to non-monthly/change reporting based on the Federal Fiscal Year (FFY) 2001 Food Stamp Characteristics Survey. The NAFS casemonths are reduced to 3,414,208 to reflect the reduction of these cases and the CFAP administration/coupon casemonths are reduced to 31,957 and 53,554, respectively.
- The monthly administrative cost to process a CalWORKs/RCA continuing case is estimated at $42.75. It is assumed that it will cost $57.57 to process a quarterly report for CalWORKs/RCA. The current cost to process continuing food stamp and CFAP cases on a monthly basis is $25.01. It is assumed that it will cost $33.69 to process continuing food stamp and CFAP cases on a quarterly basis.
- It is assumed that it will cost $19.42 to process a change in a case outside of the normal quarterly report month for food stamps and CFAP and $19.19 for CalWORKs and RCA.
- It is assumed that only one-third (33 percent) of the total CalWORKs, NAFS, CFAP, and RCA cases will report each month under the prospective budgeting/quarterly reporting framework. The remaining two-thirds (67 percent) of the cases will only report outside their normal quarterly report month in certain circumstances.
- The administrative savings from eliminating the processing of monthly reports for CalWORKs, NAFS, CFAP and RCA programs is assumed to be phased in over a six-month period to allow counties to transition to the new system. It is assumed that the counties realize 17 percent of the potential monthly savings in September 2003, with a continual 17 percent increase until 100 percent of the potential monthly savings are achieved beginning in February 2004.
- Based on the Food Stamp Program Monthly Caseload Movement Statistical Report (DFA 296) for Fiscal Year (FY) 2001-02, 16.25 percent of NAFS and CFAP cases are discontinued each month. It is estimated that 26.53 percent of the cases are discontinued due to income exceeding eligibility limits. It is assumed that these cases will not be discontinued until their quarterly report month; therefore, resulting in 50 percent of the cases receiving one month of additional benefits and 50 percent receiving two months of additional benefits.
- Based on the CalWORKs Report on Reasons for Discontinuances of Cash Grant, (CA 253 CW) for FY 2001-02, 8.05 percent of the CalWORKs cases are discontinued each month, and 11.57 percent of the cases are discontinued due to income exceeding CalWORKs eligibility limits. Under QR/PB some of these cases will experience a delay in being discontinued until their quarterly report month.
- CalWORKs recipients with unearned income only will be exempt from mid-quarter reporting when their income exceeds 130 percent FPL. This group of recipients accounts for 0.18 percent of the CalWORKs caseload, representing 6,168 casemonths not required to report mid-quarter income increases. It is assumed that 50 percent of these cases will receive one month of additional benefits and 50 percent will receive two months of additional benefits before being discontinued when their quarterly report is filed.

# Prospective Budgeting

## KEY DATA/ASSUMPTIONS (continued):

- The CalWORKs eligibility limit for all assistance unit (AU) sizes is below 130 percent FPL with the exception of the two-person AU. It is assumed that all two-person AUs with earnings exceeding CalWORKs eligibility limits will be required to report during nonreport months.
- The two-person AUs represent 32.5 percent of the CalWORKs caseload based on data from the CalWORKs Characteristics Survey for FFY 2000. Therefore, a total of 8,445 two-person casemonths will be required to report mid-quarter income increases.
- Due to the difference in income level between the CalWORKs eligibility limit and the FPL, it is assumed that 43.6 percent of the CalWORKs cases or 7,647 casemonths currently discontinued, excluding two-person cases, will not be required to report during mid-quarter months due to their income being under 130 percent of the FPL based on FFY 2001 CalWORKs Characteristics Survey and Employment Development Department (EDD) wage data. It is assumed that 50 percent of the cases receiving one month of additional benefits and 50 percent receiving two months of additional benefits before they will be discontinued when their quarterly reports are filed. The remaining 9,892 casemonths will be required to report mid-quarter income increases.
- Actual CalWORKs cases required to report income increases over the 130 percent FPL or CalWORKs eligibility limit during mid-quarter months is estimated at 1,834 a month on average or 18,337 casemonths in the budget year (BY).
- Based on data from the Fraud Investigation Activity Report (DPA 266) from June through November 2001, it is estimated that 19.34 percent of CalWORKs cases with income exceeding eligibility limits or 3,547 casemonths will not report their income changes during a nonreport month resulting in overpayment.
- Actual CalWORKs cases expected to report income increases during mid-quarter months is estimated at 1,479 a month on average or 14,790 casemonths.
- Due to the income re-averaging method used in prospective budgeting during mid-quarter months, some cases reporting increased income above the 130 FPL or CalWORKs eligibility limit in the second mid-quarter month will remain eligible for aid. It is assumed that one half of the cases or 7,395 casemonths required to report will fall into this category and will continue to receive one additional month of aid before being discontinued.
- It is assumed that of the cases that will not report that their income exceeded 130 percent of the FPL or the CalWORKs eligibility limit (3,547 casemonths), 50 percent of the cases will result in an overpayment for one month and 50 percent of the cases will result in a two-month overpayment. Based on fraud overpayment collection experience, it is assumed that 50 percent of the overpayments will be recovered.
- Based on EDD wage data, the average CalWORKs case receives a grant of $145.77 and the average CFAP household receives benefits of $36.17 just prior to becoming ineligible due to excess income.
- Based on Refugee Services Program Services Participation and Outcomes Report (RS 50) data, 0.91 percent of the current RCA cases are terminated due to employment, and 0.36 percent of the cases have their grant reduced due to employment.

# Prospective Budgeting

## KEY DATA/ASSUMPTIONS (continued):

- Based on actual RCA expenditures, the average grant per case for RCA is $277.17. The average grant for RCA cases just prior to exiting the program is estimated at $74.63.
- Based on CalWORKs and Food Stamp FFY 2001 Characteristics Survey data, 35.16 percent of CalWORKs and 39.40 percent of the FS cases have earnings. Among those cases with earnings, 57.7 percent experience a reduction in earnings from quarter to quarter, 9.5 percent of the cases experience an increase in earnings under $100 and 19.48 percent of the cases experience an increase in earnings over $100 or more from quarter to quarter based on EDD wage data.
- It is assumed that 9,349 monthly FS and 147 monthly CFAP cases with earnings would continue to receive a full grant/benefit payment due to noncompliance with CA 7 reporting requirements.
- It is estimated that 75 percent of the CalWORKs, NAFS and CFAP cases with decreased earnings will report the decrease during non-quarterly report months, and 25 percent of the cases will not report the decrease until their normal quarterly reporting month. This results in administrative costs to process changes for decreased income during non-quarterly report months for 525,485 CalWORKs casemonths, 3,845 for CFAP Administration, 6,444 for CFAP coupons, and 410,784 for NAFS.
- The average CalWORKs grant impact for the 75 percent of cases that would report decreased income in non-quarterly report months is $88.78. The average CFAP benefit impact is $63.75.
- It is assumed that CalWORKs recipients will receive a supplemental payment equal to 100 percent of the grant increase associated with a decrease in income; under monthly reporting recipients receive supplemental payments equal to 80 percent of the increase. FS cases will receive a 100 percent supplemental payment equal to the increase; under monthly reporting these cases do not receive a supplemental payment. In comparison to monthly reporting and retrospective budgeting, two thirds of the CalWORKs and CFAP/FS cases will receive an additional 20 percent and 100 percent supplemental payment, respectively.
- The costs and savings under the QR/PB framework is compared to the monthly reporting and retrospective budgeting framework. Assuming one third of the income changes occur in each month, the result is one month of costs, one month of savings and one month of no cost or savings to CalWORKs, FS or CFAP programs. The net impact is zero in those cases with increased income of all ranges not reporting.
- It is assumed that 2.5 percent of the CalWORKs, NAFS and CFAP cases will report, during non-quarterly report months, changes to household composition or shelter costs that will result in an increase in their benefits, resulting in additional administrative costs (e.g., 86,340 casemonths for CalWORKs; 57,188 casemonths for NAFS; and 535 casemonths for CFAP.
- Based on the CA 253 Reports for FY 2001-2002, 0.76 percent of CalWORKs and CFAP monthly cases or 26,119 CalWORKs casemonths and 335 CFAP casemonths would have become ineligible for reasons of no eligible child, excess resources or no deprivation. It is assumed that 50 percent of these cases will continue to receive one additional full month of grant and 50 percent will continue to receive two additional months of full grant before being discontinued.

# Prospective Budgeting

## KEY DATA/ASSUMPTIONS (continued):

- This estimate assumes that Able Bodied Adults Without Dependents (ABAWDS) are required to report during the quarter when they are not meeting the work requirement. Based on the Stat 46, FSET Program Quarterly ABAWDs Statistical and Expenditure Report for FY 2001-02, .35 percent of the monthly NAFS/CFAP caseload experience a reduction in work hours causing them to become ineligible for the FSP.
- Based on data from the CA 253 Reports for FY 2001-2002 and the Food Stamp Program Monthly Caseload Movement Statistical Report (DFA 296) for FY 2001-02, 4.13 percent of CalWORKs cases (142,523 casemonths), and 8.34 percent of CFAP cases (2,991 casemonths) are discontinued monthly for not submitting a Monthly Eligibility Report (CA7).
- Based on the CA 237 Reports for FY 2001-2002, 19.18 percent of CalWORKs cases (27,336 casemonths) and 28.42 percent of CFAP cases (850 casemonths) that were discontinued will be restored within a month. Therefore, resulting in 115,187 CalWORKs and 2,141 CFAP casemonths experiencing a delay in discontinuance; it is assumed that 50 percent of these cases will continue to receive one additional full month of grant/benefit and 50 percent will continue to receive two additional full months of full grant/benefit before being discontinued.
- The average CalWORKs grant per case is $484.17 based on the CA 800 CalWORKs expenditure reports from October 2001 through June 2002 and reflects a 6.16 percent reduction in the CalWORKs Maximum Aid Payment (MAP), effective July 2003. The average CFAP benefits per case is $101.83 based on DFA 256 Reports from July 2001 through June 2002.
- The current cost for mailing a monthly report form to a recipient is $0.75. It is assumed that the cost for mailing the quarterly report will be $0.75 per household/case.
- It is assumed that it will cost $19.0 million to reprogram existing systems to implement QR/PB based on data from the Health and Human Services Data Center. These costs are shared between FS ($10.2 million) and CalWORKs ($8.8 million) based on the Statewide Automated Welfare System (SAWS) Project cost allocation methodology for development costs.
- The total CalWORKs, FS, CFAP and RCA prospective budgeting administrative costs are calculated by adding the administrative costs to process: quarterly reports; changes resulting in income exceeding 130 percent of the federal poverty level; changes resulting in reduced earnings; other changes that result in increased benefits; changes resulting in ABAWDs not meeting work requirement; mailing costs; and reprogramming system costs.

## METHODOLOGY

- The CalWORKs, FS, CFAP and RCA administrative savings from not processing monthly reports are calculated by multiplying the monthly cost to process a continuing case by the adjusted caseload currently required to report on a monthly basis (e.g., for FS: $25.01 x 3,414,208). These savings are phased in over six months in the budget year (BY) to allow counties to transition to the new system.
- The CalWORKs, FS, CFAP and RCA administrative costs to process quarterly reports are calculated by multiplying the quarterly cost to process a continuing case by the adjusted caseload required to report on a quarterly basis (e.g., for FS: $33.69 x 3,414,208 x 33 percent).

# Prospective Budgeting

## METHODOLOGY (continued):

- The CalWORKs administrative cost to process a change resulting in income exceeding 130 percent of the FPL is calculated by multiplying the associated cost per case by the number of cases reporting the change (e.g., for CalWORKs: $19.19 x 14,790).
- The CalWORKs, FS and CFAP administrative costs to process a change resulting in reduced earnings are calculated by multiplying the number of cases that would report their reduced earnings outside the quarterly reporting months by the per case cost (e.g., for FS: $19.42 x ((3,833,173 x 39.4 percent) – (9,349 x 10)) x 57.7 percent x 67 percent x 75 percent).
- The CalWORKs, FS, and CFAP administrative costs to process other changes that would increase the recipients' benefit are calculated by multiplying the number of cases that would report the changes outside the quarterly reporting months (e.g., for Food Stamps: $19.42 x (3,414,208 x 2.5 percent x 67 percent)).
- The administrative cost to process discontinuances for ABAWDs not meeting the work requirement is calculated by multiplying the number of cases that would report outside the quarterly report month by the cost per case (e.g., for FS: $19.42 x (3,833,173 x 0.35 percent x 67 percent)).
- The CalWORKs, FS, CFAP and RCA administrative cost to mail quarterly reports is calculated by multiplying the number of cases that will report quarterly by the mailing cost (e.g., for FS: 3,414,208 x 33 percent x $0.75).
- The CalWORKs, FS, CFAP and RCA administrative savings due to not mailing monthly reports is calculated by multiplying the total caseload by the mailing cost (e.g., for FS: 3,414,208 x $0.75). To allow for counties to transition to the new system, no mailing savings are assumed for the first three months of implementation.
- CalWORKs grant costs for not discontinuing cases with income over the CalWORKs eligibility limit but under the 130 percent FPL are calculated by multiplying the related casemonths by the average grant, accounting for the assumption that 50 percent receive one month of additional grant and 50 percent receive two months of additional grant (($145.77 x 7,647/2) + ($145.77 x 7,647)).
- CalWORKs grant costs for cases remaining eligible due to income re-averaging in the second mid-quarter months are calculated by multiplying the related casemonths by the average grant ($145.77 x 7,395).
- CalWORKs grant costs for those cases exempt from reporting when their income exceeds 130 percent of FPL because they have unearned income only, are calculated by multiplying the related casemonths by the average grant, accounting for the assumption that 50 percent receive one month of additional grant and 50 percent receive two months of additional grant (($145.77 x 6,168/2 +($145.77 x 6,168)).
- Overpayments for those cases that will not report income exceeding 130 percent of the FPL are calculated by multiplying the average grant per case by the casemonths that will not report, accounting for the assumption that 50 percent receive one month of additional grant and 50 percent receive two months of additional grant and 50 percent of the overpayments will be recovered (e.g., for CalWORKs: (($145.77 x 3,547/2 + $145.77 x 3,547) x 50 percent)).

# Prospective Budgeting

## METHODOLOGY (continued):

- CalWORKs grant costs for those cases reporting a decrease in income during mid-quarter months are calculated by multiplying the affected casemonths by the average grant increase of $88.78, then by 20 percent and by 67 percent (e.g., 525,485 casemonths x $88.78 x 20 percent x 67 percent).
- CFAP coupon costs for those cases reporting a decrease in income during mid-quarter months are calculated by multiplying the affected casemonths by the average coupon increase of $63.75, then by 67 percent (e.g., 6,444 casemonths x $63.75 x 67 percent).
- CalWORKs grant and CFAP coupon costs for not processing CA 7 noncompliance cases monthly are calculated by multiplying the average grant/coupon per case by the number of impacted cases, accounting for the assumption that 50 percent receive one month of additional grant and 50 percent receive two months of additional grant (e.g., for CalWORKs: (($484.17 x 115,187/2) + ($484.17 x 115,187)).
- CalWORKs grant and CFAP coupon costs for not discontinuing ineligible cases until the quarterly report month are calculated by multiplying the average grant/coupon per case by the number of impacted cases those cases accounting for the assumption that 50 percent receive one month of additional grant and 50 percent receive two months of additional grant (e.g., for CalWORKs: ($484.17 x 26,119/2) + ($484.17 x 26,119)).
- RCA grant costs for not adjusting cases with increased earnings until the quarterly report month are calculated by multiplying the impacted casemonths (20,436 x 67 percent x 0.36 percent) by the average reduced grant of $74.63.
- The total administrative cost to reprogram computer systems is $19 million and is shared between FS ($10.2 million) and CalWORKs ($8.8 million).

## FUNDING:

The CalWORKs grant costs are shared 86.46 percent Temporary Assistance for Needy Families (TANF), 11.04 percent state and 2.5 percent county. CalWORKs administrative costs are shared 89.37 percent TANF and 10.63 percent state in the current year (CY) and 44.68 percent federal, 5.32 percent state and 50 percent county in the BY. The FS sharing ratio is 50 percent federal, 35 percent state, and 15 percent county funds in the CY and 50 percent federal and 50 percent county funds in the BY. CFAP is 100 percent county in the BY. RCA costs are funded 100 percent federal.

## CHANGE FROM THE APPROPRIATION:

The CY reflects only the costs of system reprogramming. Implementation has been delayed into the BY.

## REASON FOR YEAR-TO-YEAR CHANGE:

The CY reflects reprogramming costs only. The BY net increase to CalWORKs and CFAP costs represents the ten-month impact to grants with a six-month phase in of administrative savings. The BY increase to FS administrative savings also represents a September 2003 implementation with a six-month phase-in of savings. The GF reduction in the BY reflects inclusion of this premise in the proposed FY 2003-04 State and Local Realignment.

# Prospective Budgeting

## EXPENDITURES:

(in 000's)

| **ITEM 101 – CalWORKs Administration** | 2002-03 | | 2003-04 | |
|---|---|---|---|---|
| | Grant | Admin. | Grant | Admin. |
| Total | $0 | $8,784 | $113,331 | -$56,285 |
| Federal | 0 | 7,941 | 97,873 | -25,510 |
| State | 0 | 843 | 12,625 | -2,632 |
| County | 0 | 0 | 2,833 | -28,143 |
| Reimbursements | 0 | 0 | 0 | 0 |

| **ITEM 141 – Food Stamp Administration** | 2002-03 | | 2003-04 | |
|---|---|---|---|---|
| | Grant | Admin. | Grant | Admin. |
| Total | $0 | $10,185 | $0 | -$18,488 |
| Federal | 0 | 5,092 | 0 | -9,244 |
| State | 0 | 3,565 | 0 | 0 |
| County | 0 | 1,528 | 0 | -9,244 |
| Reimbursements | 0 | 0 | 0 | 0 |

| **ITEM 101 – CFAP/ ITEM 141- CFAP Administration** | 2002-03 | | 2003-04 | |
|---|---|---|---|---|
| | Grant | Admin. | Grant | Admin. |
| Total | $0 | $0 | $710 | -$98 |
| Federal | 0 | 0 | 0 | 0 |
| State | 0 | 0 | 0 | 0 |
| County | 0 | 0 | 710 | -98 |
| Reimbursements | 0 | 0 | 0 | 0 |

# Prospective Budgeting

## EXPENDITURES (continued):

(in 000's)

| **ITEM 101 – RCA / ITEM 141-RCA Administration** | 2002-03 | | 2003-04 | |
|---|---|---|---|---|
| | Grant | Admin. | Grant | Admin. |
| Total | $0 | $0 | $4 | -$304 |
| Federal | 0 | 0 | 4 | -304 |
| State | 0 | 0 | 0 | 0 |
| County | 0 | 0 | 0 | 0 |
| Reimbursements | 0 | 0 | 0 | 0 |

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# Recent Noncitizen Entrants

## DESCRIPTION:

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

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

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

## IMPLEMENTATION DATE:

This premise implemented in September 1996.

## KEY DATA/ASSUMPTIONS:

- Based on data reported on the Summary Report of Assistance Expenditures for CalWORKs – Legal Immigrants (CA 800 M and CA 800 L) from July 2001 to June 2002, the average monthly caseload for recent noncitizen entrants is 4,898 and the average grant per case is $583.10.
- It is assumed that the trend of monthly caseload for Recent Noncitizen Entrants resembles the fluctuations of the monthly number of cases in the CalWORKs Program. The CalWORKs caseload is projected to increase 1.9 percent in current year and increase 0.8 percent in budget year.
- Based on Federal Fiscal Year 2001 CalWORKs Q5 data, an estimated six percent of the recipients each year will have been in the country for five years and have not reached their CalWORKs time-limit. This group of recipients will be eligible to receive TANF funding due to the end of the five-year bar.
- Adjusting for the CalWORKs trend and the cases that will shift to federal/TANF eligibility, the estimated caseload for Fiscal Year (FY) 2002-03 is 5,001 and for FY 2003-04 is 5,044.
- Effective July 1, 2003, the average grant amount for FY 2003-04 is $541.41. The decrease is due to a 6.16 percent CalWORKs Maximum Aid Payment (MAP) reduction.
- The administrative costs for recent noncitizen entrants claimed by counties were $9,272,174 during FY 2001-02.
- For services, the costs in FY 2002-03 and FY 2003-04 reflect 1.5 percent of the CalWORKs Services Basic cost. Refer to that premise for more detailed information regarding services. The percentage is based upon actual expenditures from July 2001 to June 2002.

# Recent Noncitizen Entrants

## KEY DATA/ASSUMPTIONS (continued):

- For CalWORKs Child Care, the costs in FY 2002-03 and FY 2003-04 reflect 1.5 percent of the CalWORKs Stage One Child Care cost. Refer to that premise for more detailed information regarding child care. The percentage for FY 2002-03 is based upon actual expenditures from July 2001 to June 2002.

- For Cal Learn, the costs in FY 2002-03 and FY 2003-04 reflect 1.5 percent of the Cal Learn cost. Refer to that premise for more detailed information regarding Cal Learn. The percentage is based upon actual FY 2001-02 expenditures.

## METHODOLOGY:

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

## FUNDING:

The grant costs are funded with 95 percent State General Fund (GF) and 5 percent county funds. The administrative costs, employment services and child care are 100 percent GF in FY 2002-03. The administrative costs and employment services are 50 percent GF and 50 percent county funds in FY 2003-04. Child care is 100 percent GF in FY 2003-04. The total funding is countable toward the State's TANF maintenance of effort requirement.

## CHANGE FROM THE APPROPRIATION:

Total costs were updated using the most recent actual data.

## REASON FOR YEAR-TO-YEAR CHANGE:

The budget year decrease in grant costs reflects a reduction to the average grant amount due to a 6.16 percent MAP reduction. The services cost decrease is based on a decrease in CalWORKs Services Basic. The Stage One Child Care increase is based on a increase in the program. The Cal Learn Services increase is based on increases in those programs. Refer to the specific premises for more detailed information. The GF reduction in the BY reflects inclusion of this premise in the proposed FY 2003-04 State and Local Realignment.

# Recent Noncitizen Entrants

## CASELOAD:

| | 2002-03 | 2003-04 |
|---|---|---|
| Average Monthly Caseload | 5,001 | 5,044 |

## EXPENDITURES:

(in 000's)

| **Item 101 - CalWORKs Assistance Payments** | 2002-03 | | 2003-04 | |
|---|---|---|---|---|
| | Grant | County Admin. | Grant | County Admin. |
| Total | $35,064 | $8,870 | $32,842 | $8,944 |
| Federal | 0 | 0 | 0 | 0 |
| State | 33,311 | 8,870 | 31,200 | 4,472 |
| County | 1,753 | 0 | 1,642 | 4,472 |
| Reimbursements | 0 | 0 | 0 | 0 |

| **Item 101 - CalWORKs Services** | 2002-03 | 2003-04 |
|---|---|---|
| | County Admin. | County Admin. |
| Total | $12,043 | $11,345 |
| Federal | 0 | 0 |
| State | 12,043 | 5,673 |
| County | 0 | 5,672 |
| Reimbursements | 0 | 0 |

# Recent Noncitizen Entrants

## EXPENDITURES (continued):

(in 000's)

| **Item 101 - CalWORKs Stage One Child Care** [1] | 2002-03 Services/ Administration | 2003-04 Services/ Administration |
|---|---|---|
| Total | $8,202 | $8,441 |
| Federal | 0 | 0 |
| State | 8,202 | 8,441 |
| County | 0 | 0 |
| Reimbursements | 0 | 0 |

| **Item 101 - Cal Learn Services** [1] | 2002-03 Services/ Administration | 2003-04 Services/ Administration |
|---|---|---|
| Total | $369 | $446 |
| Federal | 0 | 0 |
| State | 369 | 223 |
| County | 0 | 223 |
| Reimbursements | 0 | 0 |

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

# Child Support Assurance Demonstration Project

## DESCRIPTION:

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

## IMPLEMENTATION DATE:

This premise will implement July 1, 2003.

## KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 15200 and 18241-18247.
- San Francisco, Alameda and Contra Costa counties were originally selected to participate in the CSA project. As reflected in prior subvention estimates, Alameda and Contra Costa counties have decided not to participate in the project.
- There will be a delay in the implementation of the San Francisco County project until July 2003.
- The average monthly CSA payment for the San Francisco project is $466.
- It is anticipated that the San Francisco project will implement in July 2003 with an initial caseload of 15 CSA participants. The caseload is expected to increase by 25 cases per month reaching a maximum of 300 participants in June 2004.

## METHODOLOGY:

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

## FUNDING:

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

# Child Support Assurance Demonstration Project

## CHANGE FROM THE APPROPRIATION:

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

## REASON FOR YEAR-TO-YEAR CHANGE:

The budget year reflects San Francisco County implementing in July 2003.

## CASELOAD:

| | 2002-03 | 2003-04 |
|---|---|---|
| Average Monthly Caseload | 0 | 153 |

## EXPENDITURES:

(in 000's)

| | 2002-03 | 2003-04 |
|---|---|---|
| | Grant | Grant |
| Total | $0 | $857 |
| Federal | 0 | 0 |
| State | 0 | 857 |
| County | 0 | 0 |
| Reimbursements | 0 | 0 |

# Employment Training Fund

## DESCRIPTION:

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

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

## IMPLEMENTATION DATE:

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

## KEY DATA/ASSUMPTIONS:

It is assumed that $30 million will be available in FY 2002-03 and $21.4 million in FY 2003-04 from the ETF.

## METHODOLOGY:

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

## FUNDING:

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

## CHANGE FROM THE APPROPRIATION:

There is no change.

## REASON FOR YEAR-TO-YEAR CHANGE:

The available funding for local assistance will be reduced to $21.4 million in FY 2003-04.

## EXPENDITURES:

(in 000's)

| | 2002-03 | 2003-04 |
|---|---|---|
| | County Admin. | County Admin. |
| Total | -$30,000 | -$21,432 |
| Federal | 0 | 0 |
| State | -30,000 | -21,432 |
| County | 0 | 0 |
| Reimbursements | 0 | 0 |

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

## DESCRIPTION:

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

## IMPLEMENTATION DATE:

This premise implemented on January 1, 1998.

## KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 15204.3(a), amended by AB 1111.
- The staff development costs are based on the most current actual expenditures.
- No cost-of-doing-business adjustment was done because of lower revenues and other demands on the available State General Fund (GF).

## METHODOLOGY:

- The Fiscal Year (FY) 2002-03 estimate is adjusted to reflect funding shift changes to CalWORKs Administration for actual contracted costs.
- The FY 2003-04 estimate has been adjusted for a caseload decline of 5.8 percent, changes in the Recent Noncitizen Entrants' percentage, updated staff development expenditures, and savings to reflect additional tribes included in Tribal TANF.

## FUNDING:

The State share (5.39 percent for FY 2002-03 and 2.02 percent for FY 2003-04) reflects the cost for the State-Only Two-Parent Program which was implemented October 1, 1999. The State-Only Two-Parent Program is countable toward the State's maintenance of effort requirement. The federal TANF share (94.61 percent for FY 2002-03 and 48.25 percent for FY 2003-04) reflects the cost for all other families receiving employment services.

## CHANGE FROM THE APPROPRIATION:

The FY 2002-03 estimate was adjusted to reflect changes in the State-Only Two-Parent Program shift and the shift of actual contracted costs from CalWORKs Services to CalWORKs Admin.

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

## REASON FOR YEAR-TO-YEAR CHANGE:

The adjustment is due to caseload revisions, changes in the Recent Noncitizen Entrants' percentage, updated staff development actual expenditures, and savings for Tribal TANF. The TANF/GF reduction in the budget year reflects inclusion of this premise in the proposed FY 2003-04 State and Local Realignment.

## EXPENDITURES:

| (in 000's) | 2002-03 | 2003-04 |
|---|---|---|
| | County Admin. | County Admin. |
| Total | $795,769 | $745,482 |
| Federal | 752,154 | 359,711 |
| State | 43,615 | 15,053 |
| County | 0 | 370,718 |
| Reimbursements | 0 | 0 |

# Single Allocation Adjustment

## DESCRIPTION:

This premise reflects an adjustment to the Fiscal Year (FY) 2002-03 California Work Opportunity and Responsibility to Kids (CalWORKs) Single Allocation. Section 15204.3 of the Welfare and Institutions Code (W&IC) is amended to include provisions for the FY 2002-03 adjustment. The FY 2003-04 reflects a one-time adjustment to the CalWORKs Employment Services Basic Program.

## IMPLEMENTATION DATE:

This premise implemented on July 1, 2002.

## KEY DATA/ASSUMPTIONS:

Authorizing statute: W&IC Section 15204.3.

## METHODOLOGY:

**FY 2002-03:**

The amount of funding needed for this adjustment, $128.0 million, was determined based on the statewide cost per aided adult, in addition to providing counties with a minimum funding level equivalent to their FY 2001-02 basic Employment Services Allocation.

**FY 2003-04:**

The funding was based on the available TANF funds for the CalWORKs Program.

## FUNDING:

The State share (five percent) reflects the cost for the State-Only Two-Parent Program that implemented October 1, 1999. The State-Only Two-Parent Program is countable toward the State's MOE requirement. The federal Temporary Assistance for Needy Families (TANF) share (95 percent) reflects the administrative costs for the CalWORKs Program.

## CHANGE FROM THE APPROPRIATION:

There is no change.

## REASON FOR YEAR-TO-YEAR CHANGE:

The increase in funding is due to the available TANF funds. The TANF/GF reduction in the Budget Year reflects inclusion of this premise in the proposed FY 2003-04 State and Local Realignment.

## EXPENDITURES:

(in 000's)

| **Single Allocation Adjustment** | 2002-03 | 2003-04 |
|---|---|---|
| Total | $128,000 | $241,534 |
| Federal | 121,600 | 114,728 |
| State | 6,400 | 6,039 |
| County | 0 | 120,767 |
| Reimbursements | 0 | 0 |

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# 60-Month TANF Time Limit

## DESCRIPTION:

This premise reflects the shift of those individuals in the California Work Opportunity and Responsibility to Kids (CalWORKs) Program who have reached their 60-month Temporary Assistance for Needy Families (TANF) lifetime limit to state maintenance-of-effort (MOE) funding. Assembly Bill 1542 (Chapter 270, Statutes of 1997) mandated the implementation of the CalWORKs Program. The TANF Final Rule (45 CFR Part 260 et al), in accordance with Public Law 104-193, mandates that individuals may receive TANF assistance funds for a lifetime maximum of 60 months, unless that individual is exempt due to a hardship or because they, or their children, have been a victim of domestic violence, or they have lived in Indian Country or an Alaskan native village, where the unemployment rate was 50 percent or higher.

Because the CalWORKs Program implemented 13 months after TANF funds were received by the State, those individuals who reached their TANF 60-month time limit in Fiscal Year (FY) 2001-02 could have up to 13 months left of their CalWORKs 60-month time limit.

## IMPLEMENTATION DATE:

This premise implemented on December 1, 2001.

## KEY DATA/ASSUMPTIONS:

- Individuals began reaching the TANF 60-month time limit in December 2001.
- Only the All (Other) Families (AF) cases with an adult will be subject to the TANF 60-month time limit. Two-Parent Family cases have already been shifted to a state-only program.
- Twenty percent of the entire CalWORKs TANF-funded caseload can be exempted from the TANF 60-month time limit because they have a hardship, as defined by the State. However, these cases will not be funded with federal funds as allowed under the 20 percent hardship criteria. Instead, they will be funded with 100 percent MOE funds as long as there is sufficient MOE to cover these costs.
- For FYs 2002-03 and 2003-04 Welfare Data Tracking Implementation Project (WDTIP) data regarding the cases that have hit and who will hit the time limit was used. Two pieces of information were used for the estimate, monthly WDTIP projection files for those who are projected to hit the time limit and an extract dated July 31, 2002, for those who had already hit the time limit.
- An adjustment of approximately 0.34 percent of the caseload was made to account for those cases exempt from the time limit due to living in Indian Country where the unemployment rate was 50 percent or higher. In addition, an adjustment was made for the cases that will reach the CalWORKs time limit.
- A total of 830,403 and 565,705 AF adult casemonths will be subject to the TANF 60-month time limit for FY 2002-03 and FY 2003-04, respectively.
- The 830,403 casemonths represents 13.49 percent and 565,705 casemonths represent 9.11 percent of the total CalWORKs casemonths, including child-only casemonths for FY 2002-03 and FY 2003-04, respectively.

# 60-Month TANF Time Limit

## KEY DATA/ASSUMPTIONS (continued):

- The 830,403 casemonths represent 21 percent and 565,705 casemonths represent 15 percent of the total cases with an adult for FY 2002-03 and FY 2003-04, respectively.
- Based on actual costs per case claimed by the counties for the period October 2001 through June 2002, the estimate assumes an average AF grant amount of $514.34.
- Effective July 1, 2003, the average AF grant amount is $478.44 for FY 2003-04. The decrease is due to a 6.16 percent Maximum Aid Payment (MAP) reduction.
- The counties will remain responsible for 2.5 percent of the grant costs.
- The CalWORKs Services Basic costs in the current year are $922.8 million and $876.4 million in the budget year.
- The CalWORKs Stage One Child Care Basic costs in the current year are $561 million and $585 million in the budget year.
- The CalWORKs Administration costs associated with ongoing case activities in current year are $634 million and $550 million in budget year.

## METHODOLOGY:

- The shift in grant costs to the State-only program was calculated by multiplying the TANF 60-month time limit casemonths by the average grant amount for AF cases. A total of 97.5 percent of the costs are shifted from federal to state funds (830,403 x 514.34 x 97.5 percent).
- The shift in services and child care costs to the State-only program was calculated by applying the respective 60-month time limit ratio for adults on aid for FY 2002-03 and FY 2003-04, to the "CalWORKs Services Basic" and "CalWORKs Stage One Child Care" estimates.
- The shift in administrative costs to the state-only program was calculated by applying the respective percentage of 60-month time limit casemonths for FY 2002-03 and FY 2003-04, to the CalWORKs administration costs associated with ongoing CalWORKs case activities.

## FUNDING:

This premise is funded 100 percent with State General Fund.

## CHANGE FROM THE APPROPRIATION:

The data source was changed from the Medical Eligibility Data System to WDTIP, and the effect of the Indian Country Exemption has been incorporated into the estimated savings.

## REASON FOR YEAR-TO-YEAR CHANGE:

The budget year reflects the impact of the CalWORKs time limit, which reduces the monthly number of persons funded under the TANF time limit. See that premise description for more information regarding the CalWORKs 60-month time limit.

# 60-Month TANF Time Limit

## CASELOAD:

| | 2002-03 | 2003-04 |
|---|---|---|
| Average Monthly Cases | 69,200 | 47,142 |

## EXPENDITURES:

(in 000's)

| **Item 101 - CalWORKs Assistance Payments** | 2002-03 | | 2003-04 | |
|---|---|---|---|---|
| | Grant | County Admin. | Grant | County Admin. |
| Total | $0 | $0 | $0 | $0 |
| Federal | -416,432 | -85,539 | -263,889 | -52,118 |
| State | 416,432 | 85,539 | 263,889 | 52,118 |
| County | 0 | 0 | 0 | 0 |
| Reimbursements | 0 | 0 | 0 | 0 |

| **Item 101- CalWORKs Services** | 2002-03 Services | 2003-04 Services |
|---|---|---|
| Total | $0 | $0 |
| Federal | -198,134 | -127,336 |
| State | 198,134 | 127,336 |
| County | 0 | 0 |
| Reimbursements | 0 | 0 |

# 60-Month TANF Time Limit

## EXPENDITURES (continued):

(in 000's)

| **Item 101-** | 2002-03 | 2003-04 |
|---|---|---|
| **CalWORKs Stage One Child Care** | Services/ Administration | Services/ Administration |
| Total | $0 | $0 |
| Federal | -120,463 | -84,980 |
| State | 120,463 | 84,980 |
| County | 0 | 0 |
| Reimbursements | 0 | 0 |

# 60-Month CalWORKs Time Limit

## DESCRIPTION:

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

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

## IMPLEMENTATION DATE:

This premise implemented on January 1, 2003.

## KEY DATA/ASSUMPTIONS:

- Authorizing Statute: W&IC sections 11320.15, 11450.13 and 11454.5.
- Individuals will begin reaching their CalWORKs 60-month time limit in January 2003.
- For Fiscal Year (FY) 2002-03 and FY 2003-04 the data source used to determine the impacted caseload was the Welfare Data Tracking Implementation Project (WDTIP). Monthly WDTIP projection files for those who will hit the time limit were used to estimate the monthly caseload.
- The WDTIP caseload projections were adjusted to account for the following exemptions: child support payments collected (8.35 percent of monthly caseload will be exempt in current year (CY) and 4.52 percent will be exempt in budget year (BY)); overpayment months repaid (1.56 percent of monthly caseload will be exempt in CY and .29 percent will be exempt in BY); Indian Country Exemption (.34 percent of monthly caseload will be exempt in CY and BY).
- The WDTIP caseload projections were adjusted by 2.72 percent to account for those counties who have not converted to the WDTIP system.

# 60-Month CalWORKs Time Limit

## KEY DATA/ASSUMPTIONS (continued):

- Ninety-eight percent of the CalWORKs 60-month time limit cases were funded with State General Fund (GF) prior to reaching the time limit and two percent were funded with TANF.
- In FY 2002-03, a total of 340,226 casemonths, which represents 5.5 percent of the total CalWORKs casemonths and 8.8 percent of CalWORKs cases with an adult, will be subject to the CalWORKs 60-month time limit. In FY 2003-04, a total of 1,207,074 casemonths, which represents 19.4 percent of the total CalWORKs casemonths and 31 percent of CalWORKs cases with an adult, will be subject to the CalWORKs 60-month time limit.
- The cases hitting the CalWORKs 60-month time limit in the current year are 81.23 percent All Families (AF) cases (one-parent cases) and 18.77 percent two-parent cases.
- The cases hitting the CalWORKs 60-month time limit in the budget year are 81.23 percent AF cases (one-parent cases) and 18.77 percent two-parent cases.
- Using a match between the Medi-Cal Eligibility Data System and data from the Employment Development Department, it was determined that 58 percent of those individuals who have been on aid continuously since January of 1996 had earned income. There are 56 percent of the one-parent cases and 68 percent of the two-parent cases that have earned income.
- The cases that reach the time limit and are working will receive transitional child care and one year of job retention services. The average monthly number of adults with earned income that will receive job retention services is 32,889.
- The monthly cost of providing job retention services is $107 per adult based on the cases reported on the WTW 25/25A Reports and the County Expense Claim for job retention services from July 2001 to June 2002.
- Of the children receiving CalWORKs Child Care, 87 percent in Stage One and 47 percent in Stage Two are on aid. This is based on CW115 data from FY 2001-02 for Stage One and CDE projected data from FY 2001-02 for Stage Two.
- The average grant for cases with an adult(s) that reaches the CalWORKs 60-Month Time Limit is based on FFY 2001 Q-5 survey data for cases that have been on aid for 48 months or more.
- For purposes of calculating grant savings, a “working” assistance unit (AU) is defined as having earned income of $225 or more.
- The FY 2002-03 average grant for a one-parent AU-working is $422, and for a one-parent AU-not working is $610.
- Effective July 1, 2003, the average grant for a one-parent AU-working is $393, and for a one-parent AU-not working is $446. The decrease is due to a 6.16 percent Maximum Aid Payment (MAP) reduction.
- The FY 2002-03 average grant for a two-parent AU-working is $531, and for a two-parent AU-not working is $690.
- Effective July 1, 2003, the average grant for a two-parent AU-working is $485, and for a two-parent AU-not working is $631. The decrease is due to a 6.16 percent MAP reduction.

# 60-Month CalWORKs Time Limit

## KEY DATA/ASSUMPTIONS (continued):

- Based on FFY 2001 Q-5 survey data, one-parent AU cases that have been on aid for more than 48 months have an average of two children, two-parent AU cases have an average of three children.
- Statutory language requires that the Safety Net Grant shall equal the MAP, adjusted to reflect the removal of the adult or adults from the AU and further adjusted by the net nonexempt income of the adult or adults removed from the AU.
- Based on FFY 2001 Q-5 survey data, the average Safety Net grant, adjusted to reflect the reduction of the net nonexempt income of the adult(s) is: $291 for a one-parent AU-working; $479 for a one-parent AU-not working; $290 for a two-parent AU-working; and $449 for a two-parent AU-not working.
- Effective July 1, 2003, the average Safety Net grant, adjusted to reflect the reduction of the net nonexempt income of the adult(s) is: $271 for a one-parent AU-working; $446 for a one-parent AU-not working; $265 for a two-parent AU-working; and $411 for a two-parent AU-not working. The decrease is due to a 6.16 percent MAP reduction.
- Administrative costs for the Safety Net cases are assumed to remain at the same level as before removal of the adult(s).

## METHODOLOGY:

- The CalWORKs grant savings for one-parent cases hitting the time limit is calculated by multiplying the total 60-month casemonths by the one-parent percentage (340,226 x 81.23 percent = 276,369) and applying the working and nonworking ratios (276,369 x 56 percent = 154,627, and 276,369 x 44 percent = 121,742). The one-parent working and nonworking average grant is multiplied by the respective casemonths (154,627 x $422, and 121,742 x $610). The grant savings for two-parent cases is calculated using the same methodology applying the applicable ratios and grants for the two-parents cases.
- The Safety Net grant costs are calculated by multiplying the total 60-month casemonths for one-parent and two-parent cases by the respective working and nonworking ratios and applying the MAP for the children reduced by the net-nonexempt income of the parents (e.g., one-parent working – 154,627 x $291). The Safety Net grant costs for one-parent nonworking and two-parent cases is calculated using the same methodology applying the applicable grants.
- The savings for Employment Services was determined by applying a projected cost per case times the cases hitting the time limit. The total savings for FY 2002-03 and FY 2003-04 are $74.9 million and $258.5 million, respectively.
- The cost of the Safety Net for Employment Services was determined by multiplying the annual cases which is the number of adults with earned income, by the average statewide cost per case for these services. The total savings for FY 2002-03 and FY 2003-04 are $21.1 million and $53.8 million, respectively.
- The shift in administrative costs from CalWORKs to the Safety Net was calculated by applying the percentage of 60-month time limit casemonths to the total CalWORKs administration costs associated with ongoing CalWORKs case activities.

# 60-Month CalWORKs Time Limit

## METHODOLOGY (continued):

- The savings for Stage One and Stage Two Child Care was determined by applying the ratio of the children that are on aid and the ratio for cases with adults hitting the time limit to the CalWORKs Stage One and Stage Two Child Care estimates. The total savings for FY 2002-03 and FY 2003-04 are $70.4 million and $255.1 million, respectively.
- The cost of the Safety Net for Stage One and Stage Two Child Care was determined by applying the ratio of the children that are on aid and the ratio for those who are working participants to the CalWORKs Stage One and Stage Two Child Care estimates. The total cost for FY 2002-03 and FY2003-04 is $41.0 million and $148.6 million, respectively.

## FUNDING:

The "Savings" for employment services and administration in FY 2002-03 is two percent TANF/MOE and 98 percent GF/MOE. In FY 2003-04, the distribution is one percent TANF/MOE, 49 percent GF/MOE with the remaining 50 percent county funds. The "Safety Net" for employment services and administration in FY 2002-03 is 100 percent GF/MOE, and in FY 2003-04 it is 50 percent GF/MOE and 50 percent county funds. The "Savings" for CalWORKs Grants is shared two percent TANF, 95.5 percent GF, and 2.5 percent county funds. The "Safety Net" for CalWORKs Grants is shared 97.5 percent GF and 2.5 percent county funds. The "Savings" for child care is shared at 98 percent GF and two percent TANF. The "Safety Net" for child care is 100 percent GF.

## CHANGE FROM THE APPROPRIATION:

The decrease in savings is a result of a decrease in caseload.

## REASON FOR YEAR-TO-YEAR CHANGE:

The increase in the budget year reflects the full year's impact of people hitting the time limit. The TANF/MOE reductions in the budget year reflect inclusion of Employment Services and Administration in the proposed FY 2003-04 State and Local Realignment.

## CASELOAD:

| | 2002-03 [1] | 2003-04 |
|---|---|---|
| Average Monthly Persons | 56,704 | 100,590 |

[1] -This is the average monthly caseload over a six-month period, from January 2003 through June 2003. The 12-month average is 28,352.

# 60-Month CalWORKs Time Limit

## EXPENDITURES:

(in 000's)

| **Item 101 - CalWORKs Assistance Payments** | 2002-03 | | 2003-04 | |
|---|---|---|---|---|
| | Grant | County Admin. | Grant | County Admin. |
| Total | -$51,662 | $0 | -$169,631 | $0 |
| Federal | -3,446 | -700 | -11,332 | -1,112 |
| State | -46,925 | 700 | -154,058 | 1,112 |
| County | -1,291 | 0 | -4,241 | 0 |
| Reimbursements | 0 | 0 | 0 | 0 |

| **Item 101- CalWORKs Services** | 2002-03 | 2003-04 |
|---|---|---|
| | Services | Services |
| Total | -$53,783 | -$204,656 |
| Federal | -1,498 | -2,584 |
| State | -52,285 | -99,743 |
| County | 0 | -102,329 |
| Reimbursements | 0 | 0 |

| **Item 101- CalWORKs Stage One Child Care** [2] | 2002-03 | 2003-04 |
|---|---|---|
| | Services/Administration | Services/ Administration |
| Total | $-17,934 | $-65,853 |
| Federal | -859 | -3,153 |
| State | -17,075 | -62,700 |
| County | 0 | 0 |
| Reimbursements | 0 | 0 |

[2] - In addition to the savings reflected in this premise there is a net savings of $11.5 million in Stage Two. Child Care in the current year and $40.7 million in the budget year. Refer to the "CalWORKs Child Care fund Transfer to CDE for Stage Two as CCDBG" premise description for more information regarding the impact of time limits in Stage Two.

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# Substance Abuse Services

## DESCRIPTION:

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

Additionally, this premise provides transitional services to low income women requiring alcohol and other drug treatment services.

## IMPLEMENTATION DATE:

This premise implemented on January 1, 1998.

## KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 11322.6.
- In Fiscal Year (FY) 2002-03, the projected average monthly caseload is 2,333 cases per month. This is based on an 18-month linear regression and projection through June 2002, and multiplying the June 2002 cases by 12 months.
- The cost per case is $1,790 based on Calendar Year 2001 caseload and expenditures data plus a 3.74 percent cost-of-doing-business adjustment based on the California Necessities Index.
- The cost of the Indian Health Clinics Program in FYs 2002-03 and FY 2003-04 is $2,310,000.
- The cost of the Low-Income Women's Program in FYs 2002-03 and 2003-04 is $2,000,000.

## METHODOLOGY:

- In FY 2002-03, the projected average monthly caseload was multiplied by the projected cost per case.
- The funding in FYs 2002-03 and 2003-04 is being held at the Budget Act of 2002 Appropriation level.
- For each year, $2,310,000 has been redirected to the "Mental Health/Substance Abuse Services for Indian Health Clinics" premise.
- For each year, $2.0 million for the Low-Income Women's Program was added to the basic cost of the program.

# Substance Abuse Services

## FUNDING:

This premise is funded in the current year with 100 percent with State General Fund (GF). These are counted toward the Temporary Assistance for Needy Families maintenance of effort (MOE) requirement, except for the Low-Income Women's Program which is not MOE countable. The budget year is funded with 50 GF which is countable toward the TANF/MOE requirement (except for the $2.0 funding for the Low-Income Women's Program) and 50 percent county funds. In the budget year, the Low-Income Women's Program will be funded with Federal TANF Funds transferred to Title XX. See the "Title XX" premise description for more information on Title XX funding.

## CHANGE FROM THE APPROPRIATION:

There is no change.

## REASON FOR YEAR-TO-YEAR CHANGE:

In the budget year, the Low-Income Women's Program will be funded with Federal TANF Funds transferred to Title XX. The GF/MOE reduction in the budget year reflects inclusion of this premise in the proposed FY 2003-04 State and Local Realignment.

## EXPENDITURES:

(in 000's)

| | 2002-03 | 2003-04 |
|---|---|---|
| | County Admin. | County Admin. |
| Total | $48,429 | $48,429 |
| Federal | 0 | 2,000 |
| State | 48,429 | 23,215 |
| County | 0 | 23,214 |
| Reimbursements | 0 | 0 |

# Mental Health Services

## DESCRIPTION:

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

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

## IMPLEMENTATION DATE:

This premise implemented on January 1, 1998.

## KEY DATA/ASSUMPTIONS:

- Authorizing statute: AB 1542.
- In FY 2002-03 and FY 2003-04, funding is being held at the Budget Act of 2002 Appropriation level.
- In FY 2002-03, the projected average monthly caseload is 10,426 cases per month. This is based on an 18-month linear regression and projection through June 2002, and multiplying the June 2002 cases by 12 months.
- The cost per case is $572 based on the Calendar Year 2001 caseload and expenditure data plus a 3.74 percent cost-of-doing-business adjustment based on the California Necessities Index.

## METHODOLOGY:

- In FY 2002-03, the projected caseload was multiplied by the projected cost per case.
- The funding in FY 2003-04 is being held at the current year level.

## FUNDING:

This premise is funded with 100 percent State General Fund (GF) in the current year and is countable toward the Temporary Assistance for Needy Families maintenance of effort requirement.

## CHANGE FROM THE APPROPRIATION:

There is no change.

## REASON FOR YEAR-TO-YEAR CHANGE:

The GF reduction in the BY reflects inclusion of this premise in the proposed FY 2003-04 State and Local Realignment.

# Mental Health Services

## EXPENDITURES:

(in 000's)

| | 2002-03 | 2003-04 |
|---|---|---|
| | County Admin. | County Admin. |
| Total | $71,515 | $71,515 |
| Federal | 0 | 0 |
| State | 71,515 | 35,758 |
| County | 0 | 35,757 |
| Reimbursements | 0 | 0 |

# Mental Health/Substance Abuse Services for Indian Health Clinics

## DESCRIPTION:

This premise reflects the cost to provide mental health and/or substance abuse services to Native Americans by providing a clinician in each of the 33 Indian health clinics. Services provided are necessary to obtain or retain employment, or to participate in county or Tribal Temporary Assistance to Needy Families (TANF) welfare-to-work (WTW) activities.

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

## IMPLEMENTATION DATE:

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

## KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 11322.6.
- The estimate assumes an annual salary of $63,000 for clinicians at the Indian Health Clinics.
- The estimate assumes one time cost of $25,000 per van.
- The estimate assumes a maintenance and operation cost of $375 per van per month.
- The Department of Alcohol and Drug Programs (DADP) provides administrative support to accommodate the services and additional duties. The total cost for the support is $181,000 and is transferred to DADP through an interagency agreement.

## METHODOLOGY:

- For the current year, the estimate reflects the following methodology:
  - The annual salary of $63,000 per clinician was multiplied by 36 clinics.
  - Purchase of five vans at $25,000 per van plus the on-going maintenance and operation of each van at $375 per month per van times the 32 clinics.
  - One interagency agreement with DAPD for $181,000 for administrative support.
- For the budget year, the estimate reflects the following methodology:
  - The annual salary of $63,000 per clinician was multiplied by 36 clinics.
  - On-going maintenance and operation of each van at $375 per month for the 32 vehicles.
  - One interagency agreement with DAPD for $181,000 for administrative support.

# Mental Health/Substance Abuse Services for Indian Health Clinics

## FUNDING:

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

## CHANGE FROM THE APPROPRIATION:

There is no change.

## REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

## EXPENDITURES:

(in 000's)

| | 2002-03 | 2003-04 |
|---|---|---|
| Total | $2,815 | $2,815 |
| Federal | 324 | 324 |
| State | 2,491 | 2,491 |
| County | 0 | 0 |
| Reimbursements | 0 | 0 |

# County Performance Incentives

## DESCRIPTION:

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

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

## IMPLEMENTATION DATE:

This premise implemented on January 1, 1998.

## KEY DATA/ASSUMPTIONS:

- Authorizing Statute: Welfare and Institutions Code section 10544.1.
- The total performance incentives earned by the counties between January 1, 1998, and June 30, 2002, is $1.092 billion.
- The total of performance incentives spent by the counties from July 1, 1998, through June 30, 2002, is $332 million.
- The Department recouped unspent performance incentives totaling $760 million. Of this funding, $297.1 million is budgeted for CalWORKs and employment services in FY 2002-03, $8.9 million is held for supplemental claims, and $68.8 million is held to cover FY 2001-02 deficits in the CalWORKs Single Allocation and Mental Health/Substance Abuse.
- The remaining $385.2 million of the recouped performance incentive funds are allocated to the counties in FY 2002-03.
- No performance incentives will be paid to counties in FY 2003-04 due to the current budget situation.

## METHODOLOGY:

The performance incentive expenditures are based on the actual expenditures reported by the counties in their county expense claims.

# County Performance Incentives

## FUNDING:

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

## CHANGE FROM THE APPROPRIATION:

In the current year, an additional $82.4 million is allocated to the counties as Performance Incentives.

## REASON FOR YEAR-TO-YEAR CHANGE:

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

## EXPENDITURES:

(in 000's)

| | 2002-03 Grant | 2003-04 Grant |
|---|---|---|
| Total | $385,244 | $0 |
| Federal | 385,244 | $0 |
| State | 0 | 0 |
| County | 0 | 0 |
| Reimbursements | 0 | 0 |

# Effect of EDD Wagner-Peyser Reimbursement

## DESCRIPTION:

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

## IMPLEMENTATION DATE:

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

## METHODOLOGY:

Funding amounts are identified and provided by EDD.

## FUNDING:

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

## CHANGE FROM THE APPROPRIATION:

There is no change.

## REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

## EXPENDITURES:

(in 000's)

| | 2002-03 | 2003-04 |
|---|---|---|
| | County Admin. | County Admin. |
| Total | $2,735 | $2,735 |
| Federal | 0 | 0 |
| State | 0 | 0 |
| County | 0 | 0 |
| Reimbursements | 2,735 | 2,735 |

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# Welfare-to-Work Overlap

## DESCRIPTION:

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

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

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

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

## IMPLEMENTATION DATE:

This premise implemented on July 1, 1998.

## KEY DATA/ASSUMPTIONS:

- For Fiscal Years (FYs) 2002-03 and 2003-04, EDD provided expenditure projections of $32 million and $28 million, respectively, of WtW federal 85 percent formula grant funds designated for local assistance.
- For FY 2003-04, EDD provided caseload data through September 2002 that was used to determine a ratio of 76 percent of CalWORKs recipients to total WtW federal grant recipients for individual Low-Income Women's Assistance Program..

## METHODOLOGY:

- For FYs 2002-03 and 2003-04, EDD's projected statewide expenditures were multiplied by 76 percent to determine the WtW federal grant funds that will be expended for CalWORKs participants.
- The two-parent expenditure ratio of five percent for was applied to the overlap amounts to determine the State portion of the overlap for FYs 2002-03 and 2003-04.

# Welfare-to-Work Overlap

## FUNDING:

In FY 2002-03, the GF share reflects savings for the State-Only Two-Parent Program, which is countable toward the State's maintenance of effort requirement, and the federal TANF share reflects the cost for all other families receiving employment services. In FY 2003-04, the GF share reflects 50 percent of the savings for the State-Only Two-Parent Program and the remaining 50 percent is shifted to county funds. The federal TANF share reflects 50 percent of the TANF/MOE for the cost for all other families receiving employment services and the remaining balance is shifted to county funds.

## CHANGE FROM THE APPROPRIATION:

The decrease in savings is due to the updated actual expenditure data provided by EDD.

## REASON FOR YEAR-TO-YEAR CHANGE:

The net decrease in savings in the budget year is the result of decreased WtW federal grant fund expenditures. The GF/MOE and the TANF/MOE reductions in the budget year reflect inclusion of this premise in the proposed FY 2003-04 State and Local Realignment.

## EXPENDITURES:

(in 000's)

| | 2002-03 | 2003-04 |
|---|---|---|
| | County Admin. | County Admin. |
| Total | -$24,060 | -$21,055 |
| Federal | -22,857 | -10,001 |
| State | -1,203 | -526 |
| County | 0 | -10,528 |
| Reimbursements | 0 | 0 |

# Welfare-to-Work Match Overlap

## DESCRIPTION:

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

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

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

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

## IMPLEMENTATION DATE:

This premise implemented on July 1, 1999.

## KEY DATA/ASSUMPTIONS:

- There is no GF match for Fiscal Year (FY) 2002-03.
- For FY 2003-04, the state WtW match expenditures for CalWORKs will be $69.4 million.
- For FY 2003-04, 100 percent of the projected statewide match will be expended for CalWORKs participants.

## METHODOLOGY:

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

# Welfare-to-Work Match Overlap

## FUNDING:

The GF share reflects 50 percent of the savings for the State-Only Two-Parent Program, which is countable toward the State's maintenance of effort requirement and the remaining 50 percent shifted to county funds. The federal TANF share reflects 50 percent of the TANF/MOE for the cost for all other families receiving employment services and the remaining balance is shifted to county funds.

## CHANGE FROM THE APPROPRIATION:

There is no change.

## REASON FOR YEAR-TO-YEAR CHANGE:

For FY 2003-04, the remaining match dollars are budgeted and must be spent by year-end. The GF/MOE and the TANF/MOE reductions in the budget year reflect inclusion of this premise in the proposed FY 2003-04 State and Local Realignment.

## EXPENDITURES:

(in 000's)

| | 2002-03 | 2003-04 |
|---|---|---|
| | County Admin. | County Admin. |
| Total | $0 | -$69,377 |
| Federal | 0 | -32,954 |
| State | 0 | -1,734 |
| County | 0 | -34,689 |
| Reimbursements | 0 | 0 |

# TANF Pass-Through for State Agencies

## DESCRIPTION:

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

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

The Chancellor's Office of the California Community Colleges (COCCC) pass-through is for the purpose of reimbursing COCCC for the federal share of costs of educational services provided to participants of the Welfare to Work (WtW) Program. The California Department of Education (CDE) pass-through is for the purpose of reimbursing CDE for the federal share of costs of average daily attendance (ADA) hours, including WtW/CalWORKs hours, that exceed each school district's cap. The CDPAC is responsible for assisting the CDE in preparing the State plan for child development programs, and reviewing the effectiveness of child care and development programs and the need for children's services in California. The DCSS pass through is for the evaluation of the Child Support Assurance Demonstration Project for San Francisco.

## IMPLEMENTATION DATE:

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

## KEY DATA/ASSUMPTIONS:

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

| | **FY 2002-03** | | **FY 2003-04** |
|---|---|---|---|
| CCC - | $ 8.39 million | CCC - | $ 8.39 million |
| CDE - | $ 9.98 million | CDE - | $ 9.98 million |
| CDPAC - | $ 0.11 million | CDPAC - | $ 0.00 million |
| DHS - | $20.00 million | DHS - | $ 0.00 million [1] |
| DCSS - | $ 0.00 million | DCSS - | $ 0.32 million |

## METHODOLOGY:

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

## FUNDING:

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

[1] - It is not known at this time if the State will receive the High Performance Bonus Award in the budget year.

# TANF Pass-Through for State Agencies

## CHANGE FROM THE APPROPRIATION:

The decrease in the current year was a result of a delay in implementation in the DCSS Child Support Assurance (CSA) evaluation.

## REASON FOR YEAR-TO-YEAR CHANGE:

The decrease in budget year is the net result of the increased DCSS CSA evaluation and the decreased pass-through to DHS and CDPAC. The budget year reflects an 11 percent shift to GF to fund the two-parent families served in these programs.

## EXPENDITURES:

(in 000's)

| | 2002-03 | 2003-04 |
|---|---|---|
| | County Admin. | County Admin. |
| Total | $38,487 | $18,695 |
| Federal | 36,466 | 16,674 |
| State | 2,021 | 2,021 |
| County | 0 | 0 |
| Reimbursements | 0 | 0 |

# Employment Retention and Advancement Services Grant

## DESCRIPTION:

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

## IMPLEMENTATION DATE:

This premise implemented on July 1, 1998.

## KEY DATA/ASSUMPTIONS:

- In Fiscal Years (FYs) 2002-03 and 2003-04, LA and Riverside counties will be in the evaluation phase of their programs.
- Counties in the evaluation phase will receive $100,000 annually for five years.
- FY 2002-03 reflects a carry forward of $59,000 unspent funds from the prior year for LA County.

## FUNDING:

The evaluation phase is 100 percent federally funded.

## CHANGE FROM THE APPROPRIATION:

The increase reflects the higher current year expenditures for LA County.

## REASON FOR YEAR-TO-YEAR CHANGE:

The decrease reflects the lower projected budget year expenditures for LA County.

## EXPENDITURES:

(in 000's)

| | 2002-03 County Admin. | 2003-04 County Admin. |
|---|---|---|
| Total | $259 | $200 |
| Federal | 259 | 200 |
| State | 0 | 0 |
| County | 0 | 0 |
| Reimbursement | 0 | 0 |

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# Cal Learn

## DESCRIPTION:

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

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

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

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

## IMPLEMENTATION DATE:

This premise implemented on April 1, 1994.

## KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 11331.7.
- In Fiscal Year (FY) 2002-03, the following key data/assumptions were used for Bonuses and Sanctioned grant costs:
  - The estimate for FY 2002-03 assumes that 9,672 of the California Work Opportunity and Responsibility to Kids (CalWORKs) Program caseload are pregnant or parenting teens in the Cal Learn Program. This caseload is based on applying a linear regression to the actual Cal Learn caseload as reported for FY 2001-02 on the monthly Stat 45 Reports and projected caseload through June 2003. The Cal Learn Recent Noncitizen Entrants grant costs are displayed in a separate premise.
  - The sanctioned caseload of 439 for FY 2002-03 represents 4.5 percent of the projected Cal Learn caseload. This is based on the actual sanctioned caseload compared to the total Cal Learn caseload as reported on the monthly Stat 45 Reports for FY 2001-02.
  - 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.

# Cal Learn

## KEY DATA/ASSUMPTIONS (continued):

- The sanctioned grant cost is $448 per month for FY 2002-03. These rates are based on the Maximum Aid Payment for an Assistance Unit with two people minus the $100 sanction.
- For FY 2002-03, the estimate assumes that the Cal Learn participants' success rate for the $100 bonus is 5.2 percent, the rate for the $500 bonus is 1.2 percent, and the rate for the $100 sanction is 6.1 percent. The rates are based on the actual FY 2001-02 caseload as reported on the Stat 45 Reports.

- In FY 2002-03, the cost of the services provided in the Cal Learn Program is held at the Budget Act of 2002 Appropriation level. The following key data/assumptions were used:
  - The estimate for FY 2002-03 assumes that 9,246 of the CalWORKs Program caseload are pregnant or parenting teens in the Cal Learn Program. This estimate is based on applying a slow growth regression to the actual Cal Learn caseload as reported for June through November 2001 on the monthly Stat 45 Reports. The Cal Learn Recent Noncitizen Entrants grant costs are displayed in a separate premise.
  - The Case Management cost for FY 2002-03 was calculated at $2,547 per case per year for all activities performed by the case manager. The rate is based on actual Calendar Year 2001 case management expenditures divided by the total Cal Learn caseload adjusted to reflect a 3.3 percent cost increase for each year. The 3.3 percent increase is based on the actual increase from Calendar Year 2000 to Calendar Year 2001.
  - The hourly eligibility worker (EW) cost is $57.18 for FY 2002-03.
  - For FY 2002-03, the estimate assumes that 17.1 percent of the total Cal Learn caseload will utilize transportation services at a cost of $47.83 per month per participant. The utilization rate is based on the December 2000 to November 2001 caseload as reported on the Stat 45 Reports. The cost is based on the December 2000 to November 2001 county transportation expenditure claims.
  - For FY 2002-03, the estimate assumes that 3 percent of the total Cal Learn caseload will utilize ancillary services at a cost of $66.28 per month per participant. The utilization rate is based on the December 2000 to November 2001 caseload as reported on the Stat 45 Reports. The cost is based on the December 2000 to November 2001 county ancillary expenditure claims.
  - The state only caseload of 439 for FY 2002-03 represents 4.1 percent of the total Cal Learn caseload. This is based on the December 2000 to November 2001 caseload as reported in the Stat 45 Reports.
  - The recent noncitizen entrants caseload of 145 for FY 2002-03 represents 1.2 percent of the total Cal Learn caseload. This is based on the December 2000 to November 2001 caseload as reported on the Stat 45 Reports.
  - Subsidized child care is available for Cal Learn participants attending high school. Please refer to the "CalWORKs Child Care - Stage One Services and Administration" premise description for the assumptions and methodology used to develop the estimate.

# Cal Learn

## KEY DATA/ASSUMPTIONS (continued):

- In FY 2003-04, the cost of the Cal Learn Program used the following key data/assumptions:
  - The estimate for FY 2003-04 assumes that 9,901 of the CalWORKs Program caseload are pregnant or parenting teens in the Cal Learn Program. This caseload is based on applying a linear regression to the actual Cal Learn caseload as reported for FY 2001-02 on the monthly Stat 45 Reports and projected through June 2003. The June 2003 caseload is then multiplied by 12 months. The Cal Learn Recent Noncitizen Entrants grant costs are displayed in a separate premise.
  - The sanctioned caseload of 450 for FY 2003-04 represents 4.5 percent of the projected Cal Learn caseload. This is based on the actual sanctioned caseload compared to the total Cal Learn caseload as reported on the monthly Stat 45 Reports from FY 2001-02.
  - The Case Management cost for FY 2003-04 was calculated at $2,194 per case per year for all activities performed by the case manager. The rate is based on actual FY 2001-02 case management expenditures divided by the total Cal Learn caseload.
  - The hourly EW cost is $57.57 for FY 2003-04.
  - The incentives are a $100 bonus per report card period for satisfactory progress and a $500 bonus upon graduation. The disincentive is a $100 sanction per report card period for failure to submit a report card or to make adequate progress.
  - The sanctioned grant cost is $414 per month for FY 2003-04. These rates are based on the Maximum Aid Payment for an Assistance Unit with two people minus the $100 sanction.
  - For FY 2003-04, the estimate assumes that 16.8 percent of the total Cal Learn caseload will utilize transportation services at a cost of $44.34 per month per participant. The utilization rate is based on the FY 2001-02 caseload as reported on the Stat 45 Reports. The cost is based on the FY 2001-02 county transportation expenditure claims.
  - For FY 2003-04, the estimate assumes that 2.7 percent of the total Cal Learn caseload will utilize ancillary services at a cost of $49.20 per month per participant. The utilization rate is based on the FY 2001-02 caseload as reported on the Stat 45 Reports. The cost is based on the FY 2001-02 county ancillary expenditure claims.
  - For FY 2003-04, the estimate assumes that the Cal Learn participants' success rate for the $100 bonus is 5.2 percent, the rate for the $500 bonus is 1.2 percent, and the rate for the $100 sanction is 6.1 percent. The rates are based on the actual FY 2001-02 caseload as reported on the Stat 45 Reports.
  - The state only caseload of 450 for FY 2003-04 represents 4.5 percent of the projected Cal Learn caseload. This is based on the actual state only caseload compared to the total Cal Learn caseload as reported on the monthly Stat 45 Reports from FY 2001-02.
  - The recent noncitizen entrants caseload of 149 for FY 2003-04 represents 1.5 percent of the projected Cal Learn caseload. This is based on the actual recent noncitizen entrants caseload compared to the total Cal Learn caseload as reported on the monthly Stat 45 Reports from FY 2001-02.

# Cal Learn

## KEY DATA/ASSUMPTIONS (continued):

- Subsidized child care is available for Cal Learn participants attending high school. Please refer to the "CalWORKs Child Care - Stage One Services and Administration" premise description for the assumptions and methodology used to develop the estimate.

## METHODOLOGY:

- For FYs 2002-03 and 2003-04, the case management costs for each fiscal year were multiplied by the projected Cal Learn caseload for each fiscal year to determine the annual cost.
- The EW cost per hour was multiplied by the average monthly Cal Learn caseload, and then multiplied by 12 months to determine the annual county administration cost.
- The transportation cost per case was multiplied by the transportation utilization rate of the average monthly Cal Learn caseload, and then multiplied by 12 months to determine the annual cost in the current year and budget year.
- The ancillary service cost per case was multiplied by the ancillary utilization rate of the average monthly Cal Learn caseload, and then multiplied by 12 months to determine the annual cost in the current year and the budget year.
- The bonuses and sanctioned grant percentages and costs per case were each multiplied by the total caseload.
- The State-only (sanctioned) rate was multiplied by the total caseload.
- The recent noncitizen caseload rate was multiplied by the total caseload.

## FUNDING:

In FY 2002-03, Cal Learn costs are 100 percent TANF, except for the grants and services for the sanctioned caseload, which is 100 percent GF and is countable toward the TANF Maintenance of Effort (MOE) requirement. In FY 2003-04, Cal Learn services costs are 50 percent TANF/MOE with the remaining 50 percent shifted to county funds, except for the automation project.

## CHANGE FROM THE APPROPRIATION:

The caseload, utilization rates and costs were adjusted to reflect the most current actual caseload and costs.

## REASON FOR YEAR-TO-YEAR CHANGE:

The decrease in FY 2003-04 services funding is the net result of a decrease in the case management cost per person, and an increase in the Cal Learn caseload. The TANF/MOE reductions in the budget year reflect inclusion of this premise in the proposed FY 2003-04 State and Local Realignment.

# Cal Learn

## CASELOAD:

| | 2002-03 | 2003-04 |
|---|---|---|
| Average Monthly Caseload | 9,672 | 9,901 |

## EXPENDITURES [1]:

(in 000's)

| | 2002-03 | | 2003-04 | |
|---|---|---|---|---|
| | Services | Bonuses and Sanctioned Grants | Services | Bonuses and Sanctioned Grants |
| Total | $31,204 | $4,459 | $29,780 | $4,318 |
| Federal | 29,553 | 1,287 | 14,081 | 1,317 |
| State | 1,651 | 3,172 | 896 | 3,001 |
| County | 0 | 0 | 14,803 | 0 |
| Reimbursements | 0 | 0 | 0 | 0 |

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

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# Youth Development Services Project

## DESCRIPTION:

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

## IMPLEMENTATION DATE:

This premise implemented on July 1, 2001.

## KEY DATA/ASSUMPTIONS:

- Authorizing statute: The Budget Act of 2002.
- A total of $1.5 million will be distributed to approximately 100 local community-based organizations in each year.

## METHODOLOGY:

A total of $1.5 million will be available to fund the project in Fiscal Year (FY) 2002-03 and FY 2003-04.

## FUNDING:

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

## CHANGE FROM THE APPROPRIATION:

There is no change.

## REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

## EXPENDITURES:

(in 000's)

| **CalWORKs Services** | 2002-03 | 2003-04 |
|---|---|---|
| | Services | Services |
| Total | $1,500 | $1,500 |
| Federal | 1,500 | 1,500 |
| State | 0 | 0 |
| County | 0 | 0 |
| Reimbursement | 0 | 0 |

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# TANF/CalWORKs Administrative Costs – Basic

## DESCRIPTION:

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

## IMPLEMENTATION DATE:

This premise is an annual appropriation.

## KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&IC section 14154.
- The administrative costs for Inaccessible Vehicle Resources have been rolled into basic.
- The staff development costs are based on the most current actual expenditures.
- No cost-of-doing-business adjustment was done because of lower revenues and other demands on the available State General Fund (GF).

## METHODOLOGY:

- The FY 2002-03 estimate has been adjusted for the Recent Noncitizen Entrants' percentage caseload growth of 0.3 percent, and Tribal TANF.
- The FY 2003-04 estimate has been adjusted for the Recent Noncitizen Entrants' percentage caseload growth of 0.4 percent, and savings associated with Tribal TANF.

## FUNDING:

| **Unit Costs** | 2002-03 | 2003-04 |
|---|---|---|
| Eligibility Worker Cost per Hour | | |
| TANF/CalWORKs | $57.57 | $57.57 |

The State share (9.35 percent for FY 2002-03 and 4.22 percent for FY 2003-04) reflects the cost for the State-Only Two-Parent Program that implemented October 1, 1999. The State-Only Two-Parent Program is countable toward the State's maintenance of effort requirement. The federal TANF share (90.65 percent for FY 2002-03 and 46.06 percent for FY 2003-04) reflects the administrative costs for the CalWORKs Program.

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

# TANF/CalWORKs Administrative Costs – Basic

## CHANGE FROM THE APPROPRIATION:

The adjustment is due to updated caseload growth of 0.3 percent.

## REASON FOR YEAR-TO-YEAR CHANGE:

The change is due to the projected caseload growth in FY 2003-04 of approximately 0.4 percent. The GF reduction in the budget year reflects inclusion of this premise in the proposed FY 2003-04 State and Local Realignment.

## EXPENDITURES:

(in 000's)

| | 2002-03 | 2003-04 |
|---|---|---|
| | County Admin. | County Admin. |
| Total | $632,060 | $633,529 |
| Federal | 570,489 | 291,802 |
| State | 61,571 | 26,728 |
| County | 0 | 314,999 |
| Reimbursements | 0 | 0 |

# Fraud Recovery Incentives

## DESCRIPTION:

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

## IMPLEMENTATION DATE:

This premise implemented on January 1, 1998.

## KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 11486(j).
- The Fraud Bureau estimates that client-caused overpayments represent 71 percent of all collections.
- The total overpayment collections were $81.5 million for Fiscal Year (FY) 2001-02.
- The total overpayment collections statewide is estimated at $82.5 million for the current year.
- Based on the amount of overpayment collections, incentive payments are made annually to the counties in arrears.
- Effective in FY 2002-03 state funds have been eliminated from this premise due to lower revenues and other demands on the available State General Fund.
- Effective with the passage of AB 444, the counties will receive 12.5 percent of the savings.

## METHODOLOGY:

The county incentive payment is the product of the total collections multiplied by the TANF share of collections (97.5 percent), multiplied by the percentage of client-caused errors (71 percent), and multiplied by the county incentive (12.5 percent).

## FUNDING:

The costs are 100 percent TANF.

## CHANGE FROM THE APPROPRIATION:

The estimate was updated using the most recent actual data.

# Fraud Recovery Incentives

## REASON FOR YEAR-TO-YEAR CHANGE:

The budget year reflects an increase in overpayment collections.

## EXPENDITURES:

(in 000's)

| | 2002-03 | 2003-04 |
|---|---|---|
| **TANF – Item 101** | County Admin. | County Admin. |
| Total | $7,056 | $7,137 |
| Federal | 7,056 | 7,137 |
| State | 0 | 0 |
| County | 0 | 0 |
| Reimbursements | 0 | 0 |

# TANF and NAFS Programs – PA to NA Fund Shift

## DESCRIPTION:

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

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

## IMPLEMENTATION DATE:

This premise implemented in March of 1984.

## KEY DATA/ASSUMPTIONS:

- The eligibility worker intake administrative costs are divided equally among CalWORKs, PAFS and Medi-Cal. The PAFS share of the common intake costs is $27,962 in Fiscal Year (FY) 2002-03 and $23,891 in FY 2003-04.
- County worker costs for Eligibility, Case Management and Program Integrity activities are claimed to Programs Codes (PC) 614, 663, and 618, respectively, on the county expense claim.
- The ratio of administrative costs for PCs 614, 663 and 618 in the current and budget years is 0.7182 of the total administrative costs based on the July 2000 through June 2001 expenditures.
- The ratio of PAFS to the CalWORKs caseload is 0.6609 based on the average ratio for the July 2001 through June 2002 period.
- The fund shift for FY 2002-03 is being held at the Budget Act of 2002 Appropriation level.

## METHODOLOGY:

The budget year (BY) CalWORKs continuing case costs were multiplied by 0.7182 to determine the value of the PAFS/CalWORKs shared administrative costs. The shared administrative costs were multiplied by 0.6609 and the result divided in half (50 percent CalWORKs and 50 percent PAFS) to determine the PAFS share. The PAFS share of the common intake costs was then added to determine the total fund shift.

# TANF and NAFS Programs – PA to NA Fund Shift

## FUNDING:

Non-Assistance FS costs are shared 50 percent federal funds (USDA-FNS), 35 percent State General Fund (GF), and 15 percent county in the current year (CY) and 50 percent federal funds (USDA-FNS) and 50 percent county funds in the BY. The CalWORKs costs shifted are 100 percent federal funds in the CY and 50 percent federal and 50 percent county funds in the BY.

## CHANGE FROM THE APPROPRIATION:

There is no change.

## REASON FOR YEAR-TO-YEAR CHANGE:

The BY reflects fewer funds shifting from CalWORKs to FS Administration due to a reduction in the PAFS-to-CalWORKs ratio. The GF reduction in the BY reflects inclusion of this premise in the proposed FY 2003-04 State and Local Realignment.

## EXPENDITURES:

(in 000's)

| | 2002-03 | 2003-04 |
|---|---|---|
| **TANF – Item 101** | County Admin. | County Admin. |
| Total | -$172,358 | -$171,826 |
| Federal | -172,358 | -85,913 |
| State | 0 | 0 |
| County | 0 | -85,913 |
| Reimbursements | 0 | 0 |

| **FOOD STAMPS – Item 141** | 2002-03 | 2003-04 |
|---|---|---|
| | County Admin. | County Admin. |
| Total | $172,358 | $171,826 |
| Federal | 86,179 | 85,913 |
| State | 60,325 | 0 |
| County | 25,854 | 85,913 |
| Reimbursements | 0 | 0 |

# CalWORKs Administrative Cap Adjustment

## DESCRIPTION:

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

## IMPLEMENTATION DATE:

This premise implemented on October 1, 1999.

## KEY DATA/ASSUMPTIONS:

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

## METHODOLOGY:

The associated costs were developed as follows:

**Fiscal Year (FY) 2002-03**

- The FY 2002-03 estimate has been recalculated based on updated expenditure information.

**FY 2003-04**

- The FY 2003-04 estimate is being held at the current year level.

## FUNDING:

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

## CHANGE FROM THE APPROPRIATION:

The estimate was recalculated based on updated expenditure information.

# CalWORKs Administrative Cap Adjustment

## REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

## EXPENDITURES:

(in 000's)

| | 2002-03 County Admin. | 2003-04 County Admin. |
|---|---|---|
| Total | $0 | $0 |
| Federal | -110,000 | -110,000 |
| State | 110,000 | 110,000 |
| County | 0 | 0 |
| Reimbursements | 0 | 0 |

# Nationwide Prisoner Match

## DESCRIPTION:

This premise represents two match systems the Jail Reporting System (JRS) and the Nationwide Prisoner Match (NPM). The JRS reflects the grant savings and administrative costs associated with denying aid to individuals who are no longer eligible due to being incarcerated for over 30 days in a city, county, or city and county-operated jail, remains in place. Senate Bill 1556 (Chapter 205, Statutes of 1996) required the reporting of incarcerated individuals to federal, state and local agencies that administer public benefits for which incarceration affects eligibility. The California Department of Social Services (CDSS) is required to provide reimbursement for each unduplicated name to the local agency that provides the names of individuals incarcerated over 30 days. 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. The NPM will result in grant savings and administrative costs due to denying aid to individuals who are no longer eligible due to being incarcerated in a federal, state, or local correctional, penal, or detention facility for more than 30 days. The federal Balanced Budget Act of 1997 (Public Law 105-33) required states to establish a system to ensure that individuals who are detained for more than 30 days are not participating in the Food Stamp (FS) Program. The Department developed the NPM system to interface with the Social Security Administration's (SSA) Prisoner Update Program System database. The NPM matches all Food Stamp and California Work Opportunity and Responsibility to Kids (CalWORKs) recipients with the SSA's nationwide database of prisoners.

## IMPLEMENTATION DATE:

The JRS implemented on July 1, 1997.

The NPM system implemented on November 1, 1999.

## KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code commencing with section 10985.
- Based on actual data provided by the Fraud Bureau from July 2001 through June 2002, the average monthly number of names provided by jailers is 16,635. This does not include known aliases.
- Based on the May 2002 Revise calculation, the jailers will be paid $0.54 per each unduplicated name provided during Fiscal Year (FY) 2002-03.
- The grant savings and administrative costs from the NPM have been rolled into the CalWORKs and FS programs' basic costs.
- The grant savings and administrative costs for JRS have been rolled into the CalWORKs and FS programs' basic costs, but continue to be estimated in order to calculate the reimbursement rate for names paid to the jailers.
- The administrative costs currently budgeted are for the payment per name made to the jailers.

## METHODOLOGY:

- The per name payment level to the jailers for FY 2002-03 is calculated by dividing the FY 2001-02 estimated net savings of $95,558 by the projected annual number of names provided (177,418) in FY 2001-02. This results in a per name cost of $0.54 in FY 2002-03.

# Nationwide Prisoner Match

## METHODOLOGY (continued):

- The total cost of names is $107,795 in FY 2002-03 (199,620 names multiplied by $0.54 per name) and prorated between benefiting programs based on the estimated percentage of individuals that will lose eligibility (CalWORKs: 55.92 percent; and Food Stamps: 44.08 percent, based on the July 2001 through June 2002 DFA 266 reports).
- FY 2003-04 assumes the same level of names to be reported by jailers. The cost will remain at $0.54 per name.

## FUNDING:

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

## CHANGE FROM THE APPROPRIATION:

The FY 2002-03 cost per name paid to jailers was held at the Budget Act of 2002 Appropriation level; however, the number of names provided by jailers has been updated using most recent actual data.

## REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

## EXPENDITURES:

(in 000's)

| **TANF - (Item 101)** | 2002-03 | 2003-04 |
|---|---|---|
| | County Admin. | County Admin. |
| Total | $60 | $60 |
| Federal | 0 | 0 |
| State | 60 | 60 |
| County | 0 | 0 |
| Reimbursements | 0 | 0 |

| **Food Stamp Admin. (Item 141)** | 2002-03 | 2003-04 |
|---|---|---|
| | County Admin. | County Admin. |
| Total | $48 | $48 |
| Federal | 0 | 0 |
| State | 48 | 48 |
| County | 0 | 0 |
| Reimbursements | 0 | 0 |

# Direct Deposit

## DESCRIPTION:

This premise reflects the administrative savings associated with the implementation of an electronically based system for delivering public assistance payments to recipients. Counties that offer direct deposit to its employees must establish a program for public assistance recipients to authorize payment to be directly deposited by electronic fund transfer into the person's account at a financial institution participating in the county's direct deposit program.

## IMPLEMENTATION DATE:

This premise implemented January 1, 2001.

## KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 11006.2.
- Six counties do not offer a direct deposit program to their employees and will not be required to establish a direct deposit program for their public assistance recipients.
- This estimate assumes that 52 counties are required to provide direct deposit services to public assistance recipients. There are 23 counties that implemented by January 2002 and 29 counties will have implemented by January 2003.
- This estimate assumes that approximately 10 percent of California Work Opportunity and Responsibility to Kids (CalWORKs) Program cases will participate in a direct deposit program.
- This estimate assumes a monthly saving of $0.30 per direct deposit participant based on information from San Diego County's direct deposit program. Savings will be realized from the issuance of fewer paper checks, fewer lost checks, and mailing costs.
- This estimate assumes a six-month phase in for each county to be fully implemented.

## METHODOLOGY:

The administrative savings are calculated by multiplying the trend CalWORKs caseload for participating counties by the direct deposit participation rate by the monthly savings per participant (CalWORKs caseload x 0.10 x $0.30).

## FUNDING:

The CalWORKs administrative savings are funded 90.41 percent federal and 9.59 percent State General Fund (GF) in the current year, and 45.25 percent federal, 4.75 percent GF, and 50 percent county in the budget year (BY).

## CHANGE FROM THE APPROPRIATION:

This premise has been updated to reflect current caseload projections and implementation dates.

# Direct Deposit

## REASON FOR YEAR-TO-YEAR CHANGE:

The increased savings in the BY is a result of additional counties implementing direct deposit. The GF reduction in the BY reflects inclusion of this premise in the proposed FY 2003-04 State and Local Realignment.

## EXPENDITURES:

(in 000's)

| | 2002-03 | 2003-04 |
|---|---|---|
| | County Admin. | County Admin. |
| Total | -$170 | -$179 |
| Federal | -154 | -81 |
| State | -16 | -9 |
| County | 0 | -89 |
| Reimbursements | 0 | 0 |

# Court Cases

## DESCRIPTION:

This premise reflects the costs for attorney fees relating to the Temporary Assistance for Needy Families (TANF), Foster Care (FC), Food Stamp, and Adoption Assistance Programs (AAP). The costs result from the settlement of lawsuits related to local assistance in accordance with Budget Letter 93-11, and instructions from the Department of Finance.

## KEY DATA/ASSUMPTIONS:

**Item 101 – TANF Administration**

- A total of $488,000 is budgeted in Fiscal Year (FY) 2002-03 for attorney fees associated with two specific TANF cases expected to be resolved in the current year (CY).
- An additional $100,000 is budgeted in FY 2002-03 for the attorney fees associated with small court cases.
- For FY 2003-04, $100,000 is budgeted for the attorney fees associated with small court cases.

**Item 141 – FC, AAP, and Food Stamp Administration**

- For FY 2002-03, $160,000 is budgeted for the attorney fees associated with small court cases.
- For FY 2003-04, $150,000 is budgeted for the attorney fees associated with small court cases.

## METHODOLOGY:

**Item 101 – TANF Administration**

The estimate is based on actual costs plus $100,000 for miscellaneous writs to be paid in the CY and $100,000 for miscellaneous writs to be paid in the budget year (BY).

**Item 141 – FC, AAP, and Food Stamp Administration**

The estimate is based on estimated attorney fees and miscellaneous writs to be paid in the CY and BY.

## FUNDING:

**Item 101 –TANF Administration**

The funding is 100 percent TANF.

**Item 141 – FC, AAP, and Food Stamp Administration**

Most attorney fees are shared 50 percent federal and 50 percent state. In some instances, court-related reimbursements are funded 100 percent State General Fund ($85,000 in the CY and $25,000 in the BY).

## CHANGE FROM THE APPROPRIATION:

This premise has been updated for actual expenditures.

# Court Cases

## REASON FOR YEAR-TO-YEAR CHANGE:

Attorney fees paid in the CY are not recurring costs in the BY.

## EXPENDITURES:

(in 000's)

| **ITEM 101** | 2002-03 | 2003-04 |
|---|---|---|
| **TANF Administration** | County Admin. | County Admin. |
| Total | $588 | $100 |
| Federal | 588 | 100 |
| State | 0 | 0 |
| County | 0 | 0 |
| Reimbursements | 0 | 0 |

| **ITEM 141** | 2002-03 | 2003-04 |
|---|---|---|
| **FC, AAP, and Food Stamp Administration** | County Admin. | County Admin. |
| Total | $160 | $150 |
| Federal | 38 | 63 |
| State | 122 | 87 |
| County | 0 | 0 |
| Reimbursements | 0 | 0 |

# Medi-Cal Services Eligibility / Common Costs

## DESCRIPTION:

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

## IMPLEMENTATION DATE:

This premise implemented on July 1, 1998.

## KEY DATA/ASSUMPTIONS:

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

## METHODOLOGY:

**Fiscal Year (FY) 2002-03**

- The FY 2002-03 estimate is being held at the Budget Act of 2002 Appropriation level.

**FY 2003-04**

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

## FUNDING:

The State General Fund (GF) share (9.6 percent) reflects the cost for the State-Only Two-Parent Program which was implemented October 1, 1999. The State-Only Two-Parent Program is countable toward the State's maintenance of effort requirement. The federal TANF share (90.4 percent) reflects the administrative costs for the Medi-Cal Services Eligibility.

## CHANGE FROM THE APPROPRIATION:

There is no change.

# Medi-Cal Services Eligibility / Common Costs

## REASON FOR YEAR-TO-YEAR CHANGE:

The methodology to determine the Common Cost has been revised to include the actual Medi-Cal share of the common cost in the calculation. The cost is updated to reflect the most current actual expenditures and is distributed among the benefiting programs (CalWORKs, Food Stamps, and Medi-Cal). The TANF/GF reduction in the budget year reflects inclusion of this premise in the proposed FY 2003-04 State and Local Realignment.

## EXPENDITURES:

(in 000's)

| | 2002-03 | 2003-04 |
|---|---|---|
| | County Admin. | County Admin. |
| Total | -$27,962 | -$35,199 |
| Federal | -25,183 | -15,912 |
| State | -2,779 | -1,688 |
| County | 0 | -17,599 |
| Reimbursements | 0 | 0 |

# Research and Evaluation

## DESCRIPTION:

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

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

## IMPLEMENTATION DATE:

This premise implemented on July 1, 1997.

## KEY DATA/ASSUMPTIONS:

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

## METHODOLOGY:

**Fiscal Year (FY) 2002-03**

The FY 2002-03 estimate is being held at the Budget Act of 2002 Appropriation level.

**FY 2003-04**

The FY 2003-04 estimate is being held at the current year level.

## FUNDING:

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

# Research and Evaluation

## CHANGE FROM THE APPROPRIATION:

There is no change.

## REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

## EXPENDITURES:

(in 000's)

| | 2002-03 | 2003-04 |
|---|---|---|
| | County Admin. | County Admin. |
| Total | $6,572 | $6,572 |
| Federal | 5,849 | 5,849 |
| State | 723 | 723 |
| County | 0 | 0 |
| Reimbursements | 0 | 0 |

# County Maintenance of Effort Adjustment

## DESCRIPTION:

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

## IMPLEMENTATION DATE:

This premise implemented on July 1, 1997.

## KEY DATA/ASSUMPTIONS:

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

## METHODOLOGY:

- This administrative estimate is determined using actual county expenditure data from FY 1996-97 compared to the estimated cost in FYs 2002-03 and 2003-04. 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 FY 1996-97 actual county expenditures are $140,540,757. This amount represents the county MOE requirement.

## FUNDING:

This is a shift from federal to county funds in FY 2002-03 only. An adjustment is not necessary for FY 2003-04.

## CHANGE FROM THE APPROPRIATION:

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

## REASON FOR YEAR-TO-YEAR CHANGE:

The elimination of this adjustment in the budget year reflects the impact of this premise in the proposed FY 2003-04 State and Local Realignment.

# County Maintenance of Effort Adjustment

## EXPENDITURES:

(in 000's)

| | 2002-03 | 2003-04 |
|---|---|---|
| | County Admin. | County Admin. |
| Total | $0 | $0 |
| Federal | -62,293 | 0 |
| State | 0 | 0 |
| County | 62,293 | 0 |
| Reimbursements | 0 | 0 |

# CalWORKs Child Care - Stage One Services and Administration

## DESCRIPTION:

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

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

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

## IMPLEMENTATION DATE:

This premise implemented on January 1, 1998.

## KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 10553, 10554, and 11331.7.
- In Fiscal Year (FY) 2002-03, the cost of providing CalWORKs child care per child used the following key data/assumptions:
  - The projected caseload is based on a regression analysis and logarithmic projection based on actual caseload reported on the CW115 and CW115A reports from April 1998 to May 2002;
  - The monthly cost of providing CalWORKs child care is $535 per child based on child care expenditures and caseload from July 2001 through June 2002 reported on the county expense claims and the CW115 and CW115A reports;
  - The CalWORKs child care administrative ratio is eight percent, based on actual administrative expenditures compared to service expenditures for July 2001 through June 2002;
  - Actual county expenditures for FY 2001-02 were used to estimate child care capacity building costs of $7.5 million;
  - The child care costs for the two-parent families separate state program is four percent of the total Stage One based on expenditure data from July 2001 through June 2002;
  - The monthly cost of Cal Learn Child Care per child of $444 per family is based on child care expenditures and caseload data from January 2001 through December 2001 reported on the county expense claims, CW115, and CW115A reports;

# CalWORKs Child Care - Stage One Services and Administration

## KEY DATA/ASSUMPTIONS (continued):

- The Cal Learn child care administrative ratio of sixteen percent is based on the actual administrative expenditures for January 2001 through December 2001;
- The child care costs for the recent noncitizen entrants were based on actual expenditures from July 2001 through June 2002. Those expenditures were approximately 1.5 percent of the total Stage One Child Care expenditures; and,
- In the current year, the Budget Act of 2002 provides that a total of $20.0 million of Temporary Assistance for Needy Families (TANF) funds may be transferred to Title XX for child care: $10 million for CDSS' Stage One Child Care Program and $10 million for CDE's child care programs, in order to broaden access to Child and Adult Care Food Program (CACFP) benefits for low-income children in proprietary child care centers. The transfers are contingent upon the results of CDE's pilot program which began in FY 2000-01 and require Department of Finance approval;

- In FY 2003-04, the cost of providing CalWORKs child care per child used the following key data/assumptions:
  - The projected monthly caseload was based on a regression analysis and logarithmic projection based on actual caseload reported on the CW115 and CW 115A reports from April 1998 to May 2002;
  - The monthly cost of CalWORKs child care is $550 per child based on child care expenditures and caseload from FY 2001-02 as reported on the county expense claims, and the CW115, and CW115A reports and a 2.89 percent increase based on the Central Necessities Index (CNI);
  - The CalWORKs child care administrative ratio of eight percent, is based on the actual administrative expenditures compared to service expenditures for July 2001 through June 2002;
  - The child care capacity building costs are the same as in the current year, $7.5 million;
  - The child care costs for the two-parent families separate state program is four percent based on Stage One expenditures from July 2001 through June 2002;
  - The monthly cost of Cal Learn Child Care is $457 per child based on child care expenditures and caseload utilizing child care from January 2001 through December 2001 reported on the county expense claims, CW115, and CW115A reports and the CNI adjustment of 2.89 percent;
  - The Cal Learn Child Care administrative ratio of 16 percent based on the actual administrative expenditures for January 2001 through December 2001;
  - The child care costs for the Recent Noncitizen Entrants was based on actual expenditures from July 2001 through June 2002. Those expenditures were approximately 1.5 percent of the total Stage One Child Care expenditures; and,
  - In the budget year, it is assumed that the same $10 million TANF to Title XX transfer will occur.

# CalWORKs Child Care – Stage One Services and Administration

## METHODOLOGY:

- The Stage One Child Care services costs are calculated by multiplying the caseload by the cost per child.
- The Stage One Child Care administrative costs are calculated by multiplying the services costs by the administrative ratio.
- The total Stage One Child Care costs are calculated by adding the services costs to the administrative and capacity building costs.
- The Stage One two-parent child care costs are calculated by multiplying the total Stage One child care costs by four percent. Those funds are then shifted to State General Fund (GF).
- The Stage One and Cal Learn estimates are reduced 1.5 percent in FY 2001-02 and FY 2002-03 for Recent Noncitizen Entrants. Refer to that premise description for more information.
- The Cal Learn Child Care services costs are calculated by multiplying the caseload by the cost per child.
- The Cal Learn Child Care administrative costs are calculated by multiplying the services costs by the administrative ratio. The Cal Learn Child Care cost is calculated by adding the services costs to the administrative costs.
- The State-Only Cal Learn Child Care was reduced by nine percent based on the Sanctioned Cal Learn Caseload receiving Cal Learn Services.
- The total Stage One Child Care cost in FY 2002-03 and FY 2003-04 is reduced by approximately $27.2 million and $26.0 million, respectively, and held in the Stage One/Stage Two Holdback. This amount was based on five percent of the total Stage One estimated need.

## FUNDING:

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

## CHANGE FROM THE APPROPRIATION:

There is no change.

## REASON FOR YEAR-TO-YEAR CHANGE:

The increase in budget year is a net result of the increased caseload and decreased administrative ratio, and an increased cost per case, with a 2.89 percent CNI increase.

# CalWORKs Child Care – Stage One Services and Administration

## CASELOAD:

| | 2002-03 Average Monthly Children | 2003-04 Average Monthly Children |
|---|---|---|
| Adult Parent | 80,928 | 81,989 |
| Cal Learn | 937 | 901 |

## EXPENDITURES:

(in 000's)

| | 2002-03 | | 2003-04 | |
|---|---|---|---|---|
| | Services | County Admin. | Services | County Admin. |
| Total | $491,317 | $47,164 | $514,189 | $48,991 |
| Federal | 472,105 | 45,627 | 493,814 | 47,361 |
| State | 19,212 | 1,537 | 20,375 | 1,630 |
| County | 0 | 0 | 0 | 0 |
| Reimbursements | 0 | 0 | 0 | 0 |

# Los Angeles Retroactive Payments

## DESCRIPTION:

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

## IMPLEMENTATION DATE:

This premise implemented on July 1, 2002.

## KEY DATA/ASSUMPTIONS:

- The child care expenditures for LA from July 2001 through December 2001 were $71.5 million. Of this amount, the expenditures for retroactive payments were $19.7 million.
- The child care expenditures for the rest of the state were $477 million from January through December 2001. Of this amount, the expenditures for LA County were $133.5 million.
- Stage One costs for Fiscal Year (FY) 2002-03 are estimated to be $536.3 million, using a cost per child based on all the expenditures including the retroactive payments.
- The child care savings of the two-parent families is five percent of the total based on the two-parent ratio of child care expenditures for Stage One from January 2001 through December 2001.

## METHODOLOGY:

- A cost per child was developed for LA without the retroactive payments of $525. This is based on the expenditures of $71.5 million minus the retroactive payment of $19.7 for a total of $51.7 million divided by 98,522 casemonths.
- The projected number of casemonths for Stage One Child Care was multiplied by the new average statewide cost per child.
- The total cost for Stage One Child Care is $504.1 million, without the effect of retroactive payments. This amount was subtracted from the total cost of Stage One of Child Care including the effect of the retroactive payments of $536.3 million for a savings of $32.2 million.
- The savings in FYs 2002-03 and 2003-04 is being held at the Budget Act of 2002 Appropriation level.

## FUNDING:

The savings in this premise is reflected as five percent State General Fund for two-parent families and 95 percent TANF for all other families.

# Los Angeles Retroactive Payments

## CHANGE FROM THE APPROPRIATION:

There is no change.

## REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

## EXPENDITURES:

| (in 000's) | 2002-03 | 2003-04 |
|---|---|---|
| Total | $-32,223 | $-32,223 |
| Federal | -30,612 | -30,612 |
| State | -1,611 | -1,611 |
| County | 0 | 0 |
| Reimbursements | 0 | 0 |

# State-Only Cal Learn Child Care

## DESCRIPTION:

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

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

## IMPLEMENTATION DATE:

This premise implemented on April 1, 1999.

## KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 11331.7.
- The percentage of sanctioned teens in Fiscal Years 2002-03 and 2003-04 is nine percent based on the State-Only Cal Learn Child Care expenditures from Fiscal Year 2001-02 reported on the county expense claims.
- Refer to the “Stage One Services and Administration” premise description for more information regarding the Cal Learn Child Care estimate.

## METHODOLOGY:

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

## FUNDING:

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

## CHANGE FROM THE APPROPRIATION:

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

## REASON FOR YEAR-TO-YEAR CHANGE:

The decrease in the budget year is the net result of a decrease in caseload, an increase in cost per child and a 2.89 percent cost-of-doing-business adjustment based on the California Necessities Index adjustment.

# State-Only Cal Learn Child Care

## EXPENDITURES:

(in 000's)

| | 2002-03 | 2003-04 |
|---|---|---|
| | County Admin. | County Admin. |
| Total | $521 | $516 |
| Federal | 0 | 0 |
| State | 521 | 516 |
| County | 0 | 0 |
| Reimbursements | 0 | 0 |

# Child Care – Trustline

## DESCRIPTION:

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

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

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

## IMPLEMENTATION DATE:

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

## KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 11324.
- Providers for CalWORKs participants who are currently licensed, or who are an aunt, uncle or grandparent of the child, are exempt from Trustline requirements. In addition, providers whose services are used less than 30 days are not required to register in Trustline.
- The Trustline applications for voluntary applicants are included in this premise because the California Department of Social Services (CDSS) is required to reimburse the DOJ for these costs. Payments from the voluntary applicants are reflected as State General Fund (GF) revenue.
- In Fiscal Years (FYs) 2002-03 and 2003-04, the cost of providing for the Trustline for CDSS, CDE, and voluntary applicants is based the following key data and assumptions:
    - The projected number of Trustline applications for CDSS, CDE, and voluntary (24,454) was based on a regression analysis using the number of applications for Trustline fingerprinting from March 1999 through January 2000 and a linear projection through June 2001. The projected caseload for the month of June 2001 was then multilplied by 12 months.

# Child Care – Trustline

## KEY DATA ASSUMPTIONS (continued):

- The manual-to-automated fingerprinting ratio of 65:35 was based on historical data and applied to the voluntary caseload.
- The county administration cost per case is $210 based on actual county expenditures divided by the number of DOJ applications for January through June 2000.

- The fees for the contracted services are as follows:

| | FY 2002-03 | FY 2003-04 |
|---|---|---|
| Department of Justice Fingerprinting/criminal history file [1] | $32 | $32 |
| Department of Justice Cardscan Fee [1] | $10 | $10 |
| Department of Justice Child Abuse Index Check [1] | $24 | $24 |
| CCR&R Agency | $25 | $25 |
| Sylvan Identix Live Scan | $16 | $16 |
| CDSS Administrative Costs [2] | $18 | $18 |

[1] The $10 Cardscan Fee is not charged for the cases utilizing LiveScan. The voluntary applicants utilizing LiveScan are not charged any of the DOJ costs.

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

## METHODOLOGY:

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

| | FY 2002-03 | FY 2003-04 |
|---|---|---|
| Department of Justice | $1,729,675 | $1,729,675 |
| CCR&R Agency | $ 624,700 | $ 624,700 |
| Sylvan Identix Live Scan | $ 389,786 | $ 389,786 |
| CDSS Administrative Costs | $ 42,919 | $ 42,919 |

# Child Care – Trustline

## FUNDING:

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

## CHANGE FROM THE APPROPRIATION:

The change reflects updated caseload projections.

## REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

## CASELOAD:

| | 2002-03 | 2003-04 |
|---|---|---|
| Average Monthly CDSS Trustline Caseload | 1201 | 1201 |
| Average Monthly CDE Trustline Caseload | 683 | 683 |
| Average Monthly Voluntary Trustline Caseload | 154 | 154 |

## EXPENDITURES:

(in 000's)

| | 2002-03 | 2003-04 |
|---|---|---|
| | County Admin. | County Admin. |
| Total | $5,813 | $5,813 |
| Federal | 4,384 | 4,384 |
| State | 511 | 511 |
| County | 0 | 0 |
| Reimbursements | 918 | 918 |

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# Self-Certification

## DESCRIPTION:

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

## IMPLEMENTATION DATE:

This premise implemented on October 1, 1996.

## KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 11324.
- In Fiscal Year (FY's) 2002-03 and 2003-04, the projected cost of self-certification is based on the following key data and assumptions:
  - The projected number of Trustline applications (14,409) for CDSS is based on a linear trend projection using the number of applications for Trustline fingerprinting from January 2000 through December 2000; and,
  - The statewide cost of self-certification ($64) is based on FY 1999-00 actual county expenditures divided by total Trustline applications processed from March 2000 to December 2000.

## METHODOLOGY:

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

## FUNDING:

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

## CHANGE FROM THE APPROPRIATION:

The costs have been updated to reflect projected caseload.

# Self-Certification

## REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

## CASELOAD:

| | 2002-03 | 2003-04 |
|---|---|---|
| Average Annual Caseload | 14,409 | 14,409 |

## EXPENDITURES:

(in 000's)

| | 2002-03 | 2003-04 |
|---|---|---|
| | County Admin. | County Admin. |
| Total | $916 | $916 |
| Federal | 866 | 866 |
| State | 50 | 50 |
| County | 0 | 0 |
| Reimbursements | 0 | 0 |

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

## DESCRIPTION:

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

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

## IMPLEMENTATION DATE:

This premise implemented on July 1, 1998.

## KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 10553 and 10554.
- The transfer of TANF funds to the CCDBG funds will be completed by CDSS and will represent an increase to the total amount of CCDBG funds available for CalWORKs Child Care.
- In Fiscal Year (FY) 2002-03 and FY 2003-04, the projected caseload was based on a regression analysis and logarithmic projection based on actual caseload reported to CDE from April 2000 to June 2002.
- In FY 2002-03, the monthly cost per child for Stage Two Child Care is $430 and was based on child care expenditures and caseload reported to CDE from July 2001 through December 2001.
- In FY 2003-04, the monthly cost per child for Stage Two Child Care is $461 based on FY 2001-02 average cost per child, multiplied by a 2.89 percent increase based on the Central Necessities Index.
- The administrative ratio is 20 percent for FY 2002-03 and FY 2003-04. The ratio is the comparison between administrative expenditures and service costs from FY 2001-02.
- The annual family fee offset of 1.0 percent for FY 2002-03 and FY 2003-04 is based on the ratio of family fees and expenditures reported to CDE from FY 2001-02.
- The Stage Two Child Care cost for FY 2003-04 was reduced by approximately $32.7 million based on five percent of the total Stage Two estimated need.
- In FY 2002-03 the estimated need for Stage Two was reduced by $21.9 million in savings associated with CalWORKs participants reaching the CalWORKs 60-month time limit. Refer to the “60-Month CalWORKs Time Limit” premise description for more detailed information.

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

## KEY DATA/ASSUMPTIONS (continued):

- In FY 2003-04 the estimated need for Stage Two was reduced by $40.7 million in savings associated with CalWORKs participants reaching the CalWORKs 60-month time limit. Refer to the "60-Month CalWORKs Time Limit" premise description for more detailed information.
- The total Stage Two estimated need is $694.5 million in FY 2002-03, and $668.9 million in FY 2003-04. This funding would serve 108,760 children in FY 2002-03, and 98,566 children in FY 2003-04. However, 3,449 fewer children will receive child care in FY 2002-03 due to their parents reaching the CalWORKs time limit for a net number of 105,760 children. In FY 2003-04, 6,193 fewer children will receive child care due to their parents reaching the CalWORKs time limit for a new number of 95,566 children.
- CDE funds available for Stage Two Child Care are $302.3 million in FY 2002-03 and $257.6 million in FY 2003-04.
- In the current year, the Budget Act of 2002 provides that a total of $20.0 million of TANF funds may be transferred to Title XX for child care: $10 million for Stage One Child Care Program and $10 million for Stage Two Child Care Program, in order to broaden access to Child and Adult Care Food Program benefits for low-income children in proprietary child care centers. Department of Finance approval is required before the transfers can be made. In the budget year, it is assumed that the same transfers may occur.

## METHODOLOGY:

- The services cost was calculated by multiplying the caseload by the cost per case.
- The administrative cost was calculated by multiplying the services cost by the administrative ratio.
- The family fee was calculated by multiplying the services and administrative costs by one percent.
- The total Stage Two Child Care cost was calculated by adding the services cost to the administrative cost and subtracting the family fees.
- The total Stage Two Child Care cost in FY 2002-03 and FY 2003-04 was reduced by five percent for the Stage One/Stage Two Holdback and $32.7 million and $31.4 million, respectively, for the CalWORKs 60-month savings. Refer to the "60-month CalWORKs Time Limit" premise description for more information.
- The transfer of TANF funds to CCDBG was calculated by subtracting CDE's available CCDBG and Proposition 98 funding in the current year and county funds in the budget year from the net Stage Two Child Care cost.

## FUNDING:

Funds are 100 percent TANF transferred to the CCDBG.

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

## CHANGE FROM THE APPROPRIATION:

The decrease is a result of $10 million being transferred to Title XX for child care costs.

## REASON FOR YEAR-TO-YEAR CHANGE:

The increase is a net result of a decreased caseload, increased cost per case, and increased savings associated with the CalWORKs 60-month time limit. In FY 2003-04, CDE will begin transitioning the administration of Stage Two to the counties.

## EXPENDITURES:

| (in 000's) | 2002-03 | 2003-04 |
|---|---|---|
| | Grant | Grant |
| Total | $341,661 | $344,293 |
| Federal | 341,661 | 344,293 |
| State | 0 | 0 |
| County | 0 | 0 |
| Reimbursements | 0 | 0 |

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# Child Care
# Stage One/Two Holdback

## DESCRIPTION:

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

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

## IMPLEMENTATION DATE:

This premise implemented on July 1, 1998.

## KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 10553 and 10554.
- In Fiscal Year (FY) 2002-03, the total Stage One Child Care need is $543.1 million and the Stage Two estimated need is $653.6 million.
- In Fiscal Year (FY) 2003-04, the total Stage One Child Care need is $519.0 million and the total Stage Two Child Care need is $628.3 million.
- A total of five percent from Stage One and Stage Two will be held in the reserve.

## METHODOLOGY:

- In FY 2002-03, five percent of Stage One ($27.1 million) and Stage Two ($32.7 million) are summed for a total holdback. No funding is reserved above the need in this premise.
- In FY 2003-04, five percent of Stage One ($25.9 million) and Stage Two ($31.4 million) are summed for a total holdback. No funding is reserved above the need in this premise.

## FUNDING:

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

## CHANGE FROM THE APPROPRIATION:

The current year was reduced to reflect only a holdback of the Stage One and Stage Two need, with no funds above the need.

# Child Care
# Stage One/Two Holdback

## REASON FOR YEAR-TO-YEAR CHANGE:

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

## EXPENDITURES:

| (in 000's) | 2002-03 | 2003-04 |
|---|---|---|
| | Grant | Grant |
| Total | $59,838 | $57,363 |
| Federal | 59,838 | 57,363 |
| State | 0 | 0 |
| County | 0 | 0 |
| Reimbursements | 0 | 0 |

# Juvenile Assessment/Treatment Facilities

## DESCRIPTION:

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

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

## IMPLEMENTATION DATE:

This premise implemented in FY 1997-98.

## KEY DATA/ASSUMPTIONS:

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

## METHODOLOGY:

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

## FUNDING:

Funding is 100 percent TANF block grant funds.

## CHANGE FROM THE APPROPRIATION:

There is no change.

## REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

# Juvenile Assessment/Treatment Facilities

## EXPENDITURES:

(in 000's)

| | 2002-03 | 2003-04 |
|---|---|---|
| | Grant | 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 funding of probation placements in such facilities. These funds may be used for the costs of shelter care on behalf of children whose behavior results in removal from the home and supervision by the probation department.

## IMPLEMENTATION DATE:

This premise implemented on July 1, 1997.

## KEY DATA/ASSUMPTIONS:

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

## FUNDING:

Funding is 100 percent TANF block grant funds.

## CHANGE FROM THE APPROPRIATION:

There is no change.

## REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

## EXPENDITURES:

| (in 000's) | 2002-03 Grant | 2003-04 Grant |
|---|---|---|
| Total | $32,700 | $32,700 |
| Federal | 32,700 | 32,700 |
| State | 0 | 0 |
| County | 0 | 0 |
| Reimbursements | 0 | 0 |

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# Kinship Guardianship Assistance Payment Program

## DESCRIPTION:

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

The Kin-GAP Program is intended to enhance family preservation and stability by recognizing that many 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 dependent child who has been living with a relative for at least twelve months may receive a subsidy if the relative assumes guardianship and the dependency is dismissed. SB 1901 required the Department 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.

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

## IMPLEMENTATION DATE:

This premise implemented on January 1, 2000.

## KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&IC sections 11360 through 11375.
- The Kin-GAP rate equals 100 percent of the basic foster care rate for children placed in a licensed or approved foster family home, as specified in AB 1111.
- Based on actual cases reported on the CA 800 KG (federal) and CA 800 KG (nonfederal), Summary Report of Expenditures for the Kin-GAP Program, the caseload was 11,570 as of July 2002.
- Based on a statewide survey, 84 percent of Kin-GAP cases will shift from the AFDC-Foster Care (AFDC-FC) Program and 16 percent will shift from the California Work Opportunity and Responsibility to Kids (CalWORKs) Program.
- A State-Only Kin-GAP Program is available for those cases that are not eligible for CalWORKs but would be eligible for the Kin-GAP Program. Based on the caseload reported on the CA 800 KG, nonfederal cases represent an insignificant percentage of the total caseload.

# Kinship Guardianship Assistance Payment Program

## KEY DATA/ASSUMPTIONS (continued):

- The average Kin-GAP grant payments are based on actual expenditures and cases reported on the CA 800 KG during a 12 month period ending in January 2002. The average federal Kin-GAP grant payment is $491.01. The average nonfederal Kin-GAP grant payment is $524.60.
- Effective January 1, 2002, the Temporary Assistance to Needy Families (TANF) portion of the Kin-GAP rate was standardized at $323 in order to simplify the county claiming process. The average CalWORKs grant will change to $299.91 effective July 2003.
- FC grant savings are based on the average Kin-GAP grant payment of $491.01. CalWORKs grant savings are based on the standardized monthly rate of $323.00 for current year (CY) and $299.91 for the budget year (BY).
- Child Welfare Services (CWS) administrative savings of $335 per permanent placement case each month will be realized as a result of cases exiting the AFDC-FC and CalWORKs programs. In addition, eligibility worker savings of $57.12 per case per month will be realized as a result of cases exiting the FC Program.
- CalWORKs administrative savings of $42.75 per case per month will be realized as a result of cases exiting the CalWORKs Program.
- It is assumed that AFDC-FC and CalWORKs savings will only be realized on the new cases that exit these programs and enter the Kin-GAP Program after July 2002. The savings from cases exiting prior to August 2002 are reflected in AFDC-FC and CalWORKs caseload trends and basic expenditures. The savings to the CWS Program reflect the savings for cases exiting after April 2002. The savings for cases exiting prior to May 2002 are reflected in the CWS caseload trend and basic expenditures.
- The ongoing county administrative functions for the Kin-GAP Program parallel those of the Adoption Assistance Program, while initial eligibility and annual redetermination costs are similar to those incurred in the CalWORKs Program.
- Kin-GAP Program administrative costs are estimated to be $10.65 per case per month plus an initial eligibility cost of $202.54. An annual redetermination cost of $202.54 is incurred in subsequent years.
- State and county expenditures associated with all cases are considered to be eligible for the State's TANF maintenance of effort requirement
- This estimate assumes no Title IV-E funding.

## METHODOLOGY:

- To estimate the cost of the Kin-GAP Program, the total number of projected casemonths is multiplied by the average Kin-GAP rate. Kin-GAP administrative costs are calculated by multiplying the projected casemonths by the monthly administrative cost per case. In addition, to account for initial eligibility and annual redetermination activities, assuming each case would be subject to only one or the other in any given year, the initial eligibility/annual redetermination cost is multiplied by the projected monthly average caseload.

# Kinship Guardianship Assistance Payment Program

## METHODOLOGY (continued):

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

## 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. For CY, the balance of Kin-GAP is paid with 50 percent state and 50 percent county funds. In BY, the balance of Kin-GAP is paid with 100 percent county funds. Kin-GAP administrative costs are paid using 100 percent TANF funds. For State-Only Kin-GAP cases, grant and administrative costs are shared 50 percent state and 50 percent county in CY and 100 percent county in BY. The grant savings in the CalWORKs Program are 97.5 percent TANF and 2.5 percent county. The CalWORKs administrative savings in the CalWORKs Program are 100 percent TANF in the CY and 50 percent TANF and 50 percent county in the BY.

## CHANGE FROM THE APPROPRIATION:

The increase in costs reflects greater caseload growth than estimated in the Appropriation. The increase in CY estimated savings to CalWORKs, AFDC-FC and CWS also reflect updated caseloads, and only the savings for those cases exiting the CalWORKs and AFDC-FC programs after July 2002 and the CWS Program after April 2002.

## REASON FOR YEAR-TO-YEAR CHANGE:

The increase in the BY reflects projected continual growth in the Kin-GAP Program. The GF and the TANF/MOE reduction in the BY reflects inclusion of this premise in the proposed FY 2003-04 State and Local Realignment.

## CASELOAD:

| | 2002-03 | 2003-04 |
|---|---|---|
| Average Monthly Caseload | 13,009 | 16,138 |

# Kinship Guardianship Assistance Payment Program

## EXPENDITURES:

(in 000's)

| **Kin-GAP Program Costs (Item 101)** | 2002-03 Grant | 2003-04 Grant |
|---|---|---|
| Total | $76,664 | $95,082 |
| Federal | 50,314 | 57,938 |
| State | 13,175 | 0 |
| County | 13,175 | 37,144 |
| Reimbursements | 0 | 0 |

| **Kin-GAP Administration (Item 101)** | 2002-03 County Admin. | 2003-04 County Admin. |
|---|---|---|
| Total | $4,650 | $5,710 |
| Federal | 4,577 | 5,608 |
| State | 37 | 0 |
| County | 36 | 102 |
| Reimbursements | 0 | 0 |

| **CalWORKs Savings (Item 101)** | 2002-03 Grant | 2003-04 Grant |
|---|---|---|
| Total | -$649 | -$2,375 |
| Federal | -633 | -2,316 |
| State | 0 | 0 |
| County | -16 | -59 |
| Reimbursements | 0 | 0 |

| **Foster Care Savings (Item 101)** | 2002-03 Grant | 2003-04 Grant |
|---|---|---|
| Total | -$7,124 | -$22,614 |
| Federal | -2,327 | -7,387 |
| State | -1,919 | 0 |
| County | -2,878 | 15,227 |
| Reimbursements | 0 | 0 |

# Kinship Guardianship Assistance Payment Program

## EXPENDITURES (continued):

(in 000's)

| **CalWORKs Administrative Savings (Item 101)** | 2002-03 County Admin. | 2003-04 County Admin. |
|---|---|---|
| Total | -$225 | -$113 |
| Federal | -225 | -57 |
| State | 0 | 0 |
| County | 0 | -56 |
| Reimbursements | 0 | 0 |

| **Foster Care Administrative Savings (Item 141)** | 2002-03 County Admin. | 2003-04 County Admin. |
|---|---|---|
| Total | -$828 | -$2,631 |
| Federal | -414 | -1,315 |
| State | -290 | 0 |
| County | -124 | -1,316 |
| Reimbursements | 0 | 0 |

| **CWS Administration Savings (Item 151)** | 2002-03 County Admin. | 2003-04 County Admin. |
|---|---|---|
| Total | -$11,154 | -$23,760 |
| Federal | -5,577 | -11,880 |
| State | -3,905 | 0 |
| County | -1,672 | -11,880 |
| Reimbursements | 0 | 0 |

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# Title IV-E Child Support Collections

## DESCRIPTION:

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

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

## IMPLEMENTATION DATE:

This premise implemented on July 1, 2000.

## KEY DATA/ASSUMPTIONS:

- It is assumed that 7.28 percent of the total assistance child support distributed collections are FC collections and 56.40 percent of the FC share of collections are federally eligible. This is based on updated actual collection data reported on the CS 800 Reports, Summary Reports of Child and Spousal Support Payments for Fiscal Year 2001-02.
- The level of federal financial participation (FFP) is based on the following Federal Medical Assistance Percentage (FMAP) rates.

| Effective Dates | Rates |
|---|---|
| October 1, 2001 | 51.40% |
| October 1, 2002 | 50.00% |
| October 1, 2003 | 50.00% |

## METHODOLOGY:

The federal participation rate and FMAP are applied to the FC share of collections. The Title IV-E share of collections is multiplied by the ratio of FC collections for cases currently in a foster care placement (53 percent) to all FC collections received in a year.

## FUNDING:

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

## CHANGE FROM THE APPROPRIATION:

The decrease reflects updated collections.

# Title IV-E Child Support Collections

## REASON FOR YEAR-TO-YEAR CHANGE:

The budget year reflects an anticipated decrease in collections.

## EXPENDITURES:

(in 000's)

| | 2002-03 Grant | 2003-04 Grant |
|---|---|---|
| Total | -$7,003 | -$6,653 |
| Federal | -7,003 | -6,653 |
| State | 0 | 0 |
| County | 0 | 0 |
| Reimbursements | 0 | 0 |

# Foster Family Home – Basic Costs

## DESCRIPTION:

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

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

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

## KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 11461.
- The caseload presumed to be eligible for federal and nonfederal FC program benefits is based on data from a 12-month period ending in June 2002, as reported by the counties on the FC Caseload Movement and Expenditures Report (CA 237 FC). Federal cases are projected to account for 78.8 percent of total FFH placements, which is a slight decrease from the Appropriation projection of 79.5 percent.
- Federal and nonfederal average grant computations utilized caseload and expenditure data reported by the counties on the CA 237 FC during a six-month period ending in June 2002. The projected federal grant is $673.00, and the nonfederal grant is $775.92.
- The percentage of federally eligible expenditures is based on actual county expenditure data.
- The level of federal financial participation (FFP) is based on the following Federal Medical Assistance Percentage (FMAP) rates:

| Effective Dates | Rates |
|---|---|
| October 1, 2001 | 51.40% |
| October 1, 2002 | 50.00% |
| October 1, 2003 | 50.00% |

## METHODOLOGY:

FFH basic costs are the product of projected federal and nonfederal casemonths and average grant, as identified above. Adjustments are made to account for expenditures that are ineligible for FFP.

# Foster Family Home – Basic Costs

## FUNDING:

Federal funding is provided by Title IV-E of the Social Security Act, with the amount of FFP based on the FMAP, for those cases meeting eligibility criteria. For current year, funding for the nonfederal program and the nonfederal share of federal program costs is defined in statute at 40 percent State General Fund (GF) and 60 percent county. Effective July 1, 2003, funding for the nonfederal program and the nonfederal share of federal program costs is 100 percent county.

## CHANGE FROM THE APPROPRIATION:

The current year increase reflects a slightly higher caseload than projected in the Appropriation.

## REASON FOR YEAR-TO-YEAR CHANGE:

The budget year (BY) increase reflects continuing caseload growth. The GF reduction in the BY reflects inclusion of this premise in the proposed Fiscal Year 2003-04 State and Local Realignment.

## CASELOAD:

| | 2002-03 | 2003-04 |
|---|---|---|
| Average Monthly Caseload | 47,188 | 47,610 |
| Federal Caseload | 37,179 | 37,512 |
| Nonfederal Caseload | 10,009 | 10,098 |

## EXPENDITURES:

| (in 000's) | 2002-03 | 2003-04 |
|---|---|---|
| **FFH-Basic Costs** | Grant | Grant |
| Total | $393,450 | $396,967 |
| Federal | 128,525 | 129,670 |
| State | 105,970 | 0 |
| County | 158,955 | 267,297 |
| Reimbursements | 0 | 0 |

| | 2002-03 | 2003-04 |
|---|---|---|
| **FFH-Federal** | Grant | Grant |
| Total | $300,260 | $302,943 |
| Federal | 128,525 | 129,670 |
| State | 68,694 | 0 |
| County | 103,041 | 173,273 |
| Reimbursements | 0 | 0 |

# Foster Family Home – Basic Costs

## EXPENDITURES (continued):

| (in 000's) | 2002-03 | 2003-04 |
|---|---|---|
| **FFH-Nonfederal** | Grant | Grant |
| Total | $93,190 | $94,024 |
| Federal | 0 | 0 |
| State | 37,276 | 0 |
| County | 55,914 | 94,024 |
| Reimbursements | 0 | 0 |

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# Group Home – Basic Costs

## DESCRIPTION:

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

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

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

## KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 11462.
- The caseload presumed to be eligible for federal and nonfederal FC program benefits is based on data from a 12-month period ending in June 2002, as reported by the counties on the FC Caseload Movement and Expenditures Report (CA 237 FC). Federal cases are projected to account for 62.7 percent of total GH placements, which is a slight decrease from the Appropriation projection of 64.9 percent.
- Federal and nonfederal average grant computations utilized caseload and expenditure data reported by the counties on the CA 237 FC during an 11-month period ending in June 2002. The projected federal grant is $5,036.04, and the nonfederal grant is $5,209.02.
- The percentage of federally-eligible expenditures is based on actual county expenditure data.
- The level of federal financial participation (FFP) is based on the following Federal Medical Assistance Percentage (FMAP) rates:

| Effective Dates | Rates |
|---|---|
| October 1, 2001 | 51.40% |
| October 1, 2002 | 50.00% |
| October 1, 2003 | 50.00% |

## METHODOLOGY:

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

# Group Home – Basic Costs

## FUNDING:

Federal funding is provided by Title IV-E of the Social Security Act, with the amount of FFP based on the FMAP, for those cases meeting eligibility criteria. For current year, funding for the nonfederal program and the nonfederal share of federal program costs is defined in statute at 40 percent State General Fund (GF) and 60 percent county. Effective July 1, 2003, funding for the nonfederal program and the nonfederal share of federal program costs is 100 percent county.

## CHANGE FROM THE APPROPRIATION:

The current year increase reflects a higher growth in caseload than projected in the Appropriation and the inclusion of the Wraparound Program (Senate Bill 163) cases not previously reported in the premise.

## REASON FOR YEAR-TO-YEAR CHANGE:

The budget year increase reflects caseload growth. The GF reduction in the BY reflects inclusion of this premise in the proposed Fiscal Year 2003-04 State and Local Realignment.

## CASELOAD:

| | 2002-03 | 2003-04 |
|---|---|---|
| Average Monthly Caseload | 11,512 | 11,930 |
| Federal Caseload | 7,214 | 7,475 |
| Nonfederal Caseload | 4,298 | 4,455 |

## EXPENDITURES:

| (in 000's) | 2002-03 | 2003-04 |
|---|---|---|
| **GH – Basic Costs** | Grant | Grant |
| Total | $704,616 | $730,176 |
| Federal | 186,594 | 191,819 |
| State | 207,209 | 0 |
| County | 310,813 | 538,357 |
| Reimbursements | 0 | 0 |
| **GH – Federal** | | |
| Total | $435,929 | $451,728 |
| Federal | 186,594 | 191,819 |
| State | 99,734 | 0 |
| County | 149,601 | 259,909 |
| Reimbursements | 0 | 0 |
| **GH – Nonfederal** | | |
| Total | $268,687 | $278,448 |
| Federal | 0 | 0 |
| State | 107,475 | 0 |
| County | 161,212 | 278,448 |
| Reimbursements | 0 | 0 |

# Foster Family Agency – Basic Costs

## DESCRIPTION:

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

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

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

## KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 11463 and 18358.3.
- The caseload presumed to be eligible for federal FC Program benefits is based on data from a 12-month period ending in June 2002, as reported by the counties on the FC Caseload Movement and Expenditures Report (CA 237 FC). Federal cases are projected to account for 84.5 percent of total FFA placements, which is a slight decrease from the prior subvention projection of 84.7 percent.
- Federal and nonfederal average grants are based on caseload and expenditure data reported by the counties on the CA 237 FC during Fiscal Year (FY) 2001-02. The projected federal grant is $1,810.44, and the nonfederal grant is $1,818.16.
- Approximately 90 children statewide receive services from FFAs participating in the Intensive Treatment Foster Care Program.
- The percentage of federally eligible expenditures is based on actual county expenditure data.
- The level of federal financial participation (FFP) is based on the following Federal Medical Assistance Percentage (FMAP) rates.

| Effective Dates | Rates |
|---|---|
| October 1, 2001 | 51.40% |
| October 1, 2002 | 50.00% |
| October 1, 2003 | 50.00% |

## METHODOLOGY:

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

# Foster Family Agency – Basic Costs

## FUNDING:

Federal funding is provided by Title IV-E of the Social Security Act, with the amount of FFP based on the FMAP, for those cases meeting eligibility criteria. For current year, funding for the nonfederal program and the nonfederal share of federal program costs is defined in statute at 40 percent State General Fund (GF) and 60 percent county. Effective July 1, 2003, funding for the nonfederal program and the nonfederal share of federal program costs is 100 percent county.

## CHANGE FROM THE APPROPRIATION:

The increased costs reflect higher growth in caseload than projected in the Appropriation.

## REASON FOR YEAR-TO-YEAR CHANGE:

The budget year (BY) reflects adjustments for caseload growth. The GF reduction in the BY reflects inclusion of this premise in the proposed FY 2003-04 State and Local Realignment.

## CASELOAD:

| | 2002-03 | 2003-04 |
|---|---|---|
| Average Monthly Caseload | 18,074 | 18,928 |
| Federal Caseload | 15,274 | 15,996 |
| Nonfederal Caseload | 2,800 | 2,932 |

## EXPENDITURES:

| (in 000's) | 2002-03 | 2003-04 |
|---|---|---|
| **FFA – Basic Costs** | Grant | Grant |
| Total | $392,918 | $411,484 |
| Federal | 142,030 | 147,568 |
| State | 100,355 | 0 |
| County | 150,533 | 263,916 |
| Reimbursements | 0 | 0 |
| **FFA – Federal** | | |
| Total | $331,837 | $347,519 |
| Federal | 142,030 | 147,568 |
| State | 75,923 | 0 |
| County | 113,884 | 199,951 |
| Reimbursements | 0 | 0 |
| **FFA – Nonfederal** | | |
| Total | $61,081 | $63,965 |
| Federal | 0 | 0 |
| State | 24,432 | 0 |
| County | 36,649 | 63,965 |
| Reimbursements | 0 | 0 |

# Seriously Emotionally Disturbed Children – Basic Costs

## DESCRIPTION:

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

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

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

## IMPLEMENTATION DATE:

This premise implemented on July 1, 1987.

## KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&IC sections 18350-18356.
- Casemonths are based on trend caseload projections.
- Average grants are based on actual expenditure and caseload data for the most recent seven months ending in July 2002. The projected average grant for Los Angeles County is $4,328.76 and for the remaining counties it is $5,679.64.

## 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:

For current year (CY), SED costs are shared 40 percent State General Fund (GF) and 60 percent county. For budget year (BY), SED costs are 100 percent county.

## CHANGE FROM THE APPROPRIATION:

Adjustment in the CY year costs reflects an increase to the average grants.

# Seriously Emotionally Disturbed Children – Basic Costs

## REASON FOR YEAR-TO-YEAR CHANGE:

The BY estimate reflects adjustments for caseload growth. The GF reduction in the BY reflects inclusion of this premise in the proposed Fiscal Year 2003-04 State and Local Realignment.

## CASELOAD:

| | 2002-03 | 2003-04 |
|---|---|---|
| Average Monthly Caseload | 1,428 | 1,538 |

## EXPENDITURES:

(in 000's)

| | 2002-03 | 2003-04 |
|---|---|---|
| | Grant | Grant |
| Total | $88,497 | $94,962 |
| Federal | 0 | 0 |
| State | 35,399 | 0 |
| County | 53,098 | 94,962 |
| Reimbursements | 0 | 0 |

# Supplemental Clothing Allowance

## DESCRIPTION:

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

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

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

## IMPLEMENTATION DATE:

This premise implemented on July 1, 2000.

## KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 11461(f)(4) and 11463(g).
- The statewide annual supplemental clothing allowance will be $100 per child.
- All FFH and FFA placements are eligible for the clothing allowance. The average monthly projected caseload is 65,260 for Fiscal Year (FY) 2001-02 and 66,537 for FY 2002-03.
- All cases shifting to the Kin-GAP Program are presumed to receive the clothing allowance prior to exiting foster care.
- The level of federal financial participation (FFP) is based on the following Federal Medical Assistance Percentage (FMAP) rates.

| Effective Dates | Rates |
|---|---|
| October 1, 2001 | 51.40% |
| October 1, 2002 | 50.00% |
| October 1, 2003 | 50.00% |

## METHODOLOGY:

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

# Supplemental Clothing Allowance

## FUNDING:

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

## CHANGE FROM THE APPROPRIATION:

The current estimate reflects an increase in the caseload from the Appropriation.

## REASON FOR YEAR-TO-YEAR CHANGE:

The BY reflects a projected increase in caseload. The GF reduction in the BY reflects inclusion of this premise in the proposed FY 2003-04 State and Local Realignment.

## EXPENDITURES:

| (in 000's) | 2002-03 | 2003-04 |
|---|---|---|
| | Grant | Grant |
| Total | $6,526 | $6,654 |
| Federal | 3,286 | 3,327 |
| State | 3,240 | 0 |
| County | 0 | 3,327 |
| Reimbursements | 0 | 0 |

# Foster Care Savings Due to CalWORKs Employment Services

## DESCRIPTION:

This premise reflects the foster care (FC) savings associated with implementation of Assembly Bill 429 (Chapter 111, Statutes of 2001) which allows continued California Work Opportunity and Responsibility to Kids (CalWORKs) Program services to needy parents while a child is absent from the home and receiving Child Protective Services under specified circumstances. The savings result from the accelerated reunification of some cases made possible by continued CalWORKs services for the parent, and the successful reunification of some additional children who would not have reunified without the continued CalWORKs services.

## IMPLEMENTATION DATE:

This premise implemented on January 1, 2002.

## KEY DATA/ASSUMPTIONS:

- Due to a delay in implementation, savings associated with this program will not begin until Fiscal Year (FY) 2002-03.
- Based on current data, approximately 17,410 cases will reunify in FY 2000-01.
- Approximately 15 percent of these cases will reunify two months sooner due to the continued CalWORKs services.
- There is an average of 2.04 children in each CalWORKs case.
- There are approximately 1,934 family reunification cases that would not otherwise reunify in current year (CY).
- The success rate of parents who enter drug and alcohol treatment is 22 percent.
- Of the cases that would not otherwise reunify, 302 are projected to reunify in CY due to the continued CalWORKs services to parents.
- The grant savings is based on the combined average foster family home, foster family agency and group home grant ($1618 for CY and $1633 for budget year (BY)).

## METHODOLOGY:

The estimated savings are computed by multiplying the average FC grant by the estimated casemonths for accelerated reunifications. This number is added to the product of the average FC grant, multiplied by the projected casemonths for additional reunifications.

## FUNDING:

The federal FC funding is provided by Title IV-E of the Social Security Act, with the amount of federal financial participation based on the Federal Medical Assistance Percentage for those cases meeting eligibility criteria. For CY, funding for the nonfederal program and the nonfederal share of federal program costs is defined in statute at 40 percent State General Fund (GF) and 60 percent county. Effective July 1, 2003, funding for the nonfederal program and the nonfederal share of federal program costs is 100 percent county.

# Foster Care Savings Due to CalWORKs Employment Services

## CHANGE FROM THE APPROPRIATION:

The change in the current year reflects additional savings due to caseload growth and adjustments to the average children per CalWORKs case.

## REASON FOR YEAR-TO-YEAR CHANGE:

The BY increase reflects a full-year implementation. The GF reduction in the BY reflects inclusion of this premise in the proposed FY 2003-04 State and Local Realignment.

## EXPENDITURES:

| (in 000's) | 2002-03 | 2003-04 |
|---|---|---|
| | Grant | Grant |
| Total | -$11,270 | -$14,424 |
| Federal | 3,633 | -4,650 |
| State | 3,055 | -0 |
| County | 4,582 | -9,774 |
| Reimbursements | 0 | 0 |

# Promoting Safe and Stable Families Savings

## DESCRIPTION:

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

The Omnibus Budget Reconciliation Act of 1993 established a capped entitlement program under Title IV-B to provide funding for community-based family support and preservation services. In addition, the State Family Preservation Program provides counties the opportunity to use FC assistance funds to provide services to families. Funding used for preservation services is expected to result in savings to the FC Program.

## IMPLEMENTATION DATE:

This premise implemented on July 1, 1994.

## KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 16600 through 16604.5.
- Savings are reflected for the yearly incremental grant increase to the PSSF Program.
- Effective Fiscal Year (FY) 2001-02, based on federal requirements, a minimum of 20 percent of PSSF funds have been spent on each of the four components of the program (Family Preservation Services, Family Support Services, Adoption Promotion and Support, and Time-Limited Family Reunification).
- It is assumed that 50 percent of the cases receiving preservation services would avoid nine months of foster care resulting in a savings to grant costs.

## METHODOLOGY:

- For FY 2002-03, the PSSF grant increased by $10,366,202. Of this amount, a minimum of 20 percent is available for the preservation component ($10,366,202 x 0.20). The average cost per case was divided into the amount available for preservation to calculate the average cases ($2,073,240 ÷ $4,698). The number of cases receiving preservation services was divided in half to calculate the number of successful cases (441 cases ÷ 2), and then converted into casemonths (1,296 total casemonths).
- The overall average monthly grant amount was multiplied by the total number of casemonths ($1,551 x 1,296) to reach the total savings of $2,010,562 under the FC Program. The appropriate sharing ratios were applied to the total to determine each shared amount.
- For Federal FY 2003, the federal grant letter authorizes $50,472,434, which coverts to $51,825,148 for the State FY 2003-04. It is anticipated that the State will receive an additional grant during the budget year, which will be reflected in the May 2003 Revise.

# Promoting Safe and Stable Families Savings

## FUNDING:

The amount of federal financial participation is based on the Federal Medical Assistance Percentage (FMAP), which decreased from 51.40 percent to 50.00 percent on October 1, 2002. The federally-eligible percentage of cases is based on projected caseload developed from historical data.

## CHANGE FROM THE APPROPRIATION:

The change reflects the federal grant augmentation for Federal FY 2002 and the revised State Operations amount for PSSF.

## REASON FOR YEAR-TO-YEAR CHANGE:

The change reflects a reduction in the overall average Foster Care grant amount, a lower incremental grant increase in the budget year, the revised State Operations amount, the updated cost per case, and the FMAP ratios. The State General Fund reduction in the budget year reflects inclusion of this premise in the proposed FY 2003-04 State and Local Realignment.

## EXPENDITURES:

(in 000's)

| | 2002-03 | 2003-04 |
|---|---|---|
| | County Admin. | County Admin. |
| Total | -$2,011 | $-1,411 |
| Federal | -882 | -599 |
| State | -452 | 0 |
| County | -677 | -812 |
| Reimbursements | 0 | 0 |

# Supportive Transitional Emancipation Program

## DESCRIPTION:

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

## IMPLEMENTATION DATE:

This premise implemented on January 1, 2002.

## KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&IC section 11403.1
- The five counties reported to participate in this program are Santa Clara, San Francisco, Mariposa, Orange and Alpine.

**Item 101- Assistance Payments**

- Based on reported data through February 2002 from the Child Welfare Services/Case Management System, there are 3,481 emancipating youth annually. Of the total emancipating youth, only 344 youth reside in participating counties for the STEP program
- Approximately 3.61 percent of emancipating youth will not participate due to incarceration or military service. From the remaining population (332), 80 percent will opt to participate in this program
- The foster care grant for a foster youth age 15-18 is $597
- The estimate assumes that the first county began STEP assistance payments in October 2002. The remaining counties are expected to implement the program beginning January 2003.
- In the budget year (BY), it is assumed that 25 percent of former foster youth who emancipated in the two years prior to program implementation will opt to participate in the Independent Living Program in order to receive financial support through STEP. It is assumed, due to delayed contact, that these former foster youth will begin receiving assistance in the BY.

**Item 141-STEP Eligibility**

- There are a total of 265 cases for CY and 576 for BY.
- FC eligibility is estimated to take one hour per case at the FC eligibility hourly rate of $57.12.

# Supportive Transitional Emancipation Program

## KEY DATA/ASSUMPTIONS (continued):

**Item 151-STEP Plan Activity**

- TILP updates are estimated to take one hour at the social worker average hourly rate of $74.38 for the BY.
- STEP – Independent Living Plan Activity will be completed on 576 cases in the BY.

## METHODOLOGY:

Basic costs are the product of casemonths multiplied by the average grant. Administrative costs are calculated by multiplying the total number of cases by the estimated hours per case, at the respective hourly rate.

## FUNDING:

In current year (CY), STEP assistance costs are shared 40 percent state and 60 percent county. STEP administration costs and STEP Plan Activity costs are funded 70 percent with State General Fund (GF) and 30 percent with county funds. In BY, the STEP assistance, administration costs and STEP Plan Activity are funded with 100 percent county.

## CHANGE FROM THE APPROPRIATION:

The change reflects a reduction in projected caseload due to delayed implementation.

## REASON FOR YEAR-TO-YEAR CHANGE:

The increase reflects a full-year of casemonths and the addition of former foster youth from the prior two years. The GF reduction in the BY reflects inclusion of this premise in the proposed FY 2003-04 State and Local Realignment.

## EXPENDITURES:

(in 000's)

| **101 – Assistance Payments - STEP** | 2002-03 | 2003-04 |
|---|---|---|
| | Grant | Grant |
| Total | $330 | $3,291 |
| Federal | 0 | 0 |
| State | 132 | 0 |
| County | 198 | 3,291 |
| Reimbursements | 0 | 0 |

# Supportive Transitional Emancipation Program

## EXPENDITURES (continued):

(in 000's)

| **Item 141- STEP Eligibility** | 2002-03 | 2003-04 |
|---|---|---|
| | County Admin. | County Admin. |
| Total | $16 | $33 |
| Federal | 0 | 0 |
| State | 11 | 0 |
| County | 5 | 33 |
| Reimbursements | 0 | 0 |

| **Item 151- STEP Plan Activity** | 2002-03 | 2003-04 |
|---|---|---|
| | County Admin. | County Admin. |
| Total | $40 | $43 |
| Federal | 0 | 0 |
| State | 28 | 0 |
| County | 12 | 43 |
| Reimbursements | 0 | 0 |

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# 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 one episode in any 12-month period. This premise provides foster care (FC) for dependents and voluntary placements under the EA-FC Welfare Program. The "Child Welfare Services-Emergency Assistance" premise discusses additional program components. The "Juvenile Assessment/Treatment Facilities" premise discusses the allowability of Temporary Assistance for Needy Families (TANF) block grant funding for the EA-Probation population.

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

Also included is funding for undocumented aliens and other cases that did not qualify for federal or state FC. These EA-General Assistance (GA) cases continued to be funded even though the probation component expired on January 1, 1996. Only those "qualified aliens" who entered the country before August 22, 1996, are eligible for TANF-funded services.

## IMPLEMENTATION DATE:

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

## KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 10101.
- Based on actual expenditure and caseload data for January through July 2002, the projected average grant for EA-FC cases is $1,525.58. Based on six months of actual expenditure and caseload data through July 2002, the projected average grant for EA-GA cases is $1,676.32.
- 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.
- EA administrative costs were adjusted for projected caseload growth in the current year (CY) and budget year (BY).
- EA foster care children are eligible to receive the $100 supplemental clothing allowance.

## METHODOLOGY:

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

# Emergency Assistance Program

## FUNDING:

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

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

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

## CHANGE FROM THE APPROPRIATION:

The increase reflects a growth in caseload projections, and adjustments in the average grant.

## REASON FOR YEAR-TO-YEAR CHANGE:

The BY increase reflects growth in caseload.

## CASELOAD:

| | 2002-03 | 2003-04 |
|---|---|---|
| Average Monthly Caseload | 4,188 | 4,894 |

## EXPENDITURES:

(in 000's)

| **FOSTER CARE WELFARE** | 2002-03 | | 2003-04 | |
|---|---|---|---|---|
| **Items 101 and 141** | Grant | County Admin. | Grant | County Admin. |
| Total | $77,170 | $6,291 | $90,144 | $7,344 |
| Federal | 53,977 | 5,352 | 63,096 | 6,248 |
| State | 0 | 0 | 0 | 0 |
| County | 23,193 | 939 | 27,048 | 1,096 |
| Reimbursements | 0 | 0 | 0 | 0 |

# Adoption Assistance Program – Basic Costs

## DESCRIPTION:

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

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

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

## KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 16115 through 16123.
- The caseload presumed to be eligible for the federal program accounts for 87.3 percent of the total AAP payment cases, based on data from February to July 2002, 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 2002 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 $680.64, and the nonfederal average grant is estimated at $757.09
- The percentage of federally eligible expenditures is based on actual county expenditure data.
- The level of federal financial participation (FFP) is based on the following Federal Medical Assistance Percentage (FMAP) rates.

| Effective Dates | Rates |
|---|---|
| October 1, 2001 | 51.40% |
| October 1, 2002 | 50.00% |
| October 1, 2003 | 50.00% |

# Adoption Assistance Program – Basic Costs

## METHODOLOGY:

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

## FUNDING:

Federal funding is provided by Title IV-E of the Social Security Act for those cases meeting eligibility criteria, with the amount of FFP based on the FMAP rate. For current year, federal case costs ineligible for FFP and the costs of the nonfederal program are shared 75 percent State General Fund (GF) and 25 percent county. Effective July 1, 2003, the funding for the cost of the nonfederal program and the nonfederal share of federal program costs is 100 percent county.

## CHANGE FROM THE APPROPRIATION:

The increase is the result of a higher cost per case and updated caseload.

## REASON FOR YEAR-TO-YEAR CHANGE:

The budget year (BY) increase reflects continuing caseload growth. The GF reduction in the BY reflects inclusion of this premise in the proposed Fiscal Year 2003-04 State and Local Realignment.

CASELOAD:

| | 2002-03 | 2003-04 |
|---|---|---|
| Average Monthly Caseload | 54,294 | 60,811 |

## EXPENDITURES:

(in 000's)

| | 2002-03 | 2003-04 |
|---|---|---|
| | Grant | Grant |
| Total | $449,795 | $503,780 |
| Federal | 191,415 | 214,396 |
| State | 193,785 | 0 |
| County | 64,595 | 289,384 |
| Reimbursements | 0 | 0 |

# Refugee Cash Assistance – Basic Costs

## DESCRIPTION:

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

## KEY DATA/ASSUMPTIONS:

- Section 1522 of Title 8 of the United States Code (U.S.C.) authorizes the federal government to provide grants to the states to assist refugees who resettle in the U.S.
- Sections 13275 through 13282 of the Welfare and Institutions Code authorize the Department to administer the funds provided under Title 8 of the U.S.C. It also provides the Department authority to allocate the federal funds to the counties.
- The average grant cost for RCA recipients is $277.18, based on actual data from January through July 2002.
- The average monthly caseload for Fiscal Years (FYs) 2002-03 and 2003-04 is estimated at 1,672 and 1,703 cases, respectively.

## METHODOLOGY:

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

## FUNDING:

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

## CHANGE FROM THE APPROPRIATION:

Current year costs have increased due to a higher average monthly caseload than previously estimated. The effects of the events of September 11th did not reduce caseload as significantly as initially forecasted.

## REASON FOR YEAR-TO-YEAR CHANGE:

Total costs increase in FY 2003-04 due to an increase in average monthly caseload of 1.9 percent.

# Refugee Cash Assistance – Basic Costs

## EXPENDITURES:

(in 000's)

| | 2002-03 | 2003-04 |
|---|---|---|
| | Grant | Grant |
| Total | $5,572 | $5,665 |
| Federal | 5,572 | 5,665 |
| State | 0 | 0 |
| County | 0 | 0 |
| Reimbursements | 0 | 0 |

# Emergency Food Assistance Program Fund

## DESCRIPTION:

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

## IMPLEMENTATION DATE:

This premise implemented on July 1, 2000.

## KEY DATA/ASSUMPTIONS:

- Authorizing statute: Revenue and Taxation Code sections 18851 through 18855.
- The current year estimate was held to the appropriation level. The budget year estimate reflects the estimated amount of contributions to be made to the EFAP fund in the 2002 state income tax year of $375,000, estimated interest of $18,000, and additional contributions of $76,000 from the current year.
- The estimated annual administrative costs for the FTB are $7,631 in current year and $7,000 in budget year.
- These funds are provided to supplement, and not supplant, existing program funds.

## METHODOLOGY:

The current year was held to the appropriation level. The budget year reflects the estimated amount of contributions to the EFAP in the state income tax year 2002, plus accrued interest, less the annual administrative costs for the FTB, plus additional contributions from the current year.

## FUNDING:

The costs are 100 percent from the EFAP fund.

## CHANGE FROM THE APPROPRIATION:

This premise was updated to reflect actual expenditures.

# Emergency Food Assistance Program Fund

## REASON FOR YEAR-TO-YEAR CHANGE:

The budget year reflects an increase in the estimated contributions to be made in state income tax year 2002 and additional contributions from the current year.

## EXPENDITURES:

(in 000's)

| | 2002-03 | 2003-04 |
|---|---|---|
| | Grant | Grant |
| Total | $309 | $462 |
| Federal | 0 | 0 |
| State | 309 | 462 |
| County | 0 | 0 |
| Reimbursements | 0 | 0 |

# California Food Assistance Program

## DESCRIPTION:

This premise reflects the coupon and administrative costs associated with the California Food Assistance Program (CFAP) for eligible noncitizens. The Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Public Law, 104-193, provided that legal noncitizens who entered the United States (U.S.) on or after August 22, 1996 were ineligible for federal food stamp benefits unless they were exempt under certain refugee categories. Federal food stamp benefits for the ineligible legal noncitizens were terminated in August 1997. The original CFAP, authorized under Assembly Bill (AB) 1576 (Chapter 287, Statutes of 1997), served legal noncitizens who were under the age of 18 or over 64 years of age. The U.S. Congress passed S.1150, Public Law, 105-185, on June 23, 1998, restoring Federal Food Stamp eligibility for those children and elderly noncitizen groups. AB 2779 (Chapter 329, Statutes of 1998) provided for a state-only food stamp program for legal noncitizens over 18 and under 65 years of age, who were legally in the United States prior to August 22, 1996, and met all federal food stamp eligibility criteria except for their immigration status. AB 1111 (Chapter 147, Statutes of 1999) expanded CFAP eligibility to legal noncitizens who entered the country on or after August 22, 1996, and are otherwise eligible, for the period beginning October 1, 1999, and ending September 30, 2000. AB 2876 (Chapter 108, Statutes of 2000) extended the period of eligibility for these recipients until September 30, 2001. AB 429 (Chapter 111, Statutes of 2001) eliminated the termination date of eligibility for these noncitizens extending their CFAP eligibility indefinitely. California purchases food stamp coupons from Food and Nutrition Service (FNS) to provide to recipients of CFAP.

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

## IMPLEMENTATION DATE:

This premise originally implemented on September 1, 1997.

The expanded CFAP implemented on October 1, 1999.

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

## KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 18930.
- It is assumed that the trend in the total number of CFAP recipients resembles the monthly fluctuations in the California Work Opportunity and Responsibility to Kids (CalWORKs) and Non-Assistance Food Stamp (NAFS) trend forecasts.
- The total number of CFAP recipients is projected by applying the CalWORKs and NAFS trend forecast to July 2002 actual recipients.
- With the extended eligibility for noncitizens who entered the country on or after August 22, 1996, there is no difference between the state-only (base) program and the expanded program in terms of eligibility and benefits. However, the two programs are budgeted on separate premise lines to track the level of funding.

# California Food Assistance Program

## KEY DATA/ASSUMPTIONS (continued):

- Based on Federal Fiscal Year 2001 Q5 data, the number of legal noncitizens eligible for CFAP who entered the country on or after August 22, 1996, represents 29 percent of total CFAP recipients in Fiscal Year (FY) 2002-03 and 34 percent of total CFAP recipients in FY 2003-04. It is assumed that the trend in the number of CFAP recipients in the expanded group mirrors the monthly fluctuations in the CalWORKs and NAFS trend forecasts.
- The average monthly number of food stamp recipients in the expanded program is 27,891 in FY 2002-03, and 34,435 in FY 2003-04.
- The number of CFAP recipients for the state-only (base) program is projected by taking the difference between the projected number of total CFAP recipients and the projected number of expanded program CFAP recipients for FY 2002-03 and FY 2003-04.
- The average monthly number of CFAP recipients in the State-only program (base) is 68,286 in FY 2002-03, and 66,844 in FY 2003-04.
- Based on actual data reported from the counties for July through June 2002, the average coupon value per person is $67.89.
- Effective July 1, 2003, the average coupon value per person is $73.92. The increase is due to a 6.16 percent CalWORKs Maximum Aid Payment (MAP) reduction.
- The administrative costs for FY 2001-02 reported on the county expense claims totaled $25,018,648.
- The coupon-processing fee charged by FNS is $6,132 per $1 million in coupons. The processing fee for electronic benefit transfer (EBT) counties is $314 per $1 million.
- The EBT counties will represent 24.74 percent of the allotment costs in FY 2002-03. The EBT counties will increase to 99.97 percent of the allotment costs by the end of FY 2003-04.
- The ratio between public assistance (PA) and nonassistance (NA) is 40.02 percent PA and 59.98 percent NA in FY 2002-03 and 38.30 percent PA and 61.70 percent NA in FY 2003-04. The ratios are projected based on the actual number of recipients reported from counties through June 2002.
- The PA costs are considered eligible expenditures for the State's maintenance of effort (MOE) requirement. The NA costs are not considered MOE eligible.
- The savings to CFAP associated with the implementation of the provisions contained in the Food Stamp Reauthorization Act of 2002 are included in the separate "H.R. 2646 Farm Bill" premise description.

## METHODOLOGY

- The coupon costs are calculated by multiplying the average coupon value per person by the projected monthly number of recipients in the base and expanded program. Coupon-processing fees and EBT processing fees are included in the annual coupon costs.
- Administrative costs are calculated based on actual expenditures in the previous year adjusted for projected caseload growth. The projected percentage of increase in total CFAP recipients is 7.3 percent in FY 2002-03, and 5.3 percent in FY 2003-04.

# California Food Assistance Program

## FUNDING:

The expenditures for FY 2002-03 are State General Fund (GF) only. The costs for FY 2003-04 are 100 percent county funds. The PA portion of the costs is eligible to be counted towards the Temporary Assistance for Needy Families MOE requirement.

## CHANGE FROM THE APPROPRIATION:

The Appropriation reflected the savings associated with the provisions of the H.R. 2646 Farm Bill. The savings associated with the Farm Bill are now reflected in a separate premise. Administrative costs for FY 2002-03 have been held at the Budget Act of 2002 Appropriation level. This estimate was updated using the most current actual data.

## REASON FOR YEAR-TO-YEAR CHANGE:

The increase in coupons for budget year (BY) reflects an increase in caseload and a per person coupon value increase due to a 6.16 percent CalWORKs MAP reduction. The decrease in administrative costs reflect the most current actual data. The GF reduction in the BY reflects inclusion of this premise in the proposed FY 2003-04 State and Local Realignment.

## CASELOAD:

| | 2002-03 | 2003-04 |
|---|---|---|
| Average Monthly Number of Recipients | Base - 68,286 | Base - 66,844 |
| | Expanded - 27,891 | Expanded - 34,435 |

## EXPENDITURES:

(in 000's)

| | 2002-03 | | 2003-04 | |
|---|---|---|---|---|
| | Grant | County Admin. | Grant | County Admin. |
| Total | $78,771 | $29,972 | $85,384 | $28,267 |
| Federal | 0 | 0 | 0 | 0 |
| State | 78,771 | 29,972 | 0 | 0 |
| County | 0 | 0 | 85,384 | 28,267 |
| Reimbursement | 0 | 0 | 0 | 0 |

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# H.R. 2646 Farm Bill

## DESCRIPTION:

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

## IMPLEMENTATION DATE:

This premise implemented on October 1, 2002.

## KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 10553, 10554, and 18904; 7 Code of Federal Regulations section 273.
- Effective October 2002, the federal government reinstated eligibility to the Federal Food Stamp Program for all legal noncitizens who are disabled.
- Effective April 2003, the federal government will reinstate eligibility to the Federal Food Stamp Program for legal noncitizens who have lived in the U.S. five years or more.
- Effective October 2003, the federal government will reinstate eligibility to the Federal Food Stamp Program for all legal noncitizen children.
- Based on the Federal Fiscal Year (FFY) 2001 California Work Opportunity and Responsibility to Kids (CalWORKs) characteristics survey (Q5) data, less than one percent (0.74) of CFAP recipients are disabled.
- Based on FFY 2001 Q5 data, approximately 76 percent of CFAP recipients have been in the U.S. for five years or more.
- Based on FFY 2001 Q5 data, approximately 64 percent of the legal noncitizens who entered the country on or after August 22, 1996, (expanded group) are children.
- Based on actual data reported from the counties from July 2001 through June 2002, the average coupon value per person is $67.89.
- Effective July 1, 2003, the average coupon value per person is $73.92. The increase is due to a 6.16 percent CalWORKs Maximum Aid Payment (MAP) reduction.
- It is assumed that it will cost $7 million in Fiscal Year (FY) 2003-04 to reprogram existing systems for implementation of the H.R. 2646 Farm Bill.

# H.R. 2646 Farm Bill

## KEY DATA/ASSUMPTIONS (continued):

- The average monthly projected CFAP caseload for July 2002 through September 2002 is 93,694, for October 2002 through March 2003 is 96,063, and for April 2003 through June 2003 is 98,891.
- The average monthly projected CFAP caseload for July 2003 through September 2003 is 99,463 and for October 2003 through June 2004 is 101,883.
- The projected CFAP administrative costs for FY 2003-04 is $28,266,820.
- In FY 2003-04, 87.8 percent of CFAP recipients will be shifting to the Federal Food Stamp Program.
- The fiscal impact associated with the revised resource limit for households with a disabled or elderly member from $2,000 to $3,000 and the restructure of the Standard Deduction is minimal and is not reflected in the budget.
- The ratio between public assistance (PA) and nonassistance (NA) is 40.02 percent PA and 59.98 percent NA in FY 2002-03, and 38.30 percent PA and 61.70 percent NA in FY 2003-04. The ratios are projected based on the actual number of recipients reported from counties through June 2002.
- The PA costs are considered eligible expenditures for the State's maintenance of effort (MOE) requirement. The NA costs are not considered MOE-eligible.

## METHODOLOGY

- The number of disabled noncitizens shifting to federal eligibility are calculated by multiplying the percentage of CFAP recipients that are disabled by the average monthly caseload from October 2002 to March 2003 and April 2003 to June 2003 for FY 2002-03, and July 2003 to October 2003 and September 2003 to June 2004 for FY 2003-04.
- The number of noncitizens that have been in the U.S. for five years or more and will be shifting to federal eligibility are calculated by multiplying the percentage of CFAP recipients that have been in the U.S. for five years or more by the average monthly caseload from April 2003 to June 2003, minus the disabled recipients previously shifted to federal eligibility, for FY 2002-03, and the average monthly caseload from July 2003 to September 2003 and October 2003 to June 2004, minus the disabled recipients previously shifted to federal eligibility for FY 2003-04.
- The number of noncitizen children shifting to the federal eligibility are calculated by multiplying the percentage of CFAP recipient children by the average monthly caseload from October 2003 to June 2004, minus the disabled recipients previously shifted to federal eligibility and the recipients that have been in the U.S. for five years or more previously shifted to federal eligibility.
- The coupon costs are calculated by multiplying the average coupon value per person by the projected monthly number of recipients. Coupon-processing fees and Electronic Benefit Transfer (EBT) processing fees are included in the annual coupon costs.
- Administrative costs that will shift from CFAP to Federal Food Stamps in FY 2002-03 were held at the Budget Act of 2002 Appropriation level.
- Administrative costs that will be shifted from CFAP to Federal Food Stamps in FY 2003-04 are calculated by multiplying the total projected CFAP administrative expenditures by the percentage of the total CFAP caseload shifting to the Federal Food Stamp Program.

# H.R. 2646 Farm Bill

## FUNDING:

The CFAP expenditures for FY 2002-03 are State General Fund (GF) only. The PA portion of the costs is eligible to be counted towards the TANF MOE requirement. The CFAP costs for FY 2003-04 are 100 percent county funds. The Food Stamp administrative cost sharing ratio for FY 2002-03 is 50 percent federal, 35 percent state, and 15 percent county funds and for FY 2003-04 is 50 percent federal and 50 percent county funds. The automation reprogramming sharing ratio is 50 percent federal and 50 percent state funds.

## CHANGE FROM THE APPROPRIATION:

The shift of costs to Federal Food Stamps was previously reflected in the "Food Stamp Basic" premise line.

## REASON FOR YEAR-TO-YEAR CHANGE:

The increase in budget year (BY) reflects the shift of legal noncitizen children to the Federal Food Stamp Program and the full year impact of disabled legal noncitizens and legal noncitizens who have lived in the U.S. five years or more shifting to the Federal Food Stamp Program. The BY increase also includes reprogramming costs. The GF reduction in the BY reflects inclusion of this premise in the proposed FY 2003-04 State and Local Realignment.

## CASELOAD:

| | 2002-03 | 2003-04 |
|---|---|---|
| The following CFAP caseload will be shifting to federal eligibility. | July through September- 0 | July through September - 75,769 |
| | October through March - 711 | October through June - 93,250 |
| | April through June - 75,333 | |

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

## EXPENDITURES:

(in 000's)

| **CFAP Program Costs** | 2002-03 | | 2003-04 | |
|---|---|---|---|---|
| | Grant | County Admin. | Grant | County Admin. |
| Total | -$15,708 | -$5,659 | -$74,928 | -$24,787 |
| Federal | 0 | 0 | 0 | 0 |
| State | -15,708 | -5,659 | 0 | 0 |
| County | 0 | 0 | -74,928 | -24,787 |
| Reimbursement | 0 | 0 | 0 | 0 |

# H.R. 2646 Farm Bill

## EXPENDITURES (continued):

(in 000's)

| **FS Program Costs** | 2002-03 | 2003-04 |
|---|---|---|
| | County Admin. | County Admin. |
| Total | $5,659 | $31,787 |
| Federal | 2,853 | 15,894 |
| State | 2,123 | 3,500 |
| County | 683 | 12,393 |
| Reimbursements | 0 | 0 |

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

## DESCRIPTION:

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

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

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

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

## IMPLEMENTATION DATE:

This premise implemented on July 1, 1998.

## KEY DATA/ASSUMPTIONS:

- The total required GF match is $183.8 million.
- A total of $117.5 million has been appropriated through Fiscal Year (FY) 2003-04.
- It is anticipated that approximately $3.1 million will carryover from FY 2001-02 and be reappropriated into FY 2003-04.

## METHODOLOGY:

- In FY 2002-03, the WtW Match was eliminated because of lower revenues and other demands on the available GF. In FY 2003-04, the WtW Match represents the final dollar amount that must be spent by year-end.

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

## FUNDING:

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

## CHANGE FROM THE APPROPRIATION:

There is no change.

## REASON FOR YEAR-TO-YEAR CHANGE:

The WtW Match is deferred from FY 2002-03 until FY 2003-04 due to lower revenues and other demands on the available GF.

## EXPENDITURES:

(in 000's)

**Match Funds:**

| | 2002-03 | 2003-04 |
|---|---|---|
| | County Admin. | County Admin. |
| Total | $0 | $66,261 |
| Federal | 0 | 0 |
| State | 0 | 66,261 |
| County | 0 | 0 |
| Reimbursement | 0 | 0 |

**Reappropriation Funds:** [1]

| | 2002-03 | 2003-04 |
|---|---|---|
| | County Admin. | County Admin. |
| Total | $0 | $3,116 |
| Federal | 0 | 0 |
| State | 0 | 3,116 |
| County | 0 | 0 |
| Reimbursement | 0 | 0 |

[1] - Non-add item.

# SSI/SSP – Basic Costs

## DESCRIPTION:

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

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

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

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

## KEY DATA/ASSUMPTIONS:

- The SSA will continue to administer the program under Title XVI of the Social Security Act.
- Section 1611 of Title XVI defines the amount of SSI benefits an individual may be eligible to receive.
- Section 12200 of the Welfare and Institutions Code defines the maximum payment standard available under each living arrangement.
- The basic costs per case for SSI and SSP estimates are developed from actual state and federal expenditures reported on the State Data Exchange (SDX) and SSA 8700 reports. The SSI and SSP average basic grants, based on actual data from January through July 2002, are as follows:

| | SSI | SSP |
|---|---|---|
| Aged | $273.22 | $207.82 |
| Blind | 332.02 | 259.21 |
| Disabled | 365.55 | 208.32 |

## METHODOLOGY:

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

# SSI/SSP – Basic Costs

## FUNDING:

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

## CHANGE FROM THE APPROPRIATION:

The estimate has decreased due to a lower average basic grant for both SSI and SSP.

## REASON FOR YEAR-TO-YEAR CHANGE:

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

## CASELOAD:

| | 2002-03 | 2003-04 |
|---|---|---|
| Average Monthly Persons | 1,126,375 | 1,148,176 |

## EXPENDITURES:

(in 000's)

| | 2002-03 | 2003-04 |
|---|---|---|
| | Grant | Grant |
| Total | $7,288,591 | $7,434,204 |
| Federal | 4,496,406 | 4,587,505 |
| State | 2,792,185 | 2,846,699 |
| County | 0 | 0 |
| Reimbursements | 0 | 0 |

# Advance Billing Penalty for SSP

## DESCRIPTION:

This premise reflects the penalty imposed by the Social Security Administration (SSA) for late payment of State Supplementary Payment (SSP) reimbursements in the current fiscal year for the July 2003 period due to a change in federal billing procedures that requires a prospective rather than retroactive payment. The SSA changed their billing procedures effective October 1, 2001, (under Public Laws 106-170 and 106-554), to require SSP reimbursement payments a month in advance.

## KEY DATA/ASSUMPTIONS:

- The SSP grant and administrative costs for July 2003 are estimated at $180.2 million and $9.8 million, respectively.
- Annual interest on the late grant payment for July 2003 will be charged at a rate of 2.21 percent, based on the Cash Management Improvement Act (CMIA) rate. This payment is made out of the Department of Finance's State General Fund (GF) budget and is not considered in this estimate.
- Interest at an annual rate of 12.625 percent will be charged on the late administrative fees due for July 2003. The rate is based on the latest consumer interest rate certified by the Treasury.
- A flat 5 percent late fee will be applied to total SSP grant and administrative costs for July 2003.
- The Department will be 30 days late for payment of the required July 2003 payment in June.

## METHODOLOGY:

- Total administrative costs of $9.8 million are multiplied by the annual rate of 12.625 percent and divided by 365 to obtain the daily interest fee of $3,398.
- Total SSP grant and administrative costs of $190.0 million are multiplied by the flat rate of five percent to obtain the late fee of $9.5 million.
- The daily interest fee on administrative costs is multiplied by 30 days and added to the late fee to obtain the total penalty for one month.

## FUNDING:

The penalty is funded with 100 percent GF.

## CHANGE FROM THE APPROPRIATION:

This is a new premise.

## REASON FOR YEAR-TO-YEAR CHANGE:

This payment is due in the budget year.

# Advance Billing Penalty for SSP

## EXPENDITURES:

(in 000's)

| | 2002-03 | 2003-04 |
|---|---|---|
| | Grant | Grant |
| Total | $0 | $9,605 |
| Federal | 0 | 0 |
| State | 0 | 9,605 |
| County | 0 | 0 |
| Reimbursements | 0 | 0 |

# SSI/SSP – January 2003 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, 2003. Due to lower revenues and other demands on the available State General Fund (GF), the California Necessities Index (CNI) COLA of 3.74 percent for January 2003 is being suspended. The SSI Consumer Price Index (CPI) COLA of 1.4 percent will be passed along to recipients, resulting in an increase in the SSI portion of the grant payment. Effective January 1, 2003, unearned income, generally Title II Social Security benefits, increases by the CPI.

## IMPLEMENTATION DATE:

This premise will implement on January 1, 2003.

## KEY DATA/ASSUMPTIONS:

- Section 1617 of Title XVI of the Social Security Act authorizes the COLA for SSI recipients.
- Section 12201 of the Welfare and Institutions Code authorizes the COLA for SSP recipients.
- The CPI is 1.4 percent for 2003.
- Due to lower revenues and other demands on the GF, the CNI increase will be suspended, resulting in an increase to the SSI portion of the grant payment only.

## METHODOLOGY:

- The SSI average grants increase as a result of the CPI COLA. The CPI is applied to the 2002 SSI payment standards and the result is the new SSI payment standards. The new SSI payment standards are then added to the 2002 SSP standards; the result is the total payment standards for 2003.
- 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 2003 COLA.

## FUNDING:

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

## CHANGE FROM THE APPROPRIATION:

The CPI estimate of 1.8 percent was revised to an actual of 1.4 percent.

# SSI/SSP – January 2003 COLA

## REASON FOR YEAR-TO-YEAR CHANGE:

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

## EXPENDITURES:

(in 000's):

| | 2002-03 | 2003-04 |
|---|---|---|
| | Grant | Grant |
| Total | $30,531 | $61,997 |
| Federal | 30,866 | 62,677 |
| State | -335 | -680 |
| County | 0 | 0 |
| Reimbursements | 0 | 0 |

# SSI/SSP – June 2003 COLA

## DESCRIPTION:

This premise reflects the impact of the suspension of a 3.74 percent cost-of-living adjustment (COLA) to be provided to Supplemental Security Income/State Supplementary Payment (SSI/SSP) Program recipients. The COLA was to be effective June 1, 2003, however, due to lower revenues and other demands on the available State General Fund (GF), the California Necessities Index (CNI) COLA of 3.74 percent will be suspended.

## IMPLEMENTATION DATE:

This premise was to implement on June 1, 2003.

## KEY DATA/ASSUMPTIONS:

Section 12201 of the Welfare and Institutions Code (W&IC) authorizes the COLA for SSP recipients. An amendment to the W&IC will be necessary to effect this change.

## METHODOLOGY:

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

## FUNDING:

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

## CHANGE FROM THE APPROPRIATION:

The decrease of $22.3 million is a result of suspending the COLA due to lower revenues and other demands on the available GF.

## REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

## EXPENDITURES:

(in 000's):

| | 2002-03 | 2003-04 |
|---|---|---|
| | Grant | Grant |
| Total | $0 | $0 |
| Federal | 0 | 0 |
| State | 0 | 0 |
| County | 0 | 0 |
| Reimbursements | 0 | 0 |

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# SSI/SSP – July 2003 Payment Standard Reduction

## DESCRIPTION:

This premise reflects the impact of a reduction to Supplemental Security Income/State Supplementary Payment (SSI/SSP) Program payment standards to the federal minimum level effective July 1, 2003, due to lower revenues and other demands on the available State General Fund (GF). Categories exempted from the reduction were nonmedical out-of-home care (NMOHC), restaurant meal allowance (RMA), and Title XIX medical facilities. This premise reflects the State GF savings associated with the reduction.

## IMPLEMENTATION DATE:

This premise will implement on July 1, 2003.

## KEY DATA/ASSUMPTIONS:

- The payment standard reduction is effective July 1, 2003.
- SSP payment standards for individuals and couples will be reduced to their maintenance-of-effort (MOE) payment standard levels.
- The NMOHC, RMA, and Title XIX payment standard categories for individuals and couples will be exempted from the reduction.
- As a result of the reduction, there will be 14,387 cases with countable income above the new standards who will be ineligible for an SSI/SSP grant.

## METHODOLOGY:

- The SSP average grants decrease as a result of the reduction. The individual and couple payment standards are reduced to the MOE payment standard amount for each category. The reduced SSP payment standards are then added to the 2003 SSI payment standards and the result is the new total SSI/SSP payment standards effective July 1, 2003.
- The number of SSI/SSP cases with countable income above the new standards as a result of the reduction was determined using data from the State Data Exchange for June 2002.
- The new payment standards are used in a statistical model to determine a change to the basic SSI/SSP average grants due to the reduction. The change in average grant is multiplied by the adjusted caseload and the result is the change to the SSI/SSP Program for the July 2003 payment standard reduction.
- $1 million is included in the budget year for administrative costs due to the Social Security Administration for changing payment standards in a month other than January.

## FUNDING:

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

# SSI/SSP – July 2003 Payment Standard Reduction

## CHANGE FROM THE APPROPRIATION:

This is a new premise.

## REASON FOR YEAR-TO-YEAR CHANGE:

The reduction becomes effective in the budget year.

## EXPENDITURES:

(in 000's):

| | 2002-03 | 2003-04 |
|---|---|---|
| | Grant | Grant |
| Total | $0 | -$662,403 |
| Federal | 0 | 0 |
| State | 0 | -662,403 |
| County | 0 | 0 |
| Reimbursements | 0 | 0 |

# SSI/SSP – January 2004 COLA

## DESCRIPTION:

This premise reflects the impact of a cost-of-living adjustment (COLA) given to Supplemental Security Income/State Supplementary Payment (SSI/SSP) Program recipients effective January 1, 2004. Due to lower revenues and other demands on the available State General Fund (GF), the estimated California Necessities Index (CNI) COLA of 3.48 percent for 2004 is being suspended. The estimated SSI Consumer Price Index (CPI) COLA of 2.4 percent will be passed along to recipients in January, resulting in an increase in the SSI portion of the grant payment. Effective January 1, 2004, unearned income, generally Title II Social Security benefits, increases by the CPI.

## IMPLEMENTATION DATE:

This premise will implement on January 1, 2004.

## KEY DATA/ASSUMPTIONS:

- Section 1617 of Title XVI of the Social Security Act authorizes the COLA for SSI recipients.
- Section 12201 of the Welfare and Institutions Code authorizes the COLA for SSP recipients.
- The CPI is estimated at 2.4 percent for 2004.

## METHODOLOGY:

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

## FUNDING:

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

## CHANGE FROM THE APPROPRIATION:

This is a new premise.

## REASON FOR YEAR-TO-YEAR CHANGE:

The COLA is effective in the budget year only.

# SSI/SSP – January 2004 COLA

## EXPENDITURES:

(in 000's):

| | 2002-03 | 2003-04 |
|---|---|---|
| | Grant | Grant |
| Total | $0 | $62,878 |
| Federal | 0 | 62,421 |
| State | 0 | 457 |
| County | 0 | 0 |
| Reimbursements | 0 | 0 |

# SSI/SSP – SSP Administration

## DESCRIPTION:

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

## IMPLEMENTATION DATE:

This premise implemented on October 1, 1993.

## KEY DATA/ASSUMPTIONS:

- The SSA will continue to administer this program under Title XVI of the Social Security Act.
- The federal Balanced Budget Act of 1997 (Public Law 105-33) amended existing federal statutes pertaining to the administration fees for SSP payments. For each federal fiscal year (FFY) from 1998 through 2002, administration fees 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 (CPI).
- The fee per payment effective October 1, 2002, increased from $8.50 to $8.59. Effective October 1, 2003, the fee will increase to $8.68, based on the estimated percentage increase in the CPI from the year of the increase (2.4 percent) compared to the previous year (1.4 percent). The increase in the CPI from 2002 to 2003 is estimated to be 1.0 percent.
- Interest in the amount of $69,907 was charged in July 2002 due to the late payment made to SSA as a result of the delay in the passage of the Budget.

## METHODOLOGY:

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

## FUNDING:

The administration costs consist of 100 percent State General Fund.

## CHANGE FROM THE APPROPRIATION:

The current year estimate reflects a lower fee per payment than the Appropriation ($8.59 vs. $8.65, respectively), due to a revised CPI figure from 1.8 to 1.4 percent. This premise has also been updated based on more recent caseload data.

# SSI/SSP – SSP Administration

## REASON FOR YEAR-TO-YEAR CHANGE:

Expenditures increase due to caseload growth and a fee increase on October 1, 2003, from $8.59 to $8.68 for each check issued by the SSA.

## CASELOAD:

| | 2002-03 | 2003-04 |
|---|---|---|
| Average Monthly Payments | 1,146,575 | 1,153,928 |

## EXPENDITURES:

(in 000's)

| | 2002-03 | 2003-04 |
|---|---|---|
| | Grant | Grant |
| Total | $117,952 | $119,884 |
| Federal | 0 | 0 |
| State | 117,952 | 119,884 |
| County | 0 | 0 |
| Reimbursements | 0 | 0 |

# California Veterans Cash Benefit Program

## DESCRIPTION:

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

## IMPLEMENTATION DATE:

This premise implemented on July 19, 2000.

## KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 12400.
- The grant costs associated with the implementation of this bill are the equivalent of SSP benefits the veterans would receive under the SSI/SSP Program.
- An average benefit payment of $206.24 will be paid to eligible recipients in current year until the grant amount increases to $227.28 on June 1, 2003, due to the California Necessities Index (CNI) cost-of-living adjustment (COLA) of 3.74 percent. Due to lower revenues and other demands on the available State General Fund (GF), the CNI COLA for 2004 is being suspended until June 1, 2004. As a result, the average benefit amount will increase to $233.21 effective June 1, 2004.
- The Social Security Administration (SSA) administers the CVCB Program in conjunction with benefits under Title VIII of the federal Social Security Act.
- SSA charges a monthly administrative fee equivalent to the SSP administrative fee per payment, currently at $8.59. The ongoing administrative fee will increase to $8.71 on October 1, 2003.
- The average monthly number of participating veterans is 1,663 in Fiscal Year (FY) 2002-03, and 1,675 in FY 2003-04.
- Retroactive payments in the amount of $0.2 million will be paid in the remainder of FY 2002-03 for the veterans who were eligible for benefits in FY 2000-01. The average monthly number of cases eligible for retroactive payments during this period is 38 cases.

## METHODOLOGY:

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

## FUNDING:

This program is funded 100 percent with GF.

## CHANGE FROM THE APPROPRIATION:

The current year estimate increases due to a higher average monthly caseload in FY 2002-03.

# California Veterans Cash Benefit Program

## REASON FOR YEAR-TO-YEAR CHANGE:

Total program costs increase in FY 2003-04 due to an increase in the average grant due to COLAs.

## EXPENDITURES:

(in 000's)

| **CVCB Costs** | 2002-03 Grant/ Administration | 2003-04 Grant/ Administration |
|---|---|---|
| Total | $4,541 | $3,340 |
| Federal | 0 | 0 |
| State | $4,541 | 3,340 |
| County | 0 | 0 |
| Reimbursements | 0 | 0 |

# Cash Assistance Program for Immigrants (CAPI)

## DESCRIPTION:

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

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

## IMPLEMENTATION DATE:

This premise implemented on October 1, 1998.

## KEY DATA/ASSUMPTIONS:

- Chapter 10.3 of the W&IC gives the California Department of Social Services the authority to administer the CAPI Program.
- Section 18940 of the W&IC states that the same federal and state regulations that govern the SSI/SSP Program will govern the CAPI Program.
- Section 18941 of the W&IC authorizes benefits paid under CAPI to be equivalent to benefits provided under the SSI/SSP Program, except that the schedule for individuals and couples shall be reduced $10 per individual and $20 per couple per month.
- Although CAPI was originally due to sunset on July 1, 2000, Assembly Bill (AB) 1111 (Chapter 147, Statutes of 1999) extended the base program indefinitely.
- AB 1111 also created time-limited CAPI eligibility from October 1, 1999, through September 30, 2000, for immigrants who entered the country on or after August 22, 1996. This bill established a five-year deeming period for these cases. AB 2876 extended time-limited CAPI for one more year through September 30, 2001. AB 429 (Chapter 111, Statutes of 2001) eliminated the sunset date for the time-limited ("extended") program altogether, and lengthened the deeming period to ten years.
- The average monthly number of total CAPI cases will be 10,855 in Fiscal Year (FY) 2002-03, and 10,969 in FY 2003-04. The average monthly caseload for the base and extended programs is 8,550 and 2,305 respectively, in FY 2002-03. For FY 2003-04, the average monthly caseload for the base and extended programs will be 7,691 and 3,278, respectively.
- The average monthly grant is $623.80 for the Base CAPI cases, based on actual expenditures for January through June 2002. The average grant is adjusted for the Consumer Price Index (CPI) cost-of-living adjustments (COLAs) to mirror the changes in the SSI/SSP payment standards. As for the SSI/SSP Program, the CNI COLAs are suspended for each fiscal year. Further, the reduction of SSI/SSP payment standards effective July 1, 2003, will reduce the CAPI average grant.

# Cash Assistance Program for Immigrants (CAPI)

## KEY DATA/ASSUMPTIONS (continued):

- The average monthly grant is $760.02 for the Extended CAPI cases, based on actual expenditures for January through June 2002. The average grant is adjusted for the CPI COLAs on January 1st of 2003 and 2004. However, due to lower revenues and other demands on the available State General Fund (GF), the CNI COLA for both fiscal years is being suspended. Further, the reduction of SSI/SSP payment standards effective July 1, 2003, will reduce the CAPI average grant.
- The average monthly administrative cost per case for FY 2002-03 of $89.91 is based on actual expenditures from January through June 2002. For FY 2003-04, the average administrative cost per case will remain unchanged.
- Two million dollars is included in the estimate for FY 2002-03 for potential cases eligible under the indigence exception rule.

## METHODOLOGY:

Base CAPI program costs are estimated by multiplying the projected monthly caseload by the Base CAPI average grant and administrative cost per case. Extended CAPI costs are estimated by multiplying the Extended CAPI caseload by the Extended CAPI average grant and administrative cost per case. Base CAPI and extended CAPI costs are then added to determine total CAPI Program costs.

## FUNDING:

The program is funded with 100 percent GF in the current year. The GF reduction in the BY reflects inclusion of this premise in the proposed FY 2003-04 State and Local Realignment.

## CHANGE FROM THE APPROPRIATION:

The current year estimate has decreased overall due to a lower average monthly caseload in the Base CAPI program. The average monthly Extended CAPI caseload has increased, resulting in a higher estimate for the Extended CAPI Program, however, the increase is not large enough to offset the lower caseload projections in the Base program.

## REASON FOR YEAR-TO-YEAR CHANGE:

Extended CAPI costs increase due to an increase in the Extended CAPI caseload. Base CAPI Program costs decrease due to a declining caseload as well as a lower average grant. The overall CAPI costs decrease due to an overall decrease in the average grant due to the reduction in SSI/SSP payment standards effective July 1, 2003.

## EXPENDITURES:

| (in 000's) | 2002-03 | 2003-04 |
|---|---|---|
| **Total CAPI** | Grant | Grant |
| Total | $98,855 | $95,311 |
| Federal | 0 | 0 |
| State | 98,855 | 0 |
| County | 0 | 95,311 |
| Reimbursements | 0 | 0 |

# Cash Assistance Program for Immigrants (CAPI)

## EXPENDITURES (continued):

(in 000's)

| | 2002-03 | 2003-04 |
|---|---|---|
| **Base CAPI** | Grant | Grant |
| Total | $73,240 | $63,244 |
| Federal | 0 | 0 |
| State | 73,240 | 0 |
| County | 0 | 63,244 |
| Reimbursements | 0 | 0 |

| | 2002-03 | 2003-04 |
|---|---|---|
| **Extended CAPI** | Grant | Grant |
| Total | $25,615 | $32,067 |
| Federal | 0 | 0 |
| State | 25,615 | 0 |
| County | 0 | 32,067 |
| Reimbursements | 0 | 0 |

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# Additional TANF/MOE Expenditures in CDSS SSP MOE Eligible

## DESCRIPTION:

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

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

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

## IMPLEMENTATION DATE:

This premise will implement on January 1, 2003.

## KEY DATA/ASSUMPTIONS:

- Authorizing statute: 45 Code of Federal Regulations section 263.2.
- The number of SSP children living in a CalWORKs household for June 2002 was 13,492, or 20.4 percent of total SSP children living with relatives (Research and Development Division ad hoc report).
- SSP expenditures for SSP children living with relatives were $52.8 million in 1995. SSP expenditures for the same population were $86.8 million in 2001.
- The SSP payment standard for disabled children will remain at $98 for Fiscal Year (FY) 2002-03, due to the suspension of the 2003 State COLA. The SSP payment standard will decrease on July 1, 2003, to $63.40 due to the reduction in SSI/SSP payment standards as a result of lower revenues and other demands on the available State General Fund (GF).
- The projected expenditures for SSP children living in a CalWORKs household for FYs 2002-03 and 2003-04 will be $19.5 and $12.6 million, respectively.

# Additional TANF/MOE Expenditures in CDSS SSP MOE Eligible

## METHODOLOGY:

- The percentage of SSP children living in a CalWORKs household (20.4 percent) is multiplied by total expenditures ($52.8 million) for SSP children living with relatives in 1995 to arrive at expenditures for SSP children living in a CalWORKs household of $10.8 million.
- Expenditures for FYs 2002-03 and 2003-04 are forecasted based on the increase or decrease in the SSP payment standard from year to year. In FY 2002-03, the SSP payment standard will increase by 10.1 percent over the FY 2001-02 payment standard level. FY 2001-02 SSP expenditures of $86.8 million are increased by the annual growth percentage to arrive at the estimated expenditures for each fiscal year. For FY 2003-04, the SSP payment standard will decrease by 28.8 percent.
- The percentage of SSP children living in a CalWORKs household (20.4 percent) is multiplied by the estimated SSP expenditures for each fiscal year to arrive at expenditures attributable to SSP children living in a CalWORKs household. For FYs 2002-03 and 2003-04, SSP expenditures for this population are estimated at $19.5 and $12.6 million, respectively.
- For FY 2002-03, the amount by which allowable current year expenditures exceed the total State program expenditures in 1995 is $8.7 million ($19.5 - $10.8 million). The required data reporting structure necessary to count these expenditures will be in place beginning with the January 2003 quarter. As a result, $4.3 million will be countable towards the MOE for the current year.
- For FY 2003-04, the amount by which allowable SSP expenditures will exceed the total State program expenditures in 1995 is $1.8 million ($12.6 - $10.8 million).

## FUNDING:

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

## CHANGE FROM THE APPROPRIATION:

The Budget Act of 2002 Appropriation reflects MOE-eligible expenditures for both SSP children and adults who are members of a CalWORKs family. However, due to the unavailability of specific data reports necessary under federal reporting requirements involved with the adult caseload, only the expenditures associated with the disabled SSP children can be counted at this time.

## REASON FOR YEAR-TO-YEAR CHANGE:

The budget year reflects the full-year impact of SSP MOE-countable expenditures. The level of MOE-eligible expenditures decreases due to a decrease in the SSP payment standards.

# Additional TANF/MOE Expenditures in CDSS SSP MOE Eligible

## EXPENDITURES:

(in 000's)

| | 2002-03 | 2003-04 |
|---|---|---|
| | Grant | Grant |
| Total | $4,363 | $1,849 |
| Federal | 0 | 0 |
| State | 4,363 | 1,849 |
| County | 0 | 0 |
| Reimbursements | 0 | 0 |

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# Personal Care Services Program/Residual IHSS Basic Costs

## DESCRIPTION:

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

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

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

The following services are PCSP-eligible services:

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

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

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

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

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

# Personal Care Services Program/Residual IHSS Basic Costs

## DESCRIPTION (continued):

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

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

## IMPLEMENTATION DATE:

The PCSP implemented on April 1, 1993.

## KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 12300-12314 and 14132.95.
- The projected caseload percentages for the PCSP and Residual Program are 76.56 percent and 23.44 percent, respectively, based on the average caseloads for June 2002 through July 2002.
- The IP mode of service is assumed to be 98.44 percent for PCSP and 97.32 percent for Residual cases. The CC and WS modes of service account for the remaining cases.
- The IP mode average monthly hours per case is assumed to be 84.8 hours for PCSP and 69.1 hours for the Residual Program.
- The IP wage rate is $6.75 per hour, as reflected in the basic costs, for both the PCSP and Residual Program.
- The PCSP CC mode average monthly hours per case is assumed to be 52.3 hours at a cost per hour of $15.22. The WS average monthly hours per case is assumed to be 11 hours at a cost per hour of $14.74.
- The Residual CC mode average monthly hours per case is assumed to be 20.5 hours at a cost per hour of $15.34. The WS average monthly hours per case is assumed to be 9.7 hours at a cost per hour of $11.87.
- The payroll tax rate associated with the IP wages is assumed at 9.63 percent. The tax rate is based on CMIPS wage and tax information for February 2002 through July 2002.
- Based on actuals for February 2002 through July 2002, the average recipient PCSP share of cost is assumed to be $295 per case in the IP mode, and the average recipient Residual Program share of cost is assumed to be $207 and $266 per case in the IP mode and CC/WS modes of service, respectively.
- The RMA cost per case is $62.
- The RMA cost is estimated to be $813,139 for current year, and $876,807 in the budget year.

# Personal Care Services Program/Residual IHSS Basic Costs

## KEY DATA/ASSUMPTIONS (continued):

- The SCIF contract cost is assumed to be $33.8 million for the current year, and $40.1 million for the budget year.
- The DGS contract cost is set at $120,000 for both the current and budget year.

## METHODOLOGY:

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

## FUNDING:

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

| Effective Dates | Rates |
|---|---|
| October 1, 2001 | 51.40% |
| October 1, 2002 | 50.00% |
| October 1, 2003 | 50.00% |

- In the current year, the nonfederal share is split 65 percent state and 35 percent county. In the budget year, the nonfederal share is 100 percent county funded. The county share of cost is reflected as a reimbursement, consistent with actual cash flow.
- In the current year, Residual Program costs are split 65 percent state and 35 percent county. In the budget year, Residual Program costs are 100 percent county funded. The county share of cost is reflected as a reimbursement, consistent with actual cash flow.

## CHANGE FROM THE APPROPRIATION:

The increase is due to slightly greater caseload growth than was projected in the Appropriation, an increase in the PCSP average hours of service, and an increase in workman's compensation costs.

## REASON FOR YEAR-TO-YEAR CHANGE:

The GF reduction in the budget year reflects inclusion of this premise in the proposed FY 2003-04 State and Local Realignment.

# Personal Care Services Program/Residual IHSS Basic Costs

## CASELOAD:

| | 2002-03 | 2003-04 |
|---|---|---|
| Average Monthly PCSP Caseload | 227,640 | 245,462 |
| Average Monthly Residual Program Caseload | 69,704 | 75,161 |

## EXPENDITURES:

(in 000's)

| **PCSP** | 2002-03 | 2003-04 |
|---|---|---|
| | Grant | Grant |
| Total | $1,733,610 | $1,872,425 |
| Federal | 0 | 0 |
| State | 558,222 | 0 |
| County | 0 | 0 |
| Reimbursements | 1,175,388 | 1,872,425 |

| **Residual Program** | 2002-03 | 2003-04 |
|---|---|---|
| | Grant | Grant |
| Total | $425,471 | $459,728 |
| Federal | 0 | 0 |
| State | 275,781 | 0 |
| County | 0 | 0 |
| Reimbursements | 149,690 | 459,728 |

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

## DESCRIPTION:

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

**Case Management**

The CMIPS stores the case record of each individual recipient. The case record of each recipient contains information on eligibility, needs assessment, share of cost, if appropriate, and all changes affecting the recipient's case. CMIPS also generates notices of action, cost-of-living adjustments, and rate changes. CMIPS allows for data exchanges with other welfare systems and is used to establish Medi-Cal eligibility.

The CalWIN System, scheduled to begin operation in October 2002, will utilize Client Index Numbers (CIN) to facilitate the exchange of data with CMIPS. The CIN is the client identifier currently used by other welfare systems to identify common clients and to access common eligibility information. Currently, CMIPS is not able to utilize CIN data, and must be modified to allow for continued communication and data exchange. Once complete, CIN data will be provided by the Department of Health Services (DHS), and ongoing CIN transactions will be processed through the Health and Human Services Data Center (HHSDC) server.

**Management Information**

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

**Payrolling System**

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

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

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

## KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 12302.2.
- The CMIPS contract is currently held by Electronic Data Systems (EDS).
- The SCO and STO contracts are held to the Appropriation in the current year. In the budget year, no increase is assumed for the SCO contract, and the STO contract is assumed to increase by 6.3 percent.

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

## KEY DATA/ASSUMPTIONS (continued):

- The cost to complete the CIN enhancement to CMIPS in the current year is $6,000.
- The one-time cost to upload existing CIN data is $5,000, payable to DHS in the current year.
- HHSDC began processing CIN transactions in the current year, at an estimated cost of $10,000 annually. The cost is prorated for ten months in the current year.

| | 2002-03 | 2003-04 |
|---|---|---|
| | $9,261,528 | $9,973,961 |
| **STO** | 479,333 | 509,531 |
| **SCO** | 3,112,550 | 3,112,550 |
| **DHS** | 5,000 | 0 |
| **HHSDC** | 8,333 | 10,000 |
| **Total Costs** | $12,866,744 | $13,606,042 |

## METHODOLOGY:

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

## FUNDING:

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

| Effective Dates | Rates |
|---|---|
| October 1, 2001 | 51.40% |
| October 1, 2002 | 50.00% |
| October 1, 2003 | 50.00% |

- In the current year, the nonfederal share is split 65 percent state and 35 percent county. In the budget year, the nonfederal share is 100 percent county funded.
- In the current year, Residual Program costs are split 65 percent state and 35 percent county. In the budget year, Residual Program costs are 100 percent county funded.

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

## CHANGE FROM THE APPROPRIATION:

The current estimate reflects a slight decrease in projected costs for EDS.

## REASON FOR YEAR-TO-YEAR CHANGE:

The State General Fund reduction in the budget year reflects inclusion of this premise in the proposed Fiscal Year 2003-04 State and Local Realignment.

## EXPENDITURES:

(in 000's)

| | 2002-03 | 2003-04 |
|---|---|---|
| **PCSP** | Grant | Grant |
| Total | $9,852 | $10,418 |
| Federal | 0 | 0 |
| State | 3,180 | 0 |
| County | 1,712 | 5,209 |
| Reimbursements | 4,960 | 5,209 |

| **Residual Program** | 2002-03 | 2003-04 |
|---|---|---|
| | Grant | Grant |
| Total | $3,017 | $3,190 |
| Federal | 0 | 0 |
| State | 1,961 | 0 |
| County | 1,056 | 3,190 |
| Reimbursements | 0 | 0 |

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# Case Management Information and Payrolling System (CMIPS) Contract Procurement

## DESCRIPTION:

This premise reflects the costs for contracting with the State of California Health and Human Services Agency Data Center (HHSDC) for development, support, and implementation of a new and enhanced In-Home Supportive Services (IHSS) Case Management Information and Payrolling System (CMIPS). The current contract with Electronic Data Systems (EDS) for IHSS CMIPS maintenance and operations will expire on June 30, 2003. This project proposes to replace the existing CMIPS with new technologies that provide system access for all IHSS county workers and a communication network between state and county IHSS offices.

## IMPLEMENTATION DATE:

This premise implemented on April 1, 2000.

## KEY DATA/ASSUMPTIONS:

Authorizing statute: Welfare and Institutions Code section 12302.2.

## METHODOLOGY:

The estimated costs are detailed in the HHSDC's Planning Advance Planning Document, dated September 2002.

## FUNDING:

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

| Effective Dates | Rates |
|---|---|
| October 1, 2001 | 51.40% |
| October 1, 2002 | 50.00% |
| October 1, 2003 | 50.00% |

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

## CHANGE FROM THE APPROPRIATION:

The current year change reflects the elimination of one vacant position.

# Case Management Information and Payrolling System (CMIPS) Contract Procurement

## REASON FOR YEAR-TO-YEAR CHANGE:

The budget year increase reflects an increase in projected costs for HHSDC.

## EXPENDITURES:

(in 000's)

| **PCSP** | 2002-03 | 2003-04 |
|---|---|---|
| | County Admin. | County Admin. |
| Total | $1,014 | $1,281 |
| Federal | 0 | 0 |
| State | 504 | 641 |
| County | 0 | 0 |
| Reimbursements | 510 | 640 |

| **Residual Program** | 2002-03 | 2003-04 |
|---|---|---|
| | County Admin. | County Admin. |
| Total | $310 | $393 |
| Federal | 0 | 0 |
| State | 310 | 393 |
| County | 0 | 0 |
| Reimbursements | 0 | 0 |

## CDSS/HHSDC PARTNERSHIP:

| (in 000's) | 2002-03 | 2003-04 |
|---|---|---|
| Total | $1,291 | $1,733 |
| CDSS | 74 | 74 |
| HHSDC | 1,365 | 1,807 |

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

## DESCRIPTION:

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

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

## IMPLEMENTATION DATE:

This premise implemented on April 1, 1999.

## KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 12305.1 and 14132.95.
- The Title XIX federal sharing ratio is based on the following Federal Medical Assistance Percentage rates:

| Effective Dates | Rates |
|---|---|
| October 1, 2001 | 51.40% |
| October 1, 2002 | 50.00% |
| October 1, 2003 | 50.00% |

  The weighted average percentages for the Title XIX reimbursement are 50.35 percent for the current year and 50.00 percent for the budget year.

- The estimate uses the Supplemental Security Income/State Supplementary Payment (SSI/SSP) Program percentages for individuals and couples. The total caseload is comprised of 80.07 percent individuals and 19.93 percent couple members.
- The Medi-Cal and SSI/SSP income levels are as follows:

| FY 2002-03 Effective Rates | Medi-Cal Rates | Jan 2002 Rates | | Jan 2003 Rates | |
|---|---|---|---|---|---|
| | | SSI/SSP | SOC | SSI/SSP | SOC |
| **Individuals** | $600.00 | $750.00 | **$150.00** | $757.00 | **$157.00** |
| **Couples** | $934.00 | $1,332.00 | $398.00 | $1,344.00 | $410.00 |
| **Couple Member** | | | **$199.00** | | **$205.00** |

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

## KEY DATA/ASSUMPTIONS (continued):

| FY 2003-04 Effective Rates | Medi-Cal Rates | July 2003 Rates | | Jan 2004 Rates | |
|---|---|---|---|---|---|
| | | SSI/SSP | SOC | SSI/SSP | SOC |
| **Individuals** | $600.00 | $708.40 | **$108.40** | $722.40 | **$122.40** |
| **Couples** | $934.00 | $1,225.20 | $291.20 | $1,244.20 | $310.20 |
| **Couple Member** | | | **$145.60** | | **$155.10** |

- The average monthly caseload in the current year is 4,718, and in the budget year 7,617.
- The SOC buyout rates are computed by subtracting the monthly Medi-Cal rates from the monthly SSI/SSP rates. The couple member buyout rate is one half of the "Couples" SOC rate.
- A retroactive SOC buyout for the period of April 1, 1999, through June 30, 2002, is estimated to be $18.7 million. Payment of the retroactive SOC is expected to begin in the current year.

## METHODOLOGY:

The estimated cost is computed by multiplying the monthly average caseload for income-eligible individuals and couple members by the applicable SOC buyout rates multiplied by the federal Title XIX reimbursement percentage multiplied by 12 months. The current year includes $4.5 million (25 percent) of the retroactive SOC buyout, and the budget year includes the remaining $14.2 million (75 percent).

## FUNDING:

In the current year, the SOC buyout is funded with 100 percent State General Fund (GF). In the budget year, the retroactive portion of the SOC buyout is funded with 100 percent GF, and the remaining budget year costs are 100 percent county funded. The county share of cost is reflected as reimbursement, consistent with actual cash flow.

## CHANGE FROM THE APPROPRIATION:

The decrease reflects a slight reduction in the projected Income Eligible caseload.

## REASON FOR YEAR-TO-YEAR CHANGE:

The budget year reflects inclusion of this premise in the proposed FY 2003-04 State and Local Realignment. The increase is due to the inclusion of $14.2 million of the retroactive SOC buyout owed to the federal government, and caseload growth resulting from a reduction in the Aged and Disabled Federal Poverty Level Program.

## CASELOAD:

| | 2002-03 | 2003-04 |
|---|---|---|
| Average Monthly Caseload | 4,718 | 7,617 |

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

## EXPENDITURES:

(in 000's)

| **PCSP** | 2002-03 | 2003-04 |
|---|---|---|
| | Grant | Grant |
| Total | $9,179 | $19,761 |
| Federal | 0 | 0 |
| State | 9,179 | 14,169 |
| County | 0 | 0 |
| Reimbursements | 0 | 5,592 |

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# Public Authority Services (Wages and Benefits)

## DESCRIPTION:

This premise reflects the costs for the In-Home Supportive Services (IHSS) Public Authority (PA) individual provider (IP) wages and benefits paid above the statewide minimum wage. Senate Bill 1780 (Chapter 206, Statutes of 1996) defined the make-up and functions of PAs.

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

For Fiscal Year (FY) 2002-03, the State participates in PA provider wages up to $9.50 and individual health benefits up to $0.60 per hour. For subsequent years, the State will participate in total wages and individual health benefits up to $12.10 per hour, not to exceed a $1.00 per hour increase in any fiscal year, provided that the May Revise forecast of State General Fund (GF) revenue exceeds by at least five percent the most current estimate of revenues, excluding transfers.

The State is responsible for the payroll system, unemployment insurance, and worker's compensation insurance for PA providers.

## KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 12301.6 and 12306.
- In the current year, the State participates in wages and health benefits up to $9.50 and $0.60 per hour, respectively. It is assumed that the state will not participate in wages and benefits above $9.50 and $0.60 per hour.
- In the budget year, it is assumed that the State will not participate in wages and health benefits due to the proposed State and Local Realignment..
- As of October 1, 2002, the assumed PA wage and benefit rates are as follows:

| Counties | Effective Date | CY Wages | CY Benefits | BY Wages | BY Benefits |
|---|---|---|---|---|---|
| **Alameda** | 07-01-02 | 9.00 | .60 | | |
| | 07-01-03 | | | 9.00 | .60 |
| **Amador** | 07-01-03 | | | 6.94 | - |
| **Butte** | 09-01-02 | 7.11 | - | | |
| | 07-01-03 | | | 7.11 | - |

# Public Authority Services (Wages and Benefits)

## KEY DATA/ASSUMPTIONS (continued):

| Counties | Effective Date | CY Wages | CY Benefits | BY Wages | BY Benefits |
|---|---|---|---|---|---|
| **Calaveras** | 01-01-03 | 6.75 | - | | |
| | 07-01-03 | | | 6.75 | - |
| **Colusa** | 10-01-02 | 6.75 | - | | |
| | 07-01-03 | | | 6.75 | - |
| **Contra Costa** | 07-01-02 | 9.00 | .75 | | |
| | 10-01-02 | 9.50 | .95 | | |
| | 07-01-03 | | | 9.50 | .95 |
| Note: The county offers a retirement benefit of $0.13 per hour. The nonfederal share is 100 percent county funded. | | | | | |
| **Del Norte** | 01-01-03 | 6.75 | - | | |
| | 07-01-03 | | | 6.75 | - |
| **El Dorado** | 01-01-03 | 6.75 | - | | |
| | 07-01-03 | | | 6.75 | - |
| **Fresno** | 07-01-02 | 6.75 | - | | |
| | 07-01-03 | | | 6.75 | - |
| **Glenn** | 01-01-03 | 7.11 | - | | |
| | 07-01-03 | | | 7.11 | - |
| **Humboldt** | 01-01-03 | 8.50 | .60 | | |
| | 07-01-03 | | | 8.50 | .60 |

# Public Authority Services (Wages and Benefits)

## KEY DATA/ASSUMPTIONS (continued):

| Counties | Effective Date | CY Wages | CY Benefits | BY Wages | BY Benefits |
|---|---|---|---|---|---|
| **Imperial** | 01-01-03 | 8.50 | .60 | | |
| | 07-01-03 | | | 8.50 | .60 |
| **Inyo** | 01-01-03 | 6.75 | - | | |
| | 07-01-03 | | | 6.75 | - |
| **Kern** | 01-01-03 | 8.50 | .60 | | |
| | 07-01-03 | | | 8.50 | .60 |
| **Kings** | 11-01-02 | 6.75 | - | | |
| | 07-01-03 | | | 6.75 | - |
| **Lake** | 01-01-03 | 8.50 | .60 | | |
| | 07-01-03 | | | 8.50 | .60 |
| **Lassen** | 12-01-02 | 6.75 | - | | |
| | 07-01-03 | | | 6.75 | - |
| **Los Angeles** | 07-01-02 | 6.75 | .15 | | |
| | 11-01-02 | 7.50 | .18 | | |
| | 07-01-03 | | | 7.50 | .18 |
| **Madera** | 01-01-03 | 8.50 | .60 | | |
| | 07-01-03 | | | 8.50 | .60 |

# Public Authority Services (Wages and Benefits)

## KEY DATA/ASSUMPTIONS (continued):

| Counties | Effective Date | CY Wages | CY Benefits | BY Wages | BY Benefits |
|---|---|---|---|---|---|
| **Marin** | 07-01-02 | 8.50 | 1.25 | | |
| | 10-01-02 | 9.50 | 1.25 | | |
| | 07-01-03 | | | 9.50 | 1.25 |
| **Mendocino** | 08-01-02 | 7.11 | - | | |
| | 07-01-03 | | | 7.11 | - |
| **Merced** | 01-01-03 | 6.95 | - | | |
| | 07-01-03 | | | 6.95 | - |
| **Modoc** | 01-01-03 | 6.75 | - | | |
| | 07-01-03 | | | 6.75 | - |
| **Mono** | 01-01-03 | 7.11 | - | | |
| | 07-01-03 | | | 7.11 | - |
| **Monterey** | 07-01-02 | 8.50 | .60 | | |
| | 07-01-03 | | | 8.50 | .60 |
| **Napa** | 07-01-02 | 7.11 | - | | |
| | 07-01-03 | | | 7.11 | - |
| **Nevada** | 01-01-03 | 6.75 | - | | |
| | 07-01-03 | | | 6.75 | - |

# Public Authority Services (Wages and Benefits)

## KEY DATA/ASSUMPTIONS (continued):

| Counties | Effective Date | CY Wages | CY Benefits | BY Wages | BY Benefits |
|---|---|---|---|---|---|
| **Orange** | 10-01-02 | 7.11 | - | | |
| | 07-01-03 | | | 7.11 | - |
| **Placer** | 01-01-03 | 6.75 | - | | |
| | 07-01-03 | | | 6.75 | - |
| **Plumas** | 01-01-03 | 6.75 | - | | |
| | 07-01-03 | | | 6.75 | - |
| **Riverside** | 10-01-02 | 7.11 | .60 | | |
| | 07-01-03 | | | 7.11 | .60 |
| **Sacramento** | 07-01-02 | 8.50 | .60 | | |
| | 10-01-02 | 9.50 | .60 | | |
| | 07-01-03 | | | 9.50 | .60 |
| **San Benito** | 01-01-03 | 6.75 | - | | |
| | 07-01-03 | | | 6.75 | - |
| **San Bernardino** | 07-01-02 | 7.11 | - | | |
| | 07-01-03 | | | 7.11 | - |
| **San Diego** | 07-01-02 | 8.50 | .75 | | |
| | 07-01-03 | | | 8.50 | .75 |
| **San Francisco** | 07-01-02 | 10.10 | 1.04 | | |
| | 07-01-03 | | | 10.10 | 1.04 |

# Public Authority Services (Wages and Benefits)

## KEY DATA ASSUMPTIONS (continued):

| Counties | Effective Date | CY Wages | CY Benefits | BY Wages | BY Benefits |
|---|---|---|---|---|---|
| **San Joaquin** | 08-01-02 | 6.95 | - | | |
| | 07-01-03 | | | 6.95 | - |
| **San Luis Obispo** | 10-01-02 | 6.95 | - | | |
| | 07-01-03 | | | 6.95 | - |
| **San Mateo** | 07-01-02 | 8.50 | .88 | | |
| | 10-01-02 | 9.50 | .88 | | |
| | 07-01-03 | | | 9.50 | .88 |
| **Santa Barbara** | 07-01-02 | 7.11 | - | | |
| | 07-01-02 | | | 7.11 | - |
| **Santa Clara** | 07-01-02 | 9.25 | 1.03 | | |
| | 10-01-02 | 9.50 | 1.26 | | |
| | 11-01-02 | 10.50 | 1.26 | | |
| | 07-01-03 | | | 10.50 | 1.26 |
| **Santa Cruz** | 07-01-02 | 8.50 | .60 | | |
| | 07-01-03 | | | 8.50 | .60 |
| **Shasta** | 01-01-03 | 8.50 | .60 | | |
| | 07-01-03 | | | 8.50 | .60 |
| **Sierra** | 01-01-03 | 6.75 | - | | |
| | 07-01-03 | | | 6.75 | - |

# Public Authority Services (Wages and Benefits)

## KEY DATA ASSUMPTIONS (continued):

| Counties | Effective Date | CY Wages | CY Benefits | BY Wages | BY Benefits |
|---|---|---|---|---|---|
| **Siskiyou** | 01-01-03 | 6.75 | - | | |
| | 07-01-03 | | | 6.75 | - |
| **Solano** | 07-01-02 | 6.95 | - | | |
| | 07-01-03 | | | 6.95 | - |
| **Sonoma** | 07-01-02 | 8.50 | .60 | | |
| | 10-01-02 | 9.50 | .60 | | |
| | 07-01-03 | | | 9.50 | .60 |
| **Sutter** | 01-01-03 | 6.75 | - | | |
| | 07-01-03 | | | 6.75 | - |
| **Tehama** | 01-01-03 | 6.75 | - | | |
| | 07-01-03 | | | 6.75 | - |
| **Trinity** | 01-01-03 | 6.75 | - | | |
| | 07-01-03 | | | 6.75 | - |
| **Tulare** | 01-01-03 | 6.75 | - | | |
| | 07-01-03 | | | 6.75 | - |
| **Ventura** | 01-01-03 | 8.50 | .60 | | |
| | 07-01-03 | | | 8.50 | .60 |

# Public Authority Services (Wages and Benefits)

## KEY DATA ASSUMPTIONS (continued):

| Counties | Effective Date | CY Wages | CY Benefits | BY Wages | BY Benefits |
|---|---|---|---|---|---|
| **Yolo** | 07-01-02 | 8.90 | .60 | | |
| | 10-01-02 | 9.50 | .60 | | |
| | 07-01-03 | | | 9.50 | .60 |
| Note: The county offers a fringe benefit of $0.03 per hour. The nonfederal share is 100 percent county funded. | | | | | |
| **Yuba** | 01-01-03 | 6.75 | - | | |
| | 07-01-03 | | | 6.75 | - |

- Although this cost estimate is based on the most updated information concerning PA provider wage and benefit rates, the actual cost may increase or decrease depending on the actual rates negotiated by the PA.
- The payroll tax rate associated with the PA wages is assumed to be 9.63 percent. The tax rate is based on Case Management Information and Payrolling System wage and tax information for the period of February 2002 through July 2002.

## METHODOLOGY:

The estimated cost is computed by multiplying the casemonths by the average hours per case and by the wage rate above the minimum wage and benefit rates for each PA. In addition, the payroll taxes associated with the wage rate above the minimum wage are added.

## FUNDING:

- **Personal Care Services Program (PCSP)**

  The Title XIX federal sharing ratio is based on the following Federal Medical Assistance Percentage rates:

| Effective Dates | Rates |
|---|---|
| October 1, 2001 | 51.40% |
| October 1, 2002 | 50.00% |
| October 1, 2003 | 50.00% |

In the current year, the nonfederal share of costs for the portion of the PA wage rate above minimum wage to $9.50 and benefits up to $0.60 per hour is split 65 percent state and 35 percent county. The portion of the PA wage rate above $9.50 and benefits above $0.60 per hour, the share of nonfederal costs is 100 percent county.

# Public Authority Services (Wages and Benefits)

## FUNDING (continued):

In the budget year, the nonfederal share of cost for the portion of the PA wage rate above minimum wage and benefits is 100 percent county funded.

The county share of cost is reflected as a reimbursement, consistent with actual cash flow.

- **Residual Program**

In the current year, the share of costs for the portion of the PA wage rate above minimum wage to $9.50 and benefits up to $0.60 per hour are split 65 percent state and 35 percent county. For the portion of the PA wage rate above $9.50 and benefits above $0.60 per hour, the share of nonfederal costs is 100 percent county.

In the budget year, the cost for the portion of the PA wage rate above minimum wage and benefits is 100 percent county funded.

The county share of cost is reflected as a reimbursement, consistent with actual cash flow.

## CHANGE FROM THE APPROPRIATION:

The current estimate reflects the state participation in the $1.00 per hour increase for PA wages and benefits effective July 1, 2002, an increase in the number of counties shifting to the PA mode of service, and an increase in wages and benefits for Los Angeles County effective November 1, 2002.

## REASON FOR YEAR-TO-YEAR CHANGE:

The GF reduction in the budget year reflects inclusion of this premise in the proposed FY 2003-04 State and Local Realignment.

## EXPENDITURES:

(in 000's)

| **PCSP** | 2002-03 | 2003-04 |
|---|---|---|
| | Grant | Grant |
| Total | $303,098 | $383,048 |
| Federal | 0 | 0 |
| State | 92,266 | 0 |
| County | 0 | 0 |
| Reimbursements | 210,832 | 383,048 |

# Public Authority Services (Wages and Benefits)

## EXPENDITURES (continued):

(in 000's)

| **Residual Program** | 2002-03 | 2003-04 |
|---|---|---|
| | Grant | Grant |
| Total | $83,456 | $104,105 |
| Federal | 0 | 0 |
| State | 51,264 | 0 |
| County | 0 | 0 |
| Reimbursements | 32,192 | 104,105 |

# Public Authority Administration

## DESCRIPTION:

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

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

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

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

## KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 12301.6.
- As of October 1, 2002, the assumed administrative rates are as follows:

| Counties | Effective Dates | Admin Rate |
|---|---|---|
| **Alameda** | 07-01-02 | $0.12 |
| **Amador** | 07-01-03 | 1.71 |
| **Butte** | 09-01-02 | 0.15 |
| **Calaveras** | 01-01-03 | 0.72 |
| **Colusa** | 10-01-02 | 1.67 |
| **Contra Costa** | 07-01-02 | 0.19 |
| | 10-01-02 | 0.18 |
| **Del Norte** | 01-01-03 | 0.85 |
| **El Dorado** | 01-01-03 | 0.43 |
| **Fresno** | 07-01-02 | 0.08 |

# Public Authority Administration

## KEY DATA/ASSUMPTIONS (continued):

| Counties | Effective Dates | Admin Rate |
|---|---|---|
| **Glenn** | 01-01-03 | $0.75 |
| **Humboldt** | 01-01-03 | 0.12 |
| **Imperial** | 01-01-03 | 0.12 |
| **Inyo** | 01-01-03 | 2.85 |
| **Kern** | 01-01-03 | 0.12 |
| **Kings** | 11-01-02 | 0.23 |
| **Lake** | 01-01-03 | 0.12 |
| **Lassen** | 12-01-02 | 1.43 |
| **Los Angeles** | 07-01-02 | 0.05 |
| **Madera** | 01-01-03 | 0.25 |
| **Marin** | 07-01-02 | 0.52 |
| **Mendocino** | 08-01-02 | 0.46 |
| **Merced** | 01-01-03 | 0.24 |
| **Modoc** | 01-01-03 | 2.05 |
| **Mono** | 01-01-03 | 5.79 |
| **Monterey** | 07-01-02 | 0.21 |
| **Napa** | 07-01-02 | 1.00 |
| **Nevada** | 01-01-03 | 0.29 |
| **Orange** | 10-01-02 | 0.20 |
| **Placer** | 01-01-03 | 0.24 |
| **Plumas** | 01-01-03 | 1.40 |
| **Riverside** | 10-01-02 | 0.30 |
| **Sacramento** | 07-01-02 | 0.12 |
| **San Benito** | 01-01-03 | 1.44 |
| **San Bernardino** | 07-01-02 | 0.18 |
| **San Diego** | 07-01-02 | 0.14 |
| **San Francisco** | 07-01-02 | 0.13 |
| **San Joaquin** | 08-01-02 | 0.27 |
| **San Luis Obispo** | 10-01-03 | 0.40 |

# Public Authority Administration

## KEY DATA/ASSUMPTIONS (continued):

| Counties | Effective Dates | Admin Rate |
|---|---|---|
| **San Mateo** | 07-01-02 | $0.21 |
| **Santa Barbara** | 07-01-02 | 0.17 |
| **Santa Clara** | 07-01-02 | 0.20 |
| **Santa Cruz** | 07-01-02 | 1.09 |
| **Shasta** | 01-01-03 | 0.13 |
| **Sierra** | 01-01-03 | 3.99 |
| **Siskiyou** | 01-01-03 | 0.73 |
| **Solano** | 07-01-02 | 0.24 |
| **Sonoma** | 07-01-02 | 0.55 |
| | 10-01-02 | 0.32 |
| **Sutter** | 01-01-03 | 0.86 |
| **Tehama** | 01-01-03 | 0.35 |
| **Trinity** | 01-01-03 | 1.75 |
| **Tulare** | 01-01-03 | 0.23 |
| **Ventura** | 01-01-03 | 0.14 |
| **Yolo** | 07-01-02 | 0.88 |
| | 10-01-02 | 0.95 |
| **Yuba** | 01-01-03 | 0.34 |

## METHODOLOGY:

The estimated cost is computed by multiplying the casemonths by the average hours per case by the administrative hourly rates for each PA.

## FUNDING:

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

| Effective Dates | Rates |
|---|---|
| October 1, 2001 | 51.40% |
| October 1, 2002 | 50.00% |
| October 1, 2003 | 50.00% |

# Public Authority Administration

## FUNDING (continued):

- In the current year, the nonfederal share is split 65 percent state and 35 percent county. In the budget year, the nonfederal share is 100 percent county funded. The county share of cost is reflected as reimbursement, consistent with actual cash flow.
- In the current year, Residual Program costs are split 65 percent state and 35 percent county. In the budget year, Residual Program costs are 100 percent county funded. The County share of cost is reflected as reimbursement, consistent with actual cash flow.

## CHANGE FROM THE APPROPRIATION:

The current estimate reflects an increase due to the implementation of more Public Authorities than previously assumed, and higher administrative rates than previously assumed for some counties.

## REASON FOR YEAR-TO-YEAR CHANGE:

The GF reduction in the budget year reflects inclusion of this premise in the proposed FY 2003-04 State and Local Realignment.

## EXPENDITURES:

(in 000's)

| **PCSP** | 2002-03 | 2003-04 |
|---|---|---|
| | Grant | Grant |
| Total | $26,355 | $33,633 |
| Federal | 0 | 0 |
| State | 8,505 | 0 |
| County | 0 | 0 |
| Reimbursements | 17,850 | 33,633 |

| **Residual Program** | 2002-03 | 2003-04 |
|---|---|---|
| | Grant | Grant |
| Total | $7,980 | $10,350 |
| Federal | 0 | 0 |
| State | 5,187 | 0 |
| County | 0 | 0 |
| Reimbursements | 2,793 | 10,350 |

# Non-Public Authority Individual Provider Rate Increase

## DESCRIPTION:

This premise reflects the costs associated with a 5.31 percent increase over the minimum wage of In-Home Supportive Services (IHSS) Individual Providers (IP) in Non-Public Authority (PA) counties. The IHSS program enables eligible persons to remain in their 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. The IPs in counties that have not established PAs or increased wages by up to 5.31 percent are paid at the State minimum hourly wage.

## IMPLEMENTATION DATE:

This premise implemented January 1, 2001.

## KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 12306.2.
- The minimum wage was $6.75 per hour beginning January 1, 2002. The 5.31 percent wage increase is over and above the effective minimum wage.
- With a minimum hourly wage of $6.75, the 5.31 percent rate increase is $0.36 per hour.
- The IP mode average monthly hours per case is 84.8 for the Personal Care Services Program (PCSP), and 69.1 for the Residual Program.
- As of October 2002, eleven non-PA counties have implemented a wage increase for the current year.
- In the current year, eight counties with individual provider wages above the minimum are expected to establish PAs, resulting in a shift of their corresponding caseloads and costs to the "PA (Wages and Benefits)" premise.
- In the budget year, one non-PA county is expected to establish a PA in order to meet the employer of record mandate. The caseload and costs of that county will shift to the "PA (Wages and Benefits)" premise.

## METHODOLOGY:

The estimated cost is computed by multiplying the wage increase per hour times the projected non-PA caseload times the average hours per case in both the PCSP and the Residual Program components.

## FUNDING:

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

| Effective Dates | Rates |
|---|---|
| October 1, 2001 | 51.40% |
| October 1, 2002 | 50.00% |
| October 1, 2003 | 50.00% |

# Non-Public Authority Individual Provider Rate Increase

## FUNDING (continued):

- In the current year, the nonfederal share is split 65 percent state and 35 percent county. In the budget year, the nonfederal share is 100 percent county funded. The county share of cost is reflected as reimbursement, consistent with actual cash flow.
- In the current year, Residual Program costs are split 65 percent State and 35 percent county. In the budget year, Residual Program costs are 100 percent county funded. The county share of cost is reflected as reimbursement, consistent with actual cash flow.

## CHANGE FROM THE APPROPRIATION:

The current year decrease reflects a shift in caseload and costs to the "PA (Wages and Benefits)" premise.

## REASON FOR YEAR-TO-YEAR CHANGE:

The GF reduction in the budget year reflects inclusion of this premise in the proposed FY 2003-04 State and Local Realignment.

## EXPENDITURES:

(in 000's)

| **PCSP** | 2002-03 | 2003-04 |
|---|---|---|
| | Grant | Grant |
| Total | $4,111 | $1,435 |
| Federal | 0 | 0 |
| State | 1,327 | 0 |
| County | 0 | 0 |
| Reimbursements | 2,784 | 1,435 |

| **Residual Program** | 2002-03 | 2003-04 |
|---|---|---|
| | Grant | Grant |
| Total | $1,026 | $358 |
| Federal | 0 | 0 |
| State | 667 | 0 |
| County | 0 | 0 |
| Reimbursements | 359 | 358 |

# Contract Mode Augmentation

## DESCRIPTION:

This premise reflects the costs in the In-Home Supportive Services (IHSS) Program of allowing counties to increase their contract rates to the maximum allowable contract rate (MACR) and expanding the contract mode for existing or new contract mode counties by 40 percent over the Fiscal Year (FY) 1999-00 level of contract hours. Pursuant to Welfare and Institutions Code (W&IC) section 12302, the contract mode is one of the ways a county may choose to provide IHSS.

## IMPLEMENTATION DATE:

This premise implemented July 1, 2000.

## KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&IC section 12302.1.
- The contract rates as of October 1, 2002, are as follows:

| Counties | Contract Rate | Current MACR |
|---|---|---|
| **Butte** | $12.00 | $14.93 |
| **Nevada** | 12.88 | 14.93 |
| **Riverside – ADDUS** | 14.75 | 16.88 |
| **Riverside – Assisted Care** | 14.75 | |
| **San Diego** | 14.31 | 16.37 |
| **San Francisco** | 20.89 | 19.02 |
| **San Joaquin** | 13.05 | 14.85 |
| **San Mateo** | 15.20 | 19.02 |
| **Santa Barbara** | 14.73 | 19.15 |
| **Santa Clara** | 17.17 | 17.44 |
| **Santa Cruz** | 15.70 | 18.70 |
| **Tehama** | 12.91 | 14.93 |
| **Ventura** | 13.06 | 13.87 |

# Contract Mode Augmentation

## KEY DATA/ASSUMPTIONS (continued):

- The current MACRs are effective July 1, 2002. No additional MACR increases are assumed.
- Rate increases for all contract mode counties are assumed in the current year and budget year.
- The average cost per hour is $14.65 in the current year, based on contract rates and hours in effect as of October 1, 2002, and $17.11 in the budget year, based on anticipated contract rates and hours.
- There are 880,971 hours available for potential growth within the contract mode, based on a growth factor of 40 percent above the FY 1999-00 level of contract hours. No growth is anticipated for the current year, and growth of 1.09 percent (50,000 hours) is anticipated for one county in the budget year.

## METHODOLOGY:

The estimated cost for the current and budget year is computed by multiplying the anticipated hours of growth by the average cost per hour, plus the cost for counties intending to increase contract rates to their MACR.

## FUNDING:

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

| Effective Dates | Rates |
|---|---|
| October 1, 2001 | 51.40% |
| October 1, 2002 | 50.00% |
| October 1, 2003 | 50.00% |

- In the current year, the nonfederal share is split 65 percent state and 35 percent county. In the budget year, the nonfederal share is 100 percent county funded. The county share of cost is reflected as reimbursement, consistent with actual cash flow.
- In the current year, Residual Program costs are split 65 percent state and 35 percent county. In the budget year, Residual Program costs are 100 percent county funded. The county share of cost is reflected as reimbursement, consistent with actual cash flow.

## CHANGE FROM THE APPROPRIATION:

The increase reflects greater growth in contract rates than was previously assumed.

## REASON FOR YEAR-TO-YEAR CHANGE:

The GF reduction in the budget year reflects inclusion of this premise in the proposed FY 2003-04 State and Local Realignment.

# Contract Mode Augmentation

## EXPENDITURES:

(in 000's)

| **PCSP** | 2002-03 | 2003-04 |
|---|---|---|
| | Grant | Grant |
| Total | $5,162 | $8,270 |
| Federal | 0 | 0 |
| State | 1,666 | 0 |
| County | 0 | 0 |
| Reimbursements | 3,496 | 8,270 |

| **Residual Program** | 2002-03 | 2003-04 |
|---|---|---|
| | Grant | Grant |
| Total | $1,794 | $2,874 |
| Federal | 0 | 0 |
| State | 1,166 | 0 |
| County | 0 | 0 |
| Reimbursements | 628 | 2,874 |

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# Waiver Personal Care Services

## DESCRIPTION:

This premise, formerly called Extended Personal Care Services (AB 668), reflects the costs for Personal Care Services that are provided above a recipient's assessed limit in the In-Home Supportive Services/Personal Care Services Program (IHSS/PCSP).

Assembly Bill 668 (Chapter 896, Statutes of 1998) provided for additional hours on behalf of eligible PCSP recipients if they needed more than the 283 monthly hours allowed under IHSS and qualified for the Medi-Cal Skilled Nursing Facility Level of Care (SNFLOC) home and community based services waiver program. The SNFLOC waiver program was approved by the Health Care Financing Administration effective July 1, 1999.

The Centers for Medicare and Medicaid Services (CMS) has since renewed the nursing facility waiver, which now includes A and B levels of care (NF A/B). Approval has also been received for a new waiver for adult and pediatric subacute (NF Subacute) levels of care. "Waiver Personal Care Services" has been redefined in these two waivers to include services that differ from those in the state plan and which allow beneficiaries to remain at home. Although there will no longer be a requirement that waiver consumers receive the maximum of 283 hours of State Plan Personal Care Services (SPPCS) prior to receiving waiver personal care services, waiver consumers must be receiving some SPPCS. Waiver personal care services will be one option on a menu of services that waiver participants may choose from, to the extent that waiver cost neutrality is assured. These services will be provided through the counties' IHSS programs and will be paid via an interagency agreement with the California Department of Social Services, or will be provided by home health agencies.

## IMPLEMENTATION DATE:

This premise implemented on July 1, 2000.

## KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 14132.97.
- The NF A/B average monthly caseload is assumed to be 59 in the current year, and 161 in the budget year. The NF Subacute average monthly caseload is assumed to be 30 in the current year, and 81 in the budget year.
- The cost per hour is assumed at $8.43.

## METHODOLOGY:

The estimated cost is computed by multiplying the caseload by the average hours per case by the cost per hour by 12 months.

# Waiver Personal Care Services

## FUNDING:

The Title XIX federal sharing ratio is based on the following Federal Medical Assistance Percentage rates:

| Effective Dates | Rates |
|---|---|
| October 1, 2001 | 51.40% |
| October 1, 2002 | 50.00% |
| October 1, 2003 | 50.00% |

The nonfederal share of the service costs are reimbursed 100 percent by the Department of Health Services.

## CHANGE FROM THE APPROPRIATION:

The current estimate reflects a decrease in the projected average monthly caseload.

## REASON FOR YEAR-TO-YEAR CHANGE:

The budget year increase is due to caseload growth.

## EXPENDITURES:

(in 000's)

| **PCSP** | 2002-03 | 2003-04 |
|---|---|---|
| | Grant | Grant |
| Total | $2,327 | $6,175 |
| Federal | 0 | 0 |
| State | 0 | 0 |
| County | 0 | 0 |
| Reimbursements | 2,327 | 6,175 |

# Tyler v. Anderson Settlement and Implementation

## DESCRIPTION:

This premise reflects court settlement and implementation costs associated with the Tyler v. Anderson lawsuit. The Tyler v. Anderson lawsuit was the result of misinterpreting the range-of-motion services coverage under the In-Home Supportive Services (IHSS) Program. As a result, some counties authorized range-of-motion services, while other counties did not. Range of motion became a covered service with the implementation of the Personal Care Services Program (PCSP) in 1993. The plaintiffs who were denied those services sued for retroactive payment. The lawsuit was settled on January 22, 1999.

## KEY DATA/ASSUMPTIONS:

- The retroactive payments are for Fiscal Years (FYs) 1990-91, 1991-92, and 1992-93.
- The range-of-motion services were classified as either rubbing-of-skin services or paramedical services.
- The minimum wage in effect during the period covered by Tyler v. Anderson was $4.25 per hour.
- This estimate uses a tax-to-wages ratio of 9.79 percent.
- The settlement agreement calls for seven-percent simple interest to be paid on the retroactive wages. The interest payments will cover the period from FY 1990-91 through FY 1999-00. This premise assumes completion of claim processing and payments in FY 2002-03.
- This estimate assumes that 482,000 notices were mailed out to potentially eligible claimants. This represents the number of recipients who received IHSS and the number of IHSS service providers for FYs 1990-91, 1991-92, and 1992-93. The number of responses is expected to be 51,000.
- This estimate assumes a total of 8,181 valid claims will be paid.
- There was an average of 47,622 rubbing-of-skin and paramedical cases in the three months preceding the implementation of PCSP. There was an average of 52,184 rubbing-of-skin and paramedical cases in the two months following the one-year anniversary of the implementation of PCSP, which included range of motion as a covered service.
- This estimate assumes a total of 73,642 monthly hours in each fiscal year covered by the retroactive payments.
- There was a monthly average of 455,423 rubbing-of-skin and paramedical assessed hours in the three months preceding the implementation of PCSP. There was a monthly average of 530,714 rubbing-of-skin and paramedical assessed hours in the two months following the one-year anniversary of the implementation of PCSP, which included range-of-motion as a covered service.
- Program growth for the period in question is assumed at 2.19 percent.
- The administration costs associated with this premise are included in the “IHSS Court Cases” premise description.

# Tyler v. Anderson Settlement and Implementation

## METHODOLOGY:

- The average monthly number of cases with assessed rubbing-of-skin and paramedical hours for the three months preceding the implementation of PCSP is compared with the monthly average for the two months after PCSP had been implemented for one year. The difference between the two monthly averages is assumed to be due to the inclusion of range of motion as a covered service. The number of monthly cases and assessed hours is adjusted for caseload growth from FY 1992-93 to FY 1993-94. The resulting total is assumed to be the number of potentially valid cases and assessed hours.
- The number of assessed hours was multiplied by the hourly wage rate. The resulting wage amount is multiplied by the tax-to-wage percent to arrive at the total wages amount. The combined wage and tax amount is multiplied by 12 months to arrive at an annual total. The interest rate is applied to the annual total.

## FUNDING:

Prior to FY 1992-93, Senate Bill 412 (Chapter 1438, Statutes of 1987) capped the county share at the FY 1987-88 level of expenditures. This estimate assumes that level of expenditures was met. The county share is limited to the costs for retroactive services for FY 1992-93. The FY 1992-93 county share was 35 percent of the nonfederal portion of expenditures. All other costs associated with this premise are funded with 100 percent State General Fund. The county share of costs is reflected as a reimbursement, consistent with actual cash flow.

## CHANGE FROM THE APPROPRIATION:

There is no change.

## REASON FOR YEAR-TO-YEAR CHANGE:

This premise will be fully paid in the current year.

## EXPENDITURES:

(in 000's)

| | 2002-03 | 2003-04 |
|---|---|---|
| | County Admin. | County Admin. |
| Total | $915 | $0 |
| Federal | 0 | 0 |
| State | 853 | 0 |
| County | 0 | 0 |
| Reimbursements | 62 | 0 |

# Title XX Funding

## DESCRIPTION:

This premise reflects the Title XX social services block grant awarded to the State. This funding is provided under Title XX of the federal Social Security Act as amended by the federal Omnibus Budget Reconciliation Act of 1981. Federal funding for social services has been given to states under Title XX since October 1981. In order to qualify for these funds, a state must prepare an expenditure plan prior to the start of the state fiscal year that is consistent with the five Title XX goals:

1. Achieving or maintaining economic self-support to prevent, reduce, or eliminate dependency;
2. Achieving or maintaining self-sufficiency, including reduction or prevention of dependency;
3. Preventing or remedying neglect, abuse or exploitation of children or adults unable to protect their own interests, or preserving, rehabilitating or reuniting families;
4. Preventing or reducing inappropriate institutional care by providing for community-based care, home-based care, or other forms of less intensive care; and,
5. Securing referral or admission for institutional care when other forms of care are not appropriate, or providing services to individuals in institutions.

Through State Fiscal Year (SFY) 1992-93, Title XX funds were used exclusively to fund the In-Home Supportive Services (IHSS) Program. With the implementation of the Title XIX Personal Care Services Program in 1993, a portion of the Title XX funds was shifted to other eligible programs. Those funds now support the following programs:

- IHSS Residual Program (goals 3 and 4);
- Child Welfare Services (CWS) (goals 3 and 4);
- Deaf Access Program (goals 1 and 2); and,
- Community Care Licensing (CCL) (goals 3 and 4).

## KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 13000 through 13008.
- State legislation permits Title XX funds to be used in the IHSS Residual Program to supplant the State share without affecting county funds.
- In CWS, $182 million in Title XX funds are being shifted to the Department of Developmental Services (DDS) for SFY 2002-03, and $247.7 million for SFY 2003-04. Of this amount, $71.0 million is being transferred from TANF funds that have been freed up as a result of a funding shift in the CWS Emergency Assistance Program. In the budget year, $65.7 million is being transferred from TANF funds from the CalWORKs Program.
- In the Deaf Access Program, $3.2 million Title XX funds will reduce GF in an otherwise 100 percent GF program.
- In CCL, $2.0 million Title XX funds will be used for non-Title IV-E claimable costs.
- In State Support, $52.1 million Title XX funds will be used in CCL.
- In CalWORKs Substance Abuse Services, $2.0 million in TANF Grant will be transferred into the Title XX Block Grant for the Low-Income Women's Program. The Low-Income Women's Program serves low income and homeless addicted women. The program provides case management, outpatient counseling, employment services, and other transitional services to women with income at or below 200 percent of the federal poverty level.

# Title XX Funding

## KEY DATA/ASSUMPTIONS (continued):

- In the current year, the Budget Act of 2002 provides that a total of $20.0 million of TANF funds may be transferred to Title XX for child care: $10 million for CDSS' Stage One Child Care program and $10 million for the California Department of Education's (CDE) child care programs, in order to broaden access to Child and Adult Care Food Program (CACFP) benefits for low-income children in proprietary child care centers. In the budget year, it is assumed that the same transfers may occur.
- The Title XX funding awarded to California was $203.4 million for Federal Fiscal Year (FFY) 2002, and is estimated to be 203.4 million for FFY 2003 and FFY 2004.
- The FFY awards are adjusted to conform to SFY funding needs.

## METHODOLOGY:

- The IHSS Residual Program is funded at $35.1 million for SFY 2002-03 and $35.1 million for SFY 2003-04.
- For the remaining programs, funding is being held at the Budget Act of 2002 Appropriation level.

## FUNDING:

Title XX is a federal block grant that does not require a state or county match.

## CHANGE FROM THE APPRORIATION:

There is no change.

## REASON FOR YEAR-TO-YEAR CHANGE:

The increase in the budget year reflects an increase in the CWS and CalWORKs TANF transfer to Title XX .

## EXPENDITURES:

| | 2002-03 Grant | 2003-04 Grant |
|---|---|---|
| **Total Title XX** | **$296,440** | **$362,154** |
| Title XX Grant | 203,467 | 203,467 |
| TANF Transfer In | 92,973 | 158,687 |
| **IHSS (Item 111)** | $0 | $0 |
| Federal | 35,107 | 35,107 |
| State | -35,107 | -35,107 |

# Title XX Funding

## EXPENDITURES (continued):

(in 000's)

| | | 2002-03 Grant | 2003-04 Grant |
|---|---|---|---|
| **CWS (Item 151)** | | $181,973 | $247,687 |
| | Federal | 111,000 | 111,000 |
| | State | 0 | 0 |
| | Federal | $70,973 | $70,983 |
| | State | 0 | 0 |
| | Federal | $0 | $65,704 |
| | State | 0 | 0 |
| **DEAF ACCESS (Item 151)** | | $0 | $0 |
| | Federal | 3,200 | 3,200 |
| | State | -3,200 | -3,200 |
| **CCL (Item 151)** | | $0 | $0 |
| | Federal | 2,019 | 2,019 |
| | State | -2,019 | -2,019 |
| **CCL (State Support)** | | $0 | $0 |
| | Federal | 52,141 | 52,141 |
| | State | -52,141 | -52,141 |
| **CalWORKs Child Care (Transfer from TANF)** [1] | | $20,000 | $20,000 |
| | Federal | 20,000 | 20,000 |
| | State | 0 | 0 |

[1] - TANF transfer to Title XX is contingent upon DOF's approval.

# Title XX Funding

## EXPENDITURES (continued):

(in 000's)

| | | |
|---|---|---|
| **CalWORKs Substance Abuse (Transfer from TANF)** | $2,000 | $2,000 |
| Federal | 2,000 | 2,000 |
| State | 0 | 0 |

# 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, including adult protective services (APS), are eligible for Title XIX federal funding. Additionally, certain health-related (HR) activities in the Child Welfare Services (CWS) Program are eligible for these funds.

The California Department of Social Services has coordinated with the Department of Health Services to establish the necessary claiming processes to identify the applicable FFP.

## KEY DATA/ASSUMPTIONS:

**IHSS**

- Authorizing statute: Welfare and Institutions Code (W&IC) sections 12300 through 12314.
- The IHSS Personal Care Services Program (PCSP) is eligible for Title XIX funding at the Federal Medical Assistance Percentage (FMAP).

**CWS**

- Authorizing statute: W&IC section 16500.

**CSBG/APS**

- Authorizing statute: W&IC sections 13004 through 13007 (CSBG) and sections 15703 through 15705.40 (APS).

## METHODOLOGY:

**IHSS PCSP**

The Title XIX federal sharing ratio is based on the FMAP rate of 51.40 percent effective October 1, 2001, and the FMAP rate of 50.00 percent effective October 1, 2002. The FMAP rate is assumed to remain at 50.00 percent effective October 1, 2003.

**IHSS Administration**

HR activities in support of Medi-Cal eligible recipients are eligible for Title XIX reimbursement at 50 percent. Activities performed by skilled professional medical personnel or related staff are eligible for Title XIX reimbursement at an enhanced rate of 75 percent.

# Title XIX Reimbursement – In-Home Supportive Services/CSBG/Child Welfare Services

## METHODOLOGY (continued):

**CWS**

For Fiscal Year (FY) 2002-03, the Title XIX reimbursement of $36.5 million was calculated using individual county usage rates developed from FY 2000-01 actual expenditures. For FY 2003-04, the Title XIX reimbursement of $36.1 million was calculated using individual county usage rates developed from FY 2001-02 actual expenditures.

**CSBG/APS**

HR activities in support of Medi-Cal eligible recipients are eligible for Title XIX reimbursement at 50 percent. Activities performed by skilled professional medical personnel or related staff are eligible for Title XIX reimbursement at an enhanced rate of 75 percent.

## CHANGE FROM THE APPROPRIATION:

The estimate has been updated to reflect current data.

## REASON FOR YEAR-TO-YEAR CHANGE:

The increase is due to an increase in Title XIX-eligible expenditures.

## EXPENDITURES:

| (in 000's) | 2002-03 | 2003-04 |
|---|---|---|
| | Grant | Grant |
| **Title XIX Total** | **$1,223,286** | **$1,339,252** |
| **Total PCSP** | **$1,050,074** | **$1,158,346** |
| IHSS Services Basic | 1,050,074 | 1,158,346 |
| **Total Health-Related** | **$173,212** | **$180,906** |
| IHSS Administration | 105,457 | 113,960 |
| CWS | 36,196 | 35,401 |
| CSBG | 9,460 | 9,460 |
| APS | 22,099 | 22,085 |

# In-Home Supportive Services Administration – Basic Costs

## DESCRIPTION:

This premise reflects the costs of county welfare departments for administering the In-Home Supportive Services (IHSS) Program. Assembly Bill 1773 (Chapter 939, Statutes of 1992) required the California Department of Health Services to submit a Medicaid state plan amendment to the federal Health Care Financing Administration to include a portion of the IHSS Program as a covered service. The IHSS Program provides in-home services to the aged, blind and disabled to help individuals maintain an independent living arrangement and to avoid institutionalization.

## IMPLEMENTATION DATE:

The Title XIX eligible Personal Care Services Program was implemented in April of 1993.

## KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 12300 through 12314 and 14132.95.
- The social worker (SW) unit cost is held at $60.55 per hour in the current and budget years.
- The standard hours per case are 11.5 hours.
- The supported individual provider (SIP) expenditures are assumed to increase with caseload growth. The estimated caseload growth is 8.49 percent in the current year, and 7.83 percent in the budget year.
- The estimated Title XIX reimbursement percentage is 48.07 percent in the current year, based on actual expenditure information as reported on the county expense claims for the last two quarters of Fiscal Year (FY) 2000-01 and the first two quarters of FY 2001-02. The estimated Title XIX reimbursement percentage is 48.47 percent in the budget year, based on expenditure information as reported on the county expense claims for FY 2001-02.

## METHODOLOGY:

The estimated cost is computed by multiplying the caseload times the standard hours per case times the SW unit cost, plus the estimated SIP costs.

## FUNDING:

- In the current year, the nonfederal share is split 70 percent state and 30 percent county. In the budget year, the nonfederal share is 100 percent county funded.
- The Title XIX reimbursements are as follows:
  - (a) Costs incurred from activities to help Medi-Cal eligible adults are eligible for Title XIX reimbursements at either 75 percent or 50 percent, depending on the type of service provider; and,
  - (b) Costs incurred from non-health related activities are not eligible for Title XIX reimbursements.

# In-Home Supportive Services Administration – Basic Costs

## CHANGE FROM THE APPROPRIATION:

There is no change.

## REASON FOR YEAR-TO-YEAR CHANGE:

The GF reduction in the budget year reflects inclusion of this premise in the proposed FY 2003-04 State and Local Realignment.

## CASELOAD:

| | 2002-03 | 2003-04 |
|---|---|---|
| Average Monthly Caseload | 297,344 | 320,623 |

## EXPENDITURES:

(in 000's)

| | 2002-03 | 2003-04 |
|---|---|---|
| | County Admin. | County Admin. |
| Total | $215,496 | $231,389 |
| Federal | 0 | 0 |
| State | 78,333 | 500 |
| County | 33,574 | 118,735 |
| Reimbursements | 103,589 | 112,154 |

# County Employer of Record (AB 2235)

## DESCRIPTION:

This premise reflects the cost of administrative activities necessary for counties to act as the employer of record for In-Home Supportive Service (IHSS) providers. Counties may choose to act as the employer of record for IHSS individual providers to achieve compliance with Assembly Bill (AB) 1682.

AB 2235 (Chapter 1135, Statutes of 2002) further requires any county, not in compliance with the mandates of AB 1682 within a specified timeframe, to act as the employer of record for collective bargaining purposes. To comply, counties must provide documentation, no later than January 15, 2003, in support of compliance, or detailed information in support of delayed compliance by March 31, 2003. Counties that do not provide required documentation or meet the delayed compliance deadline will automatically default to act as the employer of record.

## IMPLEMENTATION DATE:

This premise will implement January 1, 2003.

## KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 12300 through 12314 and 14132.95.
- The estimate assumes that five counties will act as the employer of record in the current year, and four counties will act as the employer of record in the budget year.
- The estimate assumes an annual cost of $135,000 for Alpine, Amador, Mariposa, and Tuolomne counties, and an annual cost of $392,000 for Stanislaus County.
- The estimated Title XIX reimbursement percentage is 48.07 percent in the current year, based on actual expenditure information as reported on the county expense claims for the last two quarters of Fiscal Year (FY) 2000-01 and the first two quarters of FY 2001-02. The estimated Title XIX reimbursement percentage is 48.47 percent in the budget year, based on expenditure information as reported on the county expense claims for FY 2001-02.

## METHODOLOGY:

- The current year estimated cost is the sum of the projected annual costs for Alpine, Amador, Mariposa, Stanislaus, and Tuolumne counties.
- The budget year estimated cost is the sum of the projected annual costs for each county, excluding Amador. Amador County anticipates a shift to the Public Authority mode of service for the budget year.

## FUNDING:

In the current year, the state and county sharing ratios are 70 percent and 30 percent, respectively, of the nonfederal share. In the budget year, the nonfederal share is 100 percent county funded.

# County Employer of Record (AB 2235)

## CHANGE FROM THE APPROPRIATION:

This is a new premise.

## REASON FOR YEAR-TO-YEAR CHANGE:

The State General Fund reduction in the budget year reflects inclusion of this premise in the proposed FY 2003-04 State and Local Realignment.

## EXPENDITURES:

(in 000's)

| | 2002-03 Grant | 2003-04 Grant |
|---|---|---|
| Total | $933 | $798 |
| Federal | 0 | 0 |
| State | 339 | 0 |
| County | 145 | 411 |
| Reimbursements | 449 | 387 |

# In-Home Supportive Services (IHSS) Program Court Cases

## DESCRIPTION:

This premise reflects the costs associated with related court settlements and estimated attorney fees.

## KEY DATA/ASSUMPTIONS:

**Tyler v. Anderson:**

- The Tyler v. Anderson lawsuit involved the denial of range-of-motion services to an IHSS recipient. The lawsuit was the result of misinterpreted instructions regarding coverage of range-of-motion services under the IHSS Program. As a result, some recipients were authorized range-of-motion services while others were not. Range-of-motion became a covered service with the implementation of the Personal Care Services Program in 1993. The plaintiffs who were denied those services sued for retroactive payment. The lawsuit was settled on January 22, 1999.
- The estimated cost for modifying the Case Management Information and Payrolling System (CMIPS) and final closeout activities associated with the Tyler v. Anderson lawsuit is $60,000 for the current year and $90,000 for the budget year.

**Other Court Cases:**

- The estimate for attorney fees and settlement costs relating to other court cases is based in part on actual costs that have already been paid on cases settled in the current year, and the Legal Division's projection of cases that will be settled and paid before the end of the budget year.

## METHODOLOGY:

- The current year estimated cost is the sum of the CMIPS modification and Tyler v. Anderson closeout costs, settlement costs and attorney fees plus $40,000 for other miscellaneous court cases. The costs for other miscellaneous court cases represent attorney fees and settlement costs. These are state-only costs.
- The budget year estimated cost is the sum of the CMIPS modification and Tyler v. Anderson closeout costs plus $40,000 for other miscellaneous court cases. The costs for the other miscellaneous court cases represent attorney fees and settlement costs. These are state-only costs.

## FUNDING:

The CMIPS modification costs are funded using the state and county administrative sharing ratio of 70 percent and 30 percent, respectively. IHSS costs for case settlement and attorney fees are funded with 100 percent State General Fund.

## CHANGE FROM THE APPROPRIATION:

The current year increase reflects additional costs for case settlement and attorney fees.

## REASON FOR YEAR-TO-YEAR CHANGE:

The budget year decrease reflects lower projected costs for case settlement and attorney fees.

# In-Home Supportive Services (IHSS) Program Court Cases

## EXPENDITURES:

(in 000's)

| | 2002-03 | 2003-04 |
|---|---|---|
| | County Admin. | County Admin. |
| Total | $285 | $130 |
| Federal | 0 | 0 |
| State | 267 | 103 |
| County | 18 | 27 |
| Reimbursements | 0 | 0 |

# In-Home Supportive Services - Advisory Committees

## DESCRIPTION:

This premise reflects the cost for counties to establish and operate In-Home Supportive Services (IHSS) advisory committees as required by Assembly Bill (AB) 1682 (Chapter 90, Statutes of 1999). AB 1682 mandated that counties act as or establish an employer-of-record for IHSS providers on or before January 1, 2003, and establish advisory committees for this purpose. The advisory committees must be established before implementation of the employer-of-record mandate and must submit recommendations to the Board of Supervisors on the preferred mode of IHSS service to be utilized in the county.

## IMPLEMENTATION DATE:

This premise implemented July 1, 2000.

## KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 12300 through 12314.
- The estimate assumes the average annual cost for advisory committees is $53,000 per county.
- The estimate assumes that all counties, except San Diego County, would establish and operate advisory committees in the current and budget years.
- The estimated Title XIX reimbursement percentage is 47.00 percent in the current and budget year, based on actual expenditure information as reported on the county expense claims for Fiscal Year (FY) 2001-02.

## METHODOLOGY:

The estimated cost is computed by multiplying the average annual cost per county times the number of counties estimated to establish and operate advisory committees.

## FUNDING:

The federal Title XIX reimbursement represents 47.00 percent of the total funding. In the current year, the remaining nonfederal share is funded with 100 percent State General Fund (GF). In the budget year, the remaining nonfederal share is funded with 100 percent county funds.

## CHANGE FROM THE APPROPRIATION:

There is no change.

## REASON FOR YEAR-TO-YEAR CHANGE:

The GF reduction in the budget year reflects inclusion of this premise in the proposed FY 2003-04 State and Local Realignment.

# In-Home Supportive Services - Advisory Committees

## EXPENDITURES:

(in 000's)

| | 2002-03 Grant | 2003-04 Grant |
|---|---|---|
| Total | $3,020 | $3,020 |
| Federal | 0 | 0 |
| State | 1,601 | 0 |
| County | 0 | 1,601 |
| Reimbursements | 1,419 | 1,419 |

# Foster Care & NAFS Administrative Costs – Basic

## DESCRIPTION:

This premise reflects the administrative costs and staff development costs for the Foster Care (FC) and Non-Assistance Food Stamps (NAFS) programs.

Basic administrative costs reflect county welfare department (CWD) budget requests as modified by a cost containment system pursuant to Welfare and Institutions Code (W&IC) section 14154.

The FC administrative costs include the county administration for the Adoption Assistance Program (AAP). County eligibility workers are required to perform administrative functions related to AAP. Specifically, verification of linkage to the Temporary Assistance for Needy Families (TANF) Program (formerly Aid to Families with Dependent Children Program) is required for all new AAP cases to establish federal or nonfederal eligibility. Linkage is based on the child's situation at the time of removal from the natural home. The child must meet the general eligibility requirements for TANF and qualify as either a federal or state-only foster care case. Recertification is also required on a biennial basis.

## IMPLEMENTATION DATE:

This premise is an annual appropriation.

## KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&IC section 14154.
- An adjustment for caseload increase of 6.4 percent was made to the NAFS estimate.
- The Nationwide Prisoner Match, the Deceased Persons Match and Inaccessible Vehicle Resources have been rolled into basic.
- Effective October 2002, via the H.R. 2646 Farm Bill, the federal government reinstated food stamp eligibility to noncitizens who have been in the United States for five years or more. The California Food Assistance Program (CFAP) funding associated with the Farm Bill are now identified separately and are no longer included in NAFS Basic.
- The estimates for NAFS and FC administrative costs were not adjusted for the cost of doing business because of lower revenues and other demands on the available State General Fund (GF).

## METHODOLOGY:

**FY 2002-03**

- FC estimate has been adjusted to reflect a 1.6 percent growth in caseload and updated for actual expenditures in AAP and FC Staff Development.
- NAFS were adjusted to reflect the restoration of $6.8 million.

**FY 2003-04**

- FC estimate is adjusted for the projected caseload increase of 2.2 percent.
- Staff development and AAP were based on the most current actual expenditures.
- NAFS estimate is adjusted for the projected caseload increase of 8.3 percent and Staff Development actual expenditures.

# Foster Care & NAFS Administrative Costs – Basic

## FUNDING:

| Unit Costs | 2002-03 | 2003-04 |
|---|---|---|
| Eligibility Worker Cost per Hour | | |
| Foster Care | $55.77 | $55.77 |
| NAFS | $58.27 | $58.27 |

In FY 2002-03, FC and NAFS costs are shared 50 percent federal, 35 percent state, and 15 percent county.

In FY 2003-04, FC & NAFS costs are shared 50 percent federal and 50 percent county. The GF represents State local contracts.

**Note:** W&IC section 15204.4 requires a maintenance of effort (MOE) from the counties based on expenditures during FY 1996-97, which include the administration of food stamps. Please reference the "County MOE Adjustment" premise description.

## CHANGE FROM THE APPROPRIATION:

In FC, caseload growth and actual expenditures in Staff Development and AAP were updated. In NAFS, the adjustment is due to the restoration of $6.8 million, and the shift of CFAP funds out of Basic as a result of the H.R. 2646 Farm Bill.

## REASON FOR YEAR-TO-YEAR CHANGE:

The change in FC reflects a 2.2 percent caseload growth projection and updated staff development and AAP costs. The change in NAFS is due to the projected NAFS caseload increase of 8.3 percent. The GF reduction in the budget year reflects inclusion of this premise in the proposed FY 2003-04 State and Local Realignment.

## EXPENDITURES:

(in 000's)

| **Foster Care** | 2002-03 | 2003-04 |
|---|---|---|
| | County Admin. | County Admin. |
| Total | $95,380 | $97,294 |
| Federal | 47,915 | 48,872 |
| State | 34,286 | 78 |
| County | 13,179 | 48,344 |
| Reimbursements | 0 | 0 |

# Foster Care & NAFS Administrative Costs – Basic

## EXPENDITURES (continued):

(in 000's)

| | 2002-03 | 2003-04 |
|---|---|---|
| **NAFS** | | |
| | County Admin. | County Admin. |
| Total | $384,440 | $417,335 |
| Federal | 192,464 | 208,943 |
| State | 145,012 | 1,222 |
| County | 46,964 | 207,170 |
| Reimbursements | 0 | 0 |

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# Financial Audits

## DESCRIPTION:

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

In order to receive a foster care rate, all GH programs and FFA programs that provide treatment services are required to have a financial audit conducted on an annual basis. FFA treatment providers and GHs with a licensed capacity of 12 or less are eligible for reimbursement of the costs of such financial audits. Federal law also requires FFA and GH providers with federal expenditures over $300,000 to conduct an annual audit under Office of Management and Budget Circular A-133 (OMB A-133) requirements. An OMB A-133 audit requires a financial statement audit conducted under government auditing standards, a review of internal accounting controls and program compliance and a review of allowable activities and costs specific to the Title IV-E Foster Care Program.

In recognition of the fact that audit costs will be a greater burden 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.

## IMPLEMENTATION DATE:

This premise became effective in Fiscal Year (FY) 2000-01. The proposed change to this premise is effective in FY 2003-04.

## 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.
- The Department shall review and determine that the financial audit report meets specified requirements prior to approval of reimbursement.
- Based on actual claims, the average reimbursement for a financial audit is $1,750.
- Effective FY 2002-03, annual audit requirements for facilities with a licensed capacity of 12 or less that receive less than $300,000 federal funds per year were changed to a triennial basis.
- Facilities with a capacity of 12 or less that receive $300,000 or more in federal funds per year are still required under A-133 to conduct annual audits but are no longer eligible for reimbursement.

## METHODOLOGY:

The costs of providing financial assistance for the conduct of the audits is calculated by multiplying the number of eligible claims by average reimbursement rate. The current year amounts are being held at the Budget Act of 2002 Appropriation level.

# Financial Audits

## FUNDING:

Reimbursements of financial audit claims are funded with 100 percent state in current year and 100 percent county in budget year (BY).

## CHANGE FROM THE APPROPRIAITION:

There is no change.

## REASON FOR YEAR-TO-YEAR CHANGE:

The BY reflects a slight increase due to updated audits. The State General Fund reduction in the BY reflects inclusion of this premise in the proposed FY 2003-04 State and Local Realignment.

## EXPENDITURES:

| (in 000's) | 2002-03 | 2003-04 |
|---|---|---|
| | County Admin. | County Admin. |
| Total | $125 | $126 |
| Federal | 0 | 0 |
| State | 125 | 0 |
| County | 0 | 126 |
| Reimbursements | 0 | 0 |

# Food Stamp Administrative Reduction

## DESCRIPTION:

This premise reflects the reduction in federal reimbursement of California's food stamp administrative costs based on amounts charged to the former Aid to Families with Dependent Children (AFDC) Program that could have been allocated to the Food Stamps and Medi-Cal programs for common administrative costs. Section 501 of the Agriculture Research, Extension, and Education Reform Act of 1998 (Public Law (P.L.) 105-185) required states to determine such common administrative costs during the State's Temporary Assistance for Needy Families (TANF) Program base year, Federal Fiscal Year (FFY) 1995.

The TANF block grant, which replaced the AFDC Program, is based on the historical spending levels of the former program. With the elimination of the AFDC Program and the approval of revised public assistance cost allocation plans, the federal Office of Management and Budgets (OMB) cost principles applicable to the states (OMB Circular A-87) required that common costs be allocated to all benefiting programs. Consequently, California had to determine the amount of common costs attributable to eligibility determinations charged to AFDC that could have been allocated to the Food Stamp (FS) Program. In order to assist in this process, the federal Department of Health and Human Services (DHHS) issued a guide entitled, "Implementation of Cost Allocation Determinations under the Agriculture Research, Extension and Education Reform Act." This guide provided direction to the states in determining their AFDC total base year administrative expenditures. California reviewed the base year's cost allocation methodology and the administrative costs charged to the AFDC Program. The California Department of Social Services used a primary program cost allocation methodology rather than a benefiting program cost allocation methodology for the county administrative costs during the TANF block grant base year, FFY 1995. As a result, California received federal approval of its proposed reduction amount on January 15, 1999.

The amount attributable to food stamps is to be deducted from FS administrative claims. The provisions of P.L. 105-185 stipulate that states may not use TANF funds to pay for this reduction, nor does it provide for a decrease in the maintenance of effort expenditures under TANF.

## IMPLEMENTATION DATE:

This premise implemented on October 1, 1998.

## KEY DATA/ASSUMPTIONS:

- Authorizing statute: P.L. 105-185, section 501.
- Based on a review of quarterly federal financial reports submitted to DHHS during FFY 1995, the total federal share of common administrative expenditures was $280,097,927.
- Non-AFDC Program administrative costs and discrete AFDC costs, as defined in the guide, were identified in quarterly federal financial reports. These costs, as well as other allowable adjustments stipulated in the guide, totaled $59,412,705 and were deducted from the total federal share of common administrative expenditures.
- California's AFDC total base year administrative expenditure is $220,685,222.

# Food Stamp Administrative Reduction

## METHODOLOGY:

- California elected to use the optional formula described in the guide to determine the amount of the FS administrative reimbursement reduction. The optional formula is to multiply the AFDC total base year administrative expenditure by 80 percent and divide by three (for the three benefiting programs of AFDC, FS, and Medi-Cal).
- California's FS administrative reimbursement reduction is $58,849,393 ($220,685,222 x 0.80 ÷ 3).
- Assuming that the TANF block grant will be reauthorized at the same level, California will continue to reflect the reduction to the FS administrative claims.

## FUNDING:

The cost is funded with 100 percent State General Fund (GF) in the current year, and 100 percent county funds in the budget year.

## CHANGE FROM THE APPROPRIATION:

There is no change.

## REASON FOR YEAR-TO-YEAR CHANGE:

The GF reduction in the BY reflects inclusion of this premise in the proposed FY 2003-04 State and Local Realignment.

## EXPENDITURES:

(in 000's)

| | 2002-03 | 2003-04 |
|---|---|---|
| | County Admin. | County Admin. |
| Total | $0 | $0 |
| Federal | -58,849 | -58,849 |
| State | 58,849 | 0 |
| County | 0 | 58,849 |
| Reimbursements | 0 | 0 |

# Food Stamp Sanction Settlement

## DESCRIPTION:

This premise reflects costs associated with a sanction imposed on the State by the United States Department of Agriculture (USDA) due to county quality control (QC) error rates being above the national average. California's overpayment error rate was 12.64 percent and its underpayment rate was 4.73 percent resulting in a combined food stamp error rate of 17.37 percent for Federal Fiscal Year (FFY) 2001. The national average combined error rate for FFY 2001 was 8.66 percent. Since California's combined error rate exceeded the national performance measure, California is subject to an unadjusted liability of $138,956,123. The USDA Food and Nutrition Service (FNS) adjusted the liability amount to $115,755,306 in order to account for the high proportion of earners and immigrants in California's caseload. The USDA FNS further adjusted the liability to $114,305,661 due to a formula error.

## IMPLEMENTATION DATE:

The settlement and implementation date is still being negotiated.

## KEY DATA/ASSUMPTIONS:

- The federal food stamp sanction is imposed pursuant to Title 7, Code of Federal Regulations, section 275.23.
- The Department is currently seeking to appeal the amount of the FFY 2001 Food Stamp Sanction liability with FNS.
- Settlement and payment of the Food Stamp Sanction are anticipated to be delayed due to the appeal process.

## METHODOLOGY:

Funds are included for contract services to appeal the sanction and pursue error rate reduction activities.

## FUNDING:

The contract services are funded 100 percent with State General Fund.

## CHANGE FROM THE APPROPRIATION:

The current year decrease reflects the anticipated delay in settlement and payment of the FFY 2001 Food Stamp Sanction as the Department continues to appeal the sanction.

## REASON FOR YEAR-TO-YEAR CHANGE:

No funds are budgeted for the budget year as settlement agreements are still pending.

# Food Stamp Sanction Settlement

## EXPENDITURES:

(in 000's)

| | 2002-03 | 2003-04 |
|---|---|---|
| | County Admin. | County Admin. |
| Total | $1,500 | $0 |
| Federal | 0 | 0 |
| State | 1,500 | 0 |
| County | 0 | 0 |
| Reimbursements | 0 | 0 |

# Food Stamp Employment and Training Program

## DESCRIPTION:

This premise reflects the costs for the Food Stamp Employment and Training (FSET) Program, which provides job search assistance, work experience and supportive services to eligible Non-Assistance Food Stamp Program recipients. This program was established under the Food Security Act of 1985 (Public Law (P.L.) 99-198). Employment and training opportunities enable recipients to become self-sufficient and reduce their need for food stamps. Some participants and geographically excluded due to reasons such as sparse population, great distances and lack of transportation. Individual county plans are developed that specify the job services, training and supportive services available to participants.

The United States Department of Agriculture Food and Nutrition Service (USDA-FNS) provides unmatched federal employment and training funding each year. The Food Stamp Reauthorization Act of 2002 (Public Law 107-171), signed into law on May 13, 2002 and effective October 1, 2002, made significant changes to the FSET Program. The changes include freezing the base unmatched federal funds at the federal fiscal year (FFY) 2002 level through FFY 2007, adding certain criteria for a second component of unmatched federal funds each year from FFY 2002 through FFY 2007, eliminating a maintenance of effort requirement retroactive to October 1, 2001, rescinding carry-over of unmatched federal funds from years prior to FFY 2002 (unless states have already obligated the funds prior to the date of enactment), and changing the federal formula for allocating FSET funds to states. In addition, the legislation eliminated a $175 and $30 limit for offered and filled slots, a $25 limit on participant reimbursement for transportation and ancillary costs and an 80/20 spending requirement for Able Bodied Adult Without Dependents (ABAWDs) in qualifying FSET activities.

## IMPLEMENTATION DATE:

This premise implemented on April 1, 1987.

## KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 18901.
- There are currently 27 counties participating in the FSET Program and 26 will continue to participate in FY 2003-04.
- The SFY 2002-03 costs for this program were based on local assistance costs identified in the FSET Program state plans for FFYs 2002 and 2003, approved 100 percent enhanced federal funds for FFY 2002, and FFY 2001 carryover funds.
- The SFY 2003-04 costs for this program were based on the local assistance costs identified in the approved 100 percent enhanced federal funds for FFY 2003 FSET Program state plan.
- California will not qualify for second component funding under the new federal rules, which require that states commit an FSET slot to every ABAWD at risk of losing eligibility, because only half of the counties participate in FSET. The total 100 percent federal funds allocated to California were reduced from $23.4 million in FFY 2002 to $8.8 million in FFY 2003 due to the elimination of second component funding.
- The change in the FSET funding allocation formula will reduce California's allocation of 100 percent federal funds from $8,827,374 in FFY 2002 to $7,113,981 in FFY 2003.

# Food Stamp Employment and Training Program

## KEY DATA/ASSUMPTIONS (continued):

- The $7,260,545 in approved FFY 2001 carryover funds will not be impacted by the Food Stamp Reauthorization Act of 2002.

## METHODOLOGY:

- SFY 2002-03 represents 25 percent of the total amount of the approved FFY 2002 FSET Program state plan and 75 percent of the total amount in the State's FSET Program state plan for FFY 2003.
- SFY 2003-04 represents 100 percent of the amount in the State's FSET Program State plan for FFY 2003.

## FUNDING:

The costs in excess of the enhanced funding cap and for participant reimbursement are shared 50 percent federal and 50 percent county.[1]

| **2002-03:** (in 000's) | **Total** | **Federal** | **State (cap)** | **County** |
|---|---|---|---|---|
| Enhanced Funds (100 percent) | $11,097 | $11,097 | $0 | $0 |
| Normal Funds [1] | $44,366 | $22,183 | $0 | $22,183 |
| Participant Reimbursement | $10,322 | $5,161 | $0 | $5,161 |
| **Total** | $65,785 | $38,441 | $0 | $27,344 |

| **2003-04:** (in 000's) | **Total** | **Federal** | **State (cap)** | **County** |
|---|---|---|---|---|
| Enhanced Funds (100 percent) | $7,114 | $7,114 | $0 | $0 |
| Normal Funds [1] | $48,450 | $24,225 | $0 | $24,225 |
| Participant Reimbursement | $10,322 | $5,161 | $0 | $5,161 |
| **Total** | $65,886 | $36,500 | $0 | $29,386 |

[1] - Normal funds are used once costs exceed the enhanced funding cap and participant reimbursement costs.

## CHANGE FROM THE APPROPRIATION:

The costs were updated to reflect federally approved funding levels and the impact of the Food Stamp Reauthorization Act of 2002.

## REASON FOR YEAR-TO-YEAR CHANGE:

The costs were updated to reflect federally approved funding levels.

# Food Stamp Employment and Training Program

## EXPENDITURES:

(in 000's)

| | 2002-03 | 2003-04 |
|---|---|---|
| | County Admin. | County Admin. |
| Total | $65,785 | $65,886 |
| Federal | 38,441 | 36,500 |
| State | 0 | 0 |
| County | 27,344 | 29,386 |
| Reimbursements | 0 | 0 |

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# California Nutrition Promotion Network

## DESCRIPTION:

This premise reflects the amount of federal matching funds that the California Department of Social Services (CDSS) passes through to the Department of Health Services (DHS). The California Nutrition Promotion Network is a statewide marketing campaign to promote healthy eating and physical activity among food stamp recipients. The Network is a collaborative effort among DHS, CDSS, the California Department of Education, the University of California Cooperative Extension, and private agencies. The California Nutrition Promotion Network partners with faith communities, local health departments, parks and recreation departments, and school districts. DHS is the lead agency administering the project. CDSS serves as the pass-through agency for the matching federal funds.

## IMPLEMENTATION DATE:

This premise implemented on October 1, 1996.

## KEY DATA/ASSUMPTIONS:

- The current year (CY) funding is based on the budget approved by the Food and Nutrition Service (FNS) for Federal Fiscal Year (FFY) 2002 of $53,866,893 and the proposed budget for FFY 2003 of $58,311,512.
- The proposed budget for FFY 2003 of $58,311,512 was used to estimate funding for the budget year (BY).

## METHODOLOGY:

- The CY estimate is based on one quarter of FFY 2002 approved funds and the total proposed budget for FFY 2003.
- Effective this subvention, the budget was changed to reflect FFY totals rather than state fiscal year (SFY) totals. Due to this change, it was necessary to reflect 15 months of funding in the CY, the last quarter of FFY 2002 and the total amount for FFY 2003.
- The BY estimate is based on the proposed funding for FFY 2003.

## FUNDING:

The pass-through consists of 100 percent FNS federal funds.

## CHANGE FROM THE APPROPRIATION:

This premise was updated to reflect the federal approved funding amount. In addition, the budget was changed to reflect FFY totals rather than SFY totals requiring 15 months of funding in the CY.

## REASON FOR YEAR-TO-YEAR CHANGE:

The BY reflects the total amount for FFY 2003 opposed to 15 months of funding.

# California Nutrition Promotion Network

## EXPENDITURES:

(in 000's)

| | 2002-03 | 2003-04 |
|---|---|---|
| | County Admin. | County Admin. |
| Total | $71,778 | $58,312 |
| Federal | 71,778 | 58,312 |
| State | 0 | 0 |
| County | 0 | 0 |
| Reimbursements | 0 | 0 |

# Food Stamp Nutrition Education Plan

## DESCRIPTION:

This premise reflects the amount of federal matching funds that the California Department of Social Services (CDSS) passes through to the University of California Cooperative Extension (UCCE). Food stamp applicants and recipients will be provided nutrition education services in 41 counties by local university county extension offices. California's Food Stamp Nutrition Education Plan is a cooperative effort between CDSS and UCCE. CDSS serves as the pass-through agency for the matching federal funds.

## IMPLEMENTATION DATE:

This premise implemented on January 1, 1995.

## KEY DATA/ASSUMPTIONS:

- The current year (CY) funding is based on the actual expenditures for the last quarter of Federal Fiscal Year (FFY) 2002 of $2,203,834 and the proposed budget for FFY 2003 of $4,058,314.
- The proposed budget for FFY 2003 of $4,058,314 was used to estimate funding for the budget year (BY).

## METHODOLOGY:

- The CY estimate is based on the last quarter of FFY 2002 actual expenditures and the total proposed budget for FFY 2003.
- Effective this subvention, the budget was changed to reflect FFY totals rather than state fiscal year (SFY) totals. Due to this change, it was necessary to reflect 15 months of funding in the CY, the last quarter of actuals for FFY 2002, and the total amount for FFY 2003.
- The BY estimate is based on the proposed funding for FFY 2003.

## FUNDING:

The pass-through consists of 100 percent FNS federal funds.

## CHANGE FROM THE APPROPRIATION:

This premise was updated to reflect the federal approved funding amount. In addition, the budget was changed to reflect FFY totals rather than SFY totals requiring 15 months of funding in the CY.

## REASON FOR YEAR-TO-YEAR CHANGE:

The budget year reflects the total amount for FFY 2003 opposed to 15 months of funding.

# Food Stamp Nutrition Education Plan

## EXPENDITURES:

(in 000's)

| | 2002-03 | 2003-04 |
|---|---|---|
| | County Admin. | County Admin. |
| Total | $6,262 | $4,058 |
| Federal | 6,262 | 4,058 |
| State | 0 | 0 |
| County | 0 | 0 |
| Reimbursements | 0 | 0 |

# Electronic Benefit Transfer Wireless Point-of-Sale Devices for Farmers' Market

## DESCRIPTION:

This premise reflects the costs associated with Point-Of-Sale (POS) Devices for farmers' markets using Electronic Benefit Transfer (EBT). The costs include monthly fees and transaction fees for merchants at farmers' markets to participate in the statewide EBT system via wireless POS devices. Those farmers for whom a wireless terminal is not feasible will use scrip to redeem food stamp benefits. Scrip are market dollars in the form of wooden tokens or paper vouchers that can be purchased with an EBT card from a central POS device and can be used to purchase produce at the farmers' markets.

Pursuant to Title 7 Code of Federal Regulations Section 274.12(h)(1), all retailers must be given the opportunity to participate in the EBT system. However, it has become clear that the merchants at farmers' markets are not able redeem food stamp benefits under the EBT system because they are not equipped for debit transactions. The one-time cost for the POS devices and activation fees are included in the EBT automation project premise.

## IMPLEMENTATION DATE:

- The implementation date for Alameda County was October 1, 2002.
- The implementation date for Contra Costa, Santa Clara, Santa Cruz, Solano, and Sonoma counties was November 1, 2002.
- The counties of Orange, San Francisco, and Ventura will phase implementation February 2003 through May 2003.
- The implementation date for Los Angeles and San Joaquin counties is June 1, 2003.

## KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code Section 10077, 7 Code of Federal Regulations 274.12(h)(1)
- The farmers' markets in Alameda, Contra Costa, Los Angeles, Orange, San Francisco, San Joaquin, Santa Clara, Santa Cruz, Solano, Sonoma, and Ventura counties will be utilizing wireless POS devices.
- The counties will implement based on the EBT implementation schedule.
- The total number of devices needed for the farmers' markets in the 11 counties is 240 (36 for Alameda; 5 each for Santa Clara, Santa Cruz, Contra Costa, Sonoma, and Solano; 59 each for San Francisco, Orange, and Ventura; and, 140 each for San Joaquin and Los Angeles).
- The monthly fee is based on $17 per device.
- The transaction fee is based on $0.13 per food stamp transaction.
- The number of monthly transactions is based the estimated number of food stamp transactions per month (4,320 for Alameda; 600 each for Santa Clara, Santa Cruz, Contra Costa, Sonoma, and Solano; 7,080 each for San Francisco, Orange, and Ventura; and, 16,800 each for San Joaquin and Los Angeles).

# Electronic Benefit Transfer Wireless Point-of-Sale Devices for Farmers' Market

## KEY DATA/ASSUMPTIONS (continued):

- It is assumed that the Richmond Farmers' Market will be down from December 2002 through April 2003.
- There are two smaller farmers' markets in Alameda County (Ecology Center Farmers' Market and Pacific Coast Farmers' Market Association) that will be using the scrip wooden tokens and scrip paper vouchers.
- It was determined that the Ecology Center Farmers' Market will use 5,000 scrip wooden tokens based on their anticipated usage.
- The cost for scrip wooden tokens is based on $360 per package containing 2,500 tokens.
- It was determined that the Pacific Coast Farmers' Market Association will use 30,000 scrip paper based on their anticipated usage.
- The cost for paper vouchers is based on $0.17 per page containing six paper vouchers.

## METHODOLOGY:

- The costs associated with monthly fees are determined by multiplying the total number of POS devices in operation each month by the $17 monthly fee.
- The costs associated with transaction fees are determined by multiplying the estimated food stamp transactions per month by the $0.13 transaction fee.
- The savings associated with monthly fees are determined by multiplying the number of months the Richmond Farmers' Market will be down (5 months) by the $17 monthly fee.
- The savings associated with transaction fees are determined by multiplying the number of months the Richmond Farmers' Market will be down (5 months) by the $0.13 transaction fee.
- The cost associated with scrip wooden token cost is determined by multiplying the number of packages of wooden tokens by the $360 cost per package.
- The cost associated with scrip paper vouchers is determined by multiplying the number of pages of paper vouchers by the $0.17 cost per page.

## FUNDING:

These costs are shared 50 percent federal (FNS) and 50 percent State General Fund (GF) in the current year and 50 percent federal (FNS) and 50 percent county funds in the budget year.

## CHANGE FROM THE APPROPRIATION:

This is a new premise.

# Electronic Benefit Transfer Wireless Point-of-Sale Devices for Farmers' Market

## REASON FOR YEAR-TO-YEAR CHANGE:

The budget year reflects full-year costs. The GF reduction in the budget year reflects inclusion of this premise in the proposed FY 2003-04 State and Local Realignment.

## EXPENDITURES:

(in 000's)

**ITEM 141**

**Food Stamp Administration**

| | 2002-03 | 2003-04 |
|---|---|---|
| | County Admin. | County Admin. |
| Total | $24 | $94 |
| Federal | 12 | 47 |
| State | 12 | 0 |
| County | 0 | 47 |
| Reimbursements | 0 | 0 |

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# Electronic Benefit Transfer Administrative Impact

## DESCRIPTION:

This premise reflects the net impact to county administrative costs associated with eliminating the current Food Stamp delivery system, California Work Opportunity and Responsibility to Kids (CalWORKs) warrant issuance and delivery, and implementing new activities for the Statewide Electronic Benefit Transfer (EBT) Project. Public Law 104-193, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, mandates an EBT system for food stamps by October 2002.

Assembly Bill (AB) 1542 (Chapter 270, Statutes of 1997) establishes the authority for a statewide EBT system to issue food stamp benefits and, at county option, the issuance of cash benefits. At this time, 38 counties have selected to use EBT for delivery of CalWORKs benefits. EBT uses debit card technology and retailer point-of-sale terminals to automate benefit authorization, delivery, redemption and financial settlement. This system will eliminate the need for food stamp coupons statewide and CalWORKs warrants in some counties. EBT also increases the assurance that benefit dollars are used appropriately and provides effective ways to reduce and prevent fraud and abuse. For the recipient, EBT increases security and safety while reducing the stigma associated with receiving public assistance.

## IMPLEMENTATION DATE:

This premise implemented August 1, 2002.

## KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 10077 and 7 Code of Federal Regulations 274.12.
- The Department has received a federal waiver to extend the October 2002 deadline for statewide EBT implementation.
- The Fiscal Year (FY) 2002-03 food stamp county administrative cost/savings, the CalWORKs administrative savings, and the administrative savings for the California Food Assistance Program (CFAP) are held at the Budget Act of 2002 Appropriation level.

The assumptions used for the FY 2003-04 cost/savings estimates are as follows:

- The Calendar Year 2001 CalWORKs caseload ratio for each county is applied to the November 2002 statewide CalWORKs caseload projections to estimate each county's annual and monthly caseload.
- The FY 2001-02 Food Stamp caseload ratio for each county is applied to the November 2002 Food Stamp caseload projections to estimate each county's annual and monthly caseload.
- It is assumed that approximately 10 percent of the CalWORKs cases will remain in the Direct Deposit system in those counties that offer this option.
- It is assumed that six percent of the CalWORKs cases will be exempt from participating in EBT.
- Based on the most recent implementation schedule included in the Implementation Advance Planning Document, 33 counties will implement EBT for CalWORKs and 46 counties for Food Stamps by the end of FY 2003-04.

# Electronic Benefits Transfer Administrative Impact

## KEY DATA/ASSUMPTIONS (continued):

- The projected casemonths impacted by EBT are 5,432,118 for Food Stamps, 2,881,345 for CalWORKs, and 26,598 for CFAP in FY 2003-04.
- The elimination of printing, processing and mailing of current CalWORKs benefit warrants results in a $2.60 monthly savings per case.
- The elimination of Direct Service Delivery for food stamp coupon issuance results in a $1.68 monthly savings per case.
- It is assumed that implementation of EBT will eliminate the need for processing affidavit of nonreceipt for lost or stolen coupons or warrants.
- Based on county experience it requires one hour of eligibility worker (EW) time and 20 minutes of clerical time to process an affidavit of nonreceipt resulting in a $63.27 cost per case for Food Stamps and $62.57 for CalWORKs.
- It is assumed that 1.36 percent of average monthly CalWORKs cases and 1.9 percent of average monthly food stamp cases require processing of an affidavit of nonreceipt.
- The elimination of food coupon issuance results in a $0.36 monthly mailing cost savings per case in those counties not operating the Food Stamp Automated Issuance and Recording (FAIR) and Food Stamp On-Line Issuance System (FSOLIS) which 34 percent in FY 2003-04.
- The elimination of the FAIR and FSOLIS in Alameda, Fresno, Merced, San Francisco, Santa Clara, Solano, Tulare, and Ventura will result in a $2.22 monthly savings per case based on expenditure data from county expense claims from July 2000 through June 2001.
- The elimination of the storage and security for food stamp coupons results in a $0.48 monthly savings per case.
- It is assumed that there would be approximately 17,000 EWs statewide that would need EBT system access (12,473 in the current year, 2,347 in the budget year, and 2,180 in the out year).
- It is assumed that the annual EW turnover would be 20 percent (2,961 in the budget year [BY]).
- It is assumed that it would take 15 minutes of an Associate Information Systems Analyst (AISA) time ($29.80 hour rate) to provide EBT system access and assistance.
- The United States Department of Agriculture (USDA) Food and Nutrition Services (FNS) requires specific daily settlement, reconciliation, and reporting activities for EBT. It is assumed that each county will need on average a 0.93 Full-Time Equivalent (FTE) staff person at a monthly salary rate of $4,653 to perform these new activities statewide in FY 2003-04.
- Pursuant to State regulations CalWORKs and Food Stamp recipients shall be eligible for a fair hearing process to dispute EBT system errors. The recipient will have 90 calendar days from the date of the notice of adjustment to request for a fair hearing.
- It is assumed that there would be 942 cases in FY 2003-04 resulting in EBT system errors (510 Food Stamp cases and 432 CalWORKs cases).
- It is assumed that it would take one hour of an EW time to process the Food Stamp/CalWORKs benefit adjustment claims ($58.27 per hour for Food Stamps and $57.57 for CalWORKs).

# Electronic Benefits Transfer Administrative Impact

## KEY DATA/ASSUMPTIONS (continued):

- The CFAP savings estimate is based on applicable assumptions as used for CalWORKs and Food Stamps.

## METHODOLOGY:

- The administrative impact to the Food Stamp, CalWORKs and CFAP programs is a net result of the total savings resulting from the elimination of obsolete activities and costs associated with new activities for the EBT program.
- The total savings for the Food Stamp Program is the sum of the elimination of: the direct service delivery system; affidavit of nonreceipt process; mailing costs for food stamp coupon; FAIR/FSOLIS systems; and storage and security for food stamp coupons.
- The total costs for the Food Stamp Program is the sum of the new settlement and reconciliation activity, EBT security, and EBT benefit adjustment claim process.
- The net savings for the CalWORKs Program is the sum of the elimination of printing, processing, and mailing of CalWORKs warrants and the affidavit of nonreceipt process, and the cost for EBT benefit adjustment claims.
- The total savings resulting from the elimination of the food stamp direct service delivery system is calculated by multiplying the savings per case by the number of effected casemonths in the BY ($1.68 x 5,432,118).
- The total savings resulting from the elimination of the affidavit of nonreceipt process is calculated by multiplying the savings per case by the number of casemonths that will no longer be subject to lost warrants/benefits for Food Stamp cases ($63.27 x 5,432,118 x 1.9 percent) and CalWORKs cases ($62.57 x 2,881,345 x 1.36 percent).
- The total savings resulting from the elimination of the FAIR and FSOLIS systems is calculated by multiplying the savings per case by the number of casemonths for those affected counties in the budget year ($2.22 x 3,582,753).
- The total savings resulting from the elimination of the mailing costs for coupon issuance in the non FAIR/FSOLIS counties is calculated by multiplying the savings per case by the number of casemonths for the affected counties in the BY ($0.36 x 1,849,365).
- The total savings resulting from the elimination of storage and security for food stamp coupons is calculated by multiplying the savings per case by the number of affected casemonths in the BY ($0.48 x 5,432,118).
- The total savings for the elimination of printing, processing, and mailing of CalWORKs warrants is calculated by multiplying the savings per case of $2.60 by the number of affected casemonths in the BY ($2.60 x 2,881,345).
- The total costs of the new food stamp daily settlement, reconciliation, and reporting activity is calculated by multiplying the number of FTEs by the EW salary by the number of months EBT will be implemented in those counties that will implement in the BY (0.9 x $4,653.00 x 425).

# Electronic Benefits Transfer Administrative Impact

## METHODOLOGY (continued):

- The total costs of the new EBT Security activity is calculated by multiplying the number of affected EWs (including turnover) by one quarter of an AISA's hourly salary ((2,347 + 2,961) x .25 x $29.80).
- The CFAP savings of $672,269 for FY 2003-04 is included in the food stamp savings estimate.

## FUNDING:

CalWORKs funding is 100 percent TANF in the current year and 45 percent federal, 5 percent state, and 50 percent county funds in the BY. The Federal Food Stamp sharing ratio is 50 percent federal, 35 percent state, and 15 percent county funds in the current year and 50 percent federal and 50 percent county funds in the BY. CFAP savings are 100 percent State General Fund (GF) in the current year and 100 percent county funds in the BY.

## CHANGE FROM THE APPROPRIATION:

There is no change.

## REASON FOR YEAR-TO-YEAR CHANGE:

The BY reflects additional counties implementing EBT and includes updated information on impacted caseload, implementation dates, costs for the EBT benefit adjustments and savings resulting from the elimination of storage and security for food stamp coupons. The GF reduction in the BY reflects inclusion of this premise in the proposed FY 2003-04 State and Local Realignment.

## EXPENDITURES:

(in 000's)

**ITEM 101**

**CalWORKs Administration**

| | 2002-03 | 2003-04 |
|---|---|---|
| | County Admin. | County Admin. |
| Total | -$2,096 | -$9,925 |
| Federal | -2,096 | -4,499 |
| State | 0 | -464 |
| County | 0 | -4,962 |
| Reimbursements | 0 | 0 |

# Electronic Benefits Transfer Administrative Impact

## EXPENDITURES (continued):

(in 000's)

**ITEM 141**

**Food Stamp Administration**

| | 2002-03 | 2003-04 |
|---|---|---|
| | County Admin. | County Admin. |
| Total | -$4,227 | -$25,528 |
| Federal | -1,893 | -12,428 |
| State | -1,766 | 0 |
| County | -568 | -13,100 |
| Reimbursements | 0 | 0 |

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# Refugee Cash Assistance – Administration

## DESCRIPTION:

This premise reflects the costs necessary to perform the administrative functions of the Refugee Cash Assistance (RCA) Program. The RCA Program provides cash grants to refugees during their first eight months in the United States (U.S.) if they are not otherwise eligible for the standard categorical welfare programs. The RCA administrative costs include salaries and benefits of eligibility workers and first line supervisors who determine eligibility and provide ongoing case management for the RCA Program. Also included are allocated overhead and direct costs.

## IMPLEMENTATION DATE:

This premise implemented on March 17, 1980.

## KEY DATA/ASSUMPTIONS:

- Section 1522 of Title 8 of the United States Code (U.S.C.) authorizes the federal government to provide grants to the states to assist refugees who resettle in the U.S.
- Sections 13275 through 13282 of the Welfare and Institutions Code authorize the Department to administer the funds provided under Title 8 of the U.S.C. It also provides the Department authority to allocate the federal funds to the counties.
- For July 2001 to June 2002, the average administrative monthly cost per RCA case was $94.48.
- The average monthly caseload is 1,672 for Fiscal Year (FY) 2002-03. The average monthly caseload is projected at 1,703 for FY 2003-04.

## METHODOLOGY:

The average cost per case for RCA administration is multiplied by the estimated caseload for each fiscal year to arrive at the total cost.

## FUNDING:

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

## CHANGE FROM THE APPROPRIATION:

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

## REASON FOR YEAR-TO-YEAR CHANGE:

Total costs increase due to a projected caseload increase in FY 2003-04.

# Refugee Cash Assistance – Administration

## EXPENDITURES:

(in 000's)

| | 2002-03 | 2003-04 |
|---|---|---|
| | County Admin. | County Admin. |
| Total | $1,896 | $1,931 |
| Federal | 1,896 | 1,931 |
| State | 0 | 0 |
| County | 0 | 0 |
| Reimbursements | 0 | 0 |

# Statewide Automated Welfare System Interface with Existing Systems

## DESCRIPTION:

This premise reflects costs for consultant services to complete changes to the State Hearing System to allow for interface with the California Work Opportunity and Responsibility to Kids Information Network. This interface is necessary because the State Hearing System contains critical information needed for the eligibility determination function. Although state system program staff will play a critical role in the system changes, consultant staff will complete actual development.

## IMPLEMENTATION DATE:

The premise was scheduled to implement on June 30, 2003.

## KEY DATA/ASSUMPTIONS:

Funding was not approved and this premise was not implemented.

## METHODOLOGY:

Funding was not approved and this premise was not implemented.

## FUNDING:

Funding was not approved and this premise was not implemented.

## CHANGE FROM THE APPROPRIATION:

Due to planning delays and lower revenues and other demands on the State General Fund, this premise has been eliminated.

## REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

# Statewide Automated Welfare System Interface with Existing Systems

## EXPENDITURES:

(in 000's)

| | 2002-03 | 2003-04 |
|---|---|---|
| | County Admin. | County Admin. |
| Total | $0 | $0 |
| Federal | 0 | 0 |
| State | 0 | 0 |
| County | 0 | 0 |
| Reimbursements | 0 | 0 |

# Merced Automated Global Information Control (MAGIC)

## DESCRIPTION:

This premise reflects funding for county personnel and vendor maintenance and operation costs. The automated eligibility system developed in Merced County was the Merced Automated Global Information Control (MAGIC) system. Merced County only uses MAGIC.

## IMPLEMENTATION DATE:

This premise implemented on October 1, 1998.

## KEY DATA/ASSUMPTIONS:

- Authorizing Statue: Welfare and Institutions Code (W&IC) section 10823.5.
- This estimate is based on the advance planning document update from November 1993 and updated caseload data.
- Merced County shall pay the county share of MAGIC application maintenance costs based on its percentage share of the total caseload for the consortium approved for Merced County.

## METHODOLOGY:

- The Fiscal Year (FY) 2002-03 estimate is being held at the appropriation level.
- The FY 2003-04 estimate for MAGIC costs was adjusted by caseload growth of 2.3 percent for CalWORKs Admin., 2.2 percent for Foster Care Admin., and 8.3 percent for Food Stamps Admin.

## FUNDING:

MAGIC funding is a combination of various sources. Federal funds include the normal share of Temporary Assistance for Needy Families (TANF), Title IV-E, United States Department of Agriculture/Food and Nutrition Service and Refugee Resettlement Programs. The project is also eligible for Title XIX federal funding, budgeted by the Department of Health Services. Based on the cost allocation plan for the project, the federal share of the California Work Opportunity and Responsibility to Kids Program is 100 percent TANF-eligible. Project-related TANF funds are identified in total within the "Additional TANF/MOE Expenditures in CDSS" section in the TANF section of each Detail Table.

**Note:** Assembly Bill 1542 (Chapter 270, Statutes of 1997) and W&IC section 15204.4 required a maintenance of effort (MOE) from the counties based on expenditures during FY 1996-97, which included the administration of food stamps. Please reference the "County MOE Adjustment" premise description.

# Merced Automated Global Information Control (MAGIC)

## CHANGE FROM THE APPROPRIATION:

There is no change.

## REASON FOR YEAR-TO-YEAR CHANGE:

Total funds were increased due to caseload growth. The State General Fund reduction in the budget year reflects inclusion of this premise in the proposed FY 2003-04 State and Local Realignment.

## EXPENDITURES:

(in 000's)

| | 2002-03 | 2003-04 |
|---|---|---|
| | County Admin. | County Admin. |
| Total | $6,809 | $7,059 |
| Federal | 5,557 | 3,529 |
| State | 874 | 0 |
| County | 378 | 3,530 |
| Reimbursements | 0 | 0 |

# SAWS Statewide Project Management

## DESCRIPTION:

This premise reflects costs for the Statewide Automated Welfare System (SAWS) Statewide Project Management. This activity is performed by the Health and Human Services Data Center (HHSDC) in accordance with Welfare and Institutions Code (W&IC) 10823(a), which requires HHSDC to implement SAWS. The HHSDC provides statewide project management for the four SAWS consortia and the Welfare Data Tracking Implementation Project.

The HHSDC provides state-level project management, including securing project approvals and funding, procuring and managing Independent Verification and Validation consultant services and other contract services, monitoring consortia implementation and ongoing operations, reviewing and approving selected consortia deliverables, applying early issue identification and resolution methods, managing risk, managing stakeholder involvement, and approving and tracking expenditures. Consortia are responsible for defining county-level system requirements, and for the competitive procurement of system hardware and software development, implementation support, and maintenance and operations of the consortia systems.

## IMPLEMENTATION DATE:

This premise implemented on July 1, 1995.

## KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&IC Section 10823.

## METHODOLOGY:

- Costs are based on the December 2001 (Revised May 2002) SAWS Statewide Project Management Implementation Advance Planning Document Update.

## FUNDING:

Statewide Project Management funding comes from various sources. Federal funds include the normal share of Food Stamp, Title IV-E and Refugee Resettlement Programs funding. The project is eligible for Title XIX federal funding, which is budgeted by the Department of Health Services. The Temporary Assistance for Needy Families (TANF) Program block grant is the funding source for TANF eligible costs. The balance of the funding is State General Fund (GF). Based on the cost allocation plan for the project, the federal share of the California Work Opportunity and Responsibility to Kids Program is 100 percent TANF eligible. Project-related TANF funds are identified in total within the "Additional TANF/MOE Expenditures in CDSS" in the TANF section of each Detail Table.

## CHANGE FROM THE APPROPRIATION:

The GF decreases in Fiscal Year 2002-03 are the result of the elimination of vacant staff positions.

## REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

# SAWS Statewide Project Management

## EXPENDITURES:

(in 000's)

| | 2002-03 | 2003-04 |
|---|---|---|
| | County Admin. | County Admin. |
| Total | $6,054 | $6,054 |
| Federal | 2,496 | 2,496 |
| State | 2,319 | 2,319 |
| County | 0 | 0 |
| Reimbursements | 1,239 | 1,239 |

## CDSS/HHSDC PARTNERSHIP:

(in 000's)

| | 2002-03 | 2003-04 |
|---|---|---|
| Total | 6,054 | 6,054 |
| CDSS | 0 | 0 |
| HHSDC | 6,054 | 6,054 |

# Welfare Data Tracking Implementation Project (WDTIP)

## DESCRIPTION:

This premise reflects costs for the Statewide Automated Welfare System (SAWS) - Welfare Data Tracking Implementation Project (WDTIP). Project management for WDTIP is provided by the Health and Human Services Data Center. WDTIP provides counties with the automated functionality required to conform to statewide tracking of time-on-aid requirements mandated by welfare reform in Chapter 270, Statutes of 1997 (AB 1542).

## IMPLEMENTATION DATE:

This premise implemented on July 1, 1999.

## KEY DATA/ASSUMPTIONS:

Authorizing statute: Welfare and Institutions Code section 11454.5(b)(4).

## METHODOLOGY:

Costs are based on the June 2002 SAWS-WDTIP Implementation Advance Planning Document Update.

## FUNDING:

SAWS-WDTIP funding is 100 percent California Work Opportunity and Responsibility to Kids (CalWORKs)/Temporary Assistance for Needy Families (TANF). Based on the cost allocation plan for the project, the federal share of the CalWORKs Program is 100 percent TANF eligible. Project-related TANF funds are identified in total within the "Additional TANF/MOE Expenditures in CDSS" section in the TANF section of each Detail Table.

## CHANGE FROM THE APPROPRIATION:

The decrease in Fiscal Year (FY) 2002-03 is due to reduced costs associated with postponement of the WDTIP/Los Angeles Eligibility, Automated Determination, Evaluation and Reporting (LEADER) interface to FY 2003-04.

## REASON FOR YEAR-TO-YEAR CHANGE:

The increase in FY 2003-04 primarily reflects the additional funding requested for consultant services for the LEADER interface.

# Welfare Data Tracking Implementation Project (WDTIP)

## EXPENDITURES:

(in 000's)

| | 2002-03 | 2003-04 |
|---|---|---|
| | County Admin. | County Admin. |
| Total | $3,860 | $7,123 |
| Federal | 3,860 | 7,123 |
| State | 0 | 0 |
| County | 0 | 0 |
| Reimbursements | 0 | 0 |

## CDSS/HHSDC PARTNERSHIP:

(in 000's)

| | 2002-03 | 2003-04 |
|---|---|---|
| Total | $3,860 | $7,123 |
| CDSS | 28 | 2,989 |
| HHSDC [1] | 3,832 | 4,134 |

[1] - Budget year includes a one-time increase in HHSDC authority of $302,000.

# Interim Statewide Automated Welfare System (ISAWS)

## DESCRIPTION:

This premise reflects the costs for the Interim Statewide Automated Welfare System (ISAWS) Consortium, one of four consortia within the Statewide Automated Welfare System (SAWS) Project. Statewide project management for SAWS is provided by the Health and Human Services Data Center (HHSDC). In addition, HHSDC provides computing, application maintenance and operational support services for the ISAWS Consortium. The Consortium is comprised of 35 counties.

## IMPLEMENTATION DATE:

This premise implemented on July 1, 1994.

## KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code Section 10823.
- The ISAWS estimate reflects ongoing maintenance and operations (M&O) costs

## METHODOLOGY:

Costs are based on the June 2002 SAWS-ISAWS Consortium Implementation Advance Planning Document Update.

## FUNDING:

ISAWS funding comes from various sources. Federal funds include the normal shares of Food Stamp, Title IV-E and Refugee Resettlement Programs funding. Also, the project is eligible for Title XIX federal funding, which is budgeted by the Department of Health Services. The Temporary Assistance for Needy Families (TANF) program block grant is the funding source for TANF-eligible costs. The balance of the funding is State General Fund (GF) and the county share of Food Stamp and Title IV-E costs. Based on the cost allocation plan for the project, the federal share of the California Work Opportunity and Responsibility to Kids Program is 100 percent TANF-eligible. Project-related TANF funds are identified in total within the "Additional TANF/MOE Expenditures in CDSS" section in the TANF section of each Detail Table.

## CHANGE FROM THE APPROPRIATION:

In addition to the Fiscal Year (FY) 2002-03 adjustments necessary to reflect the elimination of maintenance costs for mainframes that have been replaced and the actual lease costs for the new mainframes, GF costs also decreased as a result of an updated cost allocation plan.

## REASON FOR YEAR-TO-YEAR CHANGE:

The net decrease for FY 2003-04 is primarily a result of decreases in host hardware costs and host hardware maintenance.

# Interim Statewide Automated Welfare System (ISAWS)

## EXPENDITURES:

(in 000's)

| | 2002-03 | 2003-04 |
|---|---|---|
| | County Admin. | County Admin. |
| Total | $38,193 | $37,025 |
| Federal | 16,077 | 15,585 |
| State | 13,234 | 12,830 |
| County | 1,915 | 1,857 |
| Reimbursements | 6,967 | 6,753 |

## CDSS/HHSDC PARTNERSHIP:

(in 000's)

| | 2002-03 | 2003-04 |
|---|---|---|
| Total | 38,193 | $37,025 |
| CDSS | 610 | 149 |
| HHSDC | 37,583 | 36,876 |

# Los Angeles Eligibility, Automated Determination, Evaluation and Reporting (LEADER)

## DESCRIPTION:

This premise reflects the costs for the Los Angeles Eligibility, Automated Determination, Evaluation and Reporting (LEADER) Consortium, one of four consortia within the Statewide Automated Welfare System (SAWS) Project. Statewide project management for SAWS is provided by the Health and Human Services Data Center. The LEADER Consortium includes only Los Angeles County.

## IMPLEMENTATION DATE:

This premise implemented on July 1, 1994.

## KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 10823.
- The LEADER estimate reflects ongoing maintenance and operations costs.

## METHODOLOGY:

Costs are based on the June 2002 SAWS-LEADER Implementation Advance Planning Document Update.

## 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 included in the Department of Health Services budget. The Temporary Assistance for Needy Families (TANF) Program block grant is the funding source for TANF-eligible costs. The balance of the funding is State General Fund and the county share of Food Stamp and General Relief costs. Based on the cost allocation plan for the project, the federal share of the California Work Opportunity and Responsibility to Kids Program is 100 percent TANF eligible. Project-related TANF funds are identified in total within the “Additional TANF/MOE Expenditures in CDSS” section in the TANF section of each Detail Table.

## CHANGE FROM THE APPROPRIATION:

There is no change.

## REASON FOR YEAR-TO-YEAR CHANGE:

The Fiscal Year 2003-04 change is associated with increased costs for baseline application maintenance (including vendor, county and quality assurance costs) and facilities management.

# Los Angeles Eligibility, Automated Determination, Evaluation and Reporting (LEADER)

## EXPENDITURES:

(in 000's)

| | 2002-03 | 2003-04 |
|---|---|---|
| | County Admin. | County Admin. |
| Total | $11,654 | $16,324 |
| Federal | 7,755 | 10,862 |
| State | 2,520 | 3,530 |
| County | 1,379 | 1,932 |
| Reimbursements | 0 | 0 |

## CDSS/HHSDC PARTNERSHIP:

(in 000's)

| | 2002-03 | 2003-04 |
|---|---|---|
| Total | $11,654 | $16,324 |
| CDSS | 11,654 | 16,324 |
| HHSDC | 0 | 0 |

# Welfare Client Data System (WCDS)

## DESCRIPTION:

This premise reflects costs for the Welfare Client Data System (WCDS) Consortium, one of the four consortia within the Statewide Automated Welfare System (SAWS) Project. Statewide project management for SAWS is provided by the Health and Human Services Data Center. The WCDS Consortium is comprised of 18 counties.

## IMPLEMENTATION DATE:

This premise implemented on July 1, 1997.

## KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 10823.
- Implementation activities began in February 2000.
- Implementation activities are scheduled to be completed in Fiscal Year (FY) 2004-05.

## METHODOLOGY:

Costs are based on the June 2002 SAWS-WCDS Consortium Implementation Advance Planning Document Update.

## FUNDING:

WCDS funding comes from various sources. Federal funds include the normal shares of Food Stamp and Refugee Resettlement Programs funding. Also, the project is eligible for Title XIX federal funding, which is budgeted by the Department of Health Services. The Temporary Assistance for Needy Families (TANF) Program block grant is the funding source for TANF-eligible costs. The balance of the funding is State General Fund (GF), the county share of General Assistance/General Relief costs, and the county share of application development costs. Based on the cost allocation plan for the project, the federal share of the California Work Opportunity and Responsibility to Kids Program is 100 percent TANF-eligible. Project-related TANF funds are identified in total within the "Additional TANF/MOE Expenditures in CDSS" section in the TANF section of each Detail Table.

## CHANGE FROM THE APPROPRIATION:

The increase in GF for FY 2002-03 is the result of an updated cost allocation plan.

## REASON FOR YEAR-TO-YEAR CHANGE:

The increase in FY 2003-04 is necessary to complete pilot county implementation and maintain the application.

# Welfare Client Data System (WCDS)

## EXPENDITURES:

(in 000's)

| | 2002-03 | 2003-04 |
|---|---|---|
| | County Admin. | County Admin. |
| Total | $86,018 | $96,643 |
| Federal | 44,912 | 49,593 |
| State | 26,460 | 30,600 |
| County | 3,701 | 3,612 |
| Reimbursements | 10,945 | 12,838 |

## CDSS/HHSDC PARTNERSHIP:

(in 000's)

| | 2002-03 | 2003-04 |
|---|---|---|
| Total | $86,018 | $96,643 |
| CDSS | 86,018 | 96,643 |
| HHSDC | 0 | 0 |

# Consortium IV (C-IV)

## DESCRIPTION:

This premise reflects the costs for Consortium IV (C-IV), one of four consortia within the Statewide Automated Welfare System (SAWS) Project. Statewide project management for SAWS is provided by the Health and Human Services Data Center (HHSDC). Consortium IV is comprised of four counties.

## IMPLEMENTATION DATE:

This premise implemented on July 1, 1997.

## KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 10823.
- Implementation activities began March 1, 2001.
- Implementation activities are scheduled to be completed in Fiscal Year (FY) 2004-05.

## METHODOLOGY:

Costs are based on the June 2002 SAWS-C-IV Implementation Advance Planning Document Update.

## 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. The project is eligible for Title XIX federal funding, which is budgeted by the Department of Health Services. The Temporary Assistance for Needy Families (TANF) Program block grant is the funding source for TANF-eligible costs. The balance of the funding is State General Fund and the county share of application development costs. Based on the cost allocation plan for the project, the federal share of the California Work Opportunity and Responsibility to Kids Program is 100 percent TANF-eligible. Project-related TANF funds are identified in total within the "Additional TANF/MOE Expenditures in CDSS" section in the TANF section of each Detail Table.

## CHANGE FROM THE APPROPRIATION:

There is no change.

## REASON FOR YEAR-TO-YEAR CHANGE:

The decrease in FY 2003-04 is the result of a delay in implementation.

# Consortium IV (C-IV)

## EXPENDITURES:

(in 000's)

| | 2002-03 | 2003-04 |
|---|---|---|
| | County Admin. | County Admin. |
| Total | $55,496 | $54,096 |
| Federal | 36,382 | 35,465 |
| State | 13,860 | 13,510 |
| County | 0 | 0 |
| Reimbursements | 5,254 | 5,121 |

## CDSS/HHSDC PARTNERSHIP:

| (in 000's) | 2002-03 | 2003-04 |
|---|---|---|
| Total | $55,496 | $54,096 |
| CDSS | 55,496 | 54,096 |
| HHSDC | 0 | 0 |

# Statewide Fingerprint Imaging System (SFIS)

## DESCRIPTION:

This premise reflects the cost for the Statewide Fingerprint Imaging System (SFIS). Senate Bill 1780 (Chapter 206, Statutes of 1996) required applicants for, and recipients of California Work Opportunity and Responsibility to Kids (CalWORKs) 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 the child; (2) each parent and/or caretaker relative receiving or applying for aid on the basis of an unaided excluded child; (3) each aided or applicant adult; and, (4) the aided or applicant pregnant woman in an assistance unit (AU) consisting of the woman only. Failure to provide the required images will result in ineligibility for the entire AU.

## IMPLEMENTATION DATE:

The first phase of counties began implementation on March 14, 2000. The statewide implementation of the SFIS was completed on December 7, 2001.

## KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 10830.
- The Health and Human Services Data Center (HHSDC) cost estimates reflected in this premise are based on the new negotiated contract with the SFIS development contractor that was a result of the second procurement effort (RFP HWDC-8001). Cost estimates are based on the following:
  - Development and implementation vendor – The development and implementation vendor contract estimate is based on a structured monthly lease and maintenance cost for state and county-operated workstations and a "per transaction" cost. The "per transaction" cost includes: vendor project staff; help desk when the system is operational; fingerprint examiners; system operators; lease/maintenance costs for host computer(s) (i.e., central site); software development and maintenance; and user training classes.
  - Independent verification and validation vendor – Independent verification and validation staff will be utilized to assure the state that the development and implementation vendor is providing the promised product at the lowest cost, and to reduce any risk factors during the development and implementation phases of the project.
  - Change control – Change control is necessary since there are always items not addressed in the RFP, which require changes in the program(s). These can be legislative, interface, capacity or workload changes that affect the new system.
  - Site preparation – Site preparation will also be a vendor cost. The site preparation estimate includes implementation team staff and associated travel.

## METHODOLOGY:

The cost estimates are based on the negotiated contract with the SFIS development contractor and the September 1999 contract start date as reported in the June 2000 Special Project Report.

# Statewide Fingerprint Imaging System (SFIS)

## FUNDING:

The automation project costs for the CalWORKs and Food Stamp programs are funded with State General Fund and the county share of Food Stamp and General Relief costs.

## CHANGE FROM THE APPROPRIATION:

The FY 2002-03 estimate has been revised to reflect a county share of costs.

## REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

## EXPENDITURES:

(in 000's)

| | 2002-03 | 2003-04 |
|---|---|---|
| | County Admin. | County Admin. |
| Total | $10,745 | $10,745 |
| Federal | 0 | 0 |
| State | 10,014 | 10,014 |
| County | 731 | 731 |
| Reimbursements | 0 | 0 |

## CDSS/HHSDC PARTNERSHIP:

(in 000's)

| | 2002-03 | 2003-04 |
|---|---|---|
| Total | $10,745 | $10,745 |
| CDSS | 0 | 0 |
| HHSDC | 10,745 | 10,745 |

# Statewide Electronic Benefit Transfer (EBT) Project

## DESCRIPTION:

This premise reflects the costs associated with implementation activities and ongoing operations for the Statewide Electronic Benefit Transfer (EBT) Project. Public Law 104-193, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, mandates an EBT system for food stamps by October 2002.

In accordance with Welfare and Institutions Code (W&IC) section 10069.5, the EBT system project management was transferred to the Health and Human Services Data Center (HHSDC). Assembly Bill 2779 (Chapter 329, Statutes of 1998), which adopted Section 10075.5 of the W&IC, states: "The State shall be responsible for procuring and contracting for a single statewide electronic benefits transfer system." The language goes on to state that HHSDC shall be the project manager of the system and shall be responsible for system planning, procurement, development, implementation, operation, and all other activities that are consistent with a state-managed project and a statewide system.

The State Legislature requires a system for food stamps and allows counties the option of including cash benefits. EBT uses debit card technology and retailer point-of-sale terminals to automate benefit authorization, delivery, redemption and financial settlement. This system eliminates the need for food stamp coupons. EBT also increases the assurance benefit dollars are used appropriately and provides effective ways to reduce and prevent fraud and abuse. For the recipient, EBT increases security and safety while reducing the stigma associated with receiving public assistance.

## IMPLEMENTATION DATE:

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

## KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&IC section 10069.
- Implementation activities began in July 2001.
- Statewide conversion is scheduled for completion by December 2004.
- County operations began in July 2002 with the two-county pilot.

## METHODOLOGY:

The EBT planning costs are detailed in the January 2001 EBT Planning Advance Planning Document Update. Implementation costs, ongoing operations costs, and county rollout schedule are detailed in the April 2001 Implementation Advance Planning Document and the July 2002 Implementation Advance Planning Document Update.

# Statewide Electronic Benefit Transfer (EBT) Project

## FUNDING:

EBT funding comes from two programs. Federal funds and State General Fund are provided for the Food Stamp Program. The Temporary Assistance for Needy Families (TANF) Program block grant is the funding source for TANF-eligible costs. Based on the cost allocation plan for the project, the federal share of the California Work Opportunity and Responsibility to Kids Program is 100 percent TANF- eligible. Project-related TANF funds are identified in total within the "Additional TANF/MOE Expenditures in CDSS" section in the TANF section of each Detail Table.

## CHANGE FROM THE APPROPRIATION:

The net decrease in FY 2002-03 is due to a reduction based on a reappropriation of $4.3 million from FY 2001-02, and an increase to reflect the continuation of implementation/conversion activities from the two-county pilot to a total of 19 counties scheduled for implementation during FY 2002-03.

## REASON FOR YEAR-TO-YEAR CHANGE:

The increase in FY 2003-04 is due to continuation of maintenance and operation activities for the 19 counties converted during FY 2002-03 and implementation activities to bring 27 additional counties onto the EBT system during FY 2003-04 (by the end of FY 2003-04, a total of 46 counties will be fully operational on the EBT system).

## EXPENDITURES:

| (in 000's) | 2002-03 | 2003-04 |
|---|---|---|
| | County Admin. | County Admin. |
| Total | $55,558 | $64,769 |
| Federal | 35,680 | 41,788 |
| State | 19,014 | 19,224 |
| County | 864 | 3,757 |
| Reimbursements | 0 | 0 |

## CDSS/HHSDC PARTNERSHIP:

| (in 000's) | 2002-03 | 2003-04 |
|---|---|---|
| Total | $55,558 | $64,769 |
| CDSS | 12,189 | 6,637 |
| HHSDC | 43,369 | 58,132 |

# Child Welfare Services – Basic Costs

## DESCRIPTION:

This premise reflects the costs incurred by county welfare departments (CWDs) in the administration of each component of the Child Welfare Services (CWS) Program as established through the Welfare and Institutions Code (W&IC) section 16500. W&IC section 11461 (e)(4)(B) provides additional funding to counties as incentives and assistance specifically for the Aid to Families with Dependent Children/Foster Care Specialized Care Program. These funds will be used to cover the purchase of nonrecurring items on an as needed basis, the purchase of services not available through other fund sources, and the development of a respite care program or purchase of respite care services.

In recognition of the funding and staffing need identified by the workload study authorized by Senate Bill (SB) 2030 (Chapter 785, Statutes of 1998), the estimate reflects funding to allow counties to maintain the level of social workers funded in the prior year.

**Emergency Response (ER) Component**

ER services consist of a response system providing in-person response, when required, to reports of child abuse, neglect, or exploitation for the purpose of investigation and to determine the necessity for providing initial intake services and crisis intervention to maintain the child safely in his or her own home or to protect the safety of the child.

**Emergency Response Assessment (ERA) Component**

ERA is the initial intake service provided in response to reported allegations of child abuse, neglect or exploitation that is determined, based upon an evaluation of risk, to be inappropriate for an in-person investigation.

**Family Maintenance (FM) Component**

FM is designed to provide time-limited protective services to prevent or remedy neglect, abuse or exploitation for the purpose of preventing separation of children from their families. CWDs are responsible for determining the specific service needs of the child and family aimed at sustaining the child in the home.

**Family Reunification (FR) Component**

FR is designed to provide time-limited services while the child is in temporary foster care to prevent or remedy neglect, abuse or exploitation when the child cannot safely remain at home. CWDs are responsible for determining the specific service needs of the child and/or family aimed at reunifying the child with the family.

**Permanent Placement (PP) Component**

PP is designed to provide an alternative permanent family structure for children who because of abuse, neglect or exploitation cannot safely remain at home and who are unlikely to ever return home. The CWDs are responsible for determining the appropriate permanent goal for the child and facilitating the implementation of that goal. These goals are defined as guardianship, adoption or long-term placement.

# Child Welfare Services – Basic Costs

## KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&IC sections 16500 and 11461 (e)(4)(B).
- The workload standard was adopted by the Department in conjunction with the County Welfare Directors' Association in 1984. These standards are 15.8 for ER, 35.0 for FM, 27.0 for FR, 54.0 for PP and 320.0 for ER assessments.
- The statewide annual cost of a social worker (SW) ($129,118) was based on the estimated cost of providing services, to include total staff costs, support costs, and electronic data processing costs, provided in the Fiscal Year (FY) 2001-02 proposed county administrative budgets.
- All counties are now reporting caseload data on the CWS/Case Management System (CMS). Caseload projections were developed for each individual county using data from the period of January 1999 through April 2002. These projections were used in developing the "Basic" line of this premise.
- Additional funds are provided in recognition of the funding and staffing need identified by the workload study authorized by SB 2030. Costs are calculated in order to continue each county's SW full-time equivalent (FTE) level funded in the prior year.

## METHODOLOGY:

**FY 2002-03**

The funding for FY 2002-03 is being held at the Budget Act of 2002 Appropriation level.

**FY 2003-04**

- The estimate is derived by applying the workload standards to the individual county caseload projections and expanding for a 7:1 supervisory ratio. Additional FTEs are included in order to continue each county's prior year FTE level.
- The annual cost of a SW in each county is applied to the total number of FTEs in each county to derive staff costs for each line.
- Direct costs are projected from FY 2001-02 actual expenditures and statewide average caseload growth from FY 2001-02 to FY 2003-04. Total direct costs, excluding county-operated emergency shelter care, are $100.3 million for the 58 counties. The projected county-operated emergency shelter care costs are $67.6 million for those counties with county-operated emergency shelters based on actual expenditures from FY 2001-02.
- Once the total CWS basic costs are derived, costs for the Emergency Assistance (EA) Program are subtracted and are displayed separately under the "EA Program" premises. The EA Program costs are determined based on the FY 2002-03 funding level and caseload growth.

# Child Welfare Services – Basic Costs

## FUNDING:

The federal share of costs is a combination of Titles IV-B, IV-E 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 FY 2003-04 are $31.9 million. These funds have a 75-percent federal match rate.

The Title IV-E amount reflects the actual experience from FY 2001-02 that 37.1 percent of the expenditures will be eligible for Title IV-E funding.

The Title XIX amount for FY 2003-04 is calculated using individual county usage rates based on FY 2001-02 expenditure data which reflect that 3.5 percent of the expenditures will be eligible for Title XIX funding. These costs are reflected as a reimbursement.

Nonfederal costs are shared at 70 percent State General Fund (GF) and 30 percent county.

## CHANGE FROM THE APPROPRIATION:

Costs for CWS/CMS additional resource charges have been updated based on more recent actual data.

## REASON FOR YEAR-TO-YEAR CHANGE:

The FY 2003-04 estimate has been updated for caseload and actual expenditures. The amount subtracted for the EA Program has increased. The GF reduction in the budget year reflects inclusion of this premise in the proposed FY 2003-04 State and Local Realignment.

## CASELOAD:

(Average Monthly)

| | 2002-03 | 2003-04 |
|---|---|---|
| Emergency Response | 45,811 | 45,928 |
| Emergency Response Assessment | 14,923 | 15,020 |
| Family Maintenance | 25,640 | 25,177 |
| Family Reunification | 25,256 | 23,094 |
| Permanent Placement | 71,121 | 61,425 |

# Child Welfare Services – Basic Costs

## EXPENDITURES:

(in 000's)

| | 2002-03 | 2003-04 |
|---|---|---|
| **Total Basic** | County Admin. | County Admin. |
| Total | $961,209 | $975,820 |
| Federal | 404,875 | 388,469 |
| State[1] | 389,569 | 500 |
| County | 128,181 | 550,519 |
| Reimbursements | 38,584 | 36,332 |

**Weighted Costs by Component:**

| | 2002-03 | | 2003-04 | |
|---|---|---|---|---|
| | TOTAL FUNDS | GENERAL FUND | TOTAL FUNDS | GENERAL FUND |
| Emergency Response | $469,889 | $190,442 | $500,631 | $0 |
| Emergency Response Assessment | 7,558 | 3,063 | 8,084 | 0 |
| Family Maintenance | 118,723 | 48,117 | 123,889 | 0 |
| Family Reunification | 151,594 | 61,440 | 147,310 | 0 |
| Permanent Placement | 213,445 | 86,507 | 195,906 | 0 |
| | $961,209 | $389,569 | $975,820 | $0 |

**Reconciliation of Federal Funds:**

| | 2002-03 | 2003-04 |
|---|---|---|
| Title IV-B | $31,927 | $31,927 |
| Title IV-E | 372,948 | 356,542 |
| Title XIX | 36,196 | 35,401 |
| Total Federal Funding | $441,071 | $423,870 |

**Specialized Care:**

| | 2002-03 | 2003-04 |
|---|---|---|
| Total | $5,212 | $5,346 |
| Federal | 0 | 0 |
| State | 5,212 | 5,346 |
| County | 0 | 0 |

[1] - Budget year funding represents a State-level contract.

# Augmentation to Child Welfare Services

## DESCRIPTION:

This premise reflects the cost to provide an augmentation to the Child Welfare Services (CWS) Program. Assembly Bill (AB) 1656 (Chapter 324, Statutes of 1998) authorized an augmentation of $40 million in State General Fund (GF). AB 1740 (Chapter 52, Statutes of 2000) provided an additional augmentation of $34.3 million in GF. These funds shall be expressly targeted for services provided through the Emergency Response, Family Maintenance, Family Reunification and Permanent Placement components of CWS, and shall not be used to supplant existing CWS funds. Funds will be available to counties contingent upon individual counties: 1) matching their CWS Basic GF allocation; and, 2) fully utilizing the CWS/Case Management System. There is no county match required for these funds.

## IMPLEMENTATION DATE:

This premise, formerly known as "Emergency Workload Relief," implemented on July 1, 1998.

## KEY DATA/ASSUMPTIONS:

- Authorizing statute: AB 1656 and AB 1740.
- AB 1656 authorized $40.0 million in GF.
- AB 1740 authorized an additional $34.3 million in GF.
- The FY 2002-03 GF appropriation was reduced by $17,150,000 due to lower revenues and other demands on the available GF.

## METHODOLOGY:

AB 1656 and AB 1740 designated the GF amount, however, due to lower revenues and other demands on the available GF, the FY 2002-03 GF Appropriation was reduced by $17,150,000. For FY 2003-04, the GF is being held at the current year level.

## FUNDING:

After applying the foster care federal discount rates of 78 percent for FY 2002-03 and 76 percent for FY 2003-04, federally eligible costs are shared 50 percent federal Title IV-E and 50 percent nonfederal. Nonfederal costs are 100 percent GF for FY 2002-03 and 100 percent county for FY 2003-04.

## CHANGE FROM THE APPROPRIATION:

There is no change.

## REASON FOR YEAR-TO-YEAR CHANGE:

The foster care federal discount rate decreased from 78 to 76 percent. The GF reduction in the budget year reflects inclusion of this premise in the proposed FY 2003-04 State and Local Realignment.

# Augmentation to Child Welfare Services

## EXPENDITURES:

(in 000's)

| | 2002-03 | 2003-04 |
|---|---|---|
| | County Admin. | County Admin. |
| Total | $94,680 | $92,177 |
| Federal | 37,530 | 35,027 |
| State | 57,150 | 0 |
| County | 0 | 57,150 |
| Reimbursements | 0 | 0 |

# Child Welfare Services/Case Management System – System Support Staff

## DESCRIPTION:

This premise reflects the cost for county administrative staff needed to support the Child Welfare Services/Case Management System which was implemented as a result of Senate Bill 370 (Chapter 1294, Statutes of 1989). These staff are needed for the ongoing operations of the system.

## IMPLEMENTATION DATE:

There was a staggered implementation, based on individual county start dates beginning in Fiscal Year (FY) 1996-97.

## KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 16501.5.
- Staffing is based on a staff-to-workstation ratio of 1:50 for all counties.
- For each FY, the electronic data processing (EDP) average monthly salaries were based on each county's proposed county administrative budget for FY 2001-02. If a county did not have an EDP salary, then the county's administrative salary was used.
- For each FY, there are 15,509 projected users based on the recalibration of users down to the base contract level.

## METHODOLOGY:

Full-time equivalent (FTE) system support staff are calculated by applying the staff-to-workstation ratio to the total number of workstations in each individual county. These FTEs are funded at each county's individual EDP/administrative salary.

## FUNDING:

For each 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 (GF) and 30 percent county for FY 2002-03. For FY 2003-04, the nonfederal share is 100 percent county.

## CHANGE FROM THE APPROPRIATION:

There is no change.

## REASON FOR YEAR-TO-YEAR CHANGE:

The GF reduction in the budget year reflects inclusion of this premise in the proposed FY 2003-04 State and Local Realignment.

# Child Welfare Services/Case Management System – System Support Staff

## EXPENDITURES:

(in 000's)

| | 2002-03 County Admin. | 2003-04 County Admin. |
|---|---|---|
| Total | $25,456 | $25,456 |
| Federal | 12,728 | 12,728 |
| State | 8,910 | 0 |
| County | 3,818 | 12,728 |
| Reimbursements | 0 | 0 |

# Child Welfare Services – Emergency Assistance Program (TANF & Title IV-E)

## DESCRIPTION:

These premises reflect the costs associated with the Child Welfare Services (CWS) Emergency Assistance (EA) Program funded through federal Temporary Assistance for Needy Families (TANF) and Title IV-E funds.

In 1993, the Department implemented a statewide EA Program under Title IV-A of the Social Security Act for county welfare departments which provides funding for emergency shelter care to children determined to be at risk due to abuse, neglect, abandonment, or exploitation.

In 1994, the Department implemented crisis resolution and emergency response (ER) as the child welfare services components of emergency assistance. Crisis resolution provides services to families aimed at resolving family crises without removing the child from the home or by allowing the child to be returned to the family with the provision of supporting services to ensure child safety. Under EA/ER, funds will be available for emergency response activities such as receiving and assessing referrals, investigating emergency allegations, and gathering and evaluating relevant information.

EA case management is defined as an array of activities directed to a specific child. These activities include, but are not limited to, developing a case or service plan for a child, working with foster or adoptive parents to prepare them to receive a child, case and administrative reviews, case conferences, or permanency planning meetings.

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

For each Fiscal Year (FY), EA case management activities are funded with Title IV-E funds in order to free-up TANF dollars that can be used in lieu of GF, resulting in a net GF savings.

## IMPLEMENTATION DATE:

Emergency Shelter Care - This component implemented on September 1, 1993.
Crisis Resolution - This component implemented on August 1, 1994.
Emergency Response - This component implemented on August 1, 1994.
Case Management - This component implemented on October 1, 1995.

## KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 15204.25.
- For Fiscal Year (FY) 2003-04, statewide average caseload growth is projected at .11 percent.

## METHODOLOGY:

The FY 2002-03 estimate is being held at the appropriation. The FY 2003-04 estimate is based on the FY 2002-03 estimate and increased by the average statewide caseload growth of 0.11 percent.

# Child Welfare Services – Emergency Assistance Program (TANF & Title IV-E)

## FUNDING:

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

The sharing ratio for EA eligible shelter care cases under 30 days, emergency response, and crisis resolution is 85 percent TANF and 15 percent county. For shelter care EA eligible cases over 30 days, the ratio is 50 percent TANF and 50 percent county. These funds are reflected in the "Emergency Assistance TANF" line.

EA case management activities are funded 50 percent Title IV-E, 35 percent GF, and 15 percent county after the federal foster care discount rates of 78 percent for FY 2002-03 and 76 percent for FY 2003-04 are applied. These funds are reflected in the "Emergency Assistance Title IV-E" line.

## CHANGE FROM THE APPROPRIATION:

There is no change.

## REASON FOR YEAR-TO-YEAR CHANGE:

The FY 2003-04 estimates have increased for caseload growth. The "EA Title IV-E" GF reduction in the budget year reflects inclusion of this premise in the proposed FY 2003-04 State and Local Realignment.

## EXPENDITURES:

(in 000's)

| | 2002-03 | 2003-04 | 2002-03 | 2003-04 |
|---|---|---|---|---|
| | **EA TANF** | | **EA Title IV-E** | |
| Total | $166,702 | $166,923 | $83,498 | $83,510 |
| Federal | 137,076 | 137,264 | 32,564 | 31,734 |
| State | 0 | 0 | 38,409 | 0 |
| County | 29,626 | 29,659 | 12,525 | 51,776 |
| Reimbursements | 0 | 0 | 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 Assembly Bill 2365 (Chapter 71, Statutes of 1992), the three-year requirement can be met by a county using time periods in which the county funded and operated an approved plan for family preservation. The amount of funds to be permanently transferred cannot exceed 70 percent of the highest annual amount spent for family preservation. Once the permanent transfer of funds has occurred, the incentive/penalty provisions under current law will no longer be imposed. The transferred funds will be incorporated into the base funding allocations of the participating counties in later years.

## IMPLEMENTATION DATE:

This premise implemented in Fiscal Year (FY) 1993-94.

## KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 16500.5 through 16500.7.
- The state share of funds reflected in this estimate is 70 percent of the highest annual amount expended for family preservation services by 15 counties (Alameda, Contra Costa, Humboldt, Los Angeles, Mendocino, Napa, Placer, Riverside, Sacramento, San Diego, San Luis Obispo, Santa Clara, Santa Cruz, Solano, and Stanislaus).

## METHODOLOGY:

- The actual usage rate from the County Expense Claims (CEC) for FY 2000-01 was used to develop the totals for FY 2002-03. The percent to total of each share was calculated by dividing each share's actual expenditures for FY 2000-01 by the total cost of expenditures (e.g.: to calculate the State percent to total of 64.1 percent, divide the State's actual expenditures for FY 2000-01 ($19,043,000 by the total cost of expenditures ($29,711,000)). Total funds of $34,534,000 was calculated by using the SGF amount divided by the State's percent to total expenditures of 64.1 percent. Each share is then obtained by multiplying the total funds by the percent to total of each sharing entity (e.g., to calculate the federal share of costs of $2,590,000, multiply the total funds ($34,534,000) by the federal percent to total (7.5 percent)). The county share and the reimbursement amount were determined by multiplying the total funds by the actual sharing ratios, 27.5 percent and 0.9 percent, respectively.

# State Family Preservation – Permanent Transfer

## METHODOLOGY (continued):

- For FY 2003-04, the total State General Fund (GF) ($22,136,000) for the 15 counties mentioned above, will be held at the FY 2002-03 Appropriation level. The actual usage rate from the CEC for FY 2001-02 was used to develop the federal, county, and reimbursement totals for the budget year (BY). The percent to total of each share was calculated by dividing each share's actual expenditures for FY 2001-02 by the total cost of expenditures (e.g.: to calculate the State percent to total of 60.4 percent, divide the State's actual expenditures for FY 2001-02 ($13,765,084 by the total cost of expenditures ($22,787,544)). Total funds of $36,649,007 was calculated by using the GF amount divided by the State's percent to total expenditures of 60.4 percent. Each share is then obtained by multiplying the total funds by the percent to total of each sharing entity (e.g., to calculate the federal share of costs of $4,324,583, multiply the total funds ($36,649,007) by the federal percent to total (11.8 percent)). The county share and the reimbursement amount were determined by multiplying the total funds by the actual sharing ratios, 25.9 percent and 1.9 percent, respectively.

## FUNDING:

For FY 2003-04, the federal, nonfederal, and reimbursement costs were determined by actual usage rates based on FY 2001-02 expenditure data.

## CHANGE FROM THE APPROPRIATION:

There is no change.

## REASON FOR YEAR-TO-YEAR CHANGE:

The BY increase reflects the updated actual usage rates to determine the sharing of costs of the federal, county, and reimbursement shares. The GF reduction in the BY reflects inclusion of this premise in the proposed FY 2003-04 State and Local Realignment.

## EXPENDITURES:

(in 000's)

| | 2002-03 | 2003-04 |
|---|---|---|
| | County Admin. | County Admin. |
| Total | $34,534 | $36,649 |
| Federal | 2,590 | 4,325 |
| State | 22,136 | 0 |
| County | 9,497 | 31,628 |
| Reimbursements | 311 | 696 |

# Promoting Safe and Stable Families

## DESCRIPTION:

This premise reflects the amount of the federal grant to provide community-based, family-centered services to focus on supporting and preserving families, protecting children and preventing child abuse and neglect. The Omnibus Budget Reconciliation Act of 1993 established a new, capped entitlement program under Title IV-B.

## IMPLEMENTATION DATE:

This premise implemented on October 1, 1993.

## KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 16600 through 16604.5.
- The federal Title IV-B funds cannot be used to supplant existing state or local spending.
- Effective Fiscal Year (FY) 2001-02, based on federal requirements, a minimum of 20 percent of PSSF funds have been spent on each of the four components of the program (Family Preservation Services, Family Support Services, Adoption Promotion and Support, and Time-Limited Family Reunification).
- A 25 percent match from state or county funds is required. This match is made available through existing State Family Preservation Program funds.

## METHODOLOGY:

The federal funds for this program were converted from a Federal Fiscal Year (FFY) to a State Fiscal Year.

## FUNDING:

This premise reflects only federal grant funds. The grants are two-year grants, and there is a one-year delay in grant utilization.

## CHANGE FROM THE APPROPRIATION:

The change reflects the federal grant augmentation for FFY 2002 ($4,388,613) and the State Operations amount has been revised ($800,000 to $1,200,000).

## REASON FOR YEAR-TO-YEAR CHANGE:

The change reflects a decrease in the federal grant for FFY 2003 and the State Operations amount has been revised.

# Promoting Safe and Stable Families

## EXPENDITURES:

(in 000's)

| | 2002-03 | 2003-04 |
|---|---|---|
| | County Admin. | County Admin. |
| Total | $51,418 | $50,625 |
| Federal | 51,418 | 50,625 |
| State | 0 | 0 |
| County | 0 | 0 |
| Reimbursements | 0 | 0 |

# Independent Living Program

## DESCRIPTION:

This premise reflects the amount of the federal grant for the Independent Living Program (ILP). The Omnibus Budget Reconciliation Act of 1993 permanently authorized this program, which offers training to foster care adolescents and emancipated youth enabling them to be independent when their foster care terminates. County welfare departments provide or arrange for the provision of services that facilitate the transition of foster children to emancipated lifestyles.

Federal statute, H.R.3443, The Chafee Foster Care Independence Program (CFCIP) Act of 1999 (Public Law 106-169), amended Section 477 of the Social Security Act providing more flexibility in funding of ILP services. CFCIP authorized the expansion of this program to serve foster care youth ages 16 to 21. In addition, counties were given the discretion to provide ILP services to youth ages 14 and 15 when it was determined that these youth would most likely remain in foster care until emancipation. Counties are authorized to use up to 30 percent of their grant to provide housing assistance for emancipated foster youth and aftercare services to former foster youth ages 18 to 21.

## IMPLEMENTATION DATE:

This premise implemented on January 1, 1988.

## KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 10609.3.
- Funding is based on the federal grant awards for ILP.
- The grant amount for Federal Fiscal Year (FFY) 2002 is $27,570,078.
- The grant amount for FFY 2003 is $26,987,207.
- The grant amount for FFY 2004 is assumed to be at least equal to that of FFY 2003 ($26,987,207).

## METHODOLOGY:

- For State Fiscal Year (SFY) 2002-03, the federal funding amount is obtained by converting the federal grant from a FFY to a SFY [one quarter of the FFY 2002 grant ($6,892,520) and three quarters of the FFY 2003 grant (3 x $6,746,802)], less $1,019,784 for the state operations cost.
- For SFY 2003-04, after converting the federal grant from a FFY to a SFY [one quarter of the FFY 2003 grant ($6,746,802) and three quarters of the assumed FFY 2004 grant (3 x $6,746,802)], less $1,019,784 for the State Operations cost.

## FUNDING:

This premise is funded 100 percent with a federal grant award. The matching funds are provided through the “Extended ILP” premise and social worker expenditures within foster care group home assistance payments.

# Independent Living Program

## CHANGE FROM THE APPROPRIATION:

There is no change.

## REASON FOR YEAR-TO-YEAR CHANGE:

There is a decrease in the federal grant.

## EXPENDITURES:

(in 000's)

| | 2002-03 County Admin. | 2003-04 County Admin. |
|---|---|---|
| Total | $26,113 | $25,967 |
| Federal | 26,113 | 25,967 |
| State | 0 | 0 |
| County | 0 | 0 |
| Reimbursements | 0 | 0 |

# Extended Independent Living Program

## DESCRIPTION:

This premise reflects the State General Fund (GF) portion of the Independent Living Program (ILP), which provides training for eligible foster care adolescents aged 16 to 21 years old, enabling them to be independent when their foster care terminates. Senate Bill 933 (Chapter 311, Statutes of 1998) implemented the GF portion to extend ILP services to 100 percent of the eligible foster care adolescent population, up to the age of 21 years. County welfare departments provide or arrange for the provision of services that facilitate the transition of foster children to emancipated lifestyles.

In addition, counties are given the discretion to provide ILP services to youth ages 14 and 15, when it is determined that these youth would most likely remain in foster care until emancipated. Counties are authorized to use up to 30 percent of their allocation to provide housing assistance for emancipated foster youth and aftercare service to former foster youth ages 18 to 21.

## IMPLEMENTATION DATE:

This premise implemented in September 1998.

## KEY DATA/ASSUMPTIONS:

Authorizing statute: Welfare and Institutions Code section 10609.3.

## METHODOLOGY:

Funding for both the current and budget years is being held at the Budget Act of 2002 Appropriation level.

## FUNDING:

This premise is funded with 100 percent GF.

## CHANGE FROM THE APPROPRIATION:

There is no change.

## REASON FOR YEAR-TO-YEAR CHANGE:

The GF reduction in the budget year reflects inclusion of this premise in the proposed FY 2003-04 State and Local Realignment.

# Extended Independent Living Program

## EXPENDITURES:

(in 000's)

| | 2002-03 | 2003-04 |
|---|---|---|
| | County Admin. | County Admin. |
| Total | $15,152 | $15,152 |
| Federal | 0 | 0 |
| State | 15,152 | 0 |
| County | 0 | 15,152 |
| Reimbursements | 0 | 0 |

# Early Start to Emancipation

## DESCRIPTION:

This premise reflects the costs for technical assistance and training to the sole county that has elected to establish an Early Start to Emancipation program similar to that of a program established in Los Angeles County. This program will provide services to foster youth as they transition from middle school to high school. It is authorized by Senate Bill (SB) 841 (Chapter 694, Statutes of 2001), which appropriated to the California Department of Social Services (CDSS) the one-time amount of $125,000 for the purposes of the bill.

## IMPLEMENTATION DATE:

This premise implemented on January 1, 2002, and terminated on June 30, 2002.

## KEY DATA/ASSUMPTIONS:

- Authorizing statute: SB 841 (Chapter 694, Statutes of 2001).
- The amount appropriated to CDSS for this program was $125,000.
- Matching Title IV-E federal funds of $182,000 were available.

## METHODOLOGY:

SB 841 appropriated $125,000 to CDSS for the purposes of the bill.

## FUNDING:

One-time funding for this premise was appropriated during FY 2001-02. The funds in SB 841 are scheduled until December 31, 2005, allowing the funds to be encumbered and or expended by that date rather than by June 30, 2002.

## CHANGE FROM THE APPROPRIATION:

There is no change.

## REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

# Early Start to Emancipation

## EXPENDITURES:

(in 000's)

| | 2002-03 | 2003-04 |
|---|---|---|
| | County Admin. | County Admin. |
| Total | $0 | $0 |
| Federal | 0 | 0 |
| State | 0 | 0 |
| County | 0 | 0 |
| Reimbursements | 0 | 0 |

# Emancipated Foster Youth Stipends

## DESCRIPTION:

This premise reflects the costs to provide special needs stipends for emancipating foster youth. This program will provide assistance to emancipating foster youth in finding affordable housing, text books for college or vocational training, employment searches, emergency personal needs, and bus vouchers. County welfare departments will provide for the provision of these services.

## IMPLEMENTATION DATE:

This premise implemented on July 1, 2000.

## KEY DATA/ASSUMPTIONS:

Authorizing statute: The Budget Act of 2001.

## METHODOLOGY:

The Budget Bill designated the State General Fund (GF) amount.

## FUNDING:

This program is funded 100 percent GF.

## CHANGE FROM THE APPROPRIATION:

There is no change.

## REASON FOR YEAR-TO-YEAR CHANGE:

The GF reduction in the budget year reflects inclusion of this premise in the proposed Fiscal Year 2003-04 State and Local Realignment.

## EXPENDITURES:

(in 000's)

| | 2002-03 | 2003-04 |
|---|---|---|
| | County Admin. | County Admin. |
| Total | $3,602 | $3,602 |
| Federal | 0 | 0 |
| State | 3,602 | 0 |
| County | 0 | 3,602 |
| Reimbursements | 0 | 0 |

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# Recruitment and Retention of Social Workers

## DESCRIPTION:

This premise reflects the cost to fund a contract with Cooperative Personnel Services/Merit System Services to help recruit and retain social workers in 30 small counties. Due to the continued difficulties of hiring and retaining social workers, Merit System Services will work with counties to implement and provide on-going recruitment efforts and career development plans to increase and retain the number of social workers in the smaller counties.

## IMPLEMENTATION DATE:

This premise implemented on July 1, 2001.

## KEY DATA/ASSUMPTIONS:

The recruitment and career development plans were designed during Fiscal Year 2000-01.

## METHODOLOGY:

The funding for this premise reflects the amount of the contract with Merit System Services.

## FUNDING:

After the foster care federal discount rate is applied, costs are shared 50 percent federal and 50 percent State General Fund (GF). Nonfederally-eligible costs are funded with 100 percent GF.

## CHANGE FROM THE APPROPRIATION:

The current year decrease reflects a reduced need for these services.

## REASON FOR YEAR-TO-YEAR CHANGE:

The foster care federal discount rate has decreased from 78 percent to 76 percent.

## EXPENDITURES:

| (in 000's) | 2002-03 | 2003-04 |
|---|---|---|
| | County Admin. | County Admin. |
| Total | $269 | $269 |
| Federal | 105 | 102 |
| State | 164 | 167 |
| County | 0 | 0 |
| Reimbursements | 0 | 0 |

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# Child Welfare Training Program

## DESCRIPTION:

This premise reflects the costs for providing a statewide coordinated training program designed specifically to meet the needs of county child protective services social workers assigned to emergency response, family maintenance, family reunification, permanent placement, and adoptions responsibilities. The training program was established by Senate Bill (SB) 834 (Chapter 1310, Statutes of 1987), and extended permanently by SB 1125 (Chapter 1203, Statutes of 1991).

The Child Welfare Training Program includes training for other agencies under contract with county welfare departments to provide child welfare services. The program also includes crisis intervention, investigative techniques, rules of evidence, indicators of abuse and neglect, assessment criteria, intervention strategies, family-based services, legal requirements of child protection, case management, and the use of community resources.

This premise also includes funding for the structured decision-making (SDM) model developed by the National Council on Crime and Delinquency, the Department, and seven pilot counties. Currently, there are 15 counties participating in the SDM model.

## IMPLEMENTATION DATE:

This premise implemented on July 1, 1988.

## KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 16200 through 16215.
- The implementation of regional training academies started in 1996.
- Funding is based on contract amounts entered into by the Department.

## METHODOLOGY:

The estimate for both Fiscal Years (FYs) 2002-03 and 2003-04 are based on contract costs.

## FUNDING:

For FY 2003-04, after the foster care federal discount rate of 76 percent is applied, federally-eligible costs are shared at 75 percent federal and 25 percent state, with the exception of various contracts which will use 100 percent federal Title IV-E funds. Nonfederally-eligible costs are funded with 100 percent State General Fund (GF).

## CHANGE FROM THE APPROPRIATION:

There is no change.

# Child Welfare Training Program

## REASON FOR YEAR-TO-YEAR CHANGE:

The GF increase in FY 2003-04 reflects a decrease in the foster care federal discount rate from 78 percent to 76 percent.

## EXPENDITURES:

(in 000's)

| | 2002-03 | 2003-04 |
|---|---|---|
| | County Admin. | County Admin. |
| Total | $13,119 | $13,028 |
| Federal | 9,173 | 8,855 |
| State | 3,946 | 4,173 |
| County | 0 | 0 |
| Reimbursements | 0 | 0 |

# Substance Abuse/HIV Infant Program

## DESCRIPTION:

This premise reflects the costs for the recruitment, special training, and respite care of specially recruited and trained foster family providers caring for children with medical problems related to drug or alcohol exposure or to Acquired Immune Deficiency Syndrome (AIDS). Originally established as a demonstration project by Senate Bill (SB) 1173 (Chapter 1385, Statutes of 1989) and Assembly Bill (AB) 2268 (Chapter 1437, Statutes of 1989), the program was extended by SB 1050 (Chapter 296, Statutes of 1993) and made into a permanent program in 1997 by AB 67 (Chapter 606, Statutes of 1997). AB 2037 (Chapter 799, Statues of 2000) revised the age for children participating in this program from age three to age five for those counties that have participated in the program for at least three years.

## IMPLEMENTATION DATE:

This premise implemented on July 1, 1989.

## KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 16525.10 through 16525.30.
- The savings to the Foster Care Program resulting from diverting children from expensive out-of-home placements are reflected in the caseload and expenditure trends for foster care.
- This program is available to any county requesting participation pursuant to established procedures and to the extent funds are available. Currently, there are 11 counties that are participating or have submitted plans to participate in this program (Alameda, Butte, Contra Costa, Glenn, Monterey, Orange, San Diego, San Francisco, San Luis Obispo, Santa Cruz, and Shasta).

## METHODOLOGY:

The total funding for this program for both the current year (CY) and the budget year (BY) will be held at the Budget Act of 2002 Appropriation level. The foster care federal discount rate was applied to the training and recruitment components.

## FUNDING:

Respite care is funded 70 percent State General Fund (GF) and 30 percent county funds. The training and recruitment components are funded with 75 percent and 50 percent federal funds, respectively, after the foster care federal discount rate is applied. The nonfederal portion is funded 70 percent GF and 30 percent county funds.

## CHANGE FROM THE APPROPRIATION:

There is no change.

# Substance Abuse/HIV Infant Program

## REASON FOR YEAR-TO-YEAR CHANGE:

The counties' spending plan reflects a decrease in training and recruitment and an increase in respite care for Fiscal Year (FY) 2002-03. The foster care federal discount rate decreased from 78 percent to 76 percent. The GF reduction in the BY reflects inclusion of this premise in the proposed FY 2003-04 State and Local Realignment.

## EXPENDITURES:

(in 000's)

| | 2002-03 | 2003-04 |
|---|---|---|
| | County Admin. | County Admin. |
| Total | $5,974 | $5,974 |
| Federal | 2,055 | 1,614 |
| State | 2,743 | 0 |
| County | 1,176 | 4,360 |
| Reimbursements | 0 | 0 |

# Child Welfare Services – Pass-Through Title IV-E Costs

## DESCRIPTION:

This premise reflects the pass-through of federal Title IV-E funds for probation costs, foster parent training, 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 – Chancellor's Office** - The Foster Parent Training Fund, transmitted from Foster Care reimbursement collections by the Department of Child Support Services, provides funding for foster parent training programs that are conducted in community colleges in consultation with the California State Foster Parents Association and the Department (Senate Bill (SB) 2003 (Chapter 1597, Statutes of 1984)). Since the end of Fiscal Year (FY) 1990-91, the Department of Health and Human Services has allowed Title IV-E funds to be claimed for foster parent training. The foster care federal discount rate is applied to these costs.
- **Foster Parent Training – Chancellor's Office -** The Title IV-E funds will be used to match the Community College Proposition 98 funds for the purpose of reimbursing the Chancellor's Office of the California Community Colleges for the federal share of costs in providing foster parent training. Assembly Bill (AB) 3062 (Chapter 1016, Statutes of 1996), AB 1127 (Chapter 216, Statutes of 1996), and SB 916 (Chapter 542, Statutes of 1997) initiated required training for foster parents to become eligible to care for children placed in foster care.
- **Social Worker Training** - An agreement between the Department, the University of California and the California State University was implemented for a statewide training program to increase the number of social workers employed in California county child welfare services. This effort was initiated due to the shortage of professionals in public child welfare services, especially those holding a master's degree in social work.

  Currently, there are 15 schools of social work participating, with an additional school of social work being added to the agreement in the current FY. Financial aid is provided through the Title IV-E federal reimbursement program which covers operational costs to the participating institutions and grants to students.

# Child Welfare Services – Pass-Through Title IV-E Costs

## FUNDING:

Costs represent 100 percent federal pass-through funds.

## CHANGE FROM THE APPROPRIATION:

There is no change.

## REASON FOR YEAR-TO-YEAR CHANGE:

In both FYs, an increase in probation costs is due to an increase in the most current actual expenditures costs based on county expense claims. In the budget year, the foster care federal discount rate decreased (78 to 76 percent), reducing the foster parent training program. Due to constraints on the budget, funding will not be provided for the Foster Parent Training Fund during the budget year. The current and budget years also reflect an increase in the social worker training contract costs.

## EXPENDITURES:

(in 000's)

| **Probation:** | 2002-03 County Admin. | 2003-04 County Admin. |
|---|---|---|
| Total | $119,096 | $129,077 |
| Federal | 119,096 | 129,077 |
| State | 0 | 0 |
| County | 0 | 0 |
| Reimbursements | 0 | 0 |

| **Social Worker Training:** | 2002-03 County Admin. | 2003-04 County Admin. |
|---|---|---|
| Total | $20,257 | $21,643 |
| Federal | 20,257 | 21,643 |
| State | 0 | 0 |
| County | 0 | 0 |
| Reimbursements | 0 | 0 |

| **Foster Parent Training Fund:** | 2002-03 County Admin. | 2003-04 County Admin. |
|---|---|---|
| Total | $4,182 | $0 |
| Federal | 4,182 | 0 |
| State | 0 | 0 |
| County | 0 | 0 |
| Reimbursements | 0 | 0 |

| **Foster Parent Training – Chancellor's Office:** | 2002-03 County Admin. | 2003-04 County Admin. |
|---|---|---|
| Total | $2,630 | $2,474 |
| Federal | 2,630 | 2,474 |
| State | 0 | 0 |
| County | 0 | 0 |
| Reimbursements | 0 | 0 |

# Child Welfare Services – Pass-Through Title IV-E Costs

## EXPENDITURES (continued):

(in 000's)

| **COMBINED TOTAL:** | 2002-03 County Admin. | 2003-04 County Admin. |
|---|---|---|
| Total | $146,165 | $153,194 |
| Federal | 146,165 | 153,194 |
| State | 0 | 0 |
| County | 0 | 0 |
| Reimbursements | 0 | 0 |

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# Foster Parent Training and Recruitment

## DESCRIPTION:

This premise reflects the costs for the enhanced statewide foster parent training and recruitment program. As part of the Foster Care Initiative, Assembly Bill 2129 (Chapter 1089, Statutes of 1993), the Department was required to develop and implement an expanded foster parent training program, and to provide specialized training for foster parents of children with special care needs. Expansion of recruitment activities for minority and sibling placements is also specifically emphasized.

## IMPLEMENTATION DATE:

This premise implemented on January 1, 1994.

## KEY DATA/ASSUMPTIONS:

Authorizing statute: Welfare and Institutions Code section 903.8.

## METHODOLOGY:

- For Fiscal Year (FY) 2002-03, the total fund amount has been updated to the actual expenditure level.
- For FY 2003-04, the total fund amount will be held at the Budget Act of 2002 Appropriation level.

## FUNDING:

This program is eligible for Title IV-E federal funding. After the foster care federal discount rate of 78 percent for FY 2002-03 and 76 percent for FY 2003-04 is applied, costs are shared 75 percent federal and 25 percent nonfederal for the training costs, and 50 percent federal and 50 percent nonfederal for the recruitment costs. The nonfederal shares are funded 100 percent with State General Fund (GF).

## CHANGE FROM THE APPROPRIATION:

There is no change.

## REASON FOR YEAR-TO-YEAR CHANGE:

While the total funding amount for both FYs is the same, the increase in the GF for the budget year (BY) reflects a change in the foster care federal discount rate (78 percent to 76 percent). The GF reduction in the budget year reflects inclusion of this premise in the proposed FY 2003-04 State and Local Realignment.

# Foster Parent Training and Recruitment

## EXPENDITURES:

(in 000's)

| | 2002-03 | 2003-04 |
|---|---|---|
| | County Admin. | County Admin. |
| Total | $3,598 | $3,598 |
| Federal | 1,754 | 1,709 |
| State | 1,844 | 138 |
| County | 0 | 1,751 |
| Reimbursements | 0 | 0 |

# Minor Parent Services and Investigations

## DESCRIPTION:

This premise reflects the costs for a program designed to discourage teen pregnancy and encourage appropriate parenting of teen parents and their children. As established by Assembly Bill 908 (Chapter 304, Statutes of 1995), the guidelines require pregnant and parenting teens to live with their parents or legal guardians as a condition for receiving welfare benefits unless specific conditions exist. Teen parents not living at home will live in an appropriate, supervised setting. Minor Parent Services (MPS) will be provided if deemed necessary.

## IMPLEMENTATION DATE:

The investigative part of this premise implemented on May 1, 1997.

The MPS part of this premise implemented on June 1, 1997.

## KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code (W&IC) sections 11254, 16504(b), and 16506.
- It is assumed that any situations of abuse or neglect under W&IC section 300 requiring a foster care living arrangement resulting from this investigation, are already reflected in Child Welfare Services (CWS) and Foster Care caseload trends.
- For the investigation data, it is assumed that a social worker will spend four hours investigating each case. The four hours include one and one-half hours each for two client contacts (teen parent and the teen parent's parent(s) or legal guardian), including interviews and documentation. An additional hour is allocated for travel and time to prepare a report of the social worker's findings.
- Based on historical family maintenance data, it is assumed that minor parents (mostly those at 17 years of age) will be allowed to form their own assistance units (AUs) and receive MPS. The estimated number of minor parents approved for their own AUs at age 17 is based on application survey data. An average of six months of services is estimated for each case.

## METHODOLOGY:

- In both Fiscal Years (FYs) 2002-03 and 2003-04, the total funding for this program remains at the same level. The methodology for both FYs also remains the same.
- Costs for investigations in FYs 2002-03 and 2003-04 are based on the four hours of investigating time for the projected caseload. This time is multiplied by the hourly cost of a CWS social worker (11,404 cases x 4 hours x $67.84 per hour).
- The MPS costs for both FYs 2002-03 and 2003-04 are based on the estimated number of minor parents approved for their own AUs (along with their child) for an average of six months of service estimated for each case. Annual social worker costs, plus direct costs (15.04 percent) are calculated for the total number of MPS cases served.

# Minor Parent Services and Investigations

## FUNDING:

The costs of performing the investigations and providing MPS are eligible for 50 percent funding under the Temporary Assistance for Needy Families block grant. All nonfederal costs are shared 70 percent state and 30 percent county.

## CHANGE FROM THE APPROPRIATION:

There is no change.

## REASON FOR YEAR-TO-YEAR CHANGE:

The State General Fund reduction in the budget year reflects inclusion of this premise in the proposed FY 2003-04 State and Local Realignment.

## EXPENDITURES:

(in 000's)

| **COMBINED TOTAL**: | 2002-03 | 2003-04 |
|---|---|---|
| | County Admin. | County Admin. |
| Total | $7,097 | $7,097 |
| Federal | 3,549 | 3,549 |
| State | 2,484 | 0 |
| County | 1,064 | 3,548 |
| Reimbursements | 0 | 0 |

| **Investigations:** | 2002-03 | 2003-04 |
|---|---|---|
| | County Admin. | County Admin. |
| Total | $3,096 | $3,096 |
| Federal | 1,548 | 1,548 |
| State | 1,084 | 0 |
| County | 464 | 1,548 |
| Reimbursements | 0 | 0 |

| **Minor Parent Services:** | 2002-03 | 2003-04 |
|---|---|---|
| | County Admin. | County Admin. |
| Total | $4,001 | $4,001 |
| Federal | 2,001 | 2,001 |
| State | 1,400 | 0 |
| County | 600 | 2,000 |
| 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 Assembly Bill (AB) 1193 (Chapter 794, Statutes of 1997), the Kinship Support Services Program is to be conducted by the Department with the initial grants being awarded in July 1998 to eight counties. These programs are to provide community-based family support services to kinship (relative) caregivers and the children who are placed in their homes by the juvenile court or who are at risk of dependency or delinquency.

## IMPLEMENTATION DATE:

This premise implemented on January 1, 1998.

## KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutes Code section 16605.
- The participating counties for Fiscal Year (FY) 2003-04 are: Alameda, Contra Costa, Los Angeles, Monterey, Riverside, San Bernardino, San Diego, San Francisco, San Mateo, Santa Clara, and Stanislaus.

## METHODOLOGY:

The estimate reflects the amount contained in AB 1193.

## FUNDING:

This program is funded 100 percent with State General Fund (GF) as specified by AB 1193.

## CHANGE FROM THE APPROPRIATION:

There is no change.

## REASON FOR YEAR-TO-YEAR CHANGE:

The GF reduction in the budget year reflects inclusion of this premise in the proposed FY 2003-04 State and Local Realignment.

## EXPENDITURES:

(in 000's)

| | 2002-03 | 2003-04 |
|---|---|---|
| | County Admin. | County Admin. |
| Total | $1,500 | $1,500 |
| Federal | 0 | 0 |
| State | 1,500 | 0 |
| County | 0 | 1,500 |
| Reimbursements | 0 | 0 |

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# Kinship/Foster Care Emergency Funds

## DESCRIPTION:

This premise reflects the cost to provide emergency funds to relative caregivers and foster parents. The program primarily offers one-time assistance for necessary housing needs, such as extra beds and clothing. Short-term support services, such as crisis counseling, are also provided to prevent children from entering or re-entering the child welfare system.

## IMPLEMENTATION DATE:

This premise implemented on July 1, 2000.

## KEY DATA/ASSUMPTIONS:

Authorizing statute: The Budget Act of 2001.

## METHODOLOGY:

The Budget Bill designated the State General Fund (GF) amount.

## FUNDING:

This program is funded with 100 percent GF.

## CHANGE FROM THE APPROPRIATION:

There is no change.

## REASON FOR YEAR-TO-YEAR CHANGE:

The GF reduction in the budget year reflects inclusion of this premise in the proposed Fiscal Year 2003-04 State and Local Realignment.

## EXPENDITURES:

(in 000's)

| | 2002-03 | 2003-04 |
|---|---|---|
| | County Admin. | County Admin. |
| Total | $1,000 | $1,000 |
| Federal | 0 | 0 |
| State | 1,000 | 0 |
| County | 0 | 1,000 |
| Reimbursements | 0 | 0 |

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# Child Welfare Services/Case Management System Staff Development

## DESCRIPTION:

This premise reflects the cost to fund staff development for the Child Welfare Services/Case Management System (CWS/CMS) which was implemented as a result of Senate Bill 370 (Chapter 1294, Statutes of 1989). The estimate includes costs for five training components plus costs to maintain three training tools in order to continue to provide statewide CWS/CMS training curriculum and classes. This statewide training promotes user continuity and consistency to meet Statewide Automated Child Welfare Information System requirements.

## IMPLEMENTATION DATE:

This premise implemented on July 1, 1997.

## KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 16501.5.
- The estimate includes training costs for all new users as a result of user growth and staff turnover.
- The cost per hour of training is $48.07 for each fiscal year (FY).
- The estimate assumes an 11.5 percent staff turnover rate.
- For each FY, the number of statewide county users is estimated at 15,819 based on the recalibration of users down to the base contract level.
- The estimate includes costs for five training components:
  - New User Training – provides 44 hours of basic training for newly hired staff as a result of caseload growth and staff turnover;
  - Intermediate/Advanced Training – provides 16 hours of training to service providers on the more difficult tasks not covered in the new user training;
  - Management/Supervisory Training – provides 16 hours of training to management on the supervisory process of approvals and program management reports;
  - System Support Training – provides 24 hours of training to newly hired system support staff as a result of caseload growth and staff turnover in order to assist other users as needed; and,
  - Database Training – provides 24 hours of training to staff responsible for extracting and interpreting caseload data.
- Costs are also included for statewide contracted training needs.

# Child Welfare Services/Case Management System Staff Development

## METHODOLOGY:

Costs are calculated for each training component by multiplying the number of users being trained by the number of hours of training at the hourly cost for training. Costs are then added for the statewide contracted training needs.

- FY 2002-03 and FY 2003-04: (1,819 New Users x 44 hours x $48.07) + (1,559 Intermediate/Advanced Users x 16 hours x $48.07) + (195 Management/Supervisory Users x 16 hours x $48.07) + (55 System Support Users x 24 hours x $48.07) + (29 Database Users x 24 hours x $48.07) + $3,000,000 statewide contract cost.

## FUNDING:

After applying the foster care federal discount rate, federally-eligible costs are shared 75 percent federal Title IV-E and 25 percent nonfederal. For FY 2002-03, nonfederal costs are shared 70 percent State General Fund (GF) and 30 percent county. However, statewide training contract costs are not discounted and nonfederal costs for the statewide training contract are 100 percent GF. For FY 2003-04, nonfederal costs other than the statewide training contract are 100 percent county.

## CHANGE FROM THE APPROPRIATION:

There is no change.

## REASON FOR YEAR-TO-YEAR CHANGE:

The GF reduction in the budget year reflects inclusion of this premise in the proposed FY 2003-04 State and Local Realignment.

## EXPENDITURES:

(in 000's)

| | 2002-03 | 2003-04 |
|---|---|---|
| | County Admin. | County Admin. |
| Total | $8,294 | $8,294 |
| Federal | 5,347 | 5,347 |
| State [1] | 2,288 | 750 |
| County | 659 | 2,197 |
| Reimbursements | 0 | 0 |

[1] - Budget year funding represents a State-level contract.

# Child Welfare Services/Case Management System Ongoing

## DESCRIPTION:

This premise reflects the costs related to the ongoing and administrative support of the Child Welfare Services/Case Management System (CWS/CMS). As mandated by Senate Bill 370 (Chapter 1294, Statutes of 1989), the CWS/CMS provides a comprehensive database, case management tool, and reporting system for the CWS Program. It contains both current and historical information for all children statewide in emergency response, family maintenance, family reunification, and permanent placement. CWS/CMS also includes information regarding adoptions to produce the semiannual adoption and foster care analysis reporting system reports.

CWS/CMS provides: (1) immediate statewide data on referrals for children at risk of abuse, neglect or exploitation; (2) immediate case status and case tracking for children and families receiving child welfare services; (3) necessary information and forms required to determine eligibility for the Aid to Families with Dependent Children - Foster Care Program; (4) tracking for all placement activities for children in foster care; and (5) issuance of the appropriate notice of action messages, court reports and service plans. The system also produces all required state and federal reports.

In July 1995, the California Health and Human Services Agency directed the transfer of major information technology projects from the California Department of Social Services (CDSS) to the California Health and Human Services Agency Data Center (HHSDC), formerly known as the Health and Welfare Data Center. HHSDC administers the projects under an interagency agreement with the CDSS.

## IMPLEMENTATION DATE:

This premise became effective Fiscal Year (FY) 1995-96.

## KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 16501.5.
- All counties became operational with the completion of data conversion in the summer of 1998. Costs are based on the FY 2003-04 Budget Change Proposals.

## METHODOLOGY:

Costs represent ongoing maintenance and operations (M&O) costs associated with support and oversight of the CWS/CMS. Costs include the wide-area network (WAN) maintained by HHSDC, HHSDC administrative support, and vendor costs related to operation, support, and maintenance of the application and technical architecture.

## FUNDING:

Federal funding for ongoing CWS/CMS costs is based on the federal cost allocation plan for CMS. Federally eligible costs are shared at 50 percent federal Title IV-E and 50 percent State General Fund, except for 17 percent of the WAN costs, which are funded at 100 percent federal Temporary Aid to Needy Families funds.

# Child Welfare Services/Case Management Services Ongoing

## CHANGE FROM THE APPROPRIATION:

The decrease in FY 2002-03 is the result of the elimination of vacant staff positions.

## REASON FOR YEAR-TO-YEAR CHANGE:

The budget year reflects an increase for Additional Resource Charges (ARC's) increase, M&O costs, infrastructure changes to maintain the technical viability and usability of the system and administrative overhead. A critical portion of the infrastructure changes includes needed modification to bring the system into compliance with federal Statewide Automated Child Welfare Information System requirements and avert costly penalties. These changes include, CWS/CMS interfaces to Title IV-A, IV-D, and Title XIX Systems, Foster Care Financial Management functionality, Title IV-E Eligibility Determination, and the Web enabled Independent Living Program subsystem. The latter is required by the federal Chaffee legislation (Title I of Public Law 106-169). The increase for ARC's cost is being moved from the "CWS Basic" premise to the "CWS M&O Ongoing" premise to provide the CWS/CMS Project with spending authority.

## EXPENDITURES:

(in 000's)

| | 2002-03 | 2003-04 |
|---|---|---|
| Total | $82,803 | $121,032 |
| Federal | 41,924 | 61,039 |
| State | 40,879 | 59,993 |
| County | 0 | 0 |
| Reimbursements | 0 | 0 |

## CDSS/HHSDC PARTNERSHIP:

(in 000's)

| | 2002-03 | 2003-04 |
|---|---|---|
| Total | $82,803 | $121,032 |
| CDSS | 520 | 0 |
| HHSDC | 82,283 | 121,032 |

# CWS/CMS Application Server Replacement Project

## DESCRIPTION:

This premise reflects the costs related to the replacement of server hardware, operating system, and support software to enable the Child Welfare Services/Case Management System (CWS/CMS) to continue to function with a viable, technologically current infrastructure that supports the CWS Program.

## IMPLEMENTATION DATE:

This premise was implemented in FY 2001-02.

## KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 16501.5.
- Costs are based on the FY 2002-03 Budget Change Proposal.

## METHODOLOGY:

Costs represent services to design, develop, configure, test, pilot, and implement the new server solution and the purchase of server hardware and software.

## FUNDING:

Federal funding for ongoing CWS/CMS costs is based on the federal cost allocation plan for CWS/CMS. Federally-eligible costs are shared at 50 percent federal Title IV-E and 50 percent State General Fund.

## CHANGE FROM THE APPROPRIATION:

There is no change.

## REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

# CWS/CMS Application Server Replacement Project

## EXPENDITURES:

(in 000's)

| | 2002-03 | 2003-04 |
|---|---|---|
| Total | $276 | $276 |
| Federal | 138 | 138 |
| State | 138 | 138 |
| County | 0 | 0 |
| Reimbursements | 0 | 0 |

## CDSS/HHSDC PARTNERSHIP:

(in 000's)

| | 2002-03 | 2003-04 |
|---|---|---|
| Total | $276 | $276 |
| CDSS | 0 | 0 |
| HHSDC | 276 | 276 |

# CWS/CMS Expanded Adoptions Subsystem

## DESCRIPTION:

This premise reflects the costs related to the design, development, integration, implementation and maintenance of the Expanded Adoptions Subsystem (EAS). In August of 1999, a team of federal staff from the Administration for Children and Families (ACF) performed a review of the Child Welfare Services/Case Management System (CWS/CMS) to determine if it met the functional requirements of the federally defined Statewide Automated Child Welfare Information System (SACWIS). The December 1999 ACF Report praised California's efforts to-date; however, several issues must be addressed to maintain eligibility for enhanced federal development funding received. ACF requires an adoptions case management component in the statewide SACWIS system. In response to the federal SACWIS Review, additional staff and consultant services are needed to design, develop, and implement the EAS. The Health and Human Services Data Center (HHSDC) will be responsible for the EAS planning, procurement, and implementation. The EAS will be designed to meet federal and state reporting requirements for children who are adopted within the State of California. It will be an integrated system within CWS/CMS.

## IMPLEMENTATION DATE:

This premise implemented in Fiscal Year (FY) 2001-02.

## KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 16501.5.
- Costs are based on the FY 2003-04 Budget Change Proposal.

## METHODOLOGY:

Costs represent state staff and contract services to design, develop, integrate, implement and maintain the EAS.

## FUNDING:

Federal funding for the EAS is based on the federal cost allocation plan for CWS/CMS. Federally-eligible costs are shared at 50 percent federal Title IV-E and 50 percent state.

## CHANGE FROM THE APPROPRIATION:

There is no change.

## REASON FOR YEAR-TO-YEAR CHANGE:

Increase is for additional staff, operating expenses and equipment, contract services, data center services and administrative overhead.

# CWS/CMS Expanded Adoptions Subsystem

## EXPENDITURES:

(in 000's)

| | 2002-03 | 2003-04 |
|---|---|---|
| Total | $722 | $6,066 |
| Federal | 361 | 3,033 |
| State | 361 | 3,033 |
| County | 0 | 0 |
| Reimbursements | 0 | 0 |

## CDSS/HHSDC PARTNERSHIP:

(in 000's)

| | 2002-03 | 2003-04 |
|---|---|---|
| Total | $722 | $6,066 |
| CDSS | 0 | 0 |
| HHSDC | 722 | 6,066 |

# Internet Health and Education Passport (Passport System) for Los Angeles County

## DESCRIPTION:

This premise reflects the costs for the development of a web-based system to collect and maintain health and education records for foster children under the supervision of the county social services or probation department, as authorized in Assembly Bill 427 (Chapter 125, Statutes of 2000). The Passport System shall initially be conducted as a limited pilot project in a subset of Los Angeles County, and upon successful evaluation may be expanded. The Passport System must be designed to interface with the Child Welfare Services/Case Management System (CWS/CMS) so that information entered into the Passport System will automatically and permanently reside in the CWS/CMS. Any funds appropriated for this purpose not expended in Fiscal Year (FY) 2001-02 will be available for expenditures for the purposes of this section in subsequent years.

## IMPLEMENTATION DATE:

This premise became effective in FY 2001-02.

## KEY DATA/ASSUMPTIONS:

- Authorizing statute: The Budget Act of 2001
- The Passport System is only a pilot project for Los Angeles County.

## METHODOLOGY:

The FY 2001-02 estimate represents funding for Los Angeles County to develop the Passport System. The estimate includes funding for the California Department of Social Services (CDSS) to provide technical assistance in the preparation of the Advanced Planning Document (APD), to provide Independent Verification and Validation to ensure SACWIS compliance, and to ensure that the project meets federal and state guidelines and privacy requirements.

## FUNDING:

Funding is 100 Percent State General Fund, pending approval of the APD.

## CHANGE FROM THE APPRORIATION:

There is no change.

## REASON FOR YEAR-TO-YEAR CHANGE:

Funding is reduced in the budget year due to lack of federal and State approval for the pilot project.

# Internet Health and Education Passport (Passport System) for Los Angeles County

## EXPENDITURES:

(in 000's)

| | 2002-03 | 2003-04 |
|---|---|---|
| Total | $1,500 | $0 |
| Federal | 0 | 0 |
| State | 1,500 | 0 |
| County | 0 | 0 |
| Reimbursements | 0 | 0 |

# 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 CHSF revenue for both Fiscal Years 2002-03 and 2003-04 is $1,844,000.
- OCAP may utilize 22.5 percent of this fund for child abuse prevention in the community.

## METHODOLOGY:

The estimated revenue was projected based on the last two years of actual revenue from the DMV license plate program. Of this revenue, 22.5 percent can be transferred to the counties to be used for child abuse prevention activities ($1,844,000 total CHSF revenue x 22.5 percent for OCAP = $415,000).

## FUNDING:

All funds are provided by the CHSF.

## CHANGE FROM THE APPROPRIATION:

There is no change.

## REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

## EXPENDITURES:

(in 000's)

| | 2002-03 | 2003-04 |
|---|---|---|
| | County Admin. | County Admin. |
| Total | $415 | $415 |
| Federal | 0 | 0 |
| State | 415 | 415 |
| County | 0 | 0 |
| Reimbursements | 0 | 0 |

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# Supportive and Therapeutic Options Program (STOP)

## DESCRIPTION:

This premise reflects costs for providing expanded therapeutic day services as an alternative to placement in foster care and as a means of reunifying children with their families from these placements. These services are provided to families with children and youth returning from out-of-home placement or at-risk of such placements that cannot access services through current mental health services or other funding mechanisms. Services target a broader number of children than the current child welfare services population, as they will include children and youth at-risk of placement and those exiting foster care. Funds provide supportive and therapeutic services in order to prevent placement in out-of-home care and/or provide aftercare services to facilitate a successful transition to home or community from out-of-home care placements.

## IMPLEMENTATION DATE:

This premise implemented in August 1998.

## KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 16500, 16508.2, and 16508.3.
- Originally, the program would have served 4,430 children who are not eligible for Medi-Cal, during Fiscal Year (FY) 2003-04. However, with available funding held at the Budget Act of 2002 Appropriation level, only 3,602 children will be served.
- The Department of Mental Health (DMH) projected the annual costs for mental health services per child for FY 2003-04 will be $3,948.

## METHODOLOGY:

The cost for this program is calculated by multiplying the estimated number of children who will be served (3,602) by the projected cost per case for mental health services ($3,948) during FY 2003-04.

## FUNDING:

This premise is shared 70 percent state and 30 percent county.

## CHANGE FROM THE APPROPRIATION:

There is no change.

## REASON FOR YEAR-TO-YEAR CHANGE:

The State General Fund reduction in the budget year reflects inclusion of this premise in the proposed FY 2003-04 State and Local Realignment.

# Supportive and Therapeutic Options Program (STOP)

## EXPENDITURES:

(in 000's)

| | 2002-03 County Admin. | 2003-04 County Admin. |
|---|---|---|
| Total | $14,220 | $14,220 |
| Federal | 0 | 0 |
| State | 9,954 | 0 |
| County | 4,266 | 14,220 |
| Reimbursements | 0 | 0 |

# Group Home Monthly Visits

## DESCRIPTION:

This premise reflects the costs of providing monthly visits to all foster care children placed in group homes (GHs), both in-state and out-of-state. This premise was authorized by Senate Bill 933 (Chapter 311, Statutes of 1998).

## IMPLEMENTATION DATE:

This premise implemented on July 1, 1998.

## KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 16516.5.
- The in-state GH caseload is projected to be 9,752 for Fiscal Year (FY) 2002-03 and 11,076 for FY 2003-04 based on data as reported on the Child Welfare Services/Case Management System. The out-of-state GH caseload is estimated at 85 for FY 2002-03 and 128 for FY 2003-04.
- The hourly cost of a social worker is $74.40 for FY 2002-03 and $74.38 for FY 2003-04.
- For the out-of-state placements, it is assumed that an average of two cases can be visited per trip.
- All GH placements will receive ten additional visits per year.
- In-state visits will take an average of two hours per visit and out-of-state visits will take an average of 12 hours to visit two cases.
- Based on caseload data for in-state GH placements, 3,712 cases are placed out-of-county for FY 2002-03, and 4,677 for FY 2003-04. For both fiscal years, these cases have been budgeted to include an additional two hours of travel time.
- For both FYs 2002-03 and 2003-04, out-of-state per diem costs are estimated at $124 and out-of-state travel costs are estimated at $500.

## METHODOLOGY:

- For each fiscal year, the in-state costs for ten visits are calculated using the in-state GH caseload for two hours per visit multiplied by the hourly cost of a social worker (FY 2002-03: 10 visits x 9,752 cases x 2 hours x $74.40; FY 2003-04: 10 visits x 11,076 cases x 2 hours x $74.38).
- An additional two hours are calculated for the in-state, out-of-county placements at the hourly cost of a social worker (FY 2002-03: 2 hours x 3,712 cases x $74.40; FY 2003-04: 2 hours x 4,677 cases x $74.38).
- The out-of-state costs for ten visits are calculated using the out-of-state GH caseload divided by two (two cases per visit) for 12 hours per visit multiplied by the hourly cost of a social worker (FY 2002-03: 10 visits x 43 cases x 12 hours x $74.40; FY 2003-04: 10 visits x 64 cases x 12 hours x $74.38).
- Per diem and travel costs are added for each visit (FY 2002-03: $624 per diem/travel x 10 visits x 43 cases; FY 2003-04: $624 per diem/travel x 10 visits x 64 cases).

# Group Home Monthly Visits

## FUNDING:

After applying the foster care federal discount rates of 78 percent for FY 2002-03 and 76 percent for FY 2003-04, federally eligible costs are shared 50 percent federal Title IV-E and 50 percent nonfederal. Nonfederal costs are 100 percent State General Fund (GF).

## CHANGE FROM THE APPROPRIATION:

There is no change.

## REASON FOR YEAR-TO-YEAR CHANGE:

The increase is due to an increase in caseload. The foster care federal discount rate has also decreased from 78 percent to 76 percent. The GF reduction in the budget year reflects inclusion of this premise in the proposed FY 2003-04 State and Local Realignment.

## EXPENDITURES:

(in 000's)

| | 2002-03 | 2003-04 |
|---|---|---|
| | County Admin. | County Admin. |
| Total | $15,706 | $18,097 |
| Federal | 6,125 | 6,877 |
| State | 9,581 | 0 |
| County | 0 | 11,220 |
| Reimbursements | 0 | 0 |

# Background Checks

## DESCRIPTION:

This premise reflects the cost associated with conducting background checks prior to placing children in the home of a relative, or the home of any other person who is not a licensed foster parent. The background checks are authorized by Senate Bill 645 (Chapter 949, Statutes of 1998), 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. However, pursuant to Health and Safety Code section 1522.06, use of CLETS is no longer applicable after January 1, 2000, or after an automated mobile and fixed location fingerprint identification system (Live Scan) is available and accessible to a child welfare agency, whichever comes first. Therefore, all unlicensed foster parents will be subject to both a Live Scan fingerprint check and a Child Abuse Index check.

## IMPLEMENTATION DATE:

This premise implemented on January 1, 1999.

## KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 361.4.
- The caseload for Fiscal Year (FY) 2002-03 is 15,145, based on new placement data for calendar year 2001. Due to the elimination of the 'certified pending licensure home' category by the Adoption and Safe Families Act and state statute, the caseload for FY 2003-04 has increased to 23,797, to include all potential placements with relatives and nonrelative extended family members based on new placement data for FY 2001-02.
- It is assumed that an average of two children is placed per home and that an average of two persons in the home will require background checks.
- The cost for the Child Abuse Index check is estimated at $15 per check.
- Costs for Live Scan fingerprint checks are $32 along with a $14 application fee 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 $61 per check (FY 2002-03: 15,145 x $61 per check; FY 2003-04: 23,797 x $61 per check).

## FUNDING:

After applying the foster care federal discount rate of 78 percent for FY 2002-02 and 76 percent for FY 2003-04, federally eligible costs are shared 50 percent federal Title IV-E and 50 percent nonfederal. Nonfederal costs are 100 percent State General Fund (GF).

# Background Checks

## CHANGE FROM THE APPROPRIATION:

There is no change.

## REASON FOR YEAR-TO-YEAR CHANGE:

The increase is due to an increase in caseload. The foster care federal discount rate has decreased from 78 to 76 percent. The GF reduction in the budget year reflects inclusion of this premise in the proposed FY 2003-04 State and Local Realignment.

## EXPENDITURES:

(in 000's)

| | 2002-03 | 2003-04 |
|---|---|---|
| | County Admin. | County Admin. |
| Total | $924 | $1,452 |
| Federal | 360 | 552 |
| State | 564 | 0 |
| County | 0 | 900 |
| Reimbursements | 0 | 0 |

# Relative Home Assessments

## DESCRIPTION:

This premise reflects the cost associated with conducting an in-home assessment prior to placing children in the home of a relative, or the home of a nonrelative extended family member. Assembly Bill (AB) 1695 (Chapter 653, Statutes of 2001) requires the county welfare department to conduct an in-home inspection to assess the safety of the home and the ability of the relative to care for the child's needs. The bill stipulates that the standards used to evaluate and grant or deny approval of the home of the relative shall be the same standards set forth in regulations for the licensing of foster family homes. Since licensed foster family homes are also subject to an annual reassessment, an annual reassessment for all existing relatives and nonrelative extended family members will begin in Fiscal Year (FY) 2003-04.

## IMPLEMENTATION DATE:

This premise implemented January 1, 2002.

## KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 309(d).
- The new caseload for FY 2002-03 is 15,145, based on new placement data for calendar year 2001. Based on new placement data for FY 2001-02, the new caseload for FY 2003-04 of all potential placements with relatives and nonrelative extended family members is 23,797.
- The existing caseload for FY 2003-04 is 42,161 based on placement data for July 2002.
- It is assumed that an average of two children are placed per home.
- It is assumed that it will take an average of 3 hours to assess each home both initially and annually.
- The hourly cost of a social worker is $74.40 for FY 2002-03, and $74.38 for FY 2003-04.

## METHODOLOGY:

Since two children are placed per home, costs are calculated for half of the caseload at three times the hourly cost of a social worker (FY 2002-03: 7,573 x 3 hours x $74.40; FY 2003-04: (11,899 x 3 hours x $74.38) + (21,081 x 3 hours x $74.38)).

## FUNDING:

After the foster care federal discount rate of 78 percent for FY 2002-03 and 76 percent for FY 2003-04 is applied, federally-eligible costs are shared 50 percent federal Title IV-E and 50 percent nonfederal. For FY 2002-03, nonfederal costs are 100 percent State General Fund (GF). For FY 2003-04, nonfederal costs are 100 percent county.

## CHANGE FROM THE APPROPRIATION:

There is no change.

# Relative Home Assessments

## REASON FOR YEAR-TO-YEAR CHANGE:

The increase is due to the increase in caseload and the addition of an annual reassessment. The foster care federal discount rate has decreased from 78 percent to 76 percent. The budget year estimate includes a county share of costs. The GF reduction in the budget year reflects inclusion of this premise in the proposed FY 2003-04 State and Local Realignment.

## EXPENDITURES:

(in 000's)

| | 2002-03 | 2003-04 |
|---|---|---|
| | County Admin. | County Admin. |
| Total | $1,690 | $7,359 |
| Federal | 659 | 2,796 |
| State | 1,031 | 0 |
| County | 0 | 4,563 |
| Reimbursements | 0 | 0 |

# Multiple Relative Home Assessments

## DESCRIPTION:

This premise reflects the cost associated with conducting additional assessments when more than one relative or nonrelated extended family member is seeking approval to have related foster children placed with them. These additional assessments of all willing relatives or nonrelated extended family members are necessary in order to fairly establish viable placement options and to better enable the State to meet the federal Adoption and Safe Families Act requirement that approval of relative homes be in compliance with foster family home licensing/approval standards.

## IMPLEMENTATION DATE:

This premise implemented December 1, 2002.

## KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 309(d).
- The caseload for each Fiscal Year (FY) is 23,797, based on new placement for FY 2001-02.
- It is assumed that an average of two children are placed per home.
- It is assumed that 60 percent of the placements have more than one party interested in receiving the placement.
- It is assumed that there are two to three (2.5 average) interested parties per placement. Therefore, since the "Relative Home Assessment" premise already provides for one assessment, there is an average of 1.5 additional homes that require an assessment.
- It is assumed that it will take an average of 3 hours to assess each home.
- The hourly cost of a social worker is $72.64 for FY 2002-03, and $74.38 for FY 2003-04.

## METHODOLOGY:

The number of assessments to be conducted is calculated by dividing the caseload by the average placements per home, then multiplying by the percentage of placements with multiple interest multiplied by the additional homes requiring assessment. Annual costs are calculated by multiplying the number of assessments by the number of hours per assessment multiplied by the hourly cost of a social worker. The FY 2002-03 estimate reflects seven months of costs.

## FUNDING:

After the foster care federal discount rate of 77 percent for FY 2002-03 and 76 percent for FY 2003-04 is applied, federally-eligible costs are shared 50 percent federal Title IV-E and 50 percent nonfederal. Nonfederal costs are shared 70 percent State General Fund (GF) and 30 percent county for FY 2002-03. For FY 2003-04, nonfederal costs are 100 percent county.

## CHANGE FROM THE APPROPRIATION:

This is a new premise.

# Multiple Relative Home Assessments

## REASON FOR YEAR-TO-YEAR CHANGE:

FY 2003-04 reflects full year costs. The foster care federal discount rate has decreased from 77 percent to 76 percent. The GF reduction in the budget year reflects inclusion of this premise in the proposed FY 2003-04 State and Local Realignment.

## EXPENDITURES:

(in 000's)

| | 2002-03 | 2003-04 |
|---|---|---|
| | County Admin. | County Admin. |
| Total | $1,361 | $2,389 |
| Federal | 524 | 908 |
| State | 586 | 0 |
| County | 251 | 1,481 |
| Reimbursements | 0 | 0 |

# Grievance Review for Relatives

## DESCRIPTION:

This premise reflects the cost associated with providing a review process upon request for relatives seeking to have related foster children placed with them but who are determined not to meet approval standards established by law and regulation. Making a grievance review available to relatives disapproved prior to placement is necessary to afford due process through an objective review of the basis for the disapproval and to better enable the State to meet the federal Adoption and Safe Families Act requirement that approval of relative homes be in compliance with foster family home licensing/approval standards.

## IMPLEMENTATION DATE:

This premise implemented January 1, 2003.

## KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 309(d).
- The caseload for each Fiscal Year (FY) is 23,797, based on new placement for FY 2001-02.
- It is assumed that an average of two children are placed per home.
- It is assumed that 60 percent of the placements have more than one party interested in receiving the placement.
- It is assumed that there are two to three (2.5 average) interested parties per placement.
- It is assumed that 45 percent of homes will be disapproved.
- It is assumed that 20 percent of those whose homes are disapproved will request a review.
- It is assumed that it will take an average of 8 hours to review each case.
- The hourly cost of a social worker is $72.64 for FY 2002-03, and $74.38 for FY 2003-04.

## METHODOLOGY:

The number of reviews to be conducted is calculated by dividing the caseload by the average placements per home, then multiplying by the percentage of placements with multiple interest multiplied by the average interested parties per placement, then multiplying by the percent of homes that are disapproved and the percent of those requesting a review. Annual costs are calculated by multiplying the number of reviews by the number of hours per review multiplied by the hourly cost of a social worker. The FY 2002-03 estimate reflects six months of costs.

## FUNDING:

After the foster care federal discount rate of 77 percent for FY 2002-03 and 76 percent for FY 2003-04 is applied, federally-eligible costs are shared 50 percent federal Title IV-E and 50 percent nonfederal. Nonfederal costs are shared 70 percent State General Fund (GF) and 30 percent county for FY 2002-03. For FY 2003-04, nonfederal costs are 100 percent county.

# Grievance Review for Relatives

## CHANGE FROM THE APPROPRIATION:

This is a new premise.

## REASON FOR YEAR-TO-YEAR CHANGE:

FY 2003-04 reflects full year costs. The foster care federal discount rate has decreased from 77 percent to 76 percent. The GF reduction in the budget year reflects inclusion of this premise in the proposed FY 2003-04 State and Local Realignment.

## EXPENDITURES:

(in 000's)

| | 2002-03 | 2003-04 |
|---|---|---|
| | County Admin. | County Admin. |
| Total | $467 | $956 |
| Federal | 180 | 363 |
| State | 201 | 0 |
| County | 86 | 593 |
| Reimbursements | 0 | 0 |

# Live Scan Technology

## DESCRIPTION:

This premise reflects the cost to maintain Live Scan machines in the 58 county child welfare services agencies. Before a child can be placed in an unlicensed relative or guardian home, caregivers must clear a criminal record check. Live Scan technology provides the capability to do instantaneous criminal record checks from fingerprints. Providing and maintaining Live Scan machines to the child welfare agencies allows for immediate onsite fingerprint processing.

## IMPLEMENTATION DATE:

This premise implemented July 1, 2000.

## KEY DATA/ASSUMPTIONS:

- Authorizing statute: Assembly Bill 1740 (Chapter 52, Statutes of 2000).
- The 58 counties were provided funds to purchase 100 Live Scan machines in Fiscal Year (FY) 2000-01.
- Costs are negotiated and contracted with a Live Scan vendor.
- Contract costs for on-going maintenance are based on an existing Live Scan contract for Community Care Licensing activities.

## METHODOLOGY:

The estimate is based on an existing Live Scan contract to provide on-going maintenance.

## FUNDING:

After the foster care federal discount rate of 78 percent for FY 2002-03 and 76 percent for FY 2003-04 is applied, federally eligible costs are shared 50 percent federal Title IV-E and 50 percent nonfederal. Nonfederal costs are 100 percent State General Fund (GF).

## CHANGE FROM THE APPROPRIATION:

The budget year (BY) costs shift from federal funds to GF due to the decrease in the foster care federal discount rate from 78 percent to 76 percent.

## REASON FOR YEAR-TO-YEAR CHANGE:

The foster care federal discount rate has changed from 78 percent to 76 percent. The GF reduction in the BY reflects inclusion of this premise in the proposed FY 2003-04 State and Local Realignment.

# Live Scan Technology

## EXPENDITURES:

(in 000's)

| | 2002-03 | 2003-04 |
|---|---|---|
| | County Admin. | County Admin. |
| Total | $1,200 | $1,200 |
| Federal | 468 | 456 |
| State | 732 | 0 |
| County | 0 | 744 |
| Reimbursements | 0 | 0 |

# Health Services for Children in Foster Care

## DESCRIPTION:

This premise reflects the cost to fund positions for public health care nurses (PHNs) in the county welfare departments. These nurses will provide enhanced health services to children entering foster care. As authorized by Assembly Bill 1111 (Chapter 147, Statutes of 1999), this program will improve the physical, mental, dental and developmental well being of children in the child welfare system. The PHNs funded through this program shall work closely with the child's caseworker or probation officer to coordinate health care services and serve as a liaison with health care professionals and other providers of health related services.

## IMPLEMENTATION DATE:

This premise implemented on January 1, 2000.

## KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 16501.3.
- The new foster care caseload per PHN is based on a 1:200 ratio.
- Based on actual data from July 2001 to June 2002, the number of new monthly cases added to foster care is 46,173.
- The cost for a PHN in Fiscal Year (FY) 2003-04 is $100,000.
- There is no allowance for Nurse Supervisors.
- The State General Fund (GF) matching funds (25 percent) is reflected in the Department's budget and, through an interagency agreement, passed over to the budget of the Department of Health Services (DHS).

## METHODOLOGY:

For FY 2003-04, the new foster care caseload is divided by the number of cases per PHN, then multiplied by the unit cost of a PHN to determine the total cost of the program (46,173 ÷ 200) x $100,000). The total funds are multiplied by 25 percent to calculate the amount reflected in the Department's budget and the remaining 75 percent of the funds are reflected in the budget of the DHS.

## FUNDING:

This program is eligible for enhanced Federal Title XIX funding of 75 percent with a match of 25 percent GF. The federal funds are reflected in the budget of the DHS.

## CHANGE FROM THE APPROPRIATION:

There is no change.

# Health Services for Children in Foster Care

## REASON FOR YEAR-TO-YEAR CHANGE:

The increase in costs for FY 2003-04 reflects an increase in the new foster care caseload; however, the rate per PHN remains unchanged. The GF reduction in the budget year reflects inclusion of this premise in the proposed FY 2003-04 State and Local Realignment.

## EXPENDITURES:

(in 000's)

| | 2002-03 | 2003-04 |
|---|---|---|
| | County Admin. | County Admin. |
| Total | $5,584 | $5,772 |
| Federal | 0 | 0 |
| State | 5,584 | 0 |
| County | 0 | 5,772 |
| Reimbursements | 0 | 0 |

# Best Practices Evaluation

## DESCRIPTION:

This premise reflects the cost of the contract for an independent evaluation of the legislatively mandated Best Practices Child and Family Assessment pilot project. As authorized by Senate Bill 933 (Chapter 311, Statutes of 1998), the Best Practices pilot project must be independently evaluated on the effectiveness of the assessment protocol or instrument. This pilot project shall identify the strengths and needs of the child to be met by the placement agency, the methods for monitoring and the delivery of services by the placement agencies. The six pilot counties that will be participating in this program are Humboldt, Marin, Merced, Santa Barbara, San Luis Obispo, and Santa Clara.

## IMPLEMENTATION DATE:

This premise implemented on July 1, 2000.

## KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 16501.2.
- The total cost of the evaluation will be $500,000 spread over three fiscal years.
- The foster care federal discount rate for Fiscal Year 2002-03 is 78 percent.

## METHODOLOGY:

Funds will be used to contract with an independent evaluator.

## FUNDING:

After the foster care federal discount rate is applied, federally eligible costs are shared 50 percent federal Title IV-E and 50 percent nonfederal. Nonfederally eligible costs are funded 100 percent with State General Fund.

## CHANGE FROM THE APPROPRIATION:

There is no change.

## REASON FOR YEAR-TO-YEAR CHANGE:

This program will be discontinued in the budget year.

# Best Practices Evaluation

## EXPENDITURES:

(in 000's)

| | 2002-03 | 2003-04 |
|---|---|---|
| | County Admin. | County Admin. |
| Total | $166 | $0 |
| Federal | 65 | 0 |
| State | 101 | 0 |
| County | 0 | 0 |
| Reimbursements | 0 | 0 |

# Child and Family Service Reviews (AB 636)

## DESCRIPTION:

This premise reflects the costs for the California Health and Human Services Agency to convene a workgroup comprised of representatives of specified entities and organizations, to establish a work plan by which child and family service reviews shall be conducted. It is authorized by Assembly Bill (AB) 636 (Chapter 678, Statutes of 2002), which appropriated the one-time amount of $100,000 State General Fund (GF) to the agency for purposes of this bill.

The Child Welfare System Improvement and Accountability Act of 2001 requires the California Department of Social Services (CDSS) to establish the California Child and Family Service Review System, in order to review all county child welfare systems. These reviews shall cover child protective services, foster care, adoption, family preservation, family support, and independent living.

## IMPLEMENTATION DATE:

This premise implemented on October 1, 2002.

## KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 10601.2.
- The amount appropriated to the California Health and Human Services Agency for this program was $100,000 GF.
- No costs are anticipated during the budget year.
- Matching Federal Title IV-E funds of $100,000 will be available.

## METHODOLOGY:

AB 636 appropriated $100,000 to the California Health and Human Services Agency for the purposes of this bill and will be matched with Federal Title IV-E funds. These funds will be transferred to the CDSS, who will contract with the various workgroup representatives.

## FUNDING:

One-time funding for this premise will be appropriated during Fiscal Year 2002-03. Federal and reimbursement funds will be equally matched at $100,000 each.

## CHANGE FROM THE APPROPRIATION:

This is a new premise.

## REASON FOR YEAR-TO-YEAR CHANGE:

Funding for this new premise will be provided for the current year only.

# Child and Family Service Reviews (AB 636)

## EXPENDITURES:

(in 000's)

| | 2002-03 | 2003-04 |
|---|---|---|
| | County Admin. | County Admin. |
| Total | $200 | $0 |
| Federal | 100 | 0 |
| State | 0 | 0 |
| County | 0 | 0 |
| Reimbursements | 100 | 0 |

# Adoptions Program – Basic Costs

## DESCRIPTION:

This premise reflects costs associated with agency (relinquishment) and independent adoptions for 30 counties. Although only 28 counties provide adoptive services, these costs include current year funding for independent adoptions and services in two adjacent counties. The independent adoptions program is being privatized in the budget year and therefore, neither the counties nor the State will be performing this type of adoption. Relinquishment and agency adoption include:

1. Agency (Relinquishment) Adoptions - Placements through a licensed adoption agency in which a child to be adopted has been relinquished by his or her natural parents or in which, due to abuse or neglect, parental rights have been terminated by court action; and
2. Independent Adoptions - Placements in which the parents place a child directly with an adopting family or persons of their choice.

The 1996 Adoptions Initiative (Assembly Bill 1524, Chapter 1083, Statutes of 1996) was introduced to maximize adoption opportunities for children in public foster care and reduce the foster care population. Counties were funded based on performance agreements that increased the number of adoption social workers in an effort to double the number of statewide adoptive placements. As a result of the Adoptions Initiative, the annual number of foster children who were placed in an adoptive home increased from 3,000 to over 7,200.

Previously, this premise was separated from the Adoptions Initiative premise in order to illustrate the fiscal impact of the Initiative. However, since achieving the goal of doubling the number of statewide adoptions, this premise now combines the Adoptions Initiative with the Adoption Program basic costs to fund the program with 560.55 full-time equivalents (FTEs) in the current year. In the budget year, the number of FTEs is being reduced to 546.55 as a result of the privatization of the independent adoptions program.

Both the current and budget years use federal incentive funding ($7.3 million and $4.4 million, respectively) to provide basic adoptive services. Refer to the "Federal Incentives for Adoptive Services" premise for more information on this funding source.

## KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institution Code sections 16100 through 16106.
- The statewide average unit cost per adoption social worker is $132,400.
- The counties will be funded with 560.55 FTEs in Fiscal Year (FY) 2002-03, and 546.55 FTEs in FY 2003-04.
- Independent adoptions will be phased out beginning in the current year, but there will be no fiscal impact until the budget year.

## METHODOLOGY:

**FY 2002-03**

- The funding for FY 2002-03 is being held at the Budget Act of 2002 Appropriation level.

# Adoptions Program – Basic Costs

## METHODOLOGY (continued):

**FY 2003-04**

- Estimates are individually calculated for each county that performs its own adoptive services.
- The annual unit cost of an adoption worker was updated based on FY 2001-02 data, and then applied to the allotted number of FTEs per county to derive the total staffing costs.
- The $4.4 million the State received in federal incentive funding will be used to help fully fund the Adoptions Program in the budget year.

## FUNDING:

The federal and nonfederal sharing ratios are based on the actual expenditure data from FY 2001-02. These sharing ratios are 43.63 percent federal and 56.37 percent nonfederal. The nonfederal share is 100 percent GF.

## CHANGE FROM THE APPROPRIATION:

There is no change.

## REASON FOR YEAR-TO-YEAR CHANGE:

The slight increase in the budget year is the net result of privatizing the independent adoptions program, updating the actual unit costs per FTE based on more recent county administrative claims data, and the addition of $4.4 million in federal incentive monies.

## EXPENDITURES:

(in 000's)

| | 2002-03 | 2003-04 |
|---|---|---|
| **TOTAL PROGRAM** | County Admin. | County Admin. |
| Total | $64,951 | $65,095 |
| Federal | 32,601 | 31,099 |
| State | 32,350 | 33,996 |
| County | 0 | 0 |
| Reimbursements | 0 | 0 |

# Adoptions Program – Basic Costs

## EXPENDITURES (continued):

(in 000's)

| | 2002-03 | 2003-04 |
|---|---|---|
| **Basic Program** | County Admin. | County Admin. |
| Total | $56,547 | $60,707 |
| Federal | 24,197 | 26,711 |
| State | 32,350 | 33,996 |
| County | 0 | 0 |
| Reimbursements | 0 | 0 |

| | 2002-03 | 2003-04 |
|---|---|---|
| **Federal Incentives** | County Admin. | County Admin. |
| Total | $8,404 | $4,388 |
| Federal | 8,404 | 4,388 |
| State | 0 | 0 |
| County | 0 | 0 |
| Reimbursements | 0 | 0 |

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# Federal Incentive Funds for Adoptive Services

## DESCRIPTION:

This premise reflects the amount of federal funding that the State is eligible to receive as a result of Public Law (P.L.) 105-89, the Adoptions and Safe Families Act of 1997 (ASFA). This program was designed to reward states with incentive funds for increasing their finalized adoptions in the federal fiscal year. The amount of the incentive is determined by the Adoption and Foster Care Analysis and Reporting System (AFCARS). AFCARS data are submitted to the federal government twice a year, on November 14, and May 15.

In accordance with P.L. 105-89, the federal incentive money is capped at $20 million for the states cumulatively for each federal fiscal year (FFY). Since this federal incentive funding does not carry forward from one year to the next, California must expend the $12.792 million of incentive money in the current federal fiscal year.

The current year Appropriation uses $7.3 million in federal incentive funding to provide basic adoptive services in lieu of State General Fund (GF). The Governor's Budget utilizes this funding to enhance basic adoptive services; however, the $4.4 million in federal incentive funding must be expended in the first quarter of the budget year.

## IMPLEMENTATION DATE:

This premise implemented in August of 1999.

## KEY DATA/ASSUMPTIONS:

- Authorizing statute: ASFA (P.L. 105-89), and the Foster Care Independence Act of 1999 (P.L. 106-169).
- The Department has qualified for and received two separate grant award letters for Fiscal Year (FY) 2002-03 in the amounts of $8.404 million and $4.388 million; however, these grants will be split between the current year ($8.4 million) and the budget year ($4.4 million).

## METHODOLOGY:

**FY 2002-03**

The current year estimate is based on the first grant award letter received by the Department for FFY 2003. Of the $8.4 million received, $7.3 million will be used in lieu of GF to provide basic adoptive services. The remaining $1.1 million in federal incentive funding will be used to help fully fund the basic adoptive services program.

**FY 2003-04**

The budget year estimate is based on the second grant award letter received by the Department for FFY 2003. The $4.4 million received will be used to enhance the basic adoptive services. This federal funding must be expended by September 30, 2003 (by the end of the first fiscal quarter of FY 2003-04).

# Federal Incentive Funds for Adoptive Services

## FUNDING:

The incentives are 100 percent federal funds.

## CHANGE FROM THE APPROPRIATION:

There is no change.

## REASON FOR YEAR-TO-YEAR CHANGE:

The budget year amount reflects the second federal grant award of $4.4 million, as opposed to the current year grant award level of $8.4 million.

## EXPENDITURES:

(in 000's)

| **Basic Adoptive Svcs.** | 2002-03 County Admin. | 2003-04 County Admin. |
|---|---|---|
| Total | $8,404 | $4,388 |
| Federal | 8,404 | 4,388 |
| State | 0 | 0 |
| County | 0 | 0 |
| Reimbursements | 0 | 0 |

# Private Agency Adoption Reimbursement Payments

## DESCRIPTION:

This premise reflects the costs of providing private agency adoption reimbursement payments (PAARPs) to private adoption agencies for expenditures associated with adoptive placements of special needs children. Assembly Bill (AB) 1524 (Chapter 1083, Statutes of 1996) established a $3,500 compensatory limit per placement of special needs children. AB 1225 (Chapter 905, Statutes of 1999) increased the compensatory limit per placement to $5,000 per adoptive placement of a special needs child.

Once the child is placed, a claim is submitted to the Department for an individual child by the private adoption agency. Departmental program staff review the claim, verify federal eligibility, and forward the claim(s) to the Office of the State Controller for direct issuance of a reimbursement payment to the private adoption agency. Fiscal control is maintained by departmental program staff.

## IMPLEMENTATION DATE:

This premise originally implemented on July 1, 1992.

The AB 1225 reimbursement payment increase went into effect on July 1, 1999.

## KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 16120 through 16122.
- Current year and budget year caseloads were projected using actual caseload data from Fiscal Year (FY) 1999-00 through FY 2001-02.
- The cost of each PAARP was calculated at $5,000 per private agency adoptive placement.

## METHODOLOGY:

**FY 2002-03**

To determine the PAARP basic cost, the projected number of private agency adoptive placements was multiplied by the average reimbursement cost per placement (1,500 placements x $5,000 reimbursement per placement).

**FY 2003-04**

To determine the PAARP basic cost, the projected number of private agency adoptive placements was multiplied by the average reimbursement cost per placement (1,800 placements x $5,000 reimbursement per placement).

## FUNDING:

The funding ratio was based on a historical average of actual claiming data from FY 1999-00 through FY 2000-01. The federal share of cost is 48 percent, and the state share of cost is 52 percent.

## CHANGE FROM THE APPROPRIATION:

Both current year and budget year estimates were updated using more caseload data and expenditure information from the Accounting Branch.

# Private Agency Adoption Reimbursement Payments

## REASON FOR YEAR-TO-YEAR CHANGE:

The budget year increase is due to a projected increase in the number of PAARP claims to be submitted by the private adoption agencies based on historical data.

## EXPENDITURES:

(in 000's)

| | 2002-03 | 2003-04 |
|---|---|---|
| | County Admin. | County Admin. |
| Total | $7,502 | $9,003 |
| Federal | 3,601 | 4,321 |
| State | 3,901 | 4,682 |
| County | 0 | 0 |
| Reimbursement | 0 | 0 |

# Foster and Adoptive Home Recruitment

## DESCRIPTION:

This premise reflects the costs associated with utilizing the services of local community organizations to increase the pool of minority adoptive families in order to place more minority children. The program is administered via contracts between the Department and private providers; counties are not directly involved. The Department funds approximately 20 projects through this item.

## IMPLEMENTATION DATE:

This premise implemented on July 1, 1982.

## KEY DATA/ASSUMPTIONS:

- Authorizing statute: Federal Multiethnic Placement Act.
- The Foster and Adoptive Home Recruitment Program will continue to fund six contracts with private providers in the current year and four contracts in the budget year.

## METHODOLOGY:

- The estimate for Fiscal Years (FY) 2002-03 and 2003-04 is developed based on anticipated and actual executed contracts.
- The foster care federal discount rate for FY 2002-03 is 78 percent and 76 percent for FY 2003-04.

## FUNDING:

After the foster care federal discount rate is applied, federally eligible costs are shared 50 percent federal Title IV-E and 50 percent nonfederal. Nonfederal costs are 100 percent State General Fund.

## CHANGE FROM THE APPROPRIATION:

The current estimate reflects an updated foster care federal discount rate.

## REASON FOR YEAR-TO-YEAR CHANGE:

The decrease in the budget year reflects a reduction in the number of contracts to be funded.

## EXPENDITURES:

(in 000's)

| | 2002-03 | 2003-04 |
|---|---|---|
| | County Admin. | County Admin. |
| Total | $778 | $392 |
| Federal | 300 | 150 |
| State | 478 | 242 |
| County | 0 | 0 |
| Reimbursements | 0 | 0 |

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# 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 implemented on January 1, 1990.

## KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institution Code sections 16100 through 16106.
- Based on data from Fiscal Year (FY) 2001-02, the number of children freed for adoption by county counsels was 560. The expenditures associated with these cases were reported at $1,204,872.
- The projected number of children freed for adoption by county counsels for FY 2003-04 is 595.
- The foster care federal discount rate is 76 percent for FY 2003-04.

## METHODOLOGY:

**FY 2002-03**

- The funding for FY 2002-03 is being held at the Budget Act of 2002 Appropriation level.

**FY 2003-04**

- The average cost per case was derived by dividing the expenditures from FY 2001-02 by the number of children freed during that same period. The average cost per case was then multiplied by the projected number of children to be legally freed for adoption.

## FUNDING:

After the foster care federal discount rate is applied, federally eligible costs are shared 50 percent federal Title IV-E and 50 percent nonfederal. Nonfederal costs are 100 percent State General Fund.

## CHANGE FROM THE APPROPRIATION:

There is no change.

# Adoptions Program County Counsel Costs

## REASON FOR YEAR-TO-YEAR CHANGE:

The budget year increase reflects a greater number of children freed.

## EXPENDITURES:

(in 000's)

| | 2002-03 | 2003-04 |
|---|---|---|
| | County Admin. | County Admin. |
| Total | $1,223 | $1,281 |
| Federal | 477 | 487 |
| State | 746 | 794 |
| County | 0 | 0 |
| Reimbursements | 0 | 0 |

# Nonrecurring Adoption Expenses

## DESCRIPTION:

This premise reflects the costs for the reimbursement to families for nonrecurring adoption expenses associated with adopting special needs children. These costs may include, but are not limited to, legal fees, court filing fees, special medical examinations, and psychological evaluations. Only families adopting special needs children are eligible for reimbursement of these one-time costs.

The California maximum reimbursement amount is $400 with a 50 percent federal sharing ratio. Assembly Bill 2129 (Chapter 1089, Statutes of 1993) made this cap permanent.

## IMPLEMENTATION DATE:

This premise implemented on January 1, 1990.

## KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 16120.1.
- The maximum reimbursement that can be applied to each case is $400.
- Nearly 70 percent of all adopted children can be classified as special needs children.

## METHODOLOGY:

**Fiscal Year (FY) 2002-03**

The current year estimate is being held at the Budget Act of 2002 Appropriation level.

**FY 2003-04**

The estimate was developed by multiplying the projected number of adoptions by the percentage that would qualify as special needs cases (6,200 adoptions x 68 percent). This number was then multiplied by the average percentage of submitted claims, and then by the maximum reimbursement amount (4,216 eligible cases x 0.5432 average percentage of submitted claims x $400).

## FUNDING:

The funding for these reimbursements is shared between federal and state at 50 percent each. There is no county share.

## CHANGE FROM THE APPROPRIATION:

There is no change.

# Nonrecurring Adoption Expenses

## REASON FOR YEAR-TO-YEAR CHANGE:

The budget year increase reflects a slightly higher percentage of eligible claims being reported (from 48 percent to 54 percent).

## EXPENDITURES:

(in 000's)

| | 2002-03 | 2003-04 |
|---|---|---|
| | County Admin. | County Admin. |
| Total | $906 | $916 |
| Federal | 453 | 458 |
| State | 453 | 458 |
| County | 0 | 0 |
| Reimbursements | 0 | 0 |

# Specialized Training for Adoptive Parents (STAP)

## DESCRIPTION:

This premise reflects the costs associated with implementing Assembly Bill (AB) 2198 (Chapter 1014, Statutes of 1998) which provides special training and services to facilitate the adoption of children who are HIV positive or who have a condition of symptoms resulting from substance abuse by the mother. Specifically, this funding will provide recruitment, special training and respite care to families adopting court dependent children who are either HIV positive or assessed as being prenatally exposed to alcohol or a controlled substance. This program is similar to the Child Welfare Services Program's Substance Abuse/HIV Infant Program (Options for Recovery) authorized by AB 67 (Chapter 606, Statutes of 1997).

## IMPLEMENTATION DATE:

This premise implemented on July 1, 1998.

## KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 16135 through 16135.30.
- This program is available to any county requesting participation pursuant to established procedures and to the extent funds are available. There are currently 11 counties (El Dorado, Mendocino, Monterey, Riverside, San Francisco, San Luis Obispo, Santa Clara, Santa Cruz, Stanislaus, Shasta, and Ventura) that have implemented this program.
- The foster care federal discount rate is 78 percent for the current year and 76 percent for the budget year.

## METHODOLOGY:

The estimate for this program was developed by calculating the costs for each of the three separate components (respite care, training, and recruitment). The total program funding is $1,886,903 for the current year, and $1,875,242 for the budget year, based on the $1,000,000 State General Fund (GF) appropriation in AB 2198 for the implementation of this program.

## FUNDING:

After the foster care federal discount rate is applied, federally eligible recruitment activities are funded with 50 percent federal funds and 50 percent nonfederal funds. The nonfederal funds are shared 70 percent GF and 30 percent county.

After the foster care federal discount rate is applied, federally eligible training costs are funded with 75 percent federal funds and 25 percent nonfederal funds. The nonfederal funds are shared 70 percent GF and 30 percent county.

Respite care is funded with 70 percent GF and 30 percent county funds.

# Specialized Training for Adoptive Parents (STAP)

## CHANGE FROM THE APPROPRIATION:

The current year reflects the change in the foster care federal discount rate.

## REASON FOR YEAR-TO-YEAR CHANGE:

The reduction in budget year total funding is a result of the decrease in the foster care federal discount rate.

## EXPENDITURES:

(in 000's)

| | 2002-03 | 2003-04 |
|---|---|---|
| | County Admin. | County Admin. |
| Total | $1,887 | $1,876 |
| Federal | 465 | 454 |
| State | 1,000 | 1,000 |
| County | 422 | 422 |
| Reimbursements | 0 | 0 |

# Nonresident Petitions for Adoption (AB 746)

## DESCRIPTION:

This premise reflects the costs associated with the conducting home studies for non-California residents who file a petition for either an agency or independent adoption in the county where the child resides. Assembly Bill (AB) 746 (Chapter 1112, Statutes of 2002) requires a review and endorsed home study report to be conducted by either the Department or a California licensed adoption agency. This home study report would then need to be approved in the nonresident petitioner's state.

## IMPLEMENTATION DATE:

This premise implemented on January 1, 2003.

## KEY DATA/ASSUMPTIONS:

- Authorizing statute: Family Code sections 8714-8715, 8802, and 8807.
- AB 746 would result in an increase of 33 more out-of-state adoptions.
- Each new case would require, on average, 2.5 visits per year.
- It would take 16 hours, including travel, to conduct each visit.
- Travel costs are estimated to be $624 (including per diem) per visit.
- The average cost for a social worker is $79.

## METHODOLOGY:

The estimate was developed by first multiplying the number of new cases by the average number of visits required (33 new cases x 2.5 visits per case = 82.5 total visits). The average cost of the social worker ($79 per hour x 16 hours per visit = $1,264) was added to the travel costs ($1,264 cost of social worker + $624 travel costs = $1,888). This total cost was then multiplied by the number of total visits (82.5 total visits x $1,888 cost per visit = $155,760).

Since AB 746 implemented on January 1, 2003, only six months of cost will be included in the current year.

## FUNDING:

Based on Fiscal Year 2001-02 Adoptions Program funding, 44 percent of the total costs will be federal funding. The nonfederal share, 56 percent, will be funded with State General Fund.

## CHANGE FROM THE APPROPRIATION:

This is a new premise.

## REASON FOR YEAR-TO-YEAR CHANGE:

The budget year reflects a full-year of costs.

# Nonresident Petitions for Adoption (AB 746)

## EXPENDITURES:

(in 000's)

| | 2002-03 County Admin. | 2003-04 County Admin. |
|---|---|---|
| Total | $78 | $156 |
| Federal | 34 | 69 |
| State | 44 | 87 |
| County | 0 | 0 |
| Reimbursements | 0 | 0 |

# County Third Party Contracts

## DESCRIPTION:

This premise reflects the costs associated with the Child Abuse Prevention, Intervention, and Treatment (CAPIT) Program. Assembly Bill 1733 (Chapter 1398, Statutes of 1982) established CAPIT to fund prevention and intervention services for children at risk of abuse and/or neglect. Contracts with community-based public and private agencies utilize CAPIT funds to provide services to high-risk children and their families, as well as training and technical assistance to funded agencies. The program includes a contract component, which funds innovative, child-centered approaches geared towards the prevention of child abuse and neglect.

## KEY DATA/ASSUMPTIONS:

Authorizing statute: Welfare and Institutions Code sections 18960 through 18965.

## METHODOLOGY:

For Fiscal Years (FYs) 2002-03 and 2003-04, the CAPIT funding is being held at the Budget Act of 2002 Appropriation level of $13,395,000. This funding is divided amongst county allocations, training and technical assistance, innovative services, and state support as follows:

- County Allocations: Counties are allocated a total of $12,356,000. Small counties receive a preset minimum funding level, and the remaining distribution utilizes a formula that considers a county's share of children under the age of 18, children receiving public assistance, and child abuse reports.
- Innovative Services Contracts: There is $1,039,000 appropriated for innovative services contracts. A competitive bid process determines the grantees of innovative services contracts.
- Training and Technical Assistance (T&TA)/State Support: This funding amount is $306,200 (three percent of the total CAPIT funding minus 2.0 limited-term positions) to ensure that the programs effectively serve high-risk children and their families, to provide for regional training on various child abuse issues and periodic statewide conferences, and to provide state support for the program(s). This amount is not included in the local assistance budget.

## FUNDING:

CAPIT funding is 100 percent State General Fund (GF) in the current year, and shifts to 100 percent county share in the budget year (BY).

## CHANGE FROM THE APPROPRIATION:

There is no change.

# County Third Party Contracts

## REASON FOR YEAR-TO-YEAR CHANGE:

The GF reduction in the BY reflects inclusion of this premise in the proposed FY 2003-04 State and Local Realignment.

## EXPENDITURES:

| (in 000's) | 2002-03 | 2003-04 |
|---|---|---|
| | Grant | Grant |
| Total | $13,395 | $13,395 |
| Federal | 0 | 0 |
| State | 13,395 | 0 |
| County | 0 | 13,395 |
| 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 those under the Child Abuse Prevention and Treatment Act (CAPTA). The CAPTA grant is now comprised of Title I (consisting of the former Parts A and B) and Title II, otherwise known as the Community-Based Family Resource and Support (CBFRS) grant.

## KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 18958.
- Project funding is contingent upon continued receipt of federal grant awards.

## METHODOLOGY:

| The total reflects the following federal grants: | 2002-03 | 2003-04 |
|---|---|---|
| • CAPTA Title I Grants | $4,215,665 | $4,215,665 |
| • CAPTA Title II – CBFRS | $2,372,614 | $2,372,614 |
| | $6,588,279 | $6,588,279 |

## FUNDING:

Funding for these projects is 100 percent federal grant funds.

## CHANGE FROM THE APPROPRIATION:

There is no change.

## REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

## EXPENDITURES:

| (in 000's) | 2002-03 Grant | 2003-04 Grant |
|---|---|---|
| Total | $6,588 | $6,588 |
| Federal | 6,588 | 6,588 |
| State | 0 | 0 |
| County | 0 | 0 |
| Reimbursements | 0 | 0 |

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# State Children's Trust Fund Program

## DESCRIPTION:

This premise reflects the revenue available for the State Children's Trust Fund (SCTF) Program in California. The SCTF provides funding for innovative child abuse and neglect prevention and intervention projects utilizing deposits generated from birth certificate surcharges, state income tax designations, and private donations. Project funding is awarded through proposals submitted to the Office of Child Abuse Prevention (OCAP) of the California Department of Social Services.

## KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 18969.
- The Office of the State Controller accounts for deposits to the SCTF and advises the Department as to the availability of funds.

## METHODOLOGY:

This premise reflects the current funding information available for the SCTF, as provided by the OCAP.

## FUNDING:

SCTF revenue results from fees for birth certificates, grants, state income tax designations, and private donations. The State General Fund in the STCF was continuously appropriated without regard to fiscal years; however, with the passage of Assembly Bill (AB) 2036 (Chapter 647, Statutes of 2002), there is no longer continuous appropriation of this fund.

The SCTF is used for research, evaluation, dissemination of information to the public, the establishment of public-private partnerships with foundations and corporations, to increase public awareness about child abuse and neglect via media campaigns, and to seek continued contributions to the SCTF.

OCAP will administer many of the existing programs in the budget year, which include Mobile Family Resource Centers, the California Safe and Healthy Families Program, the Answers Benefiting Children initiative, and Americorp.

## CHANGE FROM THE APPROPRIATION:

The Department of Finance has granted the Department $4,000 in Prorata funding for the current year.

## REASON FOR YEAR-TO-YEAR CHANGE:

AB 2036 deleted the continuous appropriation of the SCTF. Therefore, to give the Department budget year spending authority, this item is now reflected in the local assistance budget.

# State Children's Trust Fund Program

## EXPENDITURES:

| (in 000's) | 2002-03 [1] | 2003-04 |
|---|---|---|
| | Grant | Grant |
| Total | $1,830 | $1,832 |
| Federal | 0 | 0 |
| State | 1,830 | 1,832 |
| County | 0 | 0 |
| Reimbursements | 0 | 0 |

[1] – Non-add item

# Special Programs – Other Specialized Services

## DESCRIPTION:

This premise reflects the costs for the Foster Care Burial, Repatriated Americans, and Assistance Dog Special Allowance Programs.

Foster care burial costs are reimbursements by the State that are provided to foster parents for the costs of a burial plot and funeral expenses, up to $5,000 per burial, for a child receiving foster care at the time of death.

The Repatriated Americans Program provides temporary help to needy United States citizens returning from foreign countries because of destitution, physical or mental illness, or war.

The Assistance Dog Special Allowance Program provides $50 per month to Supplemental Security Income/State Supplementary Payment Program recipients who have guide, signal, or service dogs. This allowance is to be used for food and other costs associated with the dogs' care and maintenance.

## KEY DATA/ASSUMPTIONS:

**Foster Care Burial**

- Authorizing statute: Welfare and Institutions Code (W&IC) section 11212.

**Repatriated Americans**

- Authorizing statute: W&IC sections 10553 and 10554.

**Assistance Dog Special Allowance**

- Authorizing statute: W&IC section 12553.
- The monthly cost per case is $50.
- The budget year caseload is projected to increase by 6.9 percent.

## METHODOLOGY:

**Foster Care Burial**

- The estimated costs for both current and budget years are held at the Fiscal Year (FY) 1999-00 expenditure level of $186,000.

**Repatriated Americans**

- The estimated costs for both current and budget years were held at the Budget Act of 2002 Appropriation level.

**Assistance Dog Special Allowance**

- The estimated cost for the current year is $423,950 based on year-to-date actual costs and projected caseload growth. The budget year estimated cost is assumed to increase by 6.9 percent to $453,600.

# Special Programs – Other Specialized Services

## FUNDING:

The Foster Care Burial and the Assistance Dog Special Allowance programs are funded with 100 percent State General Fund. The Repatriated Americans Program is funded with 100 percent federal funds through a special Department of Health and Human Services, U.S. Repatriate Program Direct Loan. The funds are provided to individuals on a repayable basis.

## CHANGE FROM THE APPROPRIATION:

The decrease in the current estimate reflects lower caseload growth than previously assumed for the Assistance Dog Special Allowance Program.

## REASON FOR YEAR-TO-YEAR CHANGE:

The increase in the budget year reflects projected caseload growth in the Assistance Dog Special Allowance Program.

## EXPENDITURES:

(in 000's)

| | 2002-03 | 2003-04 |
|---|---|---|
| | Grant | Grant |
| Total | $685 | $715 |
| Federal | 75 | 75 |
| State | 610 | 640 |
| County | 0 | 0 |
| Reimbursements | 0 | 0 |

# Eligibility Extension of Dog Food Allowance (SB 858)

## DESCRIPTION:

This premise reflects the costs associated with providing a monthly dog food allowance to recipients of federal Social Security Disability Insurance (SSDI) who have incomes at or below the federal poverty level. Existing law provides that recipients of the federal Supplemental Security Income/State Supplementary Payment Program who have guide, signal, or service dogs, are eligible for a dog food allowance of $50 per month. Senate Bill (SB) 858 (Chapter 906, Statutes of 1999) extended the eligibility for a monthly dog food allowance of $35 to SSDI recipients. SB 1190 (Chapter 452, Statutes of 2001) increased the monthly allowance to $50 effective January 1, 2002.

## IMPLEMENTATION DATE:

This premise implemented on January 1, 2000.

## KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 12554.
- The SSDI recipients will receive a monthly dog food allowance of $50.
- The average monthly caseload is assumed to be 15 in the current and budget year.

## METHODOLOGY:

The estimated cost is computed by multiplying the average monthly caseload by the monthly dog food allowance by 12 months.

## FUNDING:

This program is funded with 100 percent State General Fund.

## CHANGE FROM THE APPROPRIATION:

There is no change.

## REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

# Eligibility Extension of Dog Food Allowance (SB 858)

## EXPENDITURES:

(in 000's)

| | 2002-03 | 2003-04 |
|---|---|---|
| | Grant | Grant |
| Total | $9 | $9 |
| Federal | 0 | 0 |
| State | 9 | 9 |
| County | 0 | 0 |
| Reimbursements | 0 | 0 |

# Access Assistance/Deaf Program

## DESCRIPTION:

This premise reflects the costs associated with the Office of Deaf Access, Access Assistance/Deaf Program. Assembly Bill 2980 (Chapter 1193, Statutes of 1980) established the Access Assistance/Deaf Program in 1980. The Deaf Access Program serves approximately 2.9 million deaf and hearing-impaired Californians through regional contractors. Assistance under this program enables deaf and hearing-impaired persons to access needed social and community services, e.g. employment services, counseling, interpreting services, education on deafness and advocacy. Currently, eight regional contractors provide services to the hearing-impaired in all 58 counties.

## KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 10621.
- The program funding of $3,304,000 was augmented by $2,500,000 in Fiscal Year (FY) 1998-99 for program expansion.
- The program is funded with $3,200,000 in Title XX funds.

## METHODOLOGY:

The estimated costs for both the current and budget years are maintained at the total of the basic program funding ($3.3 million) plus the FY 1998-99 augmentation ($2.5 million).

## FUNDING:

This program is funded with State General Fund (GF). The Title XX block grant allocated to the program reduces the amount of GF in the program.

## CHANGE FROM THE APPROPRIATION:

There is no change.

## REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

# Access Assistance/Deaf Program

## EXPENDITURES:

(in 000's)

| | 2002-03 | 2003-04 |
|---|---|---|
| | Grant | Grant |
| Total | $5,804 | $5,804 |
| Federal | 3,200 | 3,200 |
| State | 2,604 | 2,604 |
| County | 0 | 0 |
| Reimbursements | 0 | 0 |

# Maternity Care

## DESCRIPTION:

This premise reflects the costs associated with the Licensed Maternity Home Care Program. The Licensed Maternity Home Care Program was established in 1977 by Assembly Bill (AB) 1069 (Chapter 1190, Statutes of 1977) and amended by AB 3805 (Chapter 1636, Statutes of 1990). The program provides residential care, counseling and maternity-related services to pregnant, unwed residents of the State who are under 18 years of age at the time of admission. 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).

## KEY DATA/ASSUMPTIONS:

Authorizing state: Welfare and Institutions Code sections 16145 through 16151.

## METHODOLOGY:

The funding for both the current and budget years is being held at the Budget Act of 2002 Appropriation level.

## FUNDING:

This program is funded with 100 percent State General Fund.

## CHANGE FROM THE APPROPRIATION:

There is no change.

## REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

## EXPENDITURES:

(in 000's)

| | 2002-03 | 2003-04 |
|---|---|---|
| | Grant | Grant |
| Total | $600 | $600 |
| Federal | 0 | 0 |
| State | 600 | 600 |
| County | 0 | 0 |
| Reimbursements | 0 | 0 |

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# Refugee Employment Social Services

## DESCRIPTION:

Refugee employment social services (RESS) are provided to refugees through county welfare departments and contracting agencies. The services are funded through an annual block grant allocation by the Office of Refugee Resettlement. The funds are used to provide employment-related services, such as employability assessment, on-the-job training, English language training, and vocational training.

## KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 13275-13282.
- California's final RESS allocation of $7,644,553 includes $1,055,263 in two special set-aside funds for the purposes of: 1) providing support for healthy families through community-based organizations that support orientation, education, and counseling; and, 2) providing planned upgrading of employment, employment retraining, and subsidized employment tied to a labor market need leading to unsubsidized employment.

## METHODOLOGY:

Funding is based on federal award.

## FUNDING:

This program is 100 percent federally funded.

## CHANGE FROM THE APPROPRIATION:

Funding has decreased due a lower federal grant award that is based on the number of refugee arrivals over the past three federal fiscal years.

## REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

## EXPENDITURES:

(in 000's)

| | 2002-03 Grant | 2003-04 Grant |
|---|---|---|
| Total | $7,645 | $7,645 |
| Federal | 7,645 | 7,645 |
| State | 0 | 0 |
| County | 0 | 0 |
| Reimbursements | 0 | 0 |

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# Refugee Programs – Targeted Assistance

## DESCRIPTION:

This program provides services to refugees to enable them to be placed in employment or to receive employment training. The goal of this program is to assist refugees in attaining self-sufficiency. Targeted Assistance (TA) grants are made available to high refugee-impacted counties. Program components include employment services, work experience, vocational training, vocational English-as-a-second-language, on-the-job training, economic development, skills upgrading, and extreme and unusual needs.

In addition to regular TA funds, the federal government awards TA discretionary funds to the State for specific local projects. Local agencies develop project proposals in response to a federal announcement. The federal government selects the projects to be funded.

## IMPLEMENTATION DATE:

This premise implemented on October 1, 1983.

## KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 13275-13282.
- California's final TA allocation of $7,494,200 includes $1,949,649 in discretionary funds which consist of 1) $1.0 million for services to older refugees; and 2) $949,649 in other discretionary funds for specific projects.

## METHODOLOGY:

Funding is based on federal award.

## FUNDING:

This program is 100 percent federally funded.

## CHANGE FROM THE APPROPRIATION:

Funding has decreased due to a lower federal grant award that is based on the number of refugee arrivals over the past three federal fiscal years.

## REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

## EXPENDITURES:

(in 000's)

| | 2002-03 Grant | 2003-04 Grant |
|---|---|---|
| Total | $7,494 | $7,494 |
| Federal | 7,494 | 7,494 |
| State | 0 | 0 |
| County | 0 | 0 |
| Reimbursements | 0 | 0 |

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# County Services Block Grant – Basic Costs

## DESCRIPTION:

This premise reflects the County Services Block Grant (CSBG) funding provided to the counties. The CSBG provides funds for Adult Protective Services (APS) and APS administrative costs. The CSBG may also be used to fund related optional services and activities to the extent funds are available.

Non-Medical Out-of-Home Care (NMOHC) administrative costs relating to the SSI/SSP Program are also included in this premise since Fiscal Year (FY) 2000-01. These NMOHC costs were previously reflected in the "Small Programs (non-CalWORKs) Block Grant" premise.

## KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 13004 through 13007.
- In the current year, the State General Fund (GF) is block granted at $10.5 million. The GF reduction in the budget year reflects inclusion of this premise in the proposed FY 2003-04 State and Local Realignment.
- In the current year, the county match ($10.9 million) reflects the FY 1996-97 CSBG county expenditure level. Senate Bill 2199 (Chapter 946, Statutes of 1998) required the counties to maintain their FY 1996-97 APS expenditure level for CSBG purposes. In the budget year, the nonfederal share is 100 percent county funded.
- The Title XIX reimbursement rate is assumed to be 30.62 percent, based on the actual federal reimbursement percentage claimed on the county expense claim for the last two quarters of FY 2001-02.

## METHODOLOGY:

- In the current year, the estimated costs are computed by adding the GF block grant, the county dollars, and the Title XIX reimbursements ($10,500,000 + $10,936,000 + $9,460,000 = $30,896,000), and the NMOHC costs. The NMOHC costs are estimated to be $1,221,923 for the current year.
- In the budget year, the estimated costs are computed by adding the county dollars and the Title XIX reimbursements ($21,436,000 + 9,460,000 = 30,896,000), and the NMOHC costs. The NMOHC costs are estimated to be $815,132 in the budget year.

## FUNDING:

- In the current year, GF for CSBG is block granted at $10.5 million with county participation at the maintenance of effort level. In the budget year, the nonfederal share of the CSBG is 100 percent county funded.
- NMOHC is funded with 100 percent GF in the current and budget year.
- The Title XIX reimbursements are as follows:
  - Activities performed by skilled professional medical personnel are eligible for Title XIX reimbursement at 75 percent.
  - Health-related activities provided to Medi-Cal eligible recipients are eligible for Title XIX reimbursement at 50 percent.

# County Services Block Grant – Basic Costs

## CHANGE FROM THE APPROPRIATION:

The current estimate reflects an increase in Title XIX-eligible expenditures.

## REASON FOR YEAR-TO-YEAR CHANGE:

The GF reduction in the budget year reflects inclusion of this premise in the proposed FY 2003-04 State and Local Realignment.

## EXPENDITURES:

| (in 000's) | 2002-03 | 2003-04 |
|---|---|---|
| | County Admin. | County Admin. |
| Total | $32,118 | $31,712 |
| Federal | 0 | 0 |
| State | 11,722 | 816 |
| County | 10,936 | 21,436 |
| Reimbursements | 9,460 | 9,460 |

# Adult Protective Services

## DESCRIPTION:

This premise reflects the funds available over and above the $27.3 million provided for in the County Services Block Grant (CSBG) for the provision of adult protective services (APS). Senate Bill (SB) 2199 (Chapter 946, Statutes of 1998) established a statewide mandated APS Program and provided these additional funds for expanded APS activities. The county share of APS expenditures was held at the Fiscal Year (FY) 1996-97 county match level for the CSBG. The APS Program has been funded in whole or in part under CSBG since the 1984 Budget Act. The APS Program, administered by the county welfare departments, provides assistance to elderly and dependent adults who are functionally impaired, unable to meet their own needs, and who are victims of abuse, neglect or exploitation.

The APS Program, as defined in SB 2199, requires the counties to respond to reports of elder and dependent adult abuse on a 24-hour emergency response basis. Among the services required by SB 2199 are investigations, needs assessments, and case management services. SB 2199 also provides for necessary tangible resources such as food, emergency shelter care, in-home protection, transportation, and the use of multidisciplinary teams.

## IMPLEMENTATION DATE:

- This premise implemented on July 1, 1997.
- The enhanced APS Program became effective May 1, 1999.

## KEY DATA/ASSUMPTIONS:

- Authorizing statute: Elder Abuse and Dependent Adult Civil Protection Act, commencing Welfare and Institutions Code section 15600.
- This program received a $20 million State General Fund (GF) augmentation in the 1998 Budget Act to provide counties with additional resources needed to implement the statewide mandated APS Program. An additional $25.3 million GF augmentation was provided in the 1999 Budget Act.
- In the current year, the counties are assumed to have no additional share of the APS costs effective FY 1998-99. SB 2199 held county costs to the FY 1996-97 CSBG expenditure level. In the budget year, the nonfederal share is 100 percent county funded.
- The federal Title XIX reimbursement rate is assumed to be 30.75 percent based on the actual county administrative expense claims for FY 2001-02.
- The average monthly caseload is assumed to be 14,564 for the current year and 14,205 for the budget year.
- The cost per case is assumed to be $562 in the current and budget year.

## METHODOLOGY:

The estimated costs for both the current and budget years are computed by multiplying the average monthly caseload by the cost per case by 12 months, minus $27.3 million budgeted in the CSBG premise.

# Adult Protective Services

## FUNDING:

- In the current year, the program is funded with GF and Title XIX reimbursements. In the budget year, the program is funded with county funds and Title XIX reimbursements.
- The Title XIX reimbursements are as follows:
  - Activities performed by skilled professional medical personnel are eligible for Title XIX reimbursement at 75 percent; and,
  - Health-related activities provided to Medi-Cal-eligible recipients are eligible for Title XIX reimbursement at 50 percent.

## CHANGE FROM THE APPROPRIATION:

There is no change.

## REASON FOR YEAR-TO-YEAR CHANGE:

The GF reduction in the budget year reflects inclusion of this premise in the proposed FY 2003-04 State and Local Realignment.

## EXPENDITURES:

(in 000's)

| | 2002-03 | 2003-04 |
|---|---|---|
| | County Admin. | County Admin. |
| Total | $72,242 | $72,242 |
| Federal | 0 | 0 |
| State | 50,179 | 0 |
| County | 0 | 50,179 |
| Reimbursements | 22,063 | 22,063 |

# APS Contract for Training Curriculum

## DESCRIPTION:

This premise reflects the cost of entering into a multi-year contract with a qualified institution, agency or consultant to:

- Develop a comprehensive statewide training curriculum for county Adult Protective Services (APS) workers that will be owned by the State and shared with county APS agencies;
- Present the training curriculum to all APS workers, including scheduling and arranging training in all the regions of the State and producing all required training materials; and,
- Periodically update the curriculum and its content to reflect changing APS laws, policies and practices and provide updated training to APS workers.

The purpose of the training will be to educate county APS workers on the new APS Program standards, requirements, and mandates established by passage of Senate Bill 2199 (Chapter 946, Statutes of 1998). The training is intended to promote statewide uniformity and consistency in the administration and delivery of services under the APS Program. The Department selected the California State University, Los Angeles to develop the curriculum.

## IMPLEMENTATION DATE:

This premise implemented on July 1, 2001.

## KEY DATA/ASSUMPTIONS:

- Authorizing statute: Elder Abuse and Dependent Adult Civil Protection Act, commencing Welfare and Institutions Code section 15600.
- For Fiscal Year (FY) 2002-03 and FY 2003-04, the number of APS workers trained was estimated to be 838.
- The cost for a five-day training course was estimated to be $345 per worker.
- The initial cost for curriculum was estimated to be $200,000.
- Beginning FY 2003-04, the cost for ongoing training activities is estimated to be $175,000 annually.

## METHODOLOGY:

The funding for this premise reflects the amount of the contract with California State University, Los Angeles.

## FUNDING:

The federal Title XIX reimbursement represents 12.5 percent of the total funding. In the current year, the nonfederal share is funded with 100 percent State General Fund (GF). In the budget year, the nonfederal share is 100 percent county funded.

# APS Contract for Training Curriculum

## CHANGE FROM THE APPROPRIATION:

The current estimate reflects a decrease in Title XIX funding.

## REASON FOR YEAR-TO-YEAR CHANGE:

The GF reduction in the budget year reflects inclusion of this premise in the proposed FY 2003-04 State and Local Realignment.

## EXPENDITURES:

(in 000's)

| | 2002-03 | 2003-04 |
|---|---|---|
| | Contracts | Contracts |
| Total | $288 | $176 |
| Federal | 0 | 0 |
| State | 252 | 0 |
| County | 0 | 154 |
| Reimbursements | 36 | 22 |

# Community Care Licensing - Foster Family Homes

## DESCRIPTION:

This premise reflects the costs of providing basic funding for Foster Family Home (FFH) program licensing and recruitment services. The California Community Care Facilities Act authorizes counties to provide FFH licensing services. There are currently 42 counties providing FFH licensing and recruitment services. FFH programs in the remaining 16 counties are licensed by the California Department of Social Services' Community Care Licensing Program District Offices. For these counties, funds are provided for the purpose of recruiting FFH providers.

This premise includes the implementation of targeted visits to FFH facilities and a new CCL workload standard. Rather than conducting annual visits to all facilities, licensing workers will conduct targeted visits to approximately 20 percent of the caseload on an annual basis.

## KEY DATA/ASSUMPTIONS:

- Authorizing statute: Health and Safety Code sections 1500 through 1519.
- The new workload standard used to determine full-time equivalents (FTEs) is 133 cases per worker.
- The worker to supervisor ratio used to determine the total number of FTEs is 6.35:1.

## METHODOLOGY:

**Fiscal Year (FY) 2002-03**

- The funding for FY 2002-03 was reduced by $1.1 million ($0.6 million State General Fund (GF)) due to the implementation of targeted visits effective April 2003.

**FY 2003-04**

- The estimate was developed by determining the number of FTEs based on the FY 2003-04 projected caseload of 8,592. This caseload was divided by the workload standard of 90 cases per worker to derive the number of nonsupervisory FTEs (8,592 cases ÷ 133 cases per worker). The FTEs were expanded to include supervisors at a ratio of 6.35:1 to determine the total number of FTEs ((64.60 FTEs ÷ 6.35 supervisor ratio) + 64.60 FTEs = 74.77 FTEs).
- The average statewide unit cost of $125,663 was calculated by dividing the actual total expenditures for FY 2001-02 by the actual average FTEs.
- The total estimate was derived by adding the recruitment-only allocation to the FFH Program estimate ($13,885,897 + $877,764). The recruitment-only figures were developed using each county's average number of cases in Family Reunification and Permanent Placement and the number of children under 18 years of age.

## FUNDING:

Based on actual expenditure data from FY 2001-02, the sharing ratio is 41.55 percent federal Title IV-E and 58.45 percent GF.

# Community Care Licensing - Foster Family Homes

## CHANGE FROM THE APPROPRIATION:

The current year reduction is a result of the implementation of targeted visits.

## REASON FOR YEAR-TO-YEAR CHANGE:

The budget year reduction is due to the full year impact of the implementation of the targeted visits.

## EXPENDITURES:

(in 000's)

| | 2002-03 | 2003-04 |
|---|---|---|
| | County Admin. | County Admin. |
| Total | $13,336 | $10,274 |
| Federal | 5,617 | 4,249 |
| State | 7,719 | 6,025 |
| County | 0 | 0 |
| Reimbursements | 0 | 0 |

# Family Child Care Homes – Basic Costs

## DESCRIPTION:

This premise reflects the costs of providing basic funding to seven counties for family child care home (FCCH) program licensing services. FCCH programs in the remaining 51 counties are licensed by the California Department of Social Services' (CDSS) Community Care Licensing (CCL) District Offices. The California Community Care Facilities Act authorizes participating counties to provide FCCH licensing services.

This premise includes the implementation of targeted visits to FCCH facilities and a new CCL workload standard. Rather than conducting visits triennially to all facilities, licensing workers will now conduct targeted visits to approximately 20 percent of the caseload on an annual basis.

## KEY DATA/ASSUMPTIONS:

- Authorizing statute: Health and Safety Code sections 1500 through 1519.
- The new workload standard used to determine full-time equivalents (FTEs) is 312 cases per worker.
- The worker to supervisor ratio used to determine FTEs is 6.35:1.

## METHODOLOGY:

**Fiscal Year (FY) 2002-03**

- The funding for FY 2002-03 was reduced by $172,000 State General Fund (GF) as a result of Santa Cruz County transferring their licensing function to the State, effective July 2002, and the implementation of targeted visits beginning in April 2003.

**FY 2003-04**

- The estimate was developed by determining the number of FTEs based on the Fiscal Year (FY) 2003-04 projected caseload of 4,739. This caseload was divided by the workload standard of 303 cases per worker to determine the number of nonsupervisory FTEs (4,739 caseload ÷ 312 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 ([15.19 FTEs ÷ 6.35 supervisor ratio] + 15.19 FTEs = 17.58 FTEs).
- The average statewide unit cost was derived by dividing the actual total expenditures for FY 2001-02 by the actual average FTEs (resulting in $112,950).
- The total reflects an additional $30,000 GF from the Child Health and Safety Fund (CHSF) to be used for a media advertising campaign for promotion of the Kid's Plates Program.

## FUNDING:

In the Budget Act of 1999, the Legislature appropriated $318,000 in reimbursement funds from the California Department of Education (CDE) to this program in order for the licensing workers to conduct comprehensive annual site visits.

The budget year estimate reflects $30,000 GF from the CHSF for a media advertising campaign for promotion of the Kids' Plates Program.

The remaining costs are funded 100 percent GF.

# Family Child Care Homes – Basic Costs

## CHANGE FROM THE APPROPRIATION:

Santa Cruz County transferred their licensing function to the State, effective July 2002, which resulted in a GF reduction of $157,000 in the current year. The implementation of targeted visits resulted in an additional savings of $15,000 in the current year.

## REASON FOR YEAR-TO-YEAR CHANGE:

The slight decrease in the budget year is the net result of an updated unit cost per FTE and the implementation of the targeted visits.

## EXPENDITURES:

(in 000's)

| | 2002-03 | 2003-04 |
|---|---|---|
| | County Admin. | County Admin. |
| Total | $2,020 | $2,016 |
| Federal | 0 | 0 |
| State | 1,702 | 1,698 |
| County | 0 | 0 |
| Reimbursements | 318 | 318 |

# Serious Incident Reporting

## DESCRIPTION:

This premise reflects the costs of providing funding to the eight counties that provide family child care home (FCCH) licensing services in order for those counties to fulfill the reporting requirements associated with Assembly Bill (AB) 685 (Chapter 679, Statutes of 2001). AB 685 requires FCCH licensees to report any injury to a child requiring medical treatment, the death of any child, or any unusual incident or child absence that threatens the physical or emotional health or safety of any child while the child is in the care of the licensee. This premise provides the necessary staff to process these serious incident reports.

## IMPLEMENTATION DATE:

This premise implemented on January 1, 2002.

## KEY DATA/ASSUMPTIONS:

- Authorizing statute: Health and Safety Code sections 1500 through 1519.
- Based on a Community Care Licensing Division (CCLD) Survey from July 2000 on Child Care Centers (CCC):
  - Approximately 25 percent of all incident reports are ones that would be considered serious incidents;
  - The average number of CCC incident reports that a licensing program analyst (LPA) handles per year is 163, and it is projected that an LPA could handle 82 FCCH incident reports; and,
  - The average time to process a serious incident report is 2.765 hours.
- The projected caseload for Fiscal Year (FY) 2002-03 is 4,739.
- The average unit cost for an FCCH full-time equivalent (FTE) is $112,950 for FY 2003-04.

## METHODOLOGY:

**FY 2002-03**

The current year funding is being held at the Budget Act of 2002 Appropriation level.

**FY 2003-04**

The estimate was developed using the State Operations calculations for staff needed, and then adjusting by the local assistance caseload and unit costs. The State licenses 89 percent of the FCCHs statewide, and the counties license the remaining 11 percent. By dividing the appropriate caseloads, the counties' need to process serious incident reports is approximately 0.79 FTEs. The FTEs were then multiplied by the unit costs for the budget year (0.79 FTEs x $112,950 = $89,682).

## FUNDING:

This premise is funded 100 percent with State General Fund.

# Serious Incident Reporting

## CHANGE FROM THE APPROPRIATION:

There is no change.

## REASON FOR YEAR-TO-YEAR CHANGE:

The increase in the budget year is a result of an updated unit cost per licensing worker.

## EXPENDITURES:

(in 000's)

| | 2002-03 County Admin. | 2003-04 County Admin. |
|---|---|---|
| Total | $86 | $90 |
| Federal | 0 | 0 |
| State | 86 | 90 |
| County | 0 | 0 |
| Reimbursement | 0 | 0 |

# Community Care Licensing – Family Child Care Homes Backlog Augmentation

## DESCRIPTION:

This premise reflects the costs associated with addressing the increase in Family Child Care Home (FCCH) license applications received by county contracted licensing offices. The increase was created by the child care capacity building efforts, and caused a substantial backlog in the licensing offices' ability to process the applications.

## IMPLEMENTATION DATE:

This premise implemented on July 1, 2000, and sunsetted on June 30, 2002.

## KEY DATA/ASSUMPTIONS:

- Authorizing statute: Health and Safety Code sections 1500 through 1519.
- This premise was originally funded in conjunction with two-year limited-term State Operations positions. These positions expired on June 30, 2002, and therefore, this premise should be discontinued in both the current and budget years.

## METHODOLOGY:

**FY 2002-03**

- This program expired as of June 30, 2002, and therefore no funding should be included in the current year budget.

**FY 2003-04**

- This premise will be discontinued.

## FUNDING:

The State General Fund appropriated for this program will not be allocated to the counties.

## CHANGE FROM THE APPROPRIATION:

This program expired on June 30, 2002, in conjunction with limited-term State Operations positions..

## REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

# Community Care Licensing – Family Child Care Homes Backlog Augmentation

## EXPENDITURES:

(in 000's)

| | 2002-03 | 2003-04 |
|---|---|---|
| | County Admin. | County Admin. |
| Total | $0 | $0 |
| Federal | 0 | 0 |
| State | 0 | 0 |
| County | 0 | 0 |
| Reimbursements | 0 | 0 |

# Community Care Licensing – Family Child Care Homes Provider Training

## DESCRIPTION:

This premise reflects the costs of continuing the "Family Child Care at Its Best" training project. This project provides child development training to licensed Family Child Care Home (FCCH) providers to enhance the quality and safety of licensed FCCHs. The training, through an interagency agreement with the University of California at Davis Extension Program, provides the latest information about child development practices and the importance of providing appropriate care to meet the developmental needs of young children.

The California Department of Education's (CDE) proposed Child Care and Development Fund (CCDF) State Plan includes $1.0 million for the "Family Child Care at Its Best" training project, and the plan been approved through September 30, 2004.

## IMPLEMENTATION DATE:

This premise implemented on July 1, 2000.

## KEY DATA/ASSUMPTIONS:

The project was initially funded with $2.0 million of the $8.0 million capacity building allocation that was provided to the Department in Fiscal Year (FY) 1998-99. This $2.0 million was to fund the project for FY 1998-99 and FY 1999-00, and subsequent approval of CDE's CCDF plan will continue to fund this premise through FY 2003-04.

## METHODOLOGY:

The $1.0 million reimbursement from the CDE CCDF will be used to continue the funding of the training project through FY 2003-04.

## FUNDING:

This premise is funded as a reimbursement from the CDE CCDF.

## CHANGE FROM THE APPROPRIATION:

There is no change.

## REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

# Community Care Licensing – Family Child Care Homes Provider Training

## EXPENDITURES:

(in 000's)

| | 2002-03 | 2003-04 |
|---|---|---|
| | County Admin. | County Admin. |
| Total | $1,000 | $1,000 |
| Federal | 0 | 0 |
| State | 0 | 0 |
| County | 0 | 0 |
| Reimbursements | 1,000 | 1,000 |

# Court Cases

## DESCRIPTION:

This premise reflects the costs for attorney fees and settlements resulting from lawsuits pertaining to the California Department of Social Services (CDSS), Budget Item 151 – Social Service Programs, specifically, Child Welfare Services, Special Programs, and Community Care Licensing.

## IMPLEMENTATION DATE:

Attorney fees and settlement amounts for these court cases will be paid in both the current and budget year.

## KEY DATA/ASSUMPTIONS:

**Item 151 – Community Care Licensing**

- In Fiscal Year (FY) 2002-03, court case attorney fees and settlement amounts totaling $200,000 are expected to be billed to the Department.
- For FY 2003-04, there are cases with ongoing litigation that are estimated at $300,000.

## FUNDING:

The legal fees and settlement amounts are funded 100 percent State General Fund.

## CHANGE FROM THE APPROPRIATION:

There is no change.

## REASON FOR YEAR-TO-YEAR CHANGE:

The increase in the budget year is due to the number of cases expected to render decisions in FY 2003-04.

## EXPENDITURES:

(in 000's)

| | 2002-03 | 2003-04 |
|---|---|---|
| | County Admin. | County Admin. |
| Total | $200 | $300 |
| Federal | 0 | 0 |
| State | 200 | 300 |
| County | 0 | 0 |
| Reimbursements | 0 | 0 |

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# Fee-Exempt Live Scan

## DESCRIPTION:

This premise reflects the costs for fingerprinting and search requirements associated with Senate Bill (SB) 933 (Chapter 311, Statutes of 1998) for certain fee-exempt providers. SB 933 also mandated that a second set of fingerprints be submitted in order to search the records of the Federal Bureau of Investigation (FBI). Assembly Bill (AB) 1659 (Chapter 881, Statutes of 1999) added certain categories of licensed fee-exempt providers for FBI background checks.

This premise also includes the reimbursement cost for processing applications referred by the California Department of Education (CDE) and licensed fee-exempt providers.

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

## IMPLEMENTATION DATE:

This premise implemented on January 1, 1999.

## KEY DATA ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 11324.
- The caseload for fee-exempt licensed family homes and group homes is projected to be 79,298 in Fiscal Year (FY) 2002-03. The FY 2003-04 caseload is being held at the current year level.
- The DOJ contract estimate for fee-exempt cases utilizing the manual fingerprinting is $24 for the mandatory FBI fingerprints.
- The Live Scan fingerprint technology contract cost estimate for fee-exempt cases is based on the $16 Live Scan fee.

## METHODOLOGY:

**FY 2002-03**

The current year cost was calculated by multiplying the projected number of fee-exempt applications by the cost per activity (79,298 cases x Live Scan utilization rate x ($24 FBI +$16 Live Scan) = $1,903,146; 79,298 cases x non-utilization rate x ($24 FBI) = $1,268,764).

**FY 2003-04**

The budget year cost is being held at the current year funding level.

# Fee-Exempt Live Scan

## FUNDING:

This premise is funded with 100 percent State General Fund.

## CHANGE FROM THE APPROPRIATION:

The increase in the current year was due to an updated caseload.

## REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

## CASELOAD:

| | 2002-03 | 2003-04 |
|---|---|---|
| Average Monthly Foster Care Licensed Fee-Exempt Caseload | 6,608 | 6,608 |

## EXPENDITURES:

| (in 000's) | 2002-03 Contracts | 2003-04 Contracts |
|---|---|---|
| Total | $3,172 | $3,172 |
| Federal | 0 | 0 |
| State | 3,172 | 3,172 |
| County | 0 | 0 |
| Reimbursements | 0 | 0 |

# Transitional Housing for Foster Youth (AB 427)

## DESCRIPTION:

This premise reflects the one-time funding for the Transitional Housing for Foster Youth Fund, which is to be used over two years or until it is fully expended. It also reflects the federal and county match of this one-time funding amount. This premise changes the Transitional Housing Placement Program (THPP) by expanding the age range for participation from 17 to 18 years of age to 16 to 21 years of age. It also enables additional counties to participate in the THPP and Transitional Housing Program Plus (THP-Plus) by providing a new rate-setting methodology (75 percent and 70 percent, respectively) for each of the average group home rates in the counties.

## IMPLEMENTATION DATE:

This premise implemented on January 1, 2002.

## KEY DATA/ASSUMPTIONS:

- Authorizing statute: Assembly Bill 427 (Chapter 125, Statutes of 2001).
- The nonfederal sharing ratio is 40 percent state and 60 percent county.
- It is assumed that 31 percent of the participants will be federally eligible.
- Currently, 100 children age 17 to 18 are receiving THPP payments at a rate of $2,292 per month.
- The new program rate of $3,858 per month for the THPP will attract an additional 50 (150 total) children.
- The new program rate for THP-Plus is $3,004 per month.
- The THP-Plus will serve 551 casemonths in Fiscal Year (FY) 2002-03 and 2,480 additional casemonths, respectively, in FY 2003-04.
- The federally eligible percentage of expenditures is based on actual and projected expenditures from July 2002 to June 2003, adjusted for the FMAP decrease effective October 1, 2002 (federal 32.24 percent, state 27.11 percent, and county 40.65 percent).
- The first $597 of the THP-Plus payment is paid by the Supportive Transitional Emancipation Program.
- It is assumed that five percent of the participants will be eligible to participate in the THP-Plus program in both the current year and budget year.

# Transitional Housing for Foster Youth (AB 427)

## METHODOLOGY:

For FY 2002-03, the number of casemonths (551 x 0.05) multiplied by the THP-Plus rate of $3,004 (($5,144 x 0.70) – $597) equals the amount to be paid to new participants. This is added to the expansion of the existing program due to the rate increase of $2,097,000 (150 x $3,858 x 6) – (100 x $2,292 x 6) to give the total cost for the year of $2,181,106. The total cost of each component multiplied by the actual sharing ratio of each component equals the funding for the program.

For FY 2003-04, the estimate is based on the SGF balance of the $1,509,000 appropriation from FY 2001-02 ($1,509,000 - $602,140). The SGF balance is multiplied by .8332 to determine the SGF amount for THPP and by .1668 for THP-Plus. These amounts are then divided by the State's sharing ratio (27.76 for THPP and .40 for THP-Plus) to determine the total cost of each component.

To reflect the GF costs associated with this program by fiscal year, non-add lines have been included in the Detail Tables. For FY 2002-03, it is assumed that $602,140 will be related to this program and during the budget year it is anticipated that $906,860 ($1,509,000 - $602,140) in costs will be incurred.

## FUNDING:

Federal funding is provided by the Title IV-E of the Social Security Act, with the amount of federal financial participation based on the FMAP, for those cases meeting eligibility criteria. Funding for the nonfederal program and the nonfederal share of the federal program costs is defined in statute at 40 percent state and 60 percent county.

## CHANGE FROM THE APPROPRIATION:

There is no change.

## REASON FOR YEAR-TO-YEAR CHANGE:

Due to delay in implementation, no funding occurred during FY 2001-02; funding for FY 2002-03 is for a six-month period (not 12), while funding for FY 2003-04 is for a full year. In Item 153 of FY 2001-02, the GF amount is a one-time appropriation for transfer to the Transitional Housing Fund. The federal and county match will be spent in subsequent years.

# Transitional Housing for Foster Youth (AB 427)

## EXPENDITURES:

(in 000's)

**ITEM 151 – CHILD WELFARE SERVICES**

| | 2002-03 | 2003-04 |
|---|---|---|
| | County Admin. | County Admin. |
| Total | $1,579 | $2,194 |
| Federal | 676 | 833 |
| State | 0 | 0 |
| County | 903 | 1,361 |
| Reimbursements | 0 | 0 |

**ITEM 151 – CHILD WELFARE SERVICES [1]**

| | 2002-03 | 2003-04 |
|---|---|---|
| | County Admin. | County Admin. |
| Total | $602 | $907 |
| Federal | 0 | 0 |
| State | 602 | 907 |
| County | 0 | 0 |
| Reimbursements | 0 | 0 |

**ITEM 153 – TRANSITIONAL HOUSING FOR FOSTER YOUTH**

| | 2002-03 | 2003-04 |
|---|---|---|
| | County Admin. | County Admin. |
| Total | $0 | $0 |
| Federal | 0 | 0 |
| State | 0 | 0 |
| County | 0 | 0 |
| Reimbursements | 0 | 0 |

[1] – Non-add item.

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# Transitional Housing for Foster Youth (AB 1119)

## DESCRIPTION:

This premise changes the Transitional Housing Program Plus (THP-Plus) by eliminating the requirement that youth receive aid pursuant to the Supportive Transitional Emancipation Program (STEP) in order to be eligible for the transitional housing placement services described in the bill. This premise reflects the costs associated with providing funding for the Transitional Housing for Foster Youth Fund and the federal and county match of this funding amount. It also enables counties that have not elected to participate in the STEP to participate in the THP-Plus utilizing the new rate-setting methodology (70 percent, respectively) for the average group home rate as established by Assembly Bill (AB) 427 (Chapter 125, Statutes of 2001).

## IMPLEMENTATION DATE:

This premise will implement on January 1, 2003.

## KEY DATA/ASSUMPTIONS:

- Authorizing statute: AB 1119 (Chapter 639, Statutes of 2002).
- Costs are shared 40 percent state and 60 percent county.
- The average Group Home grant for Fiscal Year (FY) 2003-04 is $5,178.
- The THP-Plus rate is 70 percent for the Group Home average grant ($3,625).
- During FY 2003-04, it has been projected that 78 cases will be served.

## METHODOLOGY:

- The original funding amount of $10 million would have served 184 cases. The current funding amount of $1,509,000 can serve 28 cases. This new program can serve 78 cases. The new program rate of $3,625 ($5,178 x 0.70) equals the monthly rate to be paid to new participants.
- For FY 2003-04, it is projected that 78 cases will be served at the monthly rate of $3,625 per case for the year (78 x $3,625 x 12).

## FUNDING:

Funding is defined in statute at 40 percent state and 60 percent county.

## CHANGE FROM THE APPROPRIATION:

There is no change.

## REASON FOR YEAR-TO-YEAR CHANGE:

Seventy-eight cases are projected to be served in the budget year. The State General Fund reduction in the budget year reflects inclusion of this premise in the proposed FY 2003-04 State and Local Realignment.

# Transitional Housing for Foster Youth (AB 1119)

## EXPENDITURES:

(in 000's)

**ITEM 151 – CHILD WELFARE SERVICES**

| | 2002-03 | 2003-04 |
|---|---|---|
| | County Admin. | County Admin. |
| Total | $0 | $2,036 |
| Federal | 0 | 0 |
| State | 0 | 0 |
| County | 0 | 2,036 |
| Reimbursements | 0 | 0 |

**ITEM 151 – CHILD WELFARE SERVICES [1]**

| | 2002-03 | 2003-04 |
|---|---|---|
| | County Admin. | County Admin. |
| Total | $0 | $1,357 |
| Federal | 0 | 0 |
| State | 0 | 0 |
| County | 0 | 1,357 |
| Reimbursements | 0 | 0 |

**ITEM 153 – TRANSITIONAL HOUSING FOR FOSTER YOUTH**

| | 2002-03 | 2003-04 |
|---|---|---|
| | County Admin. | County Admin. |
| Total | $0 | $1,357 |
| Federal | 0 | 0 |
| State | 0 | 0 |
| County | 0 | 1,357 |
| Reimbursements | 0 | 0 |

[1] – Non-add item.

# Energy Programs

## DESCRIPTION:

This premise provides federal Low-Income Home Energy Assistance Program (LIHEAP) block grant funds to assist low-income persons in meeting the high costs of energy, using and conserving energy more efficiently, and learning about and using new sources of energy. In addition to providing financial assistance for routine home energy costs, this block grant also includes an energy crisis intervention program and a weatherization program.

This premise also includes the U. S. Department of Energy (DOE) Weatherization Assistance Program (WAP) to reduce the heating and cooling costs for low-income families by improving the energy efficiency of their homes and ensuring their health and safety. Among low-income households, the program focuses on those with elderly residents, individuals with disabilities, and families with children.

In addition, this premise provides funding for various Utility Discount Programs that utilize the low-income certification process to verify individuals' energy cost assistance qualification. The Utility Discount Programs reimburse the Department for all processing costs.

## IMPLEMENTATION DATE:

This premise will implement on July 1, 2003.

## KEY DATA/ASSUMPTIONS:

- Authorizing statute: Government Code 12085-12092; Public Law 97-35; as amended. Chapter 1436, Statutes of 1987. Chapter 7 of the Statutes of 2001, First Extraordinary Session, as amended by Chapter 111, Statutes of 2001, supplements the federal LIHEAP Program.
- Federal LIHEAP block grant and DOE funds and reimbursements from Utility Discount Programs will be used to fund this program.

## METHODOLOGY:

The estimated costs for the budget year are based on federal block grant funds matched by reimbursement funds.

## FUNDING:

The program is funded with federal funds for the LIHEAP and WAP and reimbursements for various Utility Discount Programs.

## CHANGE FROM THE APPROPRIATION:

This is a new premise.

## REASON FOR YEAR-TO-YEAR CHANGE:

This is a new program that will implement on July 1, 2003.

# Energy Programs

## EXPENDITURES:

(in 000's)

| | 2002-03 | 2003-04 |
|---|---|---|
| | County Admin. | County Admin. |
| Total | $0 | $87,446 |
| Federal | 0 | 85,332 |
| State | 0 | 0 |
| County | 0 | 0 |
| Reimbursements | 0 | 2,114 |

# Community Services

## DESCRIPTION:

This premise administers the federal Community Services Block Grant (CSBG) in California. The objective of the Community Services Program is to provide a wide range of services designed to assist low-income persons to:

- Make better use of available income;
- Obtain and maintain adequate housing and a suitable living environment;
- Remove obstacles and solve problems which block the achievement of self-sufficiency;
- Achieve greater participation in the affairs of the community;
- Provide, on an emergency basis, supplies and services, nutritious foodstuffs, and related services as may be necessary; and,
- Coordinate and establish linkages between governmental and other social services programs.

The low-income populations of all 58 counties in California are served. Limited purpose agencies also are funded from discretionary funds.

## IMPLEMENTATION DATE:

This premise will implement on July 1, 2003.

## KEY DATA/ASSUMPTIONS:

- Authorizing statute: Government Code 12085-12092; Public Law 97-35; as amended, Chapter 1436, Statutes of 1987.
- Funding is based on the federal CSBG in California.
- The low-income populations of all 58 counties in California are served.
- Limited purpose agencies also are funded from discretionary funds.

## METHODOLOGY:

For Fiscal Year 2003-04, the federal grant amount will be $57,493,000.

## FUNDING:

This premise is funded 100 percent with a federal grant award.

## CHANGE FROM THE APPROPRIATION:

This is a new premise.

# Community Services

## REASON FOR YEAR-TO-YEAR CHANGE:

This is a new premise.

## EXPENDITURES:

(in 000's)

| | 2002-03 | 2003-04 |
|---|---|---|
| | County Admin. | County Admin. |
| Total | $0 | $57,493 |
| Federal | 0 | 57,493 |
| State | 0 | 0 |
| 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 (CCC) for the purpose of assisting students who are Temporary Assistance for Needy Families (TANF) Program recipients, including those transitioning from TANF, to achieve long-term self-sufficiency through coordinated student services offered at community colleges.

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

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

Assembly Bill 739 (Chapter 106, Statutes of 2001) appropriated $65 million in State General Fund (GF) for the purpose of serving TANF Program recipients, including those transitioning from TANF. These services include work-study, other educational-related work experience, job placement services, child care services, and coordination with county welfare offices to determine eligibility and availability of services. Current TANF recipients may utilize these services until their educational objectives are met, but for no longer than two years. Based on these expenditure requirements, these funds would meet the federal requirements for counting toward the TANF MOE.

## IMPLEMENTATION DATE:
This premise implemented on July 1, 1997.

## KEY DATA/ASSUMPTIONS:
- Authorizing statute: 45 Code of Federal Regulations sections 263.2 and 263.4.
- The CCC estimates expenditures of $35 million in Fiscal Year (FY) 2001-02. It is assumed the eligible MOE expenditures will be $35 million in FY 2002-03 and $35 million for FY 2003-04.
- These funds are required to be expended for educational-related services for CalWORKs Program-eligible recipients only.

## METHODOLOGY:
For FYs 2002-03 and 2003-04, the estimate reflects the anticipated MOE-eligible expenditures.

# Other Departments' TANF MOE Eligible Expenditures
## Community Colleges – Expansion of Services to TANF Eligibles

## FUNDING:

This program is funded with 100 percent GF.

## CHANGE FROM THE APPROPRIATION:

There is no change.

## REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

## EXPENDITURES:

(in 000's)

| | 2002-03 | 2003-04 |
|---|---|---|
| | Grant | Grant |
| Total | $35,000 | $35,000 |
| Federal | 0 | 0 |
| State | 35,000 | 35,000 |
| 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 California Department of Health Services (DHS) for the Male Involvement Program and the Partnership for Responsible Parenting.

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

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

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:

- Authorizing statute: 45 Code of Federal Regulations section 260.20.
- Based on reported MOE expenditures for FY 2001-02, it is assumed the eligible MOE expenditures will be $775,000 in FY 2002-03. There will be no expenditures in FY 2003-04 due to the elimination of the program.
- 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.

# Other Departments' TANF MOE Eligible Expenditures DHS – Teenage Pregnancy Prevention Program

## METHODOLOGY:

For FY 2002-03, the estimate reflects the anticipated MOE-eligible expenditures.

## FUNDING:

This program is funded with 100 percent State General Fund.

## CHANGE FROM THE APPROPRIATION:

There is no change.

## REASON FOR YEAR-TO-YEAR CHANGE:

This program will be eliminated in the budget year.

## EXPENDITURES:

(in 000's)

| | 2002-03 | 2003-04 |
|---|---|---|
| | Grant | Grant |
| Total | $775 | $0 |
| Federal | 0 | 0 |
| State | 775 | 0 |
| 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 Families (TANF) Program.

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

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

Before the implementation of federal welfare reform, California received federal funding for child care through Title IV-A of the Social Security Act and the Child Care and Development Block Grant (CCDBG). Title IV-A funds were used to provide child care for families on welfare, those transitioning off welfare, and those at risk of going on welfare. CCDBG funds were used to provide child care for the working poor. As a part of federal welfare reform under P.L. 104-193, these two federal child care funding streams were merged into the new CCDBG. In order for states to receive this portion of the CCDBG, they are required to spend a level of funding equal to their FFY 1994 nonfederal share of child care expenditures under the old Title IV-A Program ($85.6 million in California). Federal regulations will allow state expenditures for child care to satisfy both the CCDBG MOE and TANF Program MOE, provided that these expenditures meet the MOE requirements for both grants. In addition, if a state has additional child care expenditures, i.e., expenditures that have not been used toward meeting the CCDBG MOE requirement or to receive federal matching funds, these expenditures may count toward the state's TANF MOE, provided that these expenditures for families meet the state's definition for TANF eligibility. All other TANF MOE requirements and limitations, as set forth in proposed federal regulations, must also be met.

## IMPLEMENTATION DATE:

This premise implemented on July 1, 1997.

# Other Departments' TANF MOE Eligible Expenditures CDE Child Care Programs

## KEY DATA/ASSUMPTIONS:

- Authorizing statute: 45 Code of Federal Regulations sections 263.2 and 263.3.
- Based on estimated expenditures for CalWORKs participants in CDE programs, it is assumed the eligible MOE expenditures will be $315 million in Fiscal Years (Fys) 2002-03 and 2003-04.
- Federal regulations allow state expenditures for child care to satisfy both the CCDBG MOE and the TANF MOE, provided that these expenditures meet the MOE requirements for both grants.
- All TANF-eligible families meet CCBDG eligibility requirements and would, therefore, meet both the CCDBG and TANF MOE expenditure requirements.
- The total "double-countable" expenditures cannot exceed the MOE level for the CCDBG ($85.6 million).

## METHODOLOGY:

For FYs 2002-03 and 2003-04, the estimate reflects the anticipated MOE-eligible expenditures.

## FUNDING:

This CY program is funded with 100 percent State General Fund. The BY year is funded with 100 percent County funds.

## CHANGE FROM THE APPROPRIATION:

There is no change.

## REASON FOR YEAR-TO-YEAR CHANGE:

The SGF/MOE reduction in the BY reflects inclusion of this premise in the proposed FY 2003-04 State and Local Realignment.

## EXPENDITURES:

(in 000's)

| | 2002-03 | 2003-04 |
|---|---|---|
| | Grant | Grant |
| Total | $314,601 | $314,601 |
| Federal | 0 | 0 |
| State | 314,601 | 0 |
| County | 0 | 314,601 |
| Reimbursements | 0 | 0 |

# Other Departments' TANF MOE Eligible Expenditures $50 State Disregard Payment to Families

## DESCRIPTION:

This premise reflects the State maintenance of effort (MOE) expenditures made by the Department of Child Support Services (DCSS) for the $50 State Disregard Payment to Families for current recipients of benefits under the California Work Opportunity and Responsibility to Kids (CalWORKs) Program.

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

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

In addition to the regular aid grant, custodial parents also receive the first $50 of the current month's child support payment collected from the absent parent. Forwarding the disregard portion of the collection to the family instead of retaining it to abate government's cost of the aid grant results in cost increases (lost collection revenues).

Under the provisions of P.L. 104-193, the federal government discontinued federal financial participation in the disregard payment to the family as of October 1, 1996. Therefore, this premise reflects the cost for the State to fund the entire $50 disregard payment to the custodial parent.

## IMPLEMENTATION DATE:

This program was originally implemented in Fiscal Year (FY) 1984-85.

## KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 11475.3 and Family Code section 17504.
- It is assumed the eligible MOE expenditures claimed by DCSS will be $27.6 million in FYs 2002-03 and 2003-04.
- The child support payment data are based on the counties' monthly CS 800 Reports, Summary Reports of Child and Spousal Support Payments, beginning with FY 1989-90 through August 2002.

# Other Departments' TANF MOE Eligible Expenditures $50 State Disregard Payment to Families

## METHODOLOGY:

- The cost of the current $50 disregard is reported monthly on the CS 800, Summary Report of Child and Spousal Support Payments. The disregard is paid when the child support collection is distributed.
- The estimate reflects the anticipated MOE-eligible expenditures based on a projection provided by the DCSS.

## FUNDING:

This program is funded with 100 percent State General Fund.

## CHANGE FROM THE APPROPRIATION:

The estimates for the current year were updated based on information submitted by DCSS.

## REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

## EXPENDITURES:

(in 000's)

| | 2002-03 | 2003-04 |
|---|---|---|
| | Grant | Grant |
| Total | $27,569 | $27,569 |
| Federal | 0 | 0 |
| State | 27,569 | 27,569 |
| County | 0 | 0 |
| Reimbursements | 0 | 0 |

# Other Departments' TANF MOE Eligible Expenditures EDD – Employment Training Fund Program

## DESCRIPTION:

This premise reflects the State maintenance of effort (MOE) expenditures made by the California Employment Development Department (EDD) for the Employment Training Fund Program.

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

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

Based on the Code 45 of Federal Regulations section 263.2, Pro Rata charges are considered administrative costs for TANF MOE purposes. Pro Rata is the apportionment of central service agency costs (e.g., Finance, Controller, Personnel Board, Legislature) incurred by the General Fund and billed to other funds.

## IMPLEMENTATION DATE:

This premise implements July 1, 2003.

## KEY DATA/ASSUMPTIONS:

- Authorizing statute: 45 Code of Federal Regulations section 263.0 and section 263.2.
- The pro-rata assessment to the Employment Training Fund is $156,000 for FY 2003-04.

## METHODOLOGY:

For FY 2003-04, the estimate reflects the anticipated MOE-eligible expenditures.

## FUNDING:

This program is funded with 100 percent Employment Training Fund.

## CHANGE FROM THE APPROPRIATION:

This is a new premise.

# Other Departments' TANF MOE Eligible Expenditures
# EDD – Employment Training Fund Program

## REASON FOR YEAR-TO-YEAR CHANGE:

The countable MOE expenditures begin in FY 2003-04.

## EXPENDITURES:

(in 000's)

| | 2002-03 Grant | 2003-04 Grant |
|---|---|---|
| Total | $0 | $155 |
| Federal | 0 | 0 |
| State | 0 | 155 |
| County | 0 | 0 |
| Reimbursements | 0 | 0 |

# General Fund Maintenance of Effort Work Participation Rate Reductions

## DESCRIPTION:

This premise reflects adjustments made on the Department's federal reports for prior federal fiscal years (FFYs) that reduce the State's maintenance of effort (MOE) requirement from 80 percent of the base year expenditures to 75 percent. These adjustments are the result of meeting the federal work participation rates for the California Work Opportunity and Responsibility to Kids (CalWORKs) Program for FFYs 2000 and 2001.

The Department assumes an 80 percent MOE requirement until notified by the federal government that the State has met the federal work participation rates. This typically occurs after the end of the FFY. After notification by the federal government, the Department files an amended federal report for that past FFY to reflect the lower MOE expenditure level of 75 percent. Therefore, State Fiscal Year (SFY) 2002-03 reflects the adjustment for FFY 2000. SFY 2003-04 reflects the adjustment for FFY 2001.

## IMPLEMENTATION DATE:

The Work Participation Rate adjustments are not made until after the federal government has notified the State that it has met the rate for the FFY. This does not occur until after the end of the FFY for which the adjustment is being made.

## METHODOLOGY:

The FFYs 2000 and 2001 adjustments were determined by adjusting the MOE levels for those years to 75 percent. This results in reductions of $181.7 million for both FFYs, which are displayed in SFYs 2002-03 and 2003-04.

Because of the overlapping quarter between the FFY and the SFY, the Department is able to reflect the impact of the MOE reduction in a later SFY. Accordingly, the State General Fund (GF) expenditure reductions are not reflected in the State Budget until SFY 2002-03 and SFY 2003-04. These adjustments do not, however, bring the MOE expenditure level below the federal requirement for any FFY.

## FUNDING:

The funding is a reduction in GF expenditures with an increase in federal TANF expenditures.

## CHANGE FROM THE APPROPRIATION:

There is no change.

# General Fund Maintenance of Effort Work Participation Rate Reductions

## REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

## EXPENDITURES:

(in 000's)

| | 2002-03 Grant | 2003-04 Grant |
|---|---|---|
| Total | -$181,663 | -$181,663 |
| Federal | 0 | 0 |
| State | -181,663 | -181,663 |
| County | 0 | 0 |
| Reimbursements | 0 | 0 |

# High Performance Bonus Award

## DESCRIPTION:

This premise reflects the Temporary Assistance for Needy Family (TANF) funds awarded to the State of California by the federal government for moving welfare recipients to work and sustaining their success in the workforce. The High Performance Bonus is part of the TANF Program and authorized under Section 403(a)(4) of the Personal Responsibility and Work Opportunity Reconciliation Act. The bonus is based upon the State's success during Federal Fiscal Year 2001.

This funding will be available to meet program needs as determined by the Department and approved by the Department of Finance and the California Health and Human Services Agency. Funding will be used to support the overall goals of the California Work Opportunity and Responsibility to Kids and TANF programs.

## IMPLEMENTATION DATE:

This premise implemented on January 1, 2000.

## KEY DATA/ASSUMPTIONS:

It is assumed that the federal government will not award the State a bonus Fiscal Years 2002-03 and 2003-04.

## FUNDING:

The funding is 100 percent TANF.

## CHANGE FROM THE APPROPRIATION:

There is no change.

## REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

## AWARD AMOUNT:

(in 000's)

| | 2002-03 | 2003-04 |
|---|---|---|
| Total | $0 | $0 |
| Federal | 0 | 0 |
| State | 0 | 0 |
| County | 0 | 0 |
| Reimbursements | 0 | 0 |

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# Total TANF Reserve

## DESCRIPTION:

This premise reflects the Temporary Assistance for Needy Families (TANF) funds that are held in reserve to cover any unanticipated pressures in the California Work Opportunity and Responsibility to Kids (CalWORKs) Program. This funding is available to meet unforeseen program needs as determined by the Department and approved by the Department of Finance and the California Health and Human Services Agency. Funding is used to support the overall goals of the CalWORKs and TANF programs.

## IMPLEMENTATION DATE:

This premise implemented on July 1, 2000.

## KEY DATA/ASSUMPTIONS:

- The Total TANF Reserve funds are used to meet unanticipated pressures in the CalWORKs Program including child care.
- The reserve was originally established by the Budget Act of 2000.

## METHODOLOGY:

There is no reserve funding for Fiscal Year (FY) 2002-03. For FY 2003-04, $200 million has been placed in the reserve for unforeseen expenses.

## FUNDING:

This premise is funded with 100 percent federal TANF funds.

## CHANGE FROM THE APPROPRIATION:

There is no reserve for the current year.

## REASON FOR YEAR-TO-YEAR CHANGE:

The increase in the budget year is necessary to ensure that funding is available for unforeseen expenses.

## RESERVE:

(in 000's)

| | 2002-03 | 2003-04 |
|---|---|---|
| Total | 0 | $200,000 |
| Federal | 0 | 200,000 |
| State | 0 | 0 |
| County | 0 | 0 |
| Reimbursements | 0 | 0 |

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